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Weekly Update

November 2, 2026

Economic Calendar

Monday, November 2
ISM Manufacturing PMI, Construction Spending.

Tuesday, November 3
Job Opening and Labor Turnover (JOLTs), Factory Orders, U.S. Midterm Elections.

Wednesday, November 4
ADP Employment Survey, Mortgage Applications, U.S. Balance of Trade, ISM Services PMI.

Thursday, November 5
Jobless Claims, Challenger Job Cuts, Nonfarm Productivity.

Friday, November 6
Non-Farm Payroll, Unemployment Rate, Michigan Consumer Sentiment.

This Week on X @CeteraIM

Core PCE rises by 0.3% in September

Home Prices Continue to Rise

Mortgage Applications Increase as Interest Rates Dip

Did You Know?

Since 1950, November has been the S&P 500's best month, averaging +1.9% and finishing higher 70% of the time.

Nasdaq Slides as Earnings Disappoint

Recap

The week began on a positive note as progress toward a potential U.S.-Iran ceasefire supported markets. The Fed held rates steady on a split vote while leaving the door open for another increase in December. Sentiment deteriorated after large-cap earnings disappointed and concerns over AI spending intensified. The Nasdaq Composite fell 2.0%, fueling a risk-off move that pushed the 10-year Treasury yield down to 4.93%, its lowest since early September.

Looking Ahead

With the Nasdaq down 2.9% last Friday and 5.3% in October, sentiment remains fragile. Apple reports Monday evening, and strong results could help restore confidence. Tuesday's midterm elections are expected to result in divided government, with Democrats favored to win the House and likely the Senate while a Republican remains president. Renewed U.S.-Iran tensions could push crude prices higher, while Friday's jobs report will also be in focus. After the economy added just 29,000 jobs in September, October payrolls are expected to rise by 75,000, though estimates may change ahead of the release.

