MONTHLY MARKET UPDATE
October 2026

OPAL WEALTH ADVISORS

Economic Overview

Equity markets in October experienced some internal rotation as the market's long-running AI infrastructure trade took a breather while value and defensive oriented stocks performed relatively well. Encouragingly, the broad market trend was constructive as evidenced by the equal weighted S&P 500 (+5.0%) handily outpacing the cap weighted S&P 500 index (-0.9%). The S&P 500 closed out October up 11.8% on the year and sat only 3% below its record high. Third quarter earnings reports provided a constructive fundamental backdrop with year over year growth of nearly 30%. Renewed attacks in the Iran war pushed WTI oil price up 15.6% on the month, trading above the $100/barrel mark. Falling interest rates powered a strong month for the overall bond market where 10yr UST yields peaked at 5.3% early in the month before closing at 4.94%. Non-U.S. stocks were mixed with international stocks closing the month roughly flat (EAFE -0.7%) while emerging markets fell 8.0% given the heavy AI infrastructure-oriented names, but EM maintains a healthy lead on the year.

Inflation metrics continued to dominate the economic landscape where both CPI (3.7%) and PCE (3.6%) stayed well above trend, attributable in large part to tariff taxes and the energy price shock from the Iran war as well as AI supply chain shortages. Growth indicators remained solid with Q3 GDP growth of 3.4% and activity surveys for both manufacturing and services solidly in expansionary territory. Housing remained depressed while consumer sentiment stayed weak in sympathy with high inflation pressures.

From a monetary policy perspective, the FOMC and ECB both held rates steady at their October meetings as expected, though markets are expecting a 0.25% hike from both banks in December. U.S. fiscal and regulatory policy are poised for incremental change where midterm elections are expected to usher in a new era of gridlock and an end to unified Republican control in D.C. Divided government, historically a positive backdrop for financial markets, is expected to translate to temporary scrutiny on aggressive deficit spending, checks on trade taxes and war powers, and a significant increase in corruption investigations. Regardless, the U.S. mid-term election outcome is not expected to carry major policy or financial market implications over the next 1-2 years.

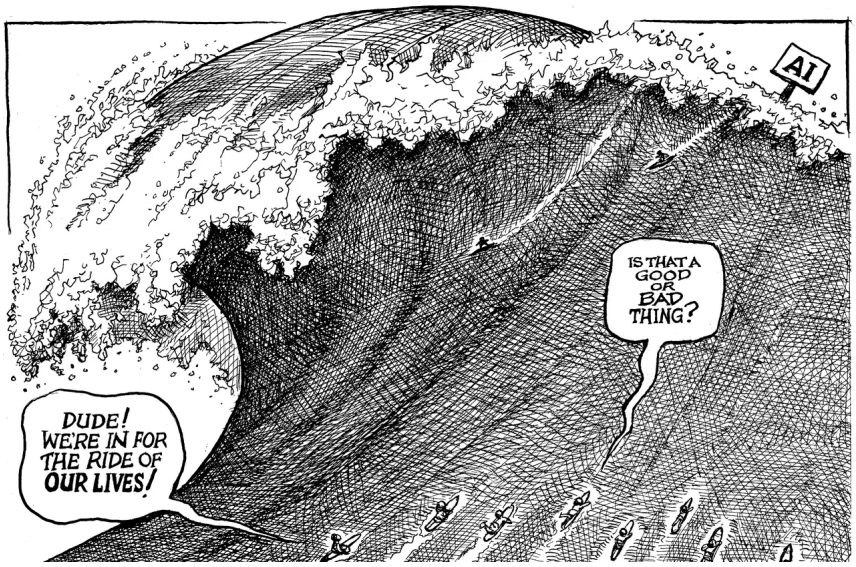
Overall, October was a month of healthy consolidation as the market absorbed high interest rates, energy price pressures, firm inflation readings, and perhaps some overdue consolidation across the AI ecosystem without derailing an equity backdrop supported by strong earnings, solid growth, and falling long-term rates.

QUOTE OF THE MONTH

"I think that AI will probably, most likely, sort of lead to the end of the world. But in the meantime, there will be great companies created with serious machine learning."

