Weekly Market Recap

The week in review

- July housing starts fell 12.4% m/m
- Pending home sales declined 2.3% m/m

The week ahead

- Global flash PMIs
- 2Q26 final GDP

Thought of the week

Semiconductor stocks have faced another bout of volatility, down 20.3% since their peak on June 22, as investors weigh elevated expectations against questions around the sustainability and returns of the AI-related capex. However, sharp swings are nothing new for the sector. Since 1995, the PHLX Semiconductor Index has experienced an average intra-year decline of 29.8%, yet still finished the year higher in 20 of those 31 years. 2026 has been no exception: Despite falling as much as 28.6% from its highs, the index remains up a remarkable 66% year-to-date, even after three consecutive years of double-digit returns, including a peak-to-trough decline of 35%.

While volatility is likely to persist, the underlying AI investment cycle remains supportive. Hyperscalers continue to invest heavily in expanding AI capacity and are expected to invest almost $800 billion in capex in 2026 and reach more than $1 trillion in 2027. The spending should continue to support the "picks and shovels" of the AI buildout, from semiconductors and memory to networking and data-center infrastructure.

For investors, periods of volatility are a reminder to look beyond short-term price swings and the importance of portfolio construction. Despite a compelling long-term growth story, semiconductors are, and are likely to remain, a volatile part of the market. Careful position sizing, disciplined use of leverage and exposure to diversifying assets can help investors withstand periods of sharp volatility while maintaining exposure to the sector's long-term growth potential.

Please see important disclosures on next page.

Weekly Data Center

Equities	Level	Index Returns (%) 1 week	QTD	YTD	1 year	3-yr. Cum.	Index Characteristics NTM P/E	P/B	Div. Yld.	Mkt. Cap (bn)
S&P 500	7674	-1.39	2.48	12.95	21.90	81.50	19.73	5.21	1.02	66014
Dow Jones 30	53277	-0.78	2.00	11.96	20.95	63.06	19.49	5.54	1.51	25330
Russell 2000	7500	-1.60	-0.08	22.48	34.34	69.36	25.40	2.12	1.13	3105
Russell 1000 Growth	3258	-2.31	-1.48	3.77	12.26	83.78	22.99	11.59	0.41	33099
Russell 1000 Value	1560	-0.50	6.12	23.34	32.00	74.47	17.67	3.27	1.56	37588
MSCI EAFE	3244	-0.54	4.31	14.58	22.29	72.88	15.40	2.29	2.60	22449
MSCI EM	1722	1.24	0.37	24.49	39.50	94.21	10.37	2.30	2.03	12357
NASDAQ	26180	-2.02	-0.06	13.07	24.82	97.95	22.66	6.84	0.48	45750

Fixed Income	Yield	1 week	QTD	YTD	1 year	3-yr. Cum.
U.S. Aggregate	4.96	-0.10	-0.96	-0.34	2.48	14.65
U.S. Corporates	5.48	-0.15	-1.46	-0.62	2.17	17.97
Municipals (10yr)	3.73	-0.46	-1.35	-0.27	3.83	10.10
High Yield	7.61	-0.15	0.48	2.44	5.50	29.31

Currencies	Levels 8/21/26	12/31/25	8/21/25
$ per €	1.17	1.17	1.16
$ per £	1.36	1.35	1.34
¥ per $	158.97	156.75	148.17

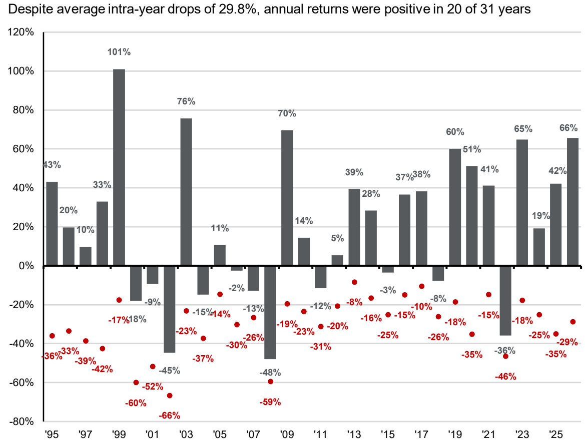
Key Rates	Levels (%) 8/21/26	8/14/26	6/30/26	12/31/25	8/21/25	8/21/23
2-yr U.S. Treasuries	4.24	4.17	4.14	3.47	3.79	4.97
10-yr U.S. Treasuries	4.74	4.68	4.44	4.18	4.33	4.34
30-yr U.S. Treasuries	5.27	5.25	4.91	4.84	4.92	4.45
10-yr German Bund	3.26	3.20	2.86	2.86	2.75	2.69
SOFR	3.63	3.62	3.68	3.87	4.32	5.30
3-mo. EURIBOR	2.52	2.51	2.32	2.03	2.03	3.81
6-mo. CD rate	1.86	1.85	1.83	1.88	1.91	2.19
30-yr fixed mortgage	6.72	6.76	6.55	6.25	6.66	7.62
Prime Rate	6.75	6.75	6.75	6.75	7.50	8.50

Commod.	Levels 8/21/26	12/31/25	8/21/25
Oil (WTI)	86.94	57.26	64.56
Gasoline	4.05	2.81	3.13
Natural Gas	2.73	4.00	2.88
Gold	4582	4368	3338
Silver	69.51	71.99	37.57
Copper	14291	12504	9611
Corn	4.90	4.37	3.96
BBG Idx	362.20	276.25	250.88

Chart of the Week

PHLX Semiconductor Index intra-year declines vs calendar year returns

Despite average intra-year drops of 29.8%, annual returns were positive in 20 of 31 years



Style Returns

1 Week

	V	B	G
L	-0.5	-1.4	-2.3
M	-0.8	-1.2	-2.4
S	-1.1	-1.6	-2.1

YTD

	V	B	G
L	23.3	12.9	3.8
M	22.9	18.5	5.3
S	25.0	22.5	20.1

S&P 500 Sector Returns

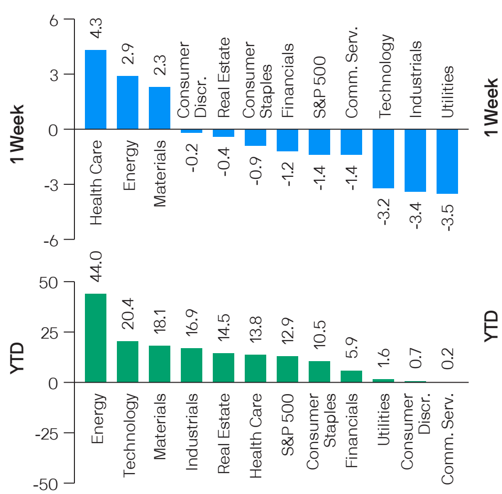


Chart of the Week: Source: FactSet, Nasdaq , J.P. Morgan Asset Management. Returns are based on price index only and do not include dividends. Intra-year drops refers to the largest peak-to-trough decline during the year. Returns shown are calendar year returns. Past performance is no guarantee of future results.

Thought of the week: Source: Bloomberg, FactSet, 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.

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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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Diversification does not guarantee investment returns and does not eliminate the risk of loss.

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Unless otherwise stated, all data is as of August 24, 2026 or as of most recently available.