SEG RESEARCH

SEG Macro Compass

Quarterly macro and markets review

Q3 2026

Data as of September 30, 2026 | Published October 2026

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The Quarter at a Glance

REAL GDP GROWTH, Q3

3.4%

annualized; 2.2% in Q2

UNEMPLOYMENT RATE

4.2%

September; unchanged from June

CORE PCE INFLATION

3.1%

year over year; headline 3.6%

FED FUNDS TARGET

3.75–4.00%

+25 bp hike in September

10-YEAR TREASURY

5.29%

+85 bp in Q3

S&P 500, Q3

+2.0%

price; 1.9% below record high

COMMODITIES, Q3

+21.2%

best asset class (DBC total return)

HIGH-YIELD SPREAD

3.12%

+37 bp in Q3

KEY THEMES

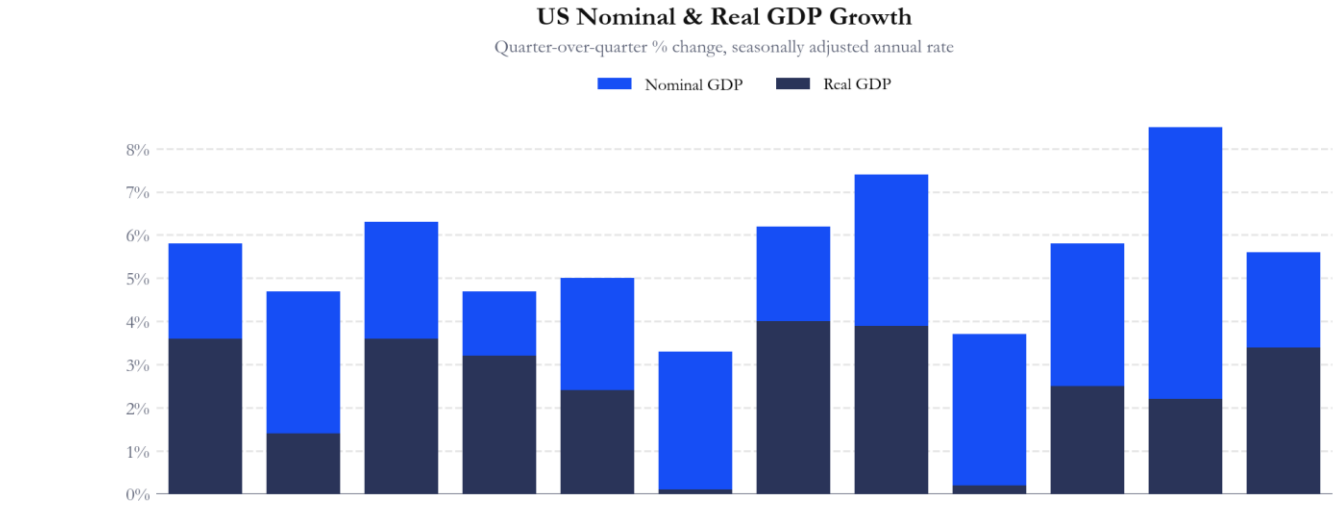
- Growth reaccelerated: real GDP rose 3.4% annualized in Q3, led by AI-driven investment.
- The labor market is cooling but intact: unemployment is 4.2%, payrolls are growing 51,000 a month and the Sahm rule shows no signal.
- Inflation is re-accelerating: headline CPI is 3.7% and final demand PPI 6.3%; core PCE is 3.1%.
- The Fed resumed hiking to 3.75–4.00%, and Treasury yields rose 75–90 bp, lifting the 10-year to 5.29%.
- Commodities led markets (+21%) and the S&P 500 rose 2.0%, while bonds fell.

Sources: BEA, BLS, Federal Reserve, ICE Data Indices via FRED; Yahoo Finance. Market data as of September 30, 2026.

01 Economic Growth

EXHIBIT 1

Real GDP growth accelerated to 3.4% in Q3 while nominal growth cooled to 5.6%.



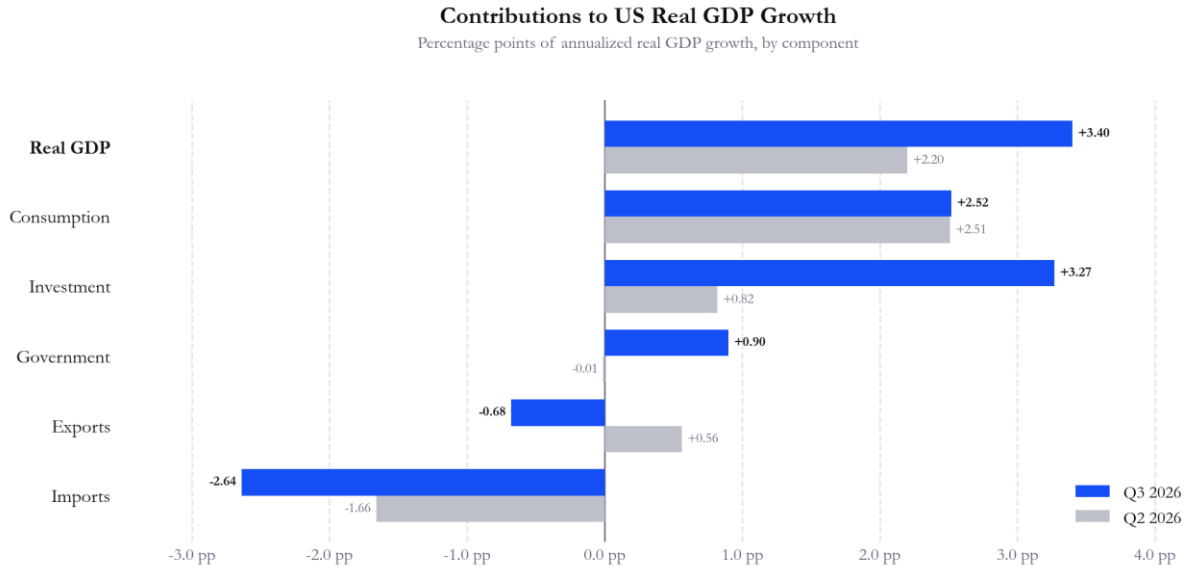
	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026	Q3 2026
Nominal GDP	5.8%	4.7%	6.3%	4.7%	5.0%	3.3%	6.2%	7.4%	3.7%	5.8%	8.5%	5.6%
Real GDP	3.6%	1.4%	3.6%	3.2%	2.4%	0.1%	4.0%	3.9%	0.2%	2.5%	2.2%	3.4%

SEG Research | Data: U.S. Bureau of Economic Analysis via FRED® | Latest: Q3 2026

U.S. Bureau of Economic Analysis, Gross Domestic Product [GDP], Real Gross Domestic Product [GDPC1]
*Gross domestic product (GDP), the featured measure of U.S. output, is the market value of the goods and services produced by labor and property located in the United States
**Real gross domestic product is the inflation adjusted value of the goods and services produced by labor and property located in the United States.

EXHIBIT 2

Investment led third-quarter growth alongside steady consumption, while imports subtracted 2.6 pp.

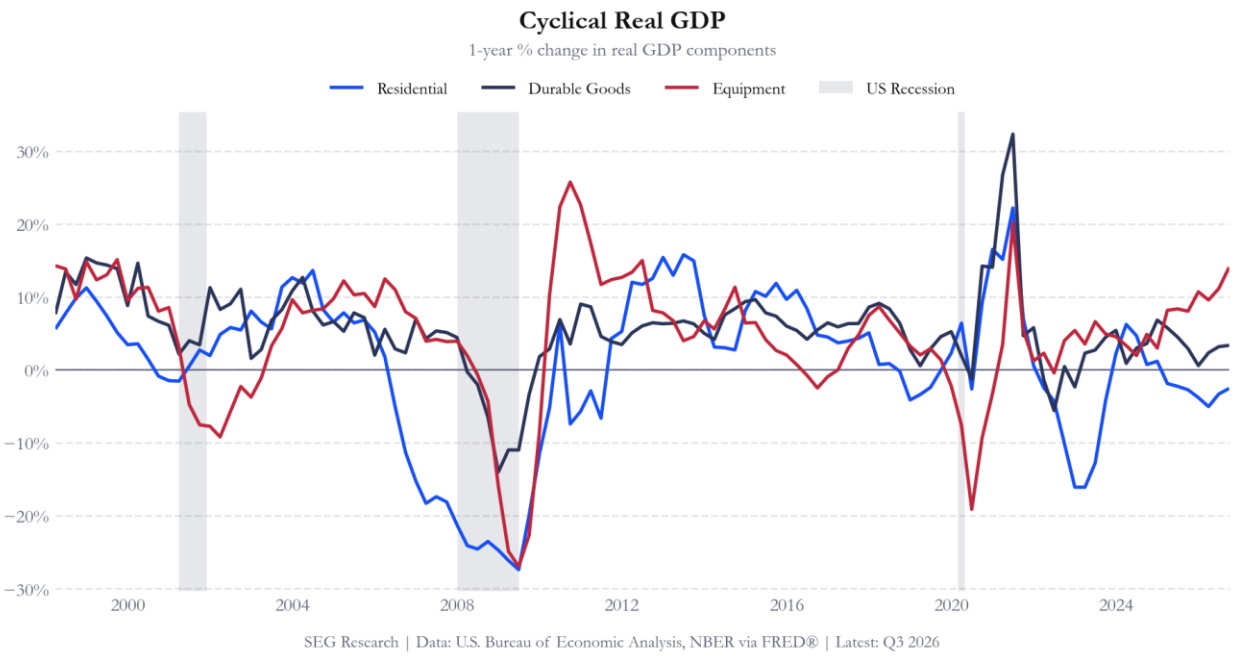


SEG Research | Data: U.S. Bureau of Economic Analysis via FRED® | Latest: Q3 2026

U.S. Bureau of Economic Analysis, Gross Domestic Product [GDP], Real Gross Domestic Product [GDPC1]
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EXHIBIT 3

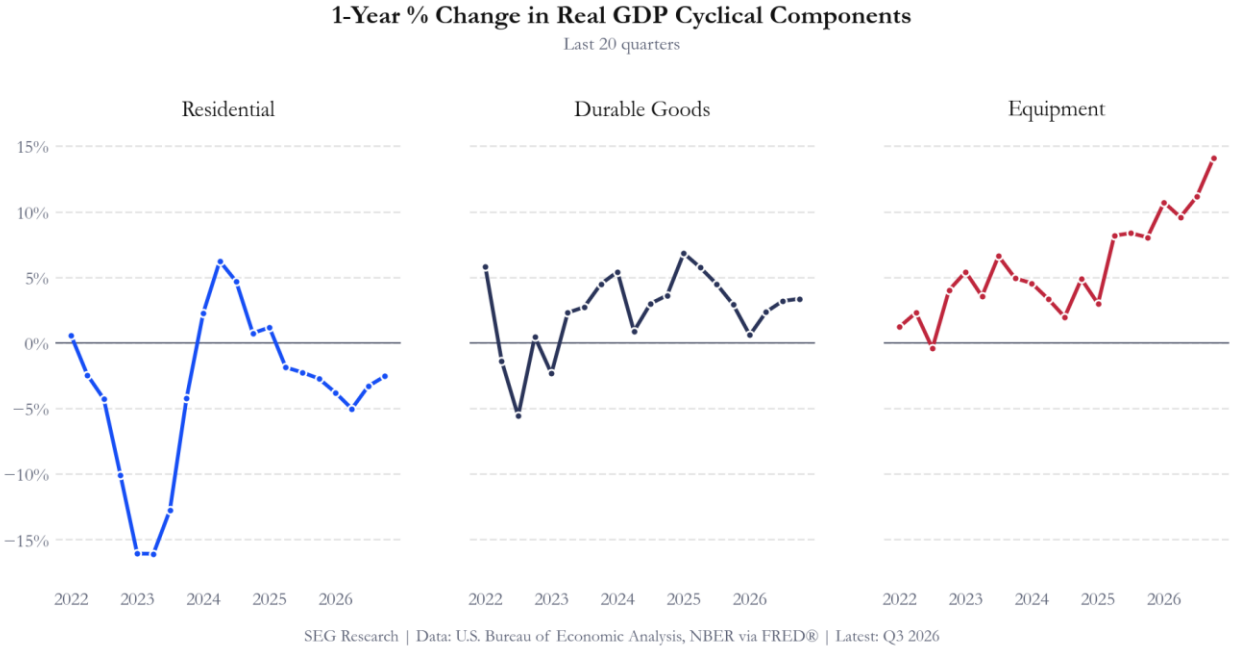
Real GDP cyclical sectors remain divided: equipment is booming while housing contracts.



U.S. Bureau of Economic Analysis, Gross Domestic Product [GDP], Real Gross Domestic Product [GDPC1]
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EXHIBIT 4

AI-driven equipment investment is up 14% over the year, while residential investment is still declining.



U.S. Bureau of Economic Analysis, Gross Domestic Product [GDP], Real Gross Domestic Product [GDPC1]
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EXHIBIT 5

The Atlanta Fed's GDPNow points to 3.2% growth in Q4 after a 3.4% third quarter.

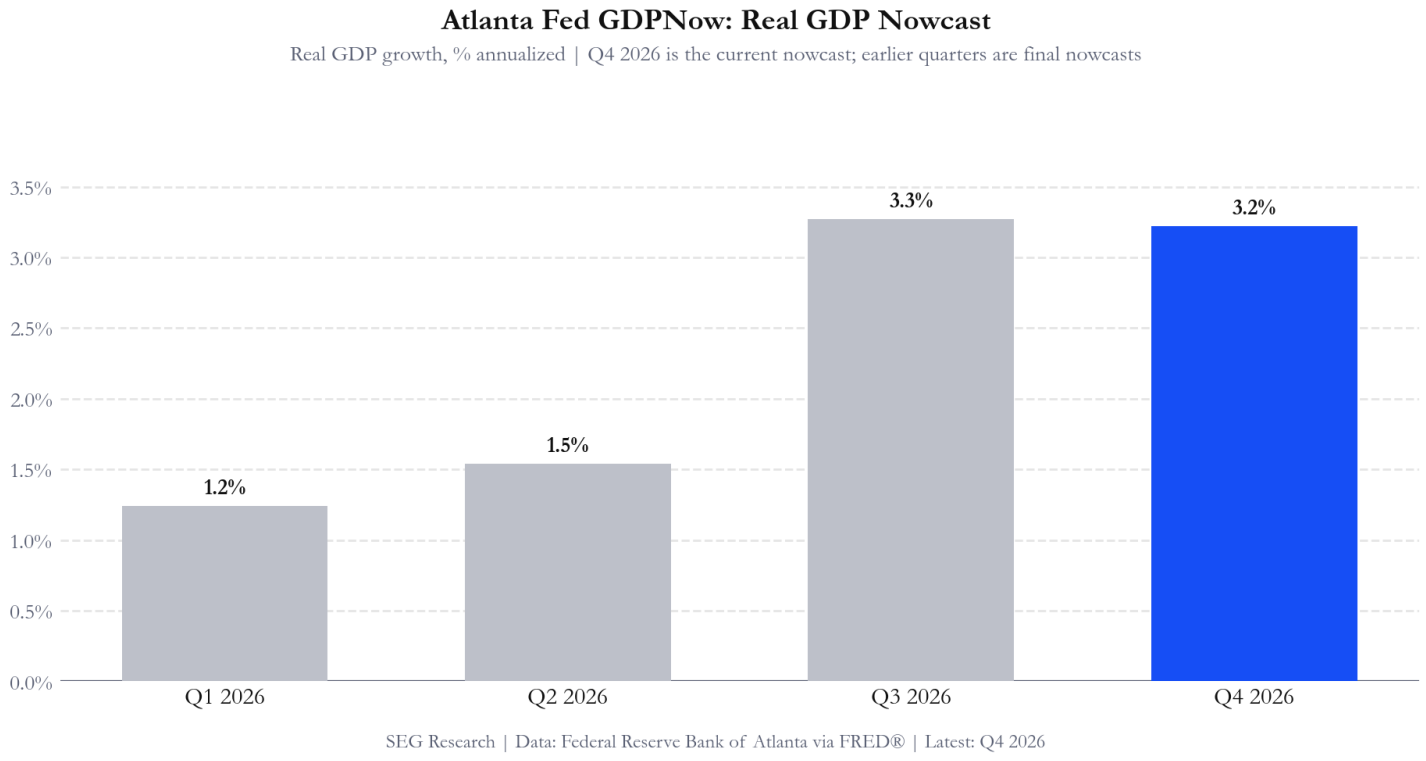
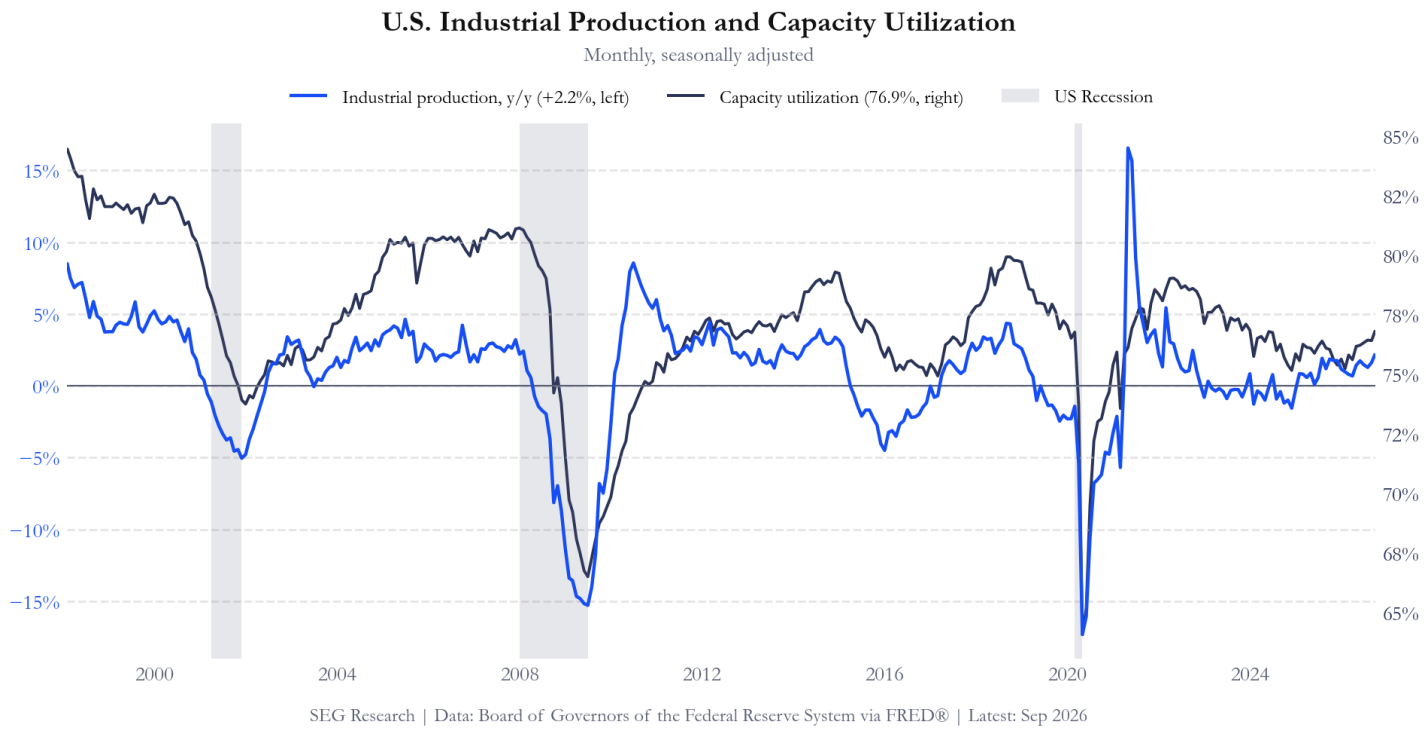


EXHIBIT 6

Industrial production is up 2.2% over the year, with capacity utilization at 76.9%.



02 AI & Technology Investment

EXHIBIT 7

Technology investment accounted for about half of real GDP growth over the past year.

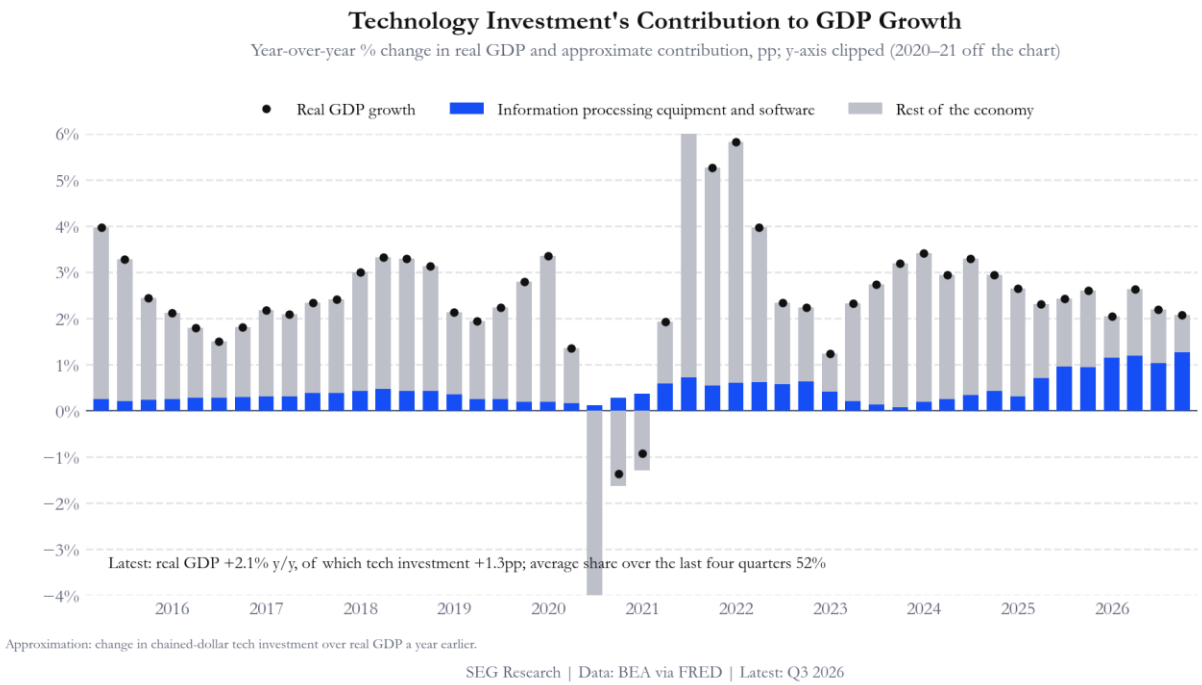


EXHIBIT 8

Data center construction is now half the size of factory construction, which is down 37% from its 2024 peak.

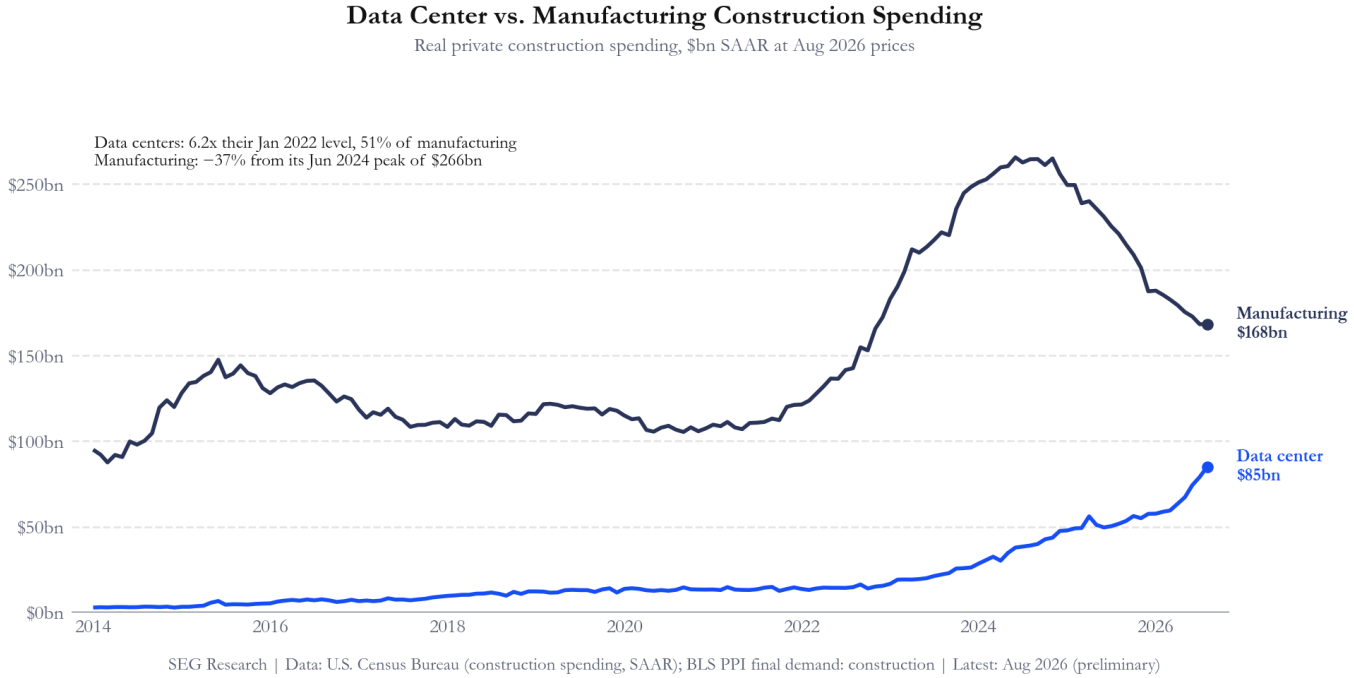
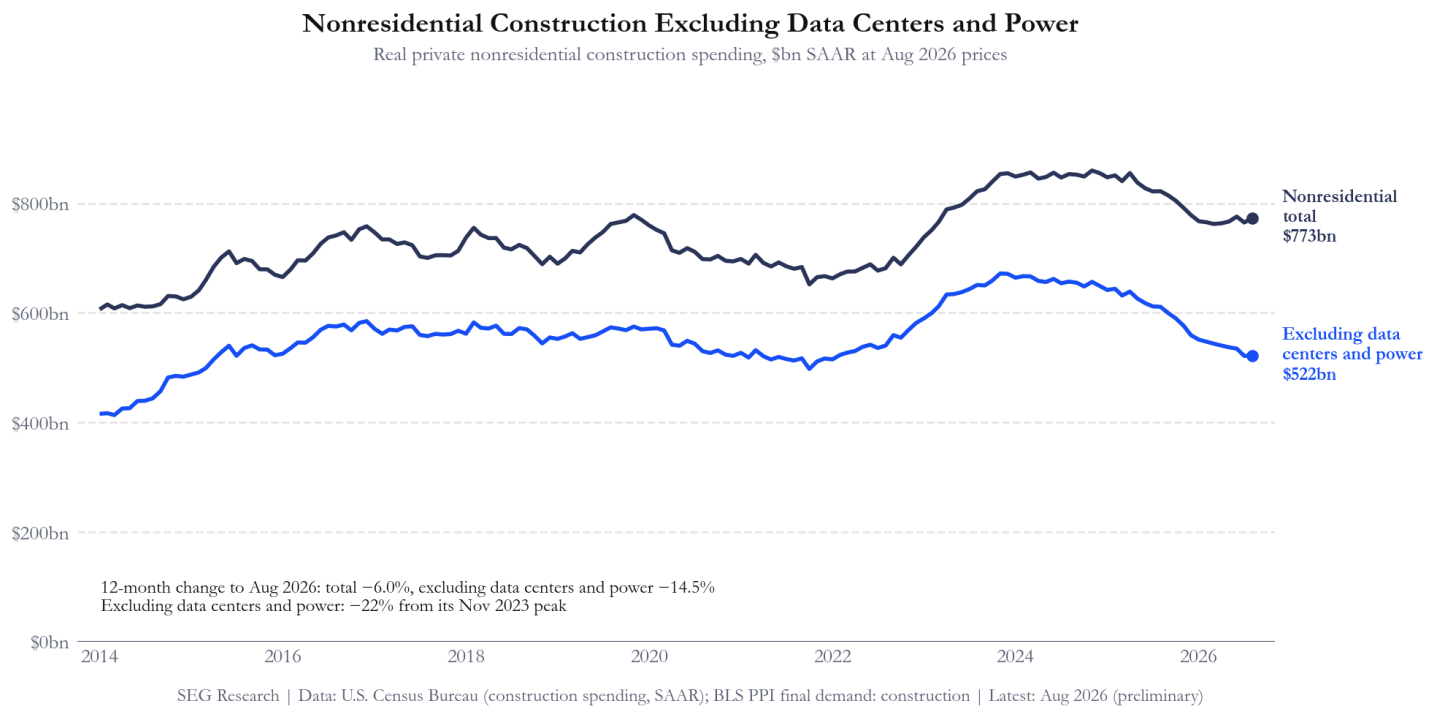


EXHIBIT 9

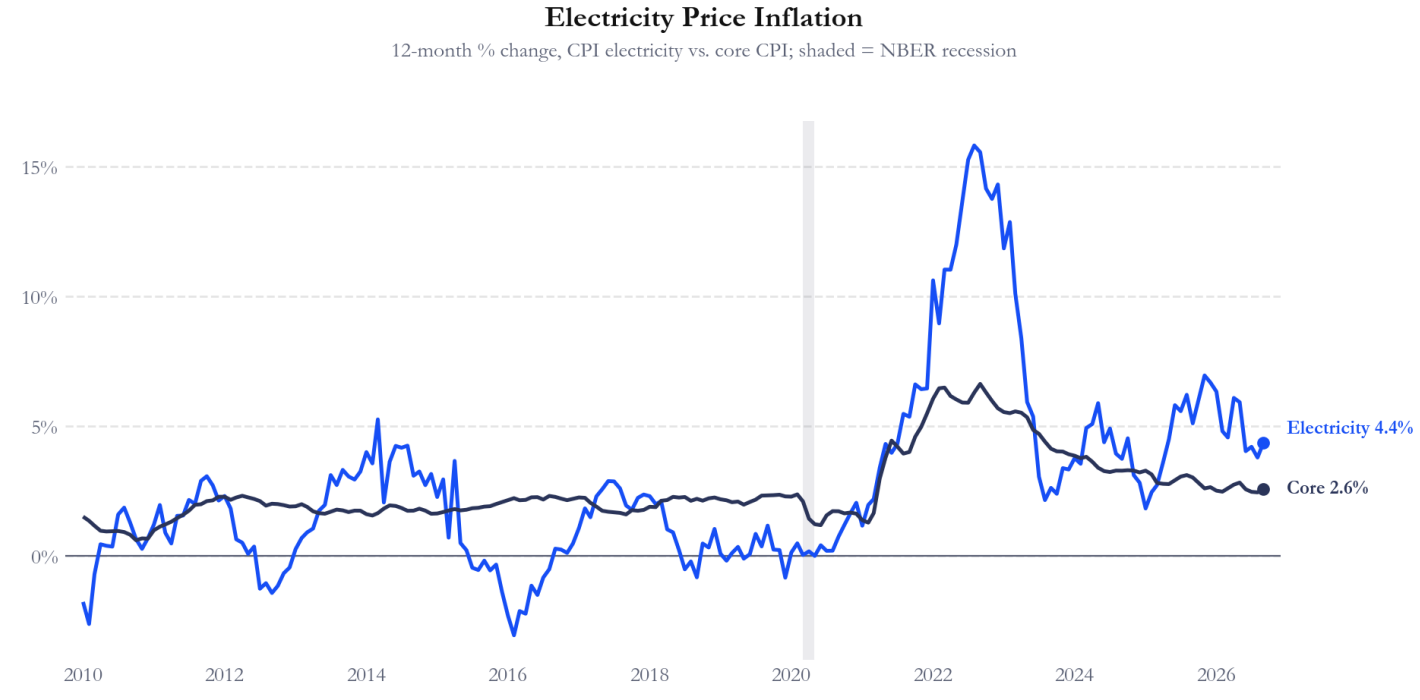
Excluding data centers and power, nonresidential construction is down 14.5% over the year.



SEG Research | Data: U.S. Census Bureau (construction spending, SAAR); BLS PPI final demand: construction | Latest: Aug 2026 (preliminary)

EXHIBIT 10

Electricity prices are rising 4.4% a year, outpacing core inflation as data center demand grows.



SEG Research | Data: U.S. Bureau of Labor Statistics via FRED | Latest: Sep 2026

03 Financial Conditions

EXHIBIT 11

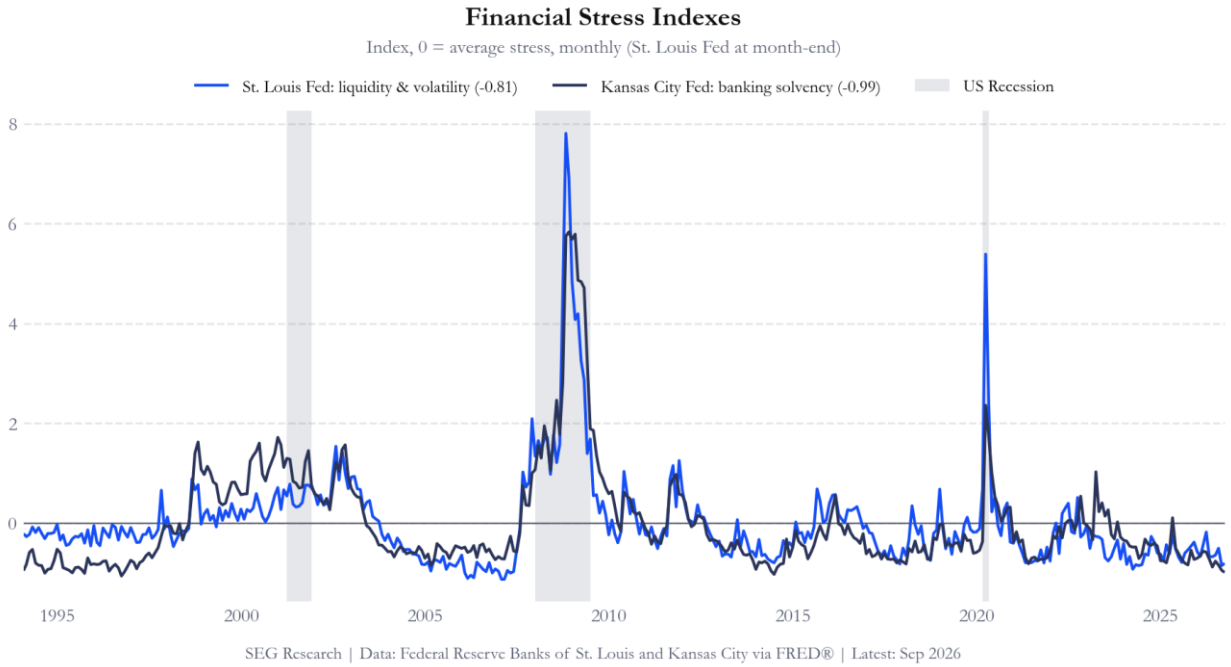
The NFCI shows financial conditions remain looser than average.



**The Chicago Fed's National Financial Conditions Index (NFCI) provides a comprehensive weekly update on U.S. financial conditions in money markets, debt and equity markets and the traditional and "shadow" banking systems. Positive values of the NFCI indicate financial conditions that are tighter than average, while negative values indicate financial conditions that are looser than average.

