AUGUST 14, 2026

# WEEKLY HEADINGS

**Larry Adam**, *Chief Investment Officer*
Follow Larry on Linkedin or on X

*The Sun Still Shines On The US*. This week's solar eclipse, when the moon and sun aligned to cast a shadow across the earth, captivated skywatchers on both sides of the Atlantic. The eclipse was visible across much of Europe, with Spain witnessing its first total eclipse in more than a century, while parts of the US and Canada enjoyed a partial view. While many were watching the skies, investors have been focused on a different transatlantic alignment: the relative outlook for European and US equities. After more than two decades of US market leadership, Europe's rare bout of outperformance in 2025 and the Stoxx Europe 600's rise to 29 record highs YTD (versus 27 for the S&P 500) have prompted investors to question whether Europe can continue closing the gap with the US. Below, we revisit the case for US versus European equities and reiterate why we maintain our preference for US equities.

## KEY TAKEAWAYS

The US Economy Is On Track To Growth Nearly Three Times The Euro Zone's GDP

US Earnings Growth Has Outpaced Europe's For 12 Consecutive Quarters

The US Has Greater Exposure To Sectors That Drive Growth, Earnings, And Innovation

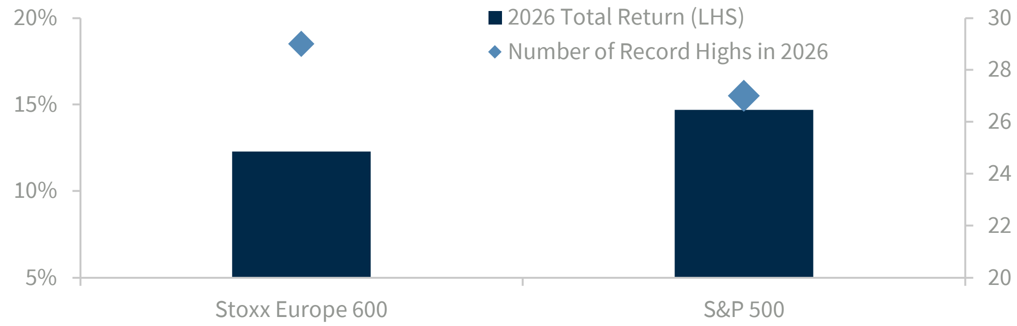
- **Europe's Turn in the Sun? |** For over two decades, US equities have been the global market leader, outperforming the Stoxx Europe 600 by an astonishing ~530%. While Europe's recent comeback has narrowed the gap, the forces underpinning US leadership remain firmly intact.
  - **The US Economy Remains The Brightest Star**—The US economy is on track to grow by 2.3% this year, over three times the euro zone's expected 0.7% pace. While Europe has proven more resilient than many feared amid energy and tariff-related headwinds, a meaningful growth gap with the US is likely to persist. The US continues to benefit from structural advantages that are difficult to match, including global technology leadership, flexible labor markets, stronger productivity growth, and deeper capital markets. Those strengths are increasingly evident in the rapid expansion of AI infrastructure and semiconductor capacity, which continue to fuel investment and economic activity. Meanwhile, the US consumer remains a powerful growth engine, accounting for nearly two-thirds of GDP. By contrast, euro zone growth continues to face headwinds from aging demographics, a more cautious consumer, regulatory burdens, and economic and political fragmentation. As a result, we expect the US to maintain a meaningful growth advantage over Europe.
  - **US Earnings Still Outshine Europe**—While the Stoxx Europe 600 has only modestly trailed the S&P 500 this year, US corporate fundamentals remain stronger. Despite a renewed energy supply shock, Europe is delivering its strongest earnings growth since 3Q22, with 2Q26 EPS up 17.7% YoY. Even so, S&P 500 earnings growth remains ahead, outpacing Europe for a 12$^{th}$ consecutive quarter and by the widest margin (+32%) since 2Q20. While some of the recent strength reflects private investment revaluations, US earnings leadership remains intact excluding these one-time gains. Ex these effects, the S&P 500 has posted higher beat rates (85% vs. 55%), larger earnings surprises (11% vs. 4%), and stronger upward revisions to 2026 estimates since the start of 3Q (+2.6% vs. +1.6%). Looking ahead, with 2026 US profit margins (~16%) ~50% higher than Europe's, we expect US EPS growth to outpace Europe in both 2026 and 2027. While Europe's earnings backdrop has improved, stronger momentum and higher profitability continue to favor US equities over the next 12 months.
  - **Europe's Valuation Edge Has Faded**—Valuation has long been the strongest argument for European equities, though not one we have found compelling enough to outweigh the S&P 500's fundamental advantages. In 2024, for example, the Stoxx Europe 600 traded at a ~40% discount to the S&P 500 on a forward basis, near its widest discount in at least three decades. However, following Europe's catch-up rally in 2025, outperforming the S&P 500 by +18.9% in USD terms, that valuation advantage has narrowed considerably. Today, Europe trades at a ~26% discount to the S&P 500, its narrowest level in four years and in line with its 10-year average. Importantly, the narrowing gap reflects both Europe's re-rating *and* multiple compression in the US despite resilient economic growth and earnings. Moreover, on a PEG* basis, which adjusts valuations for expected earnings growth, the S&P 500 is less expensive on both a 2026 and 2027 basis. While Europe still trades at a discount that is largely justified by its structurally lower growth profile, we have not viewed that discount as sufficient to offset the S&P 500's superior growth, earnings, and profitability. With the valuation gap now narrower, that case is even less compelling.
  - **Sector Spotlight Favors The US**—YTD, European equities have benefited from higher energy and commodity prices given the index's greater exposure to those sectors (~6% vs. ~3% in the US). However, as energy markets normalize, that tailwind is likely to fade. Meanwhile, with AI-related investments expected to remain a key market theme over the next 12 months, sector composition should favor the US, where technology-related companies account for approximately 50% of the S&P 500 versus just 11% in Europe. Moreover, Tech and our other preferred sectors—Industrials, Health Care, and Consumer Discretionary—represent 64% of the S&P 500 compared with 47% in Europe. With greater exposure to the sectors driving growth, earnings, and innovation, the S&P 500 remains better positioned to lead.

**Bottom Line |** International investing is not an all-or-nothing decision. While diversification matters and European equities offer a higher dividend yield than the US (3.3% vs. 1.3%), we continue to favor an overweight to the US and an underweight to Europe.

