Monthly Market Review

Multi-Asset Class | November 2026

U.S. Equity

- U.S. equities declined modestly in October, with the S&P 500 Index returning -0.9%, while the broader Russell 3000 Index fell 0.6%.[1] This modest movement overall masks significant movement underneath, as a pullback in major AI names drove a market rotation.
- Communication Services was the weakest sector in October, declining 15.1%. Information Technology followed at -6.8%, a reversal for the two sectors that led in September. All of the other nine sectors posted positive returns in October. Performance was led by Energy with a return of 14.0%, followed by strong returns in defensive sectors with Consumer Staples, Utilities, and Healthcare returning 11.6%, 10.2%, and 9.9% respectively.
- Against this backdrop, value stocks outperformed growth stocks across all capitalizations, with greater outperformance in larger capitalizations. Among large-cap stocks, value stocks outperformed by 10.5%. Overall large-caps (Russell 1000) returned -0.7%, lagging mid-caps (Russell Midcap) and small-caps (Russell 2000), which gained 3.2% and 0.6%, respectively.
- According to FactSet Earnings Insight, the blended S&P 500 earnings growth reached 30.2%, with 82% of reporting companies beating EPS estimates as of October 30, 2026. The high bar for earnings drove several negative reactions within technology sector. For Q4 2026, analysts are projecting earnings growth of 28.4%.

Non-U.S. Equity

- Non-U.S. equities declined in October, lagging U.S. equities. The MSCI ACWI ex-U.S. Index returned -2.8% for the month. Within the index, five of the 11 sectors posted gains, led by Healthcare at 9.0% and, Energy at 8.5%. Information Technology was the weakest sector, declining 10.9%.
- Developed markets declined modestly, with the MSCI EAFE Index returning -0.7%. European equities were modestly positive, with the MSCI Europe Index gaining 0.4%, buoyed by defensive sectors while Japan was a notable detractor declining 4.2%.
- Emerging markets experienced a sharp sell-off, with the MSCI Emerging Markets Index declining 8.0%. Losses were led by technology-heavy Asian markets as sentiment towards AI soured with Korea and Taiwan declining 15.6% and 8.4%, respectively. China also struggled, returning -7.0% in October and leaving the MSCI China Index down 18.0% year-to-date. In response, Chinese policymakers introduced measures to support equities, including bank swap operations and lower financing costs for share buybacks.

Fixed Income

- Fixed income posted positive returns in October as yields moved lower across the curve at month end. The Bloomberg U.S. Aggregate Index gained 2.4%. Investment-grade (IG) credit rose 2.1%, even as IG spreads widened 10 basis points (bps) to 90 bps. High-yield credit (ICE BofA US HY) returned 0.3% with spreads widening 29 bps to 340 bps.
- Long-end Treasury yields began the month at multi-year highs on inflation and fiscal concerns, and fell later in the month as the AI-related sell-off in equities drove a rally. The 2-year yield decreased 30 bps to 4.6%, the 5-year yield fell 37 bps to 4.7%, the 10-year yield declined 36 bps to 4.9%, and the 30-year yield fell 32 bps to 5.3%. The U.S. Treasury Master Index returned 2.4% for the month.

Listed Real Assets

- Lower rates were supported by listed real estate investment trusts (REITs), with the FTSE NAREIT All Equity REITs Index returning 4.7%. Self-storage and lodging and resorts were the strongest segments, gaining 14.9% and 12.8%, respectively. Diversified and industrial were the only negative segments, declining 2.4% and 0.8%, respectively.
- Listed infrastructure also advanced in October, outperforming broader global equities. The FTSE Global Core Infrastructure 50/50 Index returned 7.7% for the month, supported by strong returns in U.S. utilities.