EXHIBIT 12

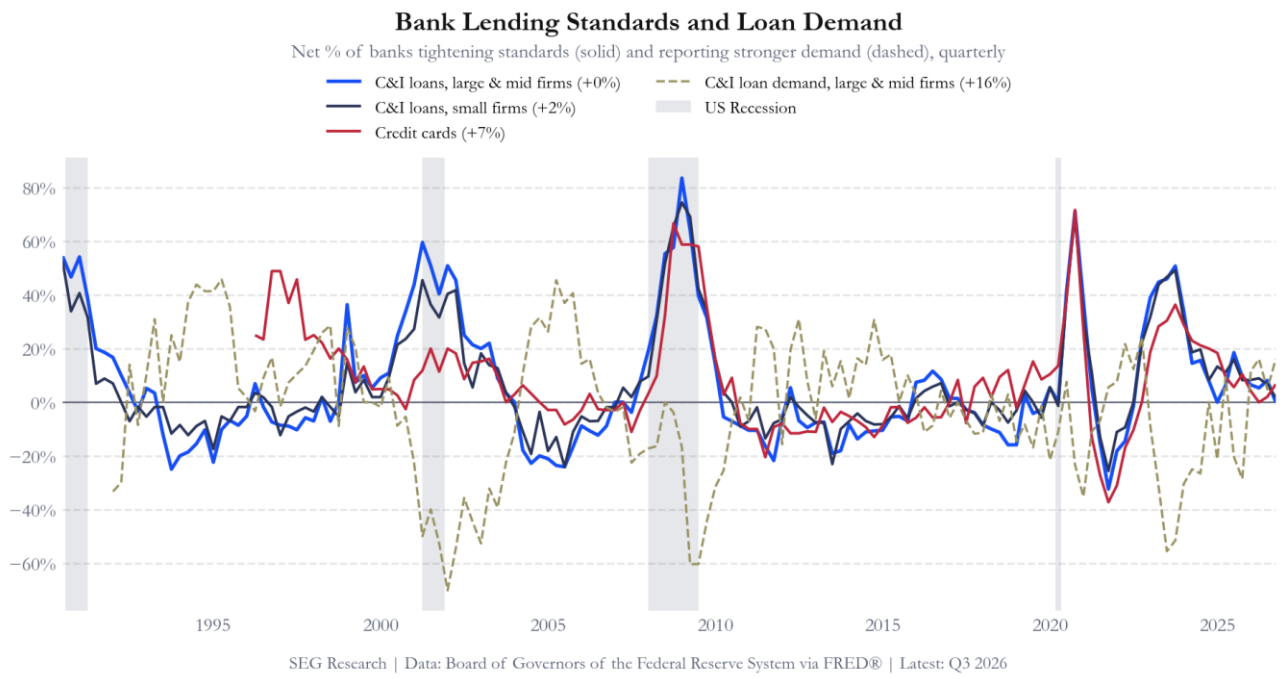
Financial stress indexes remain below average, with no sign of market strain.



*The St. Louis Fed Financial Stress Index combines 18 weekly market series (interest rates, yield spreads, volatility); the Kansas City Fed Financial Stress Index uses 11 monthly series with more weight on banks. Zero = average stress; positive values indicate above-average stress.

EXHIBIT 13

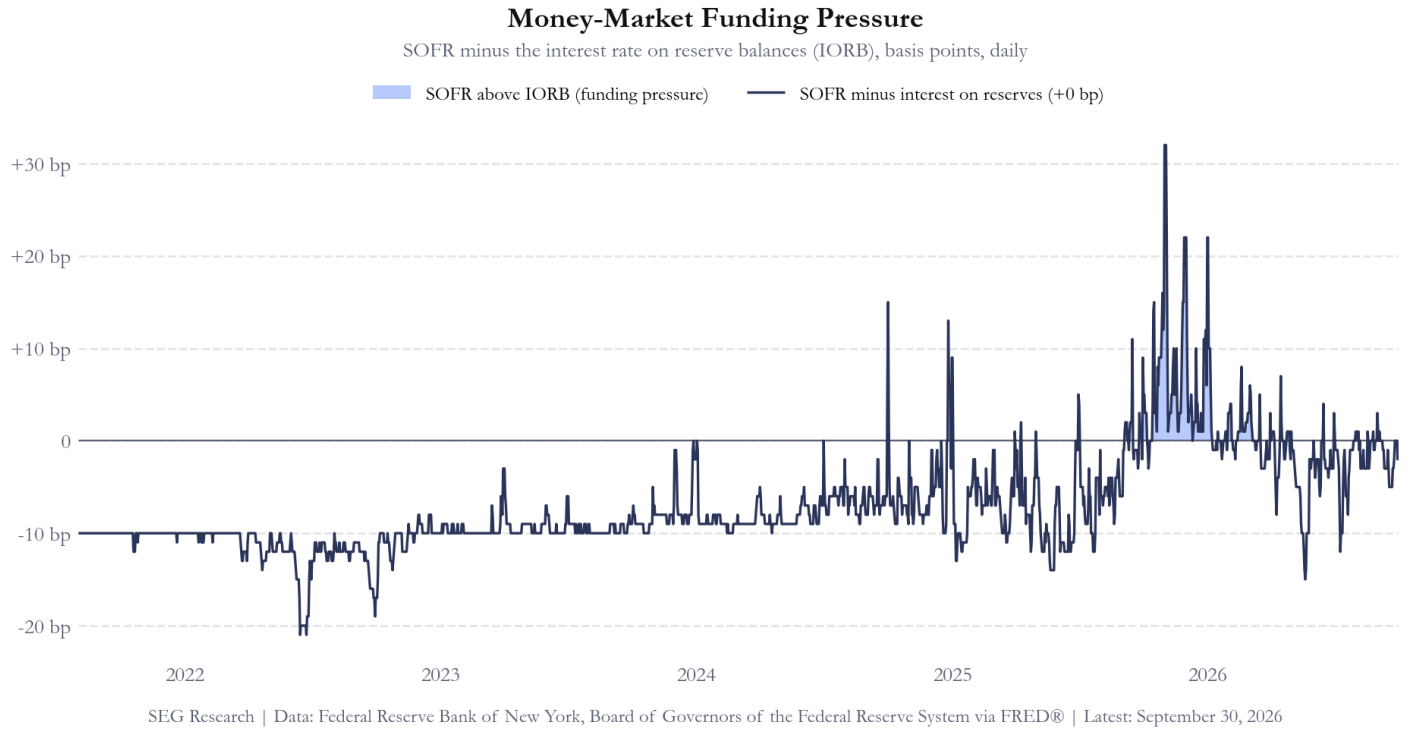
Bank lending standards are neutral while loan demand strengthens — the credit channel remains open.



*Net percentage of domestic banks tightening standards (solid lines) or reporting stronger demand (dashed) for loans, Federal Reserve Senior Loan Officer Opinion Survey (SLOOS). Positive values mean more banks are tightening than easing.

EXHIBIT 14

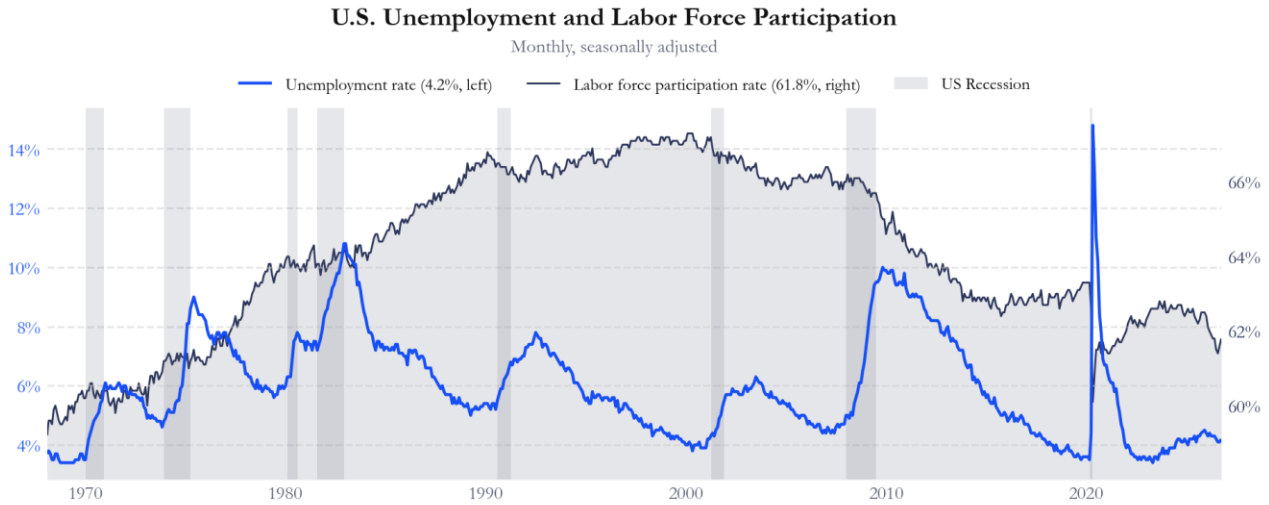
Money-market funding is calm, with SOFR trading in line with the interest rate on reserves.



04 Labor Market

EXHIBIT 15

Unemployment held at 4.2% while participation edged up to 61.8%.



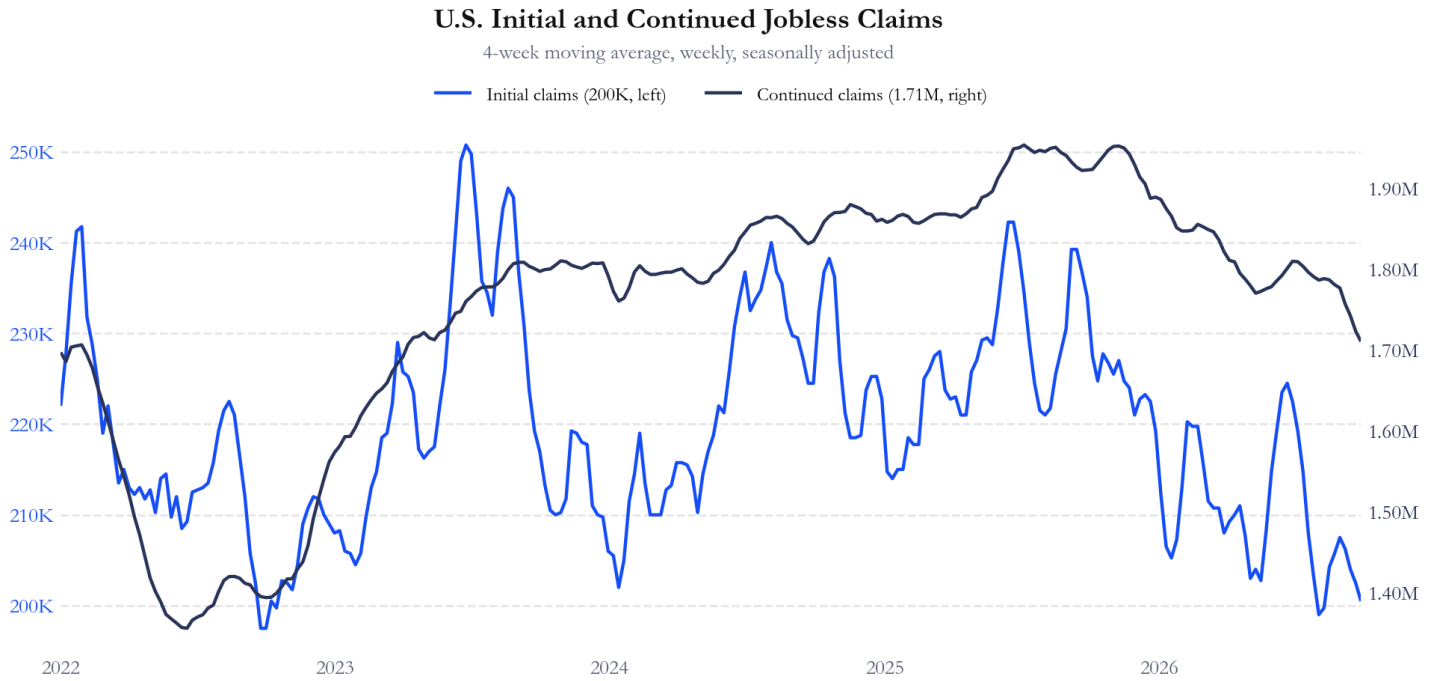
	Sep 25	Nov 25	Dec 25	Jan 26	Feb 26	Mar 26	Apr 26	May 26	Jun 26	Jul 26	Aug 26	Sep 26
Unemployment	4.4%	4.5%	4.4%	4.3%	4.4%	4.3%	4.3%	4.3%	4.2%	4.1%	4.1%	4.2%
Participation	62.5%	62.5%	62.4%	62.1%	62.0%	61.9%	61.8%	61.8%	61.5%	61.4%	61.6%	61.8%

No October 2025 data (household survey not collected during the government shutdown).

SEG Research | Data: U.S. Bureau of Labor Statistics via FRED® | Latest: Sep 2026

EXHIBIT 16

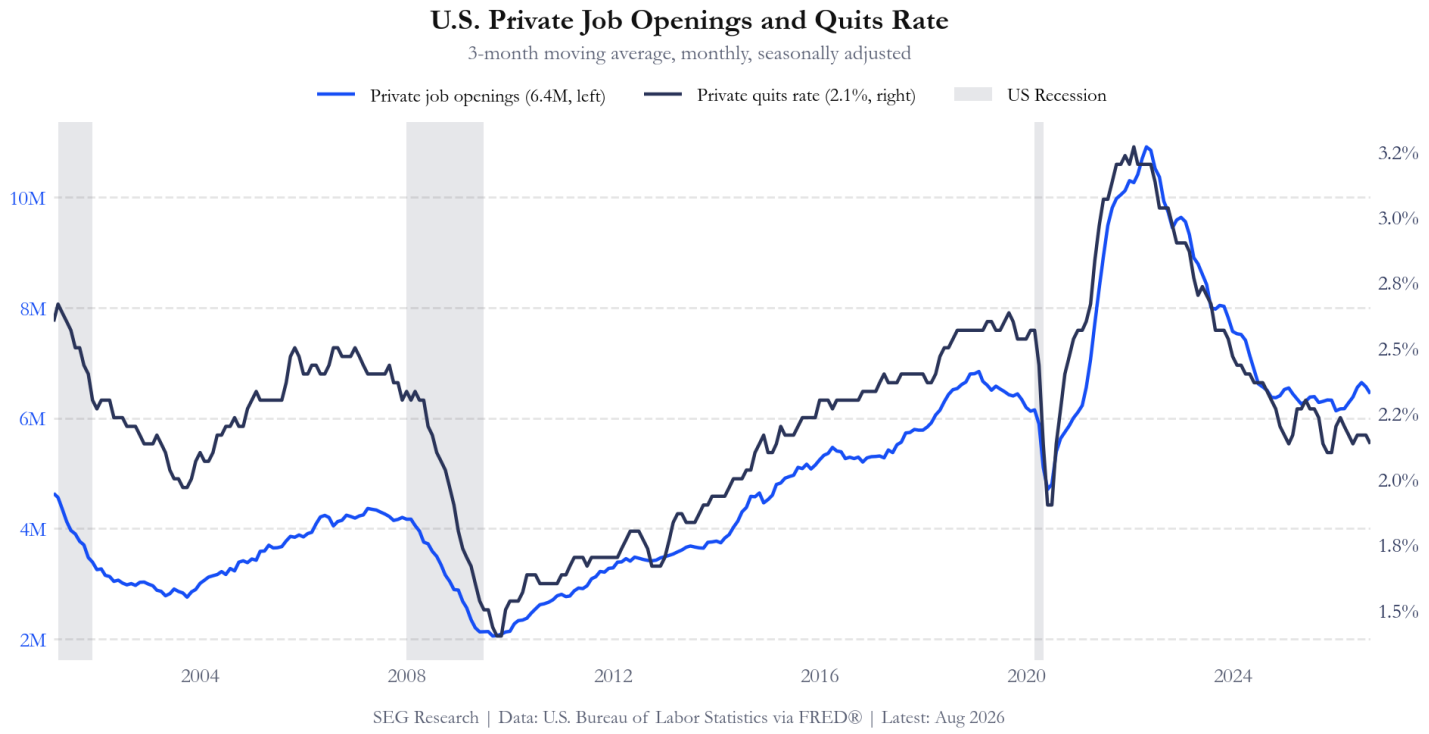
Layoffs remain low, and continuing claims have fallen to 1.71 million.



SEG Research | Data: U.S. Employment and Training Administration via FRED® | Latest: September 26, 2026

EXHIBIT 17

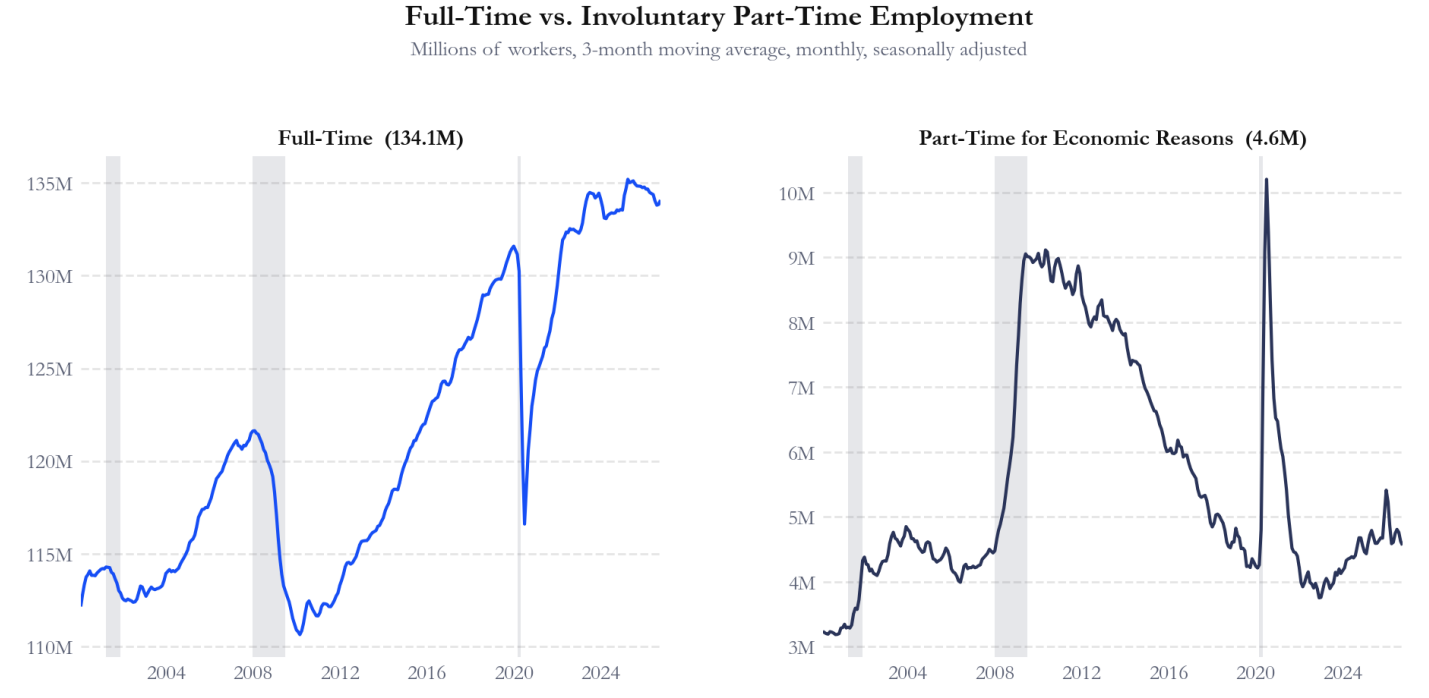
Job openings have stabilized and the quit rate is holding near 2%.



SEG Research | Data: U.S. Bureau of Labor Statistics via FRED® | Latest: Aug 2026

EXHIBIT 18

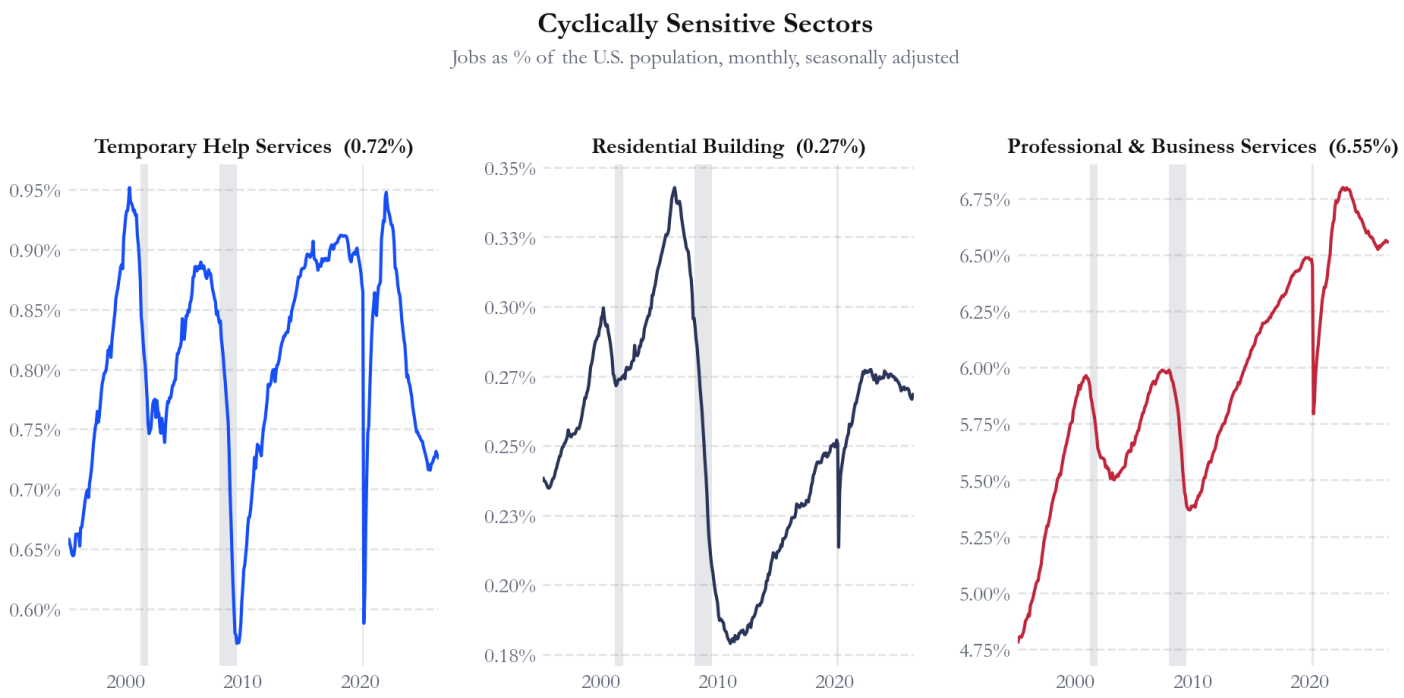
Full-time employment has slipped from its peak while involuntary part-time work stays elevated.



SEG Research | Data: U.S. Bureau of Labor Statistics via FRED® | Latest: Sep 2026

EXHIBIT 19

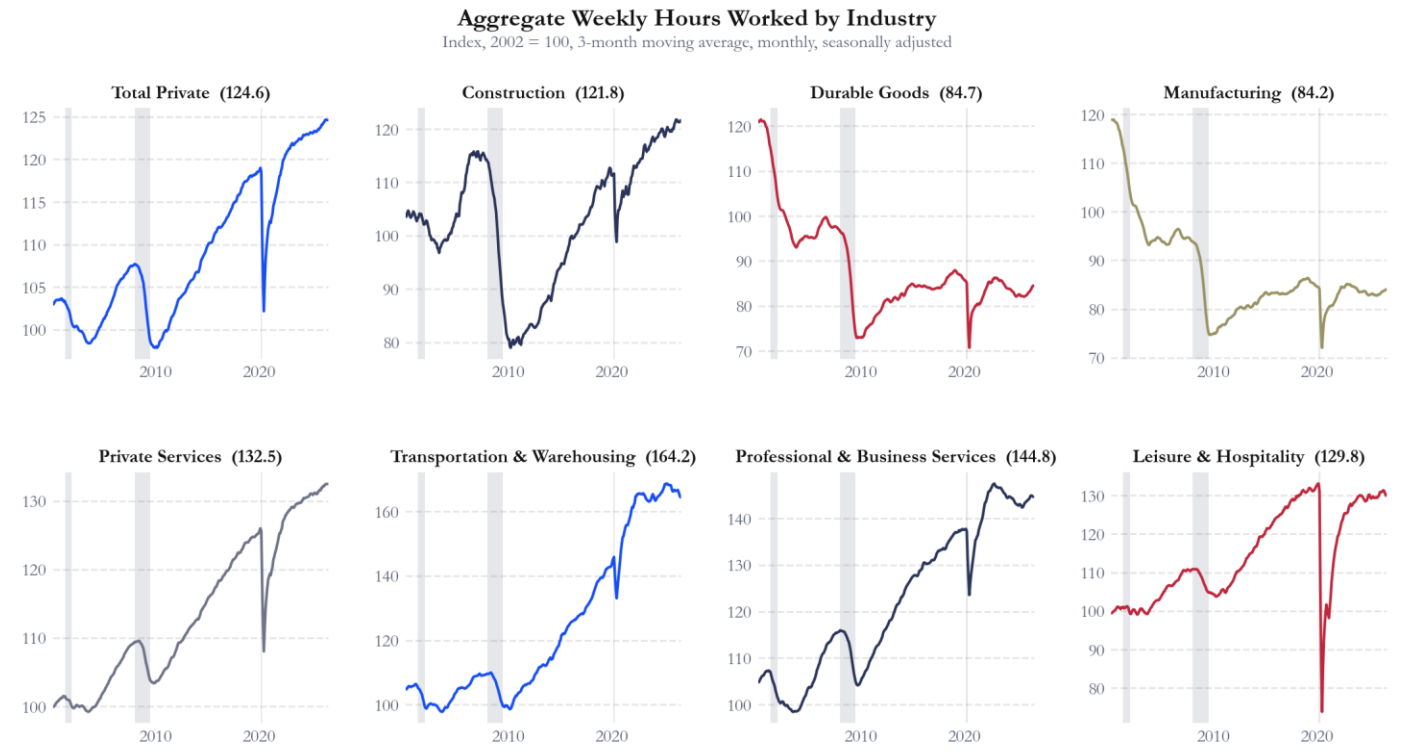
Early-warning labor sectors are softening again as temp help and business services lose share.



SEG Research | Data: U.S. Bureau of Labor Statistics via FRED® | Latest: Sep 2026

EXHIBIT 20

Construction hours remain near record highs, mainly driven by AI capex spending.



SEG Research | Data: U.S. Bureau of Labor Statistics via FRED® | Latest: Sep 2026

EXHIBIT 21

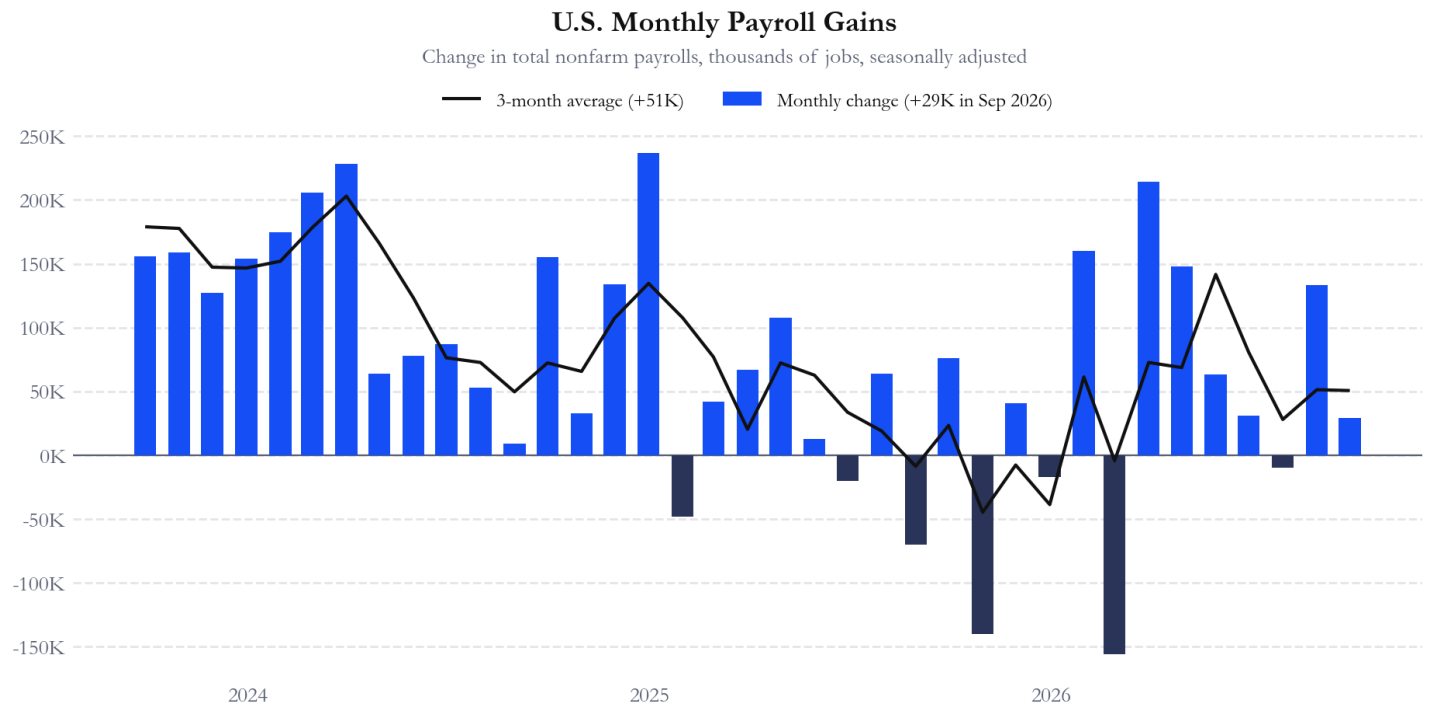
Manufacturing overtime keeps rising — evidence of firmer factory demand.



SEG Research | Data: U.S. Bureau of Labor Statistics via FRED® | Latest: Sep 2026

EXHIBIT 22

Payroll growth has slowed to a 51,000 monthly pace.



SEG Research | Data: U.S. Bureau of Labor Statistics via FRED® | Latest: Sep 2026

EXHIBIT 23

The Sahm rule shows no recession signal.



EXHIBIT 24

Job openings have normalized without a rise in unemployment — a soft landing on the Beveridge curve.

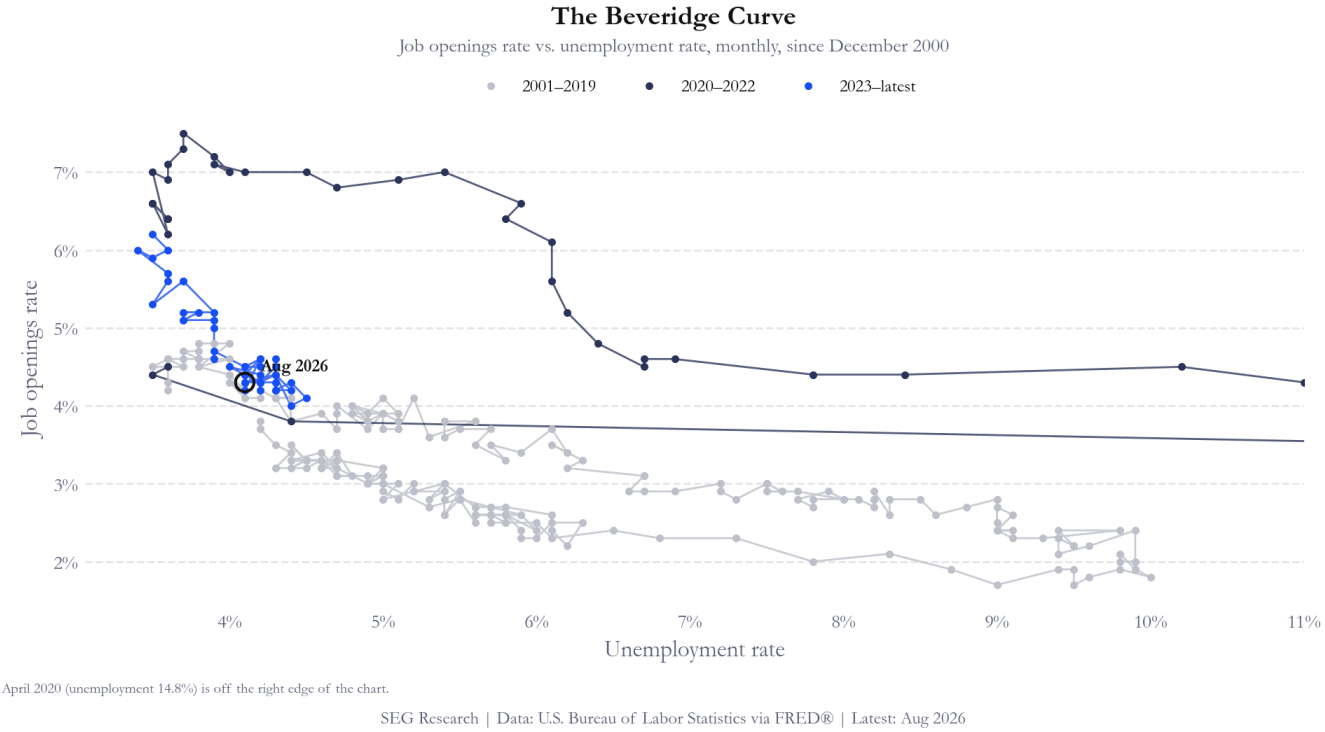
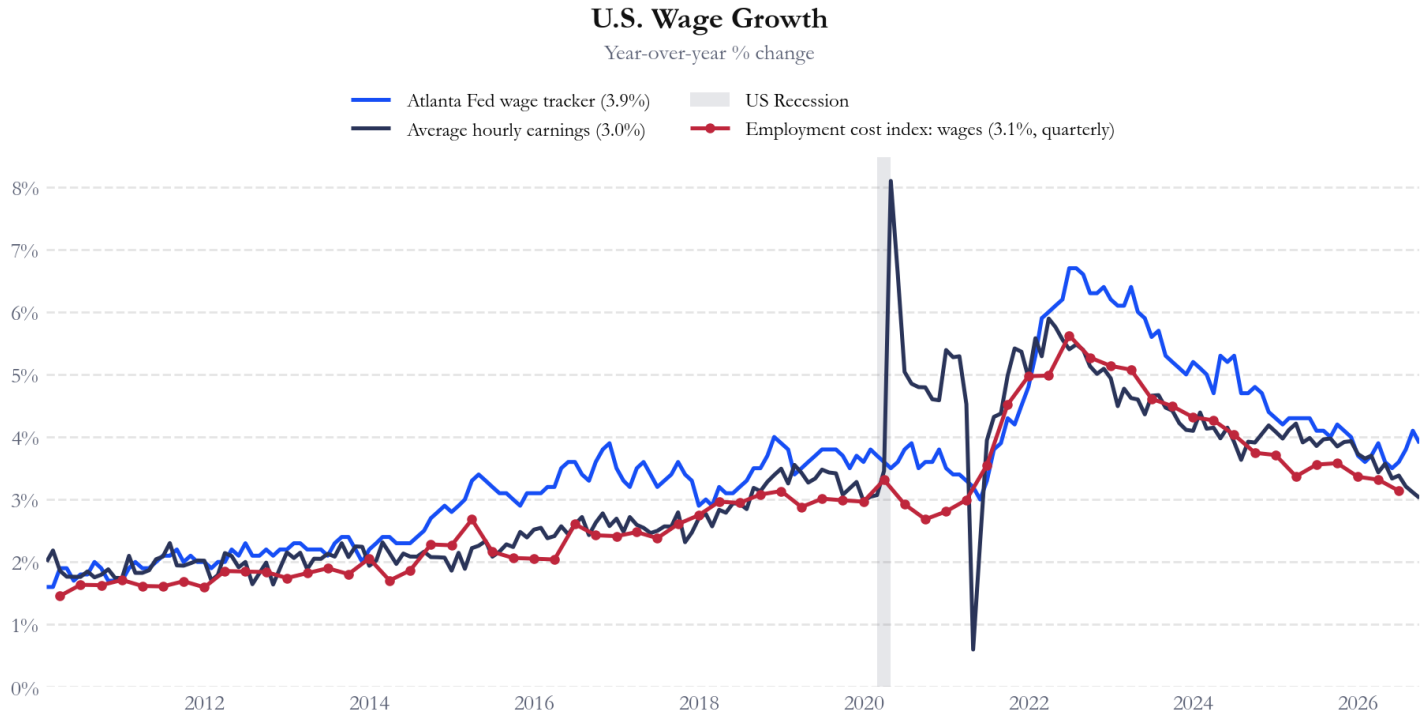


EXHIBIT 25

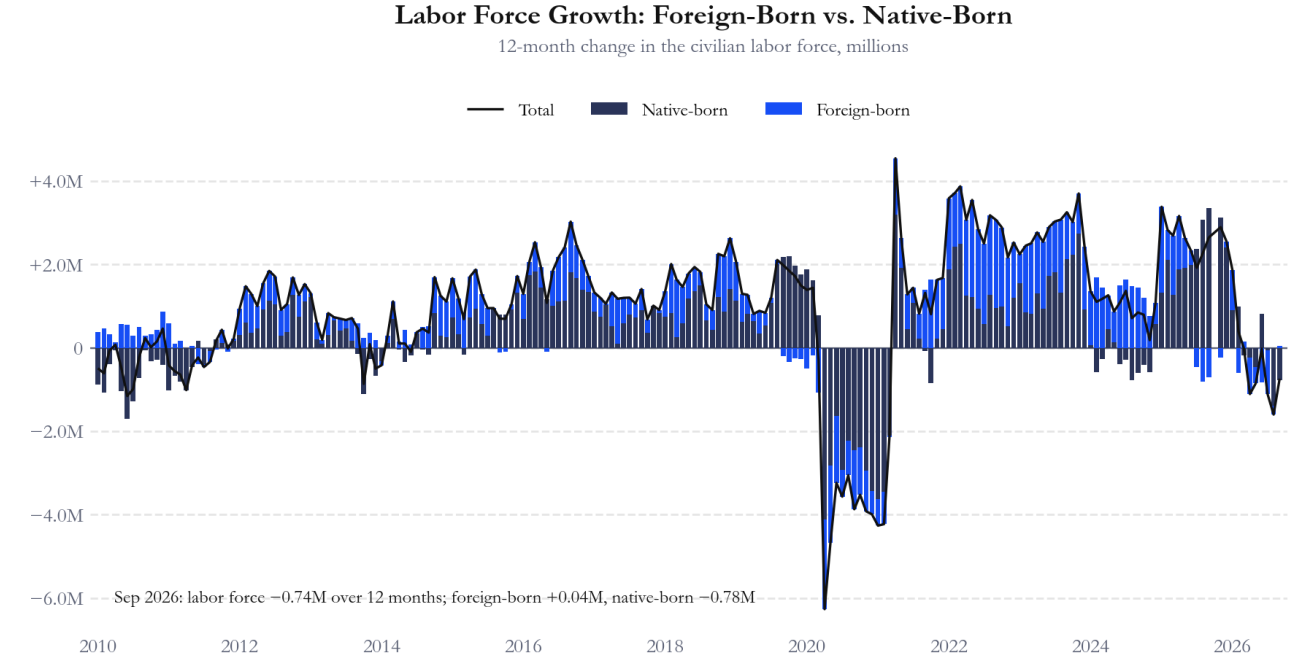
Wage growth has cooled to about 3%, below headline inflation of 3.7%.