## CHART OF THE WEEK

### Strong Performance on Both Sides of the Atlantic

*While the US has modestly outpaced Europe year-to-date, both regions have delivered strong returns. Although we continue to favor the US given its superior fundamentals, Europe's performance highlights the benefits of diversification.*




*Source: FactSet, Data as of 8/14/2026. Chart returns are In USD terms.*
**Price/Earnings-to-Growth*



RAYMOND JAMES

## Economy

- July CPI largely matched expectations, with headline inflation easing to 3.4% YoY from 3.5% in June and core inflation cooling to 2.5% from 2.6%. Shelter prices remain broadly stable, while higher oil prices have yet to meaningfully filter into core inflation.
- The Producer Price Index was weaker than expected, remaining flat in July versus expectations for a 0.1% increase. The YoY rate declined sharply to 4.7% from 5.5%, as lower food and energy prices drove a 0.7% MoM decline in final demand goods.
- Retail sales were much weaker than expected in July, falling 0.6% MoM, while control group sales declined 0.4%. Weakness was broad-based, but calendar effects and shifting promotional/back-to-school spending suggest July's weakness may prove temporary.
- **Focus of the Week:** Attention will turn to key housing reports, which are expected to show little to no recovery as 30-year mortgage rates remain near one-year highs (~6.7%). Monday's NAHB Index—a gauge of builder sentiment—is expected to fall to 31.5, its lowest level since Dec. 2022. Meanwhile on Tuesday, housing starts are expected to decline MoM while pending home sales to tick up MoM.

### August 17 – August 21

| | | | | | |
|---|---|---|---|---|---|
| MON | NAHB Housing Market Index | WED | FOMC Minutes | FRI | |
| TUE | Housing Starts/Building Permits<br>Industrial Production<br>Pending Home Sales | THU | Jobless Claims<br>Leading Economic Index | FUTURE EVENTS | 8/25 New Home Sales<br>8/26 PCE |

## Equity

- Although August and September is historically the weakest two-month stretch for equities, and midterm election years often amplify seasonal headwinds, the market has largely shrugged these off. Despite additional rising macro risks, including higher energy prices and interest rates, the VIX has fallen 9% in August to fresh YTD lows, while the S&P 500 is up 14% YTD and notched its 27th record high of the year this week. Underpinning that resilience has been remarkable corporate strength, with consensus 2026 and 2027 S&P 500 EPS estimates revised 16% and 12% higher, respectively, since the start of the Iran conflict. That fundamental strength has helped drive forward valuations to near YTD lows even as the market continues to climb.
- Looking more broadly, broadening equity participation remains a key theme. This week, both the S&P 500 Equal Weight Index and small-cap equities, as measured by the Russell 2000, climbed to new record highs, underscoring the improving breadth. Notably, both indices continue to outperform the cap-weighted S&P 500 on a YTD basis (up 17% and 24%, respectively). When looking at the Wilshire 5000 Index, which captures nearly the entire investable US stock market and is also at a record high, the average stock is up 16% YTD, with ~63% of constituents up YTD. Equity broadening provides a constructive backdrop for the durability of the current bull market.
- **Focus of the Week:** Next week, market focus will shift back to consumer spending patterns via earnings results from the largest retailers including Walmart, Target, Home Depot, Lowes, TJX, and Ross Stores.

## Fixed Income

- Treasury yields moved lower after the PPI report, with key components tied to the Fed's preferred PCE inflation gauge reinforcing the view that underlying inflation remains contained. The move was led by the 2-year Treasury yield (4.12%), which broke below its 50-day moving average for the first time since the initial strikes on Iran fueled oil price concerns and renewed rate hike speculation. The decline further steepened the yield curve, with the spread between 10- and 2-year yields reaching its widest since Memorial Day. Longer-term yields also eased, though the 10-year Treasury (4.64%) remains on track for its longest stretch above 4.50% since 2007.
- Municipal bonds are rebounding from July's underperformance, gaining 0.8% MTD and outpacing Treasuries as strong technicals support demand. Heavy reinvestment flows heading into slowing late summer issuance have created a favorable supply-demand backdrop further supported by persistent fund inflows. While ICI data showed mutual funds recorded a modest $41b weekly outflow, combined fund and ETF flows were positive for the 16th consecutive week, highlighting continued investor demand.
- **Focus of the Week:** With markets pricing in a ~30% chance of a September rate hike, July's FOMC minutes (Wed) may offer clues on how close the Fed came to hiking. Meanwhile, industrial production may reveal the impact of higher rates on manufacturing activity.

## Washington Policy

- AI infrastructure has emerged as one of the most important policy debates in DC, with data center moratoriums increasingly becoming a focal point ahead of the midterm elections. We believe AI has become politically controversial not because voters oppose AI itself, but because they increasingly view its infrastructure as contributing to rising household costs. We continue to view a nationwide federal moratorium as unlikely, but we do expect broader energy reforms, "Bring Your Own Power" requirements, and stronger expectations that hyperscalers finance a larger share of their infrastructure going forward.

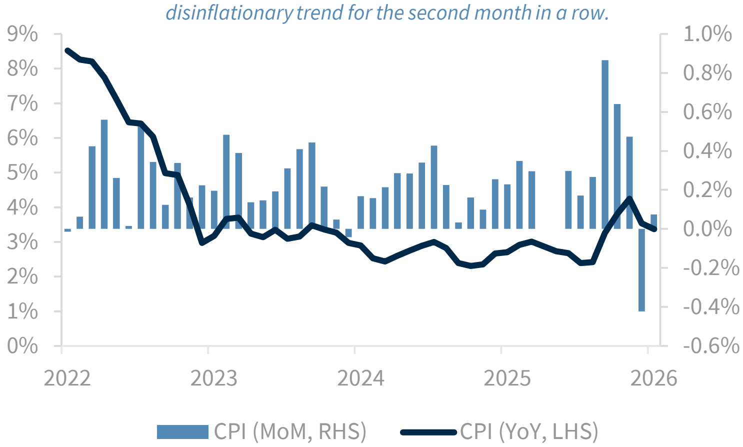
## Commodities

- Although grocery costs account for only ~8% of US consumer spending, they play a disproportionate role in how consumers perceive inflation. July CPI data showed a YoY increase of 2.7% in grocery costs—the 14th month out of the past 16 at or above the 2% mark. Certain products are driving the overall increase. The prime example: meats, which account for one-seventh of a typical household's grocery basket, are up 5.4% YoY. More precisely, the #1 culprit is beef—up 9.4%, amid the impact of screwworm outbreaks on cattle herds in Mexico and Texas—whereas pork and poultry are flattish. Prices of coffee and candy jumped ~10%, though these account for smaller portions of the basket. On the flip side, eggs (1% of the basket) fell ~26%.
- We anticipate further hikes in food prices, reflecting an unusually potent combination of climate and geopolitical factors. The National Weather Service sees a 69% likelihood of this year's El Niño being the strongest since at least 1950, and among the consequences may be lower agricultural output in parts of Asia. Meanwhile, with oil and sulfur exports from the Persian Gulf still curtailed, farmers are facing dual cost pressures—diesel and fertilizer—as fall planting season gets underway. Concurrently, Russia and Ukraine—both of which are key exporters of numerous crops, especially wheat—have been striking each other's port facilities.