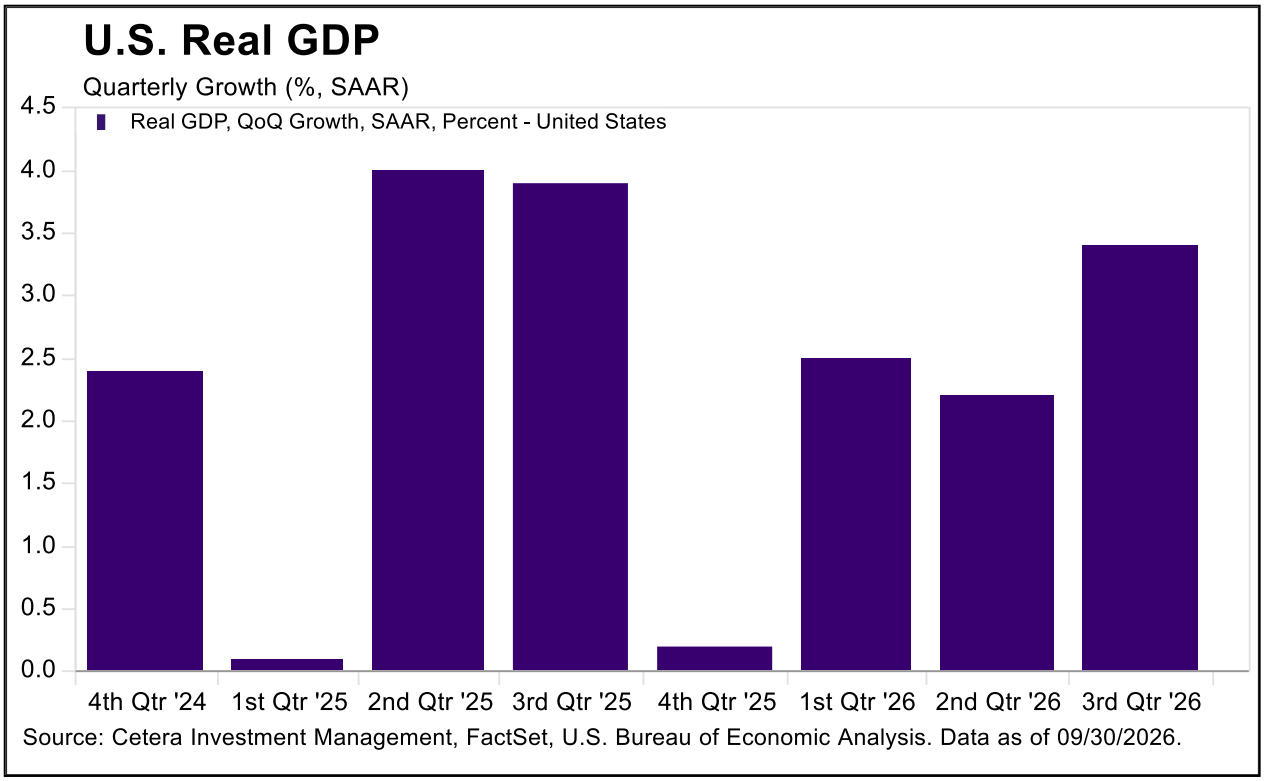
Market Watch

Stocks	1-Week	MTD	3-Month	YTD	1-Year
Dow Jones Industrial Avg.	-0.83%	1.76%	-0.47%	9.08%	10.70%
S&P 500	-0.56%	-0.87%	2.19%	11.77%	12.41%
NASDAQ Composite	-1.99%	-5.28%	1.40%	9.95%	8.52%
Russell 2000	1.30%	0.58%	-4.25%	14.37%	15.43%
MSCI EAFE	0.87%	-0.74%	-1.49%	9.52%	13.27%
MSCI Emerging Markets	-0.72%	-8.05%	0.74%	13.45%	13.24%
Bonds	**1-Week**	**MTD**	**3-Month**	**YTD**	**1-Year**
Bloomberg U.S. Aggregate Bond	0.56%	2.44%	-0.13%	-0.54%	-0.15%
Bloomberg Short-Term Gov/Corp	0.11%	3.85%	0.97%	3.00%	3.75%
Bloomberg U.S. Corp High Yield	0.50%	0.30%	-1.29%	0.40%	1.49%
Commodities	**1-Week**	**MTD**	**3-Month**	**YTD**	**1-Year**
Bloomberg Commodity	-1.65%	-0.08%	7.90%	32.75%	37.20%
S&P GSCI Crude Oil	0.82%	15.15%	24.56%	81.33%	71.90%
S&P GSCI Gold	-2.72%	-6.87%	-6.29%	-10.19%	-2.91%

Source: Cetera Investment Management, FactSet. Total returns used, which includes dividends and interest.

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Chart of the Week: U.S. Economic Growth Accelerates



U.S. real GDP growth accelerated to 3.4% in Q3, topping expectations of 3.2% and marking the strongest pace in a year. Robust consumer spending, private fixed investment, and government spending were the key drivers last quarter.

Is Divided Government Good for Stocks?

The U.S. midterm elections take place November 3, with prediction markets favoring Democrats to win the House and, more narrowly, the Senate. Either outcome would produce divided government with a Republican in the White House, which could make major legislation more difficult to pass. Analysts often view this as a check on large changes to taxes, spending, and regulation, though gridlock can create near-term uncertainty. Since 1945, divided government has prevailed in 24 of 41 congressional sessions, or about 58%. During those periods, our analysis shows the S&P 500 averaged an annualized return of 11.4% over the following two years. The index has also been higher for 12 months after every midterm since 1946.

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Glossary

The Bloomberg U.S. Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government–related and corporate debt securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS and CMBS (agency and non-agency) debt securities that are rated at least Baa3 by Moody's and BBB- by S&P. Taxable municipals, including Build America bonds and a small amount of foreign bonds traded in U.S. markets are also included.

The Bloomberg U.S. Municipal Bond Index covers the USD-denominated long-term tax-exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds, and pre-refunded bonds. Eligible securities must be rated investment grade (Baa3/BBB- or higher) by Moody's and S&P and have at least one year until final maturity, but in practice the index holding have a fluctuating average life of around 12.8 years.

The Bloomberg U.S. Corporate High Yield Index measures the USD-denominated, non-investment grade, fixed-rate, taxable corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch, and S&P is Ba1/BB+/BB+ or below, excluding emerging market debt. Payment-in-kind and bonds with predetermined step-up coupon provisions are also included. Eligible securities must have at least one year until final maturity, but in practice the index holdings has a fluctuating average life of around 6.3 years.

The Bloomberg U.S. Government Bond Index is comprised of the U.S. Treasury and U.S. Agency Indices. The index includes U.S. dollar-denominated, fixed-rate, nominal US Treasuries and US agency debentures (securities issued by US government owned or government sponsored entities, and debt explicitly guaranteed by the US government).

The Bloomberg Commodity Index is a broadly diversified index that allows investors to track commodity futures through a single, simple measure. It is composed of futures contracts on physical commodities and is designed to minimize concentration in any one commodity or sector. It currently includes 19 commodity futures in five groups. No one commodity can comprise less than 2% or more than 15% of the index, and no group can represent more than 33% of the index (as of the annual re-weightings of the components).

The MSCI EAFE is designed to measure the equity market performance of developed markets (Europe, Australasia, Far East) excluding the U.S. and Canada. The Index is market-capitalization weighted.

The MSCI Emerging Markets is designed to measure equity market performance in global emerging markets. It is a float-adjusted market capitalization index.

The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe and is a subset of the Russell 3000 Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership.

The Russell 3000 Index measures the performance of the largest 3,000 U.S. companies representing approximately 98% of the investable U.S. equity market.

The S&P 500 is a capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

The Dow Jones Industrial Average is a price-weighted average of 30 significant stocks traded on the New York Stock Exchange and the NASDAQ.

The Nasdaq Composite Index includes all domestic and international based common type stocks listed on The NASDAQ Stock Market. The NASDAQ Composite Index is a broad-based capitalization-weighted index.

The U.S. Dollar Index is a weighted geometric mean that provides a value measure of the United States dollar relative to a basket of major foreign currencies. The index, often carrying a USDX or DXY moniker, started in March 1973, beginning with a value of the U.S. Dollar Index at 100.000. It has since reached a February 1985 high of 164.720, and has been as low as 70.698 in March 2008.

West Texas Intermediate (WTI) is a crude oil stream produced in Texas and southern Oklahoma which serves as a reference or "marker" for pricing a number of other crude streams. WTI is the underlying commodity of the New York Mercantile Exchange's oil futures contracts.

The S&P GSCI Gold Index, a sub-index of the S&P GSCI, provides investors with a reliable and publicly available benchmark tracking the COMEX gold future. The more widely tracked S&P GSCI index is recognized as a leading measure of general price movements and inflation in the world economy. The index represents commodity market beta is world-production weighted and is designed to be investable by including the most liquid commodity futures.

The S&P GSCI Crude Oil Index is a composite index of commodities that measures the performance of the commodities market. The index often serves as a benchmark for commodities investments. Investing in a GSCI fund provides a broadly diversified, unleveraged long-only position in commodity futures.

The Consumer Price Index (CPI) presents the percentage change in prices that consumers pay for goods and services.

The Producer Price Index measures changes in wholesale prices, offering insights into inflation trends before they reach consumers.