SEG Research | Data: Federal Reserve Bank of Atlanta, U.S. Bureau of Labor Statistics via FRED® | Latest: Sep 2026

EXHIBIT 26

The labor force shrank by 0.74 million over the past year, all of it among native-born workers.



Not seasonally adjusted; 12-month changes. CPS population controls are revised each January, which can cause jumps.

SEG Research | Data: U.S. Bureau of Labor Statistics (CPS) via FRED | Latest: Sep 2026

05 Business Conditions

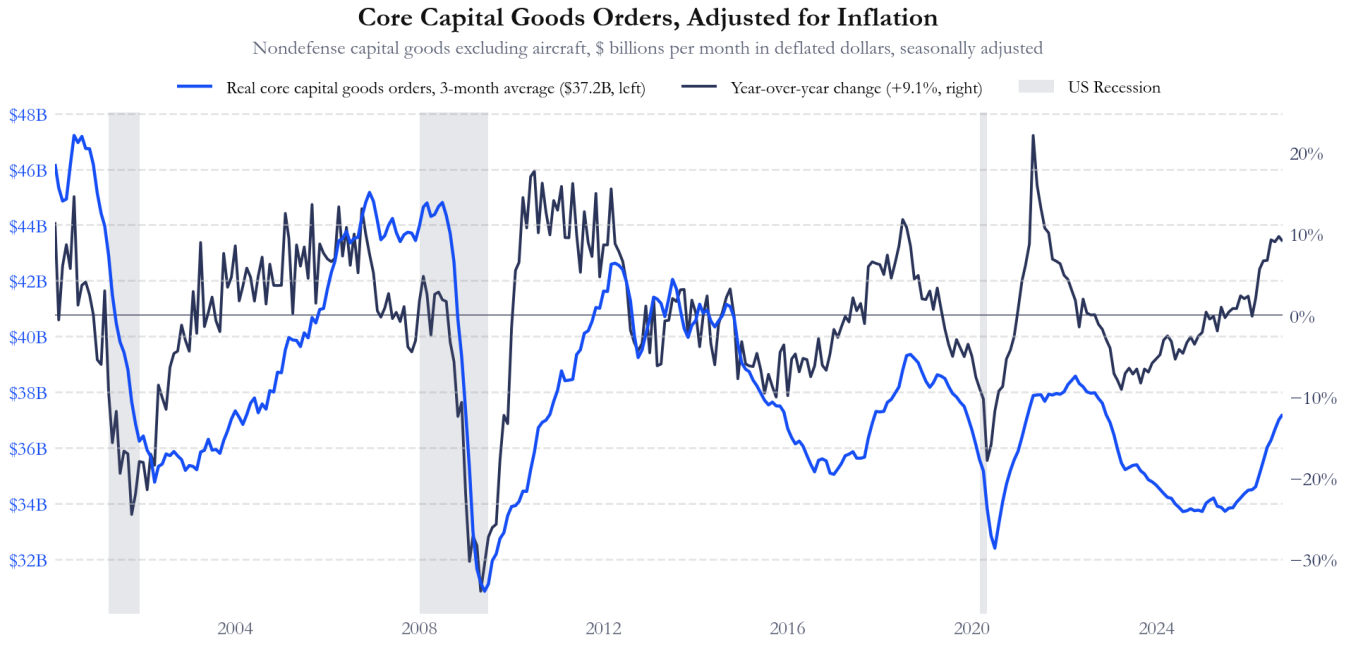
KEY TAKEAWAYS

Business Conditions

- Inflation-adjusted core capital goods orders are up 9% from a year ago, driven by AI-related investment.
- AI hardware imports reached $825bn over the past 12 months, 2.7 times the 2023 total.
- Labor productivity is growing 2.2% a year, above its 2010s pace.

EXHIBIT 27

Inflation-adjusted core capital goods orders are up 9% from a year ago on AI-related investment.



SEG Research | Data: U.S. Census Bureau, U.S. Bureau of Labor Statistics via FRED® | Latest: Sep 2026

EXHIBIT 28

AI hardware imports reached $825bn over the past 12 months — 2.7x the 2023 total.

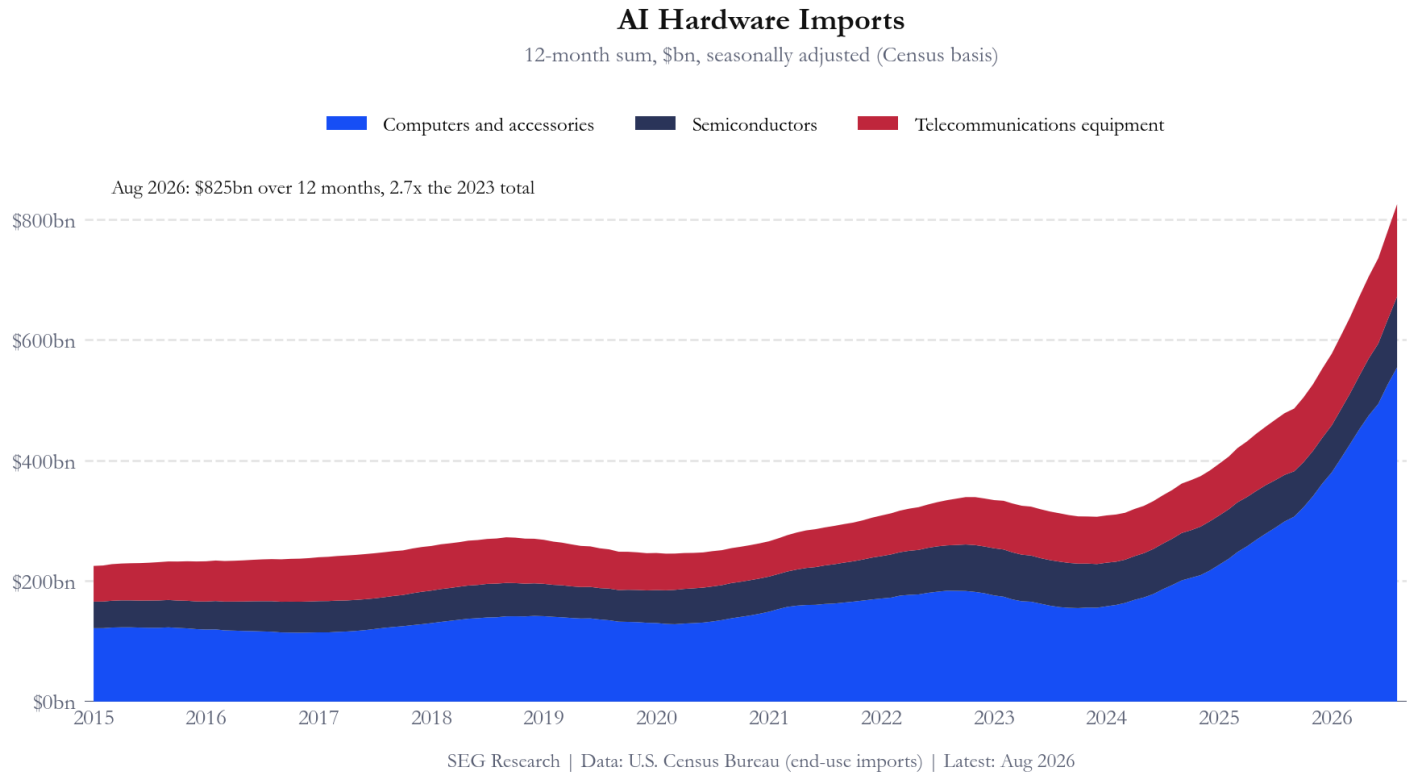


EXHIBIT 29

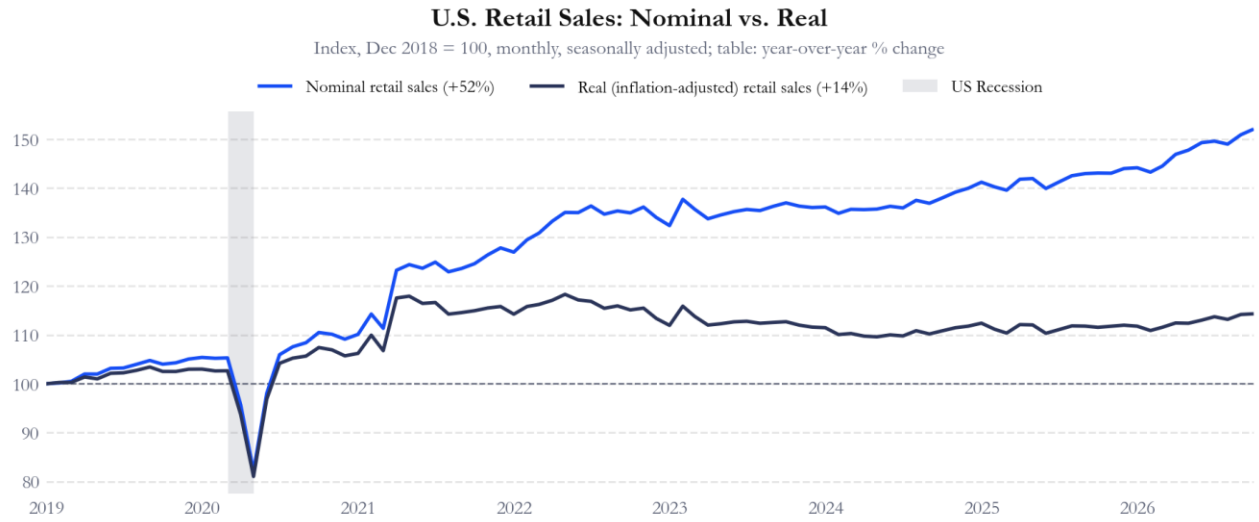
Productivity is growing 2.2% a year, above its 2010s pace.



06 Consumer & Housing

EXHIBIT 30

Retail sales are up 52% since 2018 in nominal terms but only 14% after inflation.

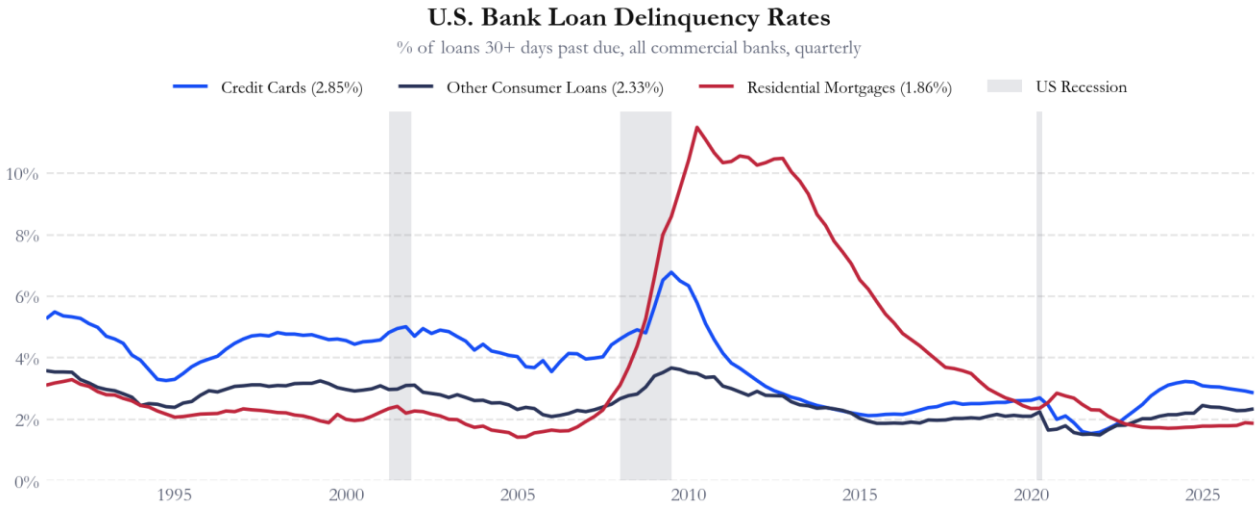


	Oct 25	Nov 25	Dec 25	Jan 26	Feb 26	Mar 26	Apr 26	May 26	Jun 26	Jul 26	Aug 26	Sep 26
Nominal, y/y	2.8%	2.9%	2.1%	2.2%	3.5%	3.6%	4.1%	6.7%	5.9%	4.5%	5.6%	6.3%
Real, y/y		0.2%	-0.5%	-0.2%	1.1%	0.3%	0.3%	2.4%	2.4%	1.2%	2.1%	2.5%

SEG Research | Data: U.S. Census Bureau, Federal Reserve Bank of St. Louis via FRED® | Latest: Sep 2026

EXHIBIT 31

Consumer loan delinquencies continue to ease from their 2024 highs.

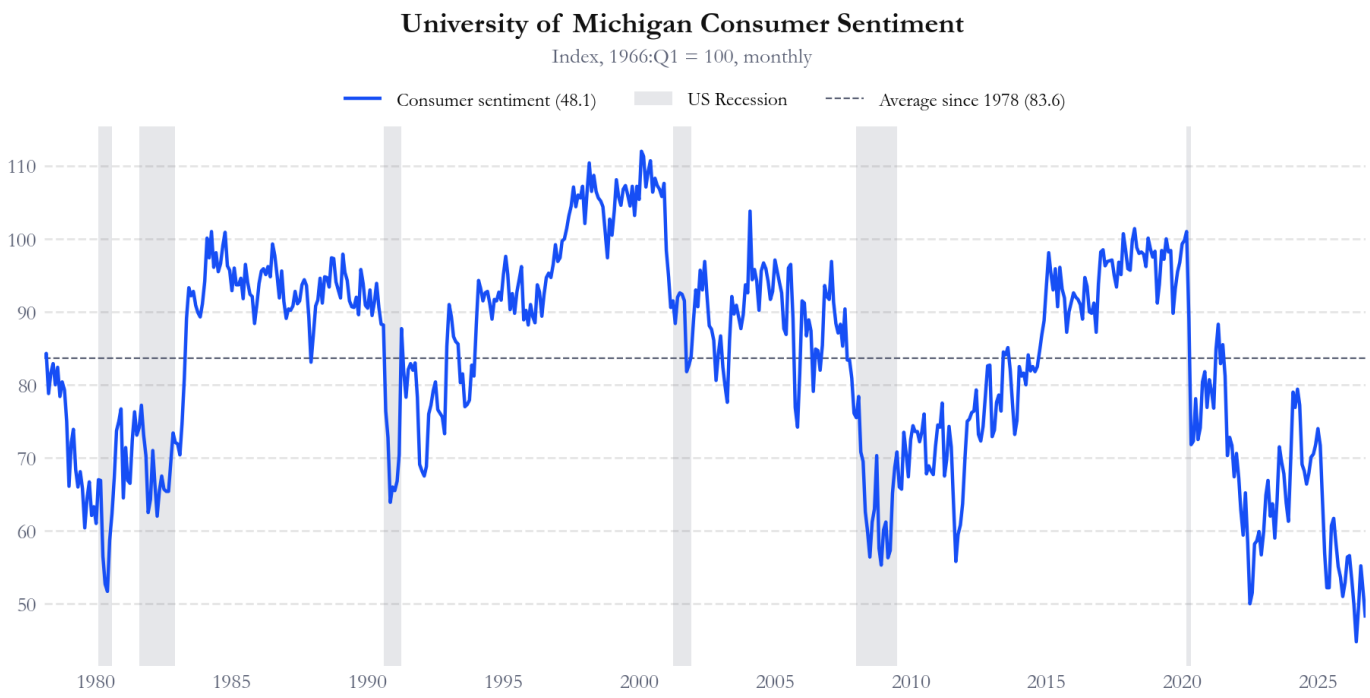


	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026
Credit Cards	3.20%	3.08%	3.05%	3.04%	2.99%	2.95%	2.91%	2.85%
Other Consumer Loans	2.19%	2.44%	2.39%	2.38%	2.33%	2.27%	2.28%	2.33%
Residential Mortgages	1.74%	1.77%	1.77%	1.78%	1.78%	1.79%	1.88%	1.86%

SEG Research | Data: Board of Governors of the Federal Reserve System via FRED® | Latest: Q2 2026

EXHIBIT 32

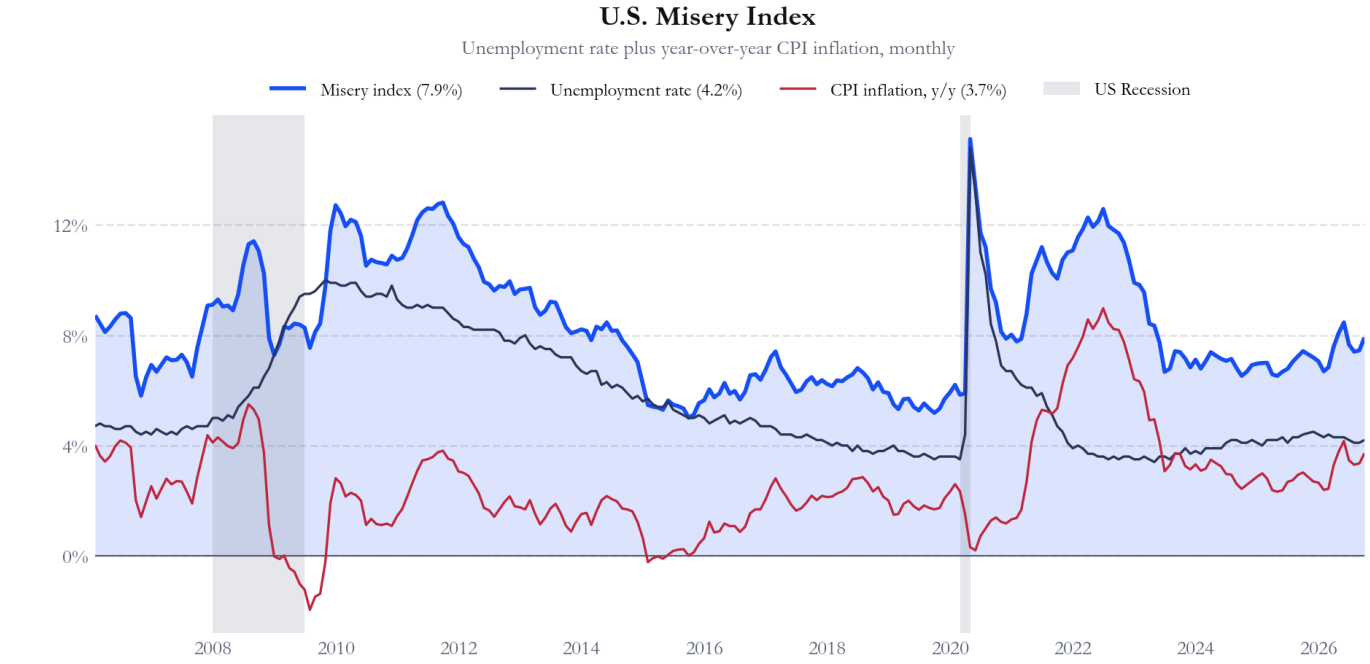
Consumer sentiment, at 48.1, is the second-lowest reading on record despite solid hard data.



SEG Research | Data: University of Michigan via FRED® | Latest: Sep 2026

EXHIBIT 33

The Misery Index has risen to 7.9% as inflation picks up but remains below past peaks.

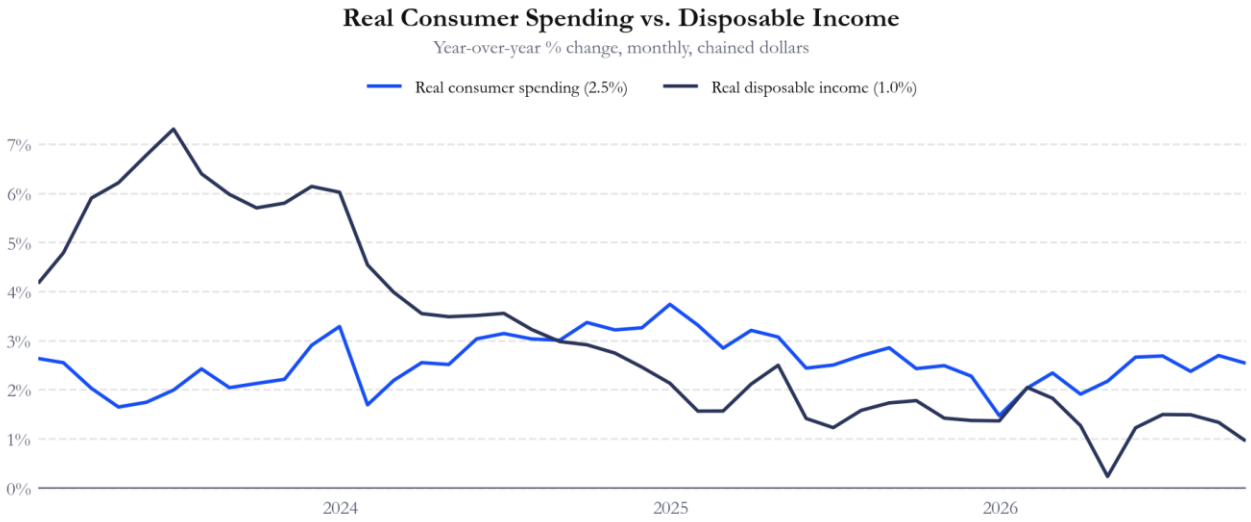


No October 2025 data (CPI not published during the government shutdown).

SEG Research | Data: U.S. Bureau of Labor Statistics via FRED® | Latest: Sep 2026

EXHIBIT 34

Real spending (+2.5%) continues to outpace real disposable income (+1.0%).

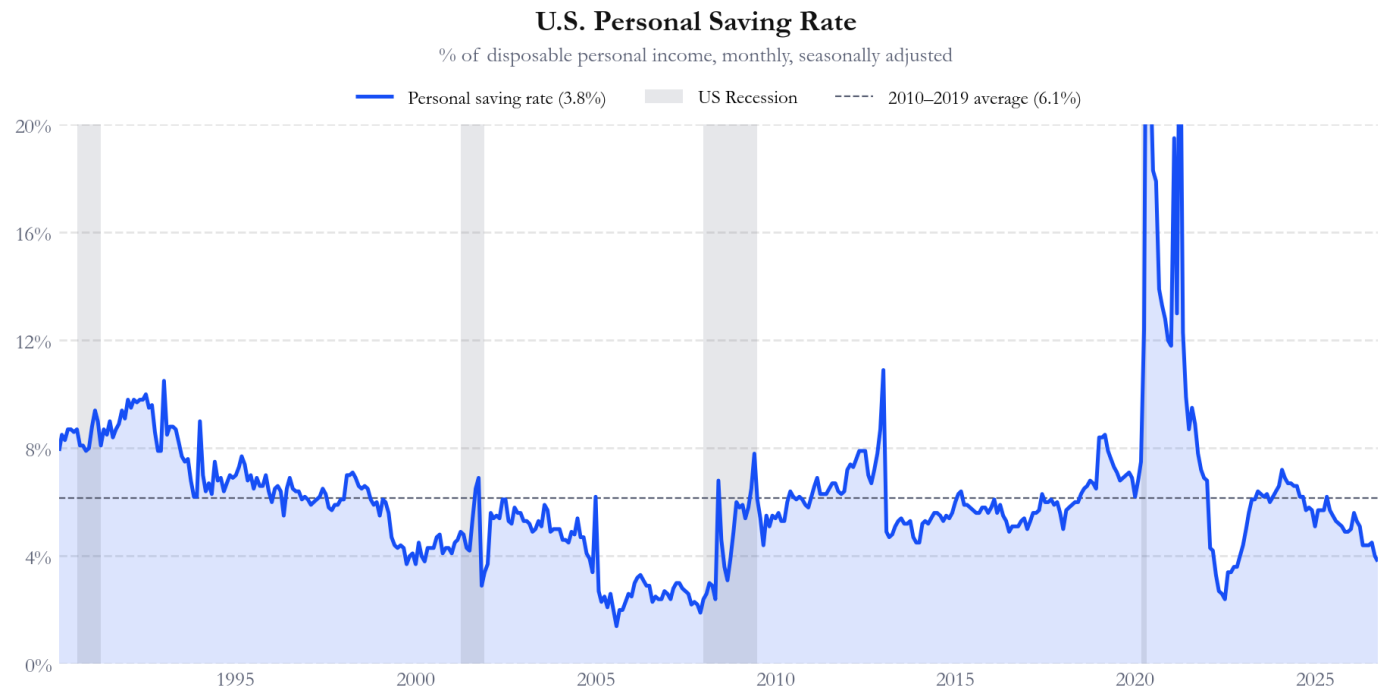


	Oct 25	Nov 25	Dec 25	Jan 26	Feb 26	Mar 26	Apr 26	May 26	Jun 26	Jul 26	Aug 26	Sep 26
Spending	2.5%	2.3%	1.5%	2.0%	2.3%	1.9%	2.2%	2.7%	2.7%	2.4%	2.7%	2.5%
Disp. income	1.4%	1.4%	1.4%	2.0%	1.8%	1.3%	0.2%	1.2%	1.5%	1.5%	1.3%	1.0%

SEG Research | Data: U.S. Bureau of Economic Analysis via FRED® | Latest: Sep 2026

EXHIBIT 35

The saving rate has fallen to 3.8%, well below its pre-pandemic average of 6.1%.



Y-axis capped at 20%; the April 2020 peak (about 32%) goes beyond it.

SEG Research | Data: U.S. Bureau of Economic Analysis via FRED® | Latest: Sep 2026

EXHIBIT 36

Household net worth has reached a record 8.2 times disposable income.

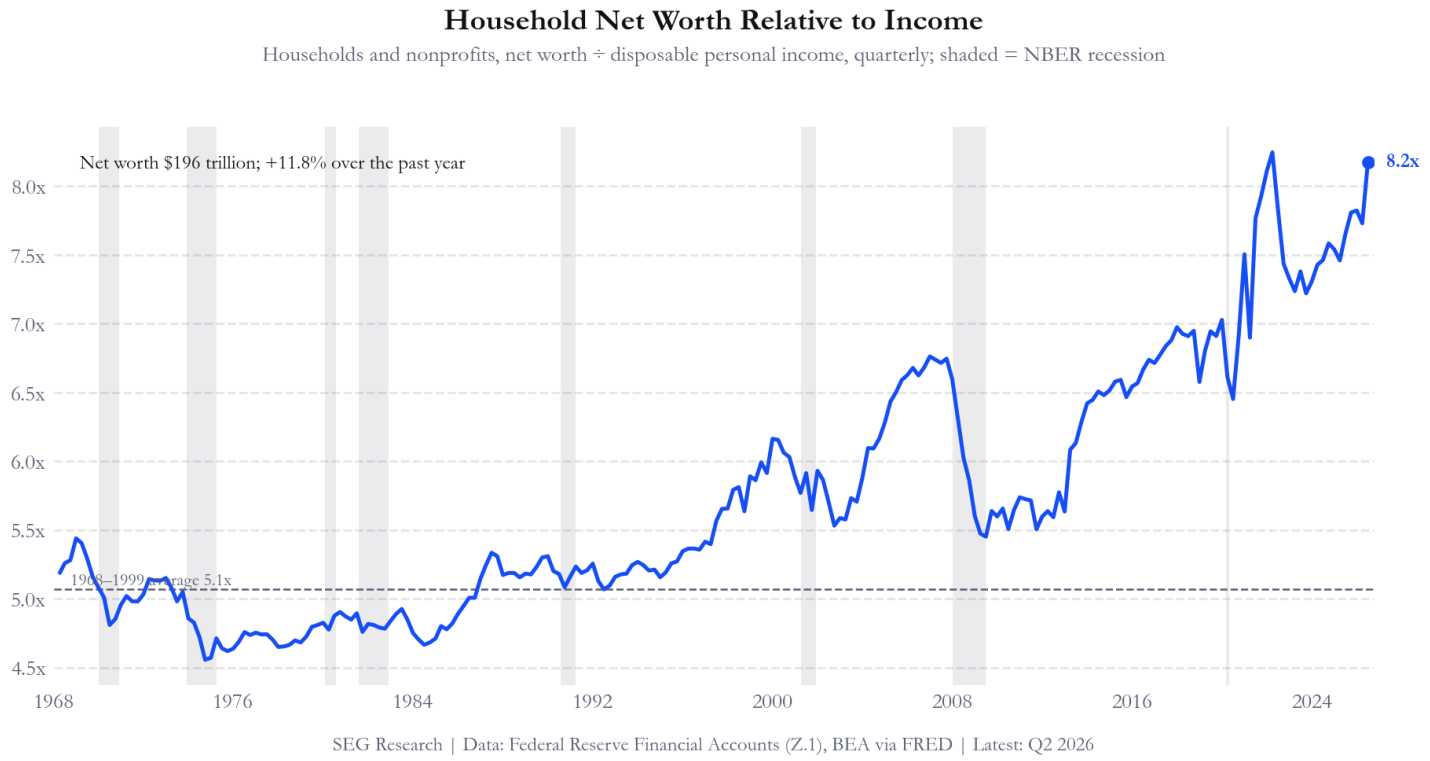


EXHIBIT 37

Mortgage rates climbed back above 7% in Q3.

