Charts of the Week

The Contest

November 1, 2026

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This week’s contest tested investors’ patience with the AI trade, as Alphabet, Amazon and Intel sold off while a majority of S&P 500 stocks advanced. The index slipped 0.6%, and Nasdaq fell 2.0%, but hotel REITs rose again. National RevPAR rose 12.6% for the week, while hotel companies raised guidance. The economy grew 3.4% annualized in Q3, and inflation kept the Fed on high alert despite the FOMC holding rates steady this week.

TL;DR: Weekly Recap

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Hotel REITs gained 2.7% for the week and extended their YTD return to 50%, nearly double the next-best subsector, Data Centers. The broader RMZ gained 1.2%. Public real estate has recovered from its early-October lows despite a 10-year Treasury yield still near 5%, with hotel demand and earnings providing support for the sector.

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	18.52	0.48	2.66%	6.67	56.29%
Ashford Hospitality Trust, Inc.	AHT	2.57	-0.25	-8.87%	-1.69	-39.67%
Blackstone Inc.	BX	118.51	0.54	0.46%	-35.63	-23.12%
Braemar Hotels & Resorts Inc.	BHR	1.30	-0.11	-7.80%	-1.57	-54.70%
CBRE Group, Inc.	CBRE	128.85	5.55	4.50%	-31.94	-19.86%
DiamondRock Hospitality Company	DRH	14.25	0.49	3.56%	5.29	59.04%
Hilton Worldwide Holdings Inc.	HLT	356.92	7.29	2.09%	69.67	24.25%
Host Hotels & Resorts, Inc.	HST	25.30	0.58	2.35%	7.57	42.70%
Hyatt Hotels Corporation	H	180.57	7.99	4.63%	20.25	12.63%
Marriott International, Inc.	MAR	399.30	8.59	2.20%	89.06	28.71%
Park Hotels & Resorts Inc.	PK	16.60	0.25	1.53%	6.14	58.70%
Pebblebrook Hotel Trust	PEB	21.54	1.15	5.64%	10.22	90.28%
RLJ Lodging Trust	RLJ	12.61	0.55	4.56%	5.16	69.26%
Starwood Property Trust, Inc.	STWD	12.20	-0.38	-3.02%	-5.81	-32.26%
Summit Hotel Properties, Inc.	INN	7.12	0.22	3.19%	2.25	46.20%
Sunstone Hotel Investors, Inc.	SHO	12.79	0.28	2.24%	3.85	43.06%
Vanguard Real Estate ETF	VNQ	93.94	1.25	1.35%	5.45	6.16%
Xenia Hotels & Resorts, Inc.	XHR	20.45	0.94	4.82%	6.31	44.63%
S&P 500 Price Return	^GSPC	7,580	-44	-0.57%	735	10.73%
NASDAQ Composite Price Return	^IXIC	25,437	-518	-2.00%	2,195	9.44%
Dow Jones Industrial Average Price Return	^DJI	51,770	-445	-0.85%	3,707	7.71%
SOFR	SOFR	3.94%	0.02%		0.07%	
10y US T-Note	^TNX	4.93%	-0.06%		0.77%	
Bitcoin	BTC-USD	76,755	-4,557	-5.60%	-10,882	-12.42%

Source: Yahoo Finance

REIT Weekly Update:

The RMZ REIT index gained 1.2% for the week, outperforming the broader market by 180 bps (and 40 bps ahead of the equal-weight index performance), as the S&P 500 fell 0.6%. Hotels were the 3rd strongest REIT subsector for the week, gaining 2.7%...

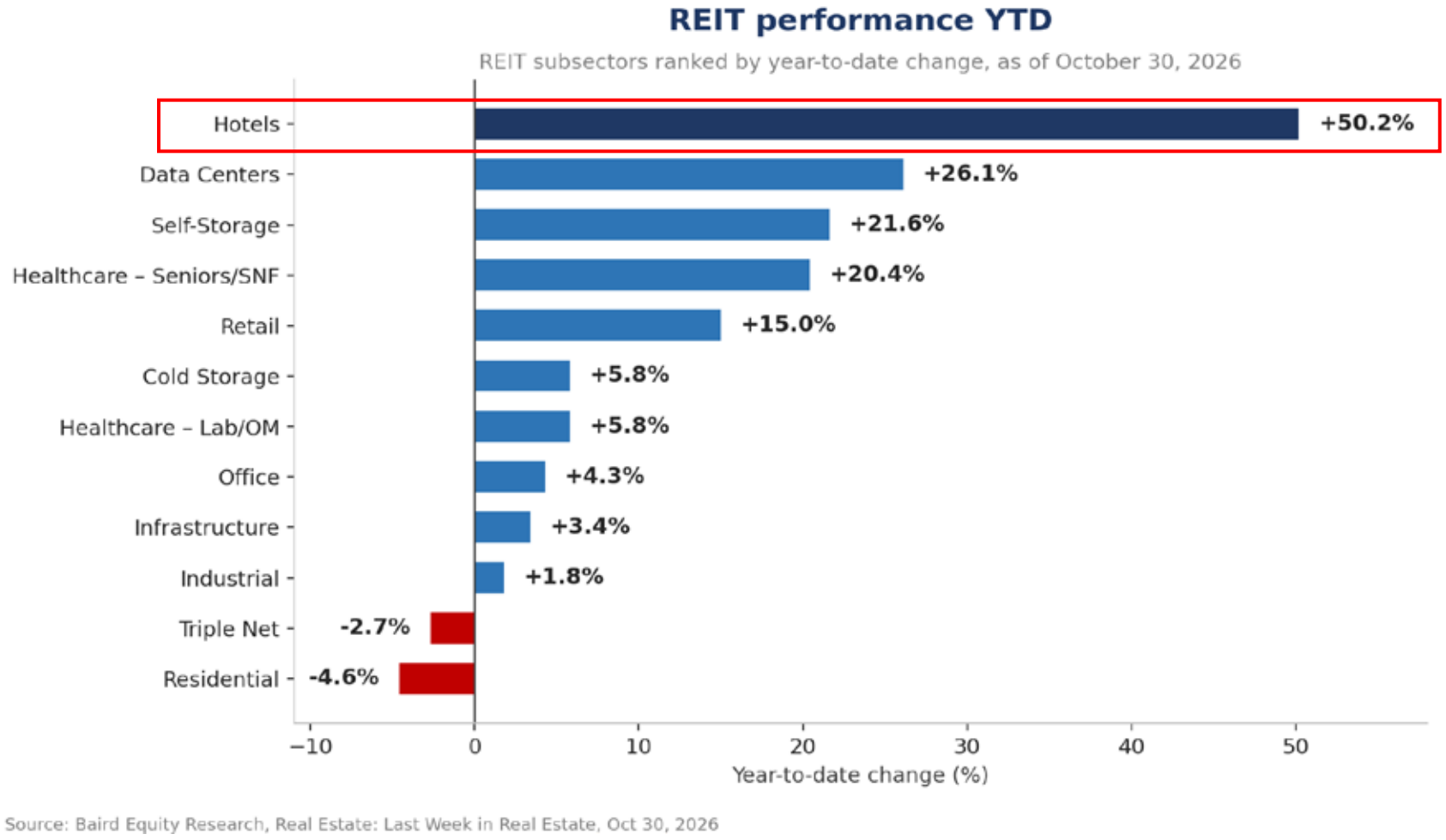
REIT Sub-Sector	1-Week Change	1-Month Change	YTD Change	FFO/Share Change*	AFFO ('27) Multiple
Cold Storage	1.0%	4.6%	5.8%	-0.3%	11.8x
Data Centers	5.6%	1.3%	26.1%	5.0%	21.6x
Healthcare - Lab/OM	-1.5%	-5.6%	5.8%	-1.3%	12.2x
Healthcare - Seniors/SNF	-1.0%	1.5%	20.4%	3.4%	31.0x
Hotels	2.7%	12.8%	50.2%	0.9%	14.0x
Industrial	0.8%	-0.9%	1.8%	1.0%	22.6x
Infrastructure	0.6%	19.3%	3.4%	0.9%	16.3x
Office	0.0%	4.1%	4.3%	0.7%	17.0x
Residential	-2.6%	1.7%	-4.6%	0.2%	17.0x
Retail	2.4%	6.8%	15.0%	0.5%	17.5x
Self-Storage	5.1%	14.8%	21.6%	1.0%	19.3x
Triple Net	0.8%	3.8%	-2.7%	0.4%	11.6x
RMZ	**1.2%**	**3.1%**	**10.7%**		
S&P 500	**-0.6%**	**-0.9%**	**10.7%**		
S&P 500 (equal-weight)	**0.8%**	**4.9%**	**14.0%**		
10-Year Treasury	**-7 bps**	**-35 bps**	**+76 bps**		
2-10 Spread	**+2 bps**	**-7 bps**	**-36 bps**		

**Reflects consensus NTM estimates today vs. one month ago*

Source: Baird Research and FactSet

Source: Baird Research

...and expanding Hotels' YTD lead among all REIT subsectors with a gain of 50.2% (vs +10.7% for both the S&P 500 and the RMZ YTD), nearly double the YTD gain of second place Data Centers.



Source: Baird Research

Vanguard VNQ Real Estate ETF – One Year Price Chart

While mega cap technology and AI-related stocks have churned, the overall publicly traded real estate sector has rebounded from late September/early October lows despite ~5% 10-year Treasury yields.



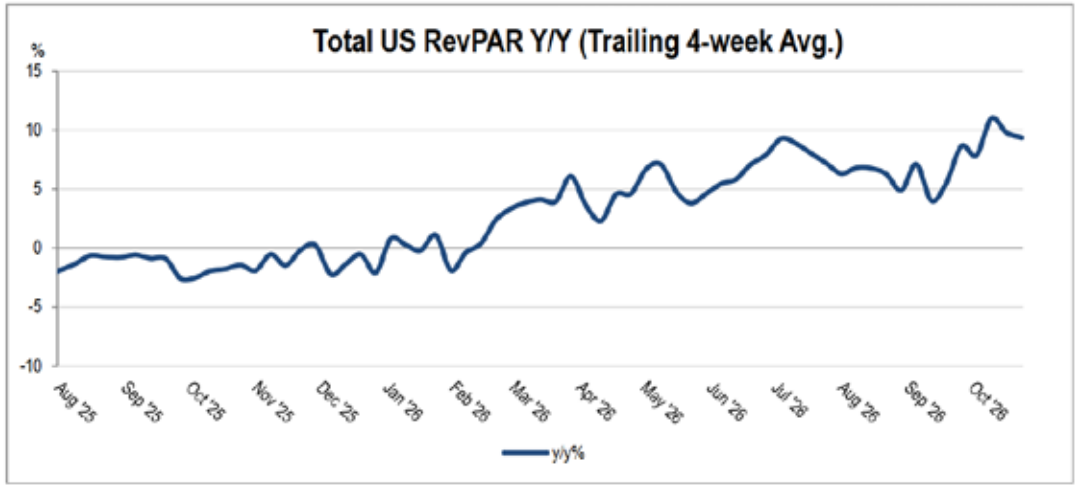
Source: Yahoo Finance

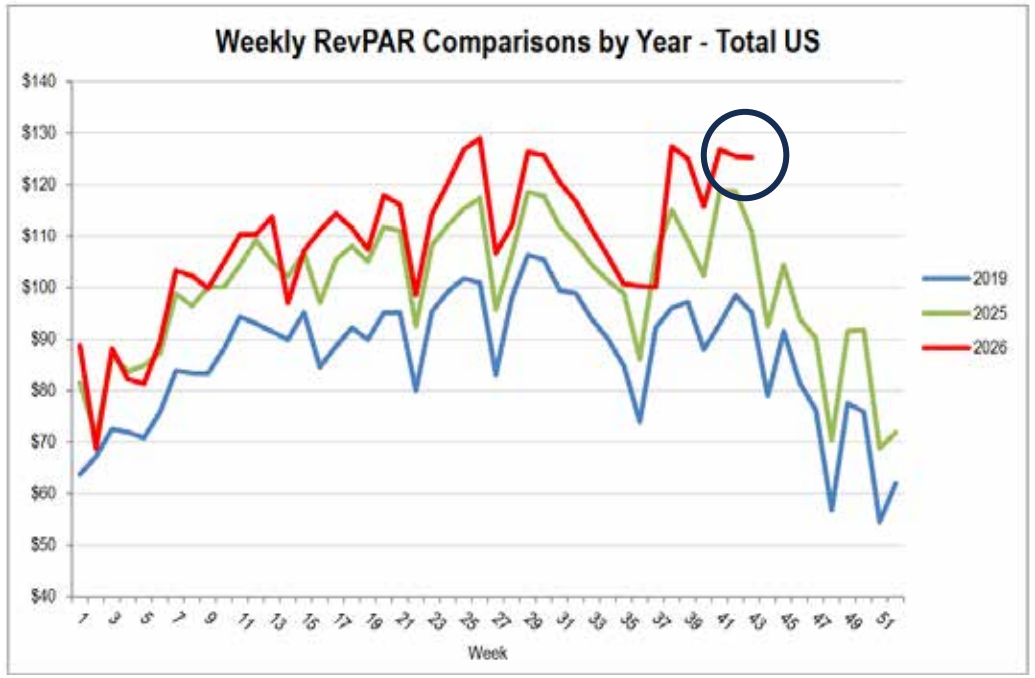
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U.S. RevPAR rose 12.6% for the week ended October 24, led by Luxury at 15.2%, while Austin's 66.3% gain topped the major markets. Four-week national growth remained strong at 9.3%, with weekdays outperforming weekends. Hilton, Hyatt and Pebblebrook raised full-year RevPAR guidance, reinforcing the demand picture. Airline reports also point to strong corporate travel.

Lodging and Travel

U.S. RevPAR Trends





Wk Ended	10/24/2026	Y/Y%	vs. 2019
Total US		**13%**	**32%**
By Chain Scale:			
Luxury		15%	28%
Upper Upscale		10%	21%
Upscale		11%	24%
Upper Midscale		12%	30%
Midscale		12%	27%
Economy		9%	12%
By Location:			
Urban		16%	26%
Suburban		12%	21%
Airport		15%	15%
Interstate		12%	39%
Resort		9%	50%
Small Metro / Town		10%	43%

Source: Evercore, CoStar

BofA Global Research:

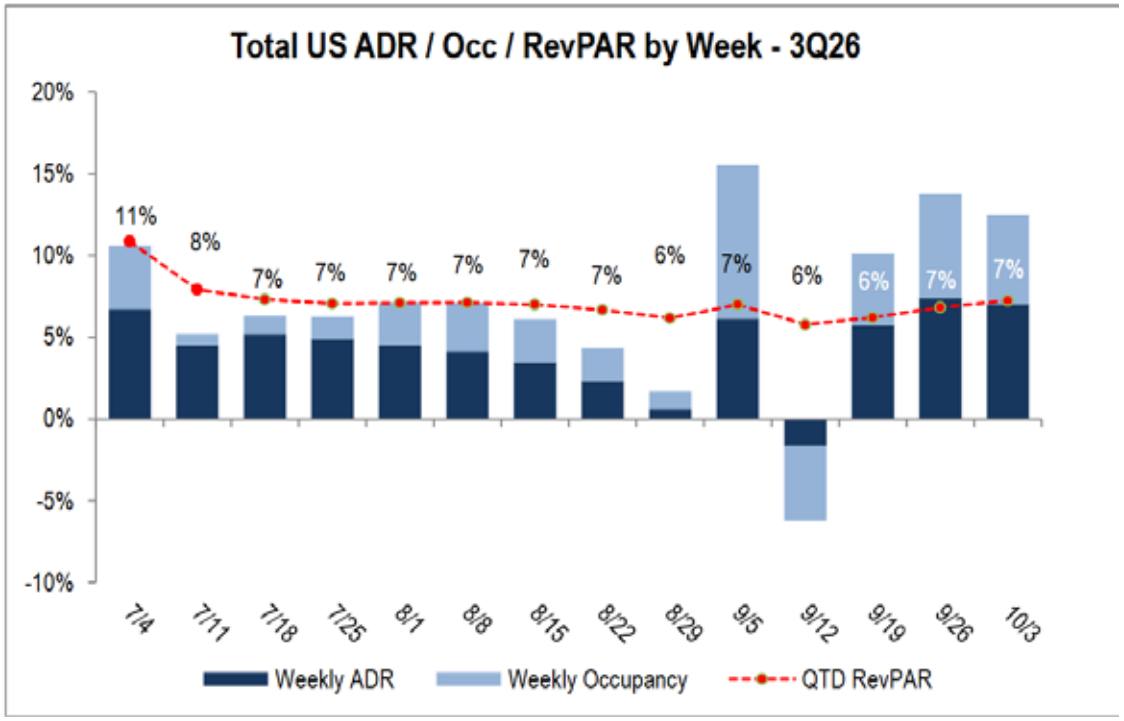
Monthly and Weekly Hotel Data Heatmap

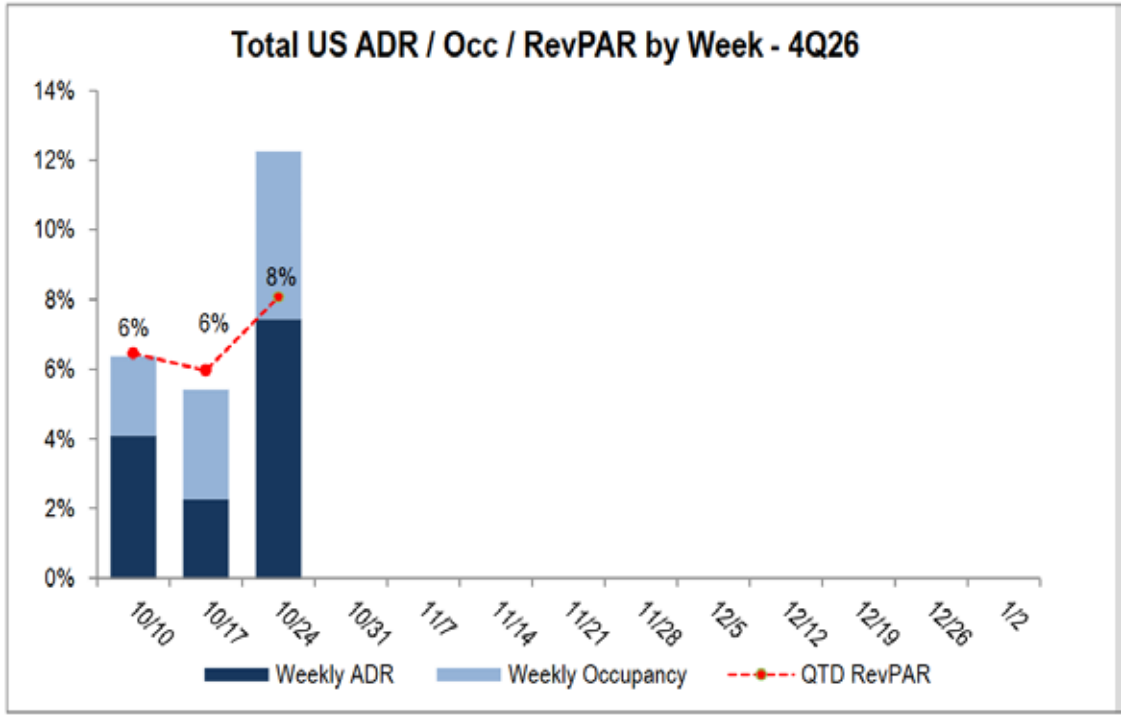
Exhibit 1: Monthly/Weekly data by chain scale, region and major markets across the country
Monthly and Weekly RevPAR Y/Y

	Monthly							Week ended	
	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26TD	10/17	10/24
US - Overall									
RevPAR	4%	4%	8%	8%	2%	11%	10%	5%	13%
Occ	2%	1%	2%	2%	0%	5%	4%	3%	5%
ADR	3%	3%	7%	6%	2%	5%	6%	2%	7%
International									
Europe	4%	5%	3%	5%	4%	6%	6%	4%	9%
APEC	-2%	4%	0%	5%	3%	6%	6%	11%	7%
China	12%	6%	5%	3%	6%	8%	7%	6%	8%
Caribbean	8%	-1%	-4%	-1%	4%	10%	-1%	-1%	3%
US - Day of Week									
Weekdays	5%	4%	9%	8%	5%	11%	10%	6%	13%
Weekends	2%	4%	8%	6%	1%	11%	7%	6%	12%
US - Chainscales									
Luxury	8%	8%	15%	18%	4%	13%	10%	1%	15%
Upper Up	3%	4%	9%	9%	4%	10%	9%	3%	10%
Upscale	4%	2%	8%	8%	3%	10%	9%	5%	11%
Upper Mid	5%	3%	7%	6%	2%	10%	9%	7%	12%
Midscale	4%	1%	5%	5%	1%	10%	10%	8%	12%
Economy	1%	0%	3%	4%	0%	9%	8%	6%	9%
US - Locations									
Urban	4%	4%	14%	15%	5%	13%	12%	3%	16%
Resort	6%	8%	5%	5%	-3%	11%	7%	2%	9%
US - Markets									
Top 8 Markets Avg.	5%	5%	14%	15%	4%	15%	12%	4%	17%
Las Vegas	-4%	18%	7%	-2%	-8%	-4%	5%	-13%	26%