## Charts of the Week

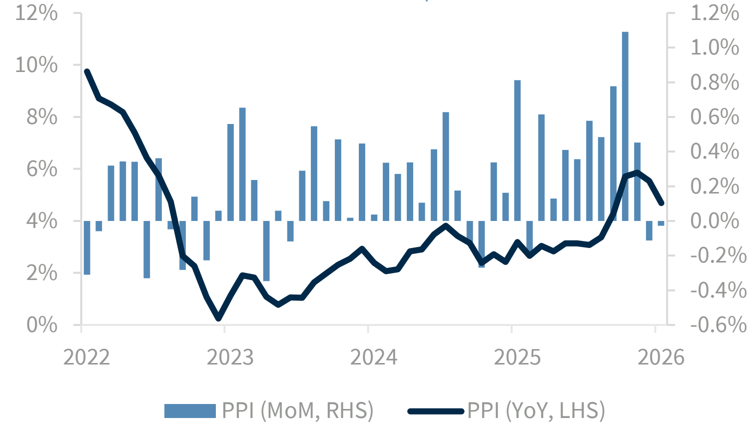
### Inflation: Consumer Prices

*Driven by softer energy prices in July, headline CPI continued its disinflationary trend for the second month in a row.*



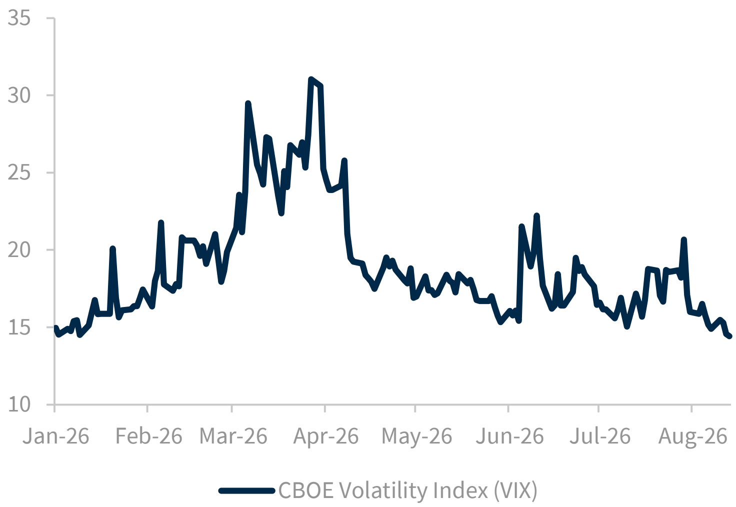

### Inflation: Producer Prices

*Also helped by softening energy prices, the yearly rate in headline PPI reached its slowest pace in four months.*



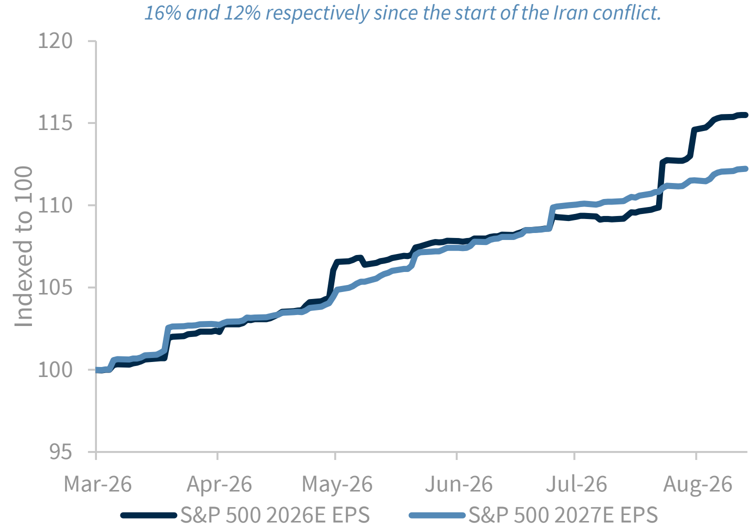

### Volatility Reaches YTD Lows

*The VIX fell to 14.4 this week reaching the lowest level thus far in 2026.*



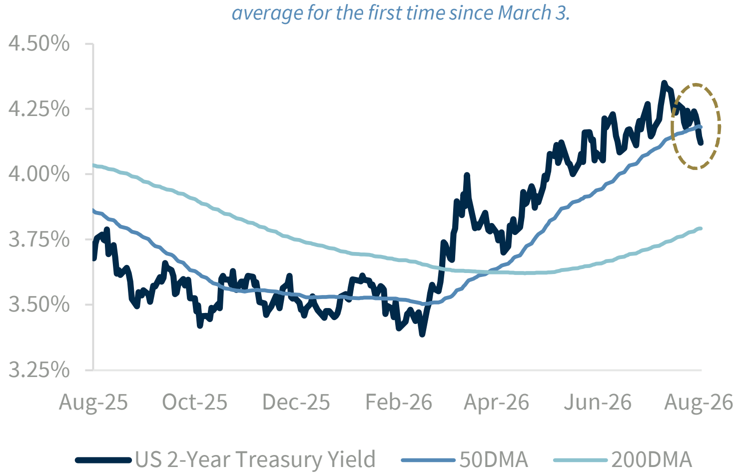

### Earnings Estimates March Higher

*S&P 500 2026 and 2027 EPS estimates have been revised higher by 16% and 12% respectively since the start of the Iran conflict.*



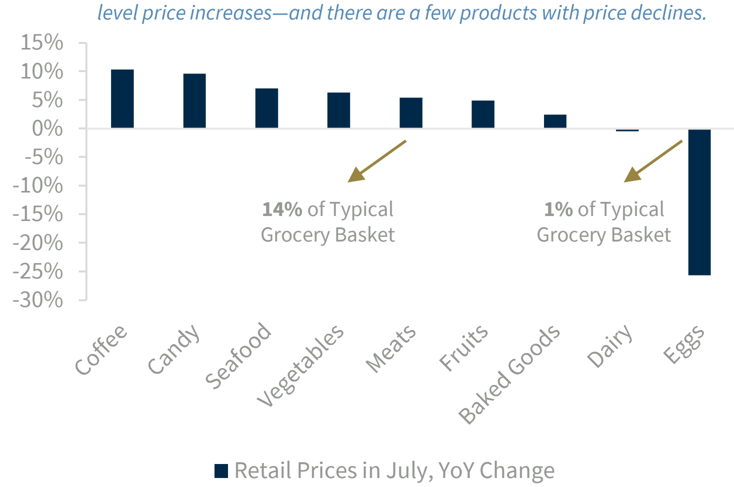

### 2-Year Yield Falls Below Key Technical Level

*The policy-sensitive 2-year Treasury yield closed below its 50-day moving average for the first time since March 3.*




### Food Prices Depends On What's In Shopping Baskets

*Headline food price index of 2.7% YoY encompasses a wide range of product-level price increases—and there are a few products with price declines.*




*Source for charts: FactSet, as of 8/13/2026.*



RAYMOND JAMES

## Asset Class Performance | Distribution by Asset Class and Style (as of August 13)**

**Weekly Returns (as of August 13)**

| US Equities (Russell indices) | Value | Blend | Growth |
|---|---|---|---|
| Large Cap | 1.0% | 1.4% | 1.8% |
| Mid Cap | 2.0% | 2.6% | 4.6% |
| Small Cap | 1.4% | 1.7% | 2.1% |

| International Equities (MSCI indices) | Dev. Mkt | World | Emerg. Mkt |
|---|---|---|---|
| Large Cap | 1.0% | 1.2% | 2.4% |
| Mid Cap | 1.0% | 1.9% | 1.6% |
| Small Cap | 1.1% | 1.9% | 1.6% |

| Fixed Income (Bloomberg indices) | 1-3 YR | Medium | Long |
|---|---|---|---|
| Treasury | 0.1% | 0.4% | 0.3% |
| Invest. Grade | 0.3% | 0.3% | 0.3% |
| High Yield | 0.2% | 0.3% | 0.5% |

