

October 2026

THIRD QUARTER 2026 QUARTERLY ECONOMIC OUTLOOK

THE THIRD QUARTER OF 2026 REINFORCED AN IMPORTANT LESSON FOR INVESTORS: EVEN HEALTHY MARKETS CAN EXPERIENCE PERIODS OF HEIGHTENED VOLATILITY.

During the quarter, equities once again reached record levels that were fueled by strong corporate

Despite the Dow's quarterly decline, both indexes remained positive for the year

earnings, continued economic growth and investor optimism surrounding artificial intelligence and technological innovation. However, markets also reacted to renewed inflation concerns, rising interest rates, elevated Treasury yields, and continued instability in the Middle East, which prompted increased market fluctuations as the quarter progressed.

During the first two months of the quarter, equity markets progressed. Then in September, the Federal Reserve increased interest rates. Equities initially reacted to the rate increase with a drop, but quickly returned to their upward trajectory.

Following strong second-quarter rebounds, the major indexes delivered mixed results during the third quarter. The S&P 500 experienced a gain of approximately 2.0% for the quarter, while the Dow Jones Industrial Average declined approximately 2.7%. Despite the Dow's quarterly

decline, both indexes remained positive for the year, with the S&P 500 up over 12% and the Dow up approximately 5.9%. (Sources: Associated Press; Investopedia, September 30, 2026)

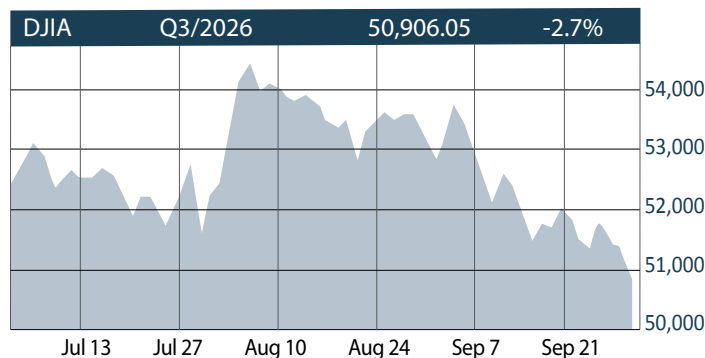
Money Rates

(as posted in Barron's 9/30/2026)

	Latest Week	Year Ago
Fed Funds Rate*	3.89%	4.09%
Bank Money Market ^z	0.52%	0.53%
12-month Certif ^z	2.01%	1.93%

^z Bankrate.com *Average effective offer
(Source: Barron's; bankrate.com)

S&P 500 AND DJIA — QUARTER 3, 2026



Source: marketwatch.com

The energy sector continued to be one of the largest contributors to market volatility. Brent crude oil climbed from approximately \$72 per barrel earlier in the summer to nearly \$110 before retreating to about \$100. As of the end of the third quarter, consumers still felt the pain of high gas pump prices and inflation due to high oil prices.

Continued on page 2

Continued from page 1

What is fueling the equity markets resilience to volatility? Strong corporate earnings, which remained as one of the market's greatest underlying supports. According to Barron's, not all stocks advanced equally. They cited that four tech stocks (Nvidia, Micron, Apple, and Advanced Micro Devices) are responsible for almost half of the S&P 500's year-to-date performance.

The third quarter proved that while many things can cause short-term market volatility, long-term market performance is ultimately driven by healthy, long-term focused fundamentals. Persistent inflation, higher interest rates, elevated oil prices, and geopolitical uncertainty caused concern, but healthy corporate earnings, a resilient labor market, and continued investment in technology provided support for the economy and equity markets.

As financial professionals, our role is to closely monitor economic and market developments. Our goal is to support clients through all market conditions and help ensure their portfolio remains aligned with their broader financial goals. We remain committed to keeping clients informed, prepared, and well-positioned to navigate changing market conditions with confidence.

If you'd like to discuss anything in this newsletter with us, please call.

480.447.4050

Call us!

Inflation and Interest Rates

- The Federal Reserve raised its target rate range from 3.50%–3.75% to 3.75% - 4.00%.
- Inflation remains above the Fed's long-term target and Federal Reserve projections suggest an additional rate increase may be possible before the end of 2026.
- Gasoline prices remained elevated during the third quarter as continued uncertainty in the Middle East remains an important risk for inflation and financial markets.

During the first eight months of 2026, the Federal Open Market Committee (FOMC) kept its benchmark federal funds rate unchanged at 3.50%–3.75%. Then at their September meeting, they voted unanimously to increase the federal funds rate range by 25 basis points up to 3.75% - 4.00%. This was the first time the range was increased since July 2023. This decision reflected continued concern that inflation remained above the Federal Reserve's long-term 2% target.

Inflation data released during the third quarter supported the Federal Reserve's more cautious approach. According to the Bureau of Labor Statistics, the Consumer Price Index increased 3.4% over the 12 months ending in August.

