

CAPITAL MARKETS REPORT - October 13, 2026



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Service Beyond Comparison

- Treasury Yields
- Inflation Expectations
- Fed Minutes

--> Treasury yields moved lower Tuesday morning as markets reopened following the Columbus Day holiday, with yields falling approximately 2.5–6 basis points across the curve. The 10-year yield declined to around 5.18%, while the 30-year fell to 5.55%, retreating from last week's multi-decade highs. The rally was supported by falling oil prices and weakness in global technology stocks, which increased demand for Treasuries. WTI crude declined approximately 2%, easing some inflation concerns and reducing expectations for additional Fed tightening. Meanwhile, a broader selloff in AI and semiconductor stocks added to demand for safer assets. The combination has reinforced expectations that the Fed will hold rates steady at its October meeting, although further tightening remains possible if inflation pressures persist.

--> Consumer inflation expectations continued to rise as confidence weakened amid elevated energy prices and persistent cost-of-living pressures. The University of Michigan's preliminary October sentiment index fell to 46.3, its second-lowest reading on record, while one-year inflation expectations increased to 4.7%. Consumer confidence also declined in September, reflecting growing concerns about inflation and the broader economic outlook. Attention now turns to Wednesday's September CPI report, with headline inflation expected to rise 0.6% for the month and 3.6% year-over-year. Core CPI is expected to increase 0.2% for the month and 2.5% annually. A stronger-than-expected reading could reinforce concerns about persistent inflation and increase expectations for additional Fed tightening. Markets currently anticipate the Fed will hold rates steady in October, making the inflation report an important factor in shaping expectations for the remainder of the year.

--> The September FOMC minutes showed broad support for the Fed's recent rate hike, with most officials indicating that additional tightening may be necessary before year-end to bring inflation back toward the 2% target. While policymakers remain concerned about persistent inflation, several emphasized that further rate increases do not necessarily need to occur at consecutive meetings. The minutes reinforced expectations that the Fed is not finished tightening, although the timing of its next move remains uncertain. Recent Fed commentary has also highlighted concerns that inflation pressures remain widespread and could become more persistent. Markets will now turn their attention to Chairman Warsh's remarks this week for additional guidance on whether another rate hike could come as soon as October or be delayed until later in the year.

Market Last Week

Index	10/2/2026	10/9/2026	Weekly Change In Bps
2 yr. Note	4.827%	4.789%	-4
5 yr. Note	5.054%	5.017%	-4
10 yr. Note	5.273%	5.240%	-3
30 yr. Bond	5.621%	5.597%	-2
SOFR Rate	3.880%	3.870%	-1

Data This Week

Date/Time (ET)	Economic Data	Market Estimate	Prior Report
Tuesday, October 13 2026 6:00 AM	NFIB Small Business Optimism (Sep.)	98.2	98.7
Tuesday, October 13 2026 10:00 AM	Existing Home Sales (Sep.)	3.95m	3.98m
Wednesday, October 14 2026 8:30 AM	CPI MoM (Sep.)	0.60%	0.40%
Wednesday, October 14 2026 8:30 AM	CPI YoY (Sep.)	3.60%	3.40%
Wednesday, October 14 2026 8:30 AM	Core CPI MoM (Sep.)	0.20%	0.30%
Wednesday, October 14 2026 8:30 AM	Core CPI YoY (Sep.)	2.50%	2.40%
Thursday, October 15 2026 8:30 AM	Retail Sales Advance MoM (Sep.)	0.30%	1.20%
Thursday, October 15 2026 8:30 AM	Retail Sales Ex Auto MoM (Sep.)	0.55%	1.40%
Thursday, October 15 2026 8:30 AM	Retail Sales Control Group (Sep.)	0.30%	1.40%
Thursday, October 15 2026 8:30 AM	Initial Jobless Claims (Oct. 10)	200k	197k
Thursday, October 15 2026 8:30 AM	Continuing Claims (Oct. 3)	1,710k	1,716k
Thursday, October 15 2026 8:30 AM	PPI Final Demand MoM (Sep.)	0.60%	0.40%
Thursday, October 15 2026 8:30 AM	PPI Ex Food and Energy MoM (Sep.)	0.30%	0.20%
Thursday, October 15 2026 8:30 AM	PPI Final Demand YoY (Sep.)	5.40%	5.40%
Thursday, October 15 2026 8:30 AM	Empire Manufacturing (Oct.)	12.3	7.6
Friday, October 16 2026 8:30 AM	Import Price Index YoY (Sep.)	8.10%	7.00%
Friday, October 16 2026 8:30 AM	Export Price Index MoM (Sep.)	0.80%	0.60%