Weekly Market Recap

The week in review

- Headline/core CPI rose 3.4%/2.5% y/y
- PPI was flat m/m

The week ahead

- Housing starts
- FOMC minutes

Thought of the week

It is becoming more difficult for investors to find ways to diversify away from AI exposure as it commands a growing share of public and private markets. Hyperscalers, with a seemingly never-ending appetite for fresh capital, have tapped nearly every corner of the capital markets – raising both equity and debt – to fund the AI capex buildout. As a result, market concentration in the tech sector, which is increasingly tied to AI, has risen with no signs of slowing down. According to J.P. Morgan Global Research, the cumulative price tag for the buildout is expected to reach $5.5tn by 2030, suggesting that elevated concentration in tech could persist for years. This could leave portfolios acutely exposed to heightened bouts of volatility if challenges arise. Potential challenges include slower AI adoption, delays in upgrading the electrical grid to power data centers or AI companies missing earnings forecasts.

With so much money pouring into a single concentrated theme, many investors are left wondering, "Where can I turn for true diversification?" While it may be getting harder to find, there are still underappreciated areas across public and private markets that can provide diversification benefits. In public markets, investing internationally in developed market equities, where the tech sector accounts for only ~15% of the benchmark, can limit AI exposure. In private markets, real assets such as core infrastructure and real estate can provide uncorrelated returns, regardless of whether AI's promises are ultimately delivered.

Moving forward, as AI's presence across asset classes continues to grow, investors seeking to maintain diversified portfolios will likely need to take a more active approach to limit concentration in this single theme.

Please see important disclosures on next page.

Weekly Data Center

		Index Returns (%)					Index Characteristics			
Equities	Level	1 week	QTD	YTD	1 year	3-yr. Cum.	NTM P/E	P/B	Div. Yld.	Mkt. Cap (bn)
S&P 500	7786	0.39	3.93	14.54	21.81	80.48	20.10	5.26	1.01	66946
Dow Jones 30	53732	-0.53	2.80	12.83	21.63	60.61	19.70	5.57	1.49	25370
Russell 2000	7626	1.15	1.55	24.47	35.11	66.41	26.03	2.15	1.11	3158
Russell 1000 Growth	3335	0.52	0.85	6.22	11.91	85.06	23.67	11.80	0.40	33889
Russell 1000 Value	1569	0.39	6.65	23.96	32.53	71.07	17.85	3.28	1.55	37810
MSCI EAFE	3263	0.59	4.88	15.20	23.54	69.29	15.61	2.30	2.38	22581
MSCI EM	1701	2.67	-0.86	22.96	36.75	86.72	10.43	2.29	1.67	12207
NASDAQ	26729	0.16	2.00	15.40	23.86	97.85	23.40	6.94	0.48	46693

Fixed Income	Yield	1 week	QTD	YTD	1 year	3-yr. Cum.
U.S. Aggregate	4.92	-0.14	-0.85	-0.24	2.39	13.77
U.S. Corporates	5.43	-0.29	-1.31	-0.47	2.05	16.85
Municipals (10yr)	3.63	0.18	-0.90	0.19	4.11	9.83
High Yield	7.53	0.14	0.62	2.59	5.55	28.38

	Levels		
Currencies	8/14/26	12/31/25	8/14/25
$ per €	1.16	1.17	1.17
$ per £	1.35	1.35	1.36
¥ per $	159.05	156.75	147.49

