



Charts of the Week

Field of Dreams

October 25, 2026

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Markets spent the week repricing the AI trade as Meta's capex overwhelmed its cash flow for the first time in a decade, while oil's war premium deepened with WTI above \$103. Treasury yields retreated from their October peak, with the 10-year back below 5%, even as AI-related credit spreads stayed wide. Hotels, however, kept outperforming: hotel REITs gained 3.6% for the week and extended their year-to-date increase to 46%, while national RevPAR rose more than 5% for the week and nearly 10% over the last four weeks.

TL;DR: Weekly Recap

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Hotel REIT returns remain the year's standout in the sector, even as the broader market slipped. The RMZ gained 1.1% for the week, outperforming the S&P 500 by about 160 bps, with Hotels the third-strongest subsector at +3.6%. Hotels have now extended their year-to-date lead to 46%, more than double the next best REIT sector and roughly four times the S&P 500.

Public REITs and C-Corps

Weekly Market Update

Company/Index	Ticker	Latest Close	Weekly Change	Weekly Change (%)	YTD Change	YTD Change (%)
Apple Hospitality REIT, Inc.	APLE	18.04	0.99	5.81%	6.19	52.24%
Ashford Hospitality Trust, Inc.	AHT	2.82	0.99	54.10%	-1.44	-33.80%
Blackstone Inc.	BX	117.97	11.36	10.66%	-36.17	-23.47%
Braemar Hotels & Resorts Inc.	BHR	1.41	-0.02	-1.40%	-1.46	-50.87%
CBRE Group, Inc.	CBRE	123.30	-9.78	-7.35%	-37.49	-23.32%
DiamondRock Hospitality Company	DRH	13.76	0.34	2.53%	4.80	53.57%
Hilton Worldwide Holdings Inc.	HLT	349.63	4.51	1.31%	62.38	21.72%
Host Hotels & Resorts, Inc.	HST	24.72	0.75	3.13%	6.99	39.42%
Hyatt Hotels Corporation	H	172.58	3.45	2.04%	12.26	7.65%
Marriott International, Inc.	MAR	390.71	2.66	0.69%	80.47	25.94%
Park Hotels & Resorts Inc.	PK	16.35	0.44	2.77%	5.89	56.31%
Pebblebrook Hotel Trust	PEB	20.39	0.90	4.62%	9.07	80.12%
RLJ Lodging Trust	RLJ	12.06	0.41	3.52%	4.61	61.88%
Starwood Property Trust, Inc.	STWD	12.58	0.12	0.96%	-5.43	-30.15%
Summit Hotel Properties, Inc.	INN	6.90	0.36	5.50%	2.03	41.68%
Sunstone Hotel Investors, Inc.	SHO	12.51	0.68	5.75%	3.57	39.93%
Vanguard Real Estate ETF	VNQ	92.69	0.93	1.01%	4.20	4.75%
Xenia Hotels & Resorts, Inc.	XHR	19.51	0.57	3.01%	5.37	37.98%
S&P 500 Price Return	^GSPC	7,624	-36	-0.47%	778	11.37%
NASDAQ Composite Price Return	^IXIC	25,955	-185	-0.71%	2,713	11.67%
Dow Jones Industrial Average Price Return	^DJI	52,215	213	0.41%	4,152	8.64%
SOFR	SOFR	3.90%	0.02%		0.03%	
10y US T-Note	^TNX	4.99%	-0.11%		0.82%	
Bitcoin	BTC-USD	81,312	-299	-0.37%	-6,325	-7.22%

Source: Yahoo Finance



REIT Weekly Update:

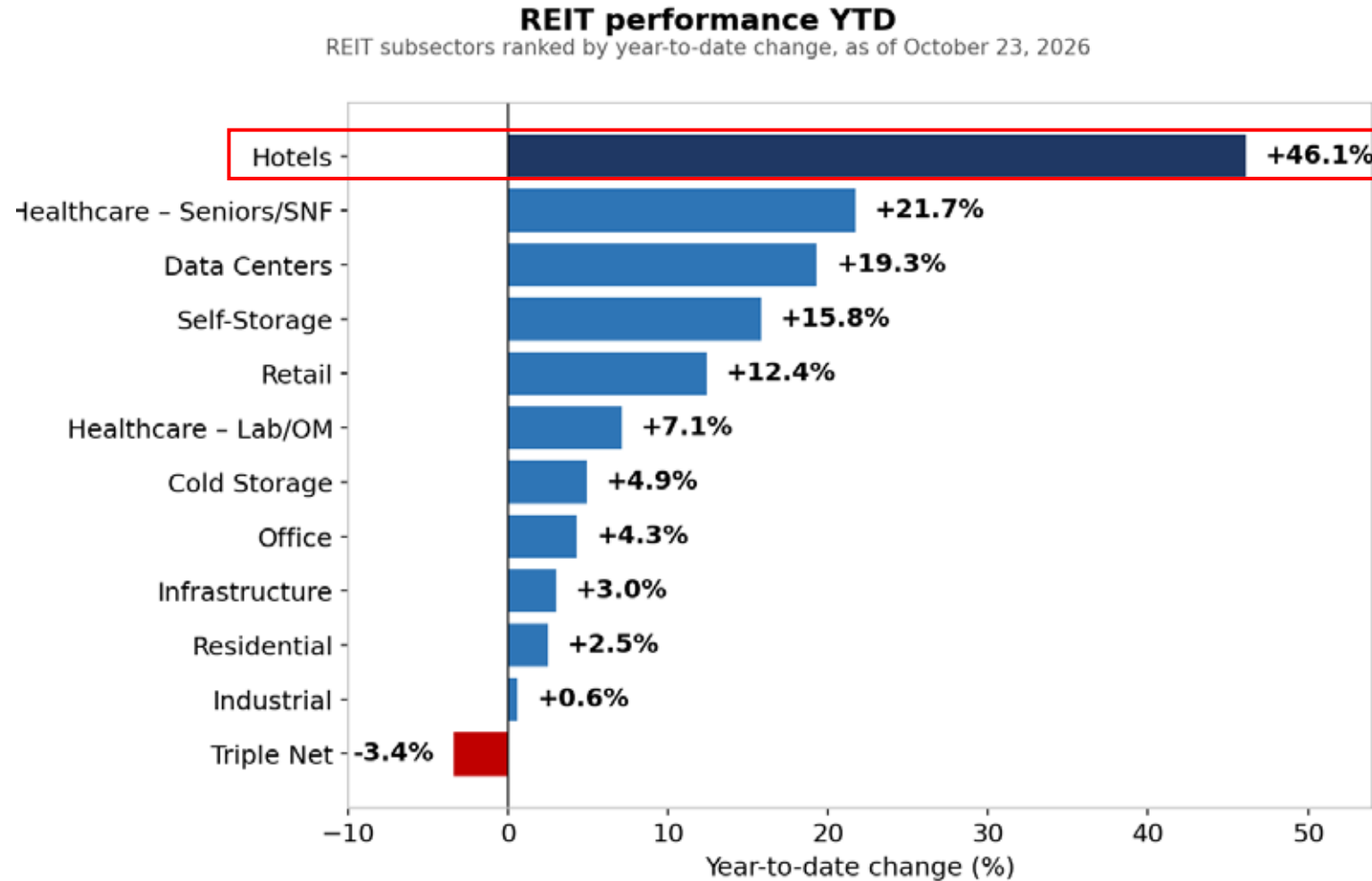
The RMZ REIT index gained 1.1% for the week, outperforming the broader market by 160 bps (but in line with the equal-weight index performance), as the S&P 500 fell 0.5%. Hotels were the 3rd strongest REIT subsector for the week, gaining 3.6%...

REIT Sub-Sector	1-Week Change	1-Month Change	YTD Change	FFO/Share Change*	AFFO ('27) Multiple
Cold Storage	5.7%	-1.5%	4.9%	-0.4%	11.7x
Data Centers	-2.7%	-6.8%	19.3%	0.0%	20.6x
Healthcare - Lab/OM	2.1%	-7.9%	7.1%	-0.1%	12.3x
Healthcare - Seniors/SNF	1.0%	2.2%	21.7%	0.1%	31.5x
Hotels	3.6%	11.0%	46.1%	-0.2%	13.5x
Industrial	0.6%	-4.7%	1.0%	1.0%	22.5x
Infrastructure	2.1%	12.8%	3.0%	0.1%	16.2x
Office	5.2%	2.3%	4.3%	0.4%	16.6x
Residential	2.5%	3.2%	-2.0%	0.1%	17.5x
Retail	2.6%	3.1%	12.4%	0.2%	17.1x
Self-Storage	3.5%	7.6%	15.8%	-0.1%	18.4x
Triple Net	0.9%	0.6%	-3.4%	0.1%	11.6x
RMZ	1.1%	0.1%	9.3%		
S&P 500	-0.5%	-1.1%	11.4%		
S&P 500 (equal-weight)	1.1%	2.5%	13.0%		
10-Year Treasury	-8 bps	-10 bps	+83 bps		
2-10 Spread	-5 bps	+10 bps	-38 bps		

*Reflects consensus NTM estimates today vs. one month ago

Source: Baird Research and FactSet

...and expanding Hotels' YTD lead among all REIT subsectors with a gain of 46.1% (vs +11.4% for S&P 500 and +9.3% for the RMZ YTD), more than double the YTD gain of second place Healthcare – Seniors/SNF.



Source: Baird Equity Research, Real Estate: Last Week in Real Estate, Oct 23, 2026

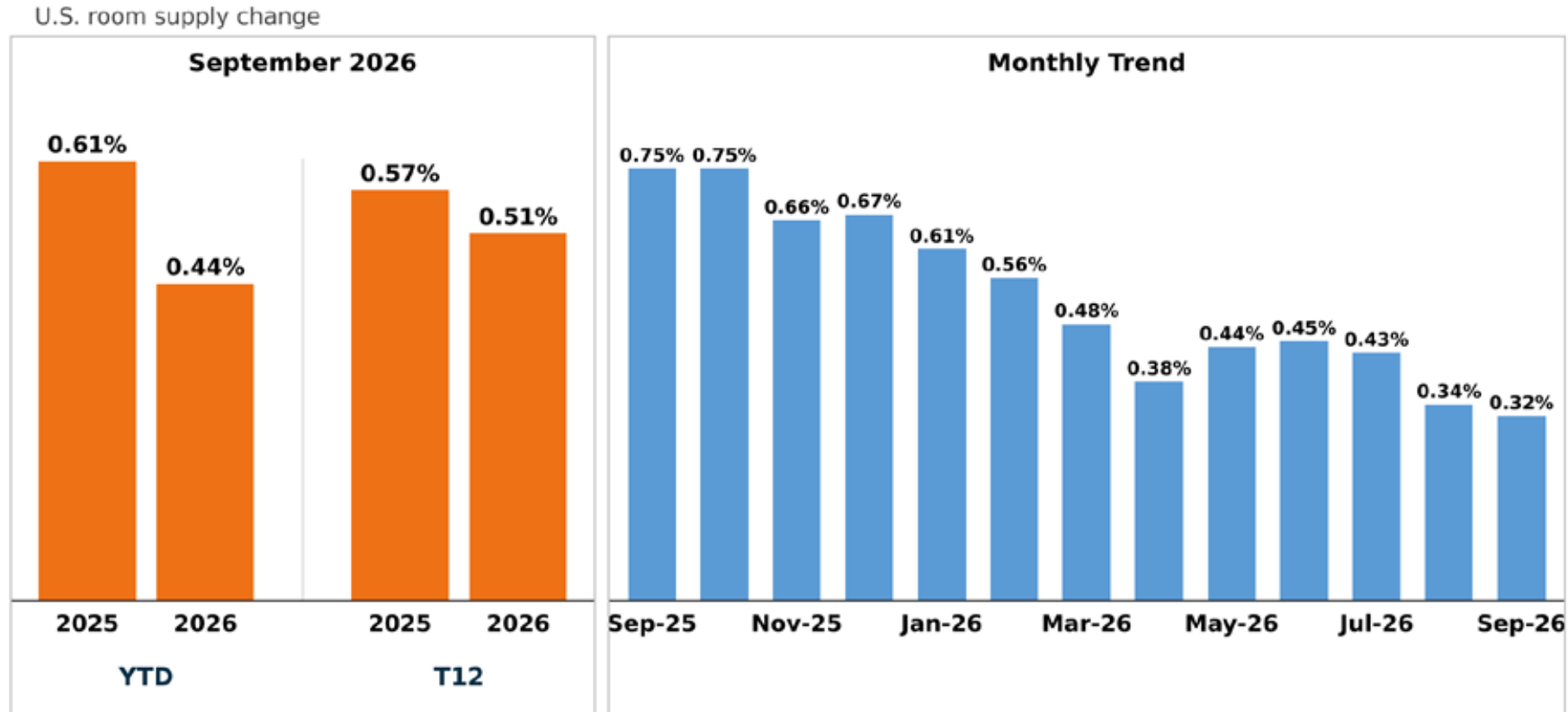
U.S. RevPAR rose 5.6% for the week ended October 17, with 140 of 174 markets in positive territory and 79 up 10% or more. The leadership flipped from recent weeks, with the lower chain scales leading (Midscale +8%), while Luxury trailed at +2%, and Detroit (+21.5%) led major markets while Las Vegas fell 13% on an event-calendar shift. The four-week trend held strong at +9.6%, and travel demand stayed healthy, with airlines reporting strong corporate demand and American Express travel spending up 10%.

Lodging and Travel

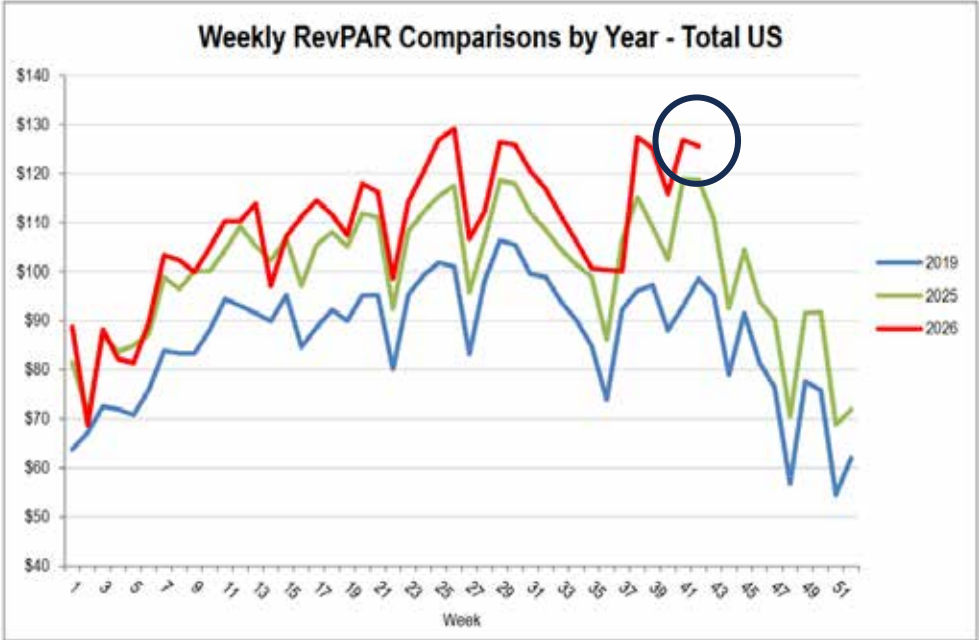
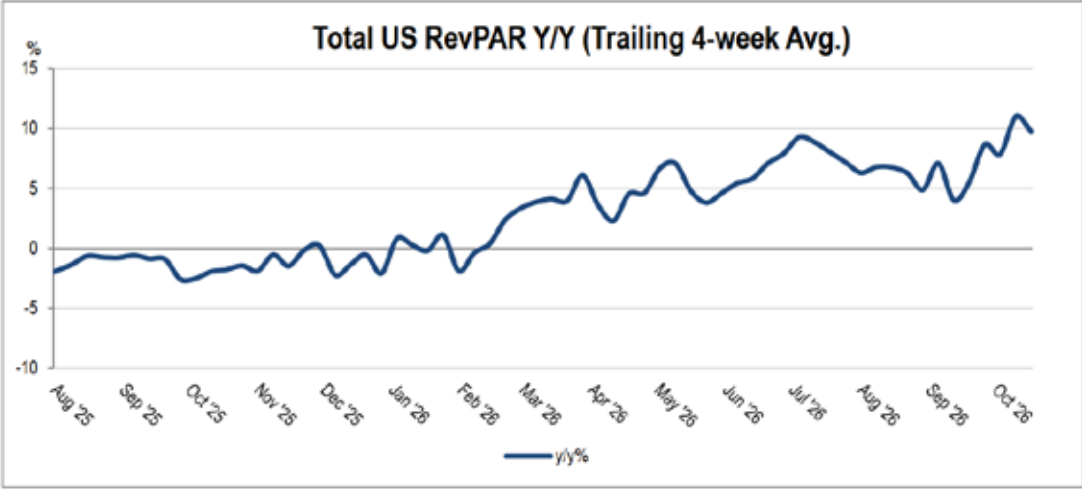
Don't Build It, and They Will Still Come

U.S. supply growth, which has averaged ~1.7% over the long-term, has slowed dramatically. In the trailing 12 months ended September, supply growth was just 0.51%, falling to 0.44% YTD through September, and 0.32% in the month of September. While this is a difficult environment for developers, the slower supply growth should accrue benefit to existing owners through increased future RevPAR growth. In fact, the better-than-expected RevPAR growth this year could be the early innings of that trend.