**Year-to-Date Returns (as of August 13)**

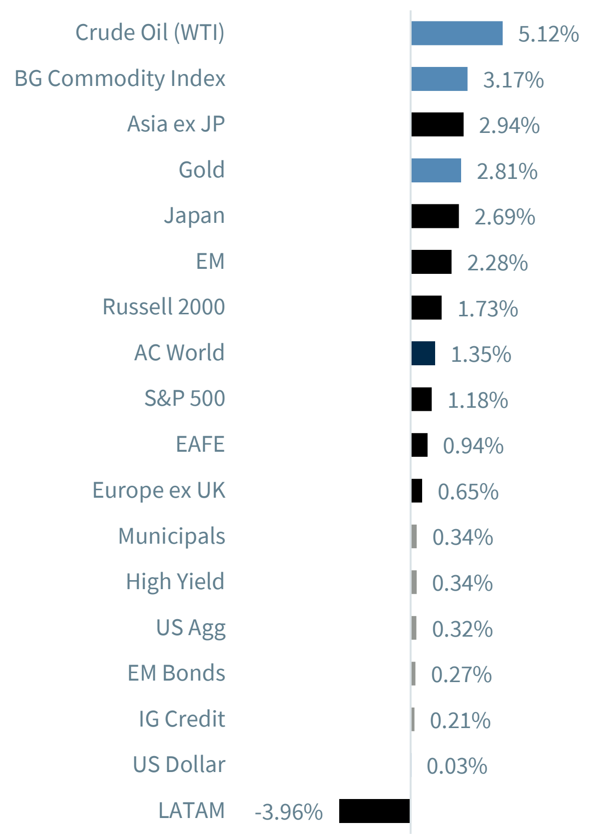
| US Equities (Russell indices) | Value | Blend | Growth |
|---|---|---|---|
| Large Cap | 24.0% | 14.7% | 6.5% |
| Mid Cap | 23.7% | 19.9% | 7.7% |
| Small Cap | 26.1% | 23.8% | 21.7% |

| International Equities (MSCI indices) | Dev. Mkt | World | Emerg. Mkt |
|---|---|---|---|
| Large Cap | 16.2% | 15.9% | 23.4% |
| Mid Cap | 15.0% | 16.8% | 24.5% |
| Small Cap | 13.9% | 19.0% | 16.0% |

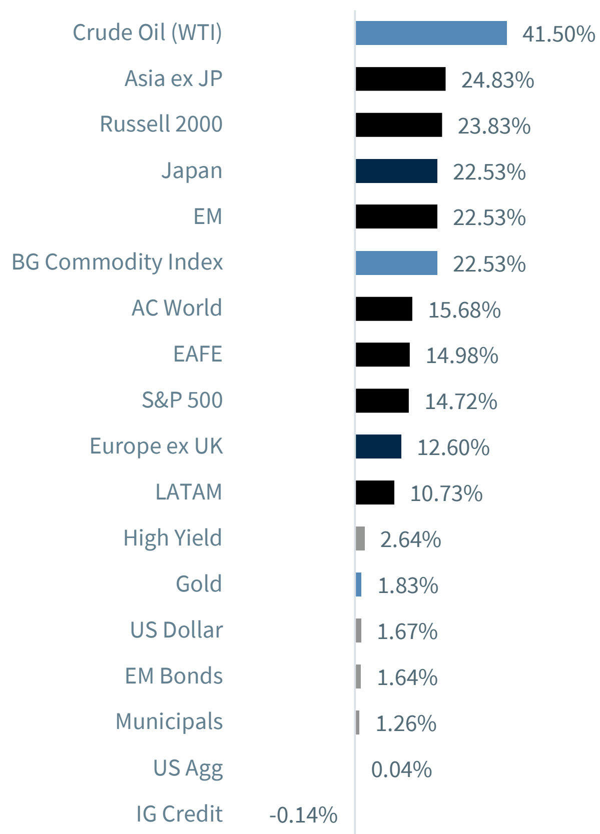
| Fixed Income (Bloomberg indices) | 1-3 YR | Medium | Long |
|---|---|---|---|
| Treasury | 2.2% | -0.3% | -1.1% |
| Invest. Grade | 1.7% | 0.7% | 0.0% |
| High Yield | 2.7% | 2.6% | 2.9% |

## Asset Class Performance | Weekly and Year-to-Date (as of August 13)**

### Weekly***




### Year-to-Date***




Commodities Equities Fixed Income

**Weekly performance calculated from Thursday close to Thursday close.

***Assumes all asset classes are priced in US dollars unless otherwise noted. Ranked in order of performances (best to worst).

# Weekly Data

***As of 8/13/2026 *****

**US Equities**

| Index | Price | Weekly | MTD | YTD | 1 Year | 3 Year | 5 Year | 10 Year |
|---|---|---|---|---|---|---|---|---|
| S&P 500 | 7799.0 | 1.2 | 4.2 | 14.7 | 22.0 | 22.0 | 13.4 | 15.5 |
| DJ Industrial Average | 53840.0 | (0.1) | 2.6 | 12.0 | 19.9 | 15.1 | 8.7 | 11.2 |
| NASDAQ Composite Index | 26803.0 | 1.7 | 5.6 | 15.3 | 23.4 | 25.2 | 12.6 | 17.7 |
| Russell 1000 | 8174.9 | 1.4 | 4.4 | 14.7 | 18.9 | 19.0 | 12.1 | 14.8 |
| Russell 2000 | 7587.1 | 1.7 | 4.2 | 23.8 | 34.2 | 15.1 | 7.1 | 10.6 |
| Russell Midcap | 11724.9 | 2.6 | 4.6 | 19.9 | 18.7 | 14.8 | 8.2 | 11.4 |

**Equity Sectors**

| Sector | Price | Weekly | MTD | YTD | 1 Year | 3 Year | 5 Year | 10 Year |
|---|---|---|---|---|---|---|---|---|
| Materials | 653.5 | 0.2 | 4.2 | 14.8 | 15.2 | 9.9 | 5.8 | 10.2 |
| Industrials | 1571.8 | 0.5 | 3.4 | 20.5 | 23.5 | 21.3 | 13.9 | 14.0 |
| Comm Services | 458.5 | (1.2) | 0.4 | 1.8 | 16.1 | 27.8 | 11.5 | 11.8 |
| Utilities | 446.6 | 1.5 | (0.7) | 4.6 | 4.7 | 14.3 | 8.4 | 9.1 |
| Consumer Discretionary | 1945.1 | (0.3) | 1.2 | 1.2 | 6.3 | 14.1 | 7.0 | 12.7 |
| Consumer Staples | 949.8 | 0.9 | 1.0 | 11.4 | 7.5 | 9.3 | 7.6 | 8.2 |
| Health Care | 1961.3 | 2.4 | 3.6 | 9.7 | 28.6 | 9.3 | 6.5 | 10.4 |
| Information Technology | 7072.6 | 1.9 | 7.9 | 24.8 | 32.5 | 34.7 | 22.0 | 25.9 |
| Energy | 934.2 | 4.7 | 2.5 | 38.1 | 47.3 | 14.5 | 24.6 | 10.3 |
| Financials | 967.9 | 0.8 | 2.3 | 7.3 | 12.2 | 20.5 | 10.6 | 13.8 |
| Real Estate | 289.9 | 0.6 | (0.0) | 17.4 | 18.3 | 11.4 | 3.4 | 6.9 |