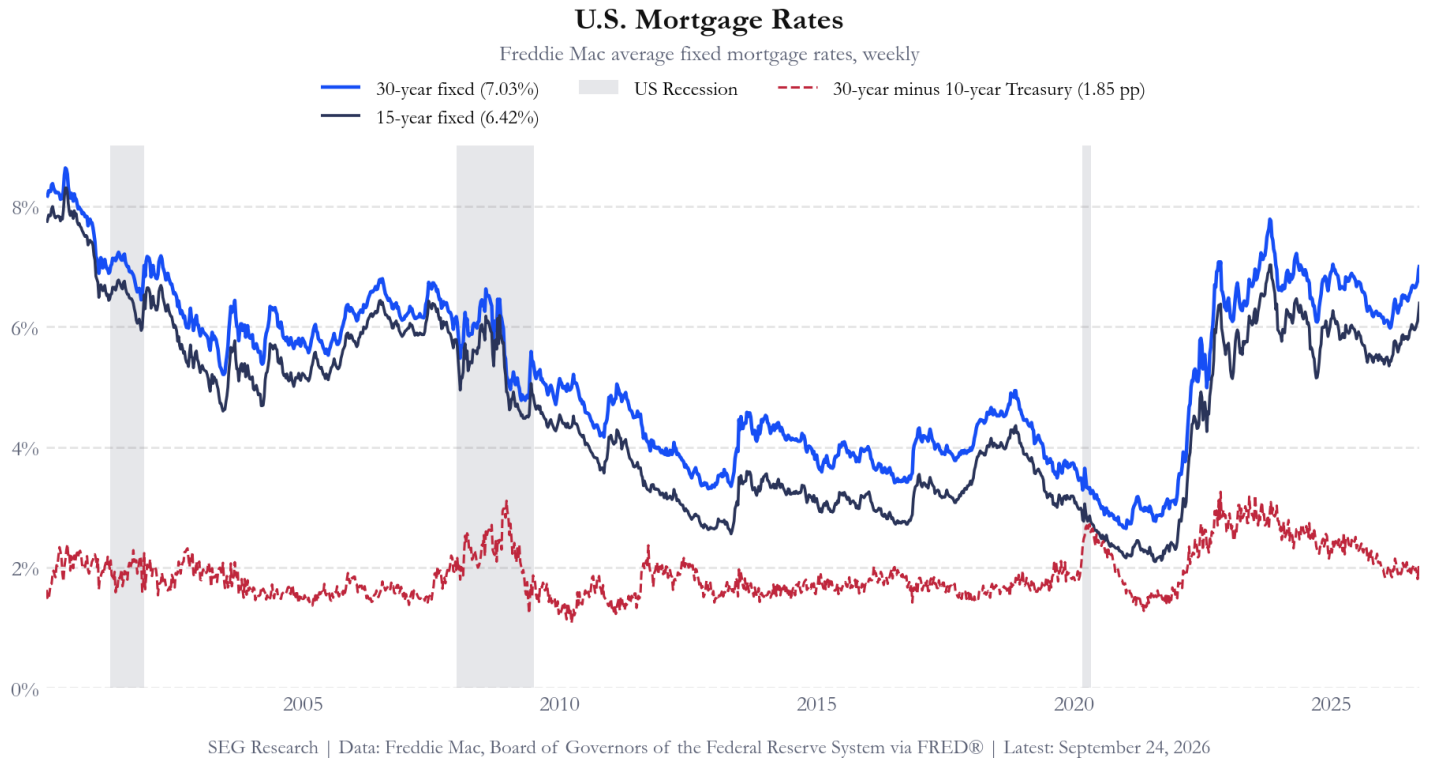
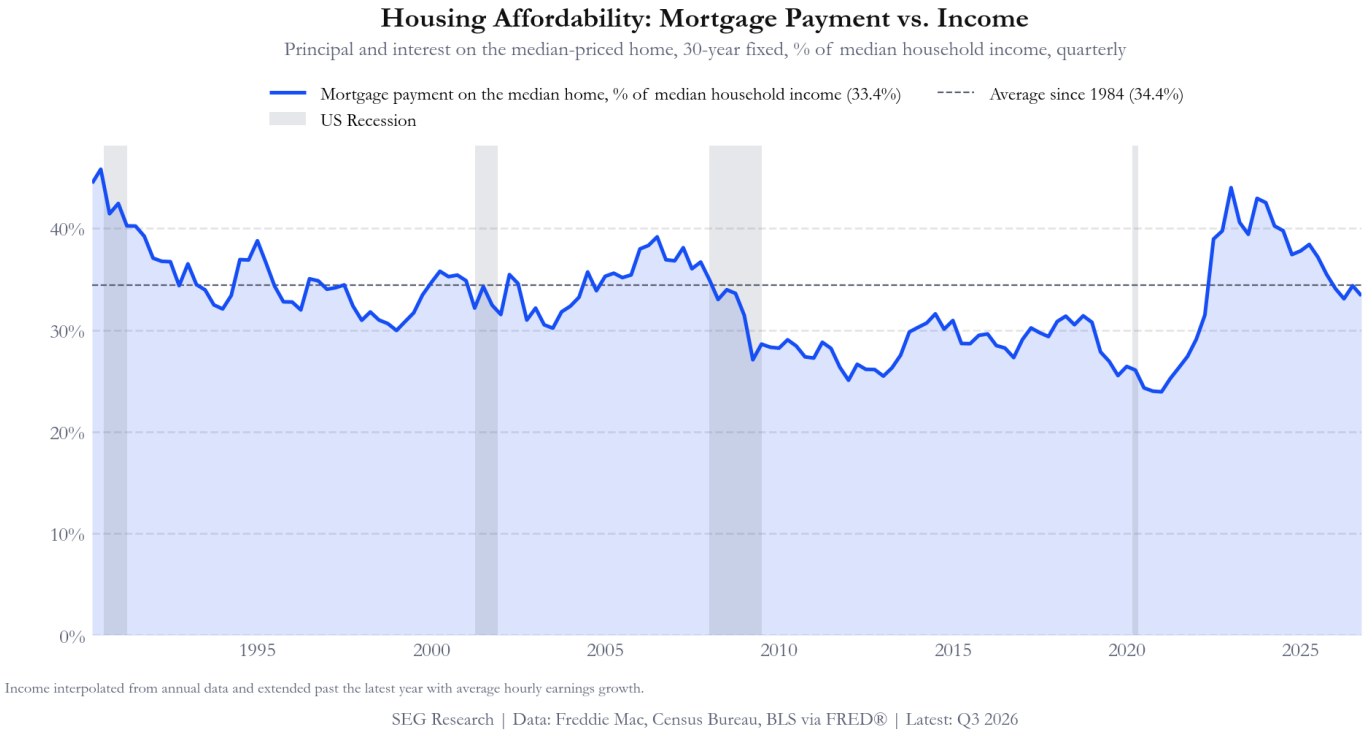


EXHIBIT 38

Mortgage payments take 33% of median household income, close to the long-run average.

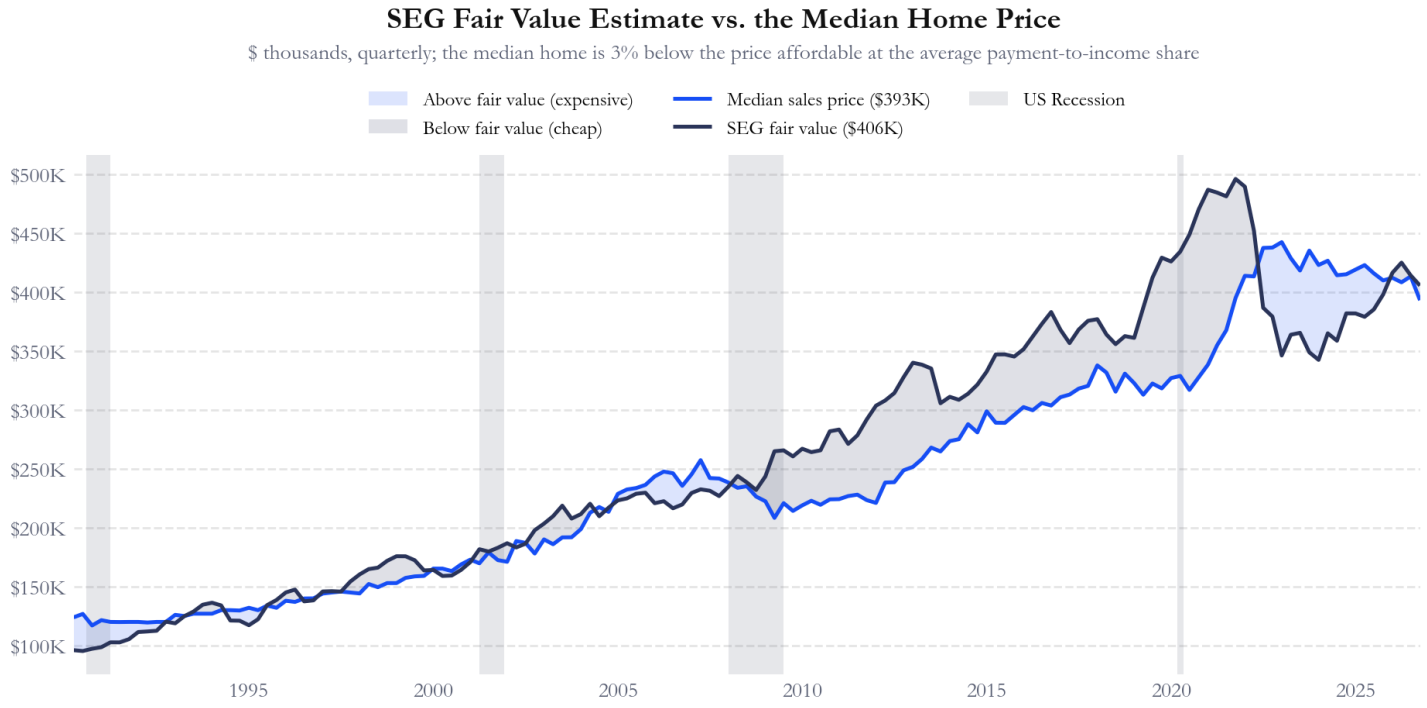


Income interpolated from annual data and extended past the latest year with average hourly earnings growth.

SEG Research | Data: Freddie Mac, Census Bureau, BLS via FRED® | Latest: Q3 2026

EXHIBIT 39

The median home price sits 3% below our affordability-based fair value estimate.



SEG Research | Data: Freddie Mac, Census Bureau, BLS via FRED®; SEG Research estimate | Latest: Q3 2026

07 Inflation

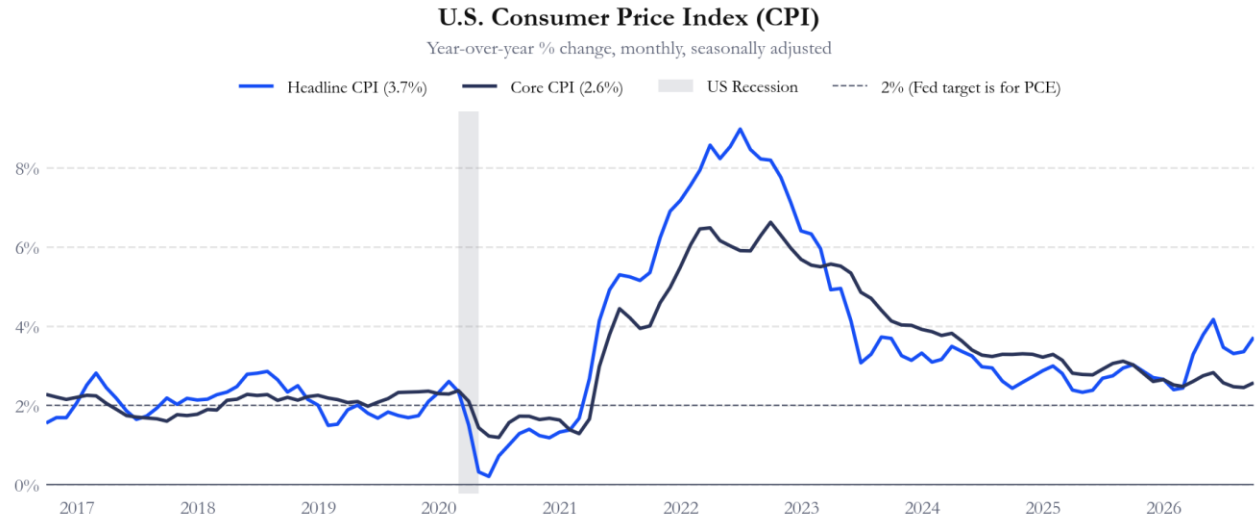
KEY TAKEAWAYS

Inflation

- Headline CPI rose to 3.7% on energy prices; core CPI is 2.6% and core PCE 3.1%.
- Pipeline pressure is building: final demand PPI is up 6.3% and unprocessed goods prices 21.7%.
- Core CPI momentum is turning up (3.4% annualized over three months), and consumers expect 4.6% inflation versus 2.4% priced by markets.

EXHIBIT 40

Headline CPI climbed to 3.7% on energy prices, while core CPI held at 2.6%.



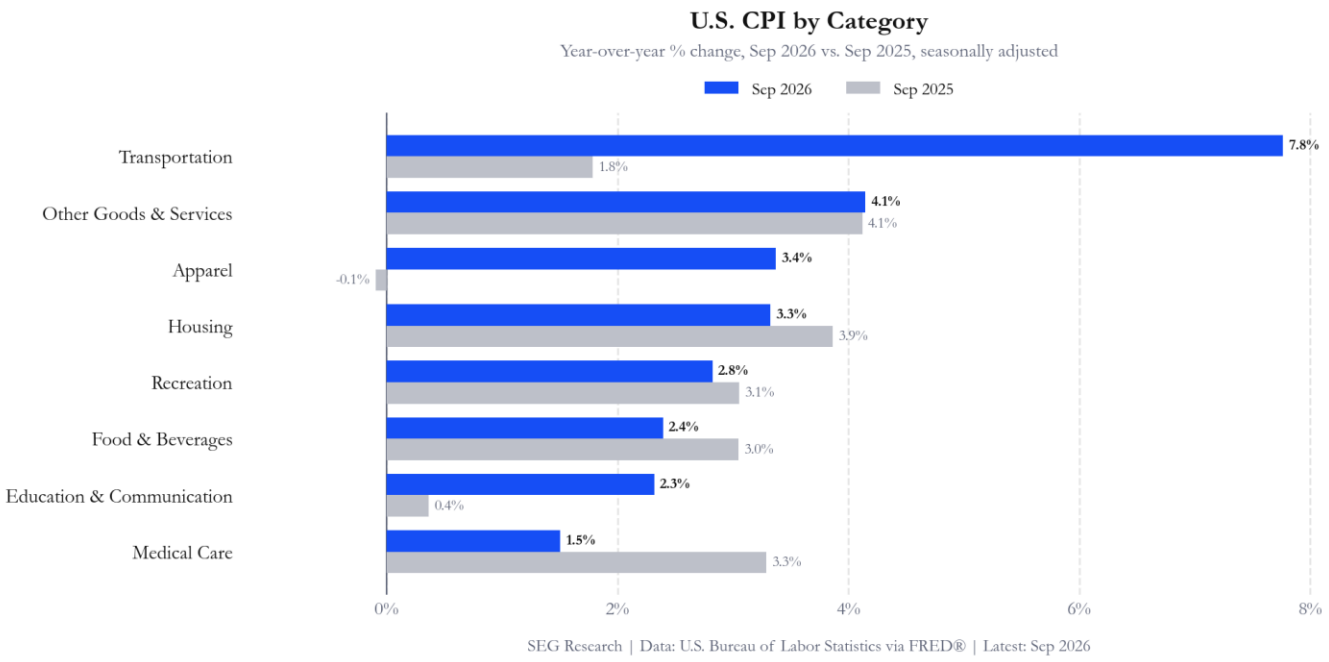
	Sep 25	Nov 25	Dec 25	Jan 26	Feb 26	Mar 26	Apr 26	May 26	Jun 26	Jul 26	Aug 26	Sep 26
CPI: Headline	3.0%	2.7%	2.7%	2.4%	2.4%	3.3%	3.8%	4.2%	3.5%	3.3%	3.4%	3.7%
CPI: Core	3.0%	2.6%	2.6%	2.5%	2.5%	2.6%	2.7%	2.8%	2.6%	2.5%	2.4%	2.6%

SEG Research | Data: U.S. Bureau of Labor Statistics via FRED® | Latest: Sep 2026

*The Consumer Price Index for All Urban Consumers: All Items (CPIAUCSL) is a price index of a basket of goods and services paid by urban consumers.
**CPI Core excludes energy and food.

EXHIBIT 41

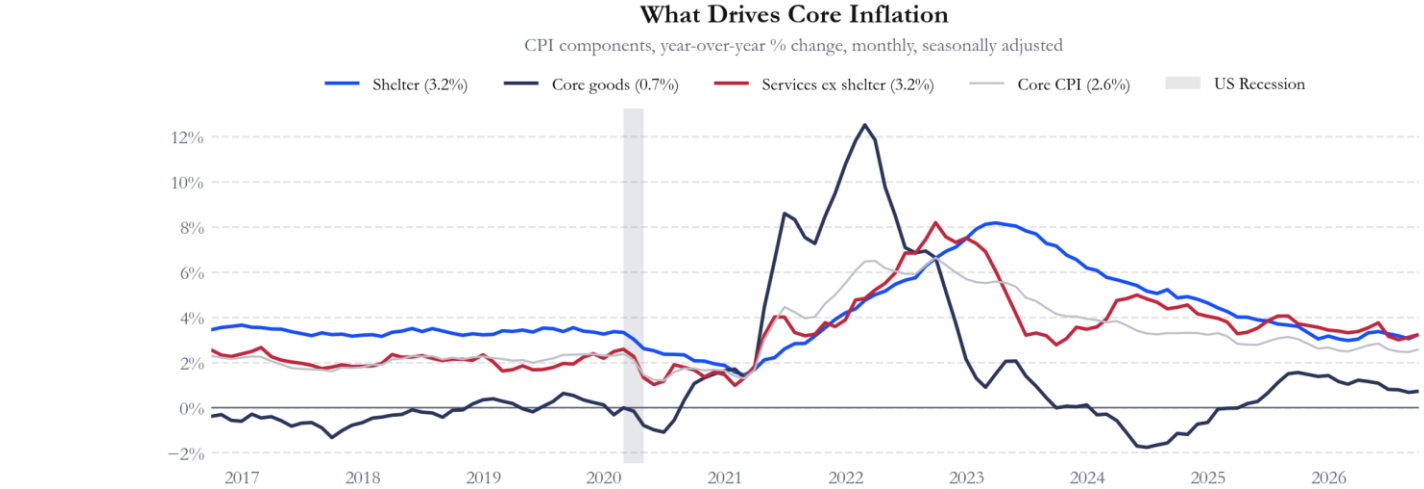
Transportation prices are up 7.8% over the year, the largest increase across CPI categories.



SEG Research | Data: U.S. Bureau of Labor Statistics via FRED® | Latest: Sep 2026

EXHIBIT 42

Core inflation is services-driven: shelter and services ex-shelter run at 3.2%, core goods at 0.7%.

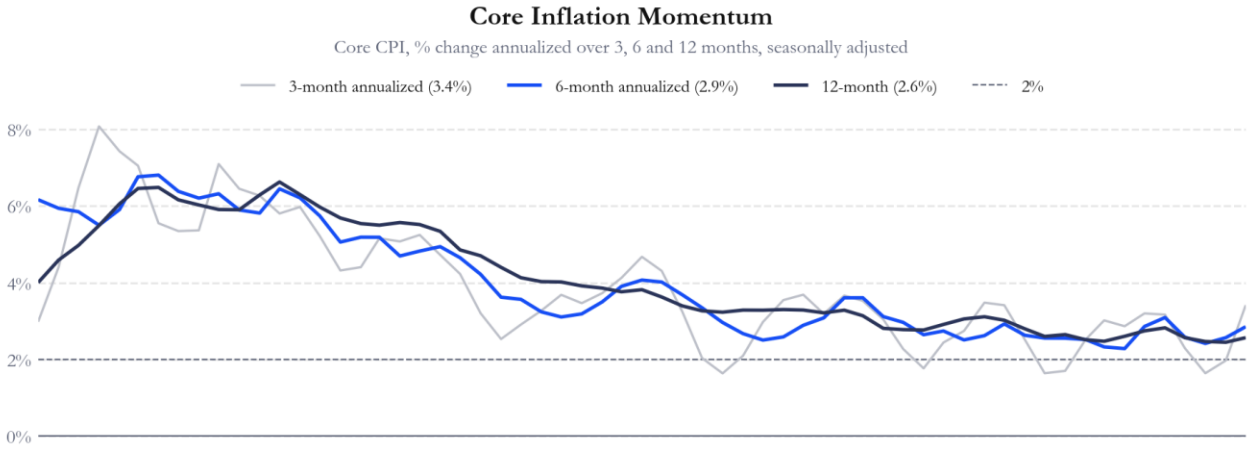


	Sep 25	Nov 25	Dec 25	Jan 26	Feb 26	Mar 26	Apr 26	May 26	Jun 26	Jul 26	Aug 26	Sep 26
Shelter	3.6%	3.0%	3.2%	3.0%	3.0%	3.0%	3.3%	3.4%	3.3%	3.2%	3.0%	3.2%
Core Goods	1.5%	1.4%	1.4%	1.1%	1.0%	1.2%	1.1%	1.1%	0.8%	0.8%	0.7%	0.7%
Services ex Shelter	3.7%	3.5%	3.4%	3.4%	3.3%	3.4%	3.5%	3.7%	3.1%	3.0%	3.1%	3.2%

SEG Research | Data: U.S. Bureau of Labor Statistics via FRED® | Latest: Sep 2026

EXHIBIT 43

Core CPI momentum is picking up: 3.4% annualized over three months vs. 2.6% over twelve.



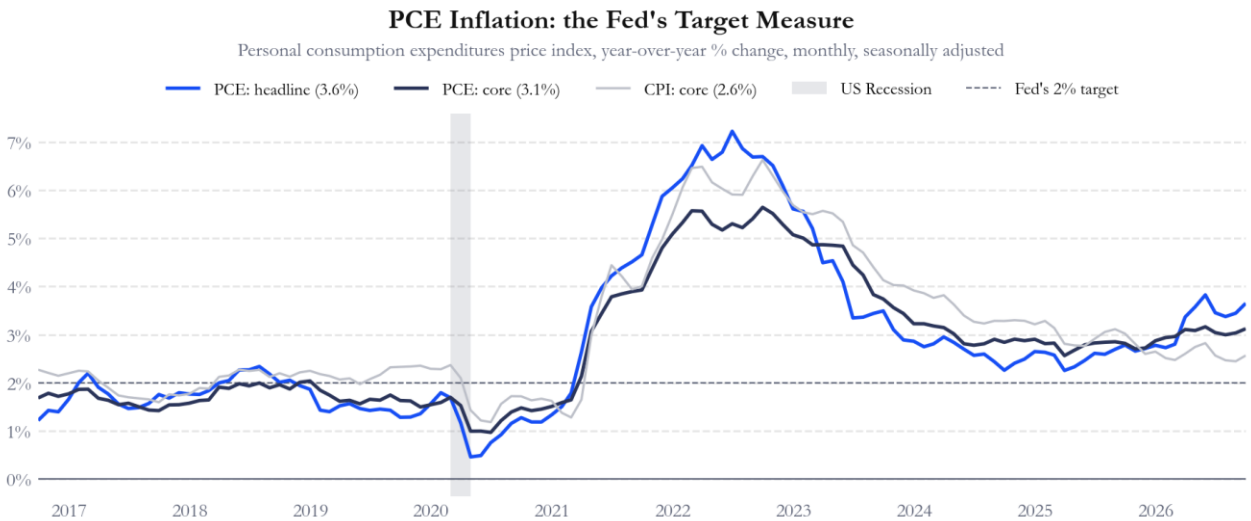
	Oct 25	Nov 25	Dec 25	Jan 26	Feb 26	Mar 26	Apr 26	May 26	Jun 26	Jul 26	Aug 26	Sep 26
Core CPI 3m ann.	2.5%	1.6%	1.7%	2.5%	3.0%	2.9%	3.2%	3.2%	2.3%	1.6%	2.0%	3.4%
Core CPI 6m ann.	2.6%	2.6%	2.6%	2.5%	2.3%	2.3%	2.9%	3.1%	2.6%	2.4%	2.6%	2.9%
Core CPI 12-month	2.8%	2.6%	2.6%	2.5%	2.5%	2.6%	2.7%	2.8%	2.6%	2.5%	2.4%	2.6%
Core PCE 3m ann.	2.6%	2.3%	2.6%	3.5%	4.3%	4.0%	3.6%	3.4%	2.9%	2.3%	2.2%	2.9%
Core PCE 6m ann.	2.6%	2.5%	2.6%	3.0%	3.3%	3.3%	3.5%	3.9%	3.5%	2.9%	2.8%	2.9%

October 2025 core CPI was not published (government shutdown); it is interpolated for the 3- and 6-month rates.

SEG Research | Data: U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics via FRED® | Latest: Sep 2026

EXHIBIT 44

PCE inflation, the Fed's target measure, is 3.6% headline and 3.1% core.

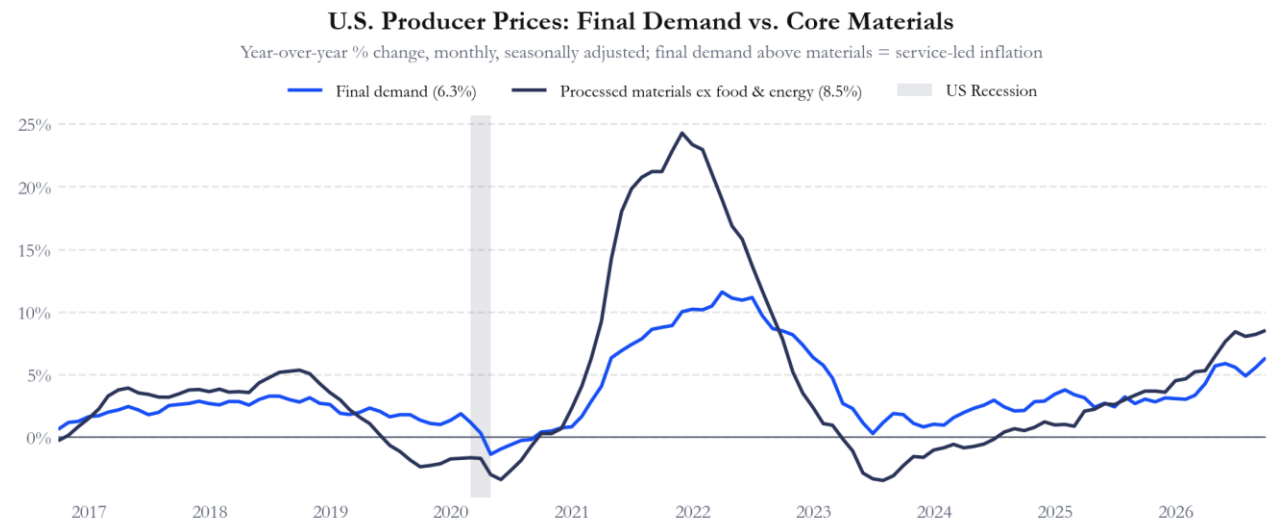


	Oct 25	Nov 25	Dec 25	Jan 26	Feb 26	Mar 26	Apr 26	May 26	Jun 26	Jul 26	Aug 26	Sep 26
PCE: Headline	2.7%	2.7%	2.8%	2.7%	2.8%	3.4%	3.6%	3.8%	3.5%	3.4%	3.4%	3.6%
PCE: Core	2.7%	2.7%	2.9%	2.9%	3.0%	3.1%	3.1%	3.2%	3.0%	3.0%	3.0%	3.1%

SEG Research | Data: U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics via FRED® | Latest: Sep 2026

EXHIBIT 45

Producer prices keep accelerating, with final demand PPI up 6.3% — more CPI pressure ahead.

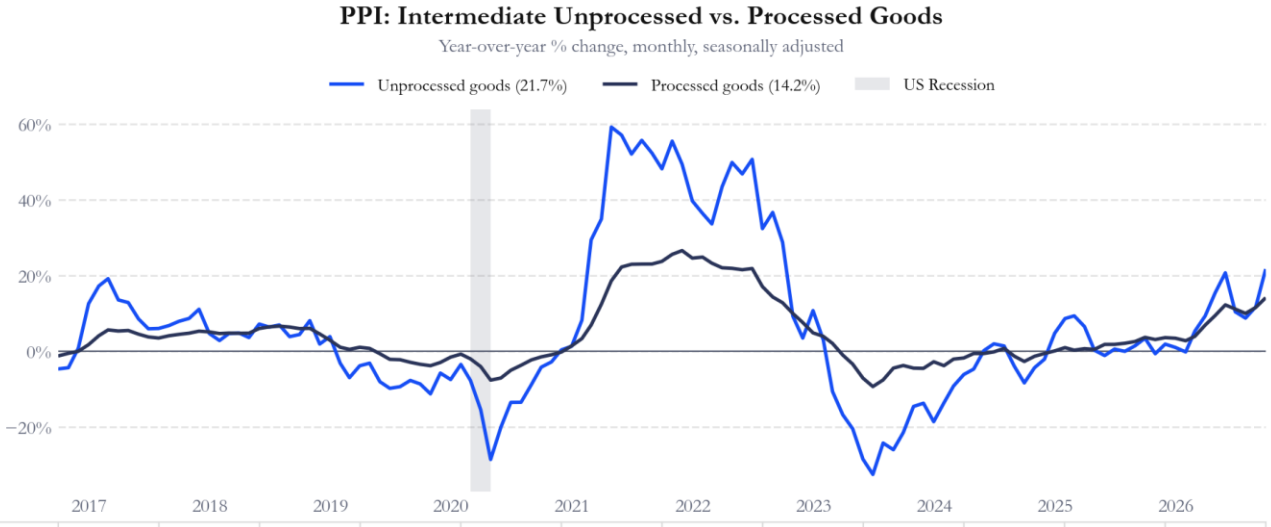


	Oct 25	Nov 25	Dec 25	Jan 26	Feb 26	Mar 26	Apr 26	May 26	Jun 26	Jul 26	Aug 26	Sep 26
Final Demand	2.8%	3.1%	3.1%	3.0%	3.4%	4.3%	5.7%	5.9%	5.6%	4.9%	5.6%	6.3%
Processed ex F&E	3.7%	3.6%	4.5%	4.7%	5.2%	5.3%	6.5%	7.6%	8.4%	8.1%	8.2%	8.5%

SEG Research | Data: U.S. Bureau of Labor Statistics via FRED® | Latest: Sep 2026

EXHIBIT 46

Pipeline inflation is building: unprocessed goods prices are up 21.7% and processed goods 14.2%.

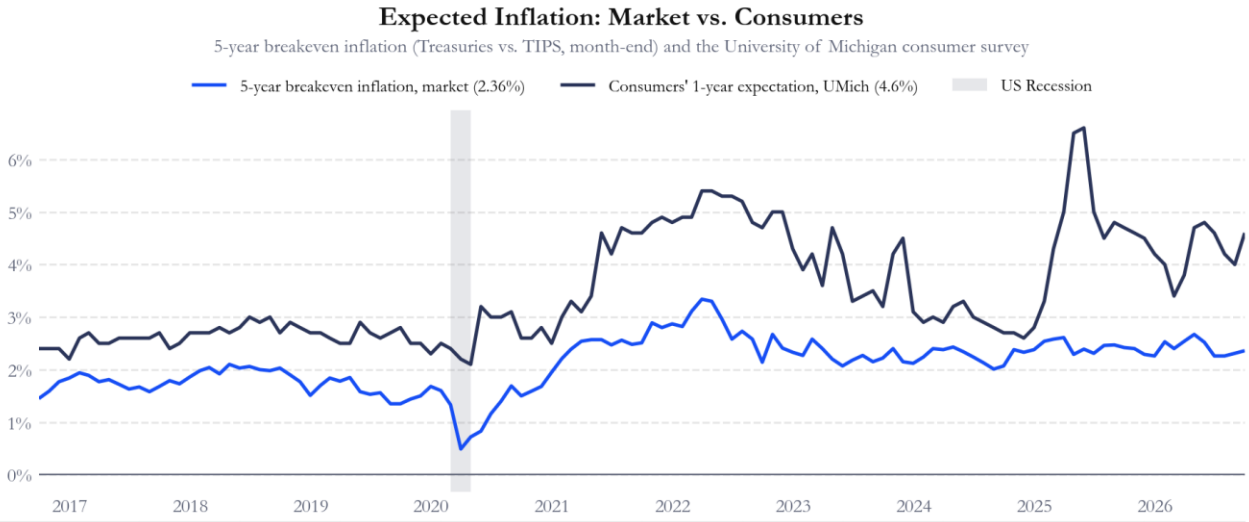


	Oct 25	Nov 25	Dec 25	Jan 26	Feb 26	Mar 26	Apr 26	May 26	Jun 26	Jul 26	Aug 26	Sep 26
Unprocessed Goods	-0.6%	1.9%	1.0%	-0.2%	5.3%	9.3%	15.4%	20.7%	10.4%	8.8%	11.7%	21.7%
Processed Goods	3.1%	3.6%	3.4%	2.8%	3.9%	6.9%	9.4%	12.3%	11.2%	10.0%	11.6%	14.2%

SEG Research | Data: U.S. Bureau of Labor Statistics via FRED® | Latest: Sep 2026

EXHIBIT 47

Markets price 2.4% inflation over five years while consumers expect 4.6% over the next year.



	Oct 25	Nov 25	Dec 25	Jan 26	Feb 26	Mar 26	Apr 26	May 26	Jun 26	Jul 26	Aug 26	Sep 26
5Y breakeven	2.4%	2.3%	2.3%	2.5%	2.4%	2.5%	2.7%	2.5%	2.3%	2.3%	2.3%	2.4%
UMich 1Y	4.6%	4.5%	4.2%	4.0%	3.4%	3.8%	4.7%	4.8%	4.6%	4.2%	4.0%	4.6%

SEG Research | Data: University of Michigan, U.S. Department of the Treasury, Federal Reserve via FRED® | Latest: Sep 2026

*Median expected price change next 12 months, Surveys of Consumers.
Federal Reserve Bank of St. Louis, 5-Year Breakeven Inflation Rate , retrieved from FRED
**The breakeven inflation rate represents a measure of expected inflation derived from 5-Year Treasury Constant Maturity Securities (BC_5YEAR) and 5-Year Treasury Inflation-Indexed Constant Maturity Securities (TC_5YEAR).

EXHIBIT 48

The Cleveland Fed's 1-year expected inflation eased to 2.7%.



	Oct 25	Nov 25	Dec 25	Jan 26	Feb 26	Mar 26	Apr 26	May 26	Jun 26	Jul 26	Aug 26	Sep 26
1-year expected	2.73%	2.70%	3.19%	2.59%	2.59%	2.30%	3.28%	3.54%	3.04%	2.39%	2.40%	2.66%

SEG Research | Data: Federal Reserve Bank of Cleveland via FRED® | Latest: Sep 2026

08 Commodities

EXHIBIT 49

Commodities rallied 14% in Q3, led by crude oil.

