

WEEKLY ECONOMIC UPDATE OCT. 5, 2026

Stocks ended last week mixed as a tug-of-war between strong economic data, cooler job growth, and decades-high Treasury yields played out.

The Standard & Poor's 500 Index edged down 0.27 percent, while the Nasdaq Composite Index rose 0.45 percent. The Dow Jones Industrial Average slid 1.26 percent. The MSCI EAFE Index, which tracks developed overseas stock markets, fell 1.81 percent.^{1,2}

A Mixed Week

Stocks fell at the start of the week as Treasury yields continued to rise. They steadied over the next session with Treasury yields still in the spotlight. The benchmark 10-year Treasury yield topped 5.29 percent, up 133 basis points from its year-to-date low in late February.^{3,4}

Markets perked up midweek after a revision to Q2 GDP showed the economy grew faster than originally estimated. Quarterly earnings results for a large semiconductor also supported markets, while rising oil prices kept enthusiasm in check.^{5,6}

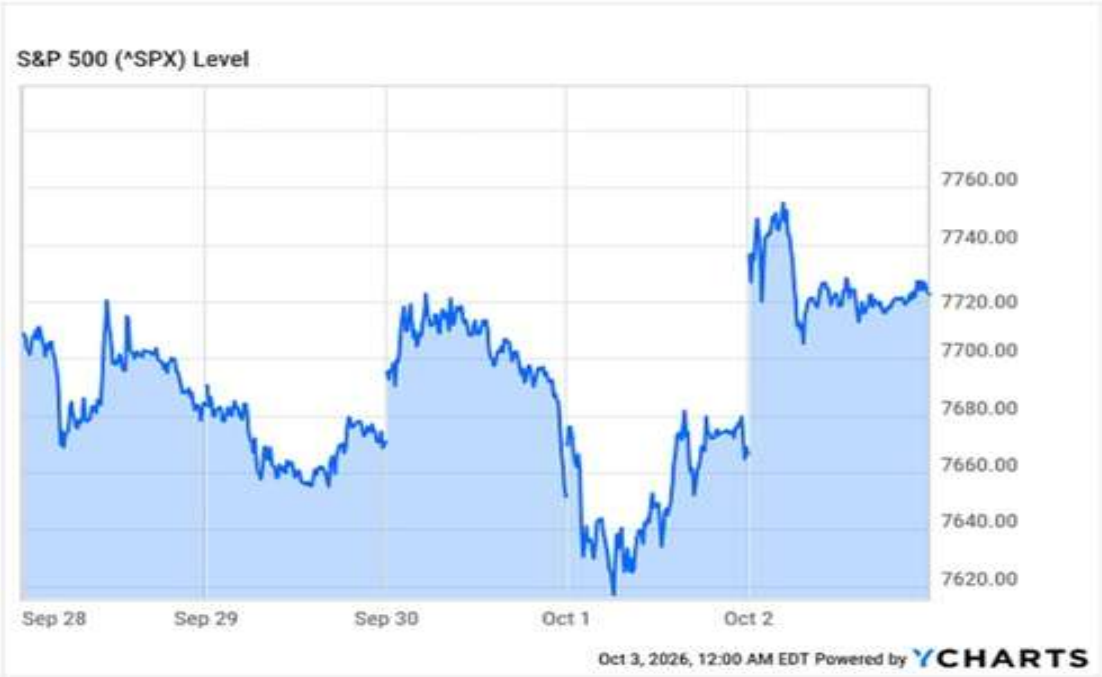
After a soft jobs report, stocks opened higher on Friday, with investors wondering whether the Fed would adjust rates at the end of the month. The AI trade roused once again to lead the Nasdaq to a fresh intraday record and end the week on a high note.⁷

Weekly Market Insights (WMI)

Major Index Return Summary

Name	1M TR	YTD TR	1Y TR	5Yr TR
Nasdaq Composite	3.02%	16.14%	18.79%	91.35%
S&P 500	0.56%	12.97%	15.57%	88.98%
Dow Jones Industrial Average	-3.40%	7.23%	11.44%	63.07%
MSCI EAFE	-3.88%	9.32%	14.02%	59.18%

S&P 500 Daily Close



10-Year Note Review

Indicator Name	Latest Value	1M Ago	1M Change
Date		3M Ago	3M Change
		1Y Ago	1Y Change
10 Year Treasury Rate	5.28%	4.79%	10.23% ▲
10/02/26		4.49%	17.59% ▲
		4.10%	28.78% ▲

Contrasting Economic Data

This Week: Key Economic Data

Monday: Purchasing Managers Index (PMI)—Services.