Rising energy prices and continued instability in the Middle East continued to place pressure on consumers during the third quarter of 2026. According to AAA, the national average price for regular gasoline was \$4.33 per gallon during September, exceeding the previous September record of \$3.83 set in 2023. Although prices began to ease as the quarter ended, fuel costs remained unusually high for this time of year. (Source: AAA, October 1, 2026) (Source: Bureau of Labor Statistics, Sept. 11, 2026)

Looking ahead, the possibility of additional rate increases looks realistic. Interest rates and inflation remain critical factors in financial planning and investment decision-making. Higher rates may create challenges for borrowers and certain investments, but they may also provide attractive income opportunities for savers and bond investors. We will continue to monitor Federal Reserve policy, inflation, employment, and economic growth closely and provide updates as conditions evolve.



JARED
ROSKELLEY
CFP®

Senior Wealth Advisor
President and CEO,
JRWA
CERTIFIED FINANCIAL
PLANNER™



KYLE
ROBERTSON
CFP®

Senior Wealth Advisor,
Managing Director,
JRWA
CERTIFIED FINANCIAL
PLANNER™



MATTHEW
TINYO
CFP®

VP Client Relations



DOMINIQUE
MORRIS
FPQPTM

Client Relationship
Manager
Financial Paraplanner
Qualified Professional™



MARK
BENSON

Client Relationship
Manager



JESSICA
SMITH

Client Relationship
Manager

Certified Financial Planner Board of Standards Inc. owns the certification marks CFP®, CERTIFIED FINANCIAL PLANNER™, CFP® (with plaque design) and CFP® (with flame design) in the U.S., which it awards to individuals who successfully complete CFP Board's initial and ongoing certification requirements.

Key Takeaways

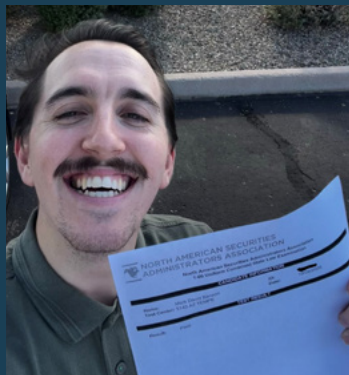
- Led by strong corporate earnings and continued enthusiasm surrounding AI, U.S. equities reached record levels during the quarter before experiencing increased volatility in September.
- Inflation remained elevated, with energy and gasoline prices contributing significantly to higher consumer costs.
- The Federal Reserve raised its target rate to 3.75% – 4.00%, signaling a more restrictive monetary policy outlook.
- Treasury yields and oil prices rose sharply, creating pressure on bonds, borrowing costs, and portions of the equity market.
- A disciplined, diversified, and long-term investment strategy remains especially important during periods of heightened uncertainty.
- **We are here for you. Please reach out with any questions or concerns. Your financial well-being is always our highest priority!**

Let's Hear It for Mark! WHAT'S **Happening!** AT JRWA

We couldn't be more excited to celebrate Mark on passing his Series 66 exam! Between his responsibilities at JRWA, countless hours of studying, and preparing for his upcoming wedding, Mark has certainly had a lot on his plate! Through it all, he's shown incredible dedication, determination, and a great attitude.

We've seen firsthand how much hard work he's put into reaching this milestone, and we couldn't be prouder! Mark, we're so lucky to have you as part of our JRWA family!

Please join us in giving him a big congratulations on this well-deserved accomplishment. With a wedding just around the corner and this achievement under his belt, there's certainly a lot to celebrate!



The Bond Market and Treasury Yields KEY POINTS

- Treasury and bond yields moved higher during the quarter due to persistent inflation, elevated energy prices, and the Fed's September interest rate increase.

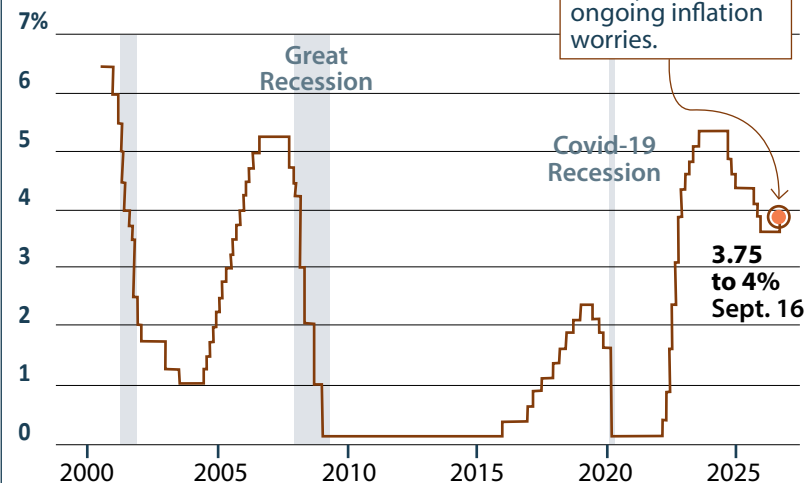
During the third quarter of 2026, U.S. Treasury yields rose. At the end of the third quarter, on September 30, 2026, the 10-year Treasury yield stood at 5.29%, the 5-year Treasury yield at 5.09%, and the 30-year Treasury yield at 5.64%. All three were above 5% for the first time in many years. (Source: U.S. Department of the Treasury, Daily Treasury Par Yield Curve Rates, September 30, 2026)

Higher Treasury yields can create both challenges and opportunities for investors. Bond prices struggled during the quarter as rising yields placed downward pressure on the market value of existing bonds, particularly longer-duration bonds. At the same time, newly issued bonds and other fixed-income investments offered more attractive income than they have in recent years.