Supply Growth Slowing



U.S. RevPAR Trends



Wk Ended	10/17/2026	Y/Y%	vs. 2019
Total US		5%	27%

By Chain Scale:

Luxury	1%	19%
Upper Upscale	3%	18%
Upscale	5%	20%
Upper Midscale	7%	26%
Midscale	8%	23%
Economy	6%	9%

By Location:

Urban	3%	19%
Suburban	9%	22%
Airport	6%	15%
Interstate	6%	34%
Resort	2%	37%
Small Metro / Town	9%	40%



BofA Global Research:

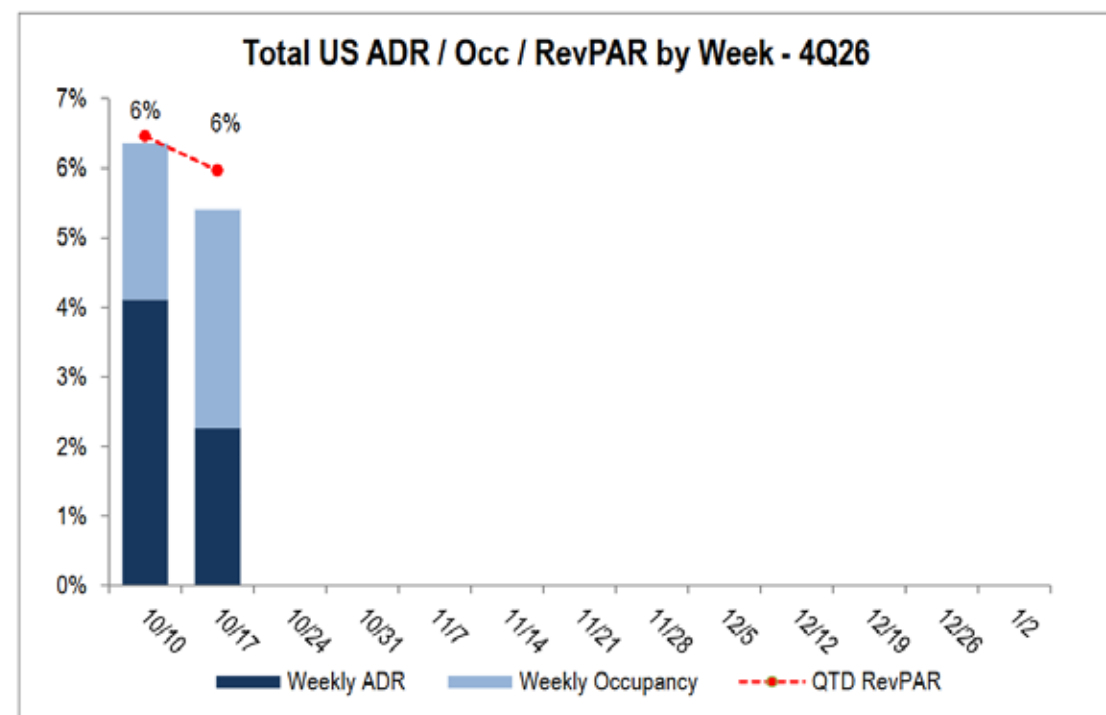
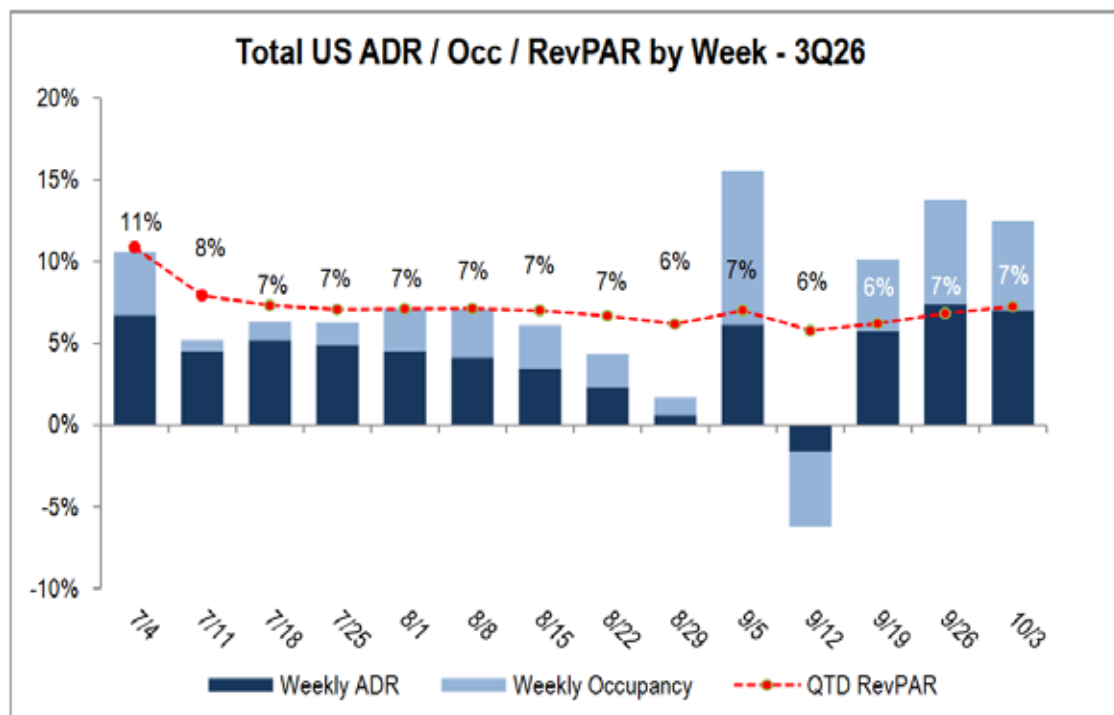
Monthly and Weekly Hotel Data Heatmap

Exhibit 1: Monthly/Weekly data by chain scale, region and major markets across the country
Monthly and Weekly RevPAR Y/Y

	Monthly							Week ended	
	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26TD	10/10	10/17
<u>US - Overall</u>									
RevPAR	4%	4%	8%	8%	2%	11%	9.4%	6%	5%
Occ	2%	1%	2%	2%	0%	5%	4.0%	2%	3%
ADR	3%	3%	7%	6%	2%	5%	5.3%	4%	2%
<u>International</u>									
Europe	4%	5%	3%	5%	4%	6%	5%	5%	4%
APEC	-2%	4%	0%	5%	3%	6%	6%	4%	11%
China	12%	6%	5%	3%	6%	8%	7%	13%	6%
Caribbean	8%	-1%	-4%	-1%	4%	10%	-3%	-6%	-1%
<u>US - Day of Week</u>									
Weekdays	5%	4%	9%	8%	5%	11%	8%	7%	6%
Weekends	2%	4%	8%	6%	1%	11%	6%	5%	6%
<u>US - Chainscales</u>									
Luxury	8%	8%	15%	18%	4%	13%	10%	9%	1%
Upper Up	3%	4%	9%	9%	4%	10%	8%	6%	3%
Upscale	4%	2%	8%	8%	3%	10%	8%	6%	5%
Upper Mid	5%	3%	7%	6%	2%	10%	9%	5%	7%
Midscale	4%	1%	5%	5%	1%	10%	10%	6%	8%
Economy	1%	0%	3%	4%	0%	9%	8%	5%	6%
<u>US - Locations</u>									
Urban	4%	4%	14%	15%	5%	13%	10%	9%	3%
Resort	6%	8%	5%	5%	-3%	11%	7%	0%	2%
<u>US - Markets</u>									
Top 8 Markets Avg.	5%	5%	14%	15%	4%	15%	10%	10%	4%
Las Vegas	-4%	18%	7%	-2%	-8%	-4%	-1%	-3%	-13%

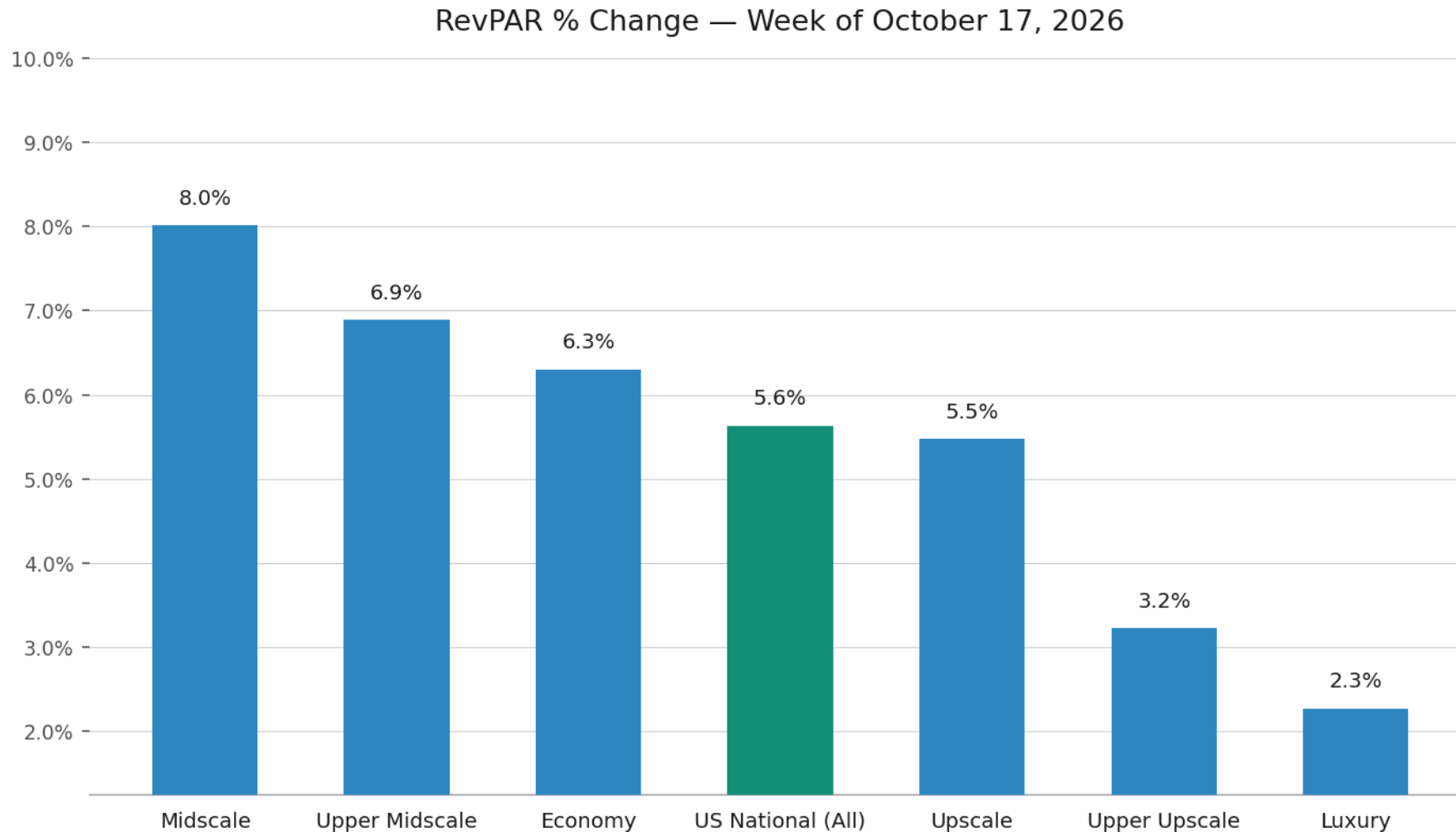
Note: Top 8 Markets incl. Boston, Chicago, Los LA, Miami, NYC, Orlando, San Francisco, & DC Metro; **Source:** CoStar, BofA Global Research

Total U.S. ADR / Occupancy / RevPAR Change Running QTD



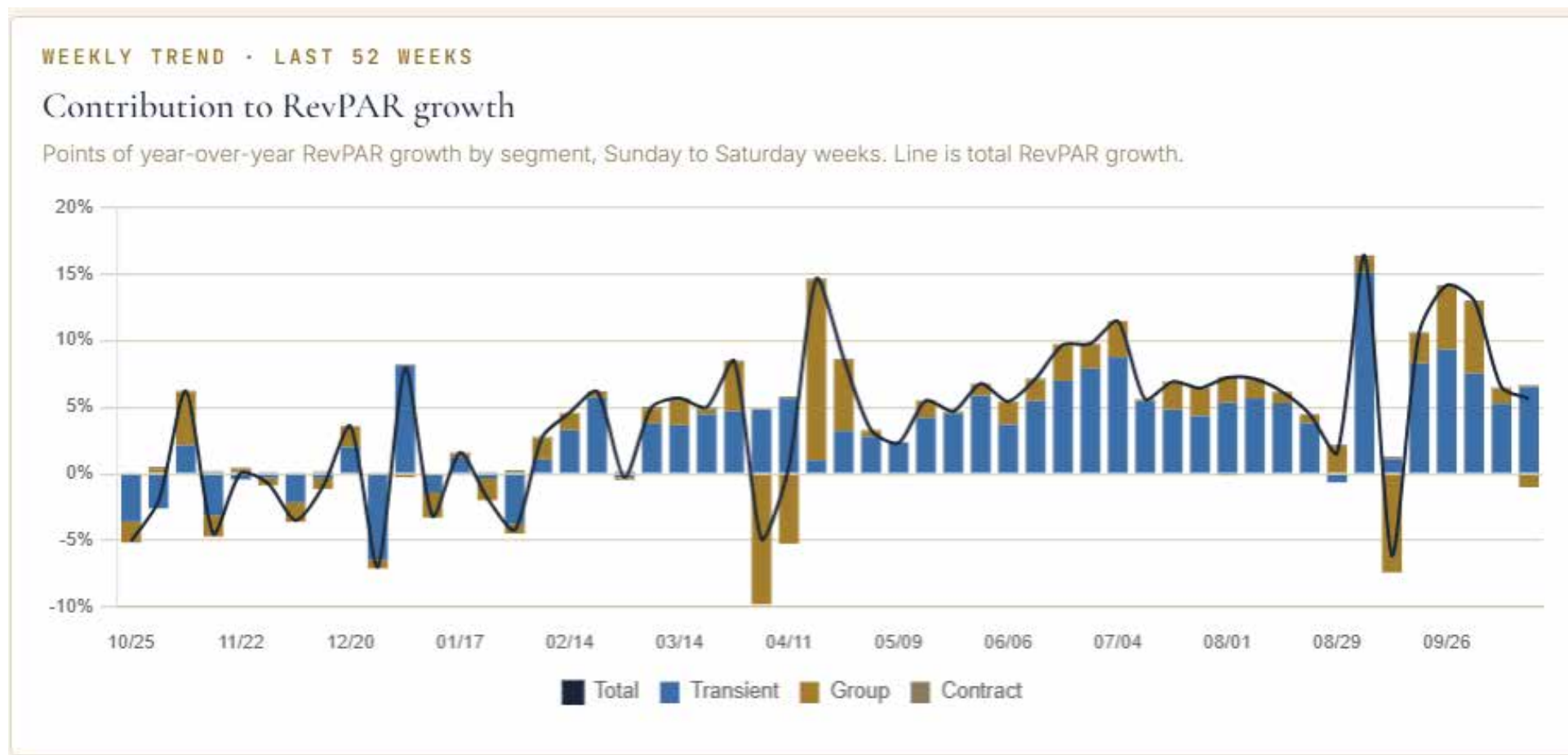
U.S. RevPAR – Weekly Chain Scales

All U.S. hotel chain scales were positive again for the week ended October 17, but the sequencing flipped, with the lower three chain scales leading the way and the top chain scales trailing.



Total U.S. Segmentation – Weekly Trends

For the week ended October 17, transient represented 76% of hotel revenues, leading the way with 8.8% RevPAR growth, contributing 6.5 percentage points to national RevPAR growth for the week. Group accounted for 22% of revenues, subtracting 1 percentage point from national RevPAR with a 4.1% weekly decline, while Contract RevPAR grew 7.6%. Year-to-date, Transient RevPAR has increased 5.9%, Group is up 4.6%, and Contract has risen 4.2%.

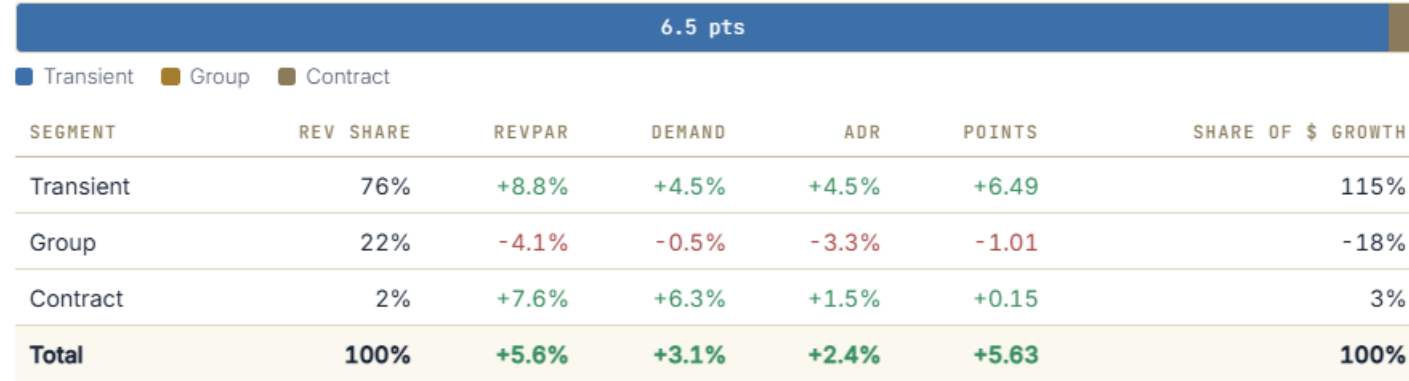


U.S. Segmentation & Day of Week – Weekly % Change

NATIONAL

Where RevPAR growth came from

Last week - total RevPAR +5.6% (occupancy +3.1%, ADR +2.4%). Points add to the total.



DAY OF WEEK

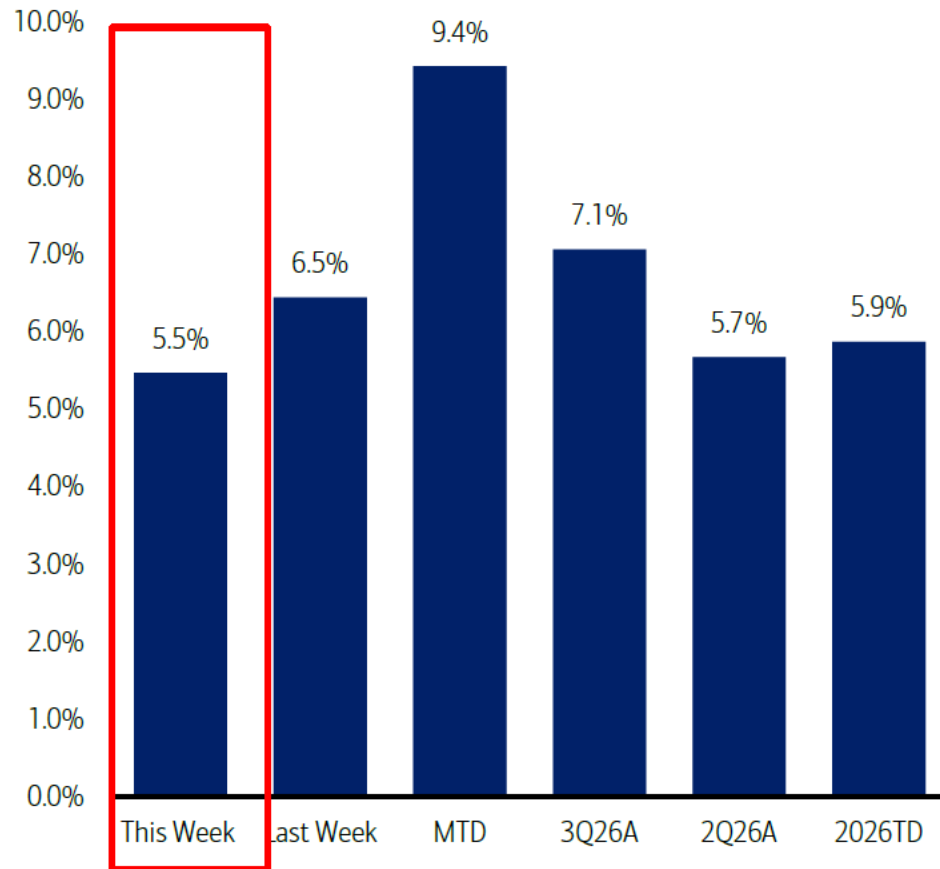
Sunday to Thursday against Friday and Saturday

Last week. Business-weighted nights against leisure-weighted nights.

NIGHTS	REVPAR	OCCUPANCY	ADR	TRANSIENT DEM	GROUP DEM	GROUP SHARE
Sun to Thu	+5.6%	+3.4%	+2.1%	+5.1%	-1.1%	24%
Fri and Sat	+5.8%	+2.6%	+3.1%	+3.3%	+1.0%	20%

U.S. RevPAR – Weekly, MTD, QTD, and YTD Est.

