

The Weekly Briefing

October 14, 2026

Large cap equity indexes rose last week as the first few earnings reports of 3Q26 trickled in. The S&P 500 rose +1.2% and the Nasdaq 100 increased +0.3%. Small cap stocks lagged last week, and the Russell 200 declined -1%.

Small caps have been hit hard over the last several weeks. Smaller companies are generally more sensitive to higher interest rates and the rise in rates has reduced investor enthusiasm in this market segment. On August 14, the Russell 2000 was up +25% year-to-date and was outperforming the S&P 500 by more than 10%. As of Friday's close, the Russell 2000 year-to-date return had fallen to +14% and the small cap Index now lags the S&P 500's return.

Long-term bond yields ended the week off the highs but remain sharply higher than even a month ago. The 10-year bond ended the week at 5.24% and the 30-year bond closed at 5.60%. Interest rate futures traders expect one more 25-basis point this calendar year.

Focusing briefly on the Fed, minutes from the September FOMC meeting were released last week. The minutes showed that most participants expected that another hike would be appropriate in 2026.

Turning to earnings, PepsiCo and Delta Airlines were the first two S&P 500 companies to report 3Q26 earnings. PepsiCo beat expectations on revenue and EPS but cut its full year EPS outlook with just one quarter remaining in the year. Management attributed the reduction to difficulties in the company's North American Beverage business. Price-sensitive and health-conscious consumers are pulling back on purchases of sugary drinks which drive the bulk of Pepsi's beverage sales. Despite the cut to guidance, shares of the stock rose +4% after the report.

Delta Airlines missed expectations as higher fuel costs ate into profit margins. Revenue and EPS missed expectations for the quarter, and the company cut its profit outlook as fuel costs were more than \$500 million higher than expected in Q3. Shares of the company's stock were little changed.

The number of earnings reports picks up this week. Major financial institutions including JP Morgan, Bank of America, Citi, and Well Fargo are scheduled to report. According to FactSet, earnings of S&P 500 constituents are expected to increase +30% in 3Q26. Earnings expectations have continued to rise over the last few months even as the S&P 500 has remained little changed. As a result of this dynamic, the forward P/E ratio of the Index has fallen from about 22x in May to its current level of 19x. The forward P/E multiple now sits slightly below its 10-year average of 19.1x. Strong earnings growth paired with a reasonable valuation creates a supportive setup for equities.

The Week Ahead

Monday	Tuesday	Wednesday	Thursday	Friday
	CPI	Retail Sales PPI	Initial Jobless Claims Continuing Claims	TFC TRV
	GS JNJ JPM UNH WFC	BAC C DPZ	IBKR SCHW	

Market Snapshot

	Last Week	YTD	1yr
S&P 500	1.2%	15.1%	18.7%
DJIA	1.0%	9.2%	15.9%
Nasdaq 100	0.3%	22.0%	24.7%
Russell 2000	-0.9%	13.6%	14.9%
S&P 500 E/W	1.6%	12.8%	16.1%
2yr Yield	4.79%	1.31%	1.29%
10yr Yield	5.24%	1.07%	1.21%
VIX	14.8	(0.1)	(4.2)
WTI Crude	\$91.9	60.0%	54.4%
Gold	\$4,194	-2.9%	2.0%
Bitcoin	\$82,439	-5.9%	-28.8%

Economic Summary

	Actual	Expected	Prior (r)
Initial Jobless Claims	197k	200k	199k
Continuing Claims	1,716k	1,700k	1,699k

Prepared by:

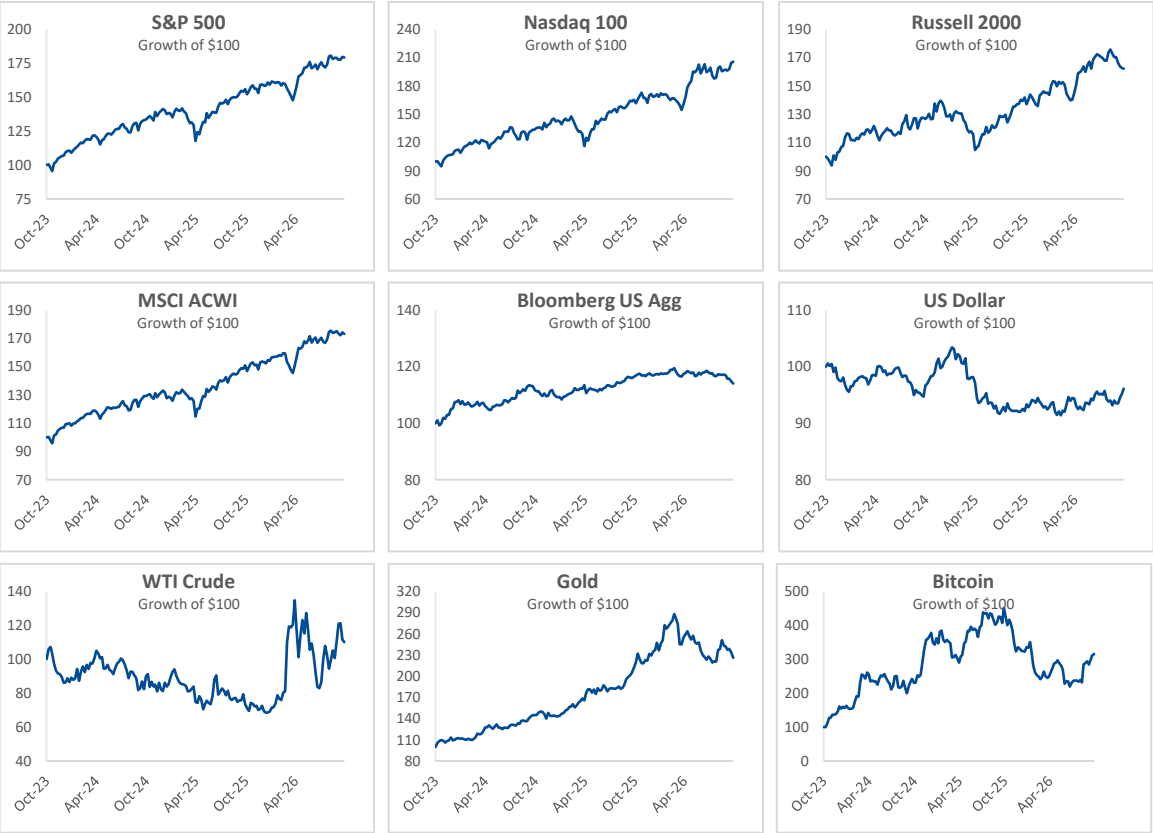
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Markets Monitor



S&P 500 Sector Heatmap

Total Return YTD

S&P 500 15.1%	Comm. Services -4.5%	Cons. Discretionary -5.4%	Cons. Staples 10.8%
Energy 50.6%	Financials 1.7%	Healthcare 12.5%	Industrials 9.9%
Materials 10.4%	Real Estate 6.4%	Technology 36.9%	Utilities -0.5%

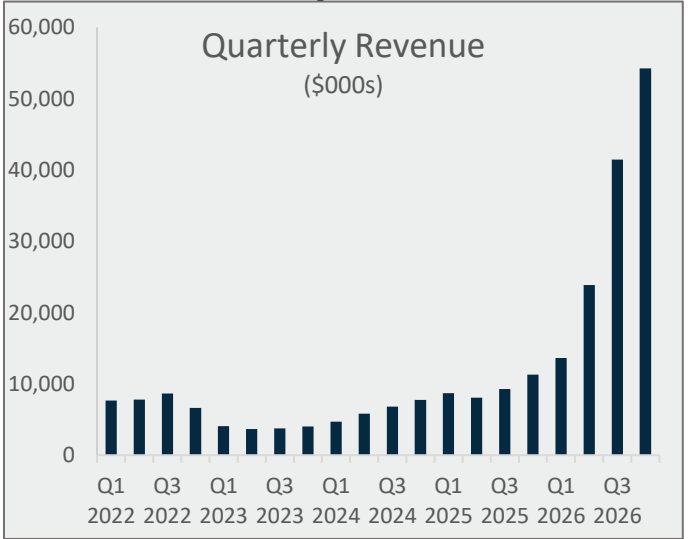
Last Week in Earnings

Date	Ticker	EPS	Revenue	Price chg
8-Oct	PEP	Beat	Beat	3.7%
9-Oct	DAL	Miss	Miss	0.4%

World Watch

	Last Week	YTD	1yr
MSCI ACWI	0.7%	14.2%	18.4%
MSCI EAFE	-0.5%	9.0%	14.6%
MSCI EM	0.0%	22.9%	28.0%
DXY Index	102.4	4.2%	3.2%
EUR / USD	\$1.12	-5.9%	-5.0%
GBP / USD	\$1.32	-1.9%	-0.8%
USD / JPY	158.2	1.0%	3.9%
USD / CNY	6.70	-4.2%	-6.1%

Micron's Revenue Has Soared, Driven by Robust AI Demand



As of 10/2/26. Sources: Bloomberg, Sunflower Wealth Advisors, Sunflower Bank.

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