**Fixed Income**

| Index | Yield | Weekly | MTD | YTD | 1 Year | 3 Year | 5 Year | 10 Year |
|---|---|---|---|---|---|---|---|---|
| 3-Month Treasury Bill (%) | 3.8 | 0.1 | 0.1 | 2.3 | 3.9 | 4.7 | 3.7 | 2.4 |
| 2-Year Treasury (%) | 4.1 | 0.3 | 0.4 | 1.0 | 2.7 | 4.2 | 1.7 | 1.6 |
| 10-Year Treasury (%) | 4.6 | 0.3 | 0.7 | (1.1) | 1.3 | 3.0 | (2.2) | (0.0) |
| Bloomberg US Corporate HY | 7.5 | 0.3 | 0.9 | 2.6 | 5.5 | 8.7 | 4.3 | 5.5 |
| Bloomberg US Aggregate | 4.9 | 0.3 | 0.7 | 0.0 | 2.4 | 4.5 | (0.2) | 1.4 |
| Bloomberg Municipals | -- | 0.3 | 0.8 | 1.3 | 5.4 | 3.6 | 0.7 | 2.0 |
| Bloomberg IG Credit | 5.4 | 0.2 | 0.7 | (0.1) | 2.1 | 5.4 | (0.0) | 2.3 |
| Bloomberg EM Bonds | 6.2 | 0.3 | 0.9 | 1.6 | 5.3 | 8.3 | 1.9 | 3.1 |

**Commodities**

| Index | Price | Weekly | MTD | YTD | 1 Year | 3 Year | 5 Year | 10 Year |
|---|---|---|---|---|---|---|---|---|
| WTI Crude ($/bl) | 81.3 | 5.1 | (4.0) | 41.5 | 29.7 | (0.8) | 3.5 | 6.2 |
| Gold ($/Troy Oz) | 4420.4 | 2.8 | 7.6 | 1.8 | 29.7 | 31.4 | 20.0 | 12.7 |
| Bloomberg Commodity Index | 134.4 | 3.2 | 1.8 | 22.5 | 33.9 | 8.4 | 7.1 | 4.8 |

**Currencies**

| Currency | Price | Weekly | MTD | YTD | 1 Year | 3 Year | 5 Year | 10 Year |
|---|---|---|---|---|---|---|---|---|
| US Dollar Index | 100.0 | 0.0 | 0.1 | 1.7 | 2.2 | (0.9) | 1.6 | 0.4 |
| Euro | 1.15 | 0.1 | 0.3 | (1.7) | (1.5) | 1.7 | (0.4) | 0.3 |
| British Pound | 1.35 | 0.3 | 0.4 | 0.4 | (0.5) | 2.0 | (0.5) | 0.4 |
| Japanese Yen | 159.18 | (0.6) | 0.0 | (1.5) | (7.6) | (3.1) | (7.1) | (4.5) |

**International Equities**

| Index | Price | Weekly | MTD | YTD | 1 Year | 3 Year | 5 Year | 10 Year |
|---|---|---|---|---|---|---|---|---|
| MSCI AC World | 1160.8 | 1.4 | 3.7 | 15.7 | 23.9 | 21.5 | 11.8 | 13.1 |
| MSCI EAFE | 3256.8 | 0.9 | 2.7 | 15.0 | 23.0 | 18.8 | 9.9 | 10.0 |
| MSCI Europe ex UK | 3582.4 | 0.6 | 2.7 | 12.6 | 22.0 | 18.0 | 9.3 | 10.9 |
| MSCI Japan | 5817.4 | 2.7 | 4.6 | 22.5 | 28.9 | 21.1 | 10.8 | 9.9 |
| MSCI EM | 1695.4 | 2.3 | 1.9 | 22.5 | 35.8 | 22.5 | 8.8 | 9.4 |
| MSCI Asia ex JP | 1125.5 | 2.9 | 2.0 | 24.8 | 37.2 | 23.9 | 9.2 | 10.2 |
| MSCI LATAM | 2936.0 | (4.0) | (4.7) | 10.7 | 31.3 | 12.9 | 10.6 | 6.8 |
| Canada S&P/TSX Composite | 26364.0 | 1.7 | 4.4 | 15.9 | 31.3 | 21.6 | 12.4 | 9.6 |

**Weekly performance calculated from Thursday close to Thursday close.

# Disclosures

All expressions of opinion are those of Raymond James & Associates, Inc. (RJA) Investment Strategy and are subject to change. Nothing in this report constitutes investment, legal, accounting or tax advice or is a representation that any investment or strategy is suitable or appropriate to your individual circumstances or otherwise constitutes a personal recommendation to you. This information should not be construed as a recommendation. The foregoing content is subject to change at any time without notice. Content provided herein is for informational purposes only. There is no guarantee that these statements, opinions or forecasts provided herein will prove to be correct. Past performance is not a guarantee of future results. Indices and peer groups are not available for direct investment. Any investor who attempts to mimic the performance of an index or peer group would incur fees and expenses that would reduce returns. No investment strategy can guarantee success. Economic and market conditions are subject to change. Investing involves risks including the possible loss of capital. The information has been obtained from sources considered to be reliable, but we do not guarantee that the foregoing material is accurate or complete. Diversification and asset allocation do not ensure a profit or protect against a loss. Further, portions of this report may include content generated, sourced, or created with assistance from artificial intelligence tools. Raymond James has reviewed and considers this content to be reliable, but Raymond James does not guarantee that such content is accurate or complete.

**SMALL CAPS** | Investing in small cap stocks generally involves greater risks, and therefore, may not be appropriate for every investor. The prices of small company stocks may be subject to more volatility than those of large company stocks.

**INTERNATIONAL INVESTING** | International investing involves additional risks such as currency fluctuations, differing financial accounting standards, and heightened political and/or economic instability. These risks are greater in emerging markets.

**ENERGY COMMODITIES** | Investing in energy commodities is generally considered speculative, with high levels of volatility, limited market regulation, and emerging markets risk. Oil prices are influenced by OPEC decisions and tend to be economically sensitive. Natural gas prices are influenced by weather.

**MINING COMMODITIES** | Investing in mining commodities is generally considered speculative, with high levels of volatility, limited market regulation, and emerging markets risk. Prices of precious metals such as gold are influenced by central bank decisions. Prices of industrial metals such as copper tend to be economically sensitive.

