HB Wealth | Market Sense: Weekly Market Recap

For the Week Ending: August 28th, 2026

Week in Review

Mixed Week of Economic Data Highlighted by Stubborn Inflation. The week kicked off with weaker than expected housing data as both building permits and new home sales missed consensus' marks. Conference Board Consumer Confidence plunged yet again and is in danger of challenging the pandemic low. However, the most impactful readings came from the PCE price index with the Fed's preferred gauge of inflation slightly above estimates at the headline and right on economists' forecasts for the core at 3.3%. The GDP price index likewise confirmed stubbornly high inflation at 6.4%, and expectations for one hike this year remain firm. Personal Consumption bolstered the second estimate of 2Q GDP at 1.5%. Jobless claims were slightly below expectations, offering more signs of firming employment while the University of Michigan Sentiment surprised slightly but remains near lows.

Stocks Gain, Bolstered by Strong Close to Earnings Season. Nvidia closed out the 2Q earnings season with a bang, rising almost 9% after reporting a much stronger than expected sales forecast that more than offset margin concerns from rising component prices – pushing large caps to a 32.7% EPS gain (vs. the 23.2% preseason estimate). That helped the S&P 500 lead other major US indices and pushed growth stocks ahead of their value peers (except in the Russell 2000) with tech, financials and utilities outperforming across capitalizations this week. Conversely, health care, energy, industrials and materials slipped the most for the week. Emerging markets outperformed developed peers.

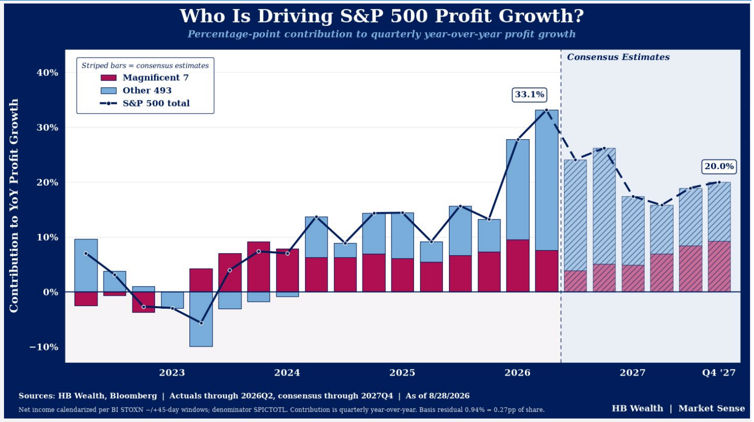
Oil falls Despite Little Progress in Iran. The US unveiled new sanctions meant to force Iran back to the table this week and Oman has reached an agreement to open a new route through the Strait of Hormuz, contingent on the end of the US naval blockade. Despite little resolution, that was enough to move oil slightly lower for the week with West Texas Intermediate (WTI) sitting around $83/bbl. That's still nearly 50% above the December low and in the 79th percentile of readings back to 1995.

Warsh Made the Hawkish Case but Without the Reaction Function. His closing line was that the Fed is "committed to a discipline, not a decision". He called 2% a "firm, fixed target", said inflation isn't necessarily mean-reverting, and put recent inflation squarely on the Fed. His actionable shift was how he said he'd be hard pressed to call financial conditions restrictive and cited tighter credit spreads and easier lending. Task-force recommendations won't bear any near-term policy, and unconventional tools should be used "sparingly, if at all". There was no mention of the Fed-Treasury relationship.

The Week Ahead

Employment Highlights Busy Week of Economic Data. Next week will kick off with ISM Manufacturing PMI. That metric has been surging this year, finally breaking into expansion and helping the equity trade broaden from early AI-winnners. It will be followed by the JOLTS report as well as several key reads on the state of the industrial economy from factory orders and nondefense capital goods orders ex aircraft – a key component of our earnings model. On Wednesday, the Fed will release their Beige Book offering insight into current economic conditions across the 12 regional Feds. Thursday will feature Challenger Job Cuts, the Trade Balance report, Initial Jobless Claims and ISM Services PMI while Friday will feature the employment report where consensus expects unemployment to creep slightly higher to 4.2%.