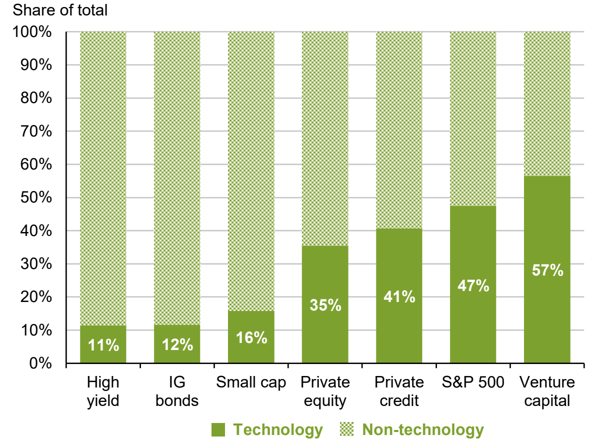
	Levels (%)					
Key Rates	8/14/26	8/7/26	6/30/26	12/31/25	8/14/25	8/14/23
2-yr U.S. Treasuries	4.17	4.19	4.14	3.47	3.74	4.96
10-yr U.S. Treasuries	4.68	4.65	4.44	4.18	4.29	4.19
30-yr U.S. Treasuries	5.25	5.19	4.91	4.84	4.88	4.29
10-yr German Bund	3.20	3.14	2.86	2.86	2.70	2.64
SOFR	3.62	3.62	3.68	3.87	4.34	5.30
3-mo. EURIBOR	2.51	2.47	2.32	2.03	2.03	3.80
6-mo. CD rate	1.85	1.84	1.83	1.88	1.88	2.16
30-yr fixed mortgage	6.76	6.78	6.55	6.25	6.69	7.51
Prime Rate	6.75	6.75	6.75	6.75	7.50	8.50

	Levels		
Commod.	8/14/26	12/31/25	8/14/25
Oil (WTI)	81.18	57.26	64.99
Gasoline	4.01	2.81	3.12
Natural Gas	2.72	4.00	2.78
Gold	4391	4368	3344
Silver	64.61	71.99	38.32
Copper	14545	12504	9666
Corn	4.64	4.37	3.84
BBG Idx	348.80	276.25	248.16

Chart of the Week

Weight of technology sector by U.S. asset class

Share of total



Style Returns

1 Week

	V	B	G
L	0.4	0.4	0.5
M	1.2	1.5	2.3
S	0.9	1.1	1.4

YTD

	V	B	G
L	24.0	14.5	6.2
M	23.9	20.0	7.9
S	26.5	24.5	22.6

S&P 500 Sector Returns

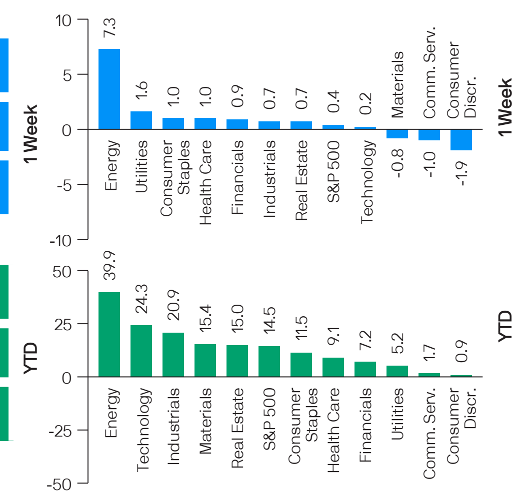


Chart of the Week: Source: FactSet, FTSE Russell, J.P. Morgan Global Research, Preqin, S&P Global, J.P. Morgan Asset Management. Small cap and S&P 500 figures include information technology and communication services sector weights. Private equity, private credit and venture capital are approximated by summing the technology and business services sector deal values as the share of total aggregate deal value over the last five years for deals tracked by Preqin. Credit weight is the percentage of total index market value while equity weight is percentage of total index market cap.

Thought of the week: Source: FactSet, J.P. Morgan Global Research, J.P. Morgan Asset Management.

Abbreviations: Cons. Sent.: University of Michigan Consumer Sentiment Index; CPI: Consumer Price Index; EIA: Energy Information Agency; FHFA HPI: - Federal Housing Finance Authority House Price Index; FOMC: Federal Open Market Committee; GDP: gross domestic product; HPI: Home Price Index; HMI: Housing Market Index; ISM Mfg. Index: Institute for Supply Management Manufacturing Index; PCE: Personal consumption expenditures; Philly Fed Survey: Philadelphia Fed Business Outlook Survey; PMI: Purchasing Managers' Manufacturing Index; PPI: Producer Price Index; SAAR: Seasonally Adjusted Annual Rate

Equity Price Levels and Returns: All returns represent total return for stated period. Index: S&P 500; provided by: Standard & Poor's. Index: Dow Jones Industrial 30 (The Dow Jones is a price-weighted index composing of 30 widely-traded blue chip stocks.) ; provided by: S&P Dow Jones Indices LLC. Index: Russell 2000; provided by: Russell Investments. Index: Russell 1000 Growth; provided by: Russell Investments. Index: Russell 1000 Value; provided by: Russell Investments. Index: MSCI – EAFE; provided by: MSCI – gross official pricing. Index: MSCI – EM; provided by: MSCI – gross official pricing. Index: Nasdaq Composite; provided by: NASDAQ OMX Group.

MSCI EAFE is a Morgan Stanley Capital International Index that is designed to measure the performance of the developed stock markets of Europe, Australasia, and the Far East.

Bond Returns: All returns represent total return. Index: Bloomberg US Aggregate; provided by: Bloomberg Capital. Index: Bloomberg Investment Grade Credit; provided by: Bloomberg Capital. Index: Bloomberg Municipal Bond 10 Yr; provided by: Blomberg Capital. Index: Bloomberg Capital High Yield Index; provided by: Bloomberg Capital.

Key Interest Rates: 2 Year Treasury, FactSet; 10 Year Treasury, FactSet; 30 Year Treasury, FactSet; 10 Year German Bund, FactSet. 3 Month LIBOR, British Bankers' Association; 3 Month EURIBOR, European Banking Federation; 6 Month CD, Federal Reserve; 30 Year Mortgage, Mortgage Bankers Association (MBA); Prime Rate: Federal Reserve.

Commodities: Gold, FactSet; Crude Oil (WTI), FactSet; Gasoline, FactSet; Natural Gas, FactSet; Silver, FactSet; Copper, FactSet; Corn, FactSet. Bloomberg Commodity Index (BBG Idx), Bloomberg Finance L.P.

Currency: Dollar per Pound, FactSet; Dollar per Euro, FactSet; Yen per Dollar, FactSet.

S&P Index Characteristics: Dividend yield provided by FactSet Pricing database. Fwd. P/E is a bottom-up weighted harmonic average using First Call Mean estimates for the "Next 12 Months" (NTM) period. Market cap is a bottom-up weighted average based on share information from Compustat and price information from FactSet's Pricing database as provided by Standard & Poor's.

MSCI Index Characteristics: Dividend yield provided by FactSet Pricing database. Fwd. P/E is a bottom-up weighted harmonic average for the "Next 12 Months" (NTM) period. Market cap is a bottom-up weighted average based on share information from MSCI and Price information from FactSet's Pricing database as provided by MSCI.

Russell 1000 Value Index, Russell 1000 Growth Index, and Russell 2000 Index Characteristics: Trailing P/E is provided directly by Russell. Fwd. P/E is a bottom-up weighted harmonic average using First Call Mean estimates for the "Next 12 Months" (NTM) period. Market cap is a bottom-up weighted average based on share information from Compustat and price information from FactSet's Pricing database as provided by Russell.

Sector Returns: Sectors are based on the GICS methodology. Return data are calculated by FactSet using constituents and weights as provided by Standard & Poor's. Returns are cumulative total return for stated period, including reinvestment of dividends.

Style Returns: Style box returns based on Russell Indexes with the exception of the Large-Cap Blend box, which reflects the S&P 500 Index. All values are cumulative total return for stated period including the reinvestment of dividends. The Index used from L to R, top to bottom are: Russell 1000 Value Index (Measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values), S&P 500 Index (Index represents the 500 Large Cap portion of the stock market, and is comprised of 500 stocks as selected by the S&P Index Committee), Russell 1000 Growth Index (Measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values), Russell Mid Cap Value Index (Measures the performance of those Russell Mid Cap companies with lower price-to-book ratios and lower forecasted growth values), Russell Mid Cap Index (The Russell Midcap Index includes the smallest 800 securities in the Russell 1000), Russell Mid Cap Growth Index (Measures the performance of those Russell Mid Cap companies with higher price-to-book ratios and higher forecasted growth values), Russell 2000 Value Index (Measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values), Russell 2000 Index (The Russell 2000 includes the smallest 2000 securities in the Russell 3000), Russell 2000 Growth Index (Measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values).

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Unless otherwise stated, all data is as of August 17, 2026 or as of most recently available.