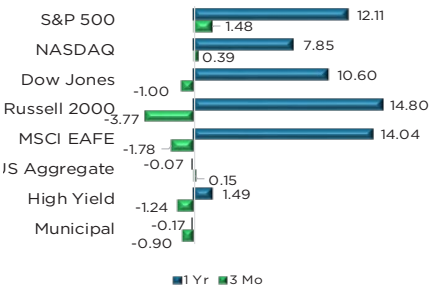
-Sam Altman

CARTOON OF THE MONTH



Source: The Economist

INDEX RETURNS (%)



CONSUMER METRICS

Levels	10/31/26	7/31/26	10/31/25
Fed Funds	3.88	3.63	3.86
10 Year Treasury	4.94	4.75	4.11
30 Year Mortgage	7.24	6.66	6.17
Gasoline	4.41	4.23	3.16
Used Cars and Trucks*	182.16	180.31	186.11

ECONOMIC TRENDS

Macro Metrics	10/31/26	7/31/26	10/31/25
US Real GDP (QoQ)	3.40	2.20	3.90
Core PCE	3.12	3.00	2.70
Unemployment Rate	4.20	4.10	4.40
Oil (WTI)	107.56	86.16	61.75
Gold	3,884.9	4,073.9	4,053.3
Dollar Index	102.0	99.8	99.72

Trailing Returns	1 Mo	3 Mo	1 Yr
Oil (WTI)	6.23	37.73	55.26
S&P GSCI Gold Spot	-6.87	-5.07	-2.44
Dollar Index	0.42	1.97	2.08

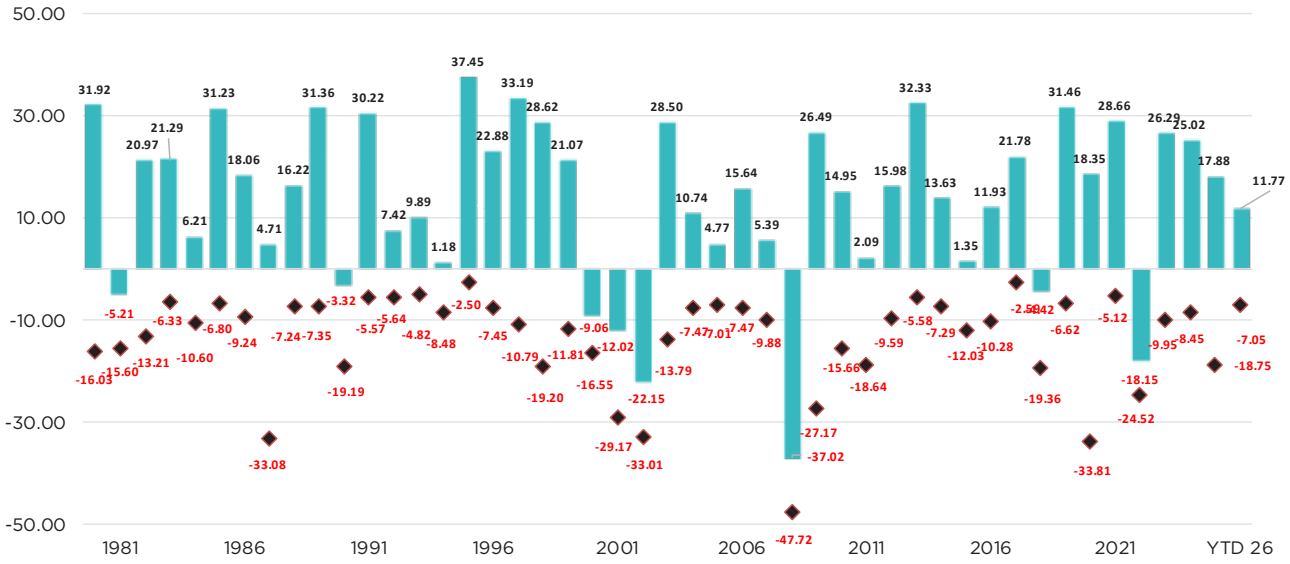
PERIODIC TABLE OF INVESTMENTS – OCTOBER 31, 2026