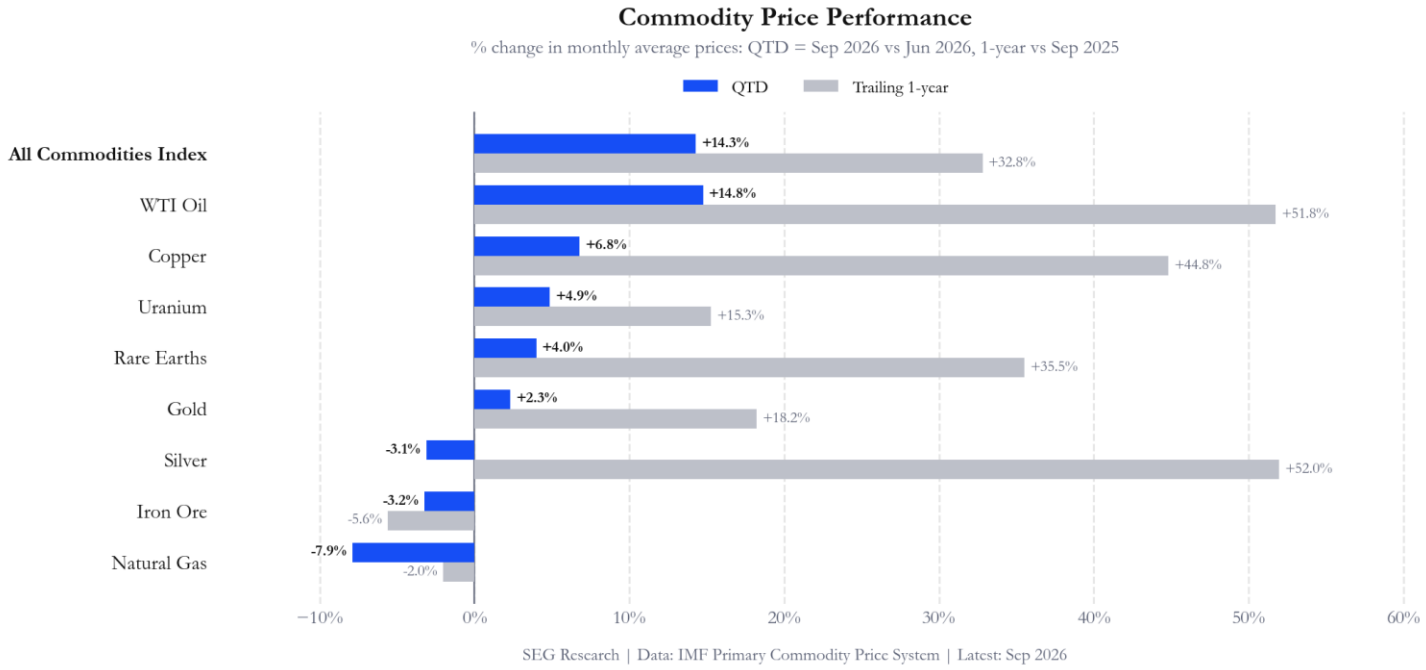
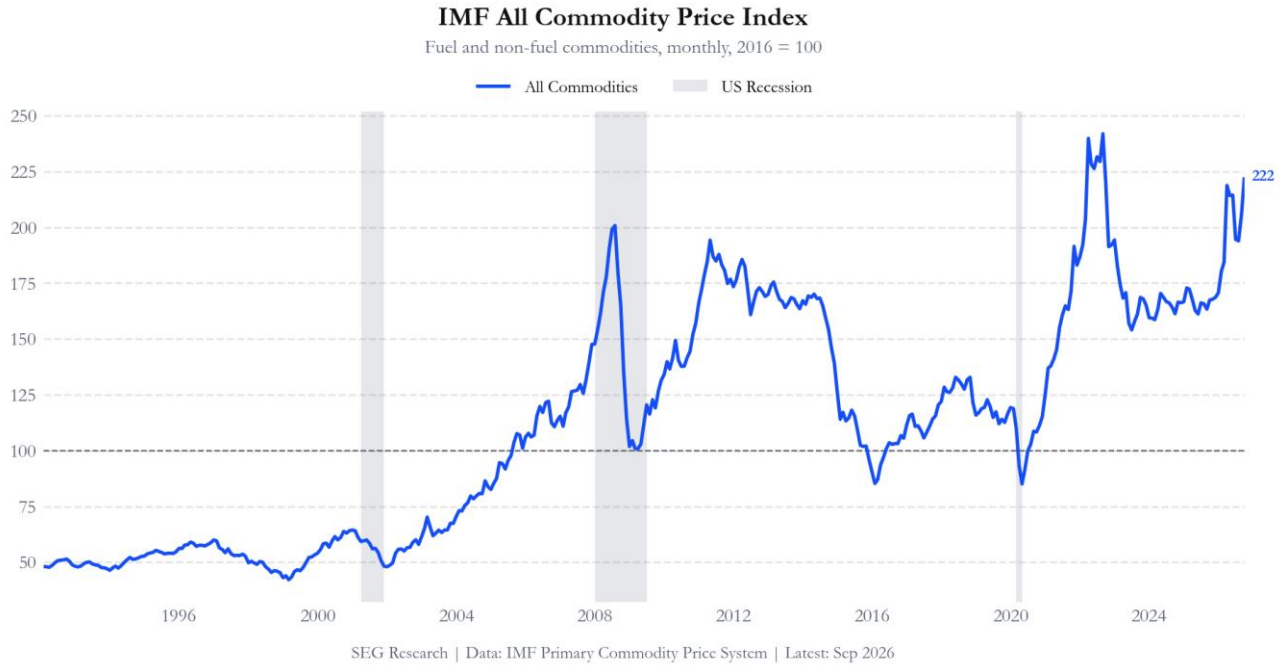


EXHIBIT 50

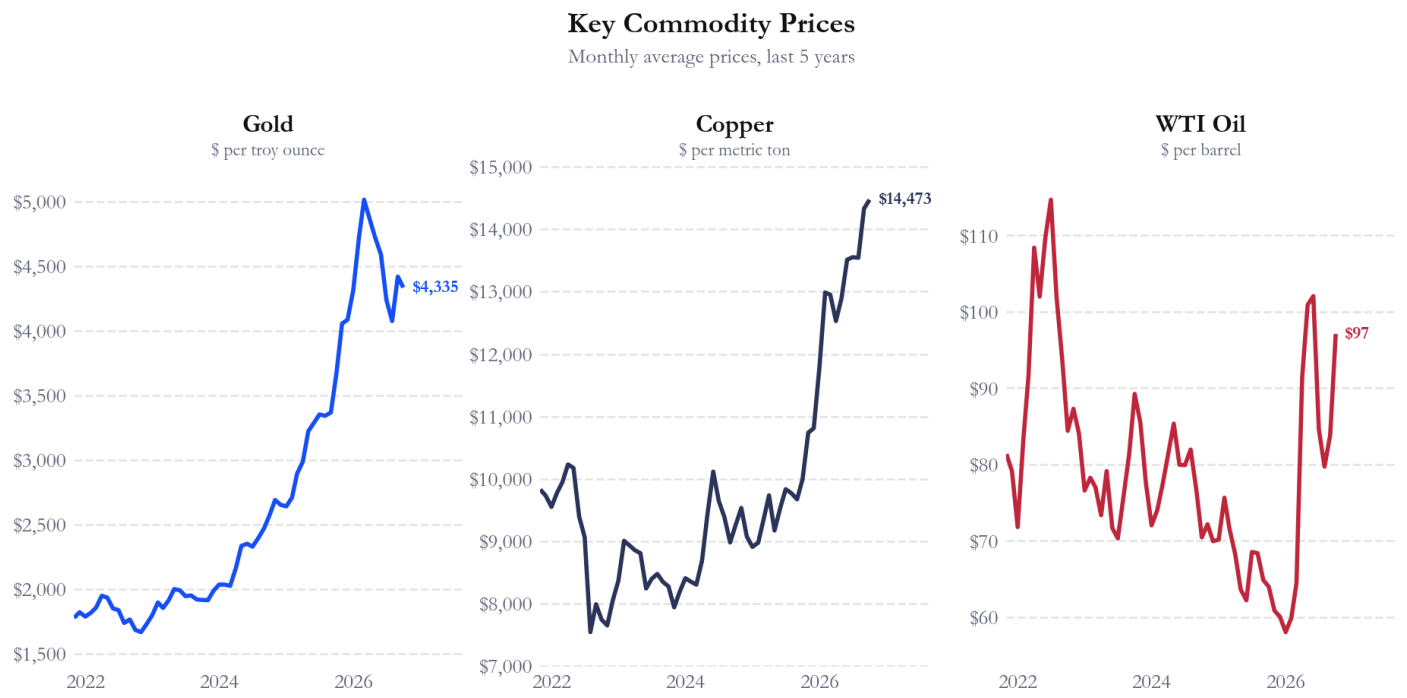
The IMF commodity index has rebounded toward its 2022 highs.



Source: International Monetary Fund, Global Price Index of All Commodities.
*Value represents the benchmark prices which are representative of the global market. They are determined by the largest exporter of a given commodity. Prices are period averages in nominal U.S. dollars.

EXHIBIT 51

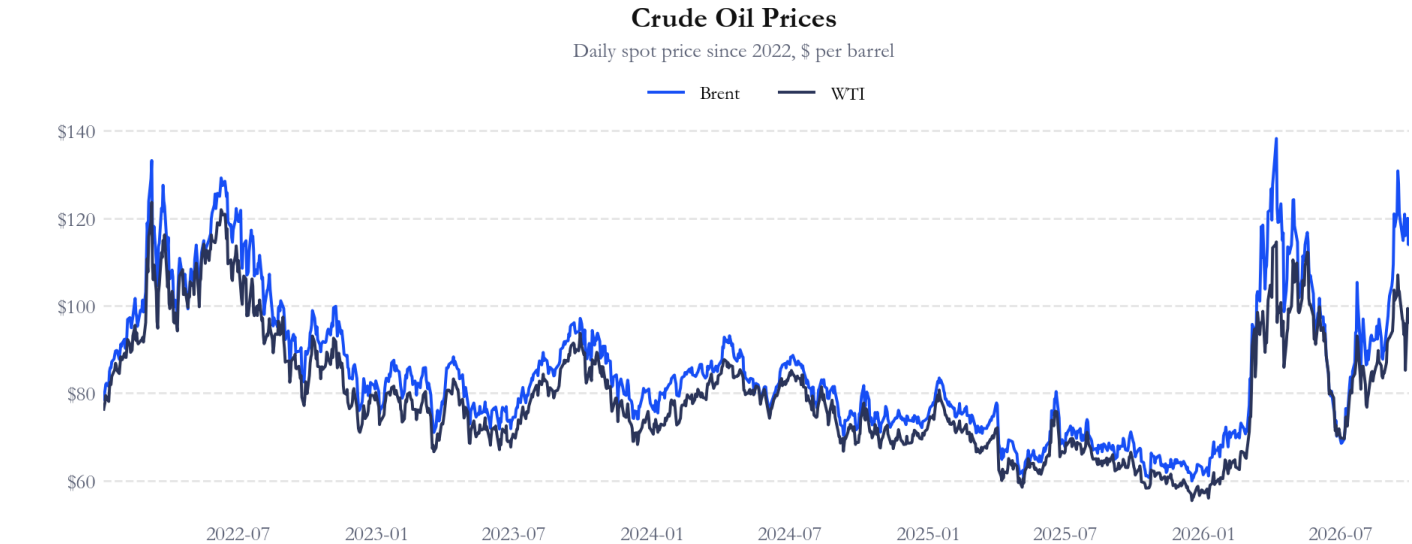
Copper hit a record high on AI infrastructure demand, while gold pulled back from its peak.



SEG Research | Data: IMF Primary Commodity Price System | Latest: Sep 2026

EXHIBIT 52

Crude oil rebounded sharply in Q3, with Brent ending September at $116.



	Oct 2025	Nov 2025	Dec 2025	Jan 2026	Feb 2026	Mar 2026	Apr 2026	May 2026	Jun 2026	Jul 2026	Aug 2026	Sep 2026
Brent	$65	$64	$61	$72	$71	$127	$124	$93	$70	$97	$90	$116
WTI	$62	$59	$57	$64	$67	$103	$109	$91	$71	$86	$87	$97

SEG Research | Data: U.S. Energy Information Administration via FRED® | Latest: September 30, 2026

09 Trade & Tariffs

KEY TAKEAWAYS

Trade & Tariffs

- Tariff refunds pulled the net effective tariff rate down to 1.1%, against 7.6% gross.
- Excluding AI hardware, the goods trade deficit has narrowed to 1.7% of GDP.
- China now supplies under 8% of U.S. imports, on par with Taiwan and Vietnam.

EXHIBIT 53

Tariff refunds have pulled the net effective tariff rate down to 1.1%, from 7.6% gross.

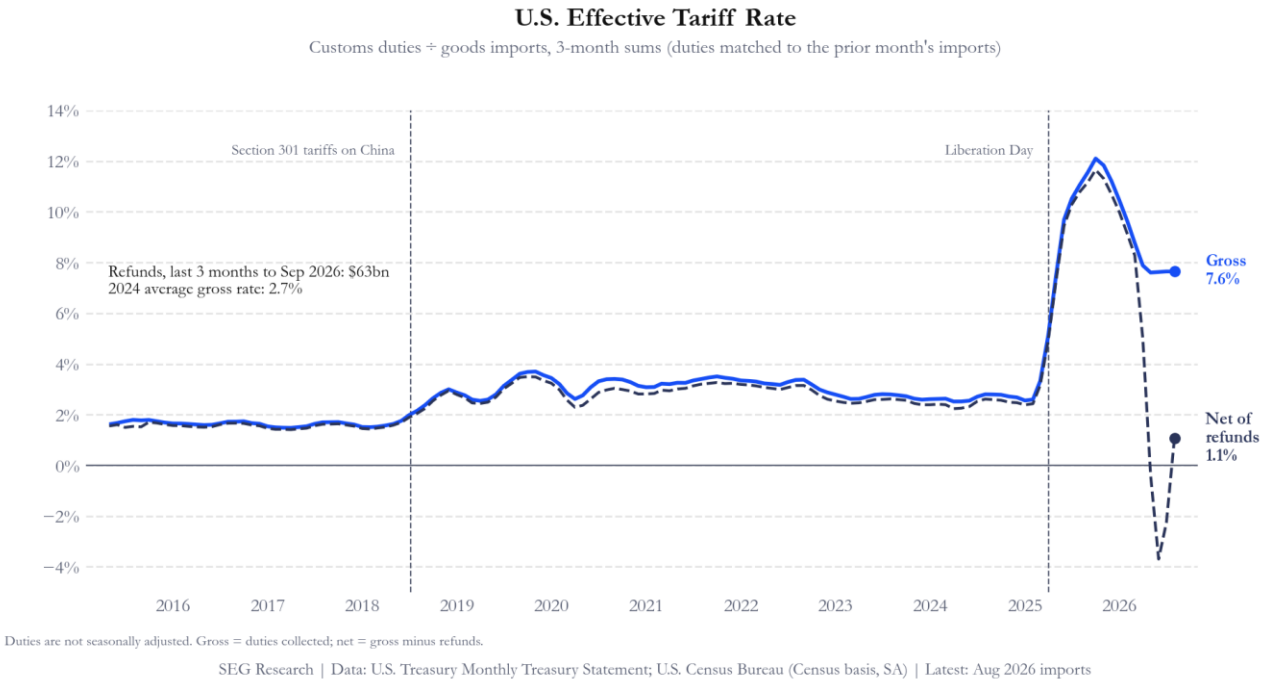
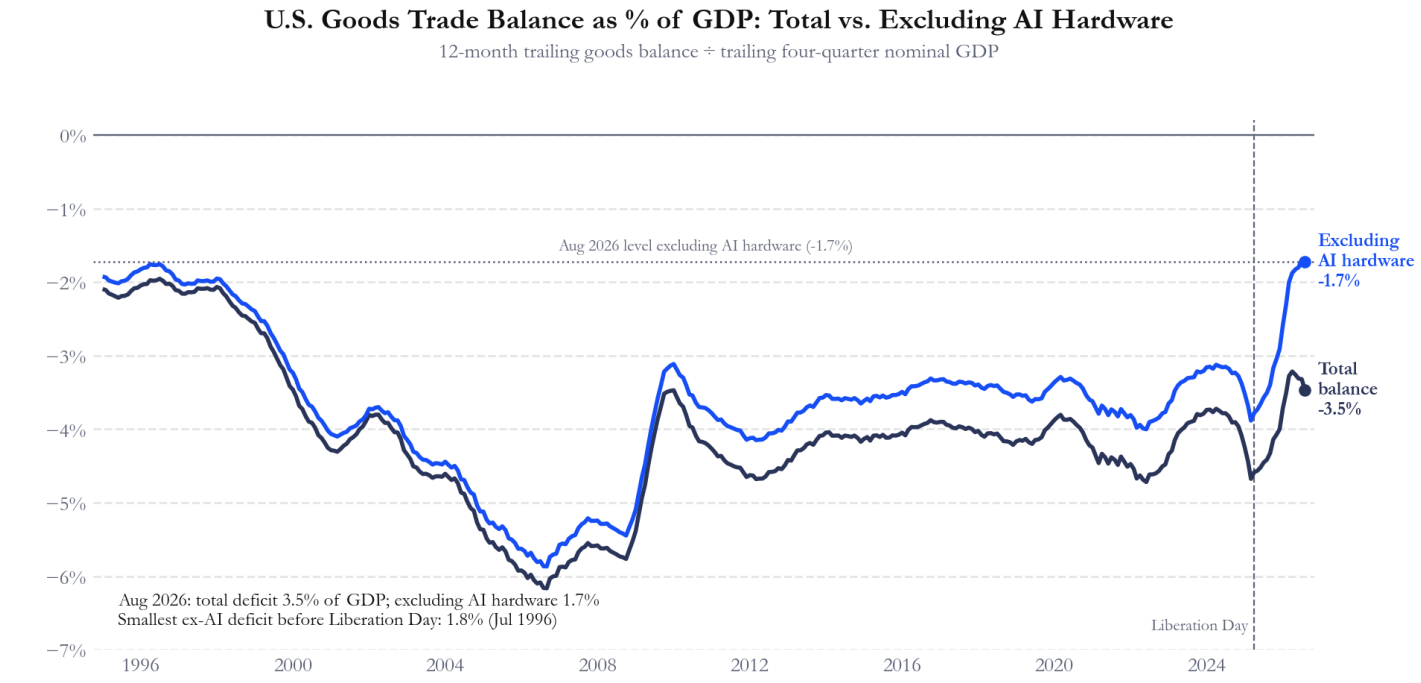


EXHIBIT 54

Excluding AI hardware, the goods trade deficit has narrowed to 1.7% of GDP.

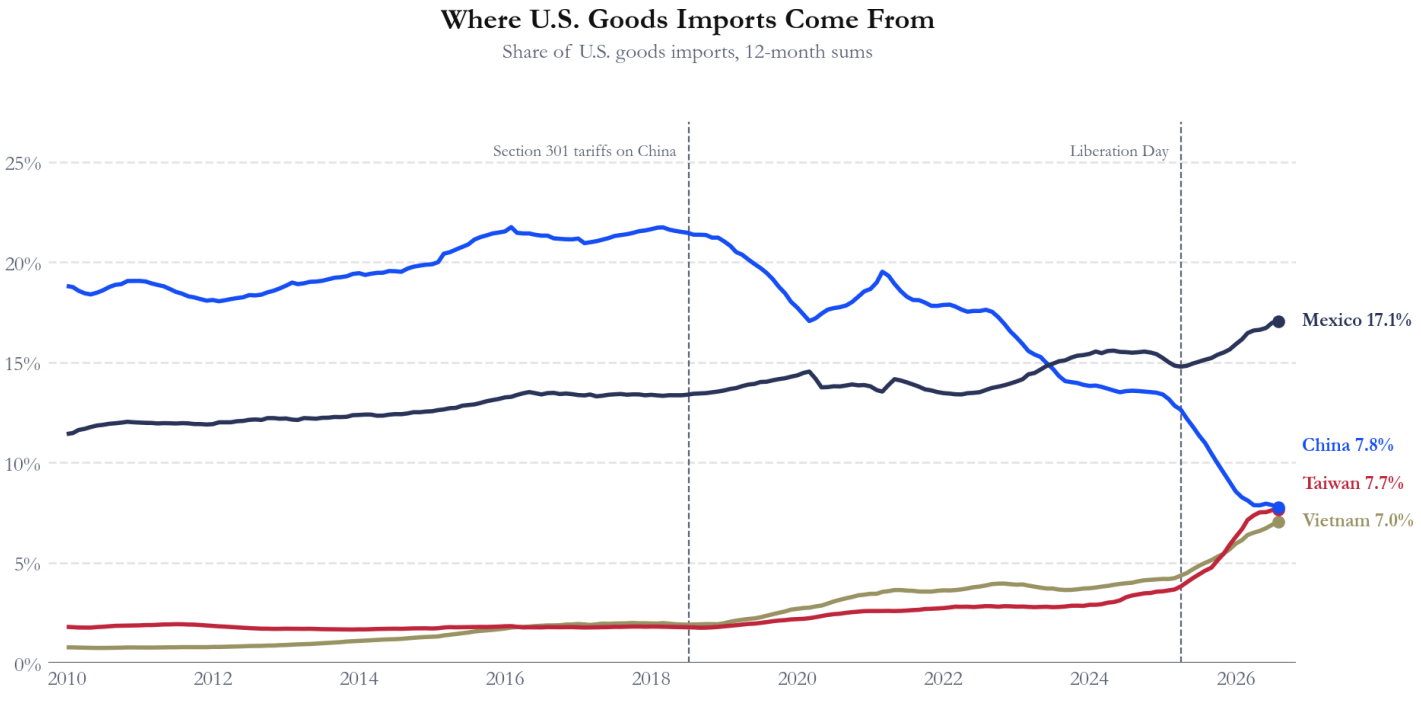


AI hardware = end-use 21300 computers, 21301 computer accessories, 21320 semiconductors, 21400 telecommunications equipment.

SEG Research | Data: U.S. Census Bureau (end-use, Census basis, SA); BEA nominal GDP via FRED® | Latest: Aug 2026

EXHIBIT 55

China now supplies under 8% of U.S. imports, on par with Taiwan and Vietnam.

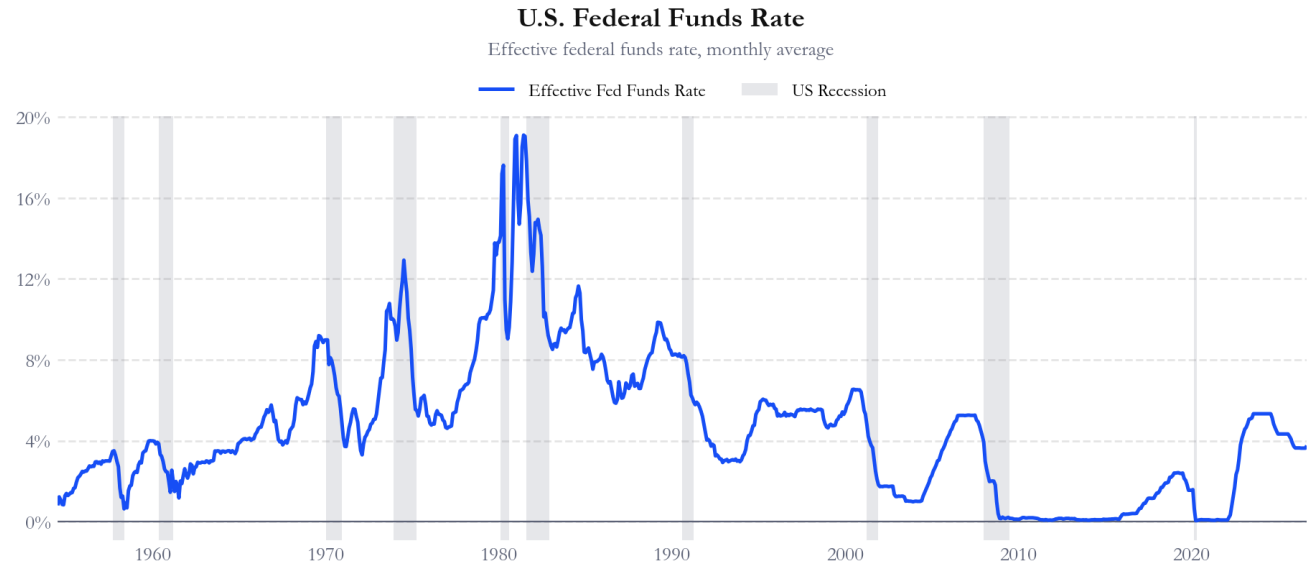


SEG Research | Data: U.S. Census Bureau via FRED® | Latest: Aug 2026

10 Monetary Policy

EXHIBIT 56

The Fed resumed hiking in September, lifting the target range to 3.75–4.00%.

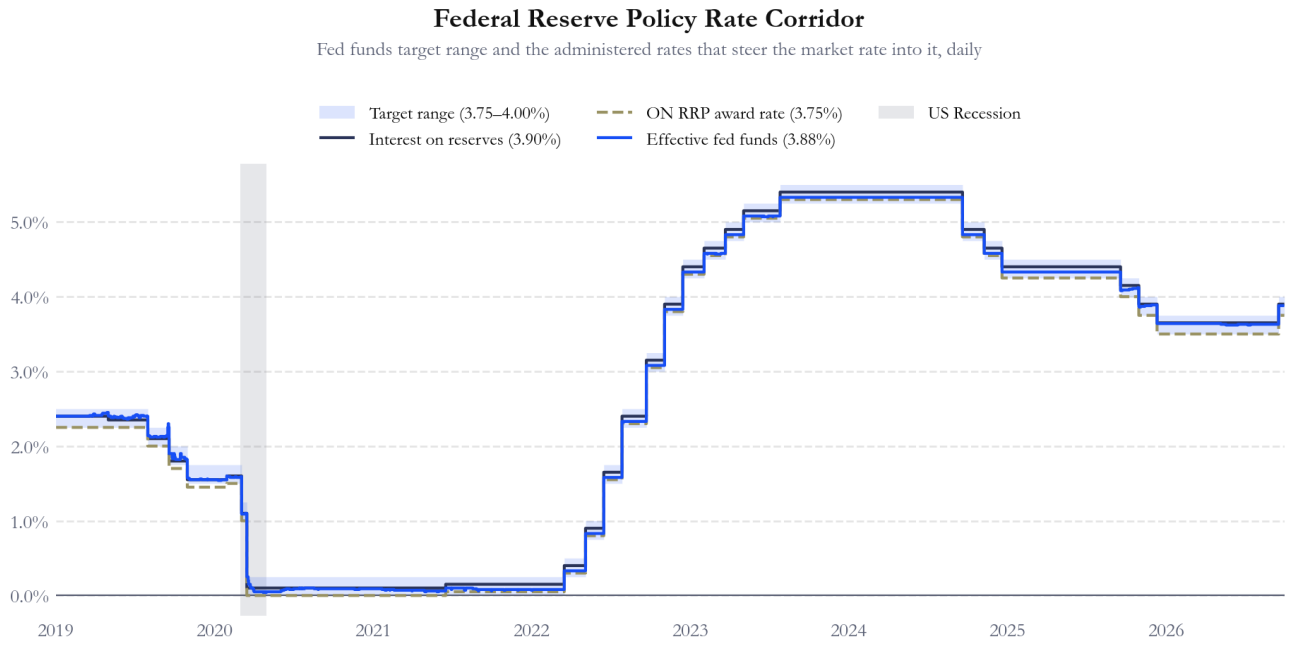


	Oct 2025	Nov 2025	Dec 2025	Jan 2026	Feb 2026	Mar 2026	Apr 2026	May 2026	Jun 2026	Jul 2026	Aug 2026	Sep 2026
Effective rate	4.09%	3.88%	3.72%	3.64%	3.64%	3.64%	3.64%	3.63%	3.63%	3.63%	3.63%	3.75%

SEG Research | Data: Board of Governors of the Federal Reserve System via FRED® | Latest: Sep 2026

EXHIBIT 57

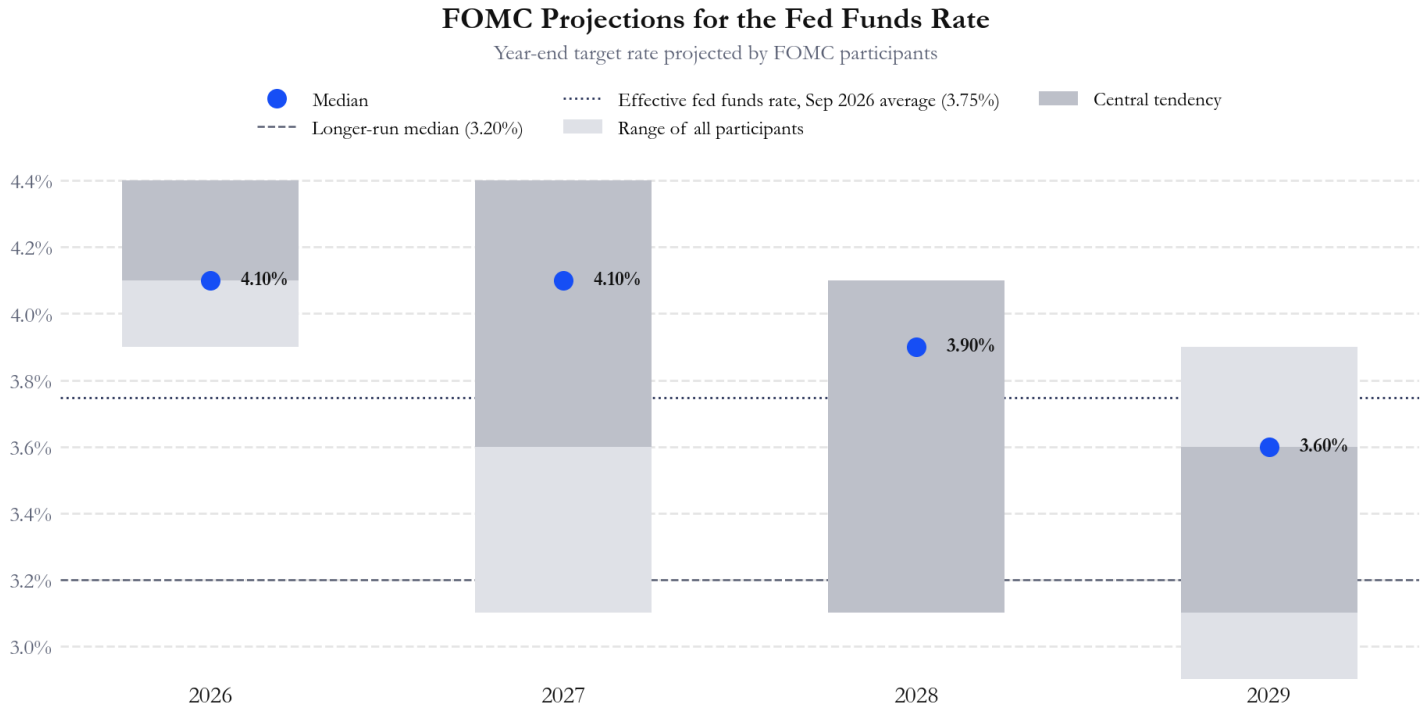
The September hike lifted the policy rate corridor, with effective fed funds at 3.88%.



SEG Research | Data: Board of Governors of the Federal Reserve System via FRED® | Latest: September 30, 2026

EXHIBIT 58

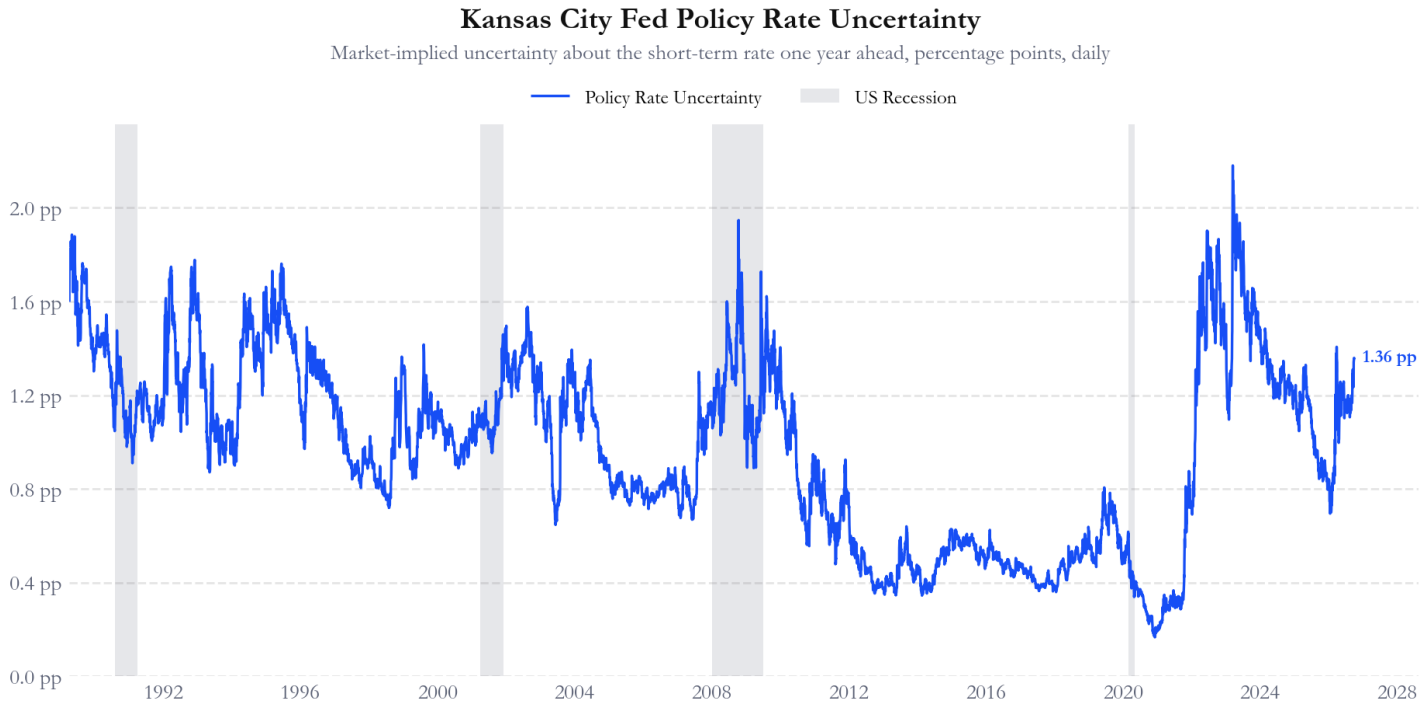
The FOMC projects one more hike this year, then gradual cuts toward 3.2%.



SEG Research | Data: Board of Governors of the Federal Reserve System via FRED® | Latest: September 16, 2026

EXHIBIT 59

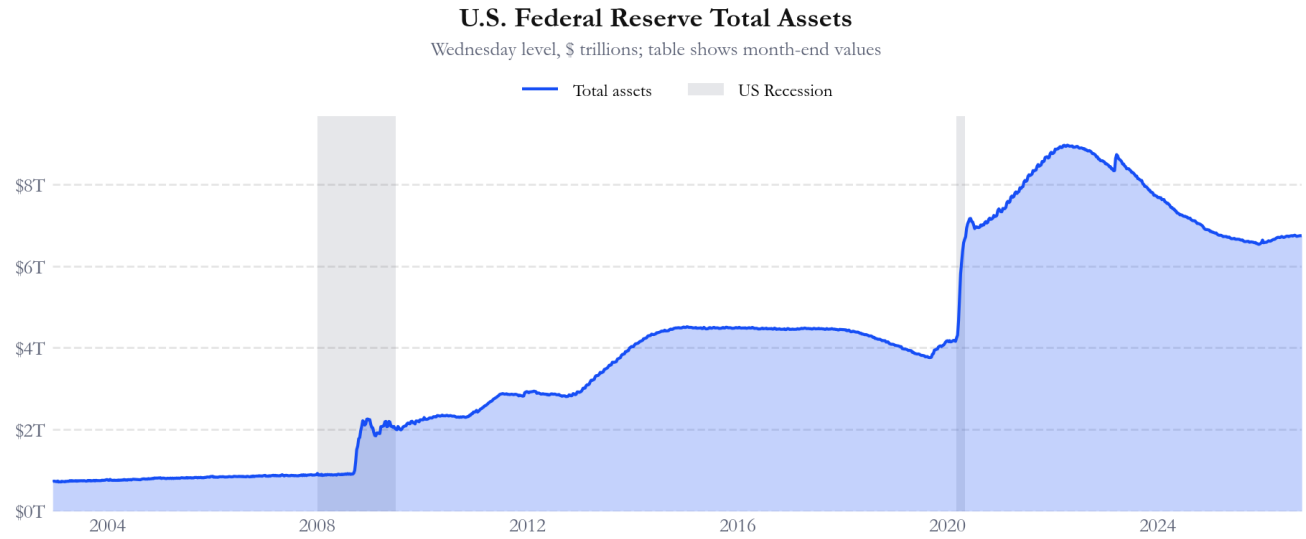
Policy rate uncertainty has risen as the Fed turned back to tightening.



SEG Research | Data: Federal Reserve Bank of Kansas City via FRED® | Latest: September 30, 2026

EXHIBIT 60

The Fed's balance sheet is growing again, up 2% over the year to $6.74 trillion.