Chart of the Week & Commentary



Nvida Isn't Enough to Offset Shrinking Mag-7 EPS Share. The magnificent-7's influence is waning even while Nvidia's share continues to grow as the company's guidance explodes higher, dragging consensus with it. The magnificent-7's share of S&P 500 earnings peaked in Q1 2026 at 28.4% -- nearly coinciding with the group's relative performance peak in late 2025. Since that high, the mega-cap cohort is up just 3.1% versus a 12.5% gain for the index at large as investors have rotated toward cheaper stocks with similar growth prospects. In 2Q, the other 493 stocks in the gauge posted 32.5% earnings growth -- stronger than 92.9% of total index quarterly gains back to 2012 -- and over the next several quarters their influence is expected to climb, hitting a peak of 73% of index earnings in Q4 2026 (driving the S&P 500 to an expected 22.6% EPS gain that quarter). That could give the cohort significant runway to continue to catch up.

However, the aggregate magnificent-7 numbers hide sharply rising contributions from Nvidia. Five of the other six members are expected to see their share of S&P 500 earnings shrink while Nvidia alone is expected to contribute nearly 10% to S&P 500 earnings by the end of 2027. The chipmaker reported much stronger than consensus revenues and earnings and while some margin compression from higher component costs is now baked in, the company is simply struggling to keep up with extraordinary demand for its chips, causing guidance to skyrocket.

HB Wealth | Market Sense: Weekly Market Recap

For the Week Ending: August 28th, 2026 | Source: Bloomberg

Equities

	Level	1 Wk %	QTD %	YTD %	1 Yr %	3-Yr Cum
S&P 500	7,712	0.5%	3.0%	13.5%	20.0%	81.4%
NASDAQ	26,402	0.9%	0.8%	14.0%	22.4%	97.4%
Dow Jones 30	53,560	0.6%	2.6%	12.6%	19.3%	63.9%
Russell 3000	4,383	0.3%	2.6%	13.7%	19.7%	79.7%
Russell 1000	4,201	0.4%	2.8%	13.4%	19.4%	80.5%
Russ. 1000 Growth	4,942	0.3%	-1.2%	4.1%	9.5%	83.5%
Russ. 1000 Value	2,536	0.4%	6.5%	23.8%	30.4%	74.2%
S&P 400	3,779	-1.3%	-1.7%	15.3%	17.1%	52.2%
S&P 600	1,783	-0.4%	-1.0%	22.7%	25.5%	55.5%
Russell 2000	2,972	-1.5%	-1.5%	20.8%	26.7%	66.6%
Russ. 2000 Growth	1,934	-2.2%	-3.9%	17.5%	22.9%	65.6%
Russ. 2000 Value	3,332	-0.7%	1.0%	24.4%	30.9%	67.8%
MSCI ACWI Ex US	486	-0.1%	3.2%	17.7%	28.0%	79.3%
MSCI Developed Ex US	3,323	-0.2%	4.6%	14.7%	23.1%	74.2%
MSCI EM	1,723	0.1%	0.5%	24.6%	39.6%	90.6%

Index Characteristics

	NTM P/E	P/B	Div. Yld.	Mkt Cap (B)
S&P 500	19.6	5.7	1.1	68945
NASDAQ	23.9	7.9	0.5	49057
Dow Jones 30	20.5	5.9	1.5	26725
Russell 3000	19.9	5.1	1.1	79935
Russell 1000	19.7	5.4	1.1	76248
Russ. 1000 Growth	22.0	13.1	0.4	50951
Russ. 1000 Value	18.0	3.5	1.6	49814
S&P 400	16.5	2.9	1.3	3849
S&P 600	15.4	2.2	1.5	1970
Russell 2000	28.8	2.6	1.4	3687
Russ. 2000 Growth	42.7	4.8	0.5	2467
Russ. 2000 Value	18.2	1.5	2.3	2249
MSCI ACWI Ex US	13.4	2.5	2.4	61525
MSCI Developed Ex US	15.9	2.5	2.6	31675
MSCI EM	10.0	2.5	2.0	29850