Items to Watch

- The Federal Reserve (Fed) held rates steady in October. The Fed Chair Kevin Warsh acknowledged some tightening in financial conditions but stopped short of providing any guidance. September inflation figures accelerated with headline CPI at 3.7% YoY and core inflation at 2.6%. This combined with strong initial Q3 GDP reading reinforces the argument that the Fed may hike rates by 25 bps in December, with markets pricing in an 84% probability of a hike.
- Real GDP grew 3.4% YoY in Q3, up from 2.2%. Consumer spending remained the primary driver, rising 3.8%. Business investment provided additional support with nonresidential fixed investment surging 12.7%, supported by technology and AI-related spending. On the flip side of the AI-related spending equation, strong import growth, including increased semiconductor purchases, partially offset these gains, with net imports subtracting 3.3% from overall growth. Overall, the data points to continued economic resilience despite elevated borrowing costs and other headwinds.
- Looking ahead, consumer spending growth is more uncertain. Slower average hourly earnings growth of 3.0% YoY in September failed to keep up with inflation, while the personal saving rate dropped to 3.8%, its lowest level in nearly four years. The combination suggests that households have less financial flexibility to maintain spending if prices continue rising or income growth weakens further.
- While Strait of Hormuz oil flows and Gulf oil exports have recovered to near pre-war levels, crude oil prices rose from $90.84 to $104.12 per barrel over the month as escalation risk returned. Middle East tensions intensified during the month with attacks on shipping in Hormuz increasing and the U.S. military preparing options for renewed strikes on Iran. Though diplomatic efforts continue, the geopolitical outlook remains highly uncertain.

Sources: Bloomberg, FactSet, Associated Press.

1 - All returns are expressed as total returns (price returns net of dividends).

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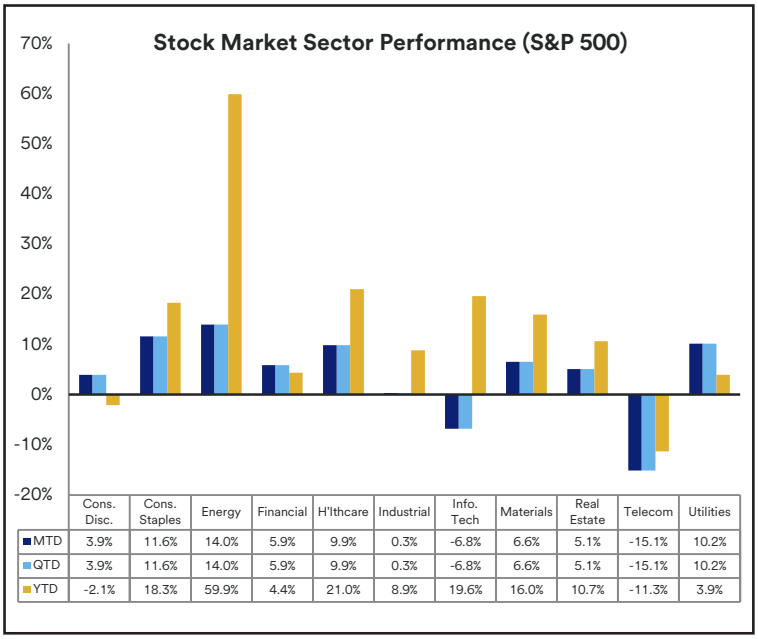
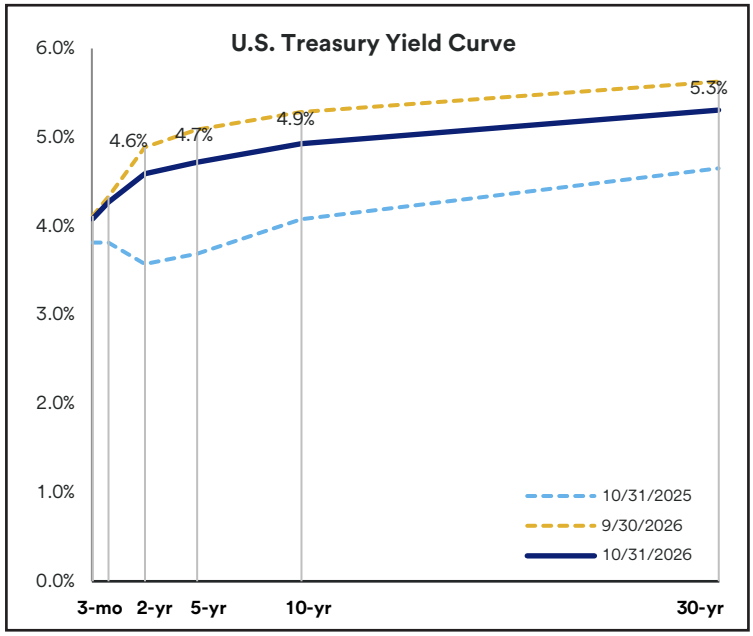
Total Return of Major Indices