**SECTORS** | Sector investments are companies focused on a specific economic sector and are presented here for illustrative purposes only. Sectors, including Tech, are subject to varying levels of competition, economic sensitivity, and political and regulatory risks. Investing in any individual sector involves limited diversification.

**CURRENCIES** | Currency investing is generally considered speculative, with high levels of volatility and limited market regulation. These risks are greater in emerging markets.

**FIXED INCOME** | Fixed-income securities (or bonds) are exposed to various risks including but not limited to credit (risk of default of principal and interest payments), market and liquidity, interest rate, reinvestment, legislative (changes to the tax code), and call risks. There is an inverse relationship between interest rate movements and fixed income prices. Generally, when interest rates rise, fixed income prices fall and when interest rates fall, fixed income prices generally rise. A credit rating of a security is not a recommendation to buy, sell or hold the security and may be subject to review, revision, suspension, reduction or withdrawal at any time by the assigning Rating Agency. Ratings and insurance do not remove market risk since they do not guarantee the market value of the bond.

**MUNICIPAL BONDS** | Municipal securities typically provide a lower yield than comparably rated taxable investments in consideration of their tax-advantaged status. Investments in municipal securities may not be appropriate for all investors, particularly those who do not stand to benefit from the tax status of the investment. Please consult an income tax professional to assess the impact of holding such securities on your tax liability.

**US TREASURIES** | US Treasury securities are guaranteed by the US government and, if held to maturity, generally offer a fixed rate of return and guaranteed principal value.

**PERSONAL CONSUMPTION EXPENDITURES** | The Personal Consumption Expenditures (PCE) Price Index is a measure of the prices that people living in the United States, or those buying on their behalf, pay for goods and services.

**PRODUCER PRICE INDEX** | The Producer Price Index (PPI) is a measure of wholesale inflation, while the Consumer Price Index measures the prices paid by consumers.

**CONSUMER PRICE INDEX** | The Consumer Price Index (CPI) is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services.

**CONSUMER SENTIMENT INDEX** | The University of Michigan Consumer Sentiment Survey (MCSI) is a monthly survey measuring US consumer confidence regarding personal finances, business conditions, and buying conditions. It serves as a key leading economic indicator, forecasting consumer spending by interviewing approximately 600–1,000 households.

**ISM MANUFACTURING INDEX** | The ISM Manufacturing Index, or Purchasing Managers' Index (PMI), is a crucial monthly report on US economic activity based on surveys of manufacturing supply executives. It gauges sector health by tracking new orders, production, employment, supplier deliveries, and inventories. A reading above 50 indicates expansion; below 50 signals contraction.

**ISM SERVICES INDEX** | The ISM Services Index, now officially known as the Services PMI (Purchasing Managers' Index), is a monthly economic indicator released by the Institute for Supply Management. It measures the performance of the US service sector—which constitutes nearly 80% of the economy—based on surveys of over 400 purchasing managers across 60+ industries, such as finance, retail, and healthcare.

**IMPORT/EXPORT PRICE INDICES** | The Import and Export Price Indices are economic indicators that measure the average change in prices of goods and services imported into a country from foreign sources, or exported from the US, respectively. These indices act as key metrics for inflation, tracking how changing international costs affect domestic consumers, businesses, and economic policy.

**US DOLLAR INDEX** | The US Dollar Index is an index (or measure) of the value of the United States dollar relative to a basket of foreign currencies.

**EMPLOYMENT COST INDEX** | The Employment Cost Index (ECI) measures the change in the hourly cost of labor to employers, tracking both wages and salaries and employee benefits. It is a key economic indicator published quarterly by the US Bureau of Labor Statistics (BLS).

**UNIT LABOR COST** | Unit labor cost is how much a business pays its workers to produce one unit of output. It is measured by the US Bureau of Labor Statistics.

**PEG RATIO** | The PEG (Price/Earnings-to-Growth) ratio is a financial metric that divides a stock's price-to-earnings (P/E) ratio by its expected earnings growth rate. It helps investors determine if a stock's high P/E ratio is justified by showing how much they are paying per unit of future earnings growth.

**NEW HOME SALES INDEX** | The New Home Sales report, released monthly by the US Census Bureau and the Department of Housing and Urban Development (HUD), tracks the number of newly constructed, privately-owned single-family homes sold across the US. As a key leading economic indicator, it measures new, signed sales contracts rather than closings.

**EXISTING HOME SALES INDEX** | The Existing Home Sales report is a monthly economic indicator released by the National Association of Realtors (NAR). It measures the total number of closed transactions for previously owned single-family homes, townhomes, condominiums, and co-ops across the United States.

**LEADING ECONOMIC INDEX** | The Leading Economic Index (LEI) is a monthly composite statistic published by The Conference Board that predicts future shifts in the business cycle, typically looking six to nine months ahead. It combines 10 forward-looking economic components, such as stock prices, building permits, and manufacturing orders, to signal upcoming economic expansions or recessions before they become evident in the overall economy.

**MICHIGAN CONSUMER SENTIMENT INDEX** | The Michigan Consumer Sentiment Index (MCSI) is a monthly survey-based economic indicator measuring US consumer confidence regarding their personal finances, business conditions, and buying power. It is a leading indicator for predicting consumer spending, which drives the majority of the US economy.

**FHFA HOME PRICE INDEX** |The FHFA Home Price Index is a weighted, repeat-sales index, meaning that it measures average price changes in repeat sales or refinancings on the same properties.

**CASE SHILLER HOME PRICE INDEX** | The Case Shiller Home Price Index , U.S. National Home Price NSA Index measures the change in the value of the U.S. residential housing market by tracking the purchase prices of single-family homes. The index is compiled and published monthly.

**NFIB SMALL BUSINESS INDEX** | The NFIB Small Business Optimism Index is a monthly composite indicator that measures the outlook of U.S. small business owners on economic conditions, employment, and business health.

**NAHB/WELLS FARGO HOUSING MARKET INDEX (HMI)** | The NAHB/Wells Fargo Housing Market Index (HMI) is a monthly survey-based gauge of sentiment among U.S. single-family home builders that reflects their views on current and near-term housing market conditions.

# Disclosures

DATA SOURCE | FactSet, Bloomberg as of 08/13/2026

DOMESTIC EQUITY DEFINITION
**DOW JONES INDUSTRIAL AVERAGE (DJIA)** | The Dow Jones Industrial Average (DJIA) is an index that tracks 30 large, publicly-owned companies trading on the New York Stock Exchange (NYSE) and the NASDAQ.

**NASDAQ COMPOSITE INDEX** | The Nasdaq Composite Index is the market capitalization-weighted index of over 3,300 common equities listed on the Nasdaq stock exchange.

**NASDAQ 100** | The Nasdaq-100 Index® includes 100 of the largest domestic and international non-financial companies listed on The Nasdaq Stock Market based on market capitalization. The Index reflects companies across major industry groups including computer hardware and software, telecommunications, retail/wholesale trade and biotechnology. It does not contain securities of financial companies including investment companies.