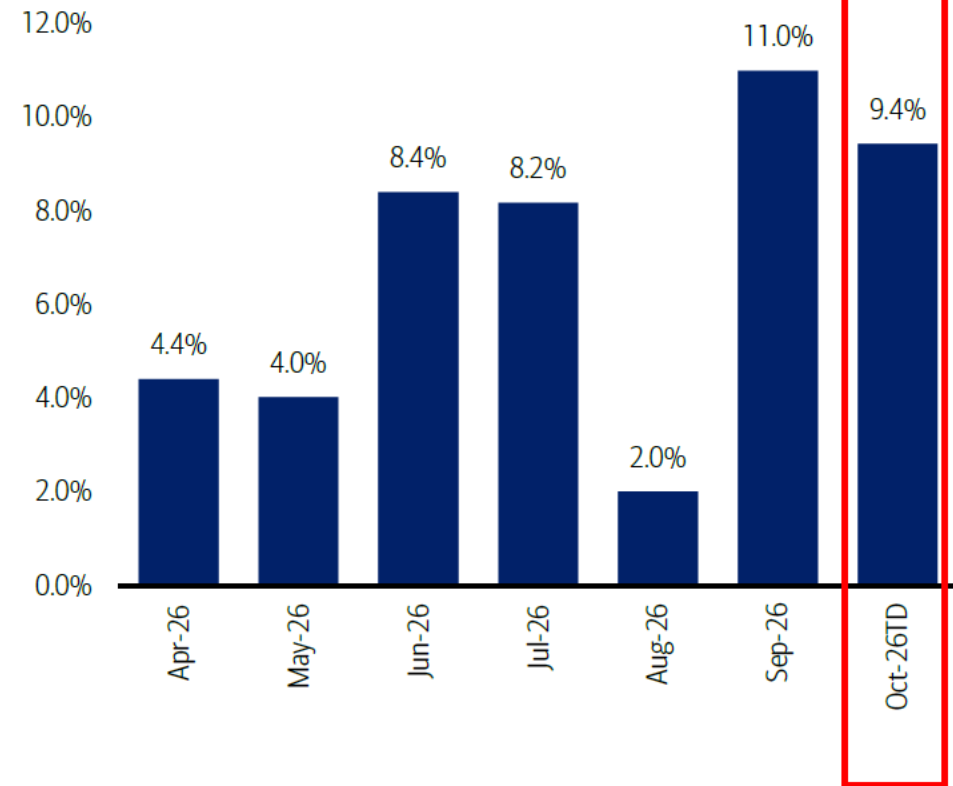
Exhibit 2: Domestic RevPAR was +5.5% Y/Y this week
US RevPAR Y/Y



Source: CoStar, BofA Global Research

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Exhibit 3: We estimate October to date is +9.4%
Monthly US RevPAR



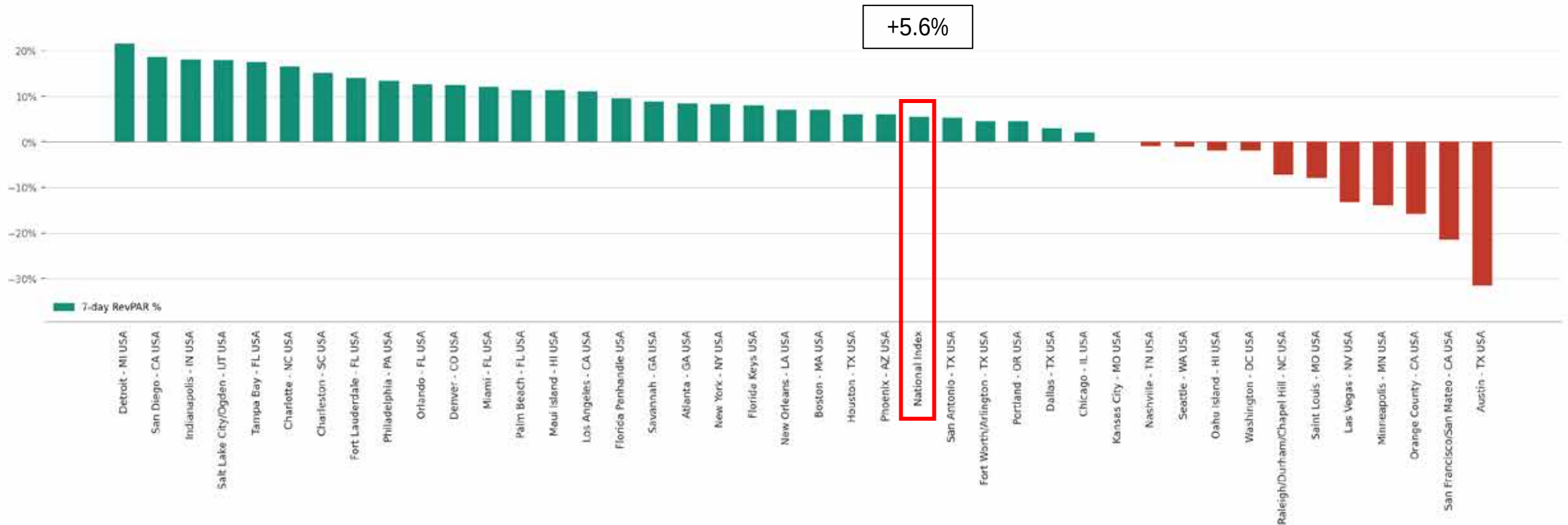
Source: CoStar, BofA Global Research

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Sources: BofA, CoStar

U.S. RevPAR – Weekly Performance – Major Markets

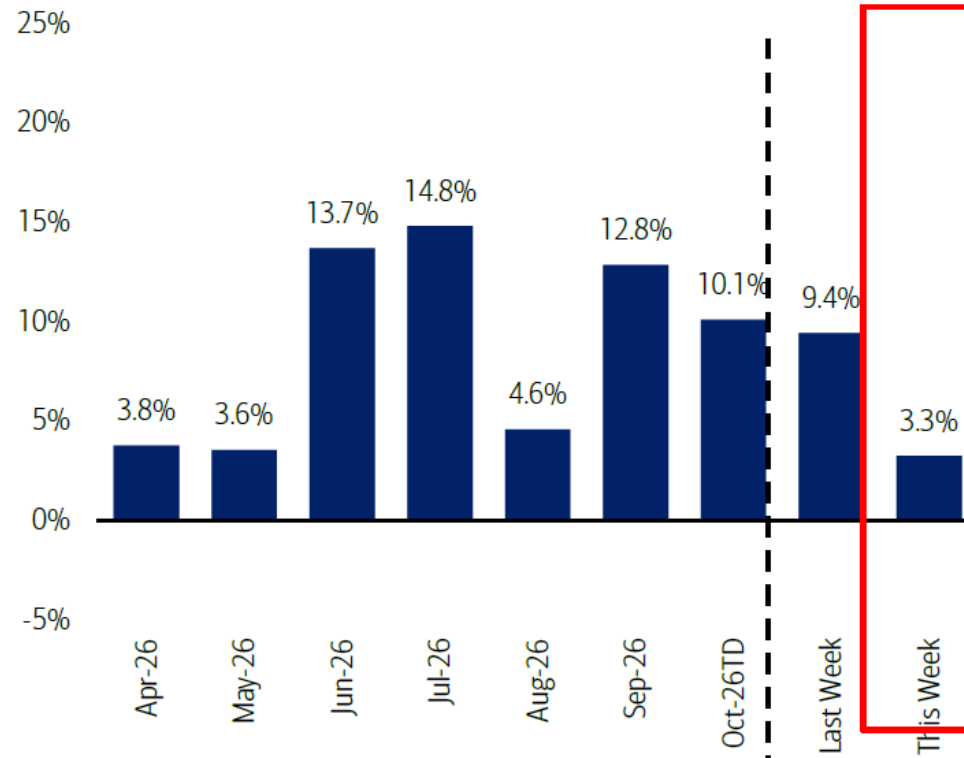
Detroit led all major markets with a gain of 21.5%, followed by San Diego (+18.7%), Indianapolis (+18.1%), Salt Lake City (+18.0%), Tampa Bay (+17.5%), and Charlotte (+16.5%). 79 of 174 markets experienced weekly RevPAR growth of 10% or more, with 140 markets in positive territory.



U.S. RevPAR – Urban vs. Resort Weekly Update

Exhibit 6: Urban RevPAR was +3.3% Y/Y this week

Urban RevPAR Y/Y

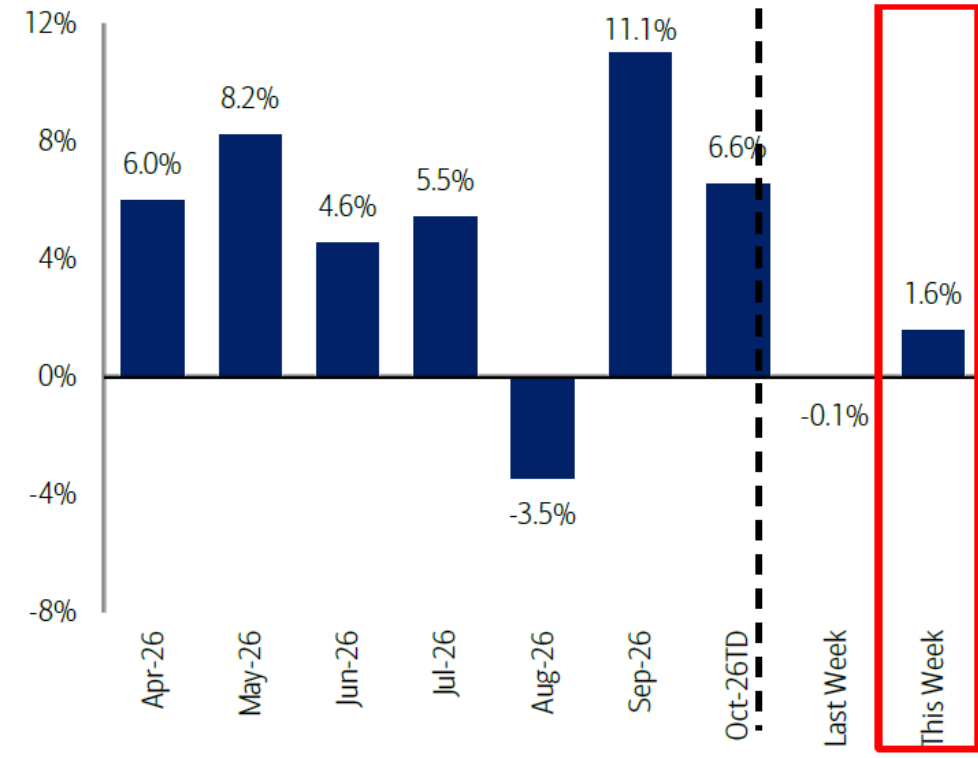


Source: CoStar, BofA Global Research

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Exhibit 7: Resort RevPAR was +1.6% Y/Y this week

Resort RevPAR Y/Y



Source: CoStar, BofA Global Research

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U.S. RevPAR – 4-Week Moving Average – Major Markets

For the four weeks ended October 17, U.S. RevPAR grew 9.6%, led by New Orleans (+22.5%), San Diego (+21.1%), Miami (+20.5%), Maui (+19.1%), and Indianapolis (+18.1%). For the 4-week period, 160 of CoStar’s 174 markets had positive RevPAR growth.



U.S. Segmentation & Day of Week – 4-Week Average

NATIONAL

Where RevPAR growth came from

4 weeks - total RevPAR +9.6% (occupancy +4.2%, ADR +5.1%). Points add to the total.



DAY OF WEEK

Sunday to Thursday against Friday and Saturday

4 weeks. Business-weighted nights against leisure-weighted nights.

NIGHTS	REVPAR	OCCUPANCY	ADR	TRANSIENT DEM	GROUP DEM	GROUP SHARE
Sun to Thu	+11.3%	+5.4%	+5.7%	+4.3%	+10.9%	26%
Fri and Sat	+6.4%	+1.9%	+4.4%	+1.7%	+3.8%	20%

RW Baird reported comments from U.S. airlines, which continue to experience strong consumer and corporate demand...

American Airlines:

- "Consumers continue to prioritize travel and recent yield strength is allowing airlines to regain our historical share of the travel wallet...Corporate demand remains strong...managed corporate revenue increased 27.6% y/y, our sixth consecutive quarter of double-digit growth...Demand and pricing trends remain strong across the network, and we expect fourth quarter revenue to...[continue] the momentum we saw in the third quarter."

United Airlines:

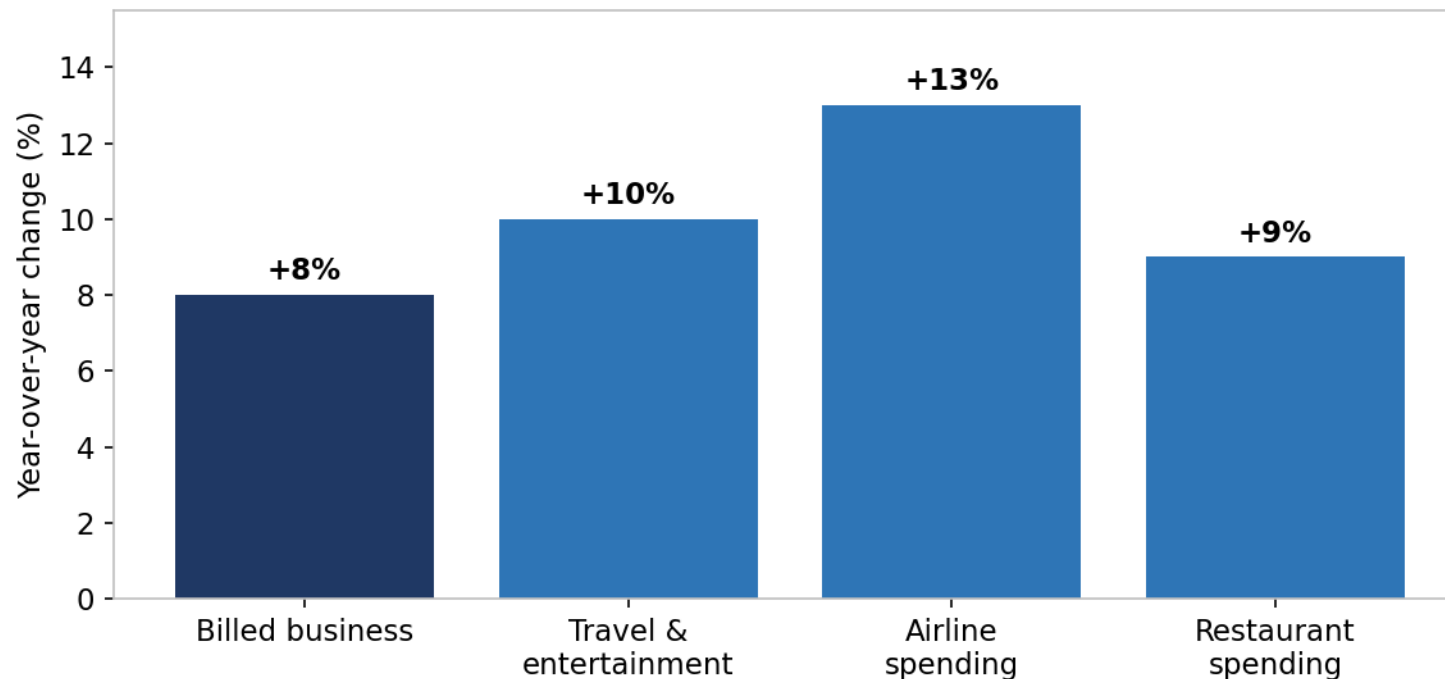
- "Looking at revenues by travel purpose, business revenue increased by 22% in the quarter, with yields up 15%. Contracted business revenues increased by 26%. Premium business continues to be strong...Consumers and businesses have been accepting price increases, which we believe is a result of fares lagging the rest of inflation [and other] travel costs for many years."

...while American Express experienced double-digit T&E card spending

“Travel & Entertainment card spending was +10% in 3Q26. American Express reported that total T&E billed business was +10% y/y in the third quarter (same as 2Q26); airlines were +13% (+300 bps sequentially), restaurants were +9% (-100 bps), and lodging was +6% (+100 bps).”

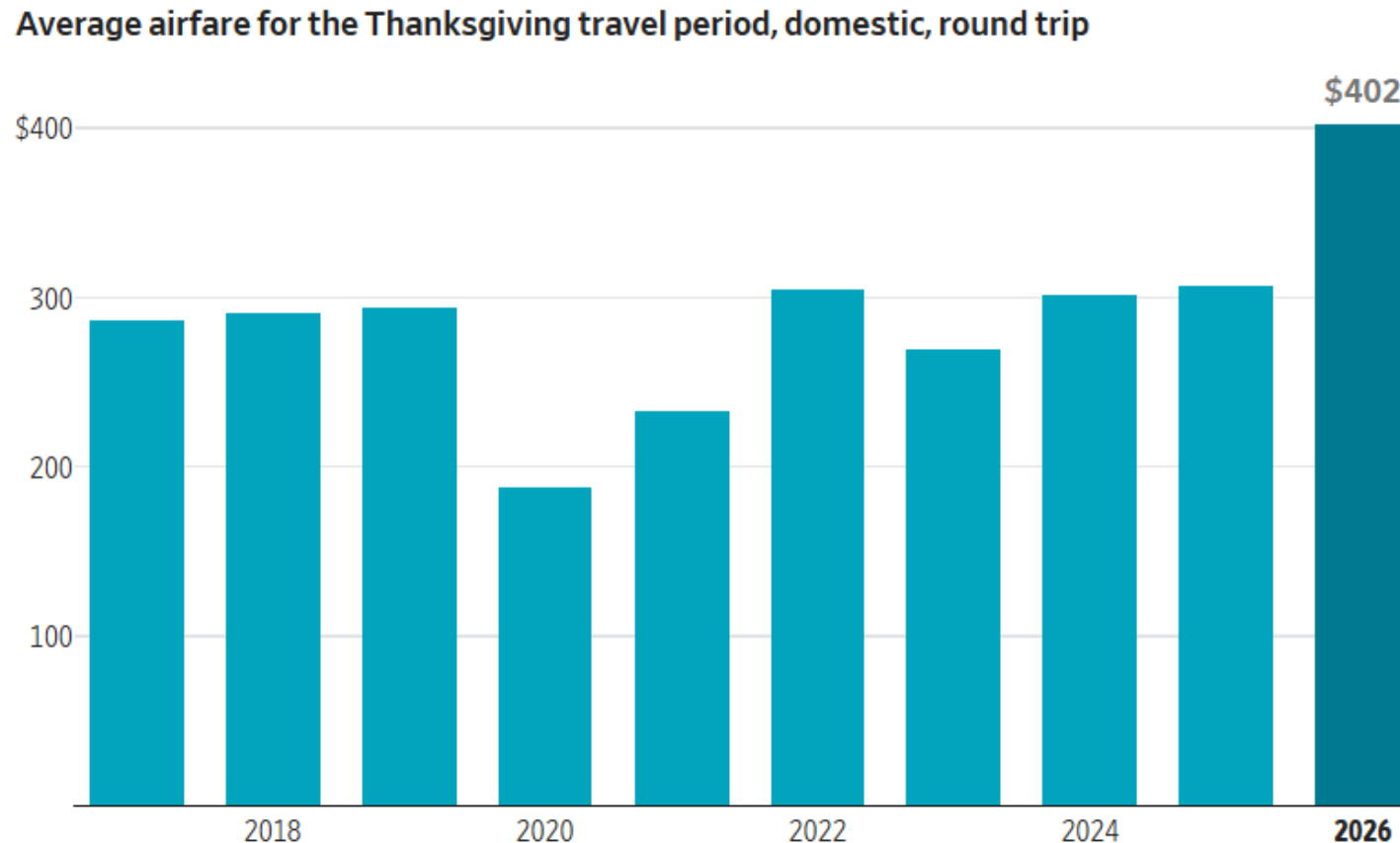
AmEx Q3: the affluent traveler kept spending

Billed business \$454B; credit-loss provisions fell to \$1.0B from \$1.3B



Source: American Express Q3 2026 earnings release

Meanwhile, what's good for the airlines is often at the cost of travelers. Airfares over the busy Thanksgiving travel week are hitting new highs this year at \$402 for an average domestic round-trip fare.



Source: Hopper

CMBS spreads widened this week, with 10-year AAAs at 78 bps (+2 bps), AAs at 137 bps (+1 bp), As at 196 bps (+4 bps), and BBB- spreads at 528 bps (+5 bps). Blackstone reported 3Q earnings this week, indicating \$47 billion of remaining dry powder in its real estate funds.

CRE Debt & Equity Markets

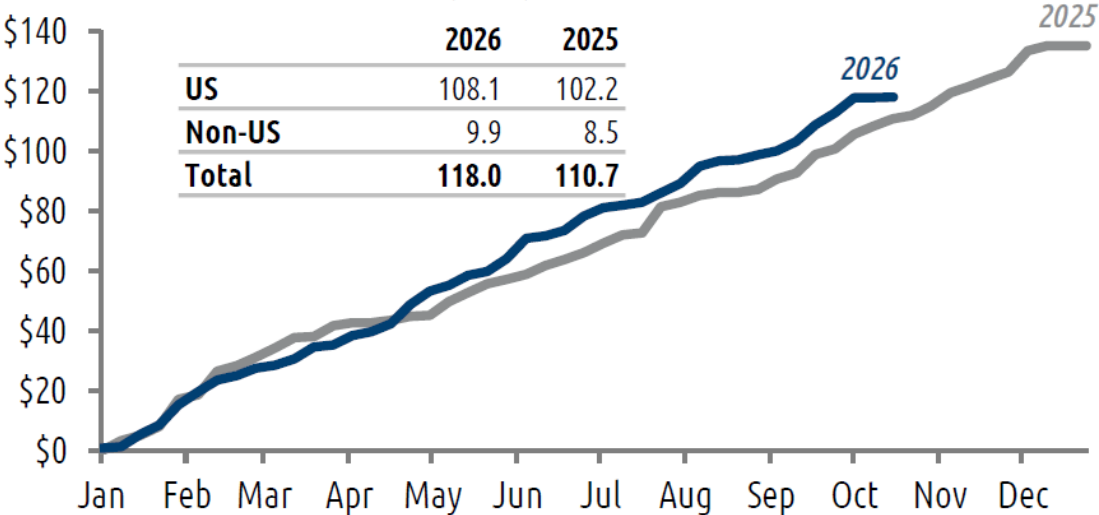
CRE Issuance and Spread Trends

Sources: Commercial Mortgage Alert,
Green Street, Trepp

The 10-year Treasury yield is 4.99%, up ~80 bps since the start of the year but down 37 bp from its Oct. 7 peak of 5.36%. Worldwide CMBS issuance volume is \$118 billion year to date, up about \$7.4 billion (6.7%) from this time last year.

WORLDWIDE CMBS

Year-To-Date Issuance Volume (\$Bil.)



CMBS SPREADS

10-Year AAA Recent-Issue Spread Over Treasury

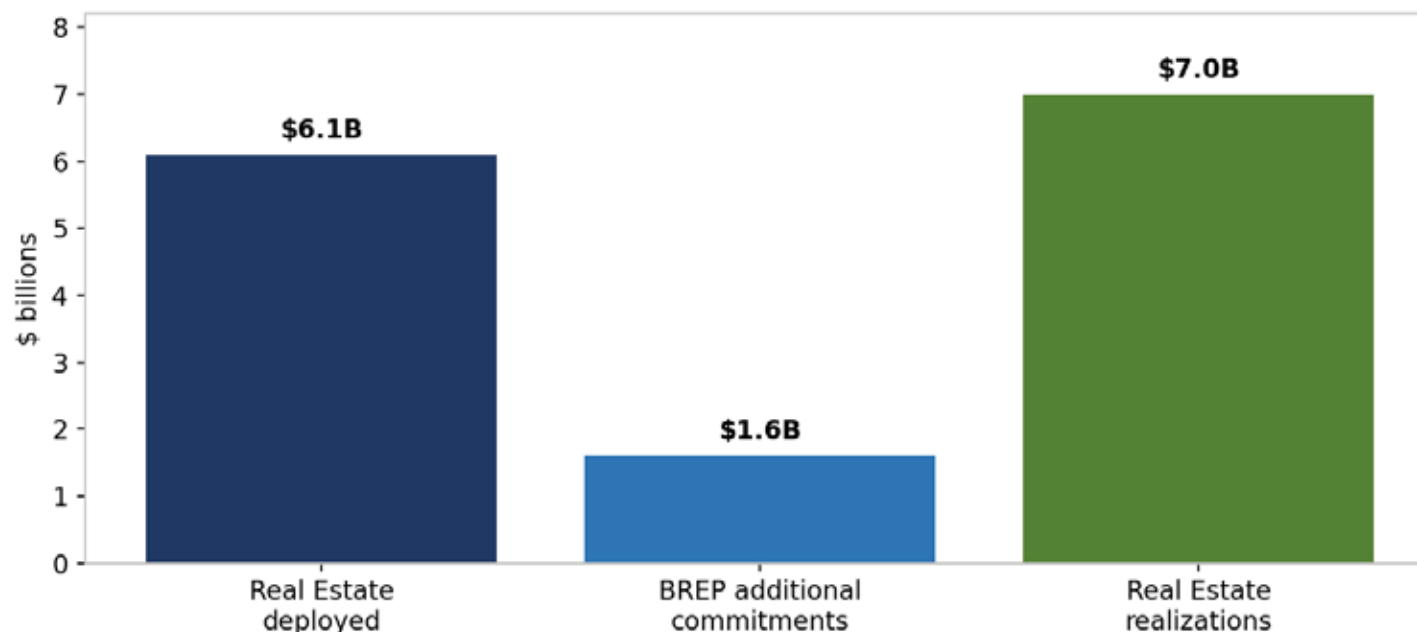


Spread (bp)

	Avg. Life	10/21	Week Earlier	52-wk Avg.
AAA	5	J+93	J+94	J+96
AAA	10	J+78	J+76	J+75
AA	10	J+137	J+136	J+135
A	10	J+196	J+192	J+190
BBB-	10	J+528	J+523	J+483

Blackstone released its 3Q26 earnings this week, and while most of the earnings call seemed to revolve around AI and data centers, Jon Gray also discussed the real estate platform, which had \$6.3B of inflows, \$6.1B of deployments (including Hyatt Regency San Francisco), and \$7B of realizations for the quarter. Real estate AUM was \$309B with \$47B of dry powder as of 3Q26.

Blackstone Real Estate, Q3 2026: capital still moving
Deployed incl. Hyatt Regency Embarcadero (BREP) • Committed incl. a large European hotel owner • Realized incl. Japan hotels



Source: Blackstone Q3 2026 earnings release (via Quartr)

The labor market stays tight, with initial claims at 194,000 and the four-week average near 50-year lows. Housing remains weak, as the 30-year mortgage has rebounded to 7.40%, permits hit their lowest since March 2023, and sellers outnumber buyers by a record 63%. Nonetheless, growth still looks solid, with business activity close to a multi-year high, and the Atlanta Fed's GDPNow at 3.5% for the third quarter.

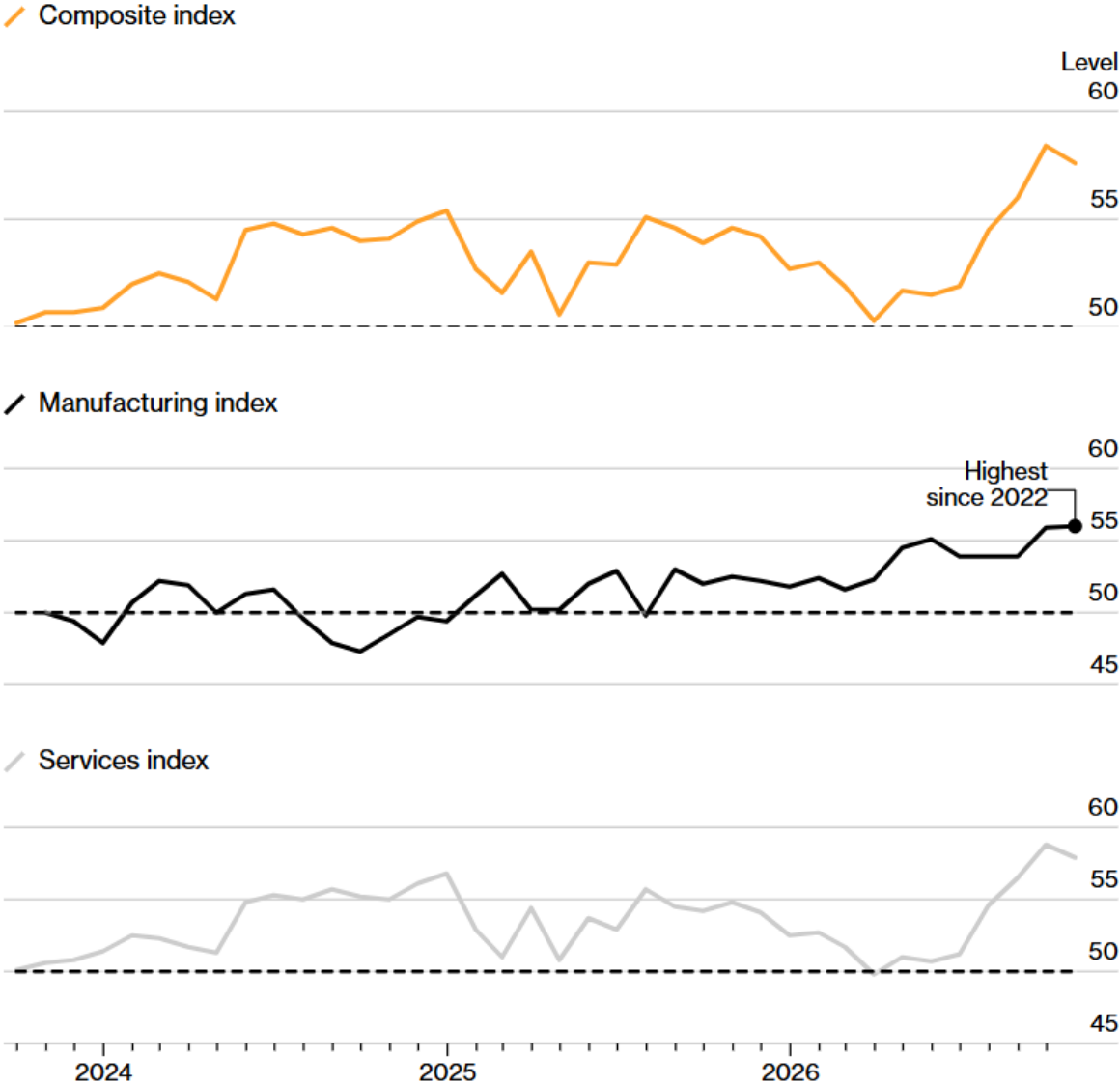
U.S. Economic Data

Last Week's Major U.S. Economic Reports						
Time (ET)	Report	Period		Actual	Median Forecast	Previous
Monday, Oct. 19						
10:00 AM	NAHB Housing Market Index	Oct.		29	31	32
Tuesday, Oct. 20						
8:30 AM	Housing Starts	Sep	▲	1.2M	1.3M	1.3M
10:00 AM	Pending Home Sales Idx, M/M%	Sep	▼	-7.3%	-0.3%	0.3%
Wednesday, Oct. 21						
	No events scheduled					
Thursday, Oct. 22						
8:30 AM	Weekly Jobless Claims	Oct. 17	▲	194K	200K	199K
10:00 AM	Leading Indicators	Sep		0%	-0.1%	-0.1%
11:00 AM	Kansas City Fed Survey	Oct.		16	-	20
Friday, Oct. 23						
9:45 AM	US Flash Manufacturing PMI	Oct.		56.0	55.3	57
9:45 AM	US Flash Services PMI	Oct.		57.9	58.1	58.7
10:00 AM	U. Michigan Final Consumer Survey	Oct.		48.0	46.3	48.1

According to S&P Global's latest manufacturing and services indices, U.S. business activity remained close to a multi-year high in October, as robust demand pushed new orders, employment and prices higher. New orders posted the fastest growth in 4 1/2 years in October, and firms are responding by adding more workers, with the composite index for employment being the second-highest in four years.

US Business Activity Remained Solid at Start of Fourth Quarter

Composite gauge posts the second-strongest reading since 2022

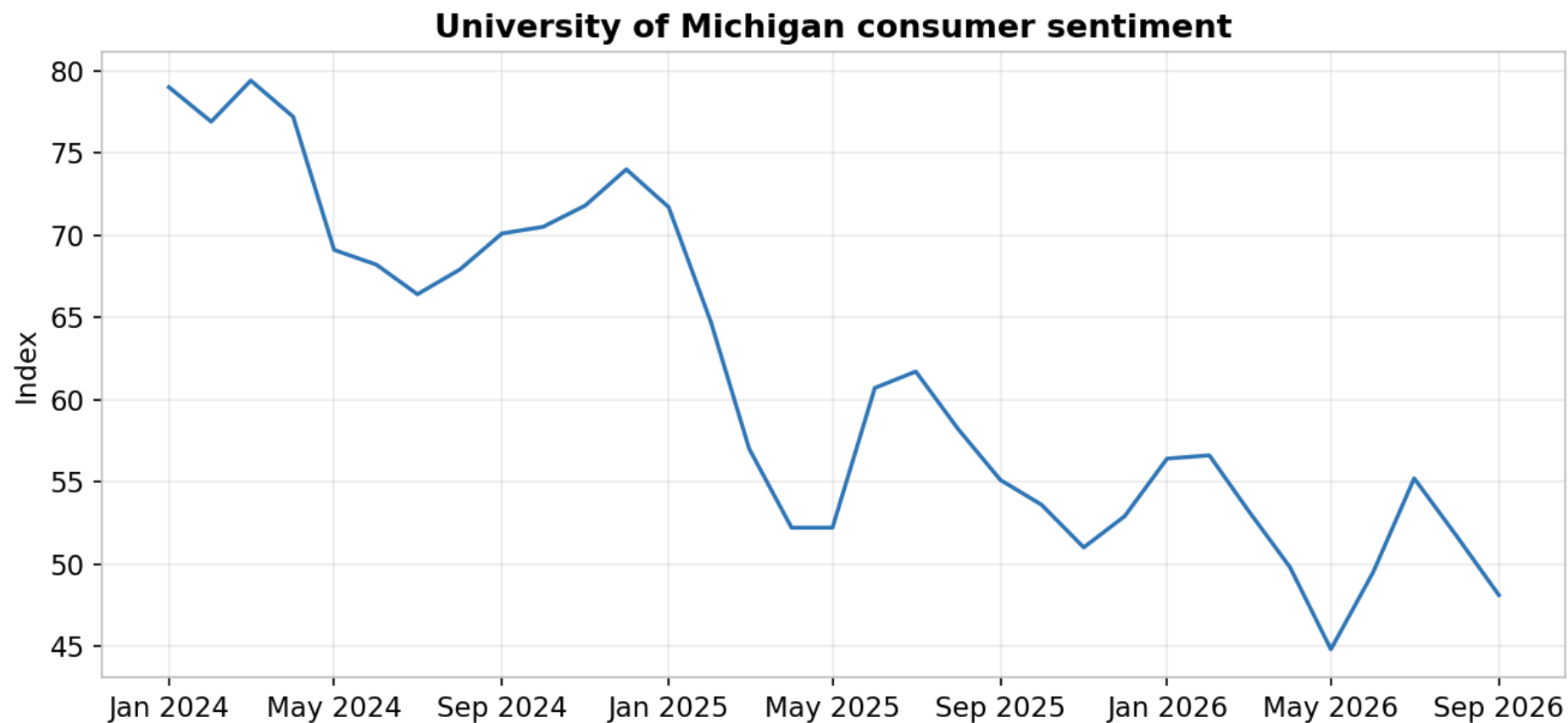


Note: Readings above 50 indicate expanding activity
Source: S&P Global

The Truflation “real-time” inflation indicator fell 7 bps to 3.02% as of October 23, leaving it 68 bps below the September headline CPI of 3.7%, 42 bps above September’s core CPI of 2.6%, and in line with the August core PCE level of 3.0%.

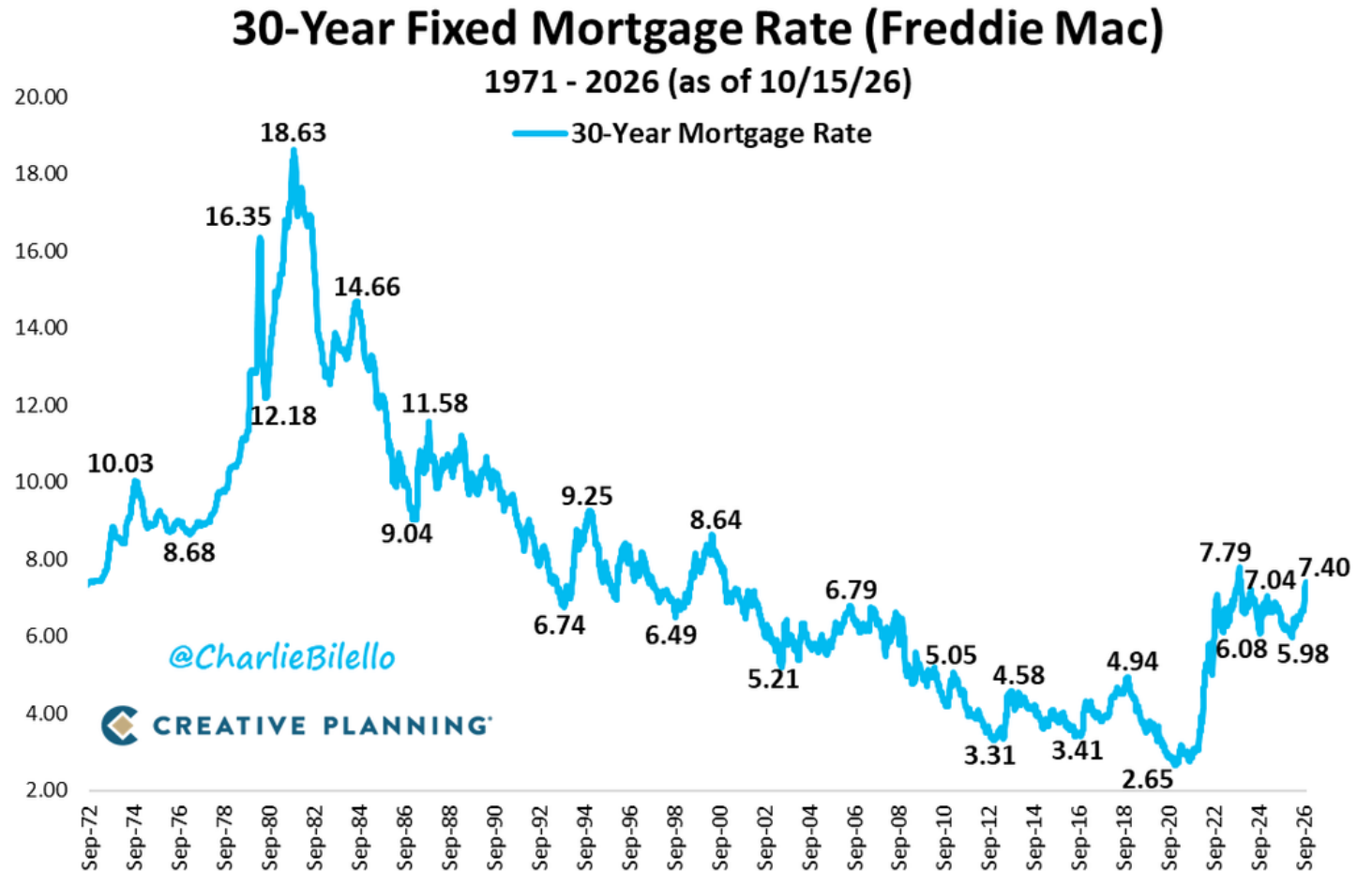


The University of Michigan's Consumer Sentiment Index was slightly better than forecast at 48.0, but that's still a continuation of the multi-year downward trend.