2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	YTD
Small Cap 21.31	Emerging Markets 37.75	Private Equity 12.07	Large Cap 31.49	Private Equity 26.47	Private Equity 43.13	Commodities 16.09	Large Cap 26.29	Large Cap 25.02	Emerging Markets 34.36	Commodities 32.75
High Yield 17.49	International Stocks 25.62	Private Real Estate 8.35	Mid Cap 30.54	Small Cap 19.96	Large Cap 28.71	Private Real Estate 7.46	Global Stocks 22.81	Global Stocks 18.02	International Stocks 31.89	Mid Cap 15.41
Mid Cap 13.80	Global Stocks 24.62	Private Credit 4.95	Global Stocks 27.30	Emerging Markets 18.69	Commodities 27.11	Private Credit 5.79	International Stocks 18.85	Mid Cap 15.34	Global Stocks 22.87	Small Cap 14.37
Private Equity 13.70	Large Cap 21.83	Bank Loans 0.35	Small Cap 25.52	Large Cap 18.40	Mid Cap 22.58	Private Equity -0.63	Mid Cap 17.23	Small Cap 11.54	Large Cap 17.88	Emerging Markets 13.78
Large Cap 11.96	Private Equity 19.06	Core Fixed Income 0.01	International Stocks 22.66	Mid Cap 17.10	Private Real Estate 22.18	Bank Loans -1.25	Small Cap 16.93	Hedge Funds 9.13	Commodities 15.77	Large Cap 11.77
Commodities 11.77	Mid Cap 18.52	High Yield -2.26	Emerging Markets 18.90	Global Stocks 16.82	Global Stocks 19.04	Hedge Funds -5.32	High Yield 13.46	Bank Loans 8.80	Small Cap 12.81	Global Stocks 11.53
Emerging Markets 11.60	Small Cap 14.65	EM Debt -2.46	Private Equity 17.50	Hedge Funds 10.88	Private Credit 17.95	High Yield -11.22	Bank Loans 13.02	Private Equity 8.06	EM Debt 11.11	International Stocks 10.00
Bank Loans 10.14	Private Credit 9.78	Hedge Funds -4.02	High Yield 14.41	International Stocks 8.28	Small Cap 14.82	Core Fixed Income -13.01	Private Credit 9.33	High Yield 8.20	Mid Cap 10.60	Hedge Funds 6.96
EM Debt 9.88	EM Debt 8.17	Large Cap -4.38	EM Debt 13.11	Core Fixed Income 7.51	International Stocks 11.78	International Stocks -14.01	Emerging Markets 10.27	Emerging Markets 8.05	Hedge Funds 10.41	Bank Loans 2.72
Private Credit 10.53	Hedge Funds 7.76	Global Stocks -8.93	Core Fixed Income 8.72	EM Debt 6.52	Hedge Funds 6.2	EM Debt -15.26	Private Equity 9.58	Private Credit 5.68	High Yield 8.20	High Yield 0.33
Private Real Estate 8.76	Private Real Estate 7.61	Mid Cap -9.06	Private Credit 7.28	High Yield 6.17	High Yield 5.36	Mid Cap -17.32	EM Debt 9.09	EM Debt 6.58	Core Fixed Income 7.30	EM Debt -0.27
Global Stocks 8.48	High Yield 7.48	Small Cap -11.01	Hedge Funds 8.38	Private Credit 3.33	Bank Loans 5.14	Global Stocks -17.96	Hedge Funds 6.06	Commodities 5.38	Bank Loans 5.03	Core Fixed Income -0.54
Core Fixed Income 2.65	Core Fixed Income 3.54	Commodities -11.25	Bank Loans 7.87	Bank Loans 2.26	Core Fixed Income -1.54	Large Cap -18.11	Core Fixed Income 5.53	International Stocks 4.35	Private Real Estate 3.77	Private Real Estate -N/A
International Stocks 1.51	Bank Loans 3.29	International Stocks -13.36	Commodities 7.69	Private Real Estate 1.18	EM Debt -1.65	Emerging Markets -19.74	Commodities -7.91	Core Fixed Income 1.25	Private Equity 8.53	Private Equity -N/A
Hedge Funds 0.49	Commodities 1.70	Emerging Markets -14.25	Private Real Estate 5.34	Commodities -3.12	Emerging Markets -2.22	Small Cap -20.44	Private Real Estate -12.02	Private Real Estate -1.44	Private Credit 0.34	Private Credit -N/A

STOCK MARKETS CAN TRADE LOWER IN THE SHORT-RUN

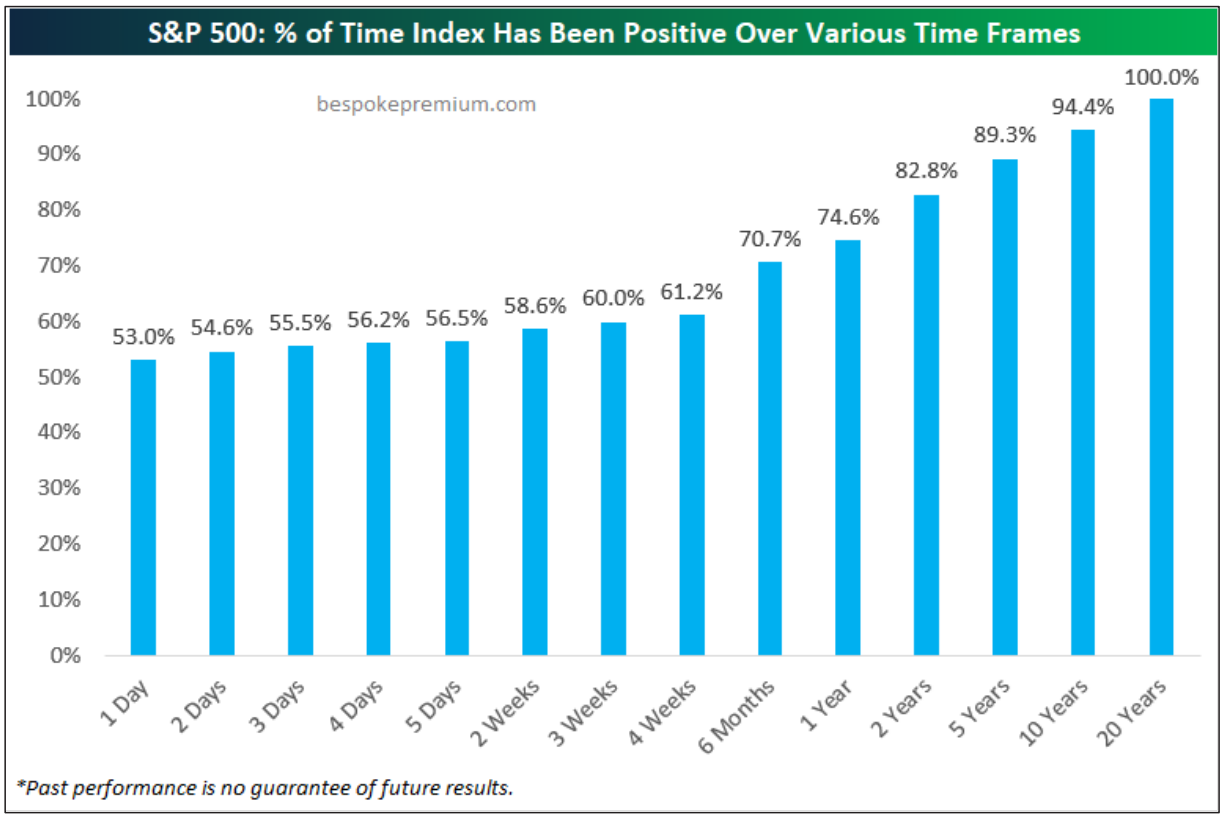
Intra-year S&P 500 Drawdowns with Annual Returns

Market volatility is normal and can be difficult to time. History shows that staying the course has been a successful investing strategy.



Source: Morningstar Direct, Standard & Poor's. Uses Total Return with daily closing prices.

STOCK MARKETS TRADE HIGHER IN THE LONG-RUN



Source: Bespoke

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