**WILSHIRE 5000 INDEX** | The Wilshire 5000 is a broad-market, free-float capitalization-weighted index that measures the performance of the entire U.S. stock market

**S&P 500** | The S&P 500 Total Return Index: The index is widely regarded as the best single gauge of large-cap U.S. equities. There is over USD 7.8 trillion benchmarked to the index, with index assets comprising approximately USD 2.2 trillion of this total. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization.

**S&P 500 EQUAL WEIGHT INDEX** | The S&P 500 Equal Weight Index: The index includes the same constituents as the capitalization weighted S&P 500, but each company in the S&P 500 EWI is allocated a fixed weight - or 0.2% of the index total at each quarterly rebalance.

**S&P SMALL CAP 600** | The S&P Small Cap 600: The index tracks 600 US small-capitalization companies. It acts as a benchmark for the small-cap segment of the U.S. equity market and is used by investors to measure performance or gain exposure to smaller-tier growth companies.

**LARGE GROWTH** | Russell 1000 Growth Total Return Index: This index represents a segment of the Russell 1000 Index with a greater- than-average growth orientation. Companies in this index have higher price-to-book and price-earnings ratios, lower dividend yields and higher forecasted growth values. This index includes the effects of reinvested dividends.

**MID GROWTH** | Russell Mid Cap Growth Total Return Index: This index contains stocks from the Russell Midcap Index with a greater-than-average growth orientation. The stocks are also members of the Russell 1000 Growth Index. This index includes the effects of reinvested dividends.

**LARGE BLEND** | Russell 1000 Total Return Index: This index represents the 1000 largest companies in the Russell 3000 Index. This index is highly correlated with the S&P 500 Index. This index includes the effects of reinvested dividends.

**SMALL GROWTH** | Russell 2000 Growth Total Return Index: This index represents a segment of the Russell 2000 Index with a greater- than-average growth orientation. The combined market capitalization of the Russell 2000 Growth and Value Indices will add up to the total market cap of the Russell 2000. This index includes the effects of reinvested dividends.

**MID BLEND** | Russell Mid Cap Total Return Index: This index consists of the bottom 800 securities in the Russell 1000 Index as ranked by total market capitalization. This index includes the effects of reinvested dividends.

**SMALL BLEND** | Russell 2000 Total Return Index: This index covers 2000 of the smallest companies in the Russell 3000 Index, which ranks the 3000 largest US companies by market capitalization. The Russell 2000 represents approximately 10% of the Russell 3000 total market capitalization. This index includes the effects of reinvested dividends.

**LARGE VALUE** | Russell 1000 Value Total Return Index: This index represents a segment of the Russell 1000 Index with a less-than-average growth orientation. Companies in this index have low price-to-book and price-earnings ratios, higher dividend yields and lower forecasted growth values. This index includes the effects of reinvested dividends.

**MID VALUE** | Russell Mid Cap Value Total Return Index: This index contains stocks from the Russell Midcap Index with a less-than-average growth orientation. The stocks are also members of the Russell 1000 Value Index. This index includes the effects of reinvested dividends.

**SMALL VALUE** | Russell 2000 Value Total Return Index: This index represents a segment of the Russell 2000 Index with a less-than-average growth orientation. The combined market capitalization of the Russell 2000 Growth and Value Indices will add up to the total market cap of the Russell 2000. This index includes the effects of reinvested dividends.

**VIX** | The CBOE Volatility Index (VIX) is a real-time market index created by the Chicago Board Options Exchange (Cboe) in 1993. It measures the expected 30-day volatility of the U.S. stock market using S&P 500 index options. Often called the "fear gauge," a higher VIX reflects greater market risk, anxiety, and uncertainty

COMMODITY INDEX DEFINITION
**BLOOMBERG COMMODITY INDEX (BCOM)** | The Bloomberg Commodity Index is a broadly diversified commodity price index distributed by Bloomberg Index Services Limited.

FIXED INCOME DEFINITION
**AGGREGATE BOND** | Bloomberg US Agg Bond Total Return Index: The index is a measure of the investment grade, fixed-rate, taxable bond market of roughly 6,000 SEC-registered securities with intermediate maturities averaging approximately 10 years. The index includes bonds from the Treasury, Government-Related, Corporate, MBS, ABS, and CMBS sectors.

**HIGH YIELD** | Bloomberg US Corporate High Yield Total Return Index: The index measures the USD-denominated, high yield, fixed- rate 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.

**CREDIT** | Bloomberg US Credit Total Return Index: The index measures the investment grade, US dollar-denominated, fixed- rate, taxable corporate and government related bond markets. It is composed of the US Corporate Index and a non-corporate component that includes foreign agencies, sovereigns, supranationals and local authorities.

# Disclosures

**BLOOMBERG US CORPORATE INVESTMENT GRADE** | The index commonly used as the standard benchmark for US investment-grade corporate debt, and tracks the performance of the USD-denominated, fixed-rate, taxable corporate bond market. It captures publicly issued securities across industrial, utility, and financial issuers by companies inside and outside the US.

**BLOOMBERG MUNICIPAL BOND INDEX** | The index is a measure of the long-term tax-exempt bond market with securities of investment grade (rated at least Baa by Moody's Investors Service and BBB by Standard and Poor's). This index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds, and prerefunded bonds.

**BLOOMBERG US CONVERTIBLE LIQUID BOND INDEX** | The index tracks the performance of USD-denominated convertible securities, specifically bonds and convertible preferred stock, issued in the US market with a minimum amount outstanding of $350 million.

**BLOOMBERG CAPITAL AGGREGATE BOND TOTAL RETURN INDEX** | This index represents securities that are SEC-registered, taxable, and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. The index is designed to minimize concentration in any one commodity or sector. It currently has 22 commodity futures in seven sectors. No one commodity can compose less than 2% or more than 15% of the index, and no sector can represent more than 33% of the index (as of the annual weightings of the components).

**BLOOMBERG EMERGING MARKET BOND INDEX** | The Bloomberg USD Emerging Market Composite Bond Index is a rules-based, market-value-weighted index engineered to measure USD fixed-rate sovereign and corporate securities issued from emerging markets. The index includes both investment- grade and below-investment-grade securities.

**BLOOMBERG WIRP FUTURES MODEL** | The Bloomberg World Interest Rate Probability (WIRP) function calculates the implicit forecast for rates after each meeting over the next year for the biggest developed world central banks, based on pricing in futures and overnight index swaps markets.

**BLOOMBERG TREASURY INDEX** | The Bloomberg US Treasury Index measures US dollar-denominated, fixed-rate, nominal debt issued by the US Treasury. Treasury bills are excluded by the maturity constraint but are part of a separate Short Treasury Index. The Index is a component of the US Aggregate, US Universal, Global Aggregate and Global Treasury Indices. The index includes securities with remaining maturity of at least one year.

INTERNATIONAL EQUITY DEFINITION

**EMERGING MARKETS EASTERN EUROPE** | MSCI EM Eastern Europe Net Return Index: The index captures large- and mid-cap representation across four Emerging Markets (EM) countries in Eastern Europe.