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

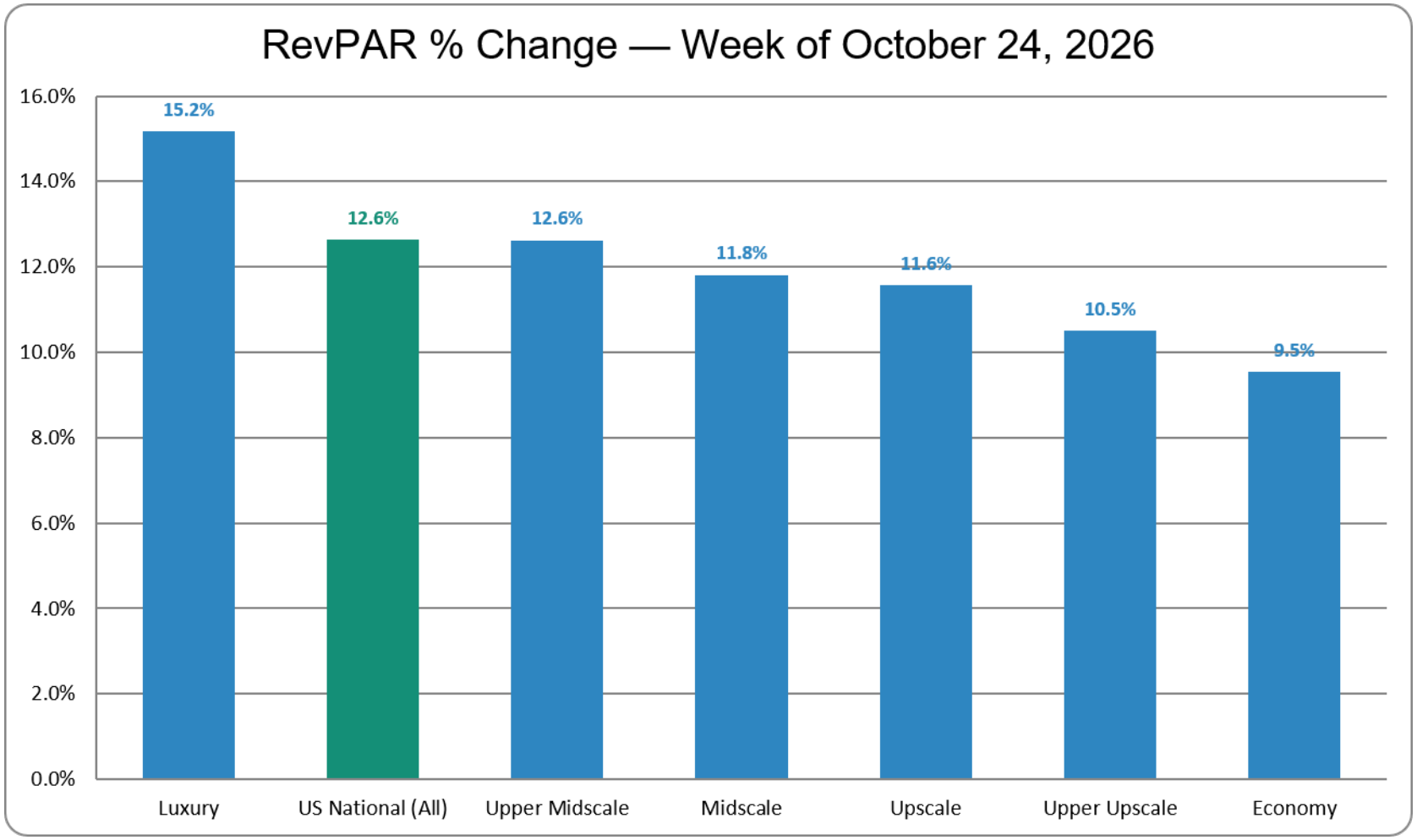




Source: Evercore, CoStar

U.S. RevPAR – Weekly Chain Scales

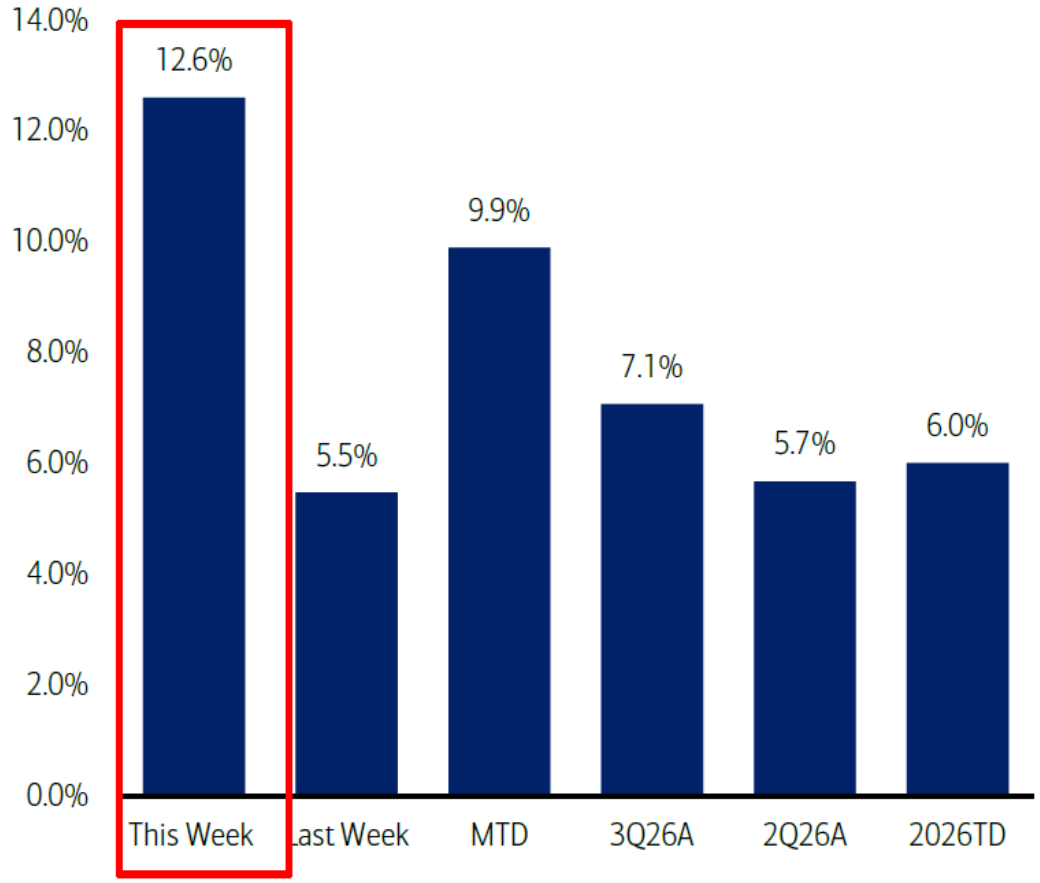
In another impressive week for the U.S. lodging market, national RevPAR grew 12.6%, led by Luxury at 15.2%, followed by Upper Midscale at 12.6%, Midscale at 11.8%, and Upscale at 11.6%.



Source: CoStar, MWC

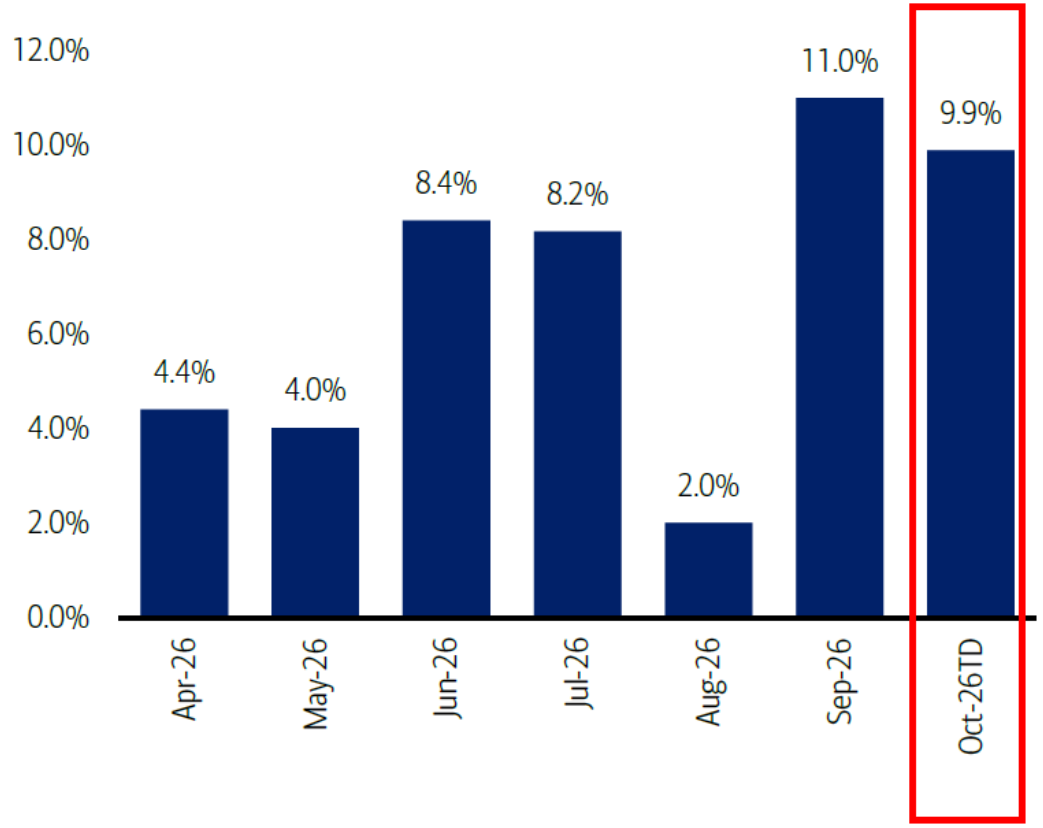
U.S. RevPAR – Weekly, MTD, QTD, and YTD Est.

Exhibit 2: Domestic RevPAR was +12.6% Y/Y this week
US RevPAR Y/Y



Source: CoStar, BofA Global Research

Exhibit 3: We estimate October to date is +9.9%
Monthly US RevPAR

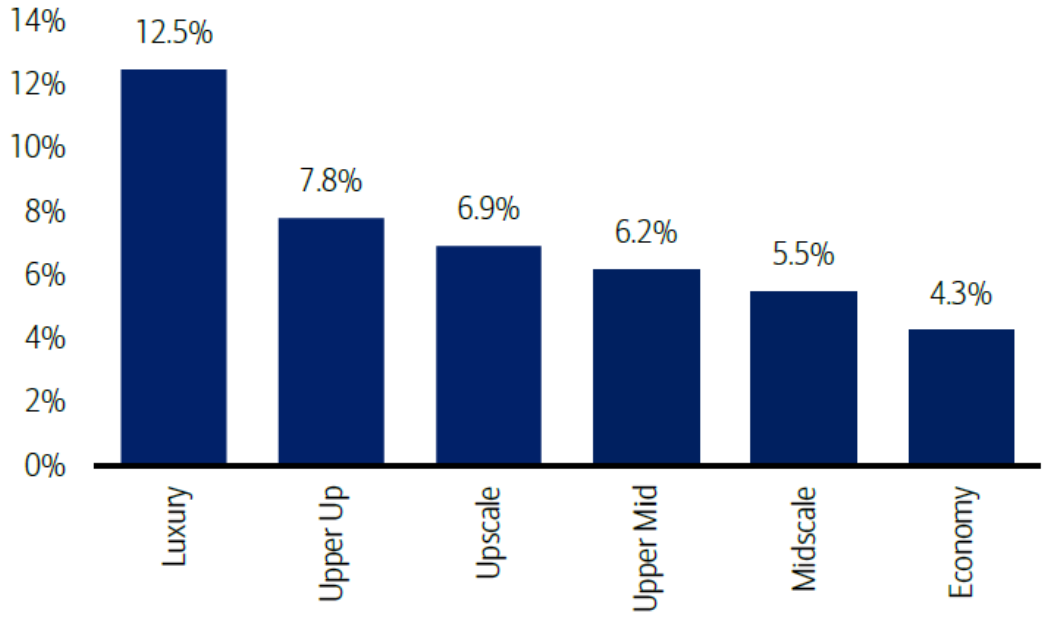


Source: CoStar, BofA Global Research

Sources: BofA, CoStar

U.S. RevPAR – 3Q26 Estimates – Chain Scale and Locations

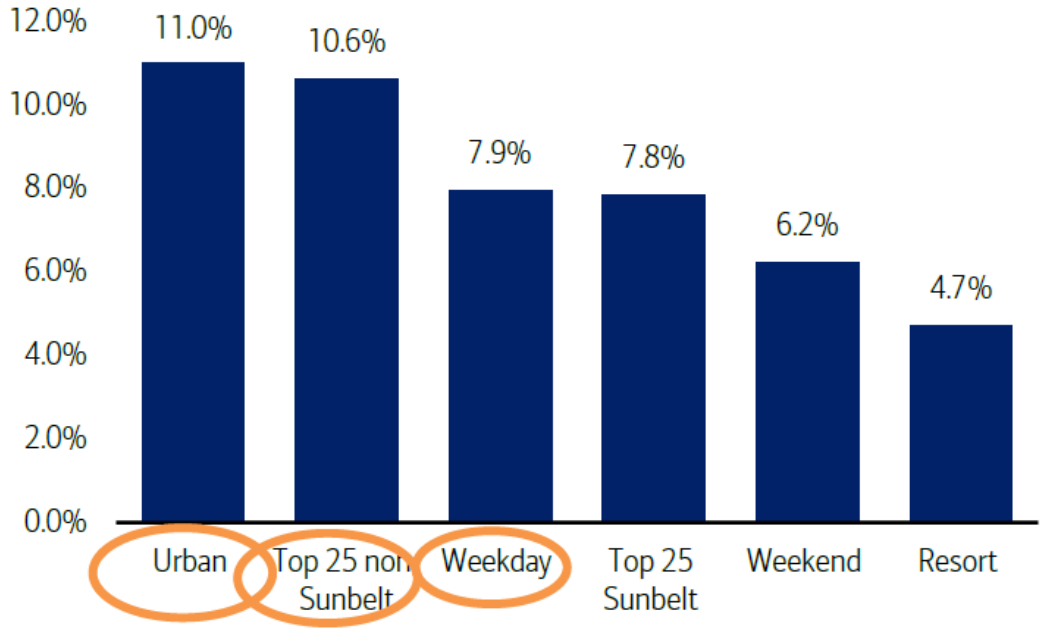
Exhibit 8: Luxury chains led the industry in Q3 but the low end did accelerate significantly from Q2
Q3 RevPAR by chain scale (Y/Y)



Source: CoStar, BofA Global Research

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Exhibit 9: Urban, Top 25 non-Sunbelt and weekday outperformed weekend and Resort locations
Q3 RevPAR by location type



Source: CoStar, BofA Global Research

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Sources: BofA, CoStar

U.S. RevPAR – Weekly Performance – Major Markets

Austin led all major markets with a gain of 66.3% (group +80%, transient +59%), followed by Indianapolis (+47.3% with group +82%), Chicago (+39.9% with transient +45%), and Florida Panhandle (+34.6% with transient +40%). 88 of 174 markets experienced weekly RevPAR growth of 10% or more, with 155 markets in positive territory.



Source: CoStar, MWC

Total U.S. Segmentation – Weekly Trends

For the week ended October 24, transient represented 73% of hotel revenues, leading the way with 13.4% RevPAR growth, contributing 9.75 percentage points to national RevPAR growth for the week. Group accounted for 25% of revenues and experienced 11.0% RevPAR growth, adding 2.74 percentage points to U.S. weekly RevPAR. Contract RevPAR grew 7.8%.



Last week · total RevPAR +12.6% (occupancy +4.8%, ADR +7.5%). Points add to the total.

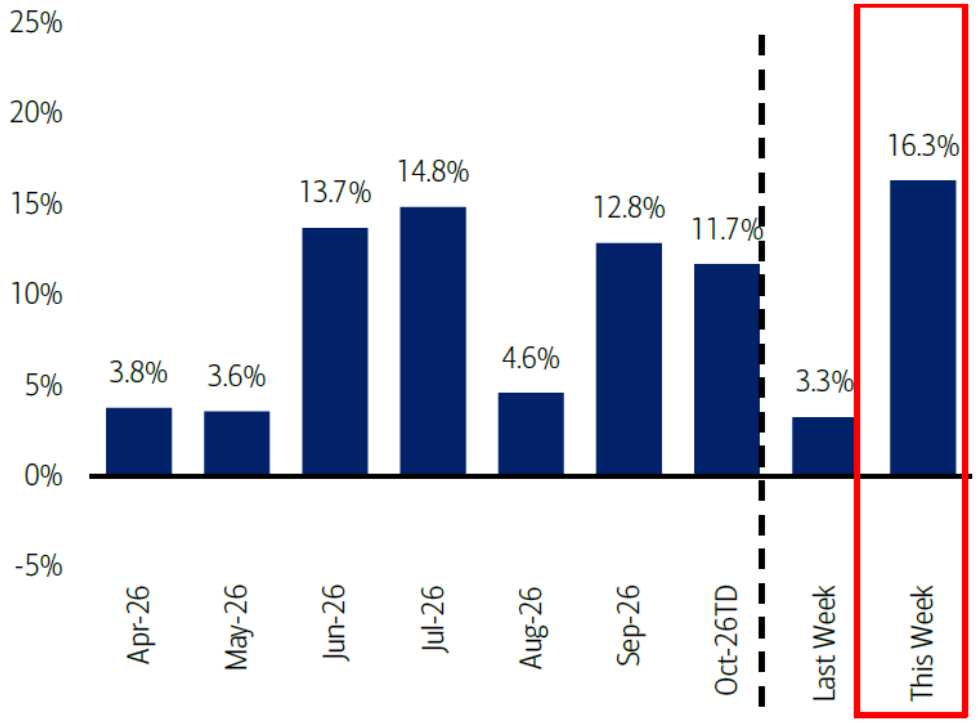


SEGMENT	REV SHARE	REVPAR	DEMAND	ADR	POINTS	SHARE OF $ GROWTH
Transient	73%	+13.4%	+4.8%	+8.5%	+9.75	77%
Group	25%	+11.0%	+6.2%	+4.8%	+2.74	22%
Contract	2%	+7.8%	+5.6%	+2.5%	+0.16	1%
Total	**100%**	**+12.6%**	**+4.8%**	**+7.5%**	**+12.65**	**100%**

Source: CoStar, MWC

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

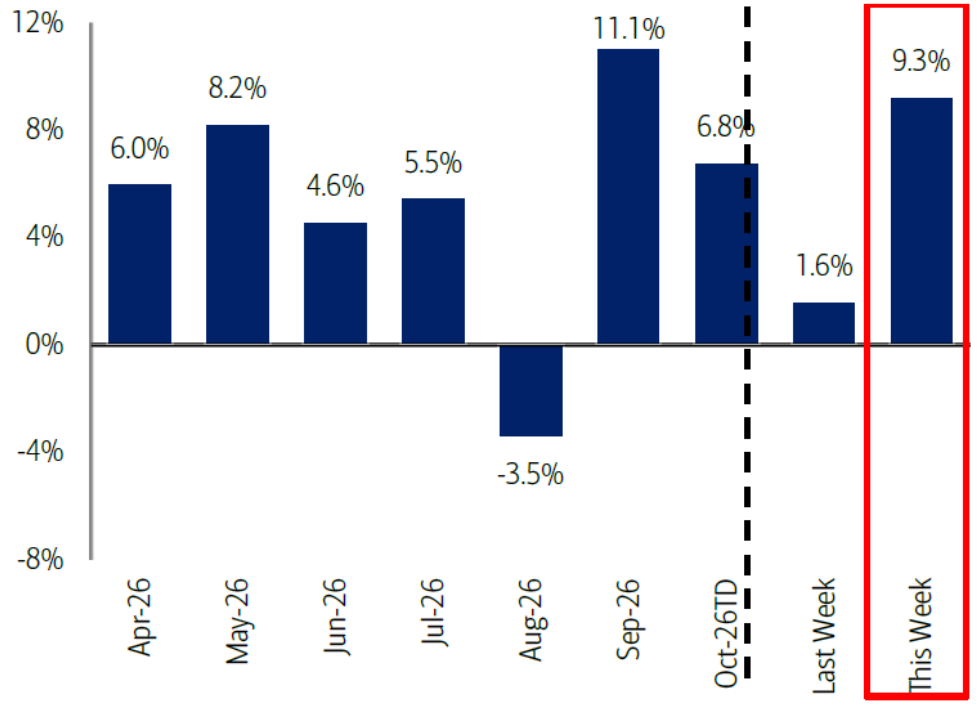
Exhibit 6: Urban RevPAR was +16.3% Y/Y this week
Urban RevPAR Y/Y



Source: CoStar, BofA Global Research

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Exhibit 7: Resort RevPAR was +9.3% Y/Y this week
Resort RevPAR Y/Y



Source: CoStar, BofA Global Research

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Sources: BofA, CoStar

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

For the four weeks ended October 24, the U.S. national RevPAR index gained 9.3%. Indianapolis led all major markets with a gain of 21.4%, followed by San Diego (+20.2%), Chicago (+19.0%), Charleston (+17.0%), New Orleans (+16.0%), and Maui (+15.8%). 72 of 174 markets experienced four-week RevPAR growth of 10% or more, with 163 markets in positive territory.



Source: CoStar, MWC

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

For the four weeks ended October 24, transient RevPAR grew 9.7%, group experienced 8.0% RevPAR growth, and contract RevPAR rose 6.7%. Weekday RevPAR increased 10.4%, outperforming weekends, which gained 7.1%.

NATIONAL

Where RevPAR growth came from

4 weeks · total RevPAR +9.3% (occupancy +3.9%, ADR +5.2%). Points add to the total.



SEGMENT	REV SHARE	REVPAR	DEMAND	ADR	POINTS	SHARE OF $ GROWTH
Transient	74%	+9.7%	+3.6%	+6.3%	+7.20	78%
Group	24%	+8.0%	+6.1%	+2.1%	+1.92	21%
Contract	2%	+6.7%	+5.4%	+1.6%	+0.14	1%
Total	**100%**	**+9.3%**	**+3.9%**	**+5.2%**	**+9.26**	**100%**

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	+10.4%	+4.8%	+5.4%	+4.4%	+7.6%	26%
Fri and Sat	+7.1%	+1.9%	+5.1%	+2.0%	+2.8%	20%

Source: CoStar, MWC

U.S. hotel companies continue to experience strong consumer and corporate demand, and reporters this week beat expectations and raised guidance…

Hilton Hotels:

- "Strength in travel demand supported by favorable macro trends is driving RevPAR outperformance — a trend we expect to continue into 2027." – Chris Nassetta, CEO
- Q3 RevPAR +5.8% · FY26 guide +4.0–4.5% (raised)

Hyatt Hotels:

- "Luxury leisure has just remained the juggernaut of growth for us." – Mark Hoplamazian, CEO
- Q3 RevPAR +7.2% (U.S. +8.2%) · FY26 guide +5.0–5.5% (raised)

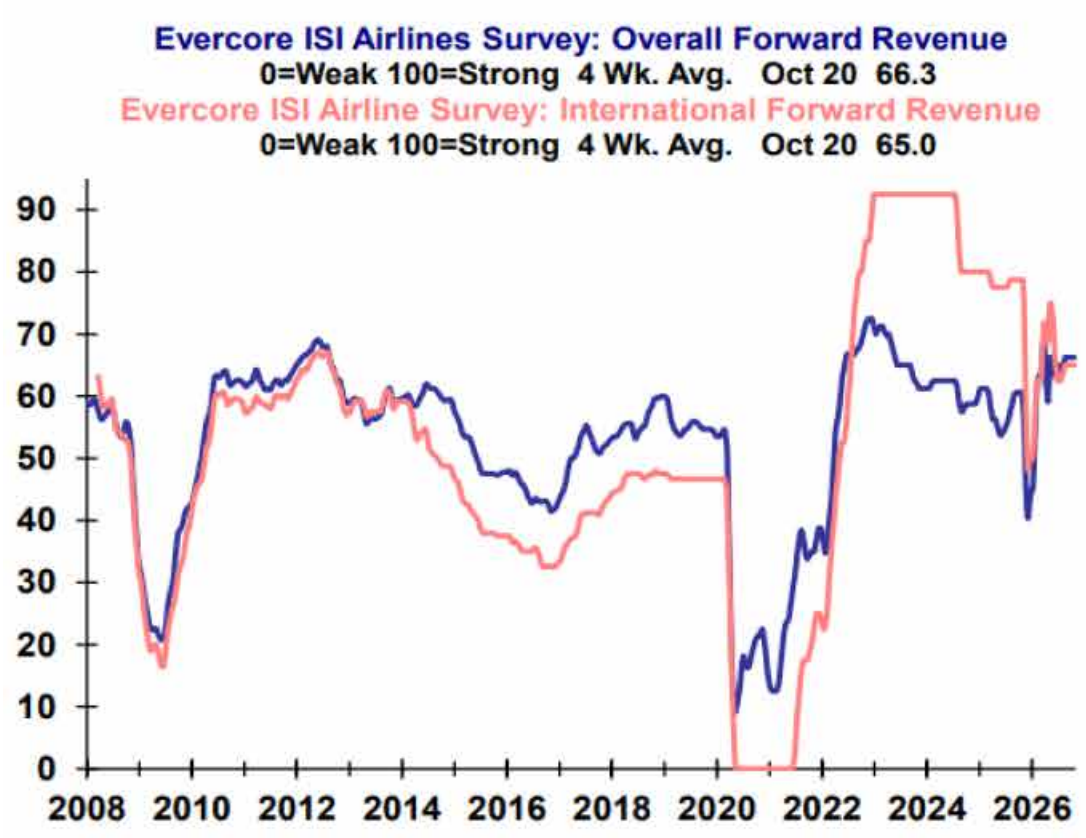
Pebblebrook Hotel Trust:

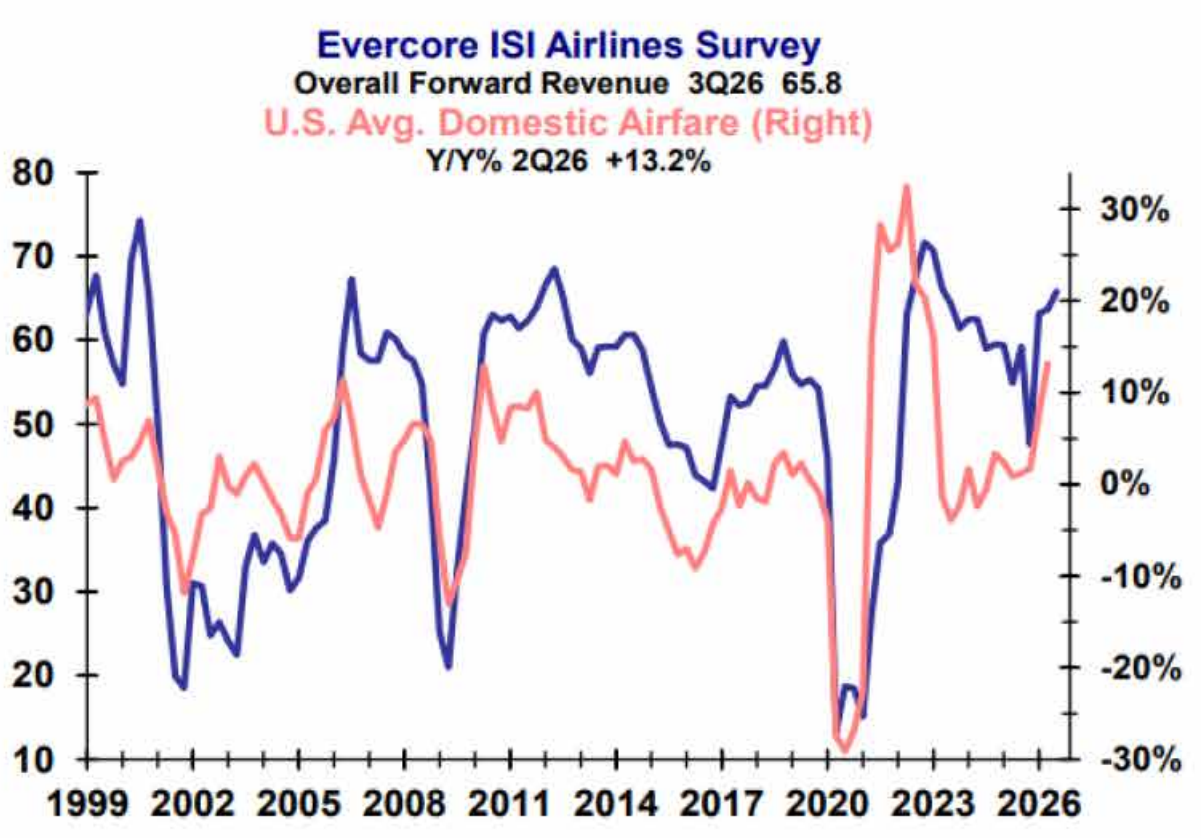
- "Demand remained strong throughout the third quarter, reaccelerating in September… the broad strength of underlying travel demand." – Jon Bortz, CEO
- Q3 same-property RevPAR +8.3% · FY26 guide +7.6–8.0% (raised)

Source: Company Earnings Calls

…while airlines are experiencing strong demand and revenues despite overall passenger volume being flat to last year

"Demand remains steady as prices have risen to capture higher fuel costs. The Airlines Survey continues as the second strongest survey, after the Shipping Cos. Survey…While higher fuel costs have been a negative for carriers, pricing power is strong. Demand for premium seats has generally outperformed economy across customer segments." - Evercore





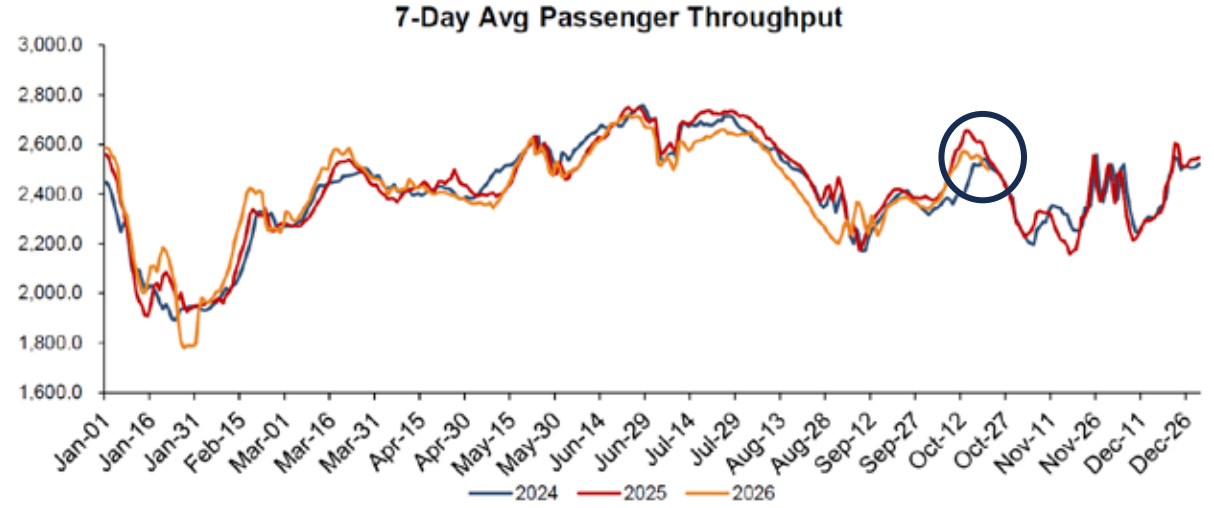
Source: Evercore

U.S. Air Passenger Trends

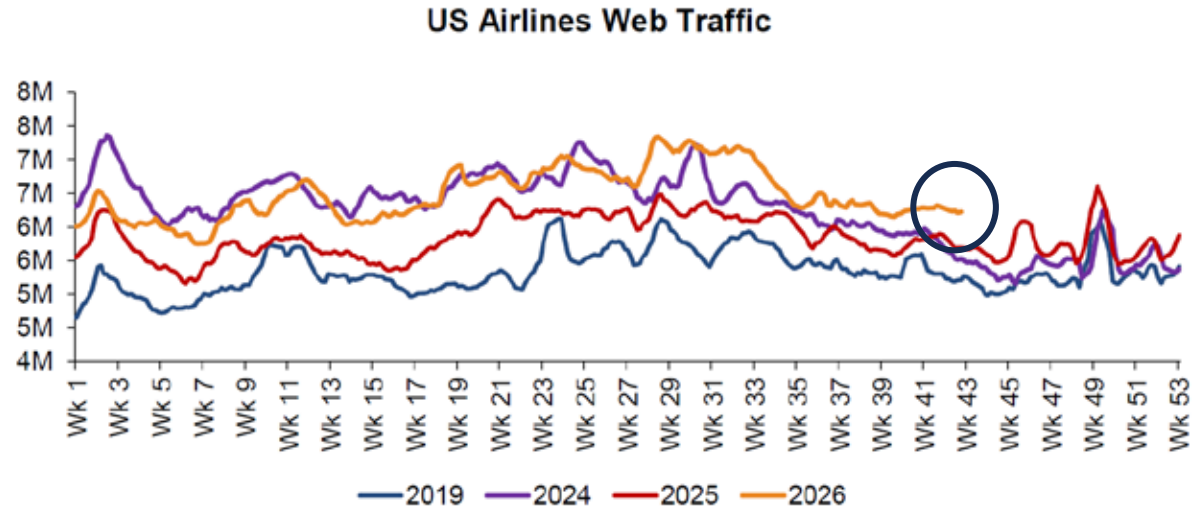
	Y/Y		vs. '19	
	7-Day Avg	4-Wk Avg	7-Day Avg	4-Wk Avg
10/22/26	(1%)	(2%)	8%	8%
10/15/26	(3%)	(2%)	8%	7%
10/8/26	(2%)	(2%)	9%	7%
10/1/26	(2%)	(1%)	7%	7%
9/24/26	(1%)	(1%)	6%	8%
9/17/26	(3%)	(2%)	5%	7%
9/10/26	4%	(2%)	12%	6%
9/3/26	(5%)	(4%)	9%	4%
8/27/26	(4%)	(3%)	2%	3%
8/20/26	(4%)	(3%)	2%	4%
8/13/26	(2%)	(2%)	3%	4%
8/6/26	(2%)	(3%)	5%	5%
7/30/26	(3%)	(3%)	5%	4%
7/23/26	(3%)	(3%)	4%	6%
7/16/26	(4%)	(2%)	5%	6%

TSA passenger volume fell 1% for the week ended Oct. 22, but web traffic to airline websites (a proxy for future bookings) rose 9% for the week and remains well ahead of last year

TSA Passenger Screenings



Airline Weekly Web Traffic Trends



Source: Evercore, TSA, Diio, Similarweb

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CMBS spreads widened this week, with 10-year AAAs at 81 bps (+3 bps), AAs at 141 bps (+4 bps), As at 200 bps (+4 bps), and BBB- spreads at 540 bps (+12 bps). In CRE news, supply and demand fundamentals still matter. Apartment rents crept higher for the first time in years, and senior housing sales are spiking.

CRE Debt & Equity Markets

CRE Issuance and Spread Trends

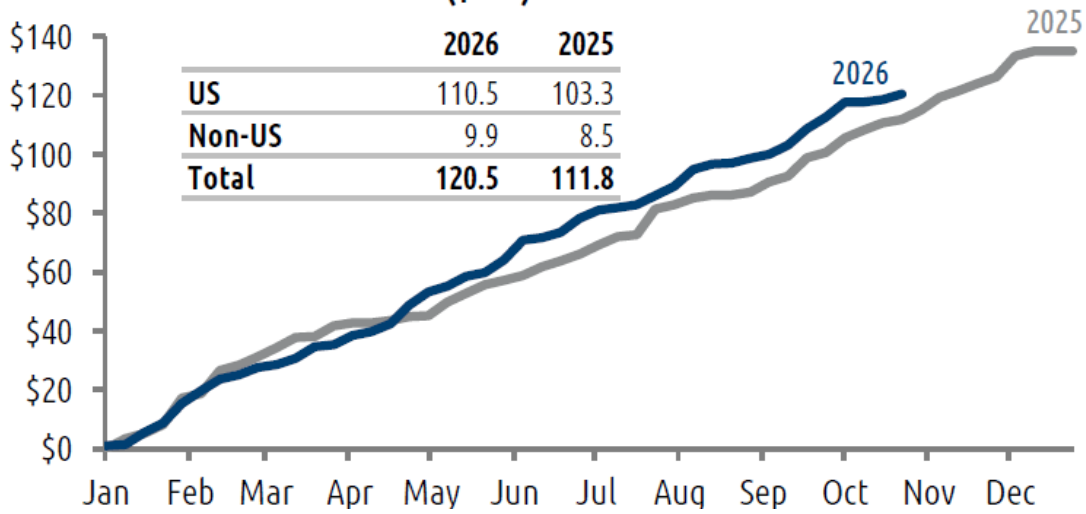
Sources: Commercial Mortgage Alert, Green Street, Trepp

U.S. CMBS issuance volume is $110.5 billion year to date, up about $7.2 billion (7%) from this time last year. Single-borrower deals account for 78% of U.S. CMBS volume year to date, up from 72.5% in 2025 and 66.5% in 2024. CMBS debt costs are 6.5% on average, up 98 bps in the last 12 months.

WORLDWIDE CMBS

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

	2026	2025
US	110.5	103.3
Non-US	9.9	8.5
Total	120.5	111.8



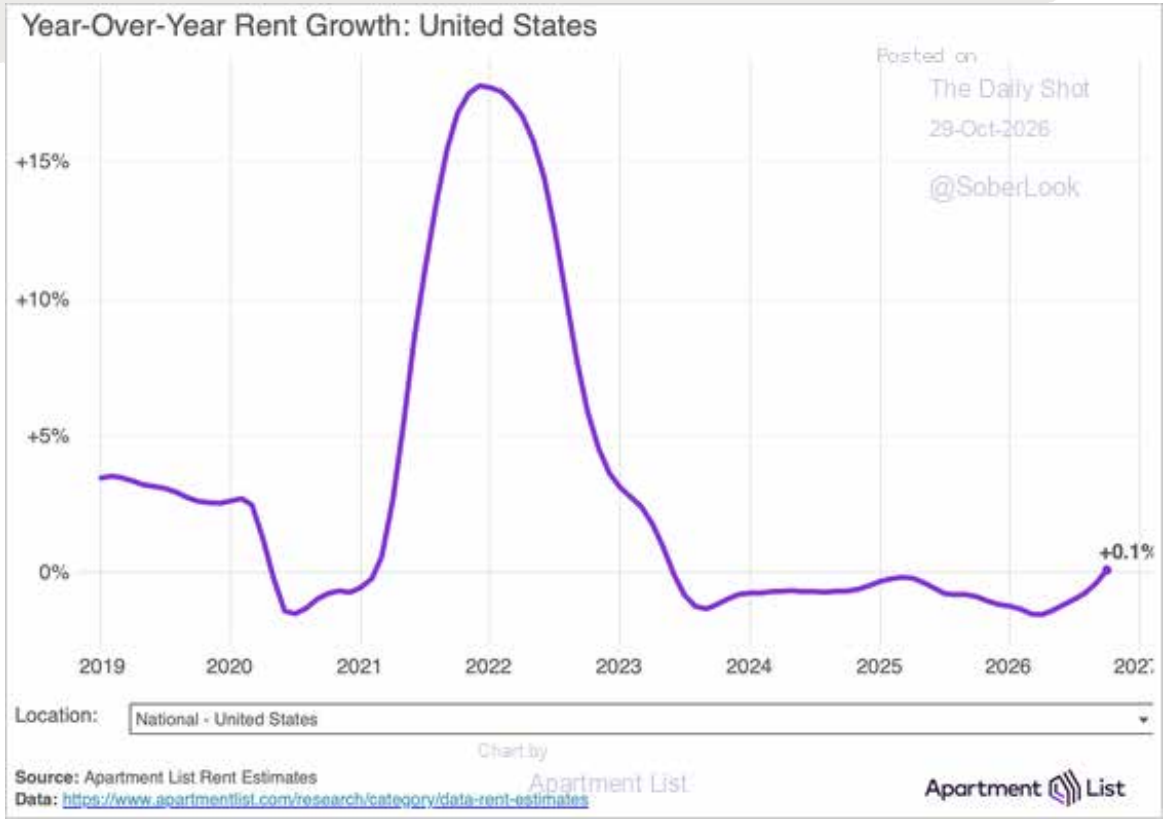
CMBS SPREADS

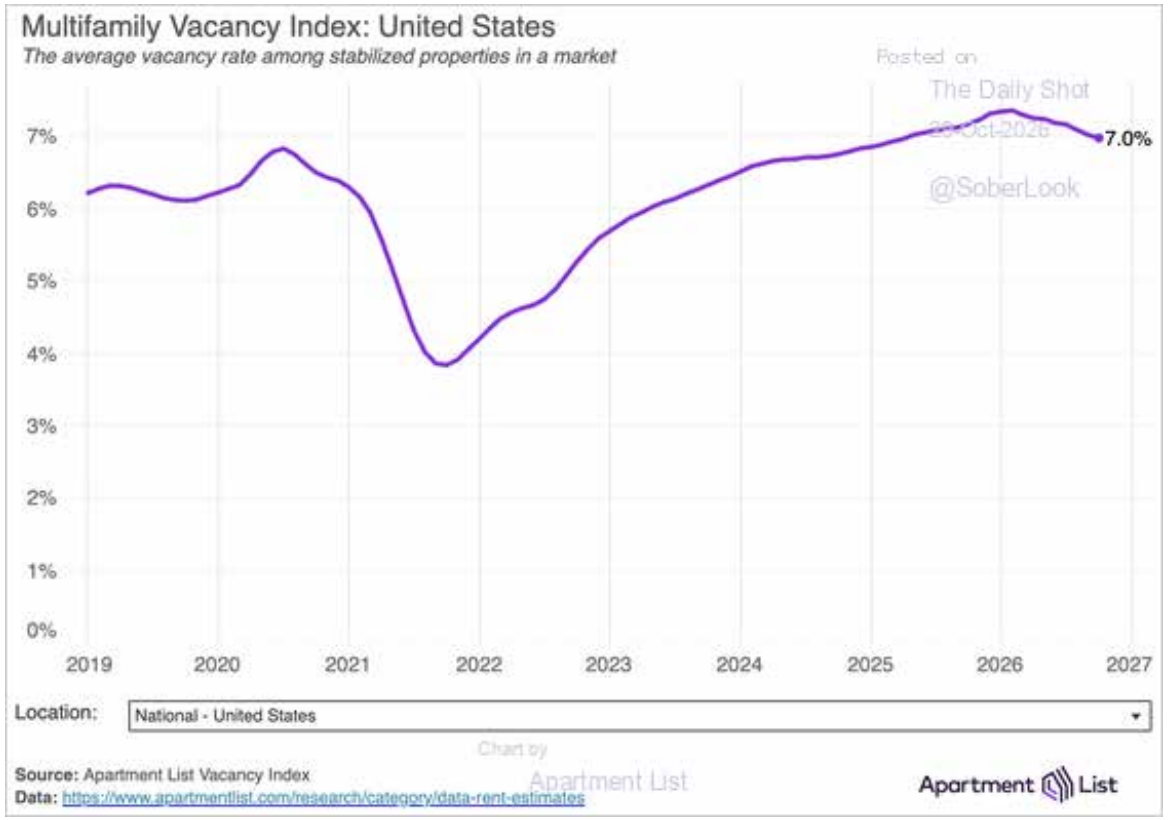
10-Year AAA Recent-Issue Spread Over Treasury



		Spread (bp)		
	Avg. Life	10/28	Week Earlier	52-wk Avg.
AAA	5	J+100	J+93	J+96
AAA	10	J+81	J+78	J+75
AA	10	J+141	J+137	J+135
A	10	J+200	J+196	J+190
BBB-	10	J+540	J+528	J+484

National apartment rents ticked higher for the first time in three years, with vacancy rates elevated but drifting lower…

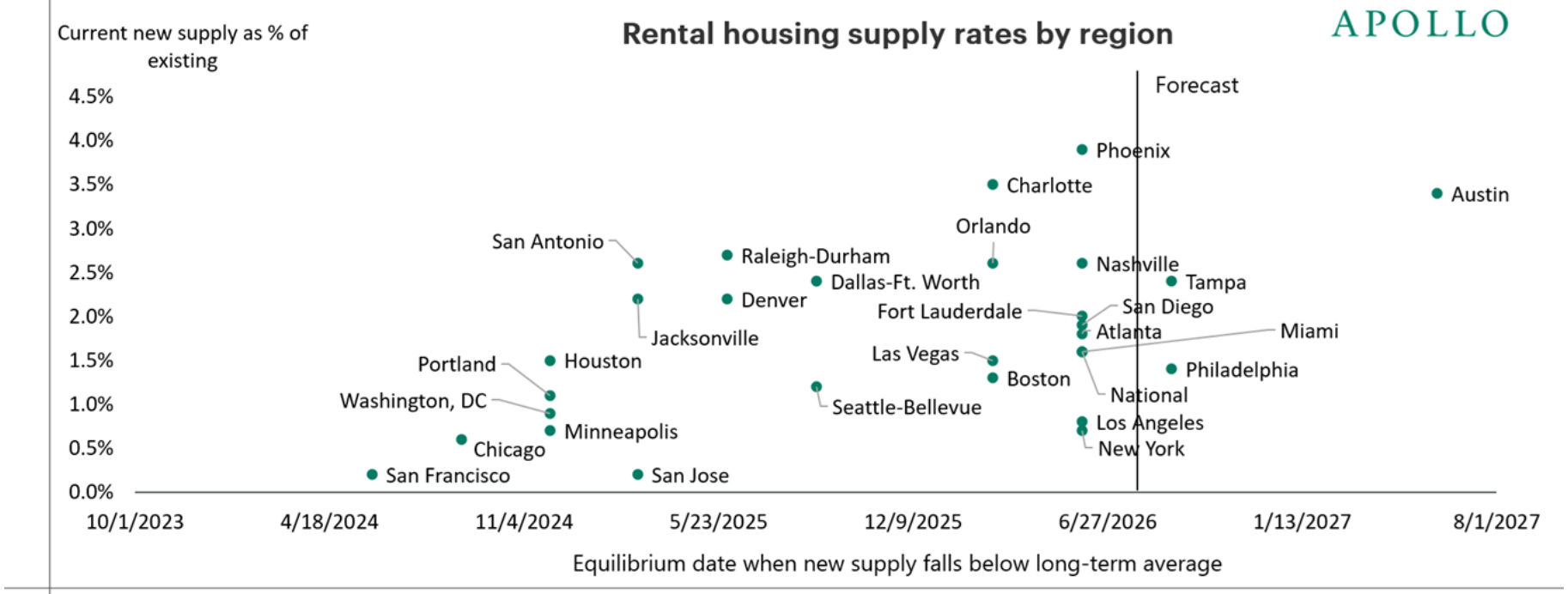




Source: Daily Shot

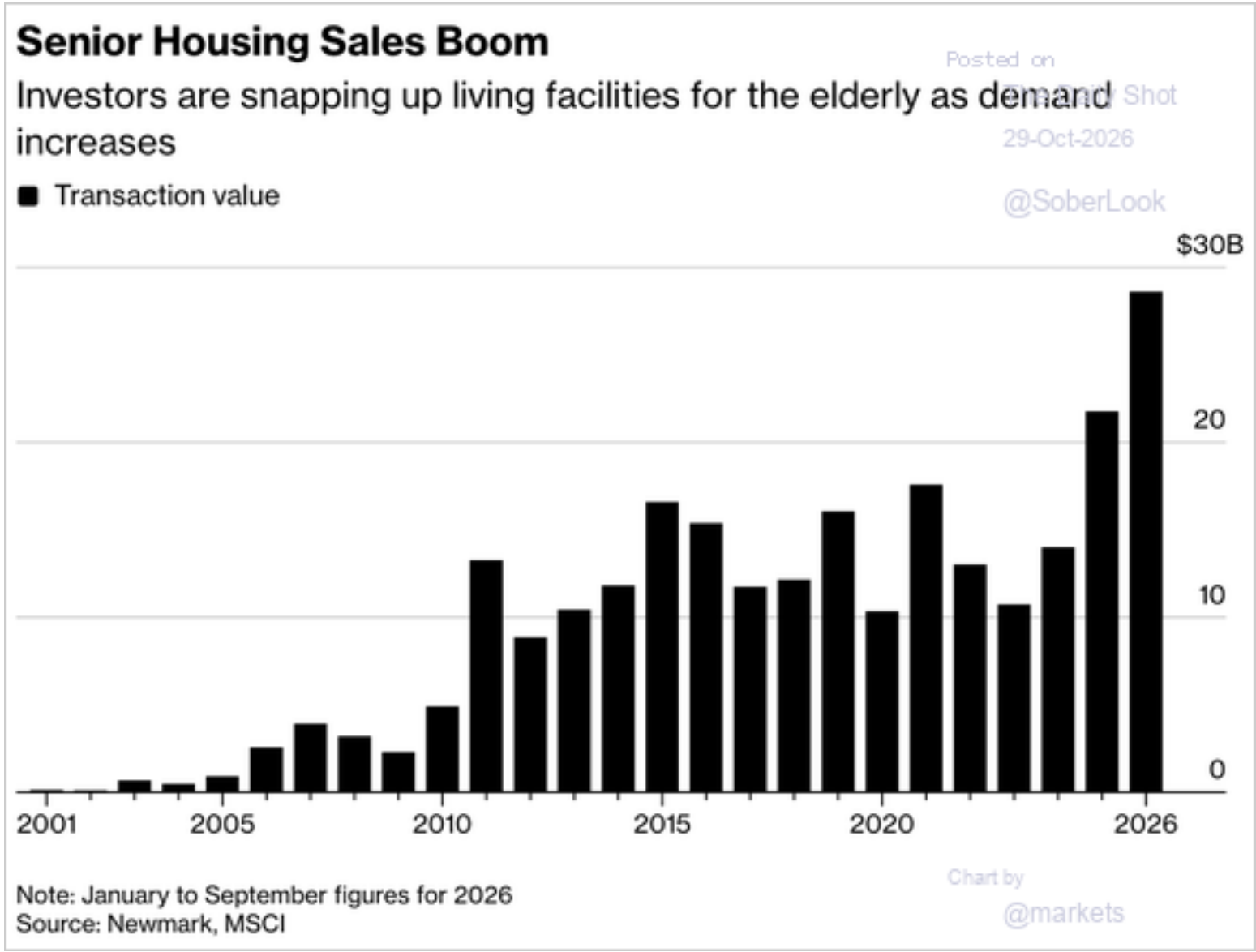
...as the apartment supply wave seems to have reached its end date for most of the country, setting up likely rent growth in 2027.