Source: FRED, series UMCSENT

Arguably, a large part of the UMich survey trend is due to rising rates and home price appreciation that has exceeded income growth, creating a tough U.S. housing market. The 30-year fixed rate mortgage has rebounded nearly 150 bps from its recent low of 5.98% to 7.40%...



...hitting home buyers hard. Homebuying demand in September fell close to post-Covid lows.

Homebuying Demand Drops to Lowest Level Since Pandemic Freeze

Number of U.S. pending home sales, seasonally adjusted

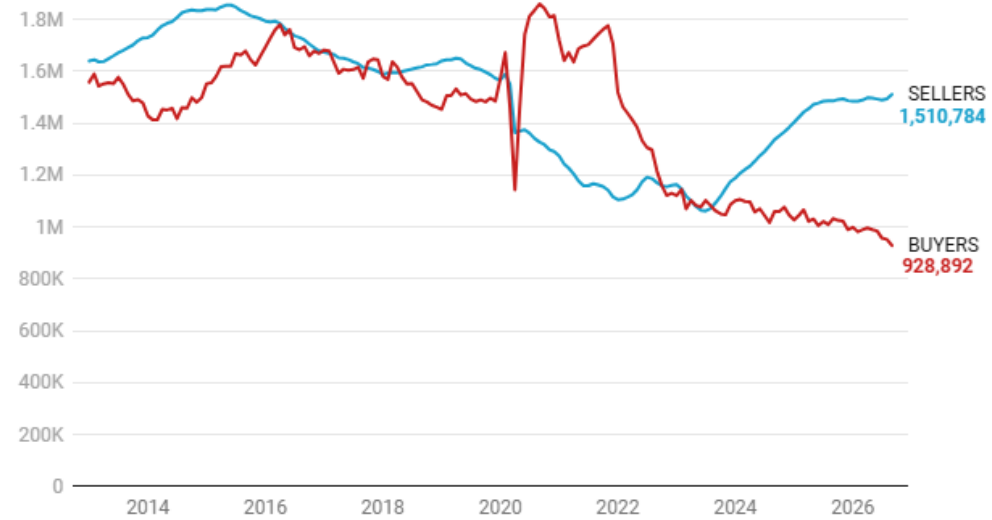


Source: Redfin analysis • Created with [Datawrapper](#)

The result is a historic imbalance between housing supply and demand with sellers outnumbering buyers by a record 63%.

Sellers Enter the Market, While Buyers Back Off

Estimated number of U.S. homebuyers and sellers actively in the market



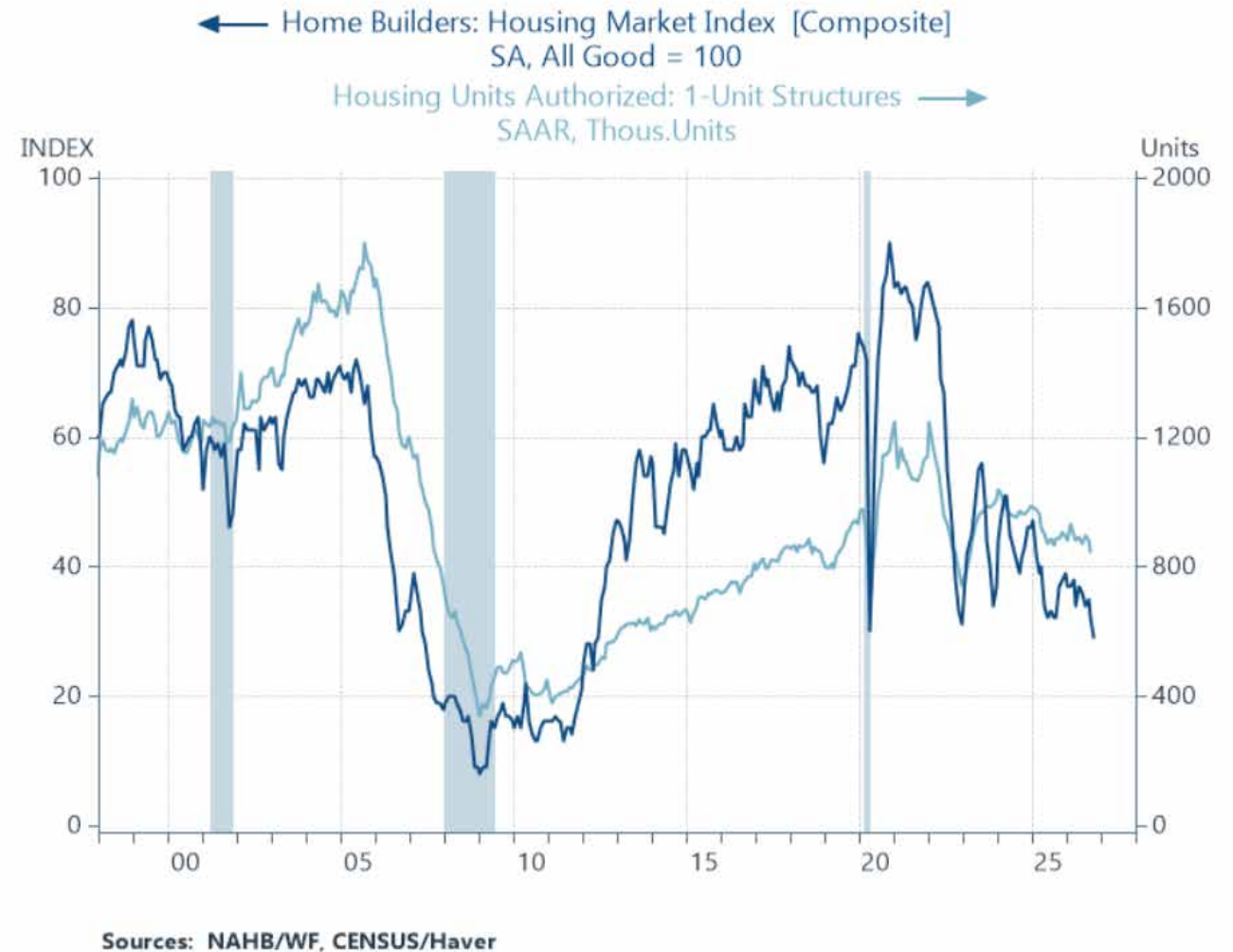
It's a Record Buyer's Market

% more home sellers than buyers actively in the U.S. market, estimated

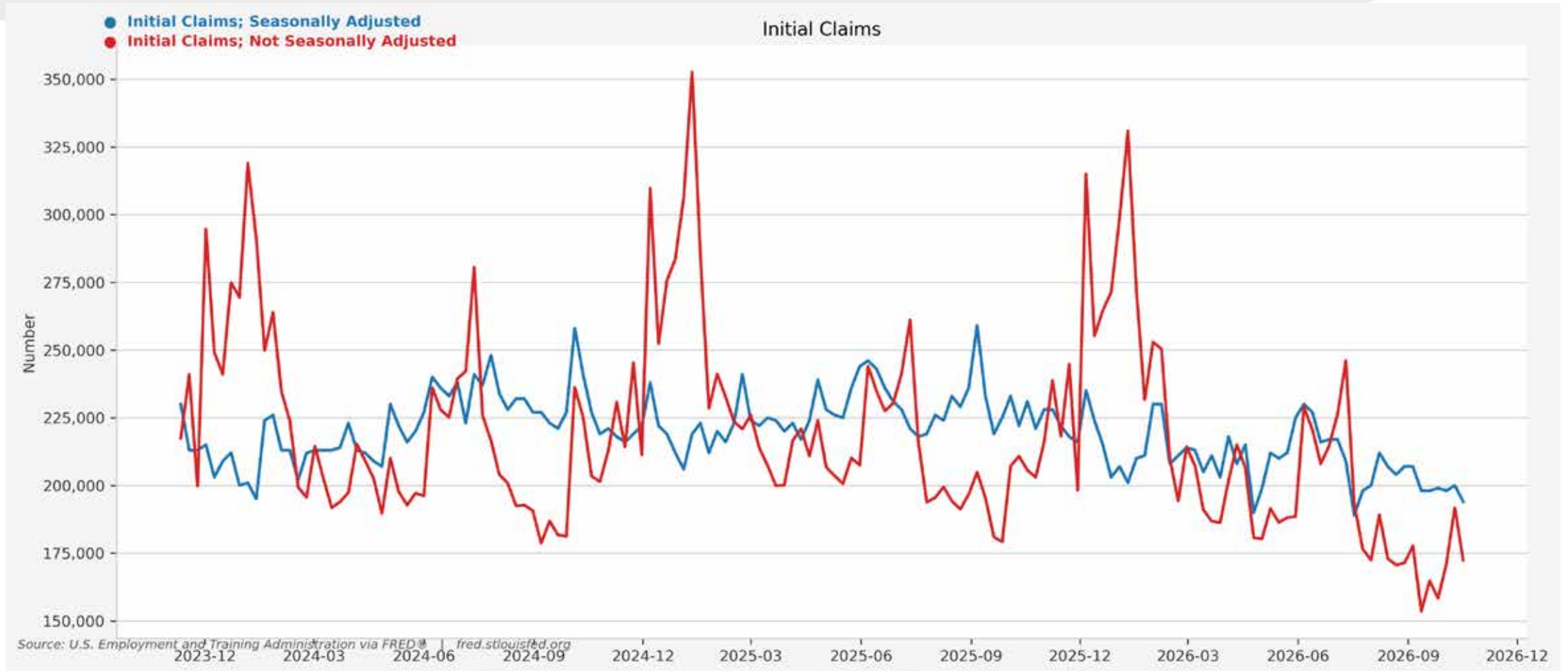


Source: Redfin data, MLS data • Created with [Datawrapper](#)

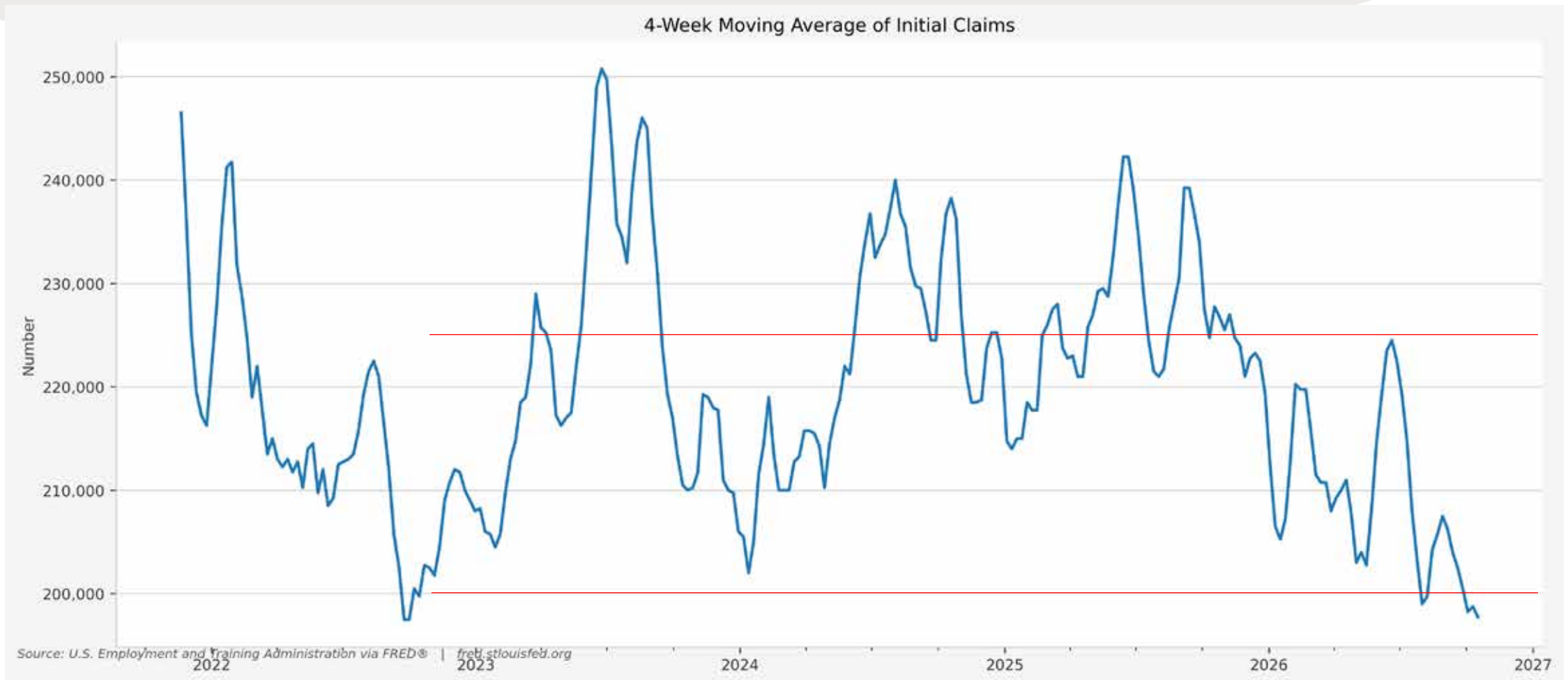
The cumulative effect has been to crush home builders. In September, single-family permits hit their lowest since March 2023, and in October, builder sentiment fell to its lowest since 2012.



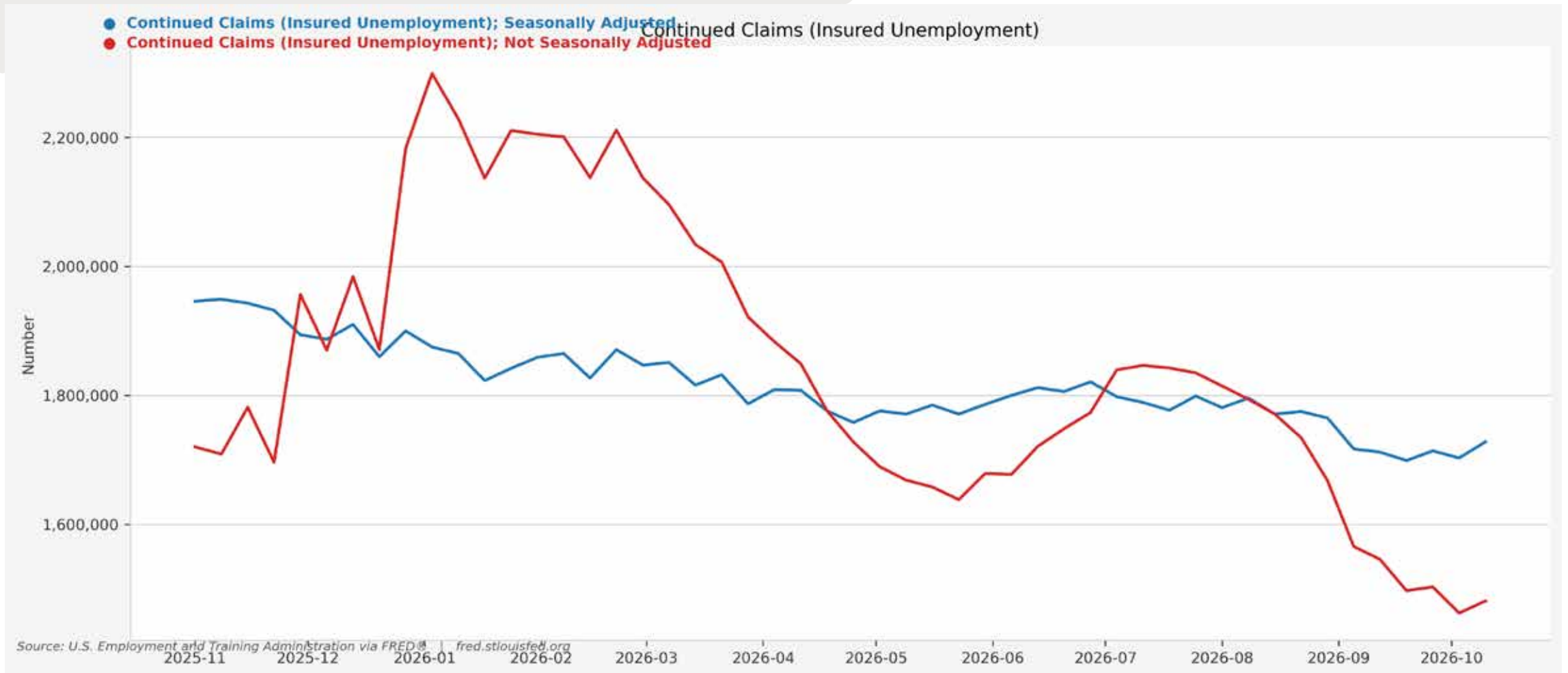
Seasonally adjusted initial jobless claims fell 6,000 to 194,000 (blue line), including prior week revisions, while unadjusted claims declined 19,300 to 172,400 (red line)...



...while the 4-week moving average of seasonally adjusted initial claims fell 1,000 to 197,750, nearing 50-year lows, and the 13-week moving average inched up to 201,700.

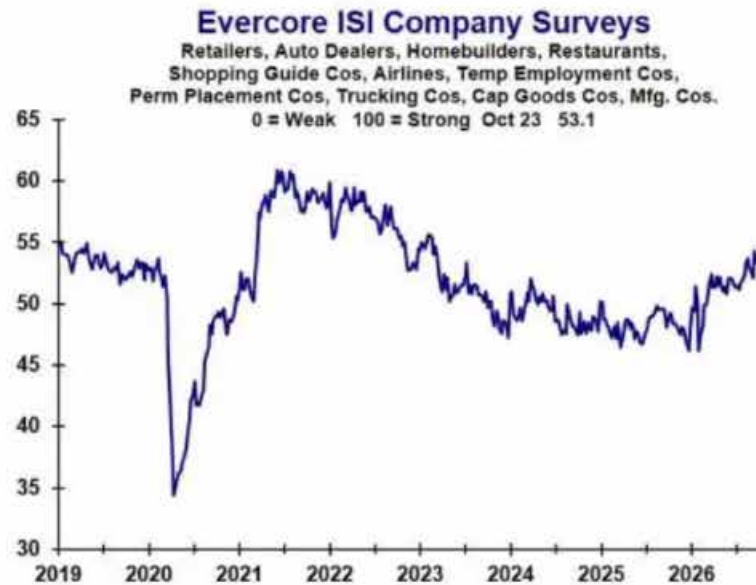


Seasonally adjusted continuing claims rose 25,000 to 1,728,000, the 4-week MA increased 4,000 to 1,711,000, and the 13-week MA dropped 4,700 to 1,749,000. Unadjusted continuing claims were 1,481,300, up 18,800 from the prior week.



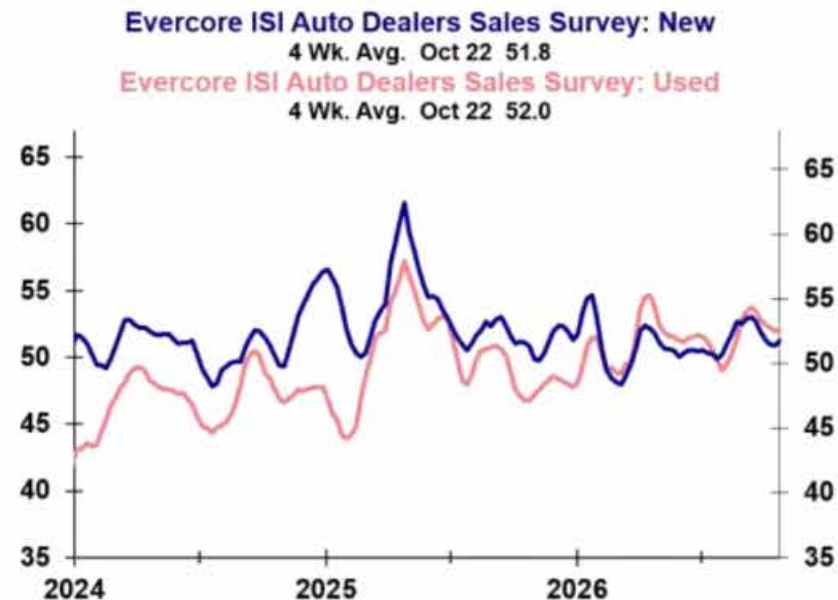
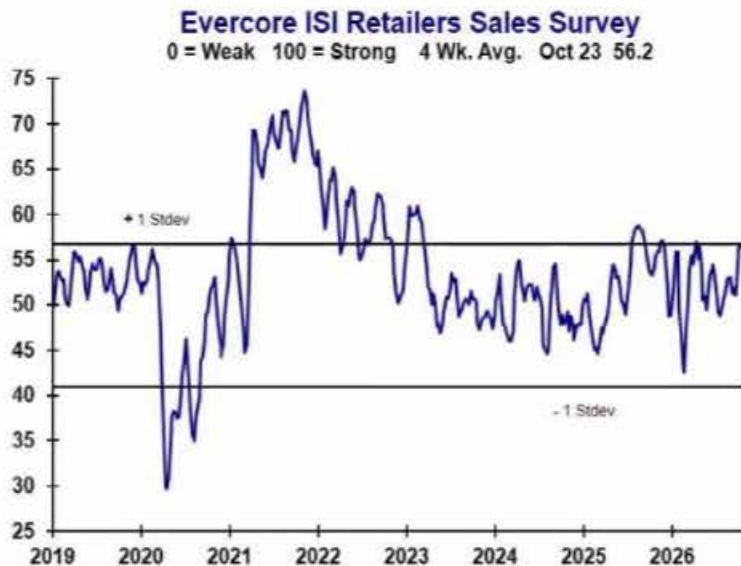
Meanwhile, Evercore's company surveys resumed their upward trend this week...

Company Surveys Move Up After Moderation From Recent High



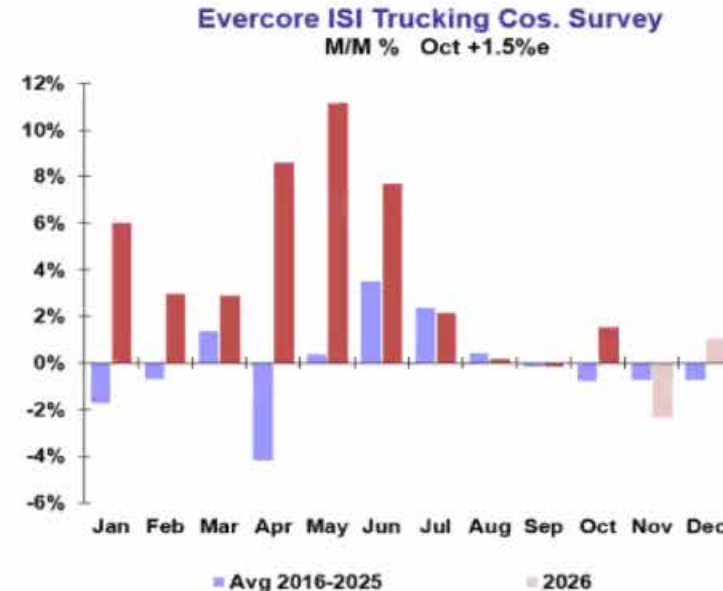
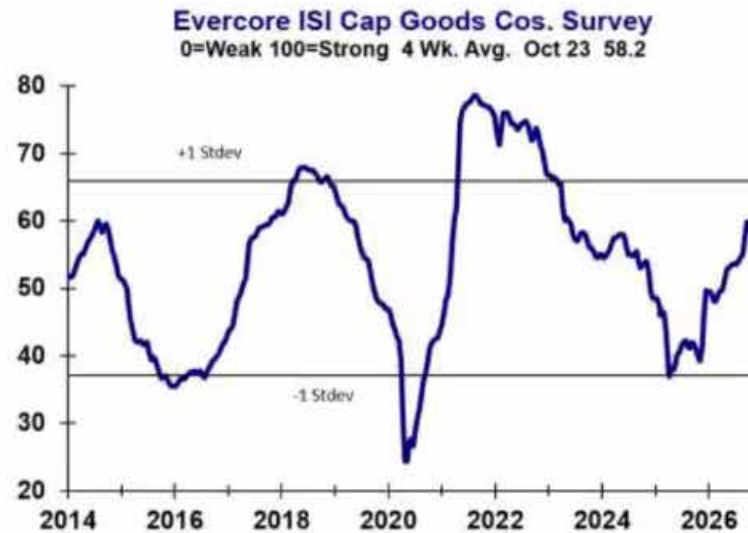
...with continued strength in retail sales but softer autos and home sales given persistently higher interest rates...

Consumer Solid, But Rate Sensitive Areas Softer.

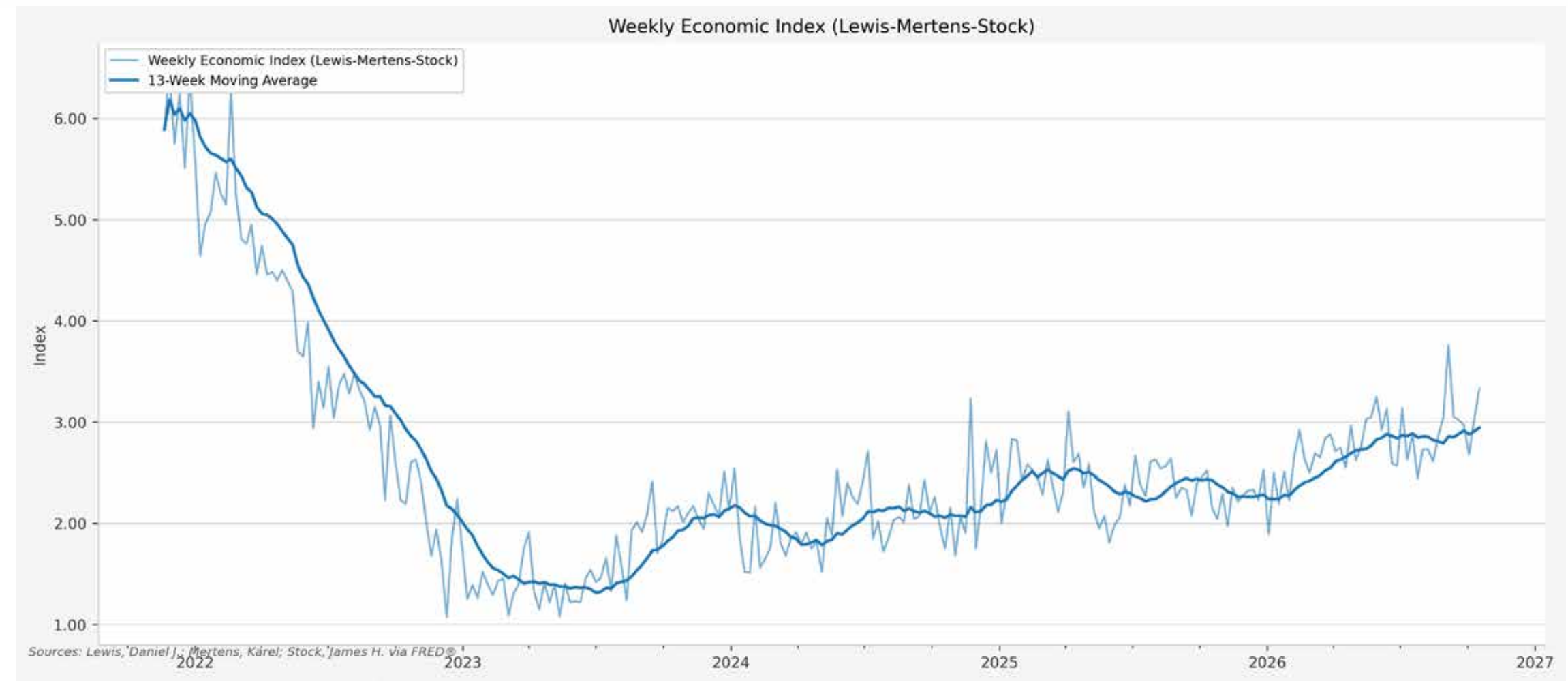


...while capital goods and trucking remain strong, signaling continued health in the underlying manufacturing and industrial economy.

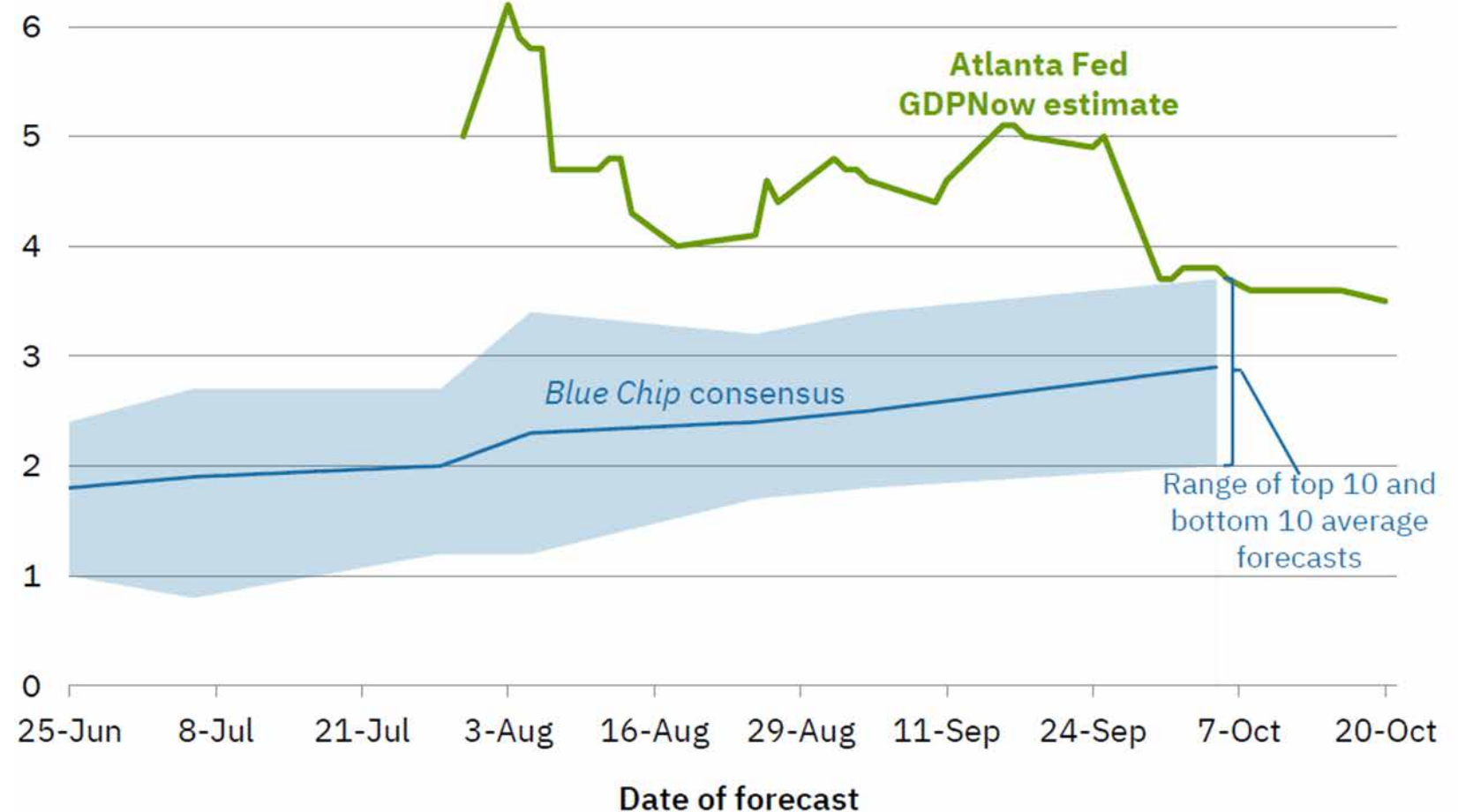
Cap Goods & Trucking Cos. Surveys Remain Strong



The Weekly Economic Index rose 31 bps to 3.33%, and the 13-week moving average gained 3 bps to 2.94% as of October 17...



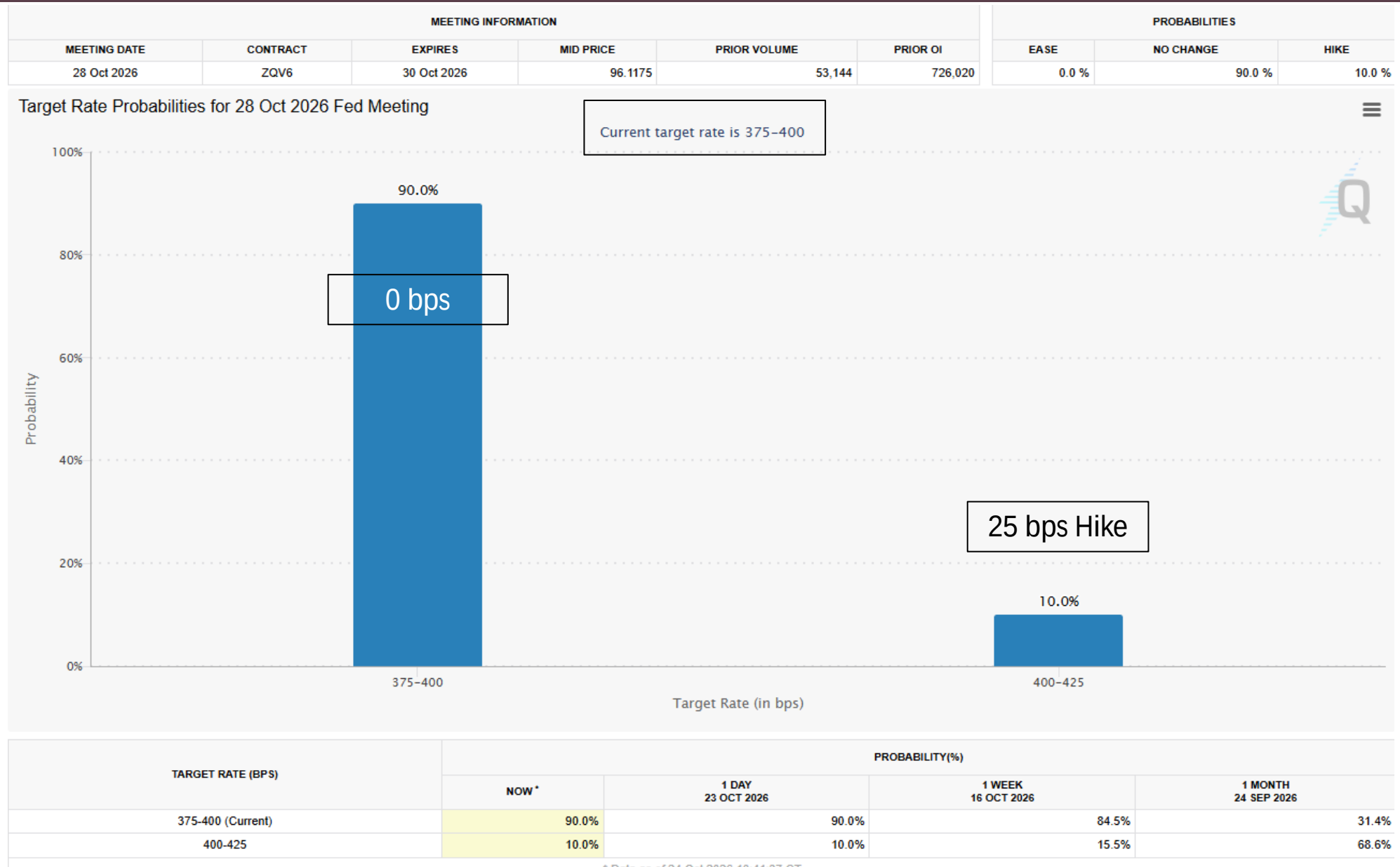
...while the Atlanta Fed's GDPNow estimate of 3Q26 growth slipped 10 bps for the week to 3.5% as of October 20.



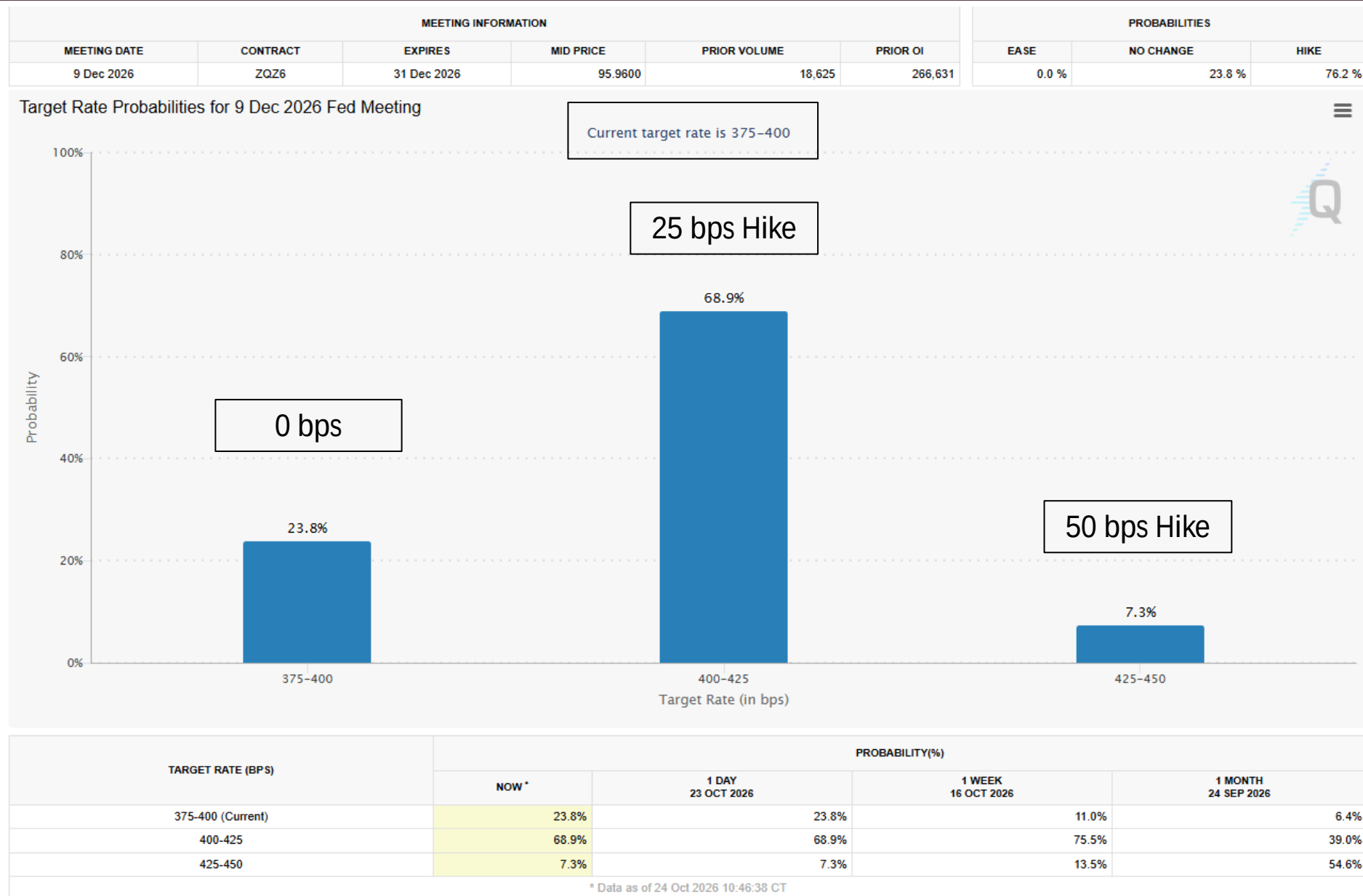
Markets head into next week's Fed meeting expecting no change, with a December hike still the base case. The forward SOFR curve increases from approximately 3.9% today to nearly 4.6% by next September, suggesting 2+ rate hikes in the next 12 months.

Central Bank Policy

Market-based Probability for Rate Adjustments at the October 2026 Fed Meeting



Market-based Probability for Rate Adjustments by the December 2026 Fed Meeting



Fed Funds (dark blue) and SOFR futures continue to point to a higher-for-longer rate environment. One-month term SOFR is currently 3.925%, and the curve rises ~67 bps to 4.60% by next September before settling into a 10-bps range from 4.40%-4.50% for the next five-plus years. These levels have shifted ~10 bps lower since last week.

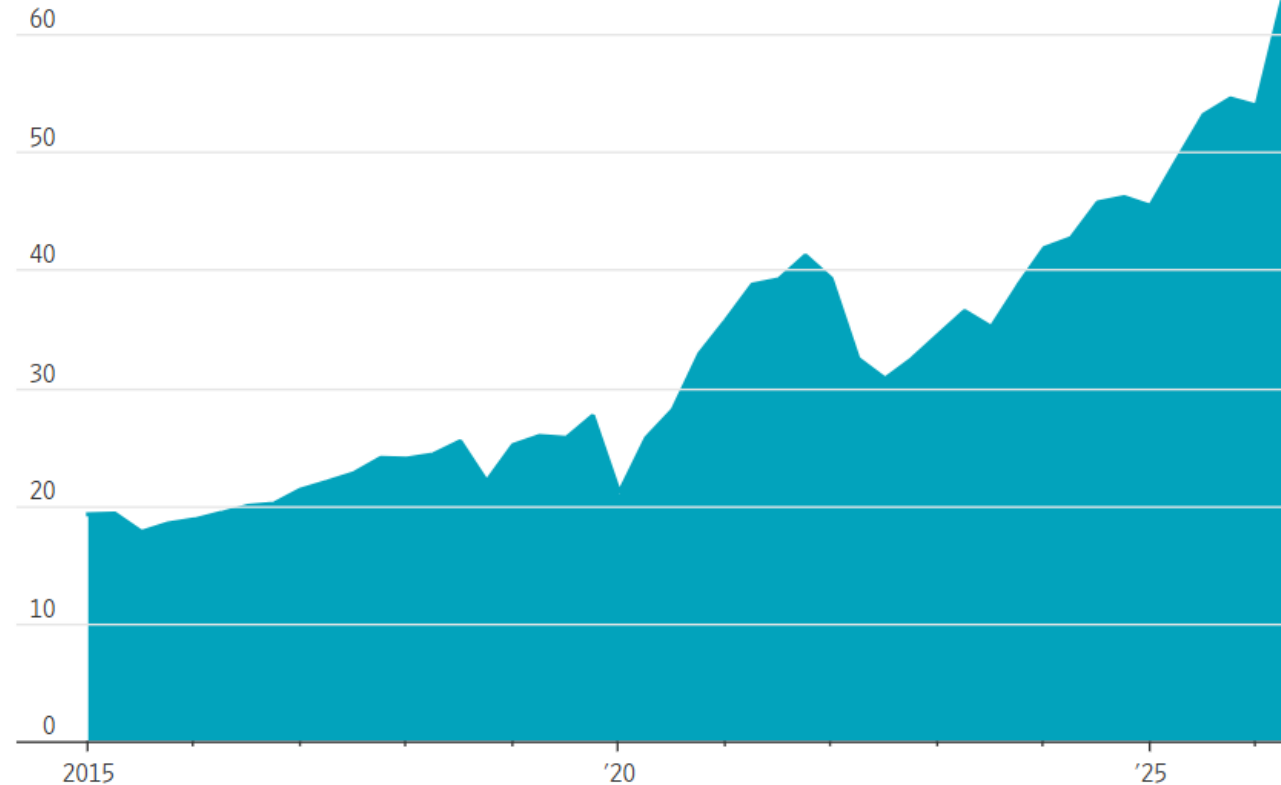


The S&P 500 fell 0.5% for the week, but breadth improved underneath, as only one of eleven sectors saw its median stock decline, with 330 stocks gaining an average of 3.6%. The week's story was the AI trade's funding question, as Meta's capex exceeded its operating cash flow for the first time in a decade and hyperscaler debt issuance reached \$419 billion year to date. Yields fell across the curve, with the 10-year Treasury closing below 5%. The next AI-funding test could be this week's earnings reports from Alphabet, Amazon, Intel, Microsoft, and SanDisk.

U.S. Equity and Fixed-Income Markets

Value of corporate equities and mutual funds owned by U.S. households

\$70 trillion



Source: Federal Reserve

Americans now own over \$60 trillion in stocks and mutual funds, more than 3x higher than a decade ago.

49

S&P 500 Index – One Year Price Chart

The S&P 500 fell 0.5% for the week, putting its YTD return at 11.4%, while its one-year return dipped to 13.1%.



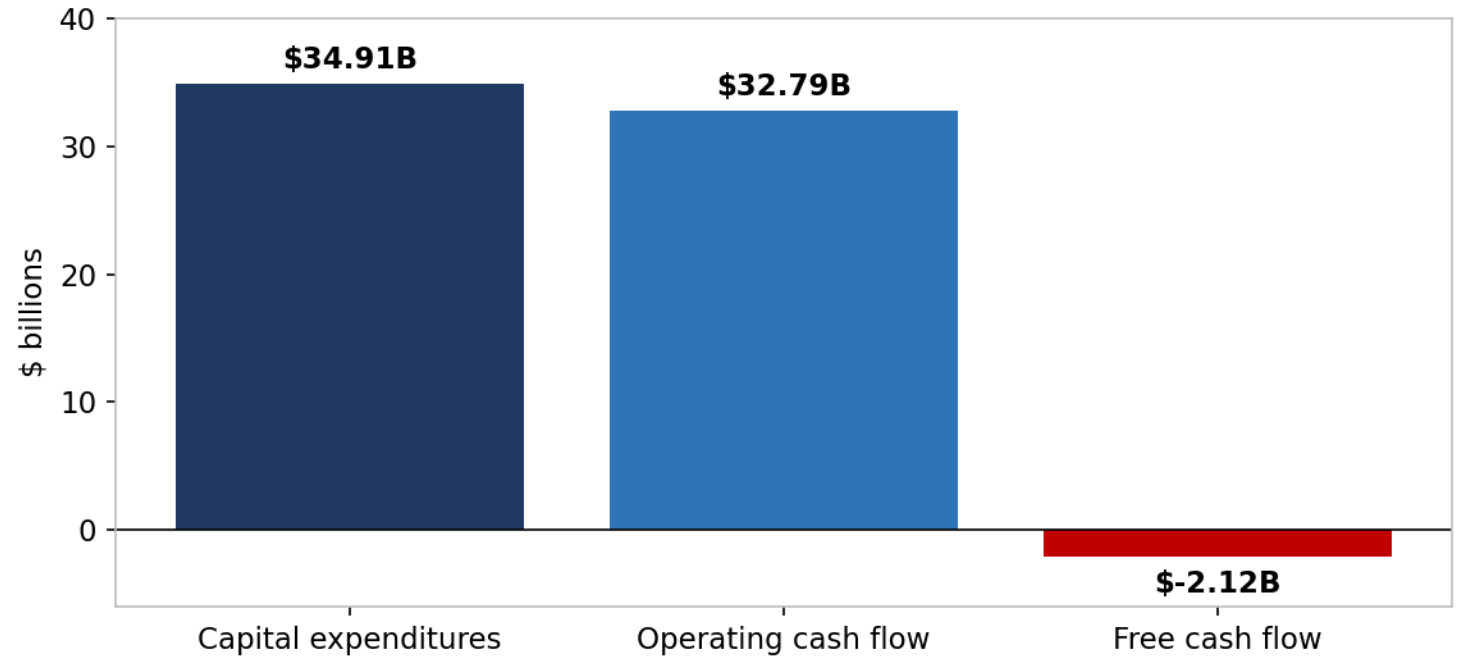
Weekly Performance – S&P 500 Index Components

Despite the decline in the overall index, only one of the 11 sectors experienced a decline in the median stock. 330 stocks were in plus territory, gaining an average of 3.6%, while 170 stocks declined, losing an average of 3.8%.



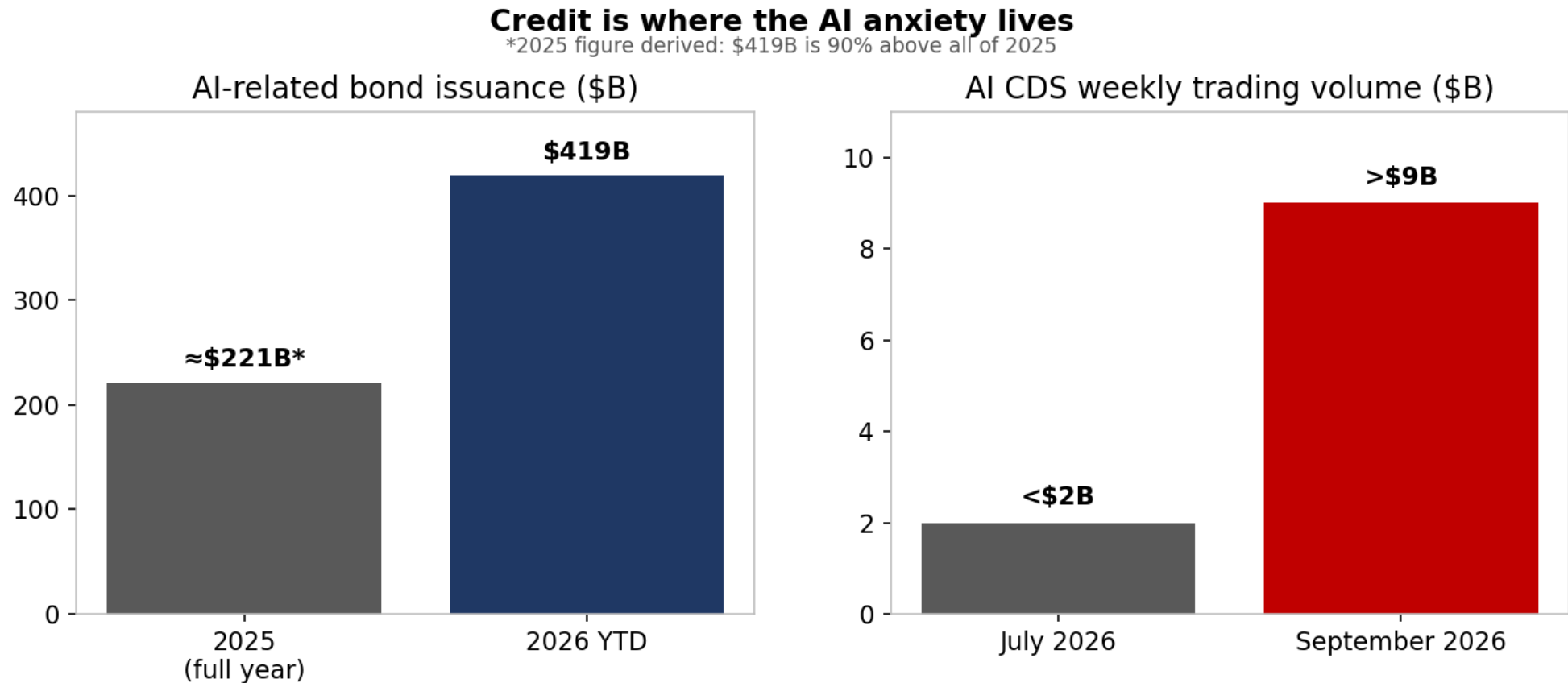
Meta announced its 3Q26 earnings this week, and it was the current AI trade in a microcosm. Meta's Q3 revenue of \$65B was up +26%, but capex of \$35B (+80%) exceeded its \$33B of operating cash flow, resulting in negative free cash flow of \$2B. This was the first time in 10 years that Meta's free cash flow was negative. Meta increased its full-year 2026 capex guide to \$135–145B. The stock promptly fell 7% for the day and 9.4% for the week.

Meta Q3 2026: capex ate the entire cash flow
2026 capex guidance raised to 135–145B(2025 : 72B)



Source: Meta Q3 2026 earnings release; 2025 capex per Bilello, Week in Charts

Meta and the rest of the hyperscalers are financing their capex spending with a combination of cash flow, equity issuance, and debt. It's the debt (\$419B YTD) that has captured the most investor attention, with trading in credit default swaps (CDS) on hyperscaler bonds surging in recent weeks to nearly \$10B.



Source: Bilello, The Week in Charts, Oct 23, 2026

Source: Charlie Bilello, MWC

U.S. Treasury Yield Curve

- The 2- and 5-year Treasury yields ended the week at 4.69% (-5 bps) and 4.82% (-7 bps), respectively, while the 10- and 30-year yields fell to 4.99% (-10 bps) and 5.33% (-10 bps).

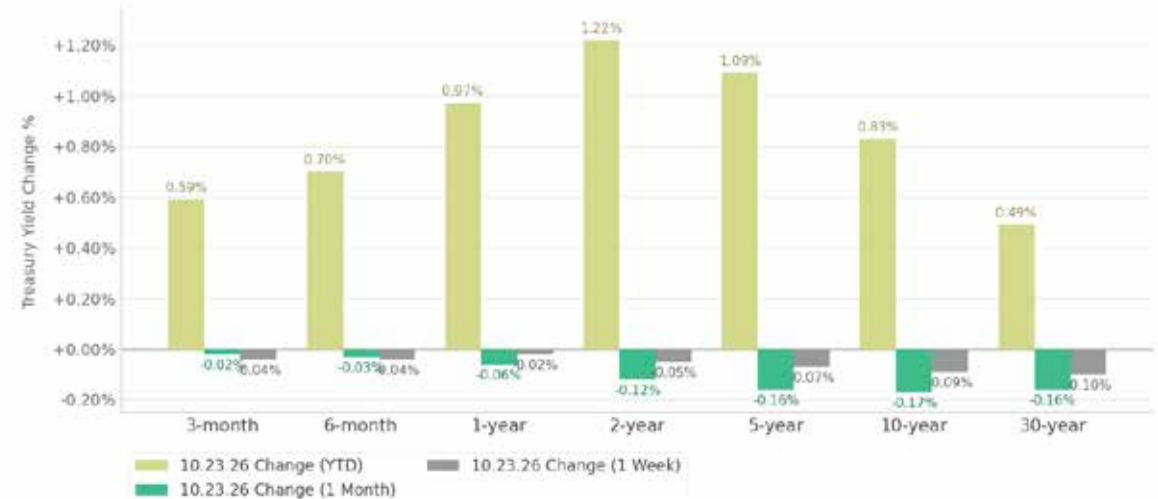
US Treasury Yield Curve

Week ended 10/23/26 | Source: U.S. Treasury, Bloomberg

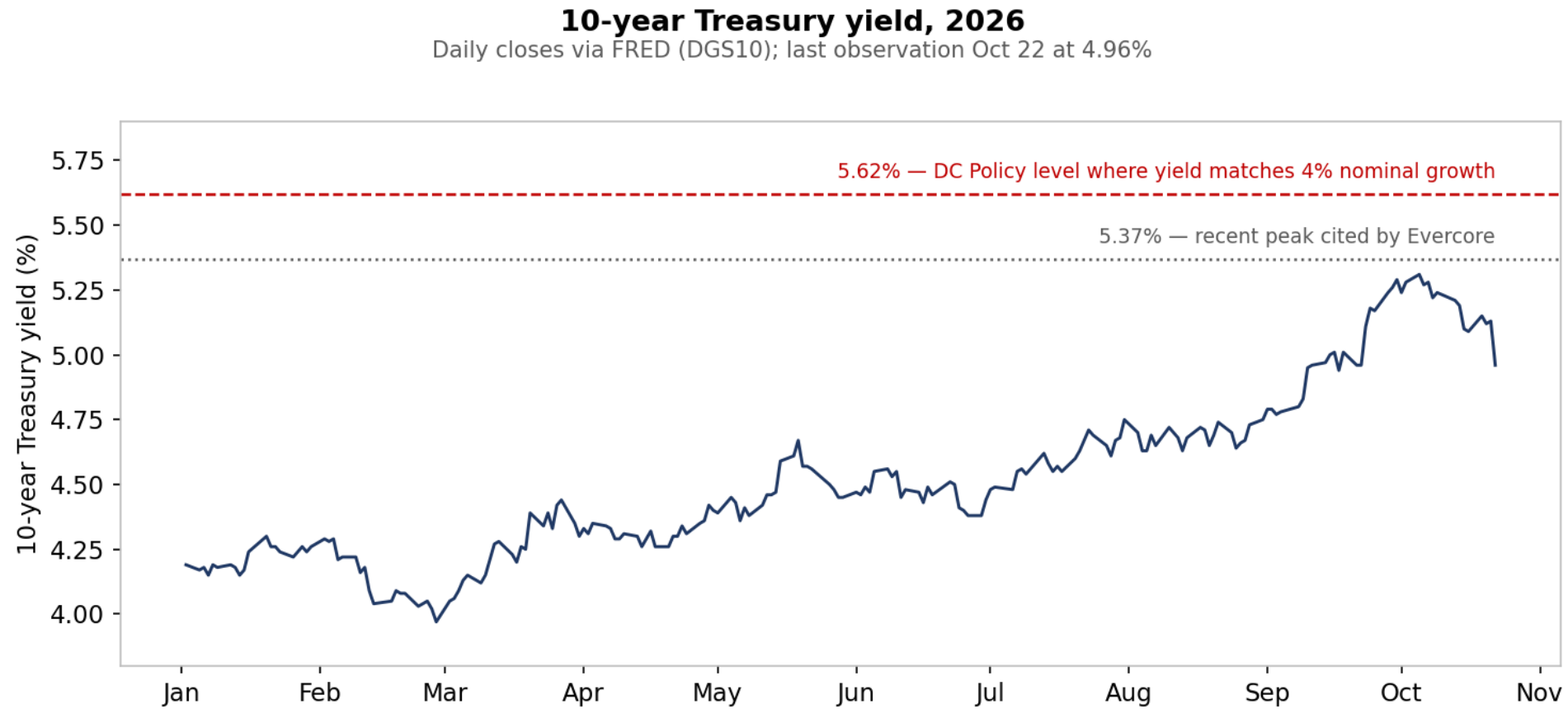


US Treasury Yields — Year-to-Date Change

As of 10/23/26 | Source: U.S. Treasury, Bloomberg



Evercore market strategist Julian Emanuel cites 5.62% on the 10-year Treasury as a potential danger zone for the bull market. Fortunately, with Treasury yields retreating this week, the market currently has a 60+ bps buffer for now. Other strategists have suggested 6% on the 10-year Treasury, a full 100 bps above today's levels.



Source: FRED (DGS10); levels per Evercore ISI Market Strategy, Oct 2026 webinar

Oil kept climbing on Middle East and Russia-Ukraine tensions, with Brent and WTI crude moving higher, while average U.S. retail gasoline prices fell slightly.