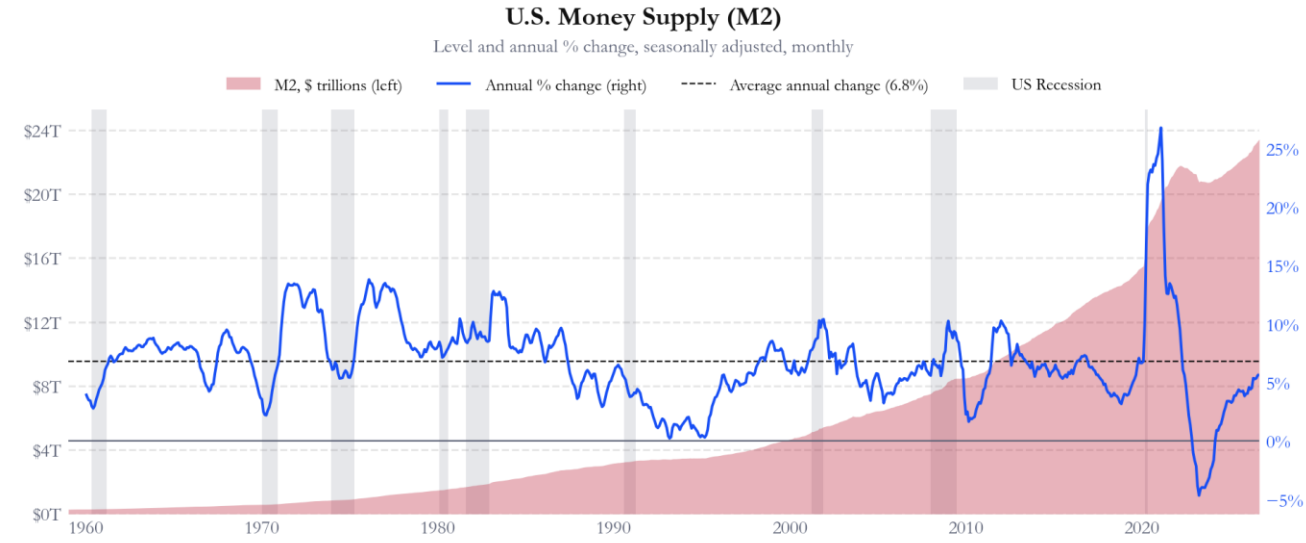


	Oct 2025	Nov 2025	Dec 2025	Jan 2026	Feb 2026	Mar 2026	Apr 2026	May 2026	Jun 2026	Jul 2026	Aug 2026	Sep 2026
Total assets	$6.59T	$6.55T	$6.64T	$6.59T	$6.61T	$6.66T	$6.70T	$6.70T	$6.74T	$6.74T	$6.73T	$6.74T
1-year change	-6.1%	-5.1%	-3.6%	-3.4%	-2.3%	-1.2%	-0.1%	+0.5%	+1.1%	+1.4%	+1.9%	+2.0%

SEG Research | Data: Board of Governors of the Federal Reserve System via FRED® | Latest: September 30, 2026

EXHIBIT 61

M2 growth has climbed to 5.7%, still below its 6.8% historical average.



	Oct 2025	Nov 2025	Dec 2025	Jan 2026	Feb 2026	Mar 2026	Apr 2026	May 2026	Jun 2026	Jul 2026	Aug 2026	Sep 2026
Annual % change	4.3%	3.8%	4.0%	4.1%	4.6%	4.4%	4.5%	5.4%	5.3%	5.4%	5.6%	5.7%

SEG Research | Data: Board of Governors of the Federal Reserve System via FRED® | Latest: Sep 2026

Federal Reserve Bank of St. Louis (FRED)

11 Fiscal Policy

KEY TAKEAWAYS

Fiscal Policy

- The 12-month federal deficit has widened to $1.99 trillion, with total public debt at 121% of GDP.
- Interest costs absorb 21% of federal revenue.
- Customs duties supply about 5% of federal revenue, while transfers make up 18.8% of personal income.

EXHIBIT 62

The federal deficit has widened to $1.99 trillion over the past 12 months.

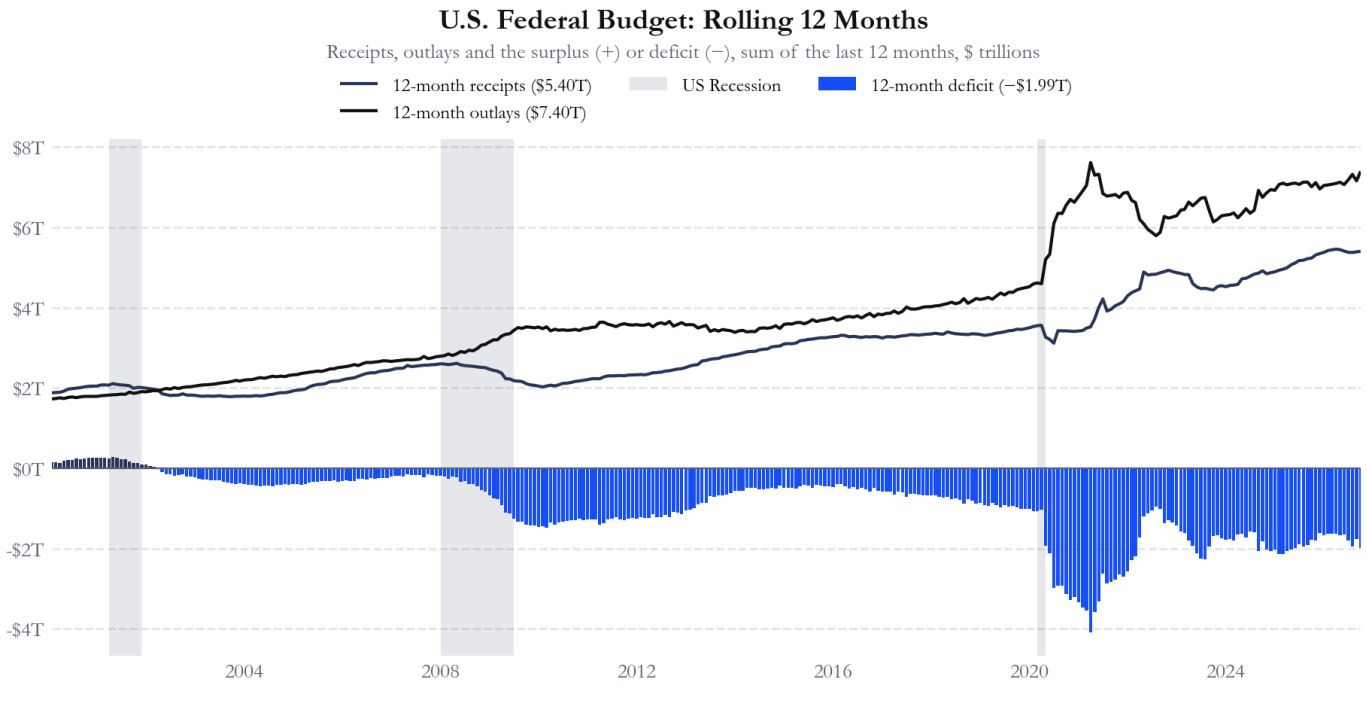
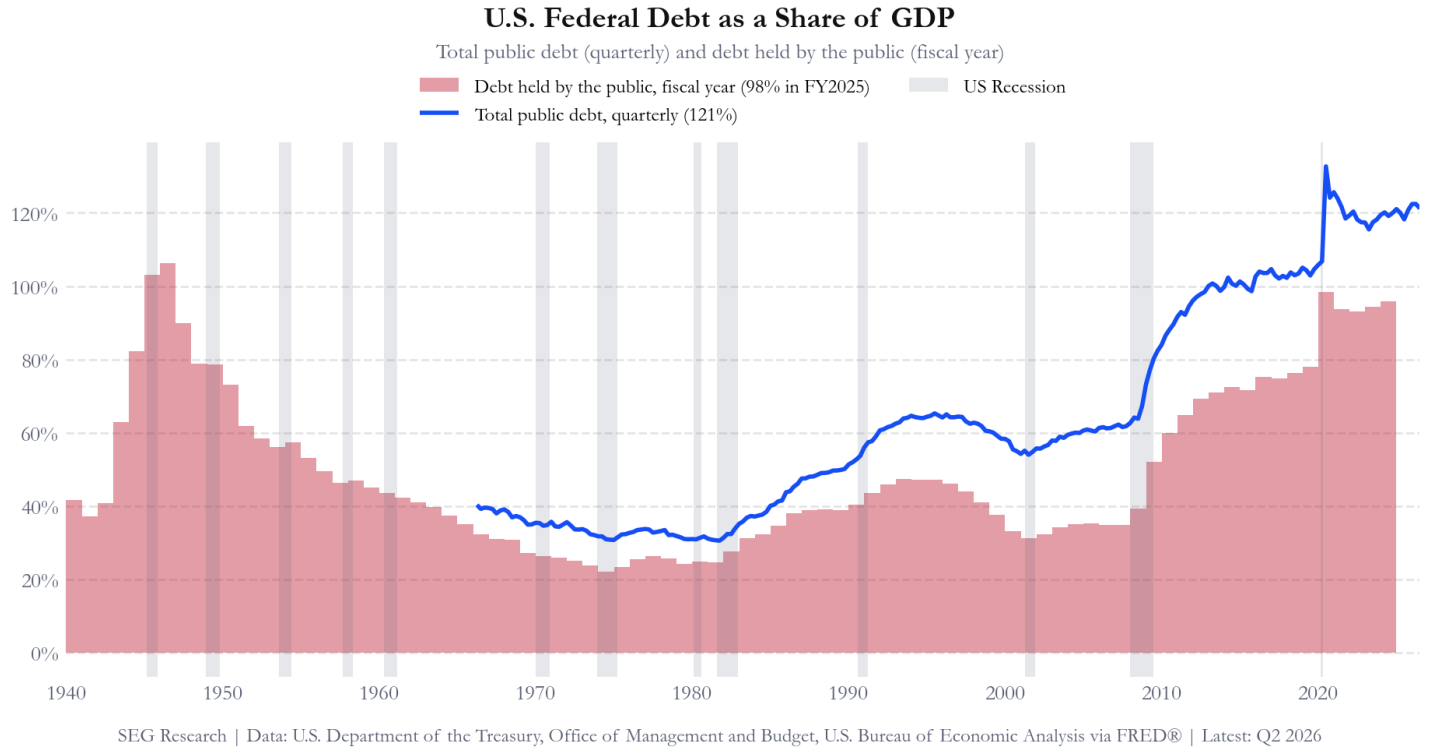


EXHIBIT 63

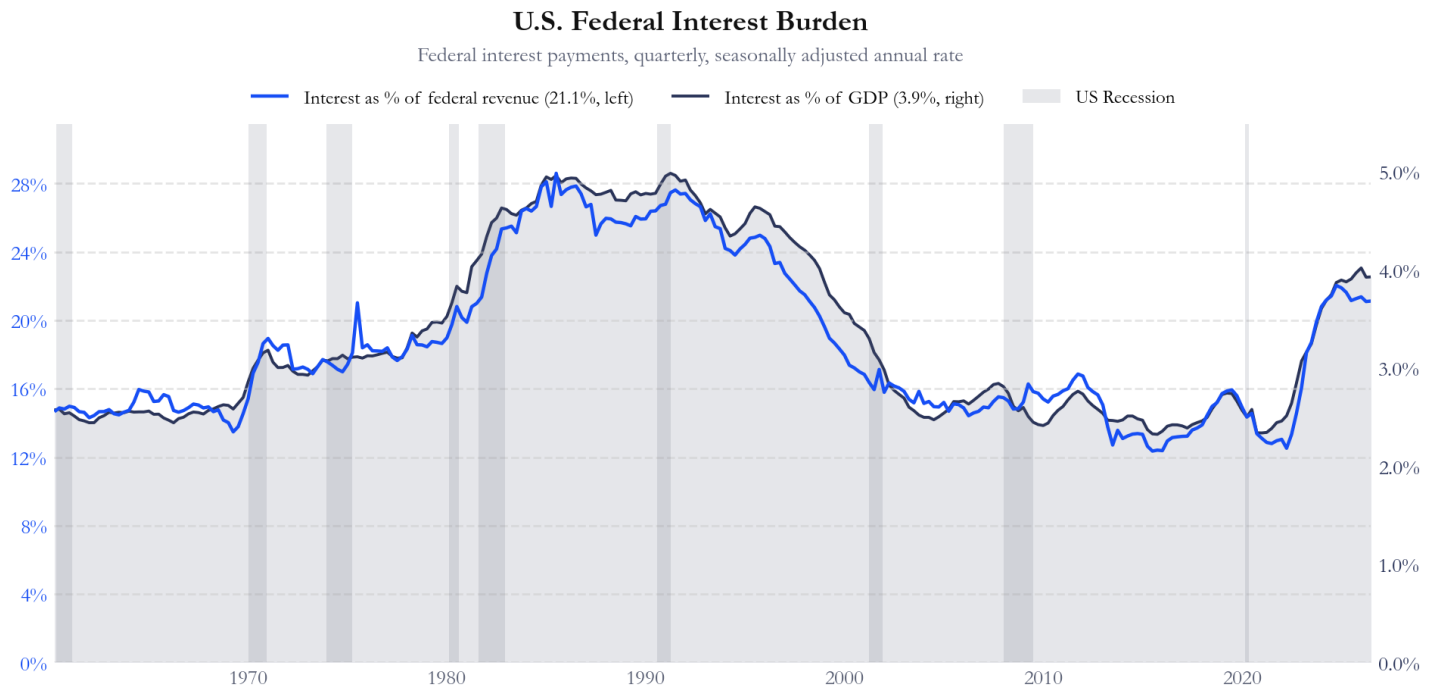
Total public debt stands at 121% of GDP, near its post-pandemic highs.



SEG Research | Data: U.S. Department of the Treasury, Office of Management and Budget, U.S. Bureau of Economic Analysis via FRED® | Latest: Q2 2026

EXHIBIT 64

Interest costs absorb 21% of federal revenue.



SEG Research | Data: U.S. Bureau of Economic Analysis via FRED® | Latest: Q2 2026

EXHIBIT 65

Customs duties have come off their peak but still supply about 5% of federal revenue.

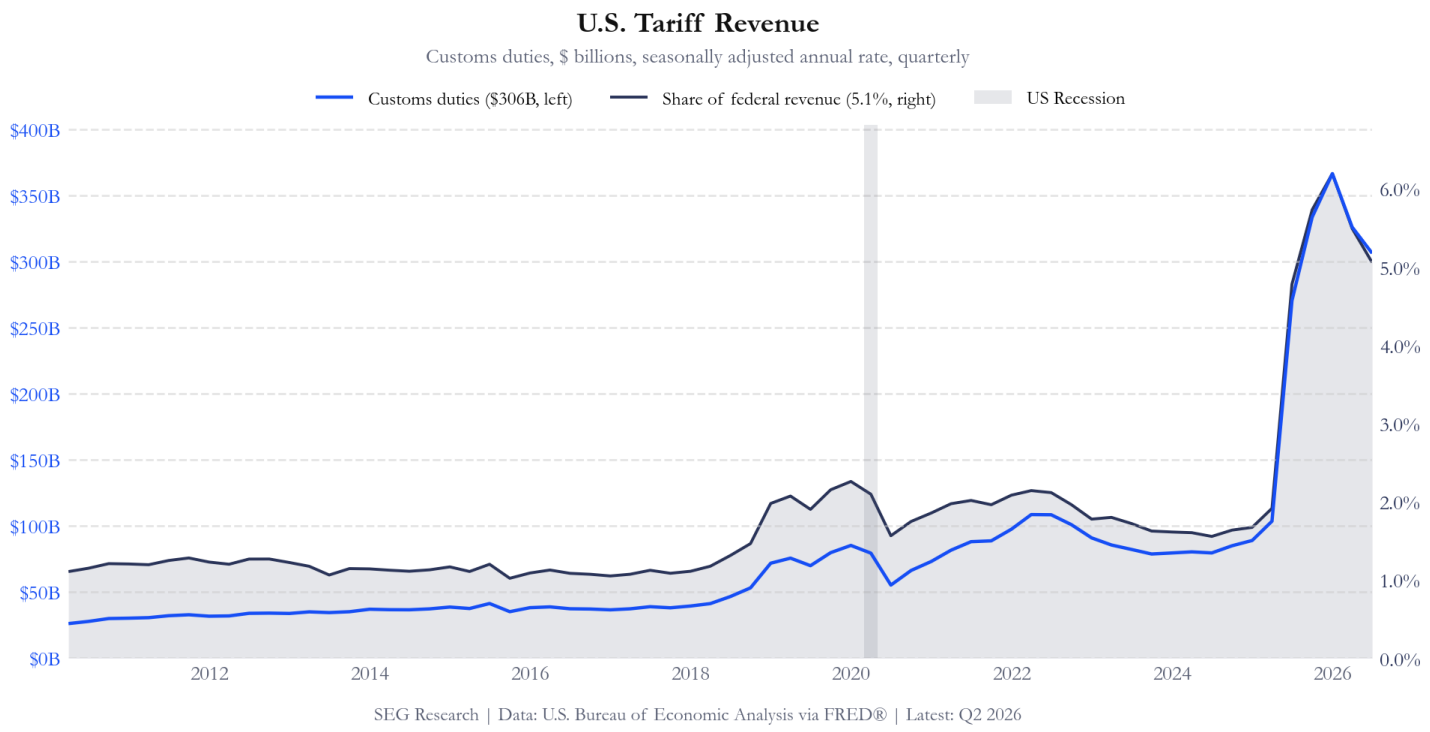
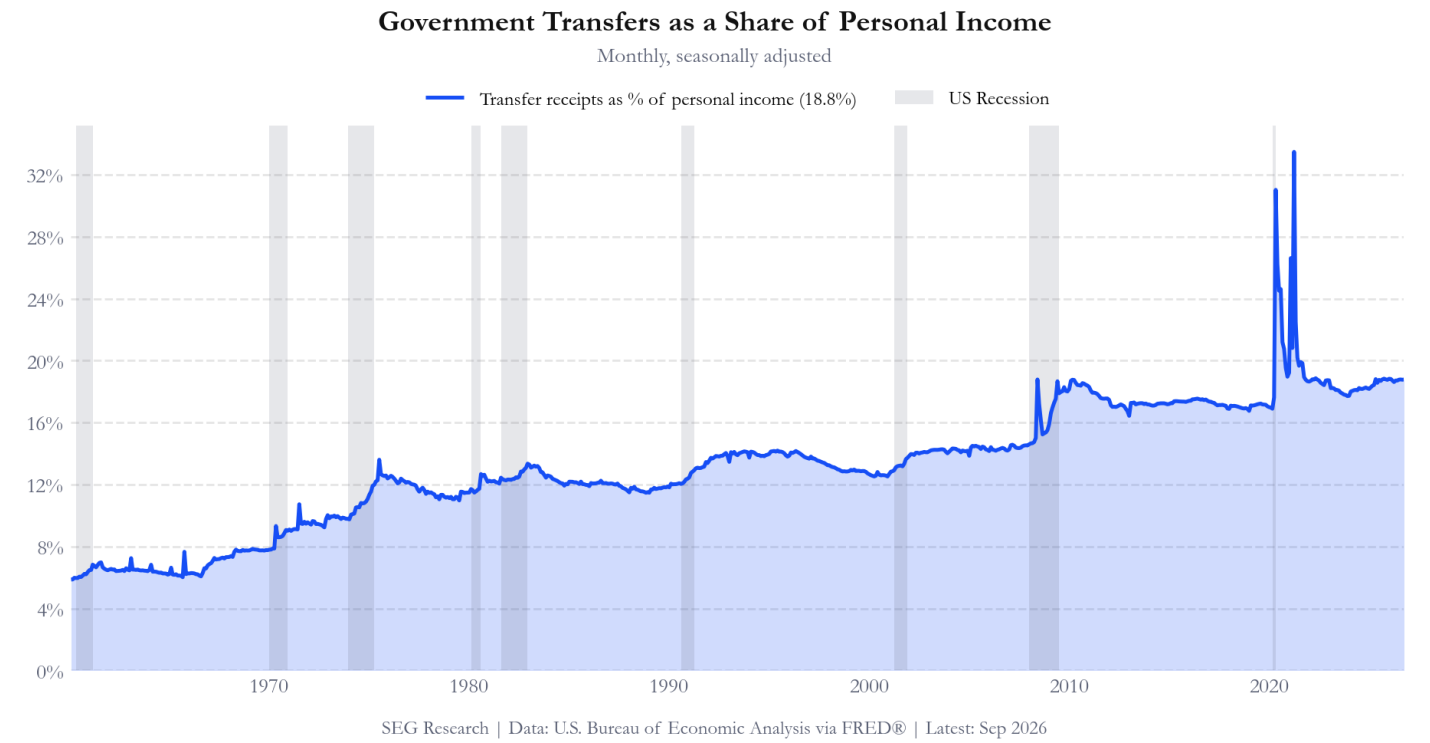


EXHIBIT 66

Government transfers make up 18.8% of personal income.



Federal Reserve Bank of St. Louis (FRED),

12 The Dollar & Global Economy

KEY TAKEAWAYS

The Dollar & Global Economy

- The broad dollar was flat in Q3, though it fell 12.5% against the Korean won.
- U.S. growth continues to outpace the euro area, the U.K. and Japan.
- Central banks are tightening again, and U.K. and U.S. 10-year yields are above 5%.

EXHIBIT 67

The dollar was flat in Q3 overall but fell 12.5% against the Korean won.

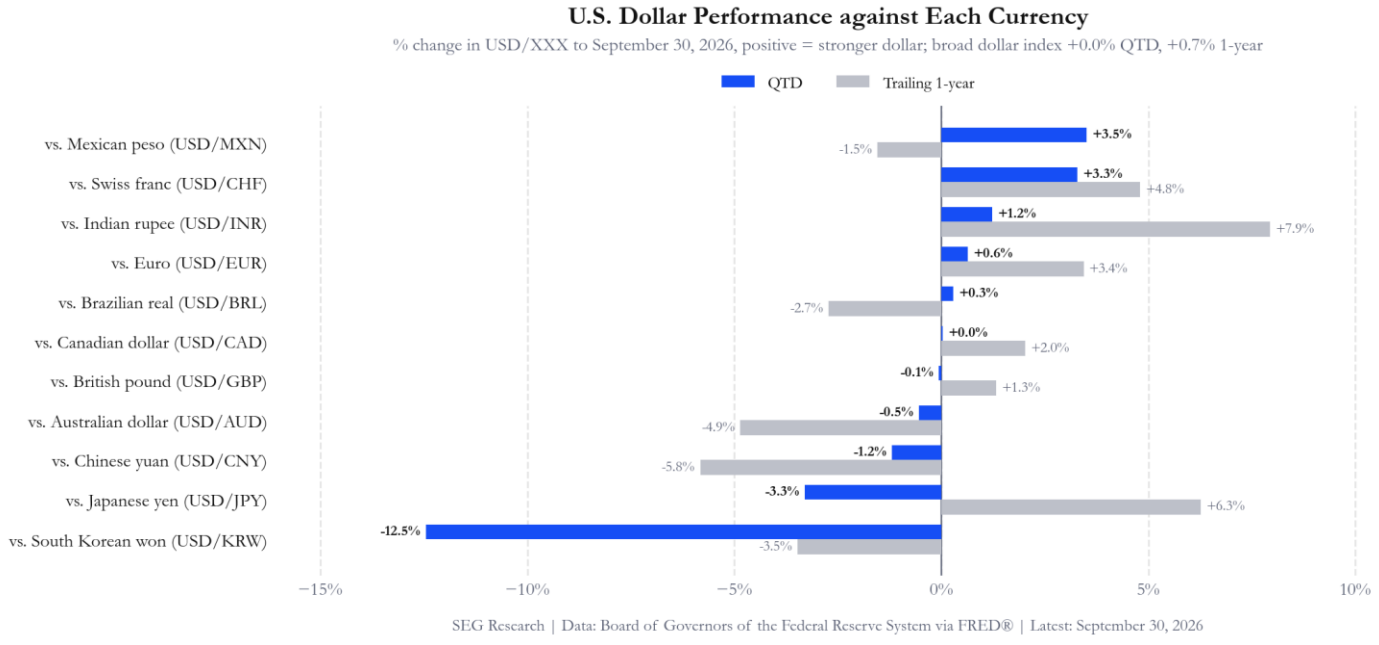
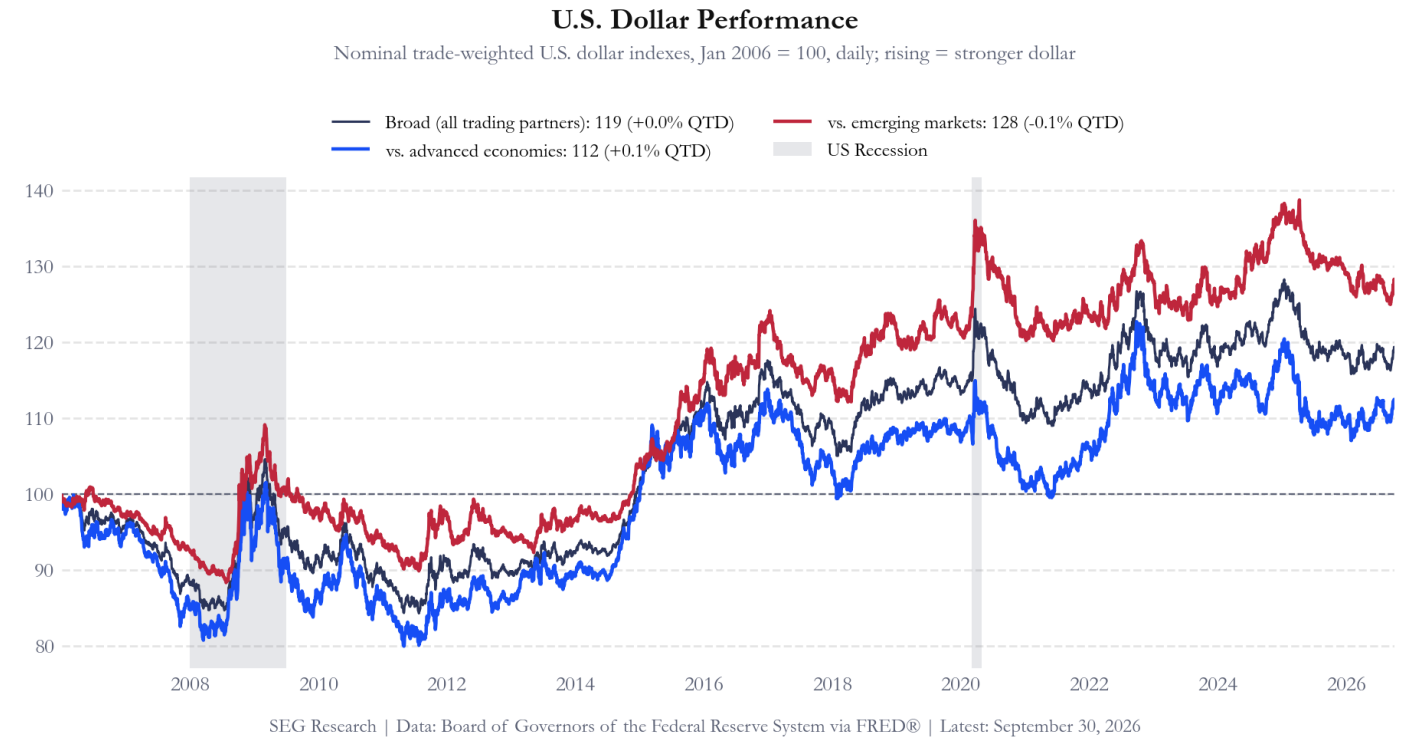


EXHIBIT 68

The broad dollar was unchanged in Q3 and holds near its long-term highs.



Federal Reserve Bank of St. Louis (FRED)

EXHIBIT 69

U.S. growth continues to outpace other major economies.

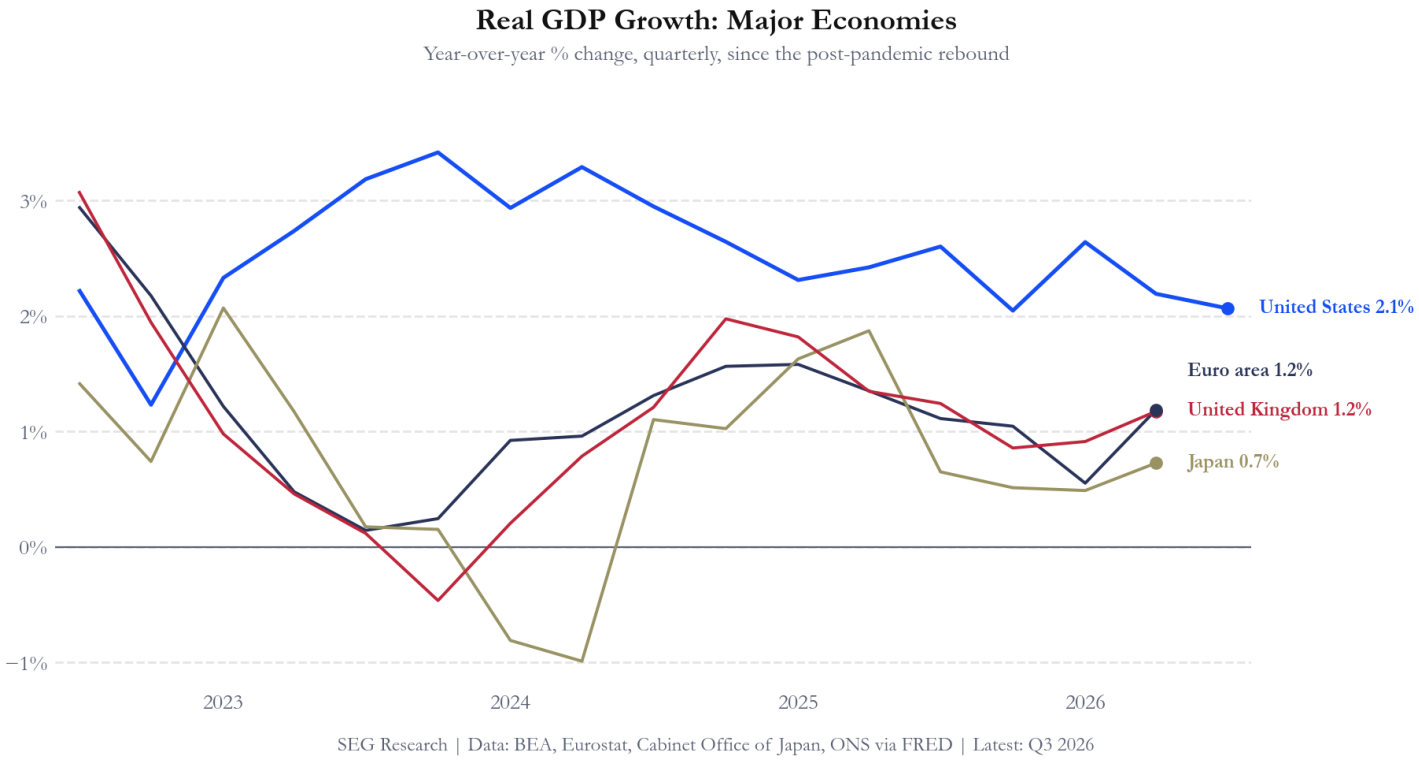
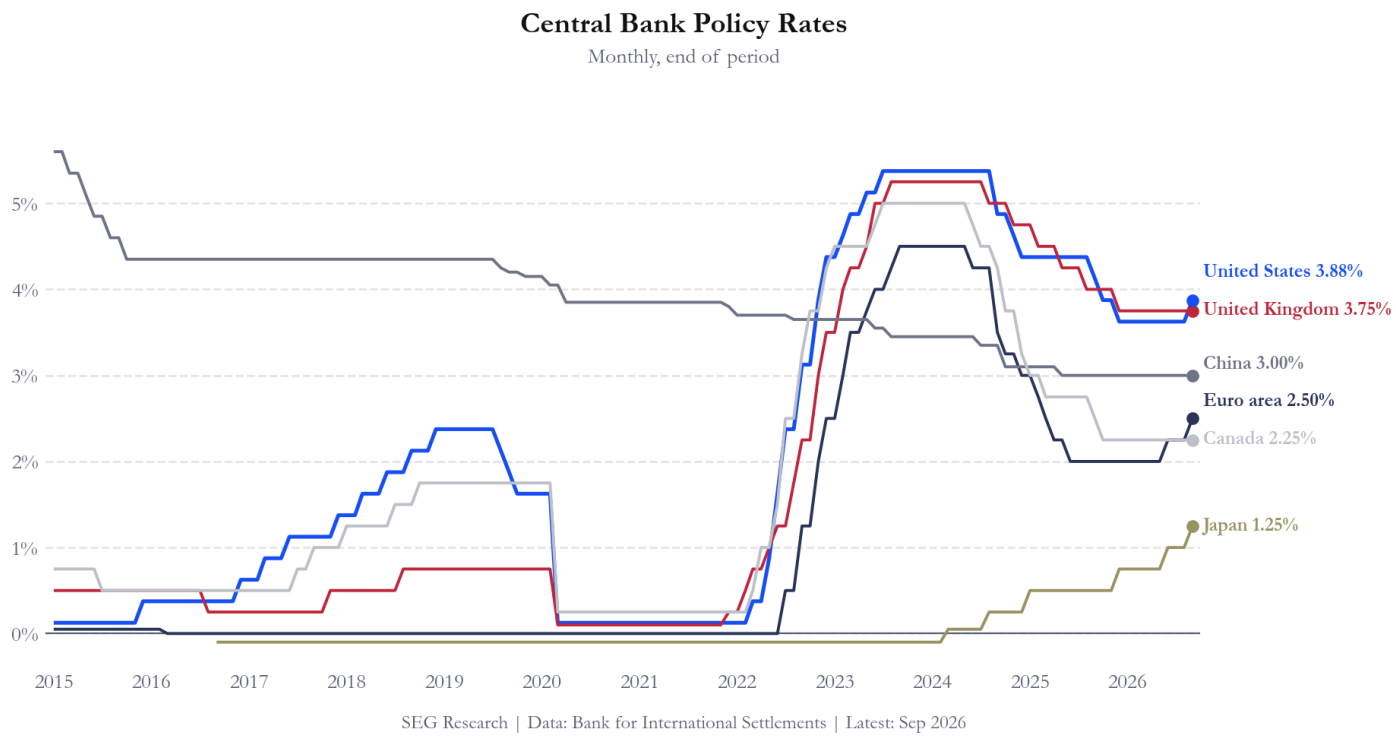


EXHIBIT 70

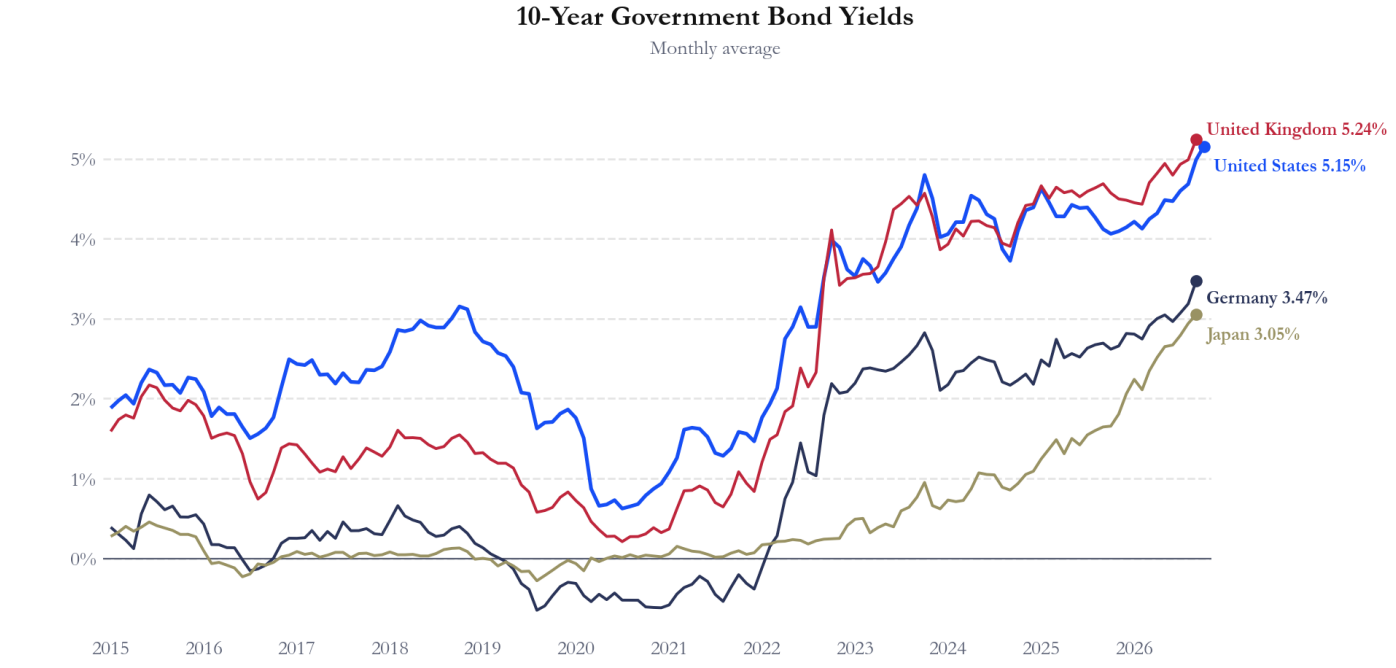
Central banks are tightening again, with the euro area and Japan both raising rates.