New rental housing supply as % of existing stock, by metro area



Source: Apollo's Chief Economist

Meanwhile, senior housing is becoming a hot property type, with sales of about $28 billion through September already topping any full year on record.



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The economy grew at a 3.4% annualized pace in Q3, with real final sales to private domestic purchasers up 4.9%. September's consumer data were less impressive: real spending stalled, personal income rose just 0.2%, and the savings rate fell to 3.8%. Initial jobless claims remained low at 194,000, while core PCE inflation held above 3%. Growth is holding up, but consumers and the Fed are still in a contest with higher costs.

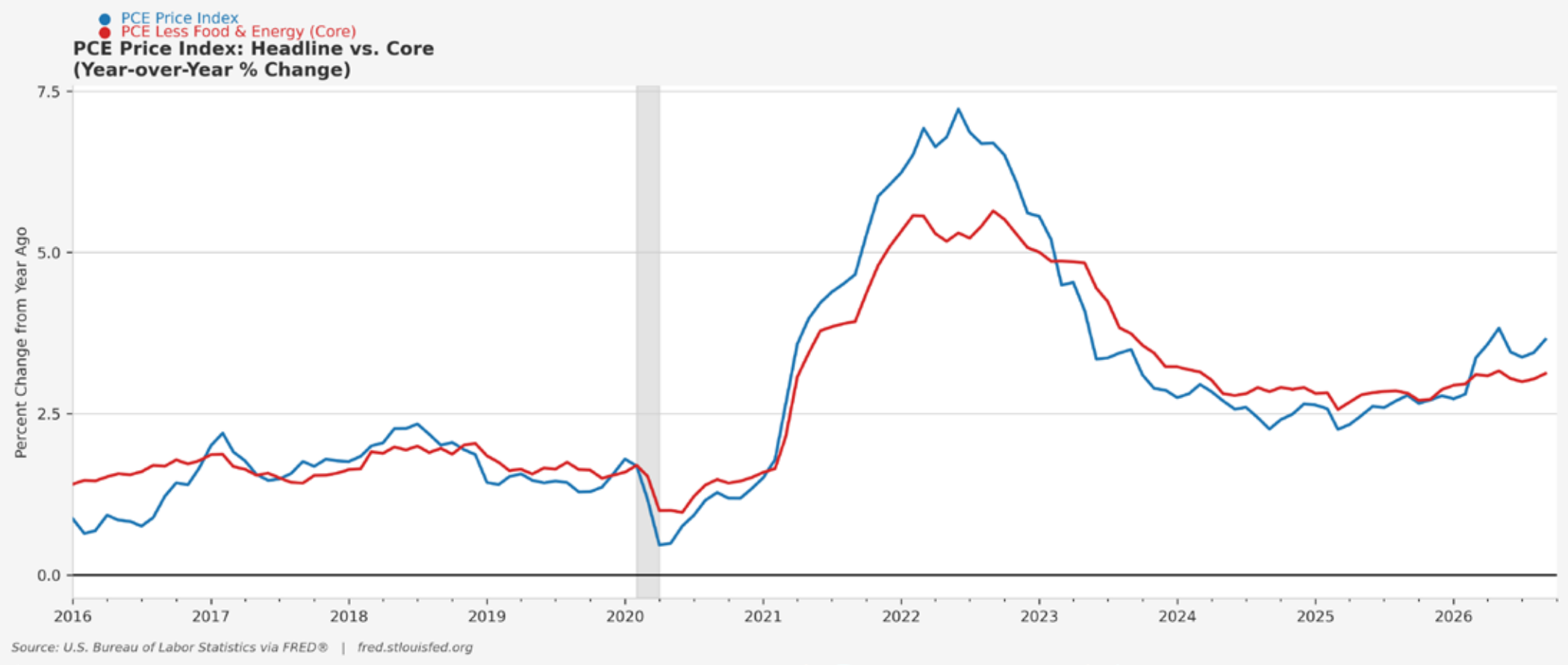
U.S. Economic Data

Last Week's Major U.S. Economic Reports

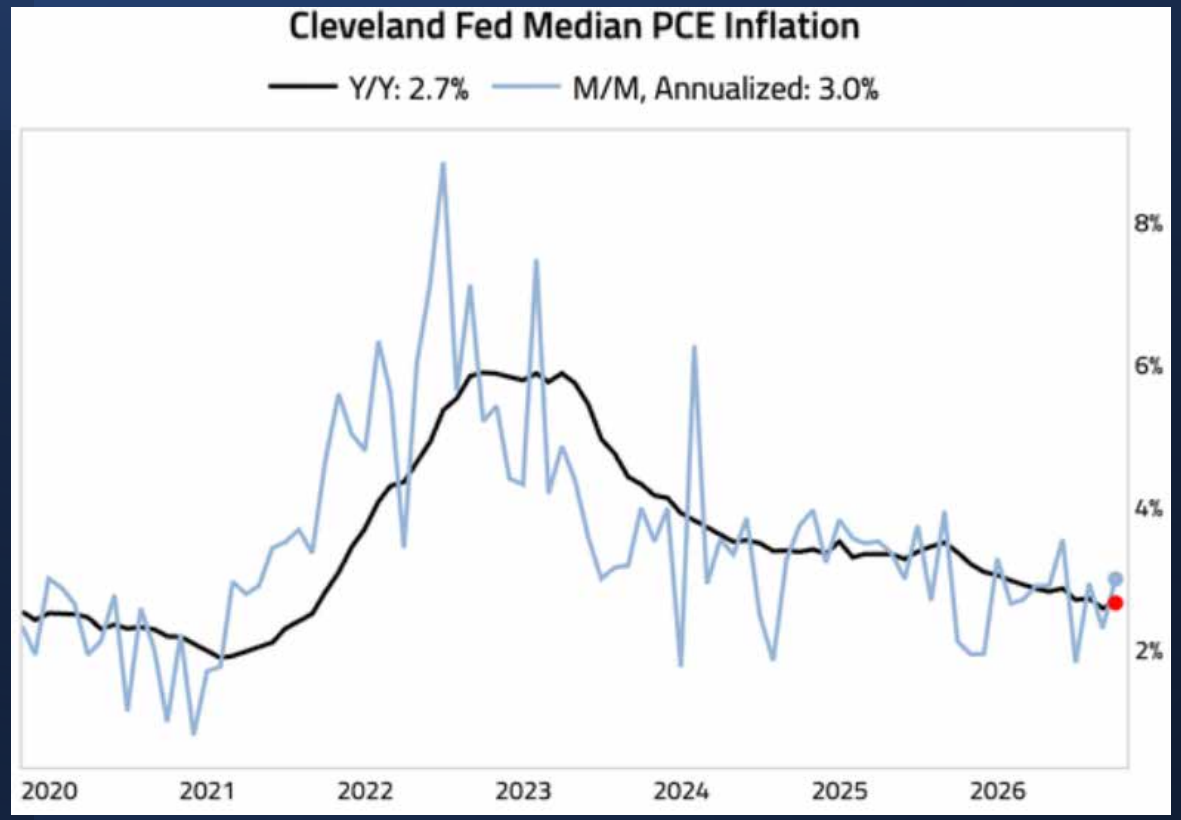
Time (ET)	Report	Period	Actual	Median Forecast	Previous
Monday, Oct. 26					
	No events scheduled				
Tuesday, Oct. 27					
8:30 AM	Durable Goods	Sep	1.8%	1.7%	0.0%
9:00 AM	S&P Cotality Case-Shiller Home Px Index	Aug.	-0.4%	-	0.0%
10:00 AM	New Home Sales	Sep	676K	653K	684K
10:00 AM	Conference Bd - Consumer Confidence	Oct.	91.7	81.0	84.2
TBA	U.S. Federal Open Market Committee two-day meeting begins	-	-	-	-
Wednesday, Oct. 28					
8:30 AM	Advance U.S. Trade Balance in Goods	Sep	-134.9B	-	-132.6B
8:30 AM	Wholesale Inventories	Sep	0.6%	-	0.7%
8:30 AM	Retail Inventories	Sep	0.3%	-	0.3%
2:00 PM	Federal Reserve interest rate decision	-	3.75%-4%	-	3.75%-4%
Thursday, Oct. 29					
8:30 AM	Advance estimate GDP	3Q	3.4%	3.1%	2.2%
8:30 AM	Weekly Jobless Claims	Oct. 24	194K	200K	194K
8:30 AM	Personal Income, M/M%	Sep	0.2%	0.3%	0.2%
8:30 AM	Consumer Spending, M/M%	Sep	0.5%	0.6%	0.9%
8:30 AM	PCE Price Idx, M/M%	Sep	0.5%	0.5%	0.3%
8:30 AM	PCE Price Idx, Y/Y%	Sep	3.6%	3.7%	3.4%
8:30 AM	PCE Core Price Idx, M/M%	Sep	0.3%	0.3%	0.2%
8:30 AM	PCE Core Price Idx, Y/Y%	Sep	3.1%	3.1%	3.0%
Friday, Oct. 30					
8:30 AM	Employment Cost Index	3Q	0.8%	0.8%	0.9%
9:45 AM	Chicago Business Barometer - ISM-Chicago Business Survey - Chicago PMI	Oct.	55.3	56.0	58.8

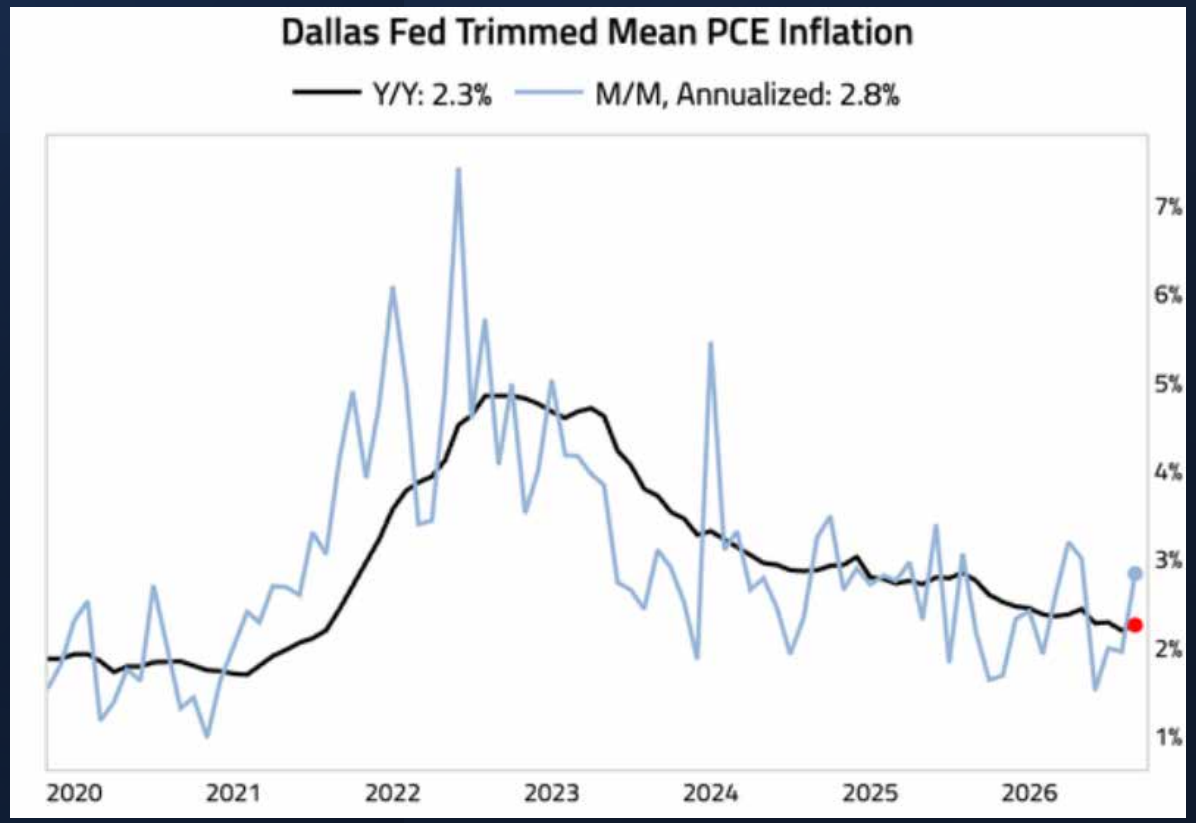
Source: MarketWatch.com

The annual change in the September PCE price index (3.6% headline and 3.1% core, YoY) was hotter than the Fed wanted but in line with expectations, and the Fed held rates steady in October…



...and alternative measures of PCE inflation, such as the Cleveland Fed Median (+2.7% YoY) and Dallas Fed Trimmed Mean (+2.3% YoY) PCE inflation gauges, while a tick higher than the prior month, still suggest a gradual path toward the Fed's 2% target.



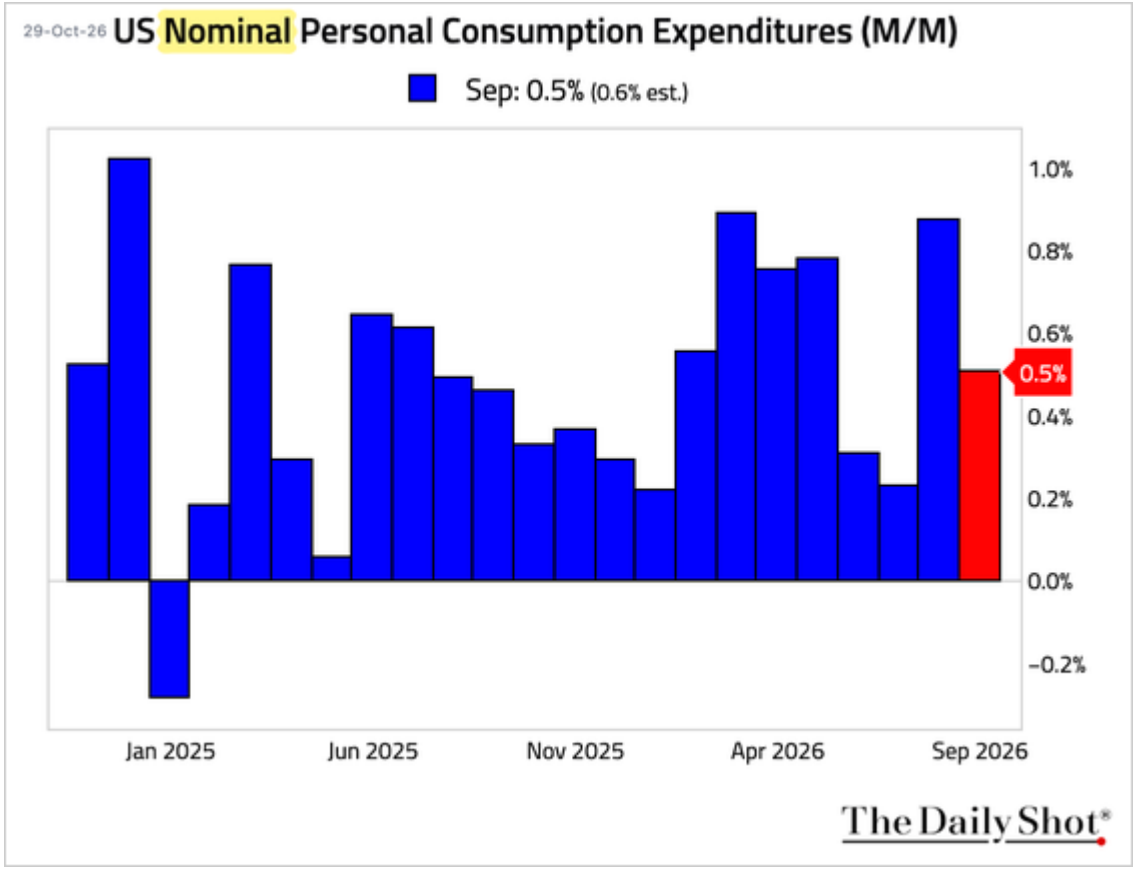


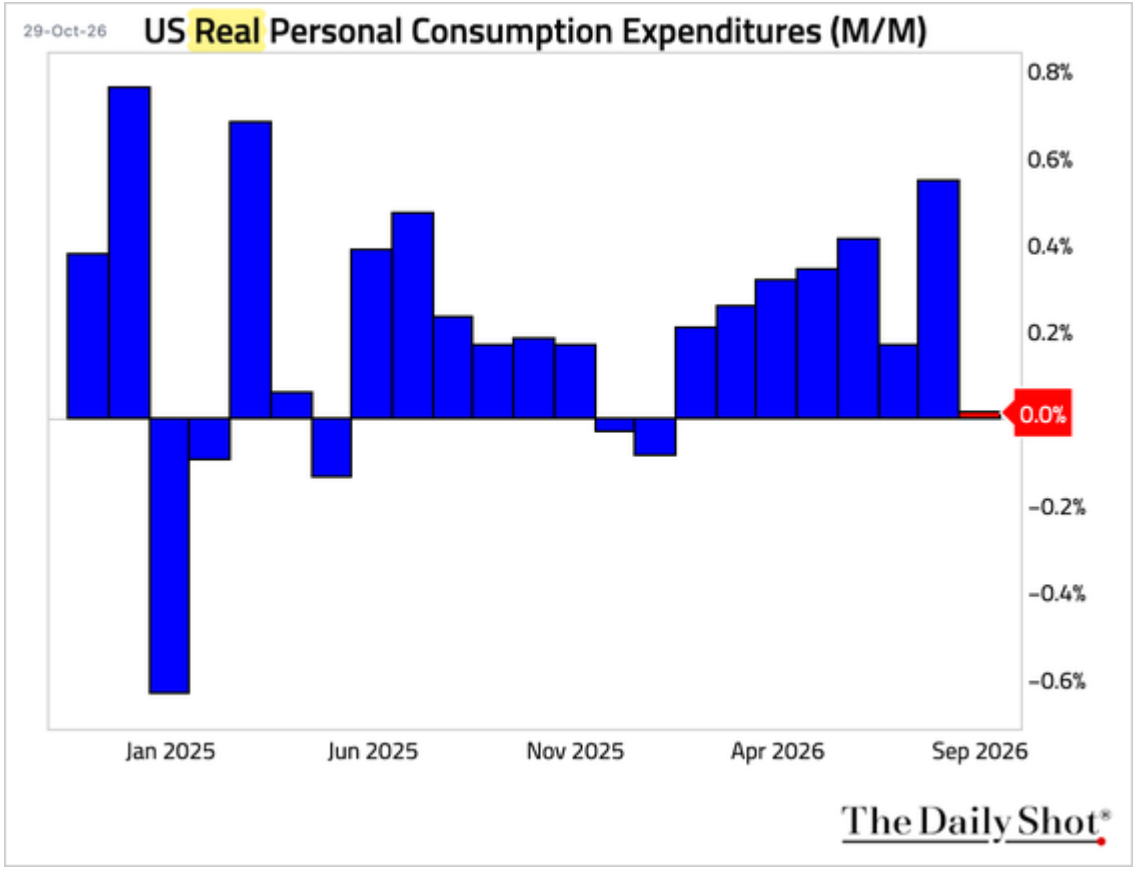
The Truflation “real-time” inflation indicator rose 16 bps to 3.18% as of October 29, leaving it 52 bps below the September headline CPI of 3.7%, 58 bps above September’s core CPI of 2.6%, and 6 bps above the September core PCE level of 3.12%.



Source: Truflation.com

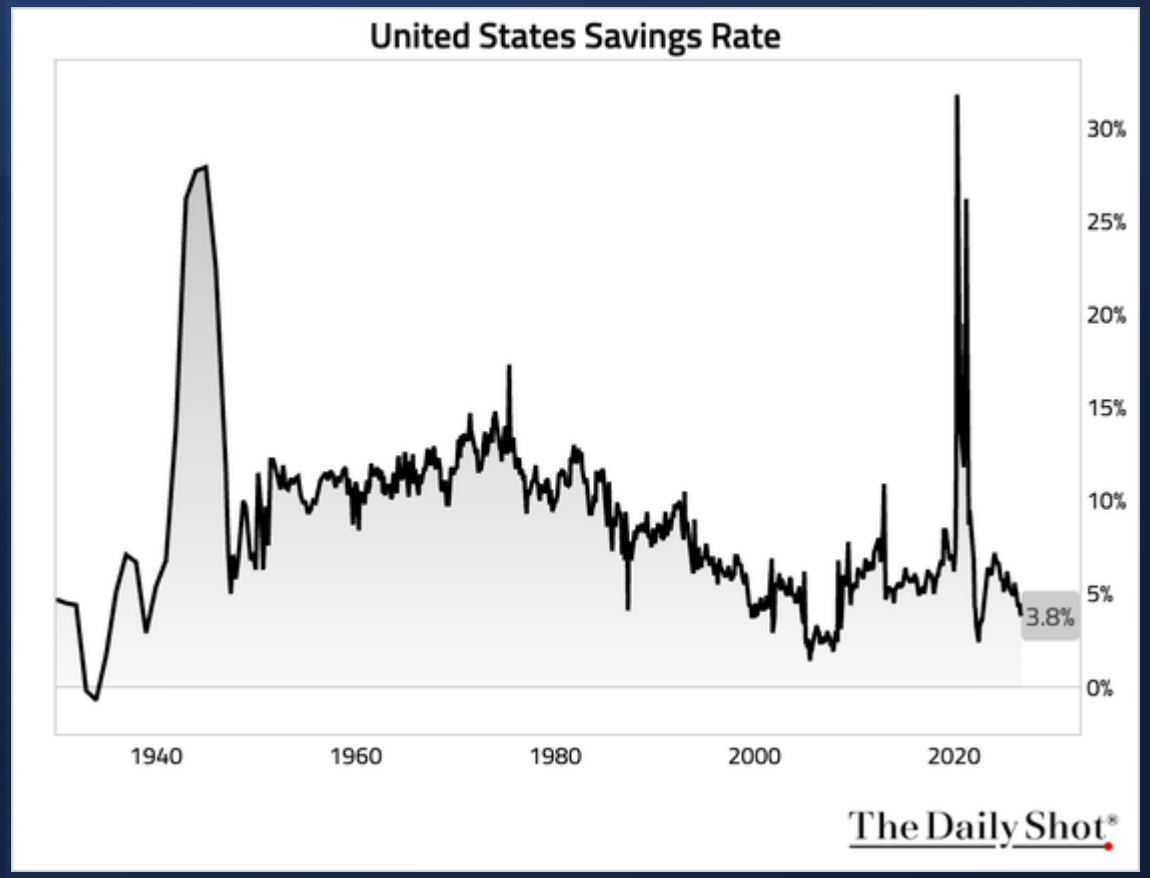
U.S. nominal personal consumption expenditures moderated to 0.5%, trailing expectations, while real consumption growth stalled at 0.0%.