Energy and Commodities

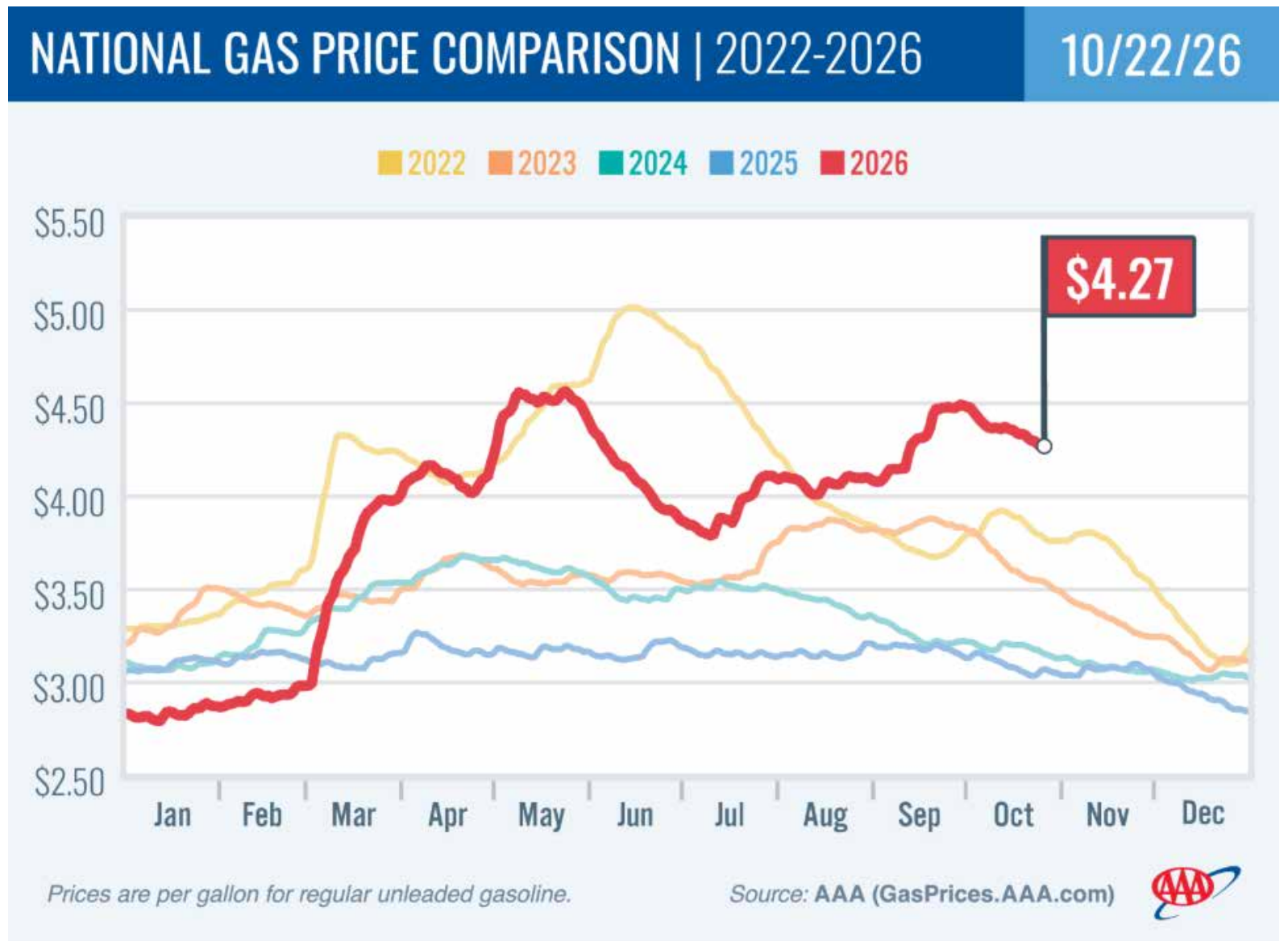
WTI Crude Oil – One Year Price Chart

WTI rose another \$2 this week to \$103.44/barrel as tensions remained high in both the Middle East and Russia-Ukraine. WTI prices are up 80% year-to-date and are 88% above their 52-week low of \$55.



U.S. national gasoline prices continued to stabilize this week, falling 6 cents to \$4.27/gallon as of October 22, \$1.20 above the same time last year, a 40% increase.

Source: AAA.com



Global markets split along the AI fault line this week. Korea's KOSPI is in a bear market, and China's CSI 300 is close. For the week, Canadian markets fell 1%, European and Indian markets fell roughly 2%, while China, Hong Kong, and Japan fell 4%, while South Korea edged higher.

Global Markets and Economic Data

Major Global Equity Markets

Source: S&P Global

Ticker	Entity Name	Last Price (Report...)	Net Chg (Reported)	Chg (%)	1 Week Pct. Change (%)	MTD Pct. Change (%)	3 Month Pct. Change (%)	YTD Pct. Change (%)	52 Week High (Reported)	52 Week Low (Reported)
▲ Americas										
^DJI	Dow Jones Industrial Average Price Return	52,215.16	-652.82	-1.23%	+0.41%	+2.57%	+0.97%	+8.64%	54,744.33	45,057.30
^SPX	S&P 500 Price Return	7,623.68	-39.75	-0.52%	-0.47%	-0.36%	+2.91%	+11.37%	7,844.52	6,316.91
^SPXE	S&P 500 EQUAL WEIGHTED Price Return	8,772.37	-68.90	-0.78%	+1.13%	+4.07%	+2.17%	+12.99%	9,040.51	7,369.40
^MID	S&P 400 Mid Cap Price Return	3,616.59	-20.35	-0.56%	+0.02%	+0.57%	-4.05%	+9.42%	3,928.98	3,107.41
^SML	S&P 600 Small Cap Price Return	1,681.71	-4.82	-0.29%	+1.71%	+1.62%	-4.56%	+14.58%	1,832.20	1,364.94
^COMP	NASDAQ Composite Price Return	25,955.34	-53.52	-0.21%	-0.71%	-3.37%	+3.25%	+11.67%	27,722.75	20,690.25
^RUT	Russell 2000 Price Return	2,775.90	0.00	0.00%	+2.00%	-0.75%	-5.26%	+11.85%	3,068.42	2,305.11
^GSPTSE	S&P TSX Composite Price Return	35,788.18	-185.27	-0.52%	-1.07%	+1.57%	+1.69%	+12.86%	36,957.63	29,777.82
^IBOV	Brazil IBOVESPA Index Price Return	205,082.56	+962.44	+0.47%	-0.17%	+10.06%	+16.05%	+27.28%	209,066.90	146,969.10
▲ Europe										
^SX5E	EURO STOXX 50 Price Return	6,068.22	-18.79	-0.31%	-2.19%	-3.20%	-2.29%	+4.78%	6,551.22	5,501.28
^PX1	CAC 40 Price Return	7,782.82	-28.44	-0.36%	-2.19%	-2.28%	-7.04%	-4.50%	8,726.03	7,665.62
^DAXK	Germany DAX Index (Kursindex) Price Return	9,191.34	-69.39	-0.75%	-1.72%	-0.07%	+0.33%	+0.18%	9,698.09	8,329.21
^UKX	FTSE 100 (GBP) Price Return	10,690.36	-34.67	-0.32%	-1.76%	+0.80%	-0.43%	+7.64%	10,989.50	9,423.90
^I	IBEX 35 Price Return	18,989.80	+76.30	+0.40%	-1.74%	-2.25%	-1.44%	+9.72%	20,213.60	15,821.90
▲ Asia										
^MXCN	MSCI China Index Price Return	66.65	0.00	0.00%	-4.52%	-6.76%	-8.15%	-19.29%	88.81	65.91
^000001	China Shanghai SE Composite Price Return	3,690.48	+32.45	+0.89%	-0.69%	-3.95%	-3.24%	-7.01%	4,242.57	3,574.27
^HSCEI	Hang Seng China Enterprises Index Price Return	7,756.25	+67.06	+0.87%	-4.58%	-5.64%	-6.22%	-12.98%	9,645.90	7,404.47
^HSI	Hang Seng Index Price Return	23,093.37	+158.69	+0.69%	-4.52%	-6.18%	-7.49%	-9.90%	28,056.10	22,518.00
^N225	Nikkei 225 Stock Average Price Return	62,693.16	-214.68	-0.34%	-4.03%	-6.08%	-2.97%	+24.54%	72,366.34	48,537.70
^KS200	KOSPI 200 Index Price Return	862.77	+4.75	+0.55%	+0.24%	-20.25%	-20.13%	+42.38%	1,477.22	540.36
^NIFTY50	Nifty 50 Index Price Return	22,600.00	-87.65	-0.39%	-2.36%	-0.09%	-4.91%	-13.51%	26,373.20	22,179.90

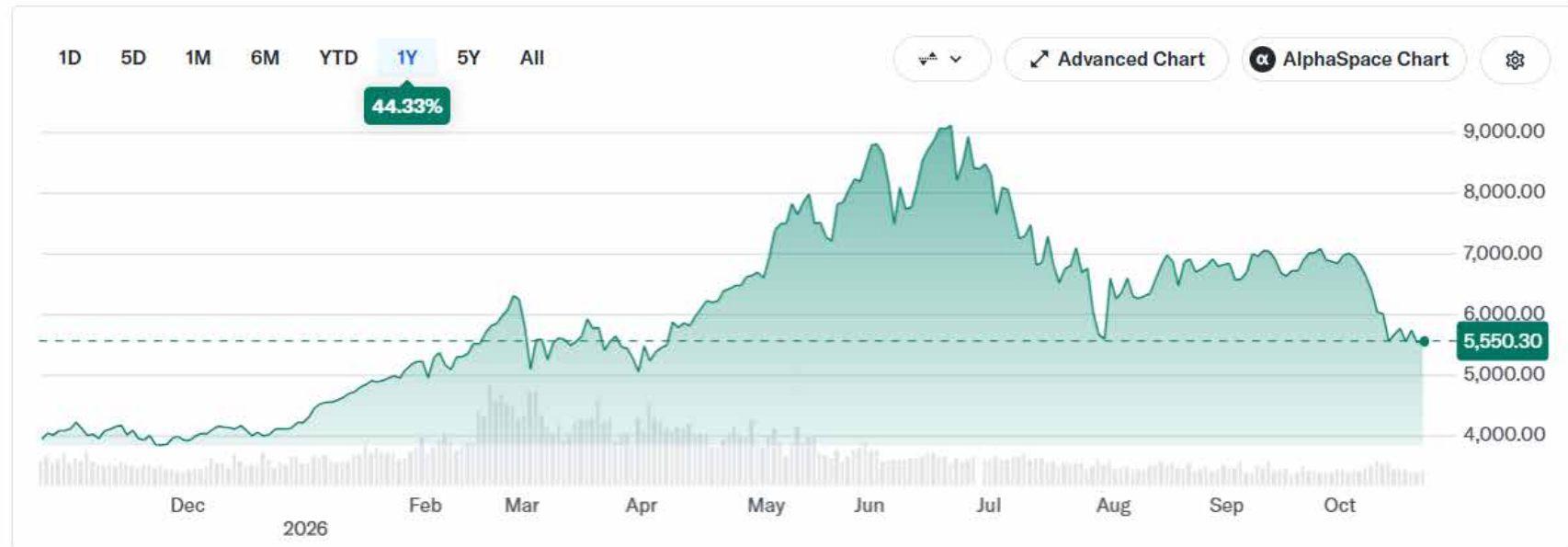
Korea's KOSPI Index remains in a bear market, down 40% from June's peak and ~20% in the last month. As we've discussed before, it is highly concentrated in semiconductor stocks.

KOSPI Composite Index (^KS11) ☆

5,550.30 +16.53 (+0.30%)

At close: October 23 at 8:05:40 PM GMT+9

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Previous Close	5,533.77	Volume	249,517	52 Week Range	3,833.35 - 9,385.59
Open	5,403.17	Day's Range	5,305.98 - 5,550.30	Avg. Volume	308,618

Due to a sluggish domestic economy, China's CSI 300 has also fallen nearly 20% from its June peak, just above the technical "bear-market" line. Evercore's China team is calling for a 10% rebound over the next 90 days as the tape and the house call are pointing in opposite directions.





Weekly Recap

- Hotels: Hotel REITs extended their YTD gains to 46%, while national RevPAR rose more than 5% for the week and nearly 10% over four weeks. Strong operating fundamentals continue to distinguish lodging from other real estate sectors.
- Economy: Housing remains under pressure from 7.4% mortgage rates, but jobless claims near historic lows, resilient consumer spending, and strong corporate travel demand suggest the broader economy can sustain higher interest rates.
- Markets: The AI trade is facing a reality check. Meta fell 9% as surging capex eclipsed operating cash flow, even as broader market breadth improved and Treasury yields declined.
- Capital Markets: Hyperscaler borrowing has reached \$419 billion YTD, raising questions about financing costs and returns on AI investment. Investors are increasingly focused on cash generation rather than growth expectations alone.

As investors scrutinize the cost of tomorrow's growth, hotels are delivering operating results today. In a higher-cost-of-capital environment, execution and cash flow matter more than ever.

Random Charts

How common is your birthday?

Most common birthdays

- 1

Sep 9
- 6

Dec 28
- 2

Sep 20
- 7

Sep 12
- 3

Sep 19
- 8

Sep 10
- 4

Sep 14
- 9

Sep 18
- 5

Jul 7
- 10

Sep 21

Rarest birthdays

- 366

Feb 29
- 361

Jan 2
- 365

Dec 25
- 360

Dec 26
- 364

Jan 1
- 359

Nov 26
- 363

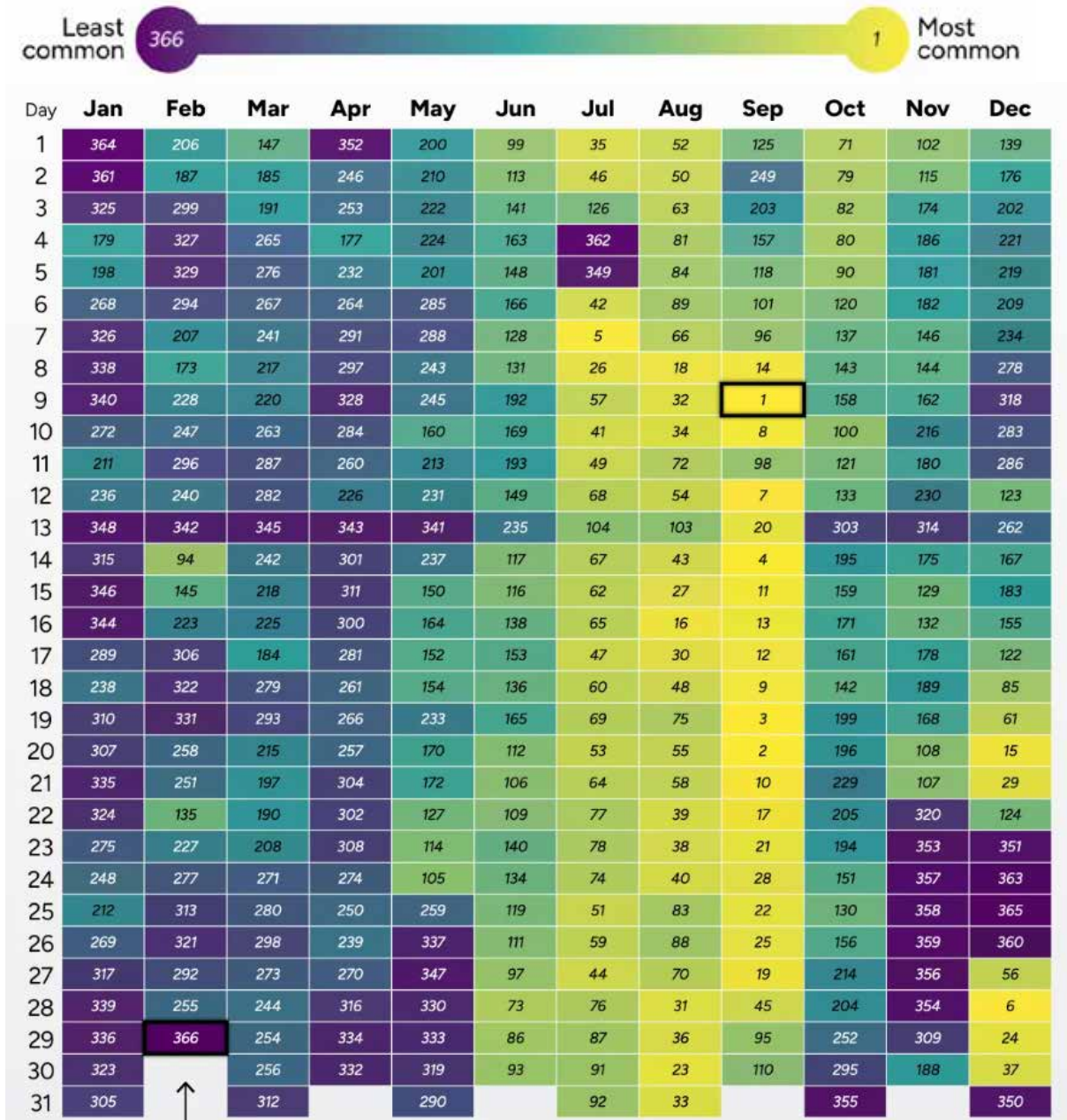
Dec 24
- 358

Nov 25
- 362

Jul 4
- 357

Nov 24

From 1989-2024,
February 29 occurred
only 9 times.

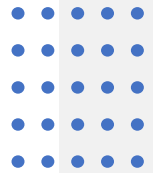


Source: NCHS via RareBirthday. Dates ranked by total births among 142.6 million U.S. births recorded between 1989–2024 (1 = most common; 366 = least common).

Next week's calendar is heavy, with Hilton and Hyatt reporting 3Q results, the Fed's October meeting and policy announcement, September PCE inflation, 3Q GDP, the Employment Cost Index, and weekly jobless claims.

Economic Calendar

This Week's Major U.S. Economic Reports				
Time (ET)	Report	Period	Median Forecast	Previous
Monday, Oct. 26				
	No events scheduled			
Tuesday, Oct. 27				
8:30 AM	Durable Goods	Sep	1.2%	0.0%
9:00 AM	S&P Cotality Case-Shiller Home Px Index	Aug.	-	0.0%
10:00 AM	New Home Sales	Sep	655K	684K
10:00 AM	Conference Bd - Consumer Confidence	Oct.	81.2	81.9
TBA	U.S. Federal Open Market Committee meeting	-	-	-
Wednesday, Oct. 28				
8:30 AM	Advance U.S. Trade Balance in Goods	Sep	-	-132.6B
8:30 AM	Wholesale Inventories	Sep	-	0.7%
8:30 AM	Retail Inventories	Sep	-	0.3%
2:00 PM	U.S. interest rate decision	-	-	3.75%-4%
Thursday, Oct. 29				
8:30 AM	Advance estimate GDP	3Q	3.2%	2.2%
8:30 AM	Weekly Jobless Claims	Oct. 24	200K	194K
8:30 AM	Personal Income, M/M%	Sep	0.3%	0.2%
8:30 AM	Consumer Spending, M/M%	Sep	0.6%	0.9%
8:30 AM	PCE Price Idx, M/M%	Sep	0.5%	0.3%
8:30 AM	PCE Price Idx, Y/Y%	Sep	3.7%	3.4%
8:30 AM	PCE Core Price Idx, M/M%	Sep	0.3%	0.2%
8:30 AM	PCE Core Price Idx, Y/Y%	Sep	3.1%	3.0%
Friday, Oct. 30				
8:30 AM	Employment Cost Index	3Q	0.8%	0.9%



Charts of the Week

Thanks for reading! Please send me any feedback, other charts you like, your favorite sources for economics and investment ideas, book recommendations, etc. Have a great week!

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