SEG Research | Data: Bank for International Settlements | Latest: Sep 2026

EXHIBIT 71

Global bond yields are at multi-year highs, with U.K. and U.S. 10-year yields above 5%.



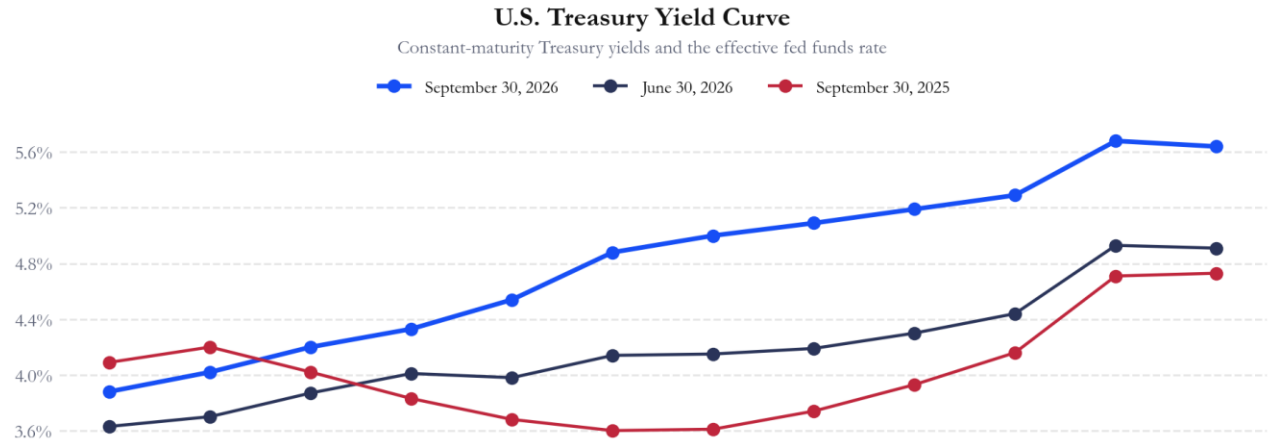
Non-U.S. yields are published with a lag; each line ends at its latest month.

SEG Research | Data: U.S. Treasury; OECD Main Economic Indicators via FRED | Latest: Oct 2026

13 Fixed Income

EXHIBIT 72

Treasury yields jumped 75–90 bp across the curve in Q3, lifting the 10-year to 5.29%.

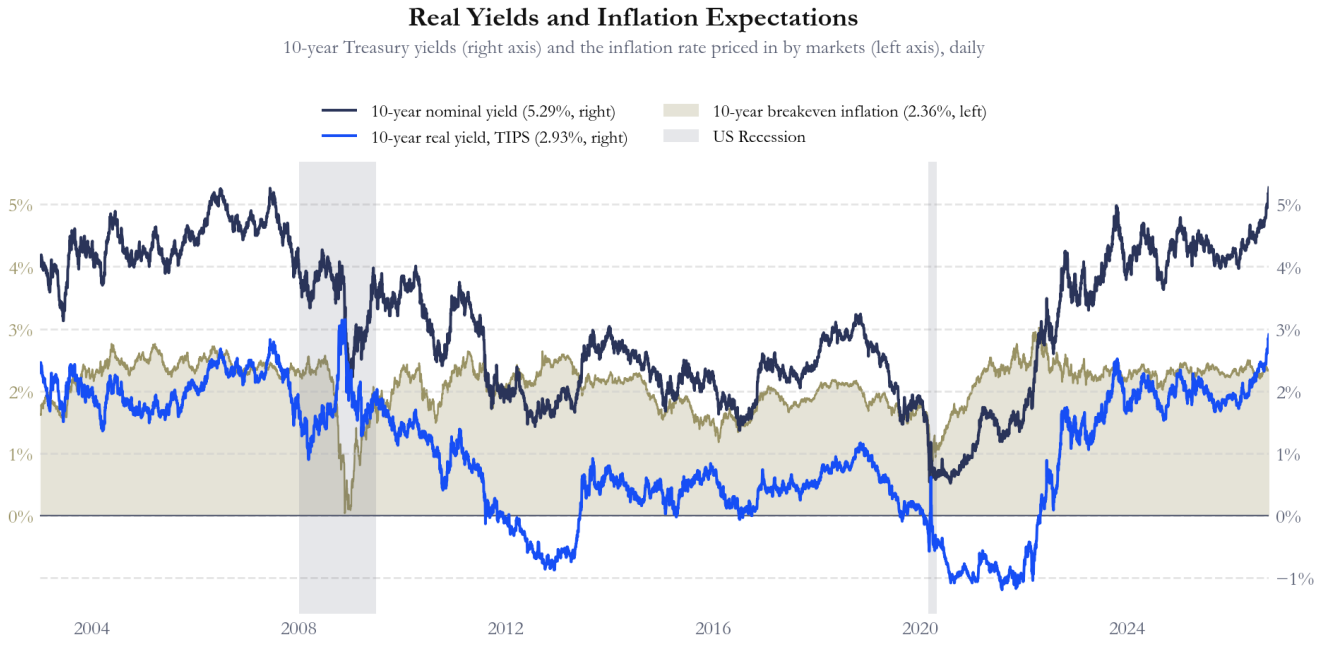


	Fed Funds	1M	3M	6M	1Y	2Y	3Y	5Y	7Y	10Y	20Y	30Y
September 30, 2026	3.88%	4.02%	4.20%	4.33%	4.54%	4.88%	5.00%	5.09%	5.19%	5.29%	5.68%	5.64%
June 30, 2026	3.63%	3.70%	3.87%	4.01%	3.98%	4.14%	4.15%	4.19%	4.30%	4.44%	4.93%	4.91%
September 30, 2025	4.09%	4.20%	4.02%	3.83%	3.68%	3.60%	3.61%	3.74%	3.93%	4.16%	4.71%	4.73%
Change vs last quarter	+25 bp	+32 bp	+33 bp	+32 bp	+56 bp	+74 bp	+85 bp	+90 bp	+89 bp	+85 bp	+75 bp	+73 bp

SEG Research | Data: U.S. Department of the Treasury, Board of Governors of the Federal Reserve System via FRED® | Latest: September 30, 2026

EXHIBIT 73

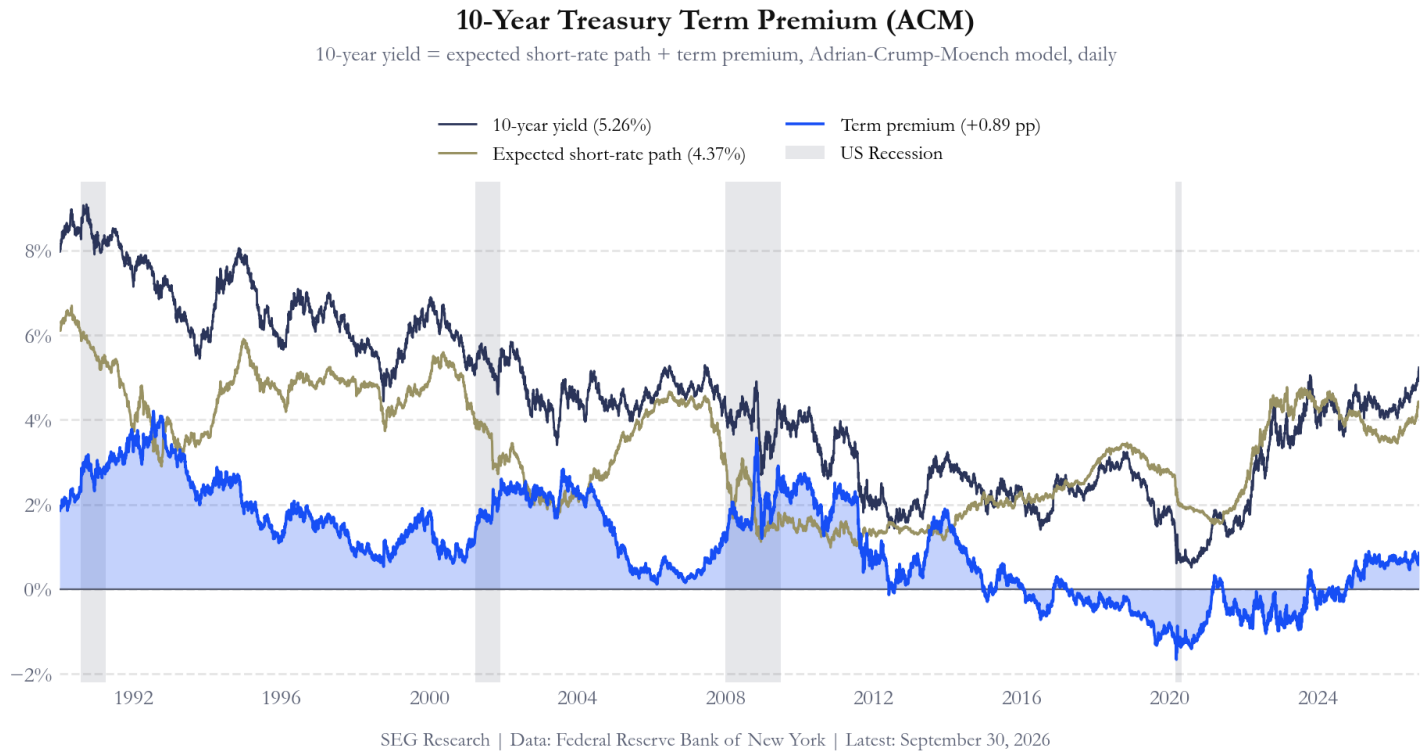
Real yields drove the Q3 sell-off: the 10-year TIPS yield rose to 2.93% while breakevens barely moved.



SEG Research | Data: U.S. Department of the Treasury, Board of Governors of the Federal Reserve System via FRED® | Latest: September 30, 2026

EXHIBIT 74

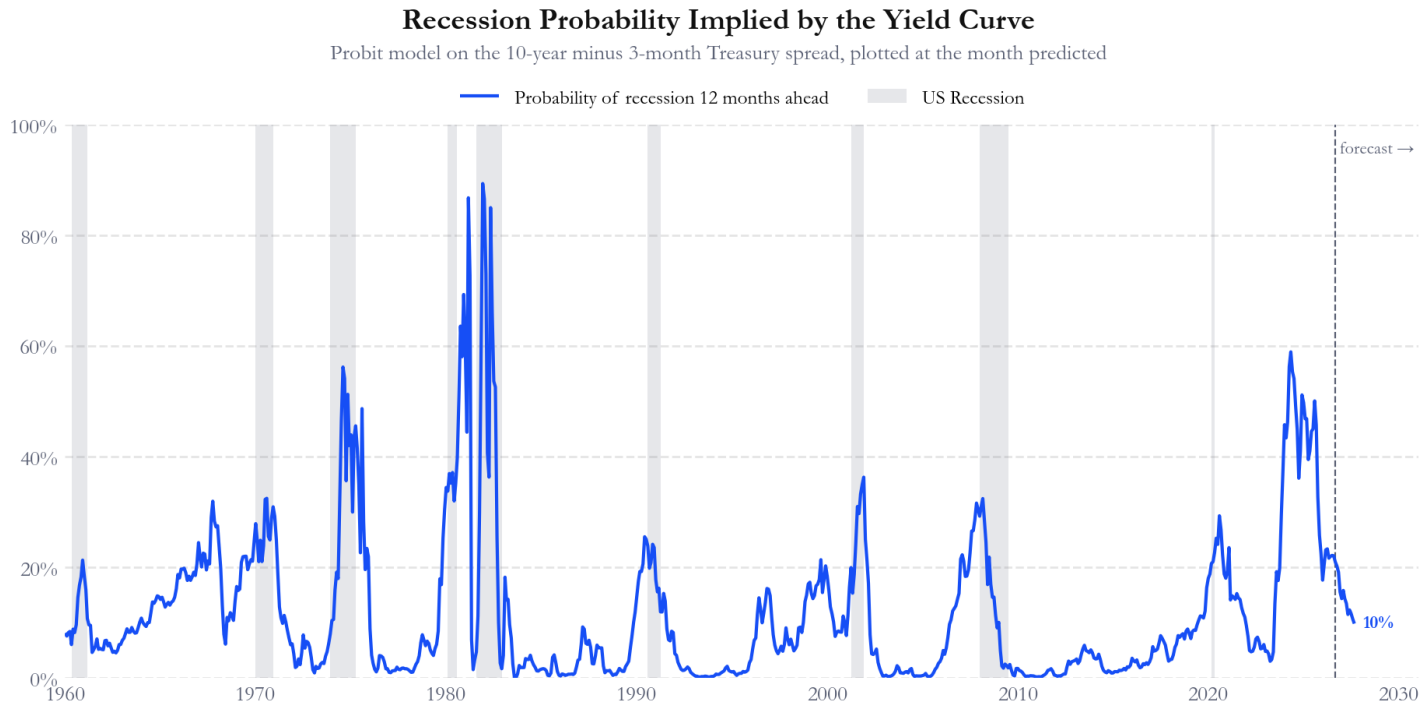
The 10-year term premium has climbed to 0.9 pp as long yields rise.



SEG Research | Data: Federal Reserve Bank of New York | Latest: September 30, 2026

EXHIBIT 75

The yield curve implies a 10% chance of recession over the next 12 months.



SEG Research | Data: NBER, U.S. Department of the Treasury, Board of Governors of the Federal Reserve System via FRED® | Latest: spread Sep 2026, forecast for Sep 2027

EXHIBIT 76

Corporate yields are higher across every rating tier than a year ago, with CCC at 16.7%.

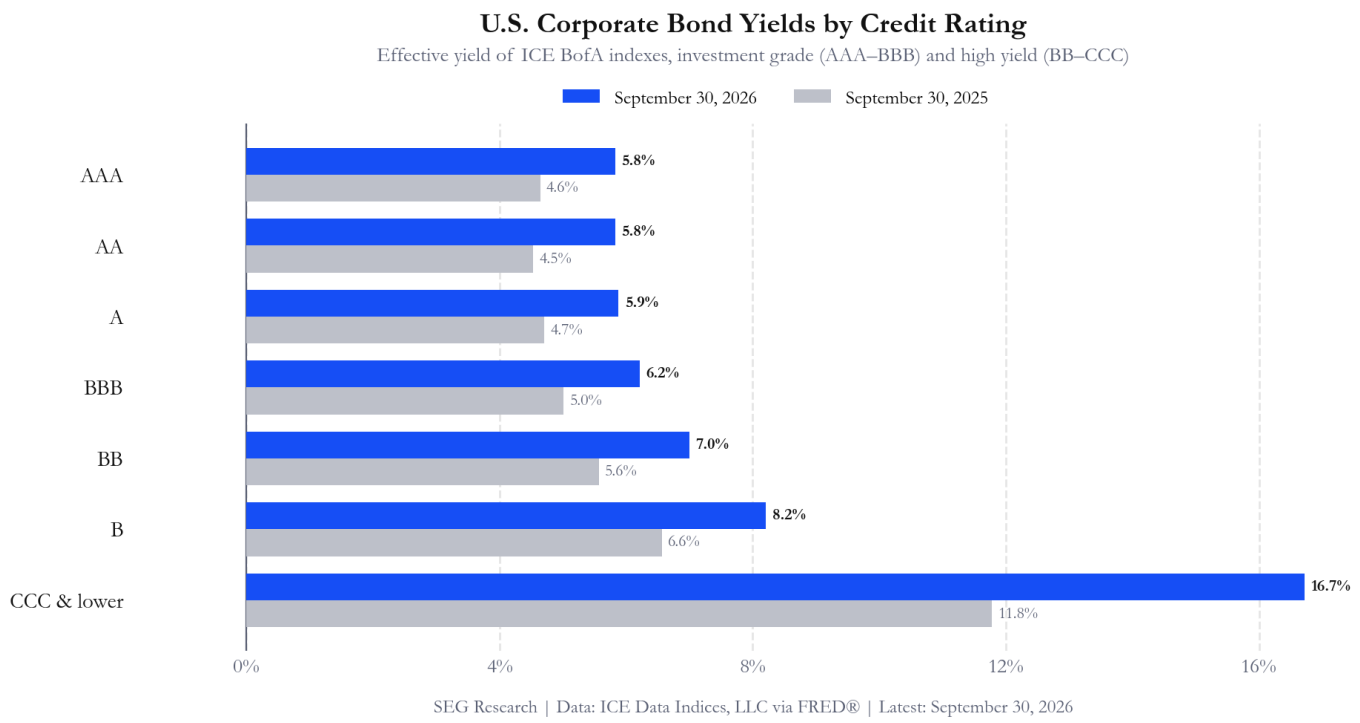


EXHIBIT 77

Rising yields hit bonds in Q3: the aggregate index fell 3.5% and long Treasuries 9%.

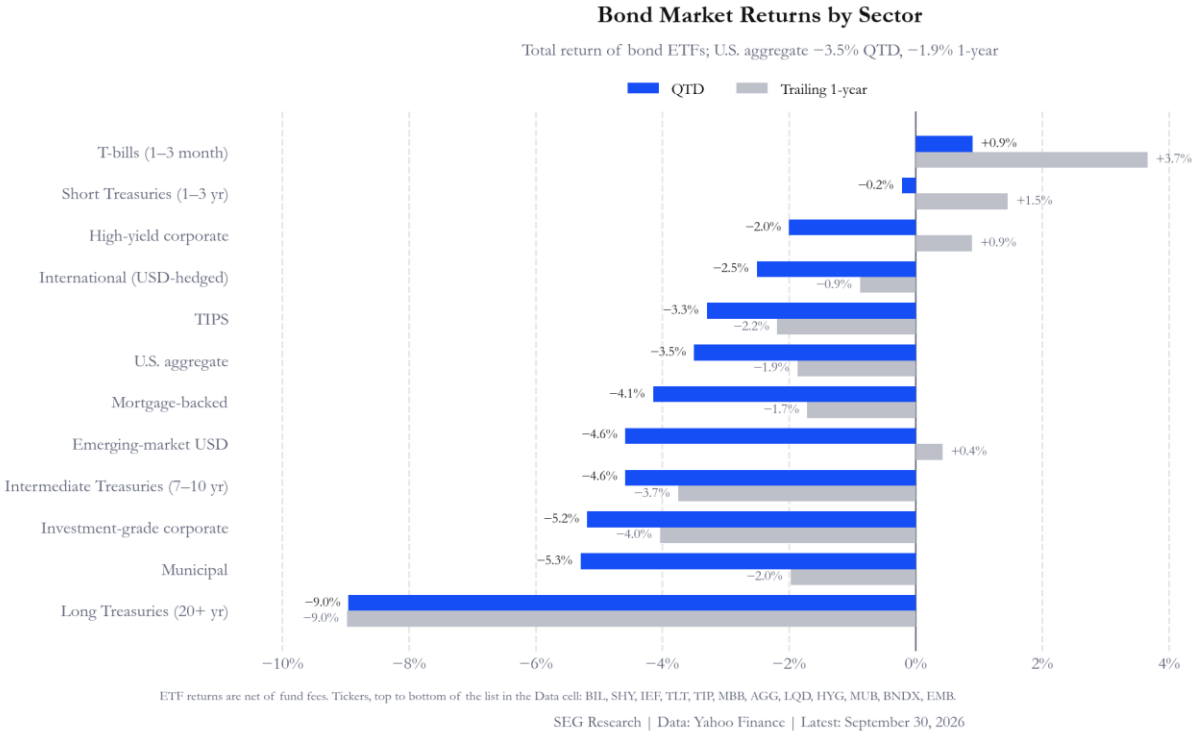
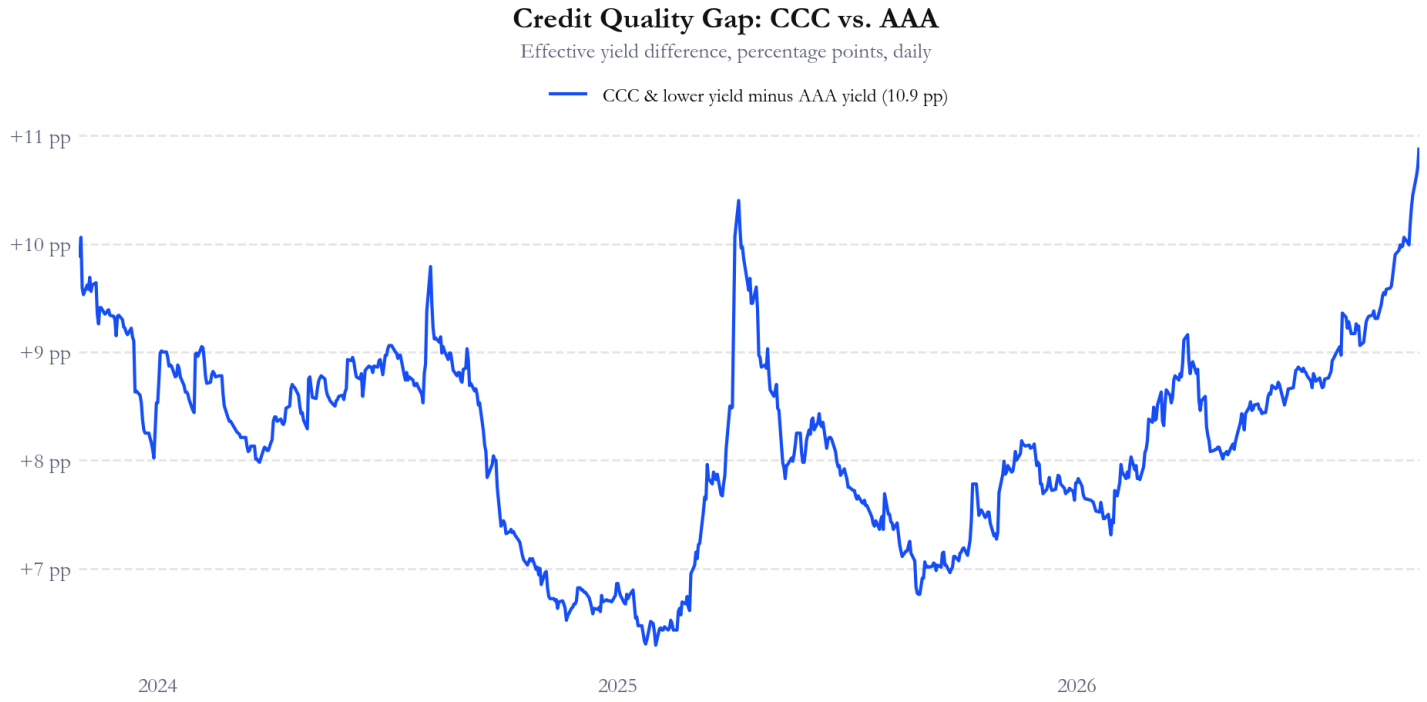


EXHIBIT 78

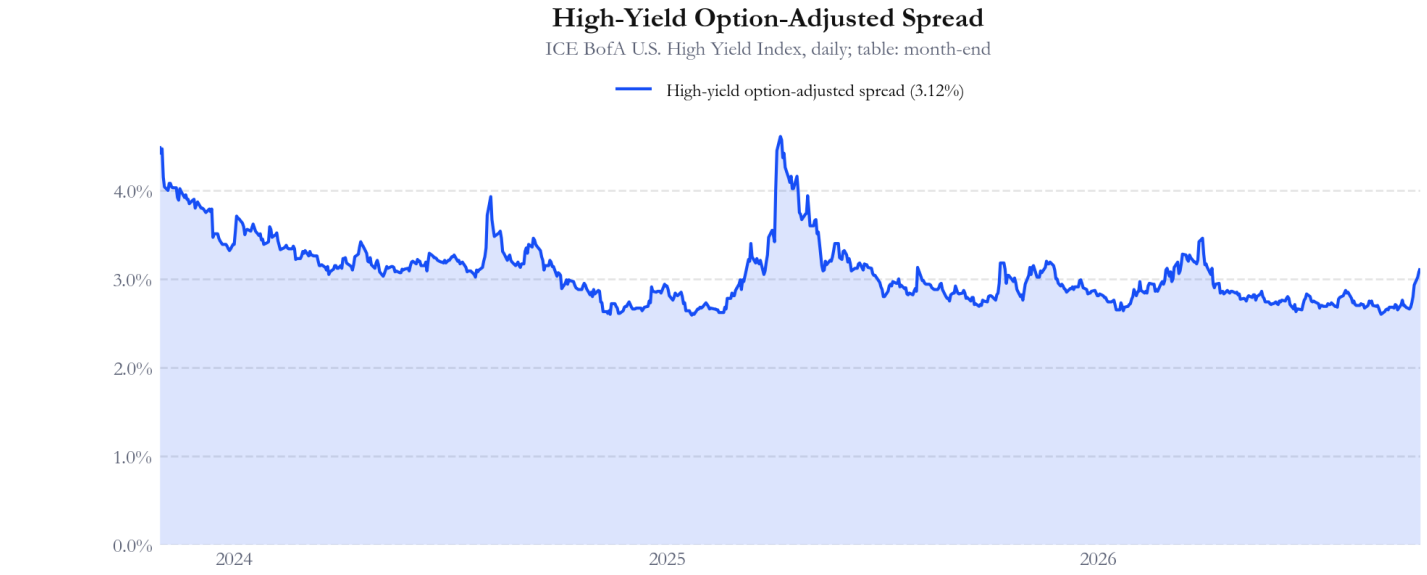
The CCC-to-AAA yield gap has widened to 10.9 pp, the widest since at least 2023.



SEG Research | Data: ICE Data Indices, LLC via FRED® | Latest: September 30, 2026

EXHIBIT 79

High-yield spreads widened to 3.12% late in the quarter but remain historically tight.



	Oct 25	Nov 25	Dec 25	Jan 26	Feb 26	Mar 26	Apr 26	May 26	Jun 26	Jul 26	Aug 26	Sep 26
HY spread	2.94%	2.92%	2.81%	2.88%	3.12%	3.28%	2.83%	2.74%	2.75%	2.85%	2.63%	3.12%

SEG Research | Data: ICE Data Indices, LLC via FRED® | Latest: September 30, 2026

14 Equity Markets

KEY TAKEAWAYS

Equity Markets

- The S&P 500 gained 2.0% in Q3, while commodities led all asset classes (+21%).
- Leadership rotated to energy, value and dividend stocks; small caps and momentum lagged.
- Valuations are stretched: equity market value is a record 335% of GDP, and the earnings-yield premium over TIPS is 0.9%.

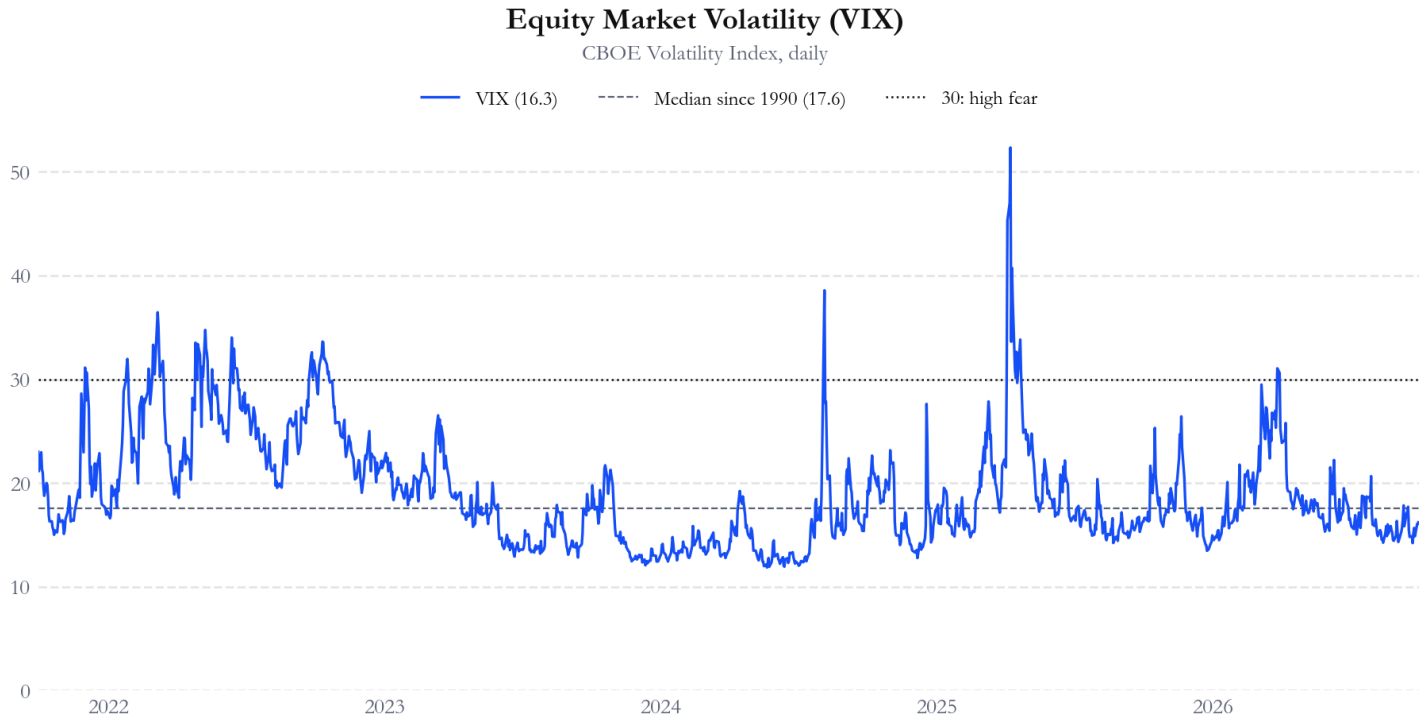
EXHIBIT 80

The S&P 500 gained 2.0% in Q3 and ended the quarter 1.9% below its record high.



EXHIBIT 81

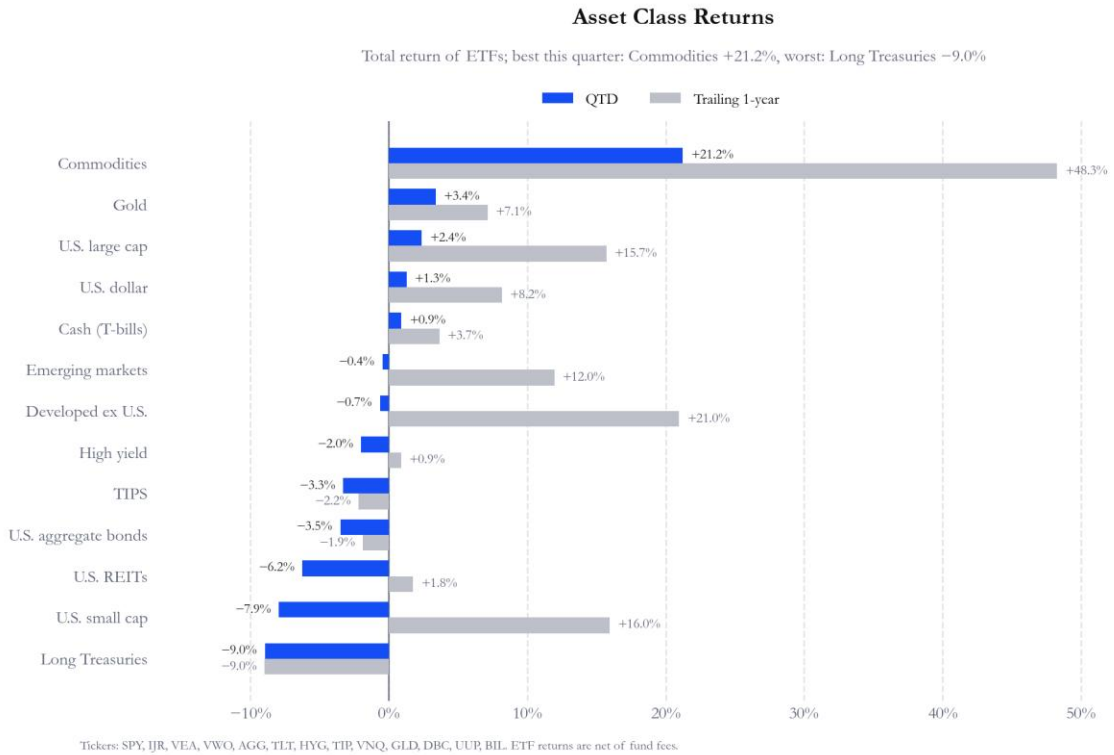
Volatility stayed subdued, with the VIX ending the quarter at 16.3.



SEG Research | Data: Chicago Board Options Exchange via FRED® | Latest: September 30, 2026

EXHIBIT 82

Commodities led all asset classes in Q3 (+21%), while long Treasuries fell 9%.



Tickers: SPY, IJR, VEA, VWO, AGG, TLT, HYG, TIP, VNQ, GLD, DBC, UUP, BIL. ETF returns are net of fund fees.

SEG Research | Data: Yahoo Finance | Latest: September 30, 2026

EXHIBIT 83

Commodities lead 2026 year-to-date returns, while bonds trail.

Asset Class Returns by Calendar Year

Total return of ETFs

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026 YTD
U.S. large cap	+1%	+12%	+22%	−5%	+31%	+18%	+29%	−18%	+26%	+25%	+18%	+13%
U.S. small cap	−2%	+27%	+13%	−9%	+23%	+11%	+27%	−16%	+16%	+9%	+6%	+14%
Developed ex U.S.	0%	+3%	+26%	−15%	+23%	+10%	+12%	−15%	+18%	+3%	+35%	+14%
Emerging markets	−16%	+12%	+31%	−15%	+21%	+15%	+1%	−18%	+9%	+11%	+26%	+11%
U.S. aggregate bonds	0%	+2%	+4%	0%	+8%	+7%	−2%	−13%	+6%	+1%	+7%	−3%
Long Treasuries	−2%	+1%	+9%	−2%	+14%	+18%	−5%	−31%	+3%	−8%	+4%	−8%
High yield	−5%	+13%	+6%	−2%	+14%	+4%	+4%	−11%	+12%	+8%	+9%	0%
TIPS	−2%	+5%	+3%	−1%	+8%	+11%	+6%	−12%	+4%	+2%	+7%	−2%
U.S. REITs	+2%	+9%	+5%	−6%	+29%	−5%	+41%	−26%	+12%	+5%	+3%	+4%
Gold	−11%	+8%	+13%	−2%	+18%	+25%	−4%	−1%	+13%	+27%	+64%	−4%
Commodities	−28%	+19%	+5%	−12%	+12%	−8%	+41%	+19%	−6%	+2%	+8%	+45%
U.S. dollar	+7%	+3%	−9%	+7%	+4%	−7%	+6%	+9%	+4%	+14%	−5%	+6%
Cash (T-bills)	0%	0%	+1%	+2%	+2%	0%	0%	+1%	+5%	+5%	+4%	+3%

SEG Research | Data: Yahoo Finance | Latest: September 30, 2026

EXHIBIT 84

Stocks and bonds are moving together again, weakening bonds as a portfolio hedge.