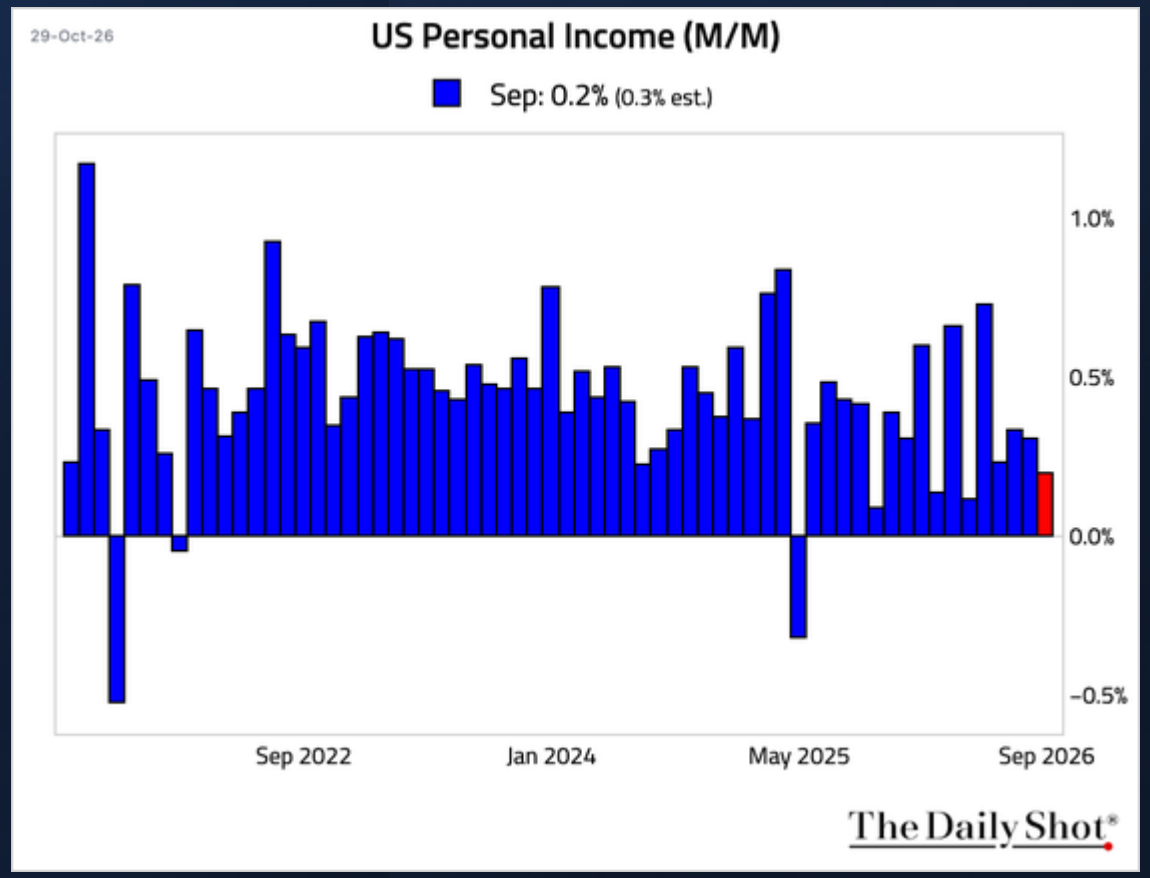




Source: Daily Shot

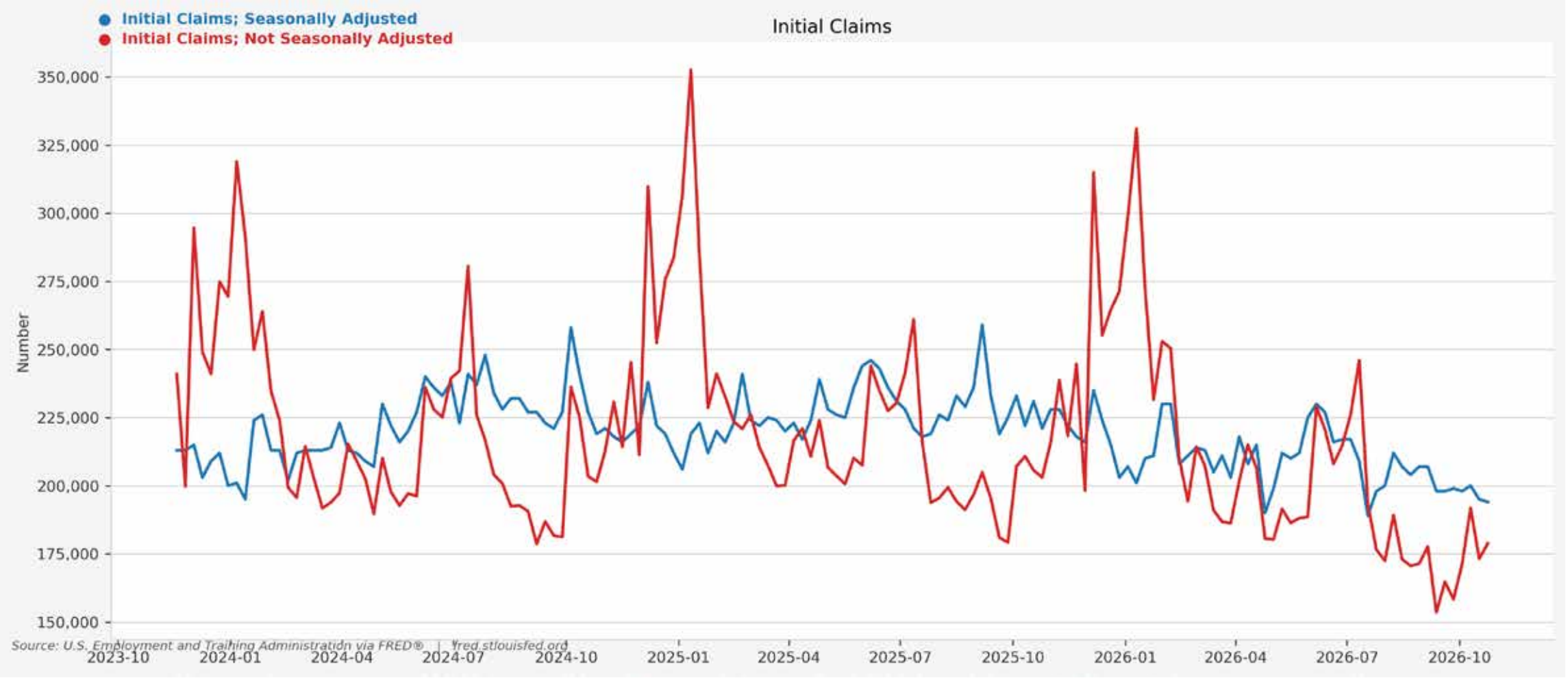
The U.S. savings rate continues to hit new post-Covid lows (3.8% in September), and personal income was below expectations at +0.2% for the month, but household balance sheets still provide support for spending.



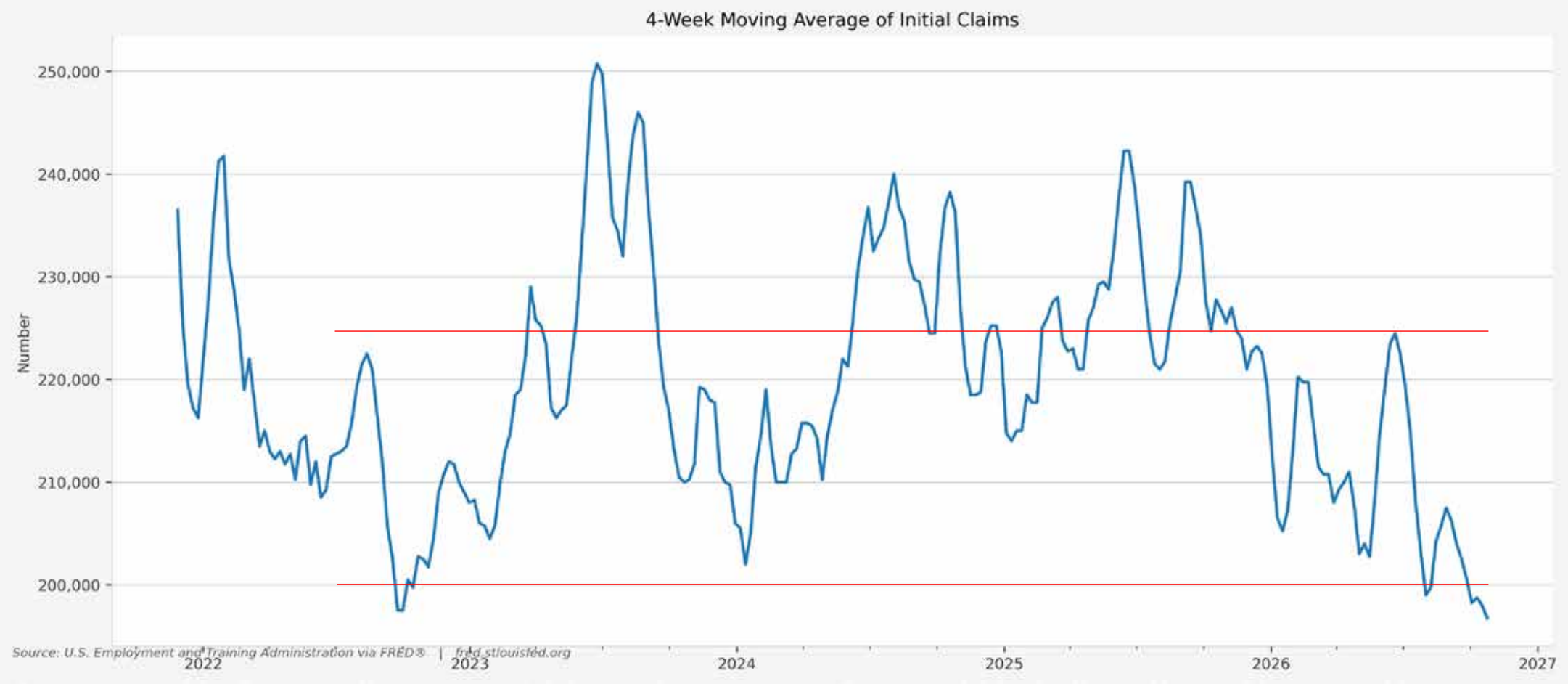


Source: Daily Shot

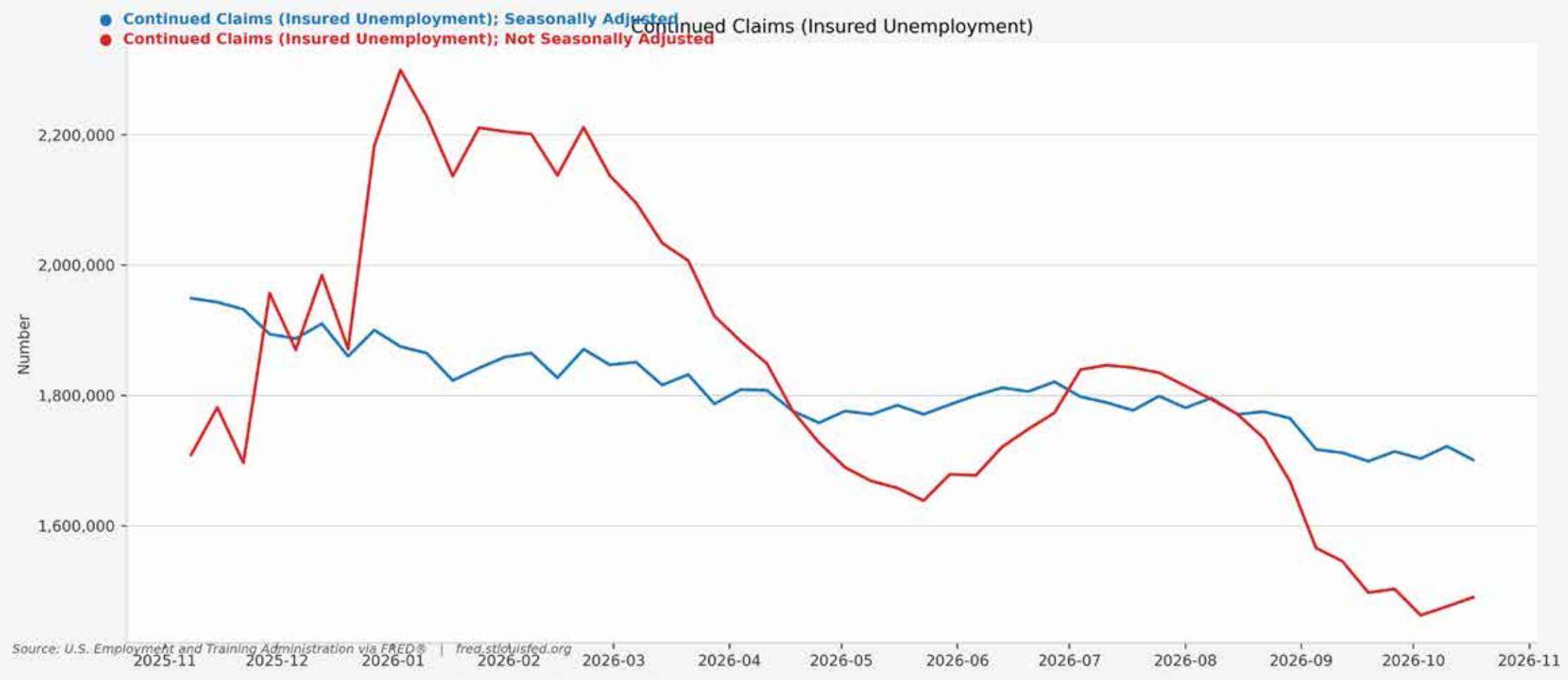
Seasonally adjusted initial jobless claims fell 1,000 to 194,000 (blue line), including prior week revisions, while unadjusted claims rose 5,600 to 178,900 (red line)…



...while the 4-week moving average of seasonally adjusted initial claims fell 1,250 to 196,750, the lowest since 1969, and the 13-week moving average edged down to 201,500.



Seasonally adjusted continuing claims fell 21,000 to 1,701,000, the 4-week MA increased 500 to 1,710,000, and the 13-week MA dropped 5,800 to 1,742,700. Unadjusted continuing claims were 1,490,000, up 14,000 from the prior week.

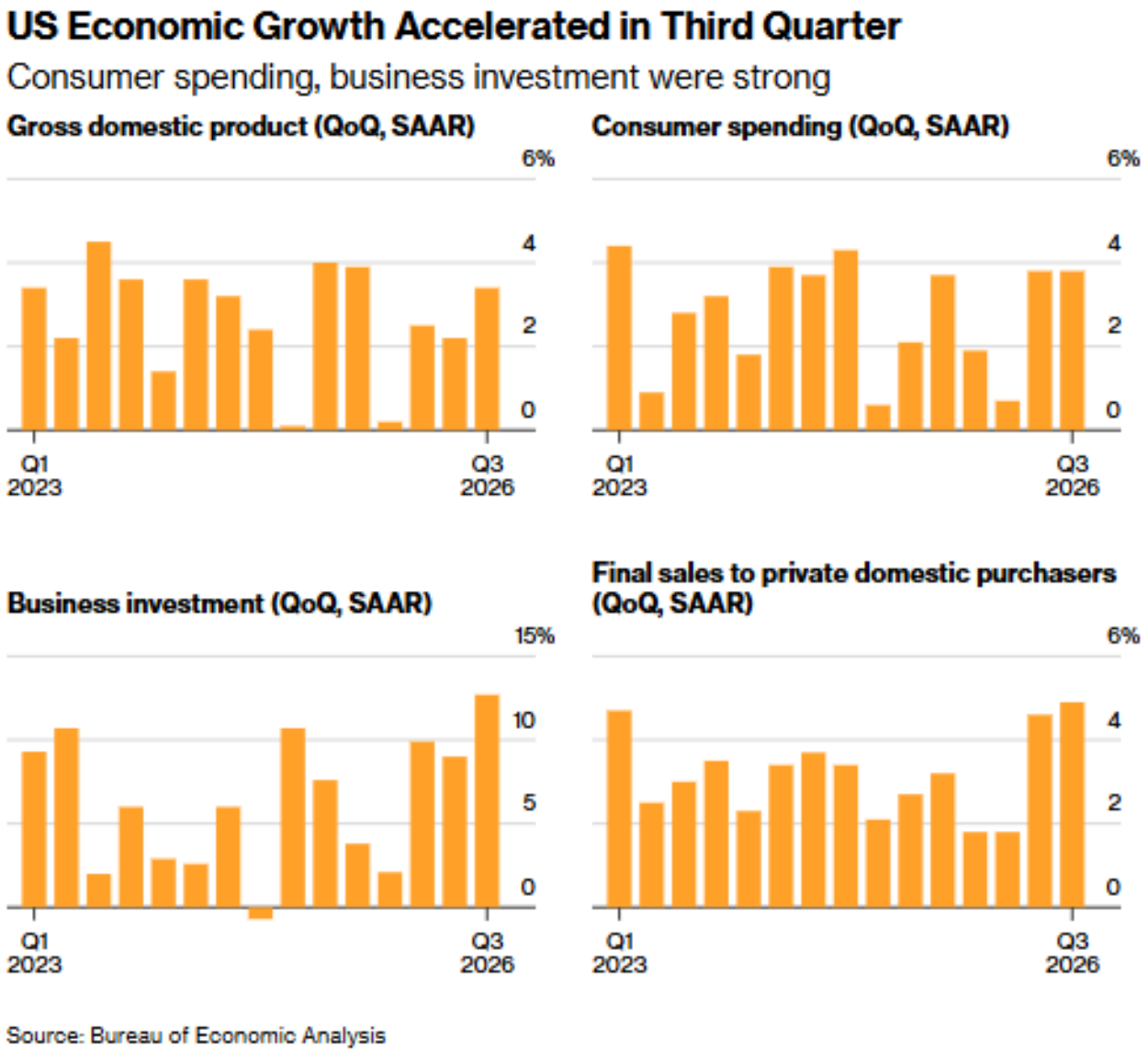


The Weekly Economic Index fell 27 bps to 2.98%, and the 13-week moving average gained 4 bps to 2.98% as of October 24...

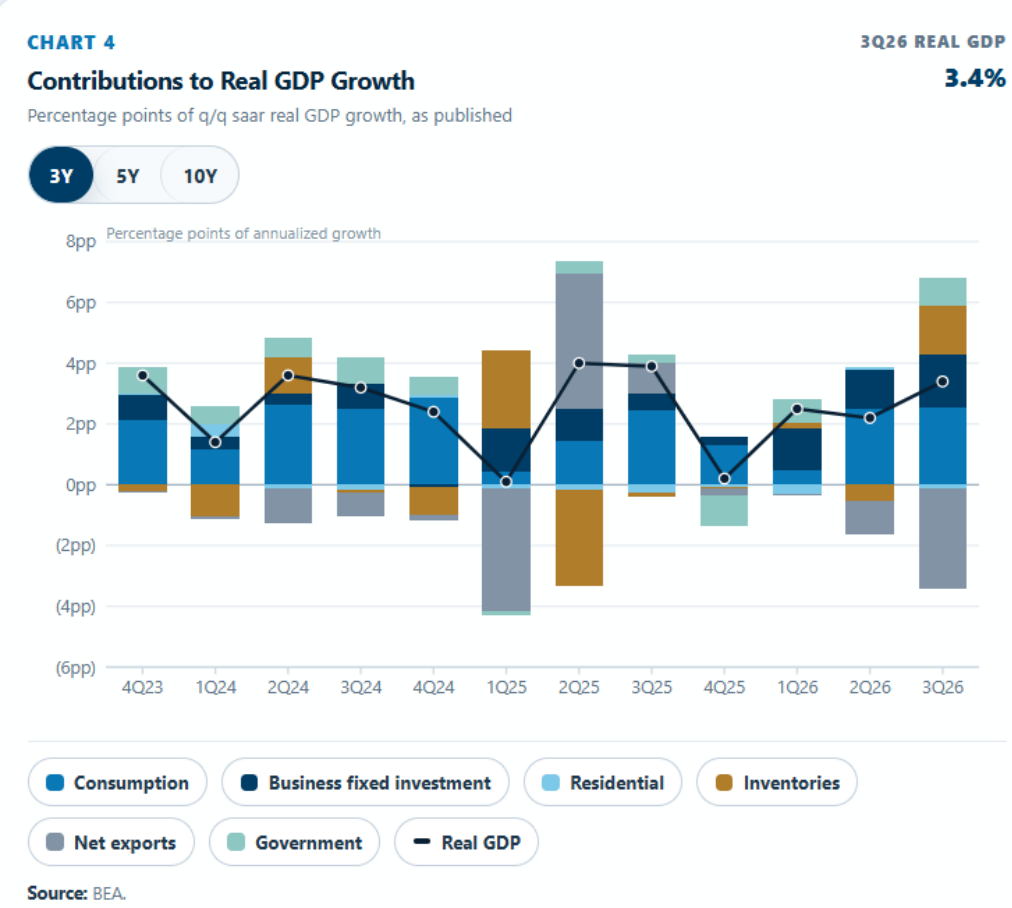


...while the first official 3Q26 GDP release indicated that the U.S. economy grew 3.4%, *"supercharged by feverish business investment and a resilient American consumer,"* to quote Bloomberg. Household spending rose 3.8% for the quarter, while business investment jumped 12.7%, the most since 2020. That strength should keep supporting travel and leisure demand.

Source: Bloomberg



3Q26 GDP Details & Real Final Sales: Consumption, business investment, inventories, and government were all positive contributors to 3Q GDP, while the primary negative was net exports due to imports of electronics and other AI- and data center-related components. Meanwhile, stripping out government spending, net trade, and inventories, real final sales to private domestic purchasers grew at 4.9%, the fastest pace post Covid.