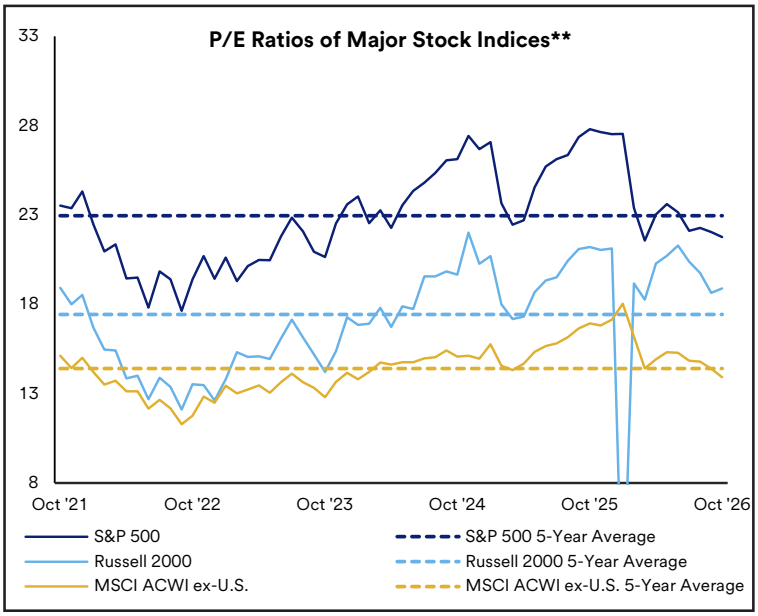
Domestic Equity	MTD	QTD	YTD	1 YR
S&P 500	-0.9%	-0.9%	11.7%	12.1%
Russell 3000	-0.6%	-0.6%	11.7%	12.0%
Russell 2000	0.6%	0.6%	14.5%	15.0%
Russell 1000	-0.7%	-0.7%	11.5%	11.8%
International Equity	**MTD**	**QTD**	**YTD**	**1 YR**
MSCI ACWI ex-U.S.	-2.8%	-2.8%	11.0%	14.3%
MSCI EAFE	-0.7%	-0.7%	9.5%	13.5%
MSCI Emerging Markets	-8.0%	-8.0%	13.5%	14.1%
Fixed Income	**MTD**	**QTD**	**YTD**	**1 YR**
Bloomberg U.S. Agg	2.4%	2.4%	-0.5%	-0.1%
Bloomberg Global Agg	1.4%	1.4%	-1.3%	-0.8%
ICE BofA U.S. HY	0.3%	0.3%	0.3%	1.5%
Listed Real Assets	**MTD**	**QTD**	**YTD**	**1 YR**
MSCI U.S. REIT	3.2%	3.2%	13.0%	12.6%
FTSE NAREIT All Equity REITs	4.7%	4.7%	13.0%	13.1%
MSCI World Core Infrastructure	10.1%	10.1%	13.3%	15.5%
FTSE Global Core Infrastructure 50/50	7.7%	7.7%	11.3%	13.0%

Economic Indicators

Domestic	Current	Previous
Unemployment Rate (%)	4.2%	4.1%
Initial Jobless Claims (four week average)	196.8 K	198 K
CB Leading Economic Indicators	0.0	-0.1
Capacity Utilization	76.9%	76.4%
GDP (annualized growth rate)	3.4%	2.2%
University of Michigan Consumer Confidence	48.0	48.1
New Home Starts	676 K	680 K
Existing Home Sales	4 MM	3.9 MM
Retail Sales (YoY)	6.3%	5.6%
U.S. Durable Goods (MoM)	1.8%	0.1%
Consumer Price Index (YoY)	3.7%	3.4%
Producer Price Index (MoM)	2.7%	0.8%
Developed International*	**Current**	**Previous**
EAFE GDP (annualized growth rate)	2.5%	0.8%
EAFE Unemployment	4.8%	4.7%
EAFE Inflation	3.3%	2.9%







Source: Bloomberg, FactSet. Data as of October 31, 2026, unless otherwise noted.

**Developed market data excluding the U.S. and Canada. Aggregate figure calculated by FactSet Economics.*

***P/E ratios are calculated based on one-year-forward estimates and adjusted to include only positive earning results for consistency.*

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