Tuesday: Trade Balance. Dallas Fed President Lorie Logan speaks.

Wednesday: Federal Open Market Committee (FOMC) Meeting Minutes. Consumer Credit.

Thursday: Weekly Jobless Claims. Monthly Wholesale Trade.

Friday: Consumer Sentiment (U. Michigan Survey). Kansas City Fed President Jeffrey Schmid speaks.

Quote of the Week



“It is so easy to be wrong and to persist being wrong when the costs of being wrong are paid by others.”

– **Thomas Sowell**

Of Note



In August 2025, President Donald Trump signed an executive order directing federal agencies to broaden the range of investments available in defined contribution (DC) plans.

Building on that directive, the U.S. Department of Labor (DOL) issued a proposed regulation on March 30, 2026 that would provide fiduciaries with a clearer framework for evaluating investments in 401(k) and other participant-directed DC plans, including funds that offer exposure to private market and other alternative assets.

Treasury Secretary Scott Bessent said the proposal is “an initial step” in implementing the executive order in a “safe and smart manner,” with the goal of widening access to additional retirement options while protecting retirement assets.

“Alternative investments” is a broad label that typically includes private equity, private credit, private real estate, infrastructure, and hedge funds. In some contexts, it may also extend to newer or less traditional assets such as cryptocurrencies and NFTs, though those are not the core focus of the DOL proposal.

The DOL proposal is rooted in ERISA’s duty of prudence, which requires plan fiduciaries to act carefully and in the interests of participants when selecting designated investment alternatives (DIAs). Rather than approving or banning any specific asset class, the rule focuses on the process fiduciaries use to evaluate investments.

The proposal includes a process-based safe harbor built around six factors: performance, fees, liquidity, valuation, benchmarks, and complexity. The DOL’s stated approach is not to require the lowest-cost option, but to ask whether fees are reasonable in light of the investment’s risk-adjusted return and overall value.

Private markets have long been part of institutional portfolios, especially for defined benefit plans, endowments, and family offices. Supporters argue they can provide diversification, inflation sensitivity, access to a wider opportunity set, and the

potential for improved risk-adjusted returns relative to public-market-only portfolios.

That matters because the public markets are narrower than they once were, while the universe of private companies remains large. Industry research cited in recent commentary notes that the number of publicly traded U.S. companies has declined over time, while most U.S. companies with at least \$100 million in revenue are private.

The biggest obstacles are operational rather than conceptual. Private market investments can be hard to fit into DC plans because of liquidity constraints, valuation complexity, benchmarking challenges, higher fees, and fiduciary litigation risk.

That said, the market structure is evolving. Evergreen vehicles, target-date funds, and collective investment trusts (CITs) are increasingly seen as workable structures because they can offer periodic liquidity while managing underlying illiquidity through sleeves of cash or liquid assets.

The policy shift is likely to be gradual rather than immediate. Plan sponsors, recordkeepers, asset managers, consultants, and legal advisers will need to develop standards for due diligence, disclosure, valuation oversight, and participant education before broader adoption takes hold.

If finalized, the rule could accelerate adoption first among larger, more sophisticated plans, then gradually through the broader DC market. For now, the key issue is not whether private assets will appear in DC plans, but how they will be packaged, governed, and monitored responsibly.¹¹

Footnotes And Sources

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The forecasts or forward-looking statements are based on assumptions, may not materialize, and are subject to revision without notice.

The market indexes discussed are unmanaged, and generally, considered representative of their respective markets. Index performance is not indicative of the past performance of a particular investment. Indexes do not incur management fees, costs, and expenses. Individuals cannot directly invest in unmanaged indexes. Past performance does not guarantee future results.

The Dow Jones Industrial Average is an unmanaged index that is generally considered representative of large-capitalization companies on the U.S. stock market. The Nasdaq Composite is an index of the common stocks and similar securities listed on the Nasdaq stock market and considered a broad indicator of the performance of stocks of technology and growth companies. The MSCI EAFE Index was created by Morgan Stanley Capital International (MSCI) and serves as a benchmark of the performance of major international equity markets, as represented by 21 major MSCI indexes from Europe, Australia, and Southeast Asia. The S&P 500 Composite Index is an unmanaged group of securities that are considered to be representative of the stock market in general.

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