**EMERGING MARKETS ASIA** | MSCI EM Asia Net Return Index: The index captures large- and mid-cap representation across eight Emerging Markets countries. With 554 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

**EMERGING MARKETS LATIN AMERICA** | MSCI EM Latin America Net Return Index: The index captures large- and mid-cap representation across five Emerging Markets (EM) countries in Latin America. With 116 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

**EMERGING MARKETS** | MSCI Emerging Markets Net Return Index: This index consists of 23 countries representing 10% of world market capitalization. The index is available for a number of regions, market segments/sizes and covers approximately 85% of the free float-adjusted market capitalization in each of the 23 countries.

**PACIFIC EX-JAPAN** | MSCI Pacific Ex Japan Net Return Index: The index captures large- and mid-cap representation across four of 5 Developed Markets (DM) countries in the Pacific region (excluding Japan). With 150 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

**JAPAN** | MSCI Japan Net Return Index: The index is designed to measure the performance of the large and mid cap segments of the Japanese market. With 319 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in Japan.

**NIKKEI 225 INDEX** | The Nikkei 225 is Japan's main stock market index, tracking the performance of 225 large, highly traded "blue-chip" companies listed on the Tokyo Stock Exchange (TSE). It's a price-weighted index, meaning higher-priced stocks have a greater impact, similar to the Dow Jones Industrial Average, and serves as a key indicator of the Japanese economy.

**FOREIGN DEVELOPED MARKETS** | MSCI EAFE Net Return Index: This index is designed to represent the performance of large and mid-cap securities across 21 developed markets, including countries in Europe, Australasia and the Far East, excluding the U.S. and Canada. The index is available for a number of regions, market segments/sizes and covers approximately 85% of the free float-adjusted market capitalization in each of the 21 countries.

**MSCI EAFE** | The MSCI EAFE (Europe, Australasia, and Far East) is a free float-adjusted market capitalization index that is designed to measure developed market equity performance, excluding the United States & Canada. The EAFE consists of the country indices of 22 developed nations.

**MSCI ACWI** | The MSCI All Country World Index (ACWI) is a stock index designed to track broad global equity-market performance. The index is comprised of the stocks of about 3,000 companies from 23 developed countries and 26 emerging markets.

**MSCI ACWI EX US** | The MSCI All Country World Index (ACWI) is a stock index designed to track broad global equity-market performance. The index is comprised of the stocks of about 3,000 companies from 23 developed countries and 26 emerging markets.

## Disclosures

**CANADA S&P/TSX COMPOSITE** | The S&P/TSX Composite Index is a capitalization-weighted equity index that tracks the performance of the largest companies listed on primary stock exchange, the Toronto Stock Exchange.

**STOXX EUROPE 600** | The Represents large, mid and small capitalization companies across 17 countries of the European region: Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Norway, Poland, Portugal, Spain, Sweden, Switzerland and the United Kingdom.

INTERNAL DISCLOSURES

**FOR CLIENTS IN THE UNITED KINGDOM** | For clients of Raymond James Financial International Limited (RJFI) and Raymond James Wealth Management (RJWM): Raymond James Financial International Ltd. (RJFI) and Raymond James Investment Services, Ltd. (RJIS) are authorised and regulated by the Financial Conduct Authority (FCA). RJFI and RJIS are located at Ropemaker Place, 25 Ropemaker Street, London, England, EC2Y 9LY, +44 203 798 5600.This document is prepared for and distributed by either RJFI or RJWM, as applicable, and any investment to which this document relates is intended for the sole use of the persons to whom it is addressed, being persons who are Eligible Counterparties or Professional Clients as described in the FCA rules or persons described in Articles 19(5) (Investment professionals) or 49(2) (high net worth companies, unincorporated associations, etc.) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended)or any other person to whom this promotion may lawfully be directed. It is not intended to be distributed or passed on, directly or indirectly, to any other class of persons and may not be relied upon by such persons and is, therefore, not intended for private individuals or those who would be classified as Retail Clients.

**FOR CLIENTS IN FRANCE** | For clients of Raymond James France (RJ France): RJ France is authorised and regulated by the Autorite de Controle Prudentiel et de Resolution and the Autorite des Marches Financiers. As of 30 November, 2020, RJ France is an unaffiliated entity of Raymond James Financial, Inc. and its subsidiaries. RJ France is located at SAS, 45 Avenue George V, 75008, Paris, France, +33 1 45 61 64 90. This document is prepared for and distributed by RJ France pursuant to an agreement with Raymond James & Associates, Inc. and any investment to which this document relates is intended for the sole use of the persons to whom it is addressed, being persons who are Eligible Counterparties or Professional Clients as described in "Code Monetaire et Financier" and Reglement General de l'Autorite des marches Financiers. It is not intended to be distributed or passed on, directly or indirectly, to any other class of persons and may not be relied upon by such persons and is, therefore, not intended for private individuals or those who would be classified as Retail Clients.

**FOR INSTITUTIONAL CLIENTS IN THE EUROPEAN ECONOMIC AREA (EE) OUTSIDE OF THE UNITED KINGDOM** | This document (and any attachments or exhibits hereto) is intended only for EEA institutional clients or others to whom it may lawfully be submitted.

**FOR CANADIAN CLIENTS** | This document is not prepared subject to Canadian disclosure requirements, unless a Canadian has contributed to the content of the document. In the case where there is Canadian contribution, the document meets all applicable CIRO disclosure requirements.

# INVESTMENT STRATEGY


**Larry Adam**
*Chief Investment Officer*
T 410.525.6217
larry.adam@raymondjames.com

**Eugenio J. Alemán, Ph.D.**
*Chief Economist*
T 727.567.2603
eugenio.aleman@raymondjames.com

**Garrett Parr**
*Investment Strategy Analyst*
T 410.525.6237
garrett.parr@raymondjames.com

**Matt Barry**
*Senior Investment Strategist*
T 410.525.6228
matt.barry@raymondjames.com

**Mike Payne**
*Investment Strategy Analyst*
T. 410.525.6232
mike.payne@raymondjames.com

**Giampiero Fuentes**
*Economist*
T 727.567.5776
giampiero.fuentes@raymondjames.com

**Anne B. Platt**
*VP, Investment Strategy*
T 727.567.2190
anne.platt@raymondjames.com

**Tracey Manzi**
*Senior Investment Strategist*
T 727.567.2211
tracey.manzi@raymondjames.com

**Nicholas Schiavone**
*Investment Strategy Analyst*
T 410.525.6256
nicholas.schiavone@raymondjames.com

**Pavel Molchanov**
*Senior Investment Strategist*
T 704.940.6398
pavel.molchanov@raymondjames.com

**Lindsay Smith**
*Investment Strategy Analyst*
T 727.567.3335
lindsay.smith@raymondjames.com

**Kyle Noonan**
*Investment Strategy Analyst*
T 410.525.6231
kyle.noonan@raymondjames.com

**Matthew Ziyadeh**
*Investment Strategy Analyst*
T 727.567.8984
matthew.kurayaziyadeh@raymondjames.com


RAYMOND JAMES®


INTERNATIONAL HEADQUARTERS: THE RAYMOND JAMES FINANCIAL CENTER
880 CARILLON PARKWAY // ST. PETERSBURG, FL 33716 // 800.248.8863 // RAYMONDJAMES.COM