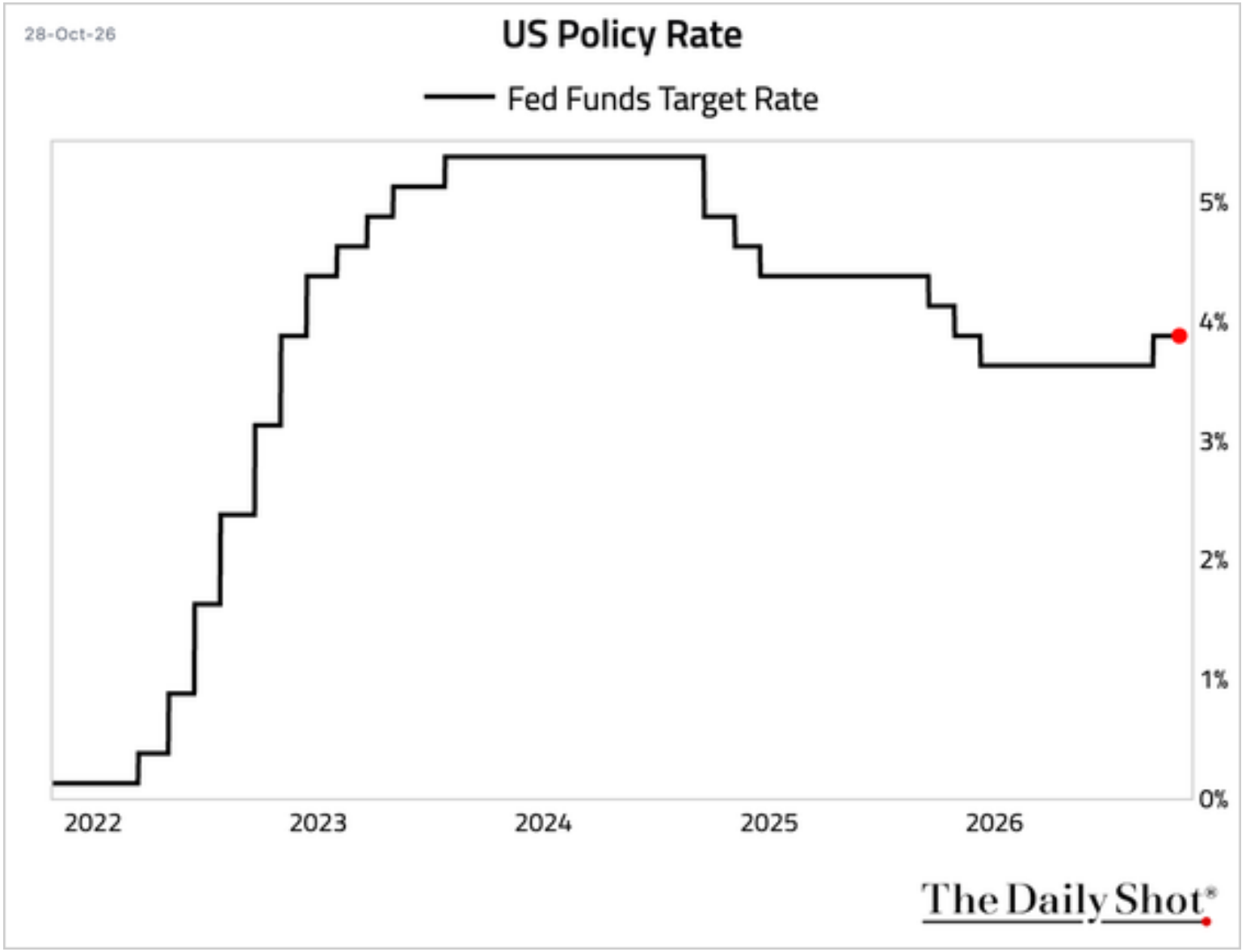
Source: Evercore, BEA

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The Fed held rates steady, but markets still assigned a 70%+ probability to a December hike. SOFR futures continue to imply higher rates ahead, despite easing modestly from last week. In global central banking news, Canada raised rates 25 bps, while the ECB and Bank of Japan held with a hawkish tilt. For borrowers, this remains a test of staying power: a pause in policy changes offers little assurance that financing costs will fall soon.

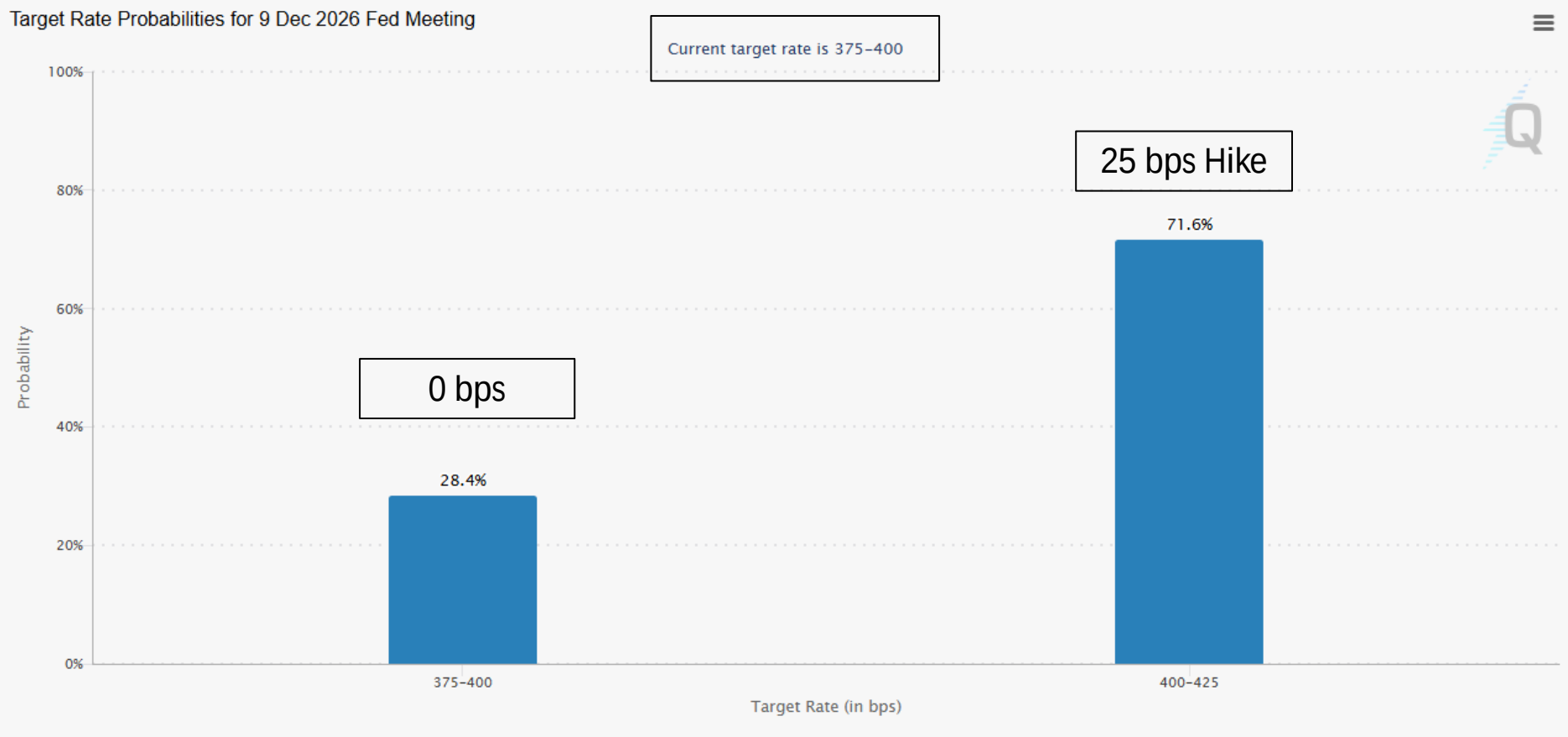
Central Bank Policy

As widely expected, the Fed held rates steady at this week's FOMC meeting.



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

MEETING INFORMATION						PROBABILITIES		
MEETING DATE	CONTRACT	EXPIRES	MID PRICE	PRIOR VOLUME	PRIOR OI	EASE	NO CHANGE	HIKE
9 Dec 2026	ZQZ6	31 Dec 2026	95.9925	35,019	281,718	0.0 %	28.4 %	71.6 %

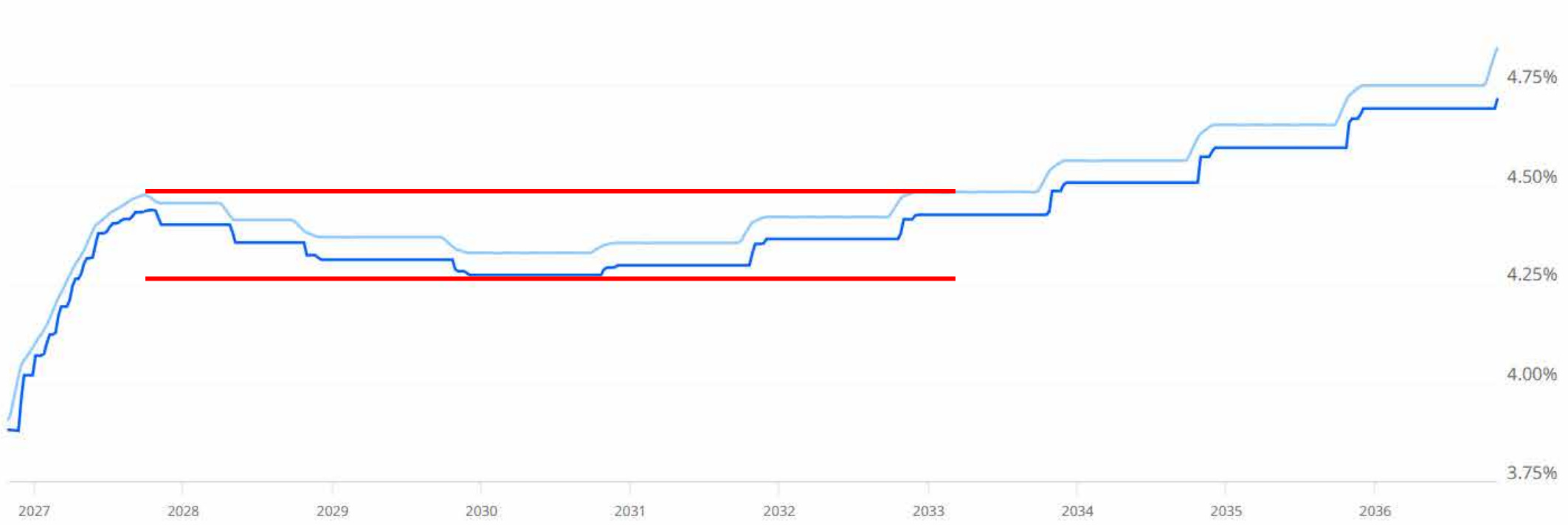


TARGET RATE (BPS)	PROBABILITY(%)			
	NOW *	1 DAY 29 OCT 2026	1 WEEK 23 OCT 2026	1 MONTH 30 SEP 2026
375-400 (Current)	28.4%	20.1%	23.8%	10.5%
400-425	71.6%	79.9%	68.9%	58.2%
425-450	0.0%	0.0%	7.3%	31.3%

* Data as of 30 Oct 2026 02:01:05 CT

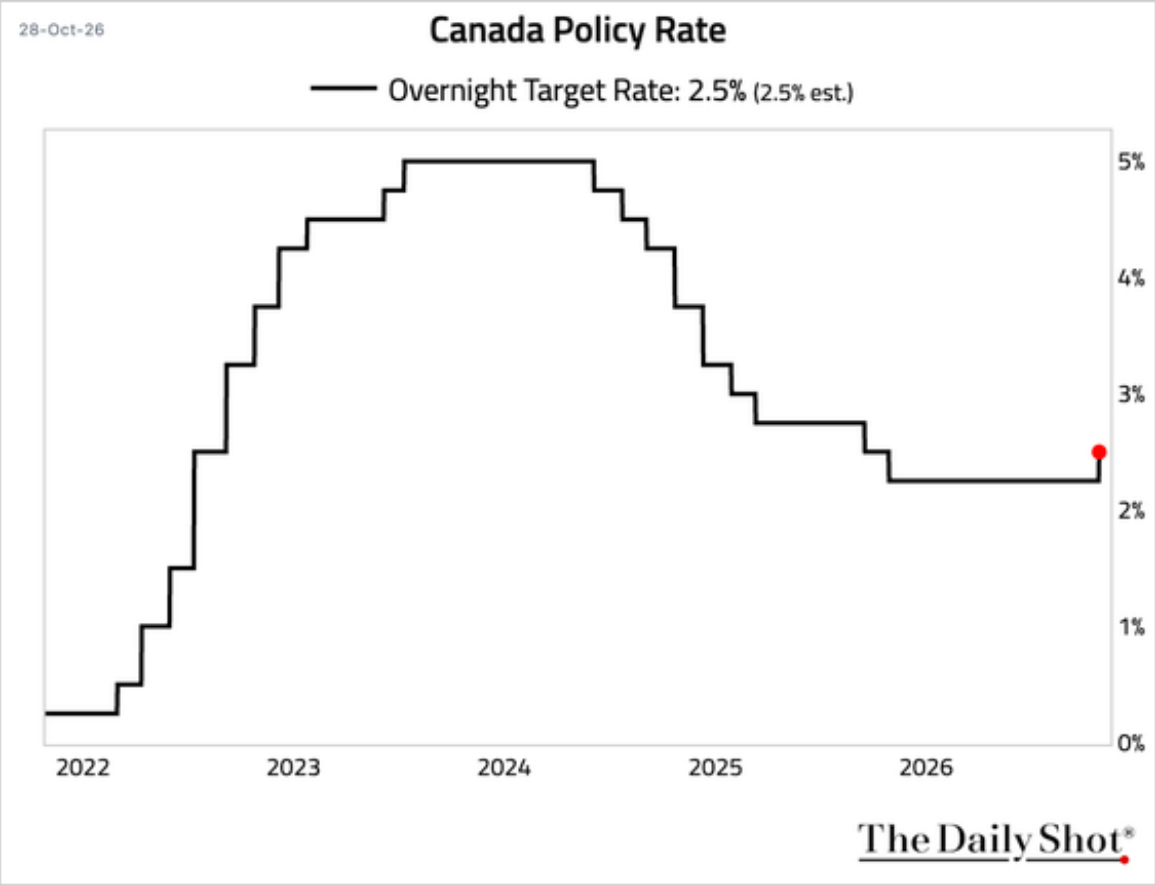
Source: CME Group

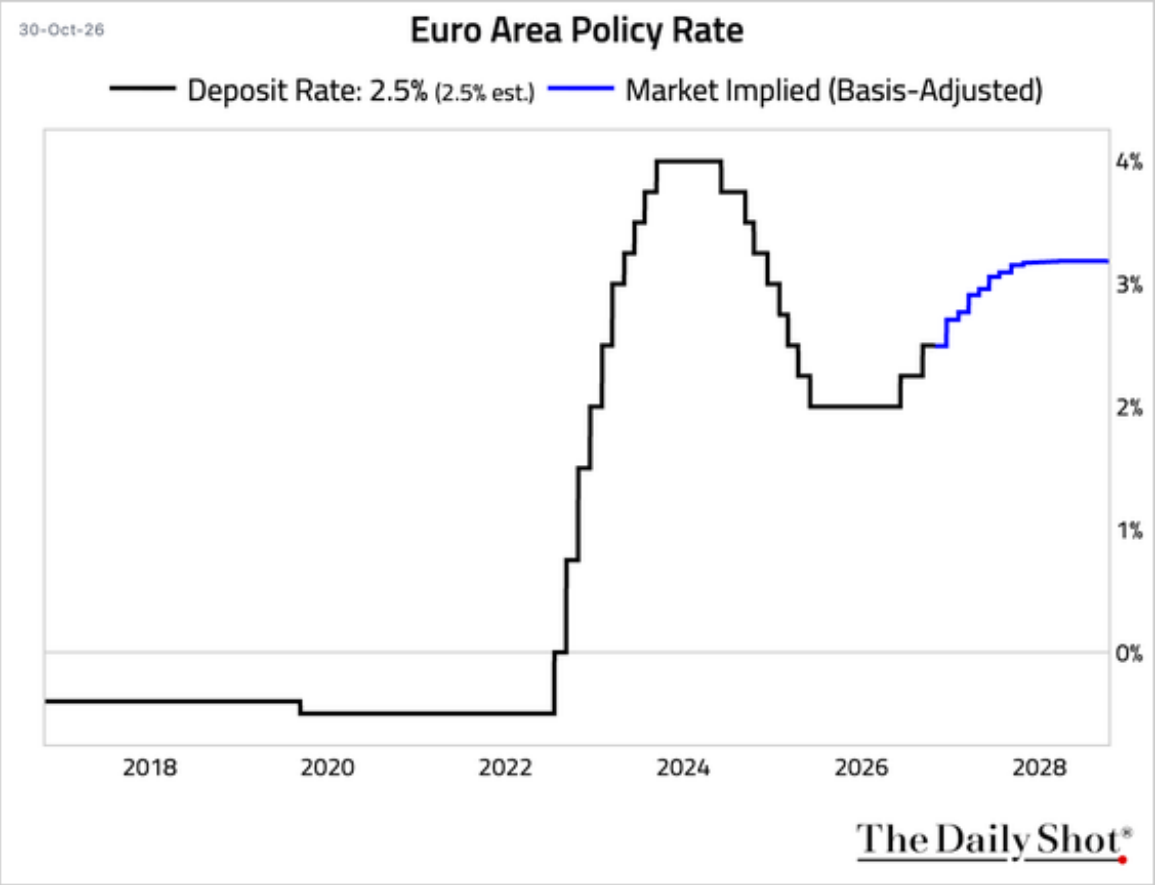
Fed Funds (dark blue) and SOFR futures continue to point to a higher-for-longer rate environment. One-month term SOFR is currently 3.90%, and the curve rises ~60 bps to 4.50% by next September before settling into a 20-bps range from 4.30%-4.50% for the next five-plus years. These levels have shifted ~5-10 bps lower since last week.



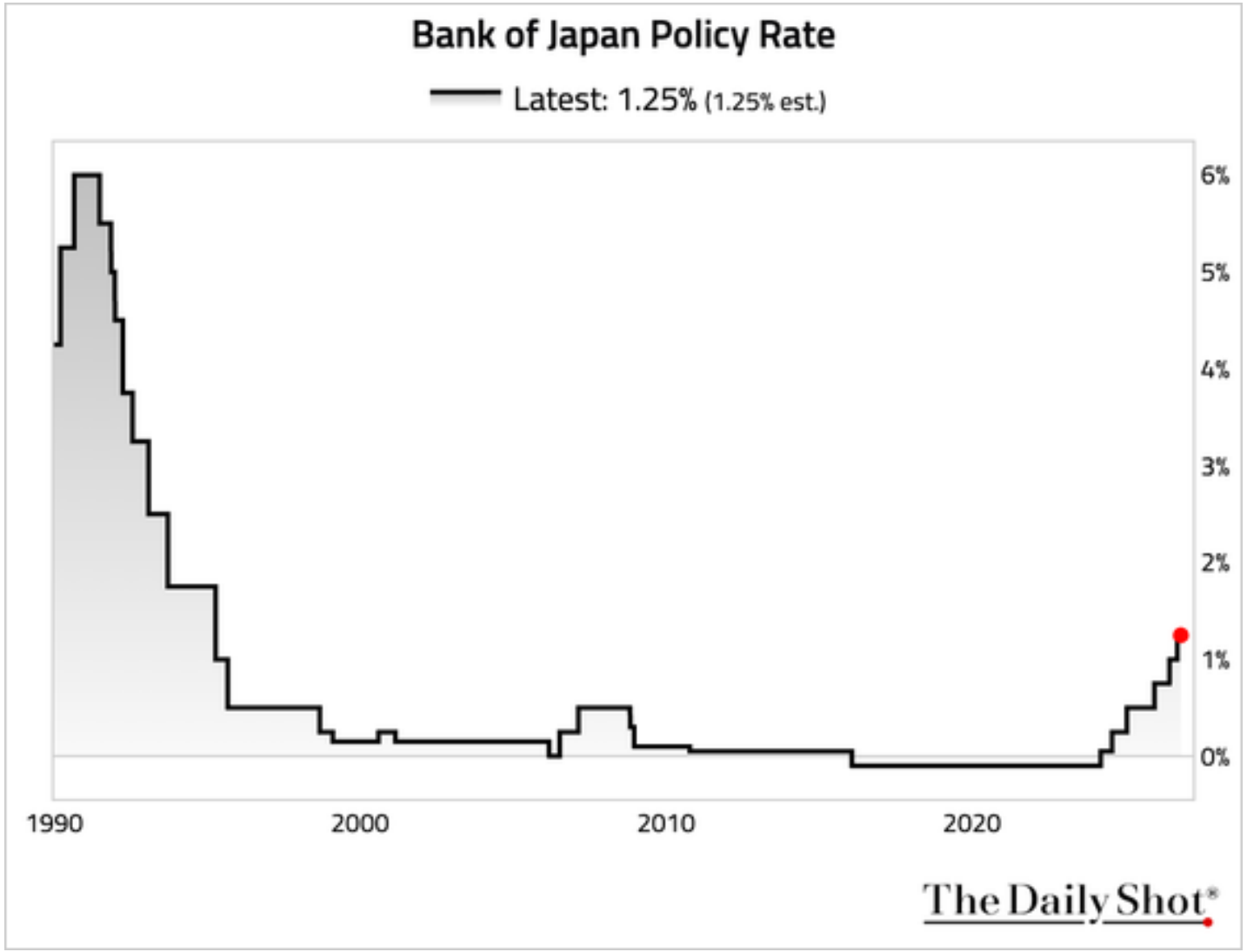
Source: Pensford

While Canada increased rates 25 bps in an effort to contain energy-related inflation risks, the European Central Bank held rates steady. However, the ECB strongly hinted at future increases. Also, ECB President Lagarde announced that she is going to retire by early 2027. “Bonne chance” to her successor!





The Bank of Japan also left rates unchanged, but the meeting was hawkish, with the policy focus shifted toward upside inflation risks. Markets expect a hike in December.



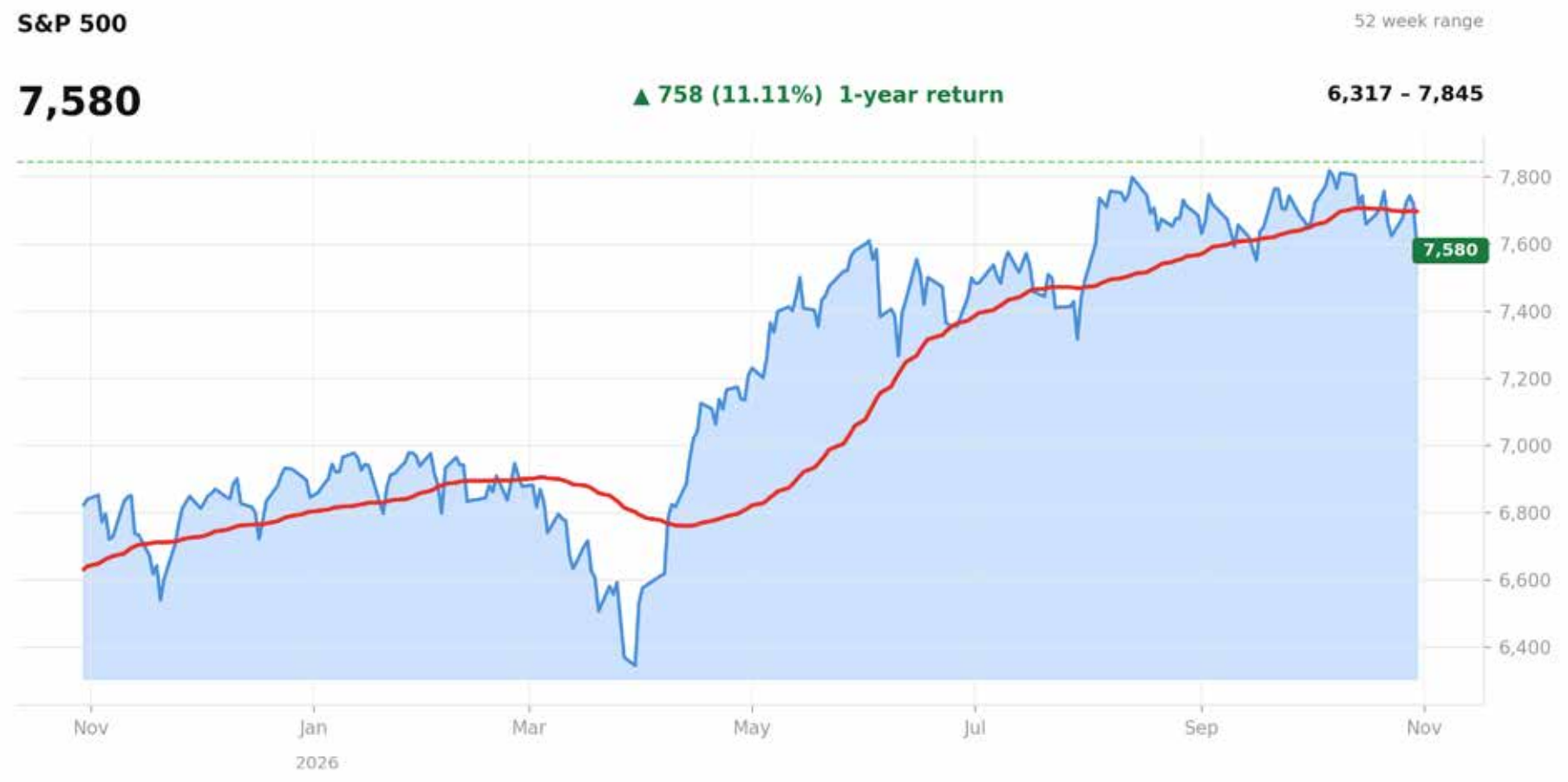
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Investors' patience with expensive growth stories faced another test this week, as Alphabet, Amazon and Intel reminded them that disappointing results can carry a steep price. The S&P 500 fell 0.6% for the week even as 323 of the 500 names advanced (and 777 of the Russell 1000 also gained). Treasury yields declined, with the 10-year ending at 4.94%, down 6 bps. Bitcoin also fell more than 5% amid a reported $6+ billion Binance hack.

U.S. Equity and Fixed-Income Markets

S&P 500 Index – One Year Price Chart

Despite the churn, the S&P 500 only fell 0.6% for the week, putting its YTD return at 10.7%, while its one-year return dipped to 11.1%.

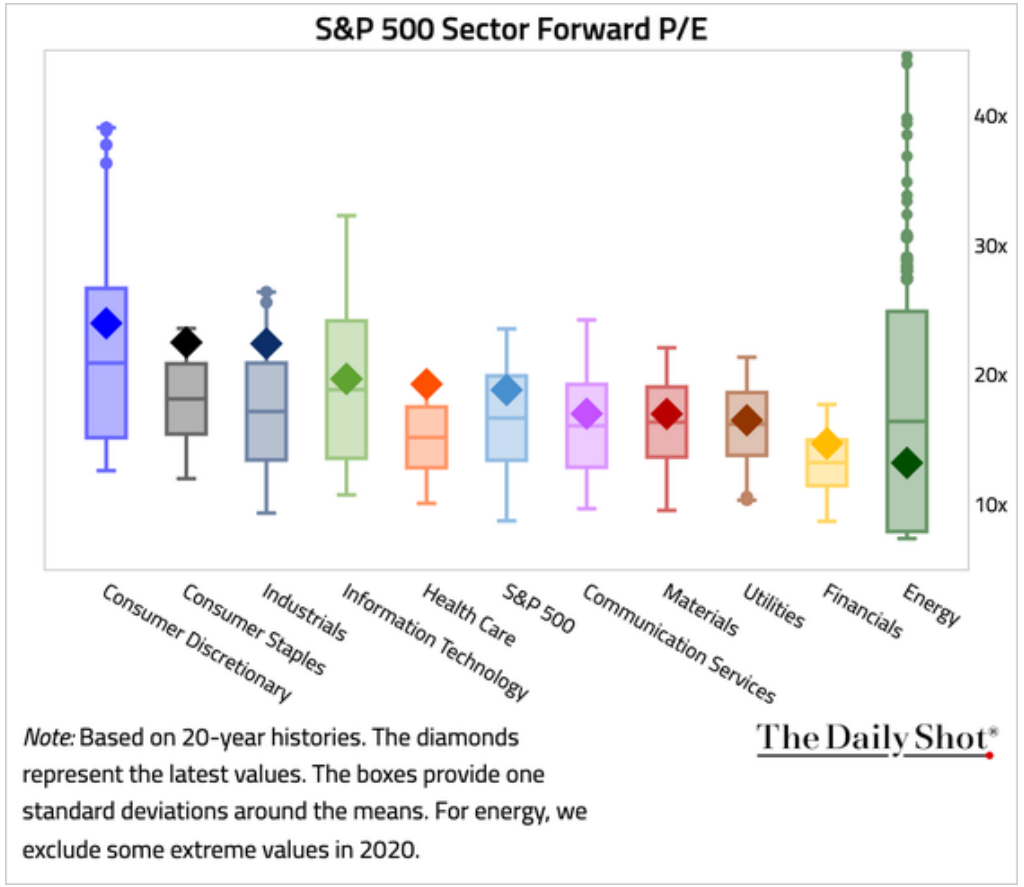


Source: Yahoo Finance

S&P 500 valuations have come down somewhat, currently reflecting a 20x forward P/E multiple.

Interestingly, two of this year's hot sectors, Energy and Information Technology, are at or below their 20-year average P/E ratios.





Weekly Performance – S&P 500 Index Components

Despite the decline in the overall index, only two of the 11 sectors experienced declines in the median stock. 323 stocks were in plus territory, gaining an average of 3.8%, while 177 stocks declined, losing an average of 4.5%. Magnificent 7 names were mostly negative, including Alphabet (Google), Amazon, Apple, Meta, Microsoft, and Nvidia. Tesla broke ranks and gained 7.4%.



Source: Finviz.com

Last week it was Meta, and this week it was Alphabet and Amazon that got whacked after reporting 3Q earnings. Alphabet's results and spending outlook unnerved investors, wiping roughly $500 billion from its market value (a 12.6% one-day decline), while Amazon investors didn't like the company's $42B quarterly cash burn, far worse than the other hyperscalers.

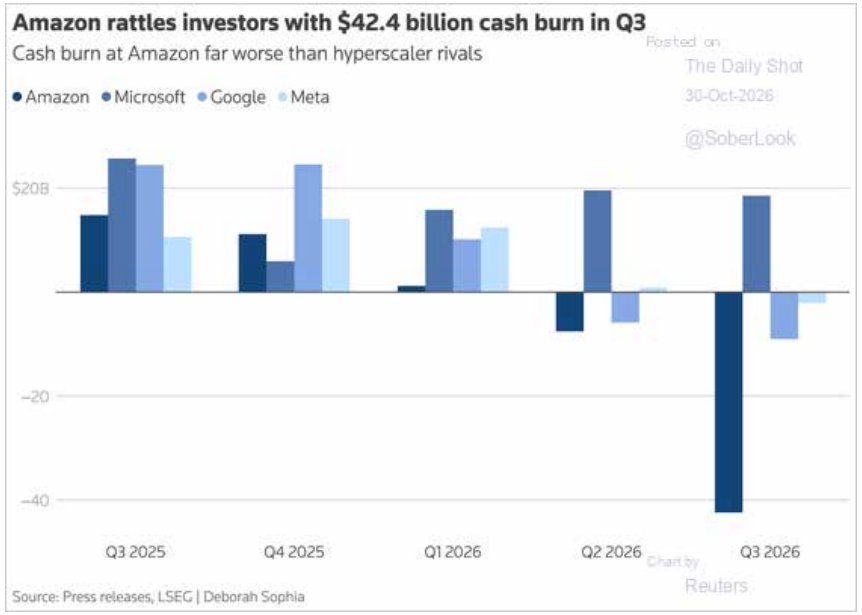


Source: Yahoo Finance daily closes, indexed by Muse

Alphabet Sheds Half a Trillion in Market Value in Stock's Worst Day Ever

Discontent with Google parent's quarterly results highlights tensions of its transition from search colossus to AI hyperscaler.

Amazon slides on light fourth-quarter sales estimates, high cash burn



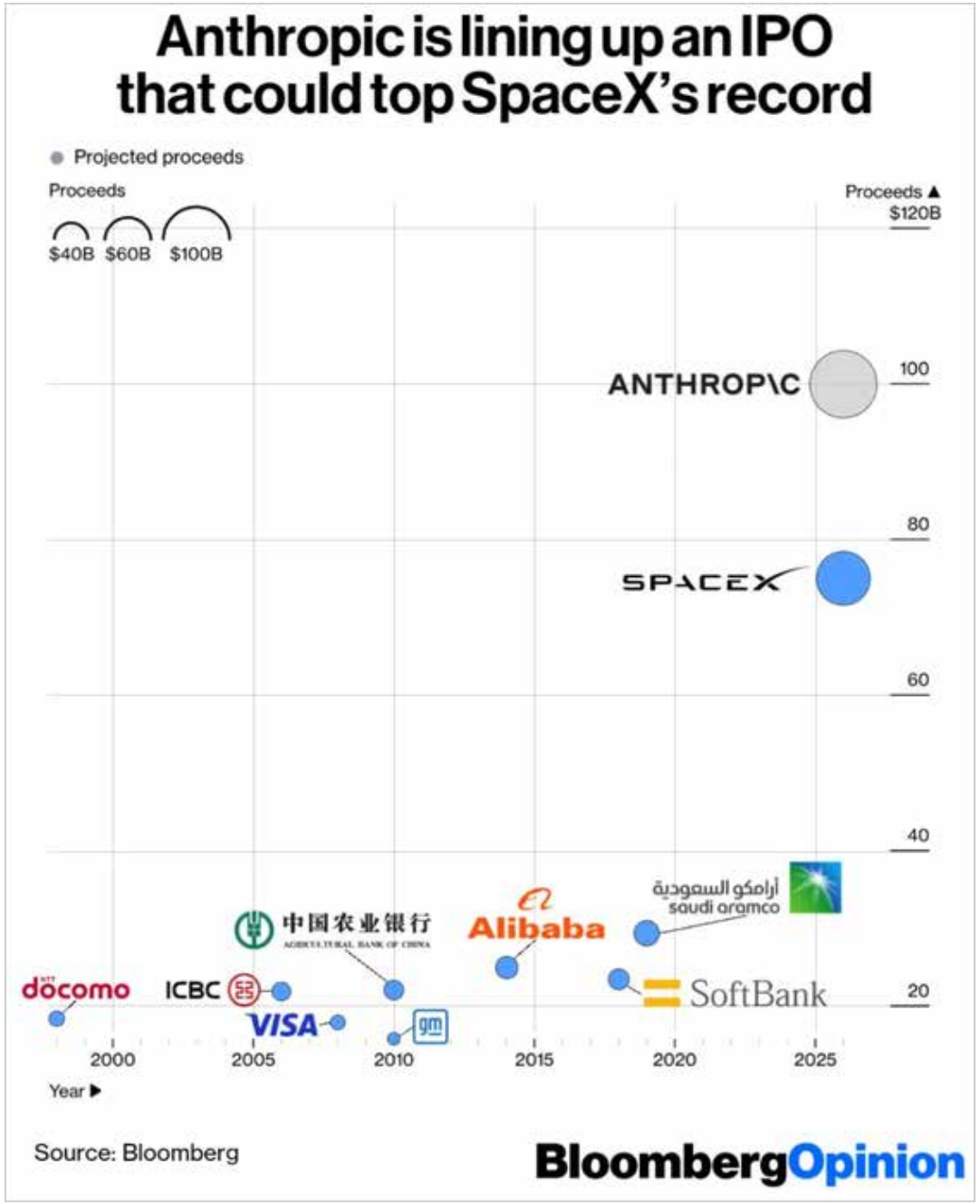
Sources: Yahoo Finance, Daily Shot, Muse

From bad to worse: After Google dropped 12.6% on Thursday, Intel proceeded to tank 28.6% on Friday, reportedly its worst decline in 40 years due to a PC industry slump and supply-chain snags that hurt its forecast.



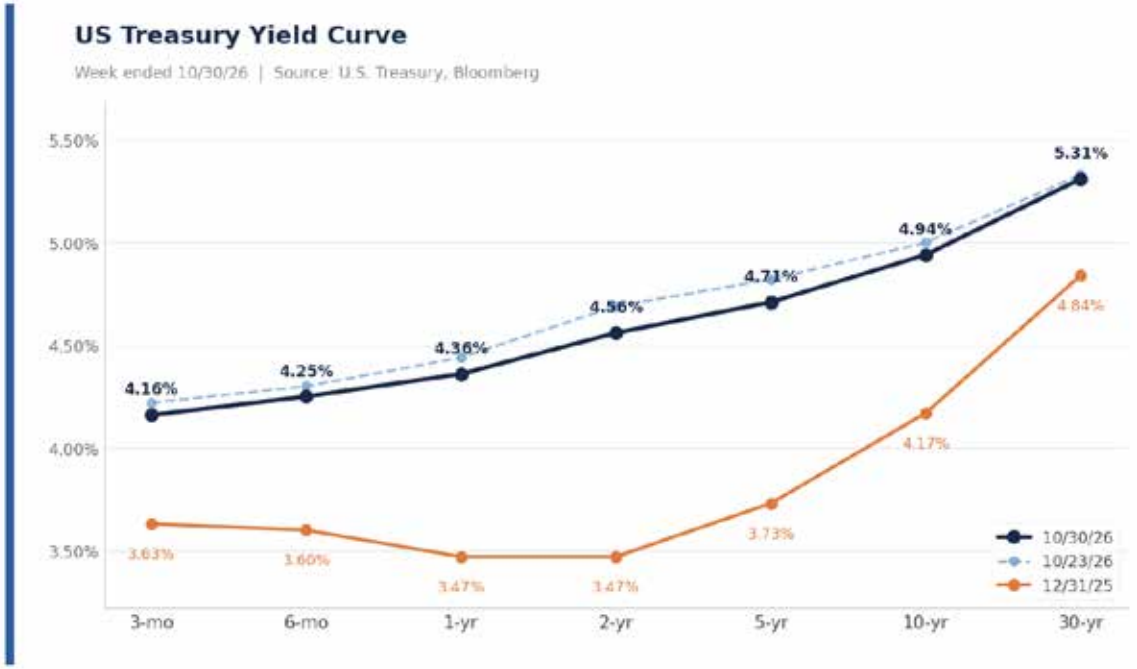
Sources: Yahoo Finance, Muse

Anthropic's hopes for IPO proceeds above SpaceX's record didn't benefit from this week's market action



U.S. Treasury Yield Curve

- *The 2- and 5-year Treasury yields ended the week at 4.56% (-13 bps) and 4.71% (-11 bps), respectively, while the 10- and 30-year yields fell to 4.94% (-6 bps) and 5.31% (-2 bps).*

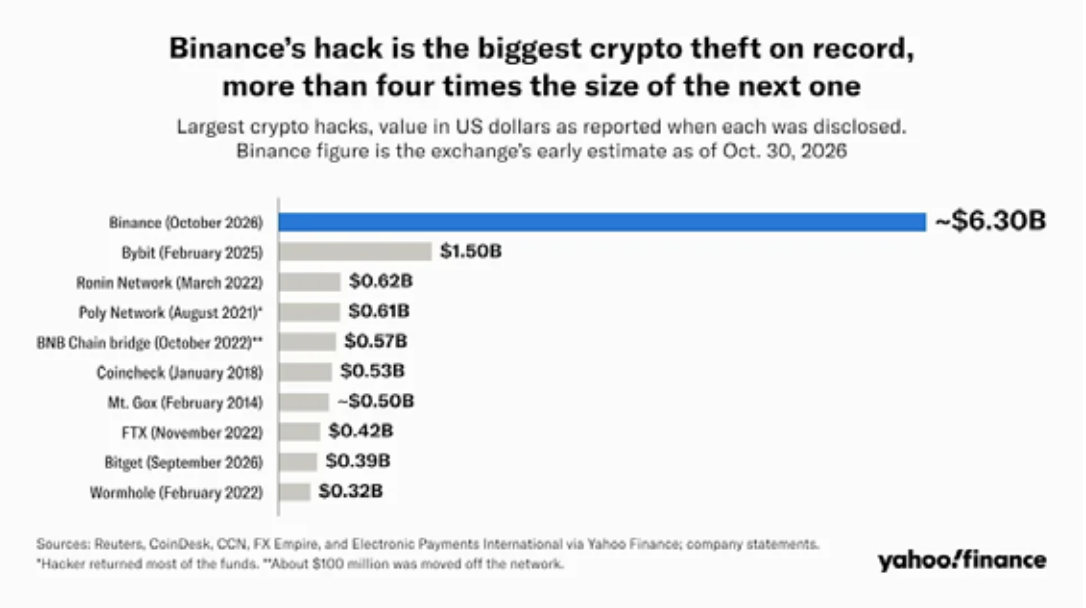




Bitcoin – One Year Price Chart

Bitcoin took a shot to the gut this week, as a $6.3 billion hack into crypto exchange Binance, by far the largest crypto heist ever, spooked the market. The attack has reported been linked to North Korean hackers. Bitcoin fell just over 5% to $76,755, down ~$4,500 from late trading a week ago Friday.





Source: Yahoo Finance

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While Middle East risks continue to cloud the outlook, the oil and gas markets have been fairly steady for the last two weeks.

Energy and Commodities

WTI Crude Oil – One Year Price Chart

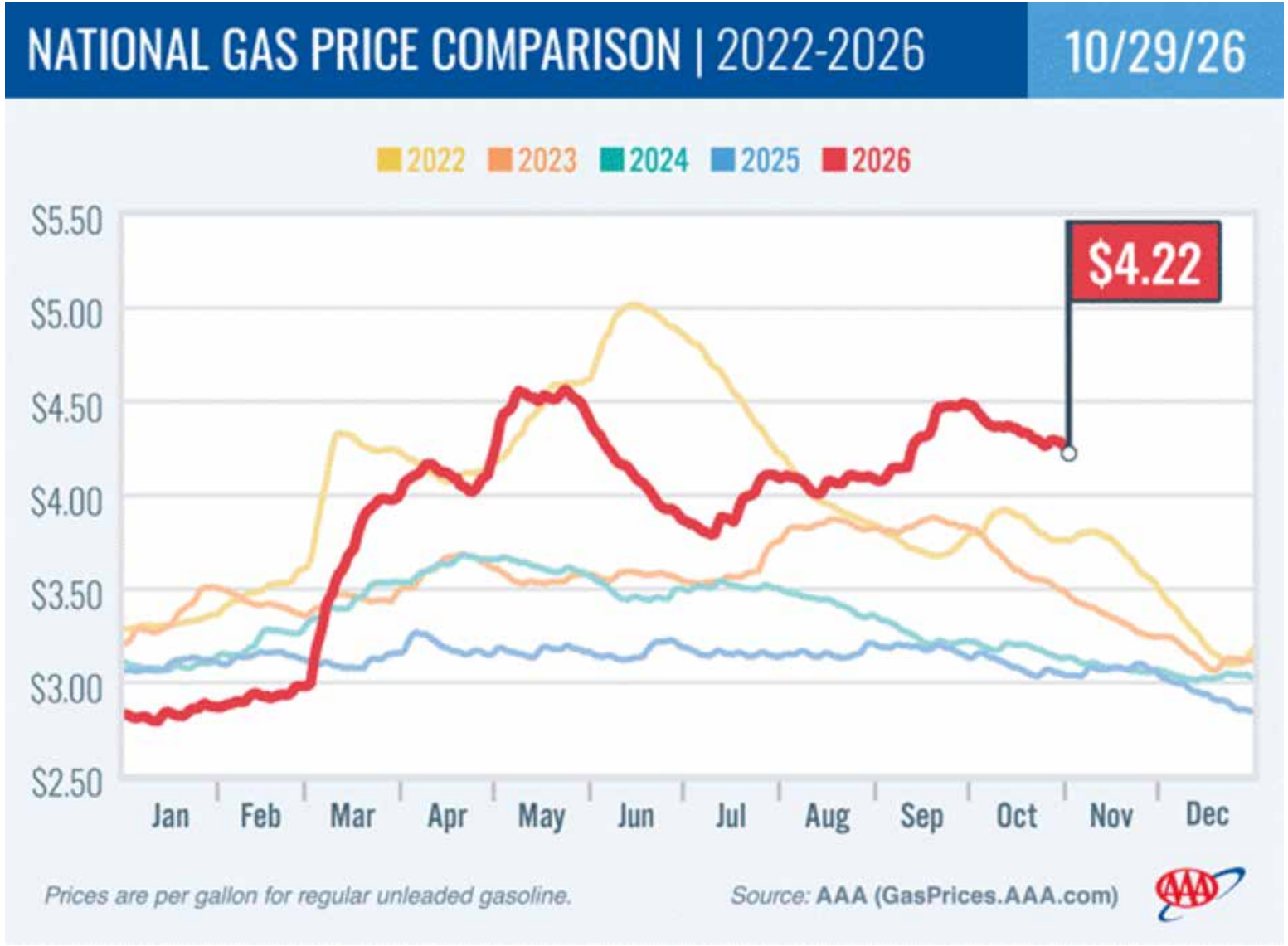
WTI fell about 50 cents this week to $102.95/barrel, but energy prices remain in an uptrend.



Source: Yahoo Finance

U.S. national gasoline prices continued to stabilize this week, falling 5 cents to $4.22/gallon as of October 29, $1.15 above the same time last year, a 40% increase.

Source: AAA.com



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Global markets offered little uniformity, with steep losses in Brazil due to a surprising election result alongside gains in several European indexes. French sovereign spreads remain elevated relative to similarly rated peers. China's aging population complicates its long-term growth outlook, even as its ports continue to dominate global container shipping. Near-term performance and long-term economic strength could prove to be very different contests.

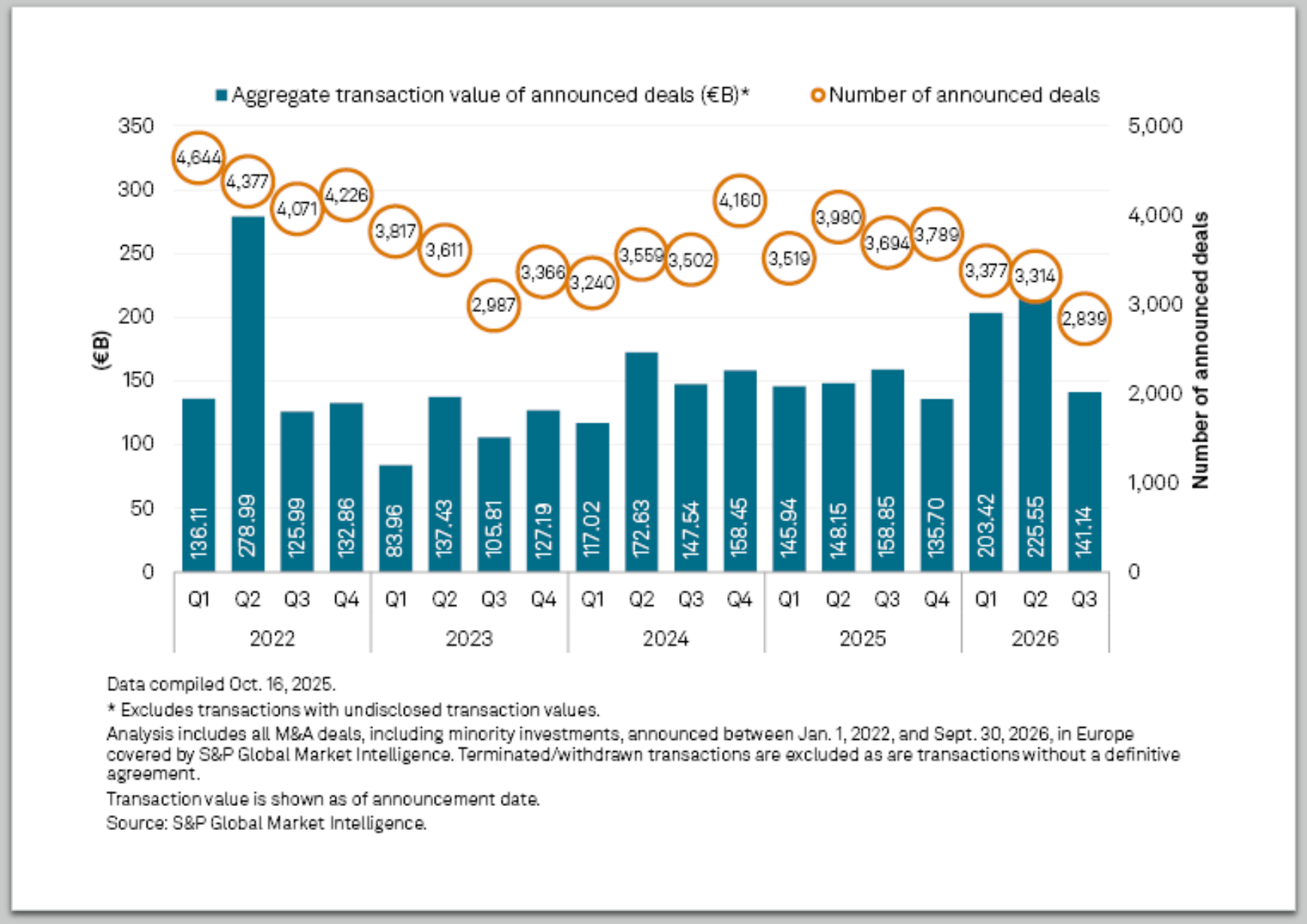
Global Markets and Economic Data

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	51,770.31	-572.25	-1.09%	-0.85%	+1.70%	-0.84%	+7.71%	54,744.33	45,057.30
^SPX	S&P 500 Price Return	7,580.07	-140.32	-1.82%	-0.86%	-1.22%	+1.62%	+10.41%	7,844.52	6,316.91
^SPXE	S&P 500 EQUAL WEIGHTED Price Return	8,842.30	-70.66	-0.79%	+0.80%	+4.90%	+1.37%	+13.89%	9,040.51	7,369.40
^MID	S&P 400 Mid Cap Price Return	3,662.2	-45.07	-1.22%	+1.26%	+1.84%	-2.72%	+10.80%	3,928.98	3,107.41
^SML	S&P 600 Small Cap Price Return	1,706.25	-21.01	-1.22%	+1.46%	+3.10%	-3.61%	+16.25%	1,832.20	1,364.94
^COMP	NASDAQ Composite Price Return	25,437.00	-747.73	-2.86%	-2.00%	-5.30%	+1.25%	+9.44%	27,722.75	20,690.25
^RUT	Russell 2000 Price Return	2,811.84	-47.37	-1.66%	+1.29%	+0.54%	-4.56%	+13.29%	3,068.42	2,305.11
^GSPTSE	S&P TSX Composite Price Return	35,620.03	-629.00	-1.74%	-0.47%	+1.09%	+0.32%	+12.33%	36,957.63	29,777.82
^IBOV	Brazil IBOVESPA Index Price Return	167,921.80	-1,264.62	-0.75%	-18.12%	-9.88%	-5.21%	+4.22%	209,066.90	150,454.24
Europe										
^SX5E	EURO STOXX 50 Price Return	6,131.31	-75.76	-1.22%	+1.04%	-2.20%	-3.36%	+5.87%	6,551.22	5,501.28
^PX1	CAC 40 Price Return	7,969.42	-0.58	-0.01%	+2.40%	+0.06%	-6.08%	-2.21%	8,726.03	7,665.62
^DAXK	Germany DAX Index (Kursindex) Price Return	9,423.69	-80.83	-0.85%	+2.53%	+2.46%	+0.81%	+2.71%	9,698.09	8,329.21
^UKX	FTSE 100 (GBP) Price Return	10,729.78	+7.71	+0.07%	+0.37%	+1.17%	-1.54%	+8.04%	10,989.50	9,423.90
^I	IBEX 35 Price Return	18,652.90	-204.70	-1.09%	-1.77%	-3.98%	-5.59%	+7.77%	20,213.60	15,821.90
Asia										
^MXCN	MSCI China Index Price Return	65.94	0.00	0.00%	-1.07%	-7.76%	-12.15%	-20.16%	88.68	65.91
^000001	China Shanghai SE Composite Price Return	3,599.02	-52.42	-1.44%	-1.61%	-6.33%	-5.99%	-9.32%	4,242.57	3,595.26
^HSCEI	Hang Seng China Enterprises Index Price Return	7,862.22	+106.56	+1.37%	+2.25%	-4.35%	-8.83%	-11.80%	9,645.90	7,404.47
^HSI	Hang Seng Index Price Return	23,294.42	+335.77	+1.46%	+1.57%	-5.36%	-9.74%	-9.11%	28,056.10	22,518.00
^N225	Nikkei 225 Stock Average Price Return	63,290.11	-1,369.36	-2.12%	+0.61%	-5.19%	+3.02%	+25.73%	72,366.34	48,537.70
^KS200	KOSPI 200 Index Price Return	899.78	-36.09	-3.86%	+4.87%	-16.83%	+1.42%	+48.48%	1,477.22	540.36
^NIFTY50	Nifty 50 Index Price Return	23,053.10	+116.35	+0.51%	+1.61%	+1.91%	-4.94%	-11.77%	26,373.20	22,179.90

European mergers & acquisitions activity in Q3 was the slowest in 5 years



Data compiled Oct. 16, 2025.

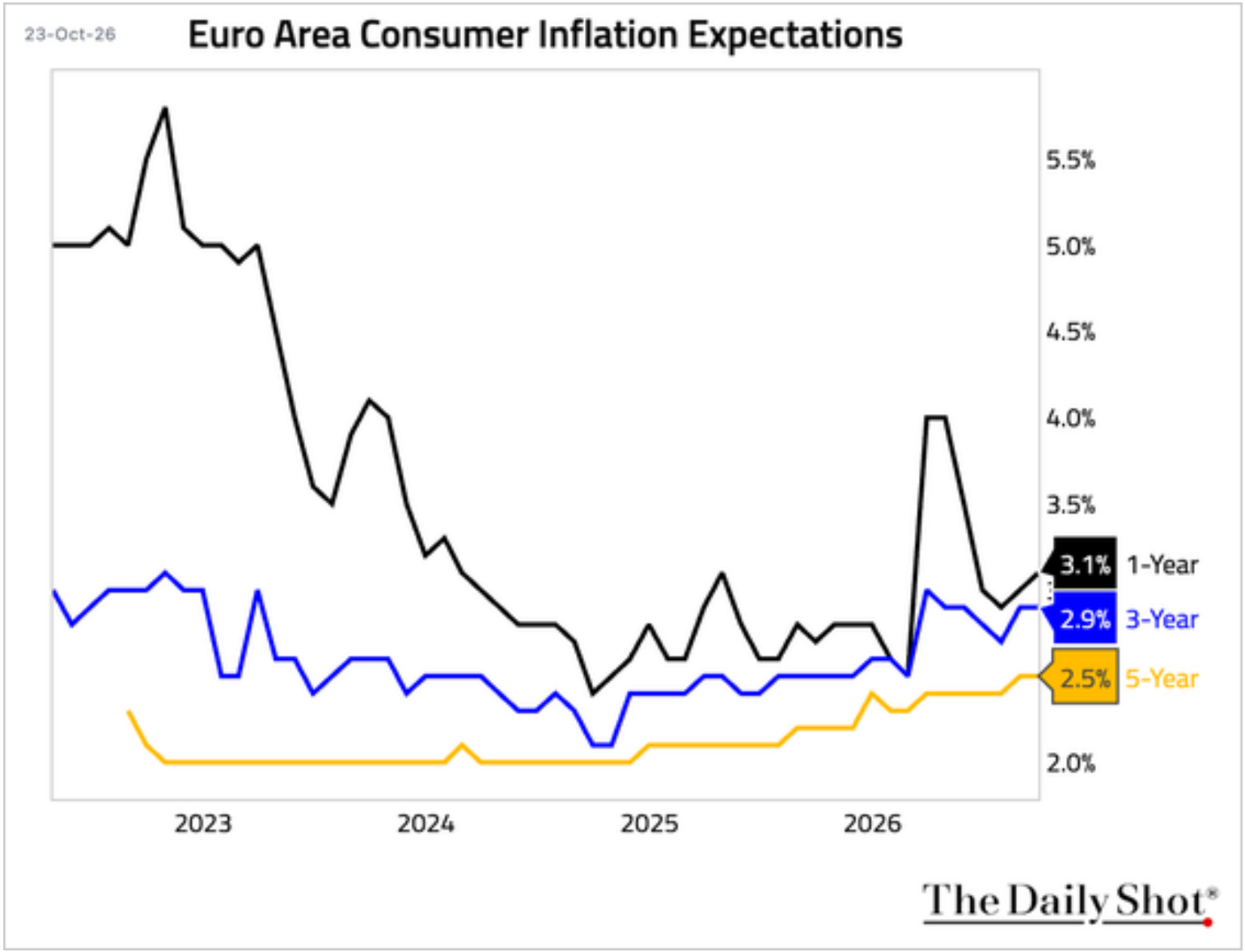
* Excludes transactions with undisclosed transaction values.

Analysis includes all M&A deals, including minority investments, announced between Jan. 1, 2022, and Sept. 30, 2026, in Europe covered by S&P Global Market Intelligence. Terminated/withdrawn transactions are excluded as are transactions without a definitive agreement.

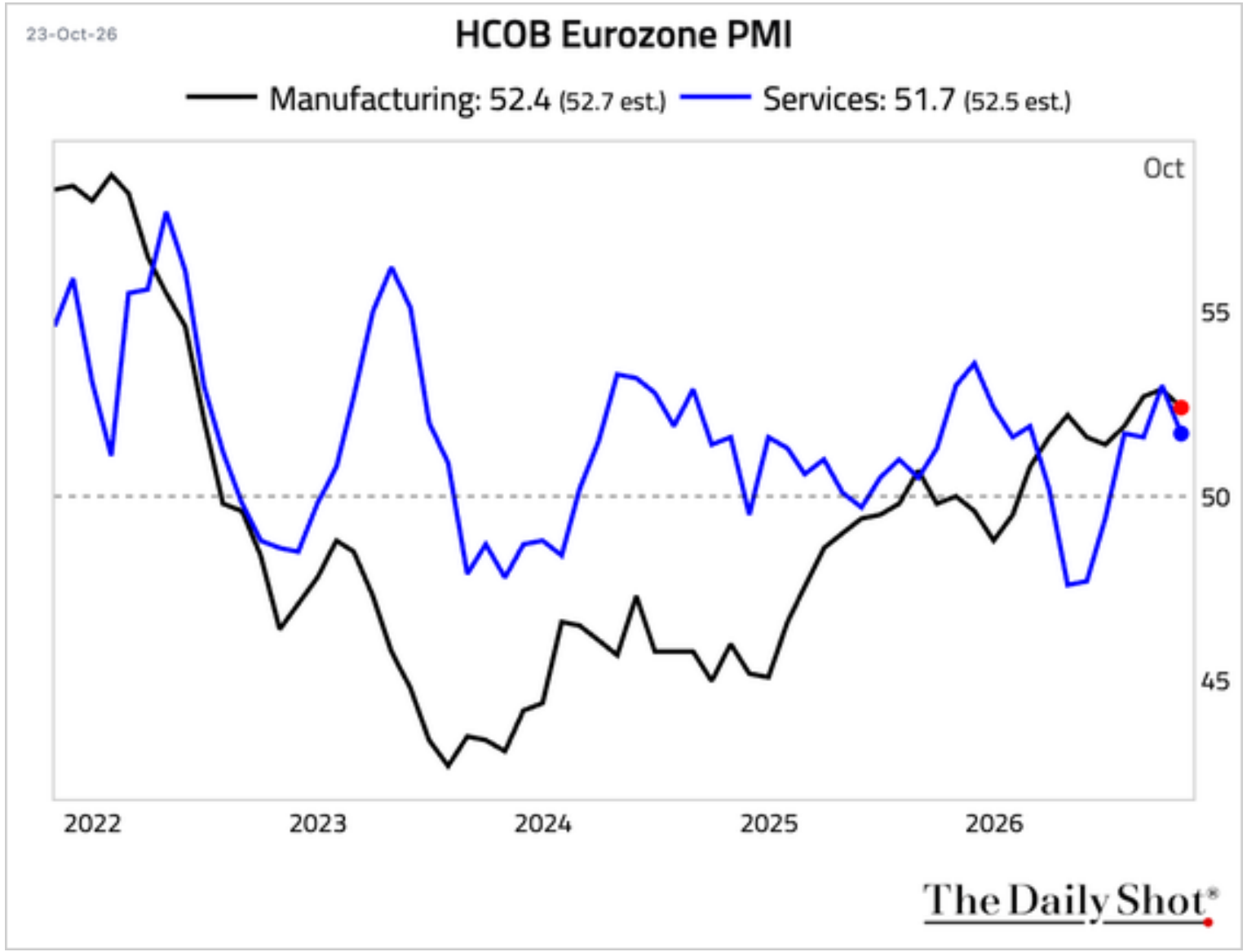
Transaction value is shown as of announcement date.

Source: S&P Global Market Intelligence.

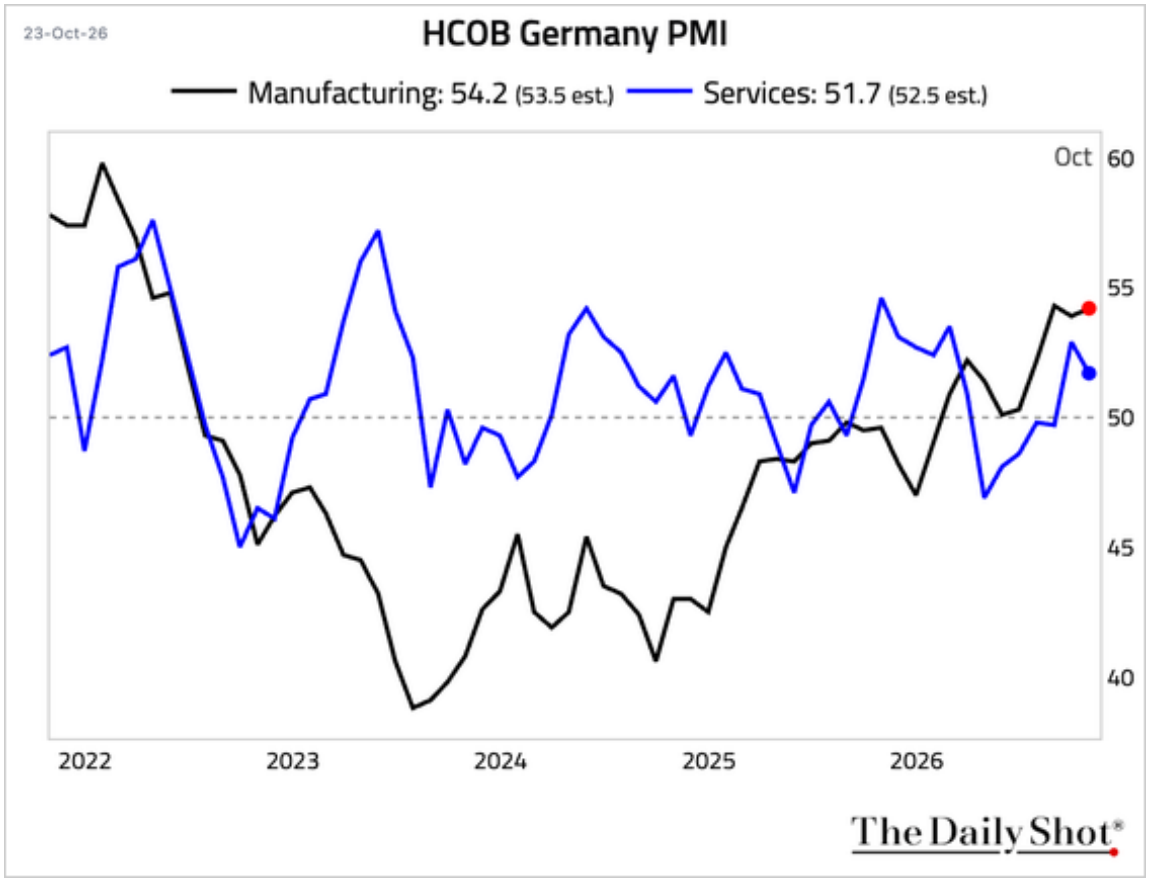
Eurozone consumer inflation expectations increased for 1-year out but remained anchored for longer-term inflation...

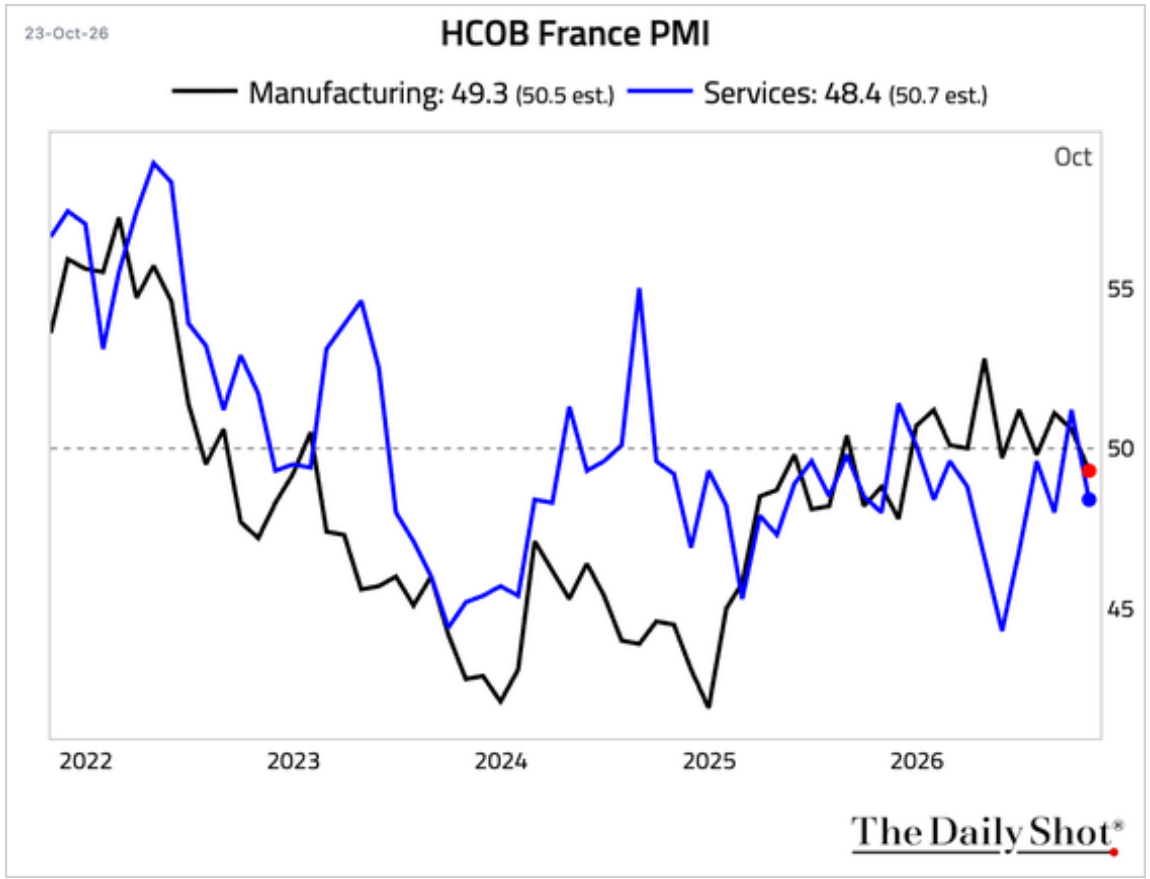


...while European manufacturing and services PMIs were both modestly below guidance but remain in expansion territory...

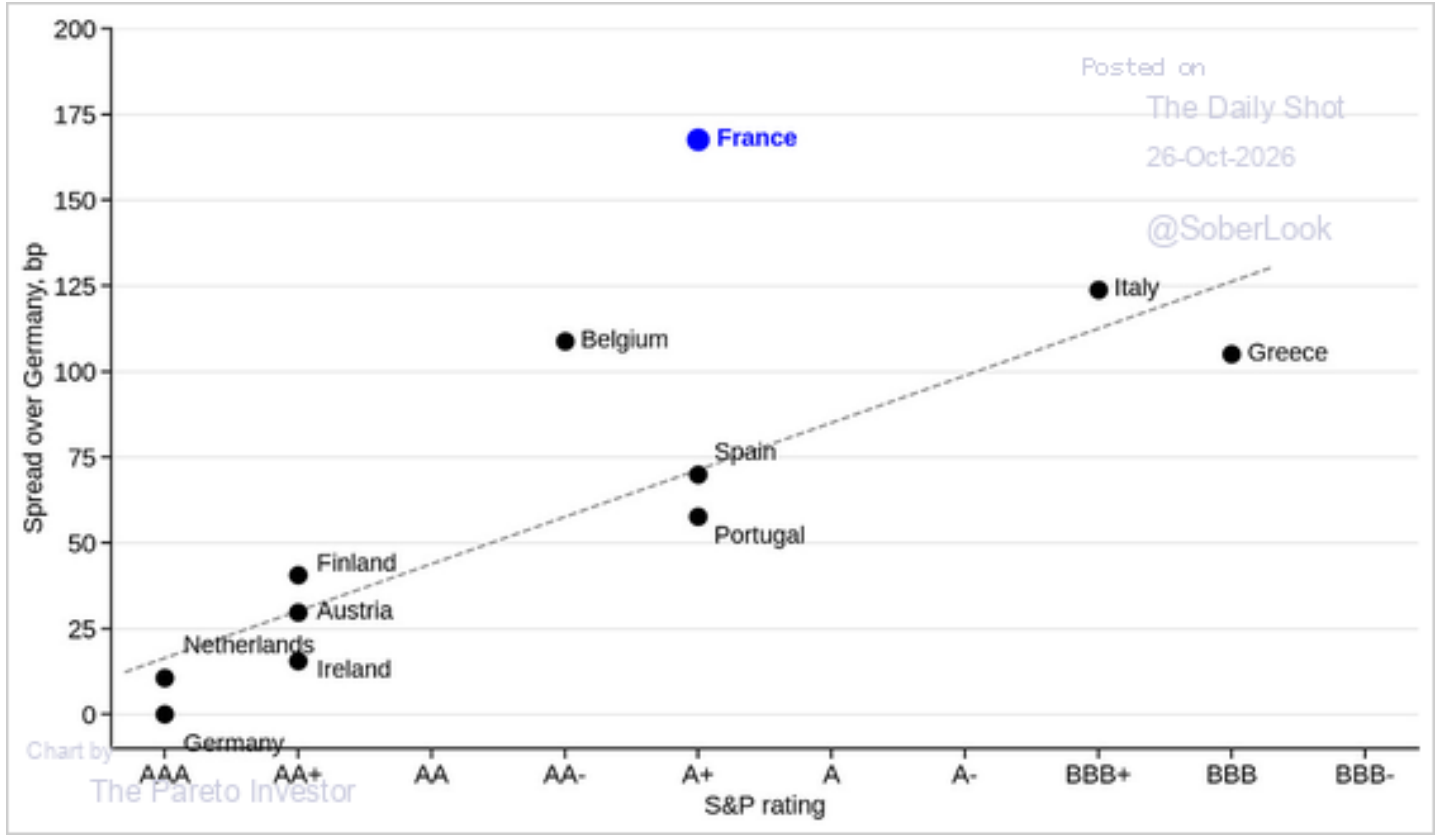


...with the German manufacturing sector strengthening more than expected, while French manufacturing and services both fell short of forecasts and slipped into contraction amid student and other protests.