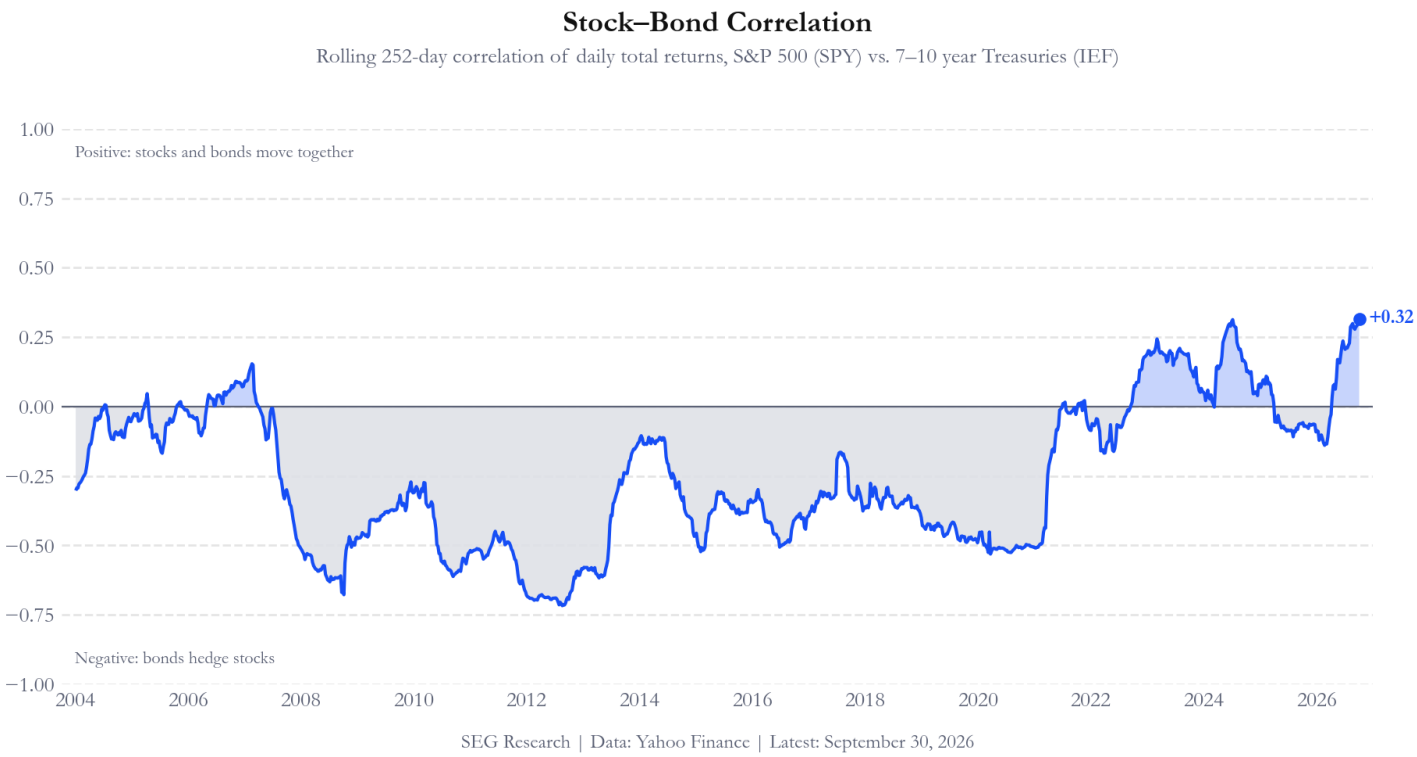


EXHIBIT 85

Energy led the sectors in Q3 (+16.5%) while utilities fell 12.4%.

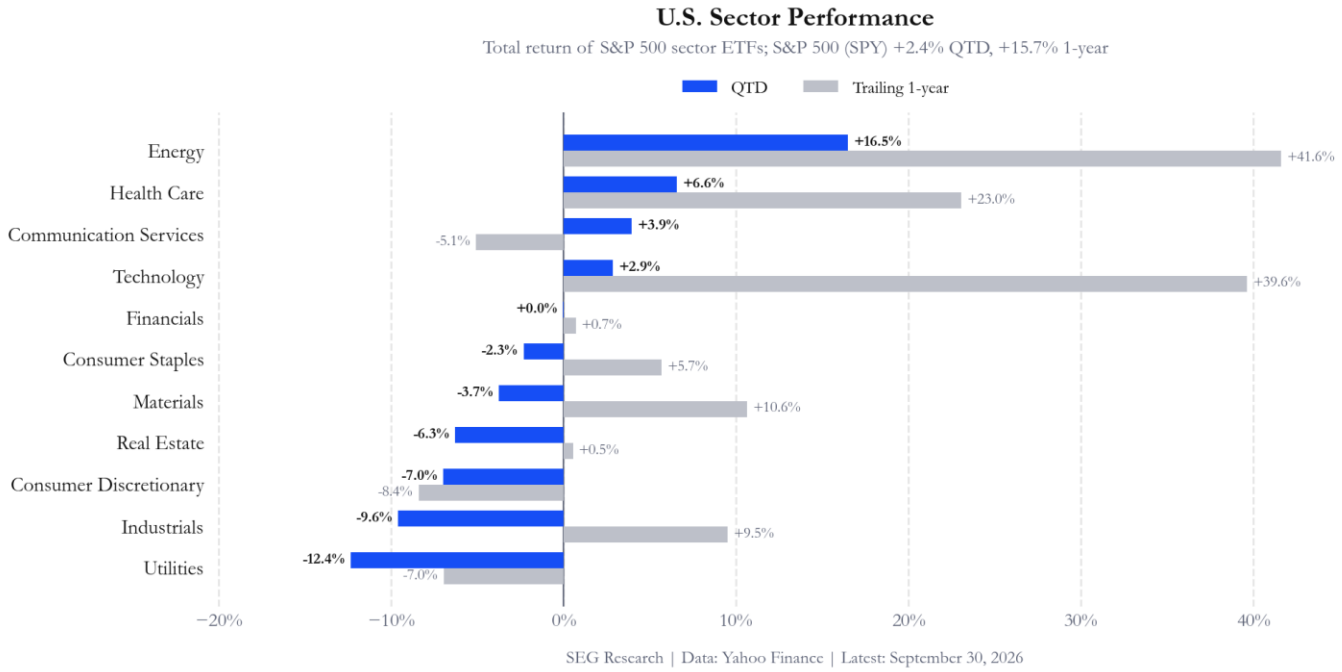


EXHIBIT 86

U.S. and Chinese equities edged higher in Q3 while other regions slipped.

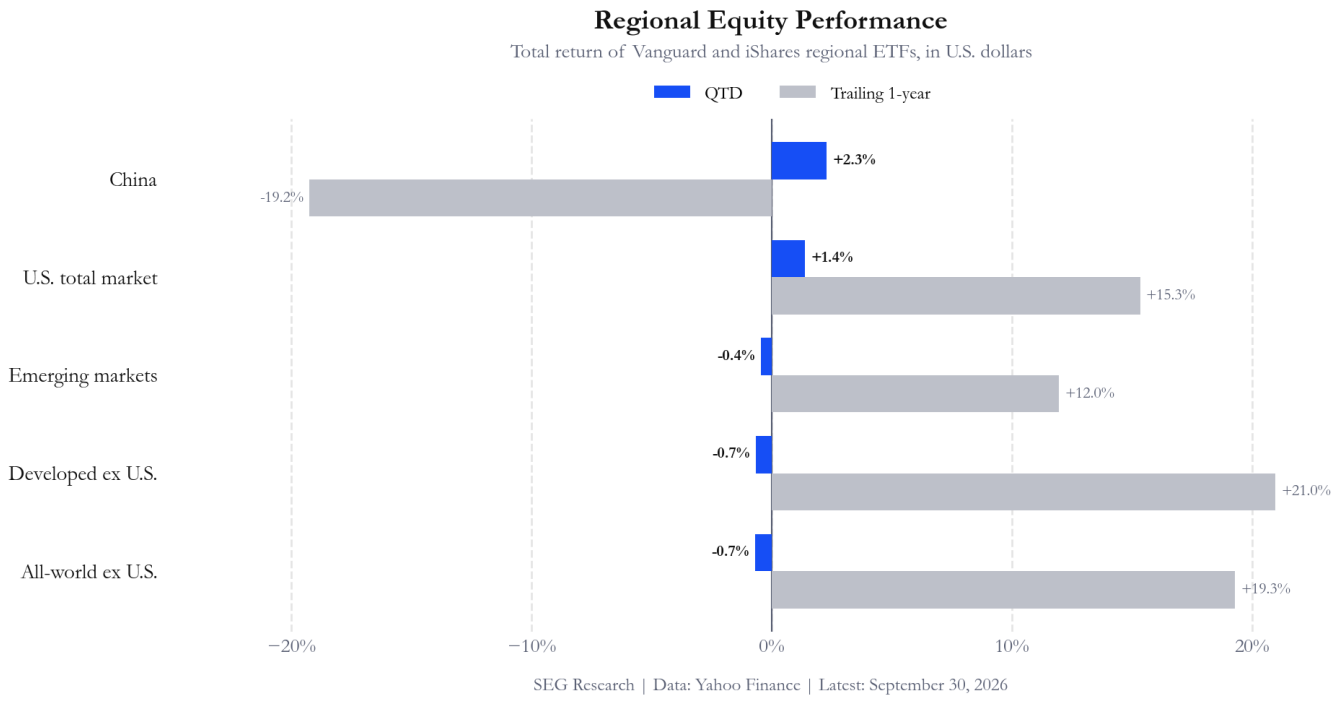


EXHIBIT 87

The factor regime flipped again: dividend and value stocks led in Q3 while small caps and momentum fell.

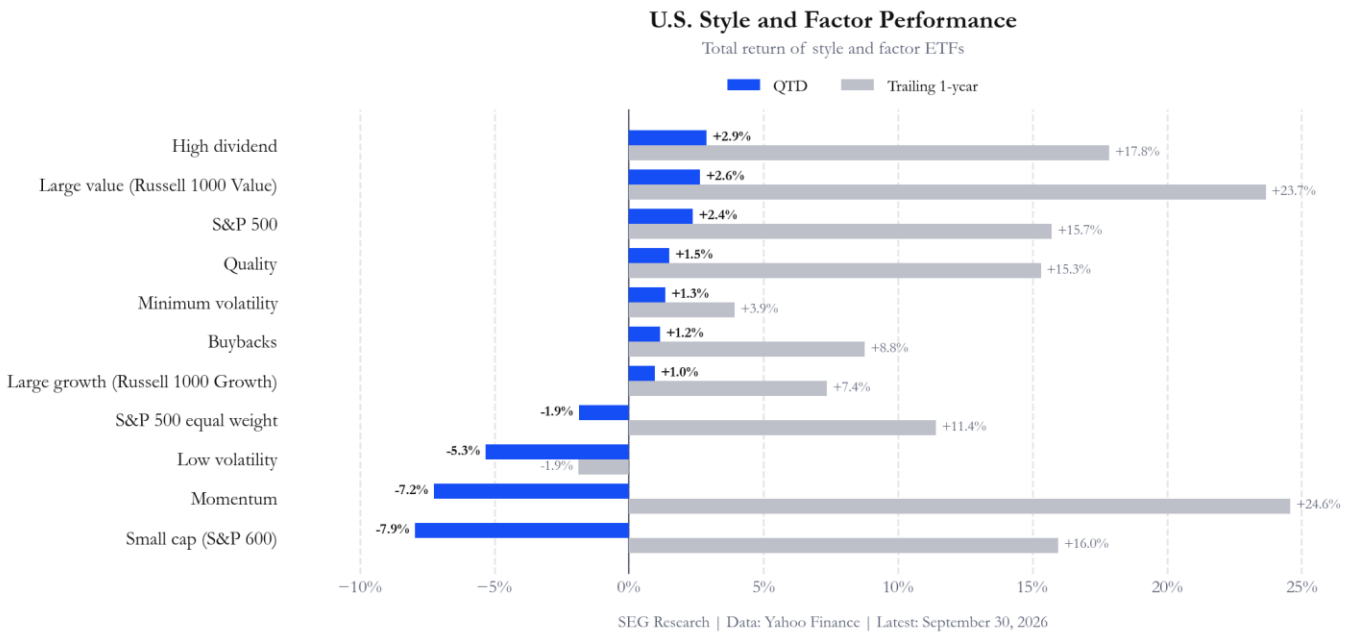


EXHIBIT 88

U.S. equities remain far ahead of international markets since 2008.

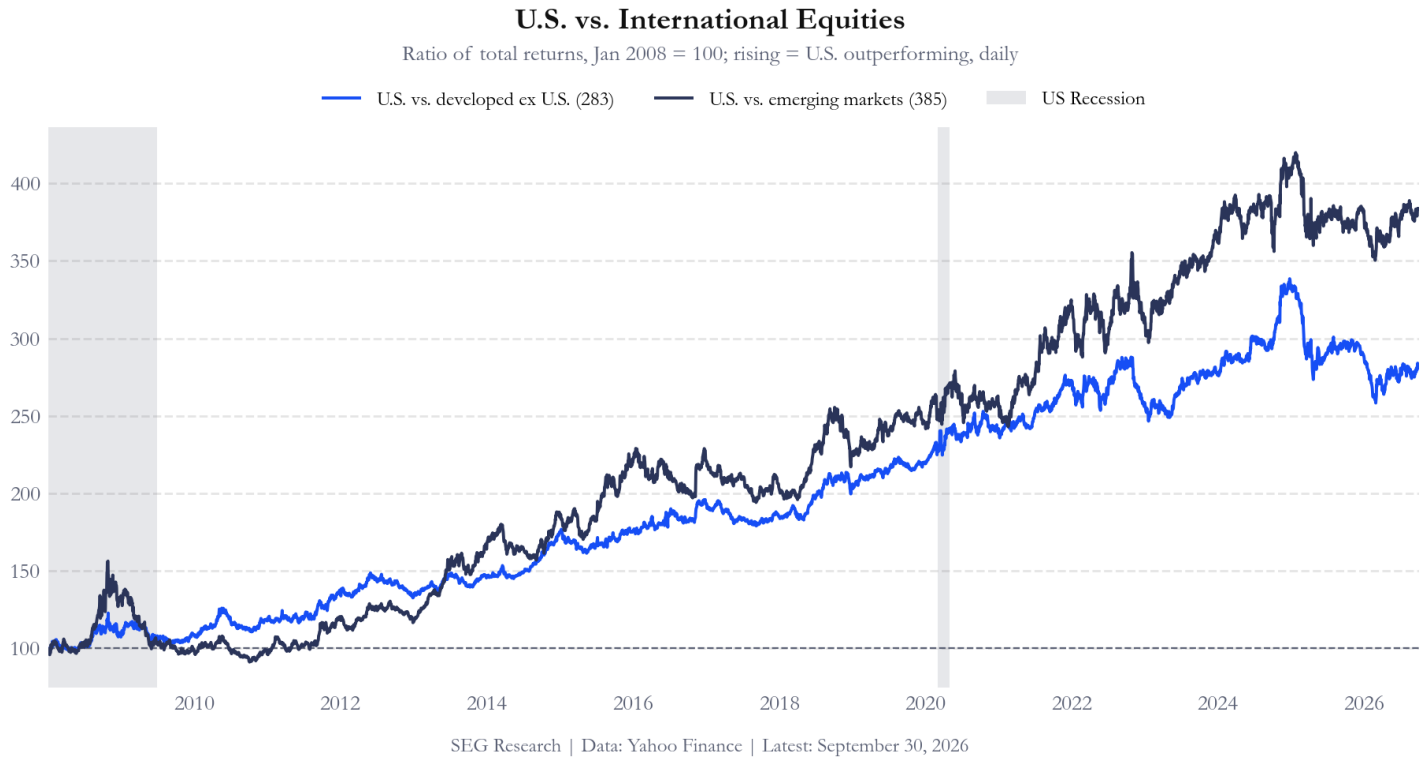


EXHIBIT 89

U.S. equity market value has reached a record 335% of GDP.

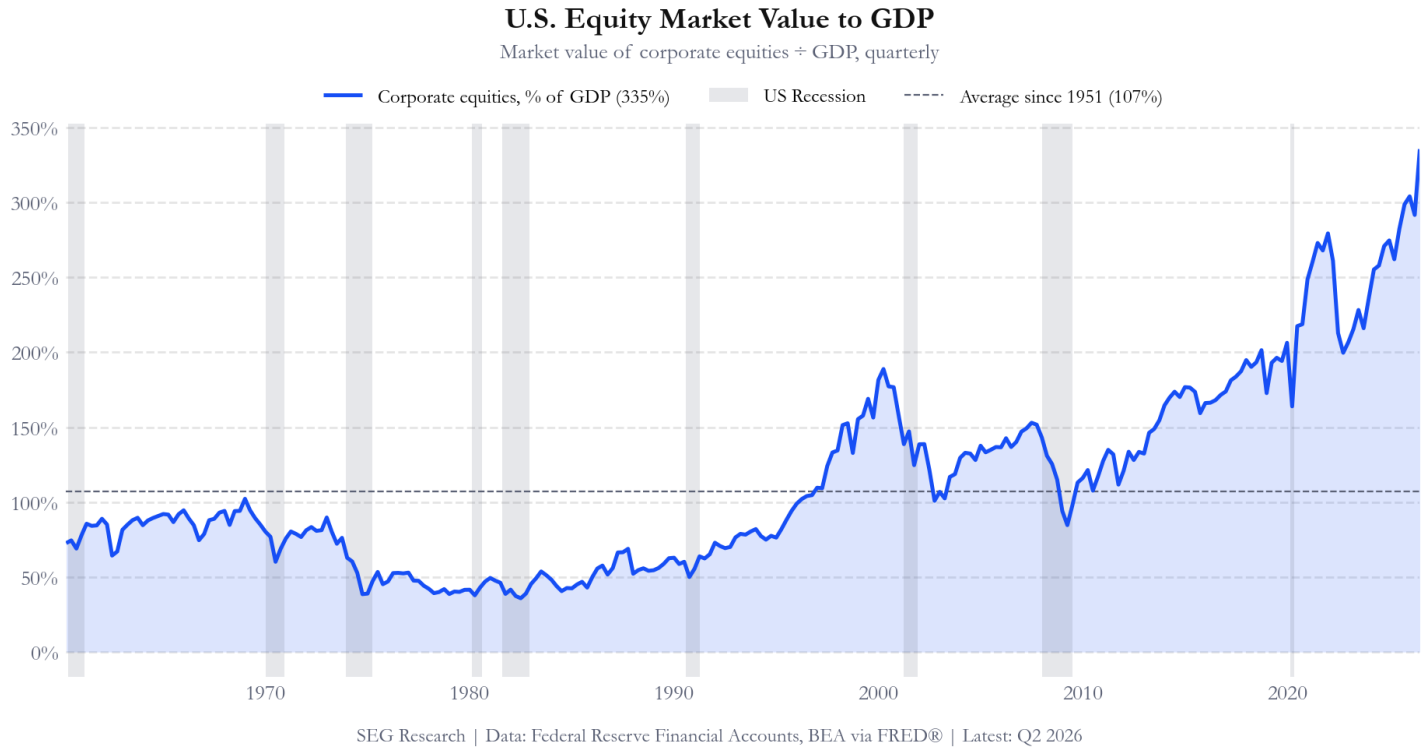


EXHIBIT 90

The equity earnings yield premium over TIPS has fallen to 0.9%, the lowest since at least 2003.

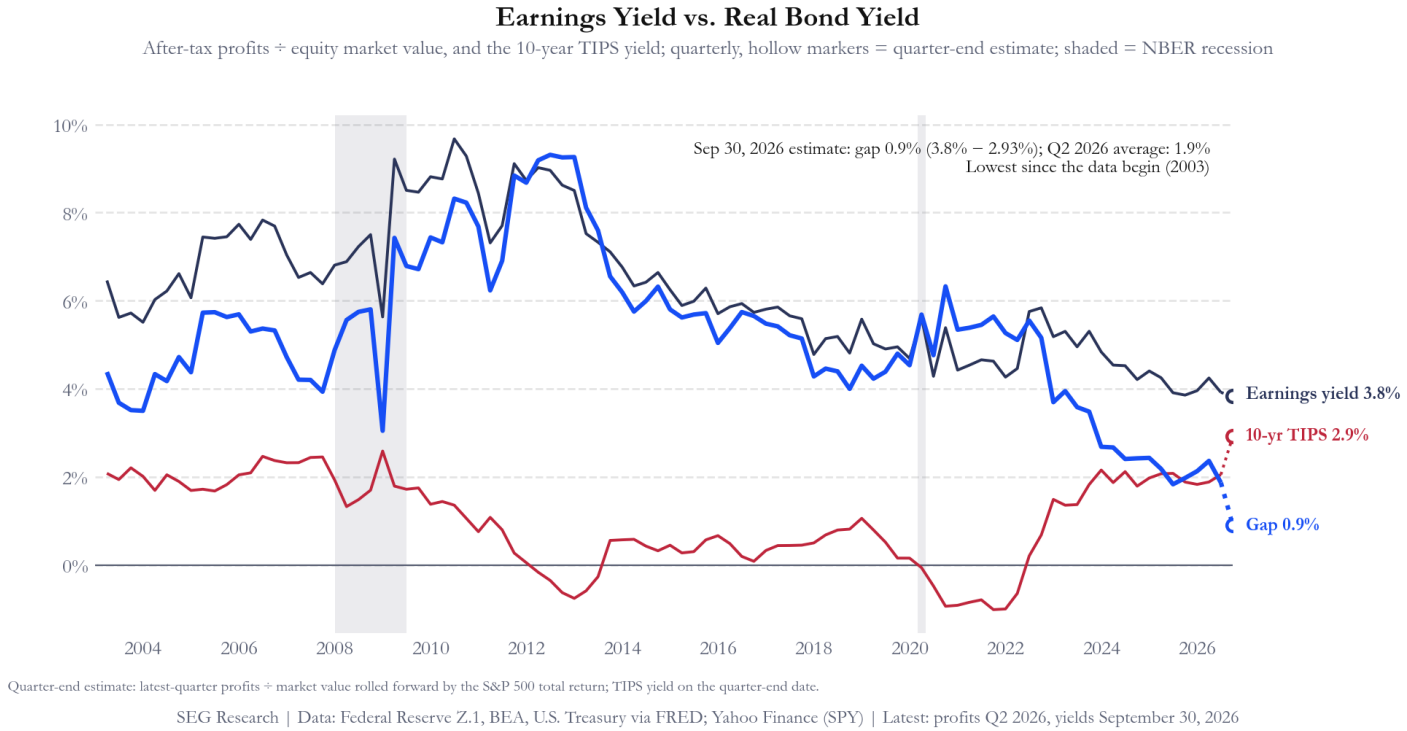


EXHIBIT 91

Market concentration keeps rising: equal-weight lagged the S&P 500 again in Q3.

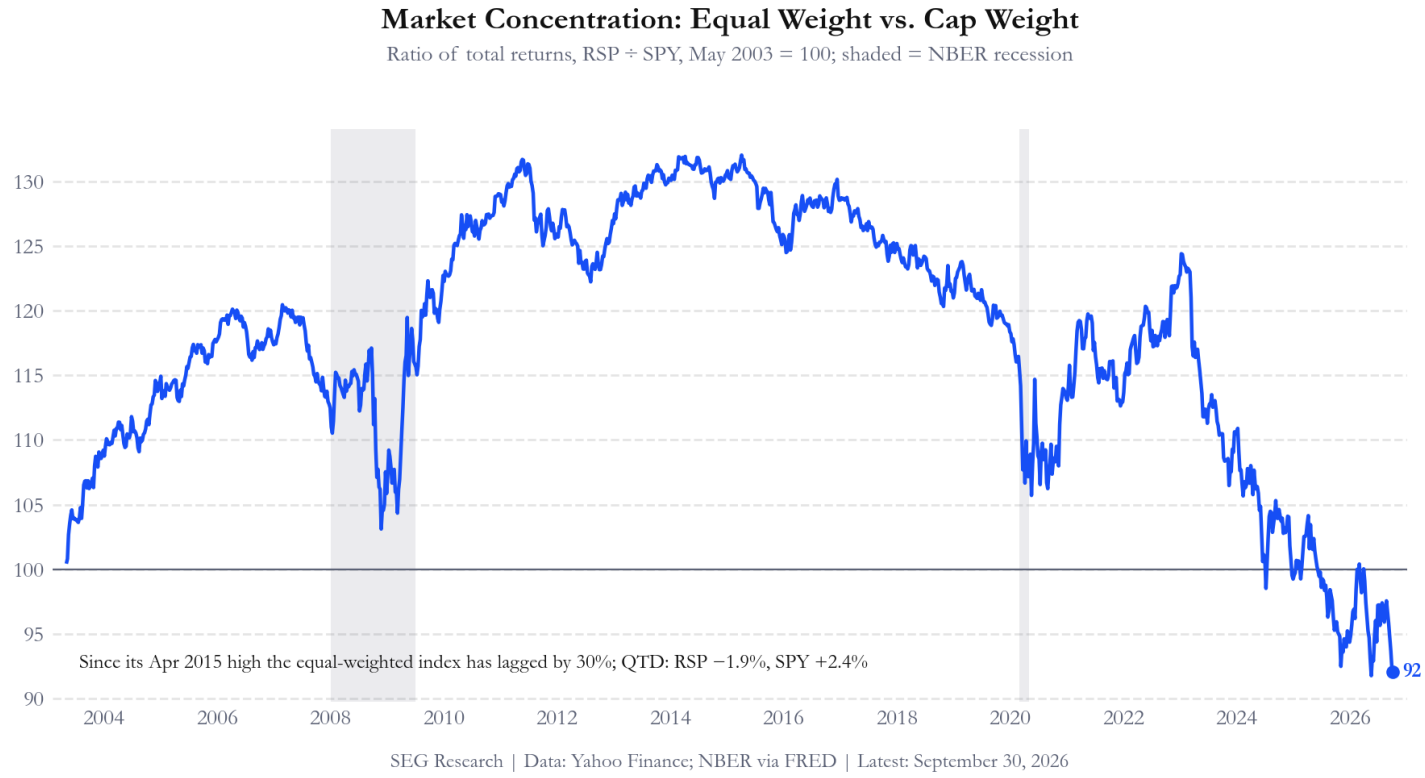


EXHIBIT 92

Growth's lead over value has narrowed sharply from its 2025 peak.

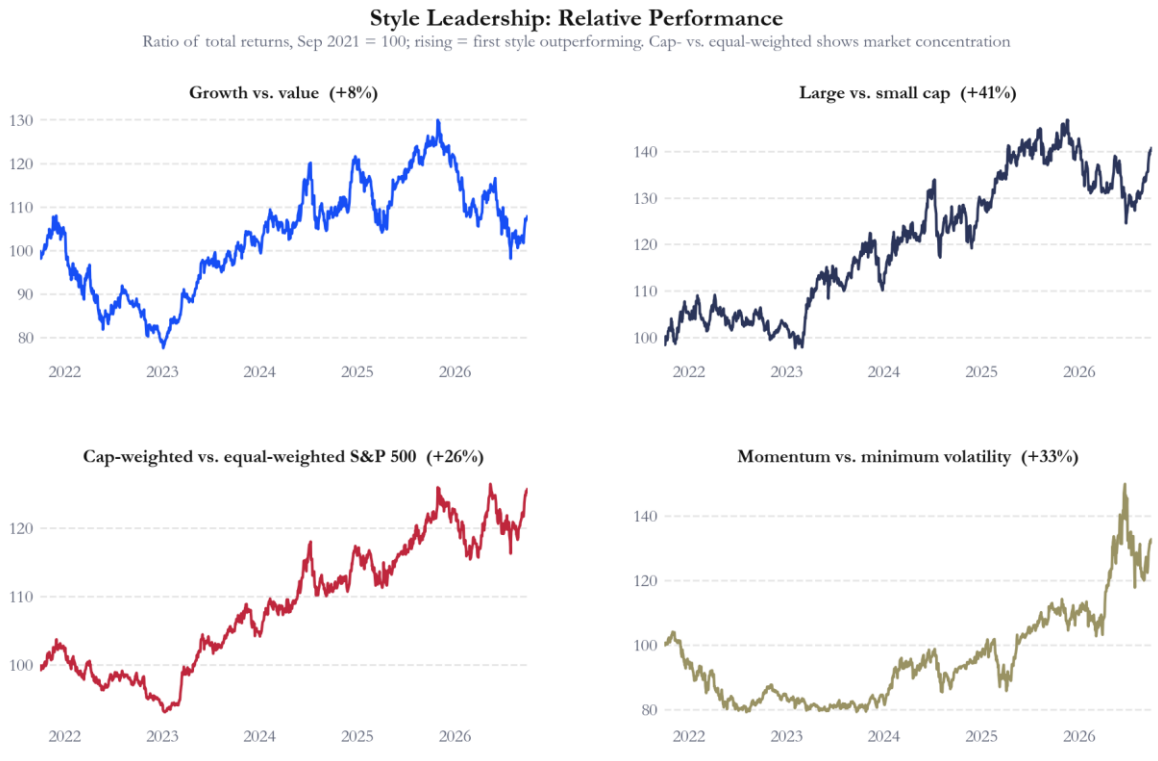


EXHIBIT 93

Discretionary has lost ground to staples this year — the risk barometer still flashes caution.

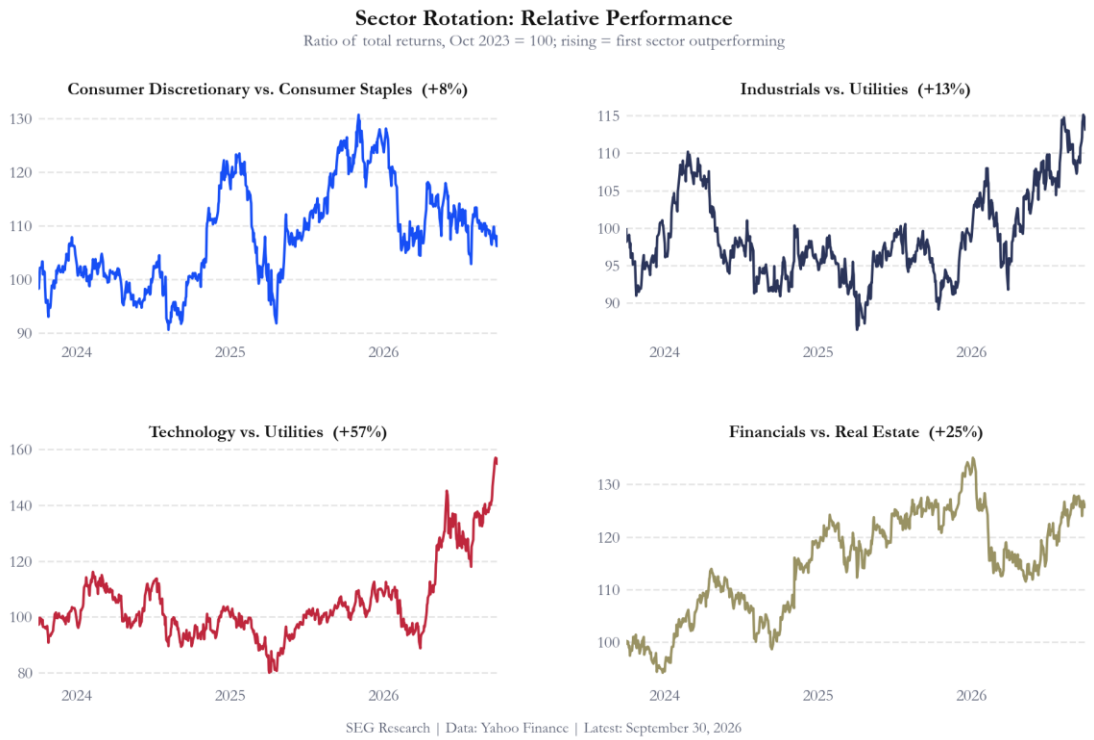
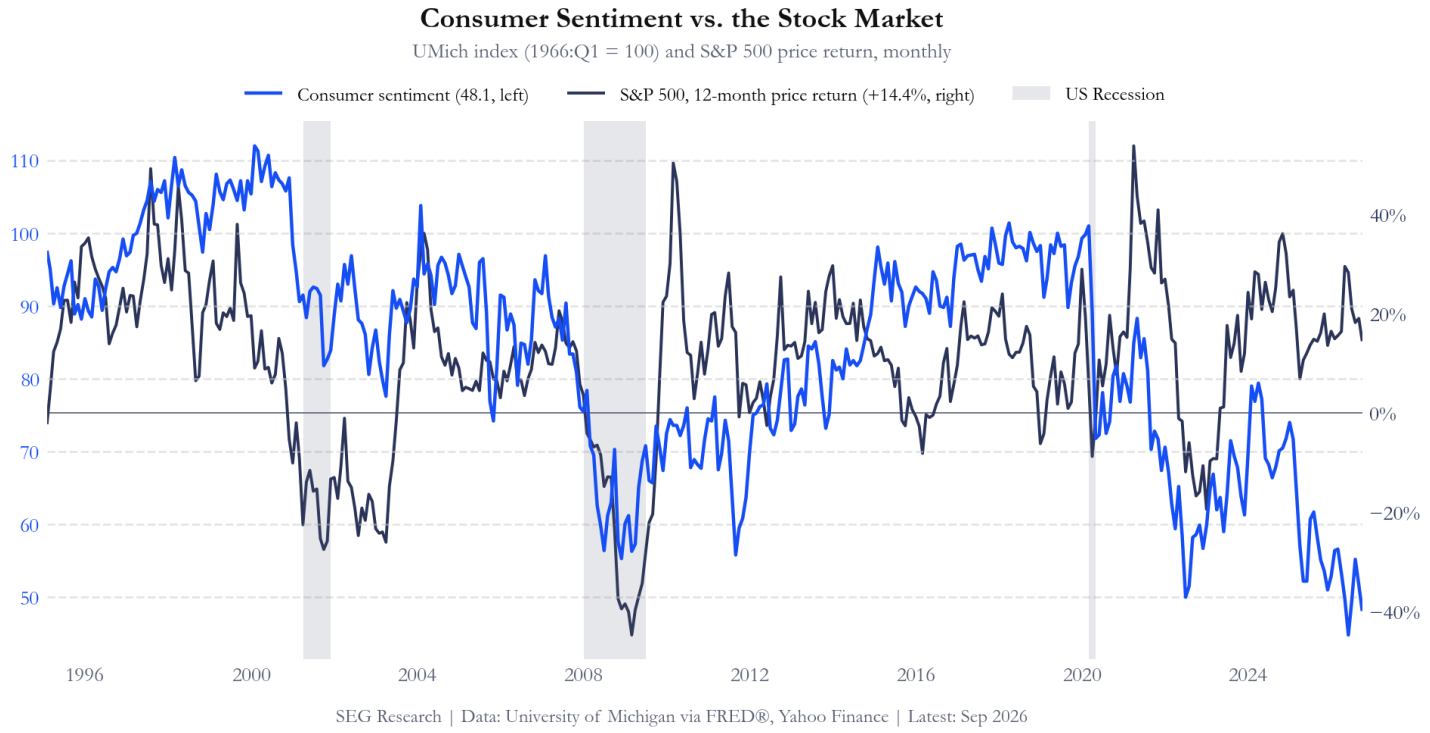


EXHIBIT 94

Consumer sentiment sits near record lows even as the S&P 500 is up 14% over the past year.



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Exhibits are produced by SEG Research from the sources named on each chart. Data are as of September 30, 2026 unless the chart states otherwise; recent figures are preliminary and subject to revision.