Although expectations for future interest-rate adjustments will continue to change, Treasuries and bonds can remain an important component of diversified investment portfolios. As always, bond investments should be evaluated within the context of an investor's risk tolerance, time horizon, income needs, and overall financial objectives. We will continue to monitor Federal Reserve policy, inflation, Treasury yields, and economic conditions as they evolve.

US Federal Funds Target Rate July 2000 – Sept. 2026

From December 2008 to present, this chart reflects the midpoint of the Federal Reserve's target range.



Source: Federal Reserve Bank of New York Target rate as of Sept. 16, 2026



**SAVE
THE
DATE!**

December 4 Wreath making
Clients, friends & family are invited!

Investor's Outlook

- We remain cautiously optimistic. Strong earnings expectations provide an encouraging backdrop, while persistent inflation, higher interest rates, and geopolitical uncertainty could contribute to additional volatility.
- Maintaining a disciplined investment strategy and proactively reviewing your financial plan remain essential as we approach the end of 2026.

As we enter the final quarter of 2026, investors have reasons for optimism, along with several important developments to monitor. Corporate earnings expectations remain strong, but inflation and the direction of Federal Reserve policy continue to influence the outlook. In the months ahead, we will be watching to see if companies can deliver on those expectations and if current inflationary pressures begin to ease.

Corporate earnings remain an encouraging part of the investment landscape. "Heading into the start of the earnings season, analysts and companies have been more optimistic than normal in their earnings outlooks for the third quarter," according to FactSet's S&P 500 Earnings Season Preview: Q3 2026. These projections provide a reason for cautious optimism, although estimates can change and stronger earnings do not guarantee higher stock prices. (Source: FactSet; October 2, 2026)



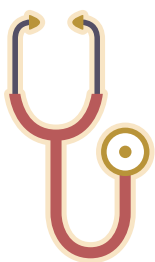
At the same time, inflation remains an important concern. Consumer prices increased 3.4% over the 12 months ending in August, with energy prices continuing to put pressure on household budgets. The Federal Reserve raised its benchmark interest-rate range to 3.75%–4.00% in September, underscoring its commitment to addressing inflation. The direction of interest rates will depend on incoming economic data and the balance between inflation risks and labor conditions. (Sources: U.S. Bureau of Labor Statistics, September 11, 2026; Federal Reserve, September 16, 2026)

While we remain cautiously optimistic, investors should be prepared for changing conditions. Short-term volatility is likely to remain, so please remember that volatility is a normal part of investing. We are not in the business of predicting the markets.

We believe an informed client is the best client, and our team is here to help clients with every step of their journey toward their financial goals. We would welcome the opportunity to help you with your financial decisions. Please feel free to reach out to us with any questions or concerns you may have.

Call us!

480.447.4050



COMPLIMENTARY FINANCIAL CHECK-UP

If you're not currently a client of Jackson Roskelley Wealth advisors, we'd like to offer you a complimentary, one-hour private consultation with one of our professionals at absolutely no cost or obligation to you. **Please call us, 480.447.4050**, we'd be happy to discuss your concerns and help you with your financial decisions.

Jackson
ROSKELLEY
WEALTH ADVISORS

9590 E. Ironwood Square Drive • Suite 110
Scottsdale, AZ 85258 480.447.4050
www.jrwawealth.com

The opinions voiced in this material are for general information only and are not intended to provide specific advice or recommendations for any individual. All performance referenced is historical and is no guarantee of future results. All indices are unmanaged and may not be invested into directly.

Investing involves risk including loss of principal. No strategy assures success or protects against loss.

The economic forecasts set forth in this material may not develop as predicted and there can be no guarantee that strategies promoted will be successful.

The fast price swings in commodities will result in significant volatility in an investor's holdings. Commodities include increased risks, such as political, economic, and currency instability, and may not be suitable for all investors.

The S&P 500 Index is a capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

The Dow Jones Industrial Average is comprised of 30 stocks that are major factors in their industries and widely held by individuals and institutional investors.

Bonds are subject to market and interest rate risk if sold prior to maturity. Bond values will decline as interest rates rise and bonds are subject to availability and change in price. Government bonds and Treasury bills are guaranteed by the US government as to the timely payment of principal and interest and, if held to maturity, offer a fixed rate of return and fixed principal value.

Securities and advisory services offered through LPL Financial, a registered investment advisor. Member FINRA/SIPC.

This information was developed by the Academy of Preferred Financial Advisors, Inc, an independent third party, for financial advisor use. Information contained herein was received from sources believed to be reliable, but accuracy is not guaranteed.