Fixed Income

	Yield	Spread	1 Wk %	QTD %	YTD %	1 Yr %	3-Yr Cum
U.S. Aggregate	4.91	--	0.5%	-0.5%	0.1%	2.2%	14.0%
U.S. Municipal	3.92	--	-0.1%	-1.7%	0.6%	4.5%	11.3%
U.S. Agency MBS	5.18	26	0.5%	-0.3%	0.6%	3.5%	15.9%
U.S. IG Corporates	5.41	78	0.6%	-0.9%	0.0%	2.1%	17.1%
U.S. High Yield	7.20	263	0.4%	0.8%	2.8%	5.0%	28.8%
EM $ Corporates	6.29	205	0.3%	0.2%	1.9%	3.4%	23.7%

Factor Returns - US (Russell 3000)

Factor	1 Wk %	QTD %	YTD %	1 Yr %
Multi Factor	0.4%	6.2%	19.4%	22.7%
Size	0.9%	6.0%	20.4%	23.7%
Value	0.6%	5.9%	23.2%	25.8%
Quality	0.4%	6.2%	17.5%	19.5%
Dividend Yield	0.1%	5.4%	23.5%	24.4%
Momentum	0.5%	10.6%	20.6%	32.2%
Low Volatility	0.1%	4.6%	13.4%	14.0%

Key Rates

Rate	Yield	Prior Wk	Qtr-End	Yr-End	1 Yr Ago	Expectations
SOFR	3.64	3.65	3.68	3.87	4.34	3.47
2-yr U.S. Treasury	4.36	4.24	4.17	3.47	3.63	3.79
5-yr U.S. Treasury	4.49	4.42	4.23	3.73	3.69	3.98
10-yr U.S. Treasury	4.72	4.73	4.47	4.17	4.20	4.36
30-yr U.S. Treasury	5.21	5.27	4.95	4.84	4.88	4.86
10-yr German Bund	3.28	3.26	2.86	2.85	2.69	2.93
10-yr UK Gilts	5.06	5.06	4.76	4.48	4.70	
30-yr Fixed Mortgage	6.71	6.72	6.55	6.25	6.62	
1-yr Breakeven	2.08	2.03	1.42	2.29	2.79	
5-yr Breakeven	2.32	2.34	2.27	2.27	2.53	

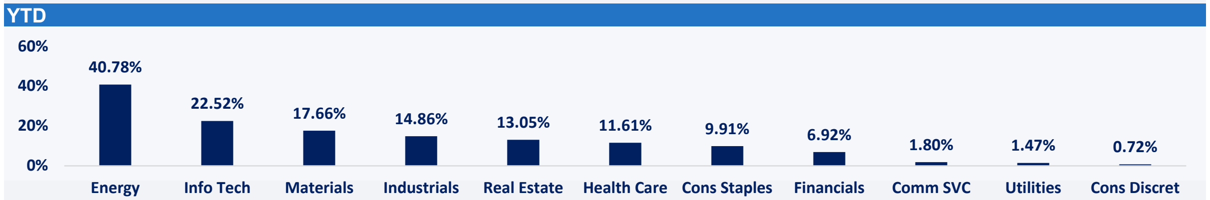
Currencies & Commodities

	Current	Prior Wk	Yr-End	1 Yr
$ per € (EUR/USD)	1.16	1.17	1.17	1.17
$ per £ (GBP/USD)	1.35	1.36	1.35	1.35
¥ per $ (USD/JPY)	160.10	158.95	156.71	146.93
Dollar Index	99.67	98.80	98.32	97.81
Gold ($/oz)	4455.52	4603.07	4319.37	3417.08
Silver ($/oz)	66.31	68.99	71.66	39.05
Copper	653.70	658.70	568.20	446.35
WTI Oil ($/bbl)	83.39	87.06	57.42	64.60
Brent Oil ($/bbl)	89.31	94.39	60.85	68.62

S&P 500 Sector Returns

WTD

YTD



Style Returns

YTD

	Value	Blend	Growth
Large	23.8%	13.4%	4.1%
Mid	22.0%	17.3%	3.2%
Small	24.4%	20.8%	17.5%

WTD

	Value	Blend	Growth
Large	0.4%	0.4%	0.3%
Mid	-0.7%	-1.0%	-2.0%
Small	-0.7%	-1.5%	-2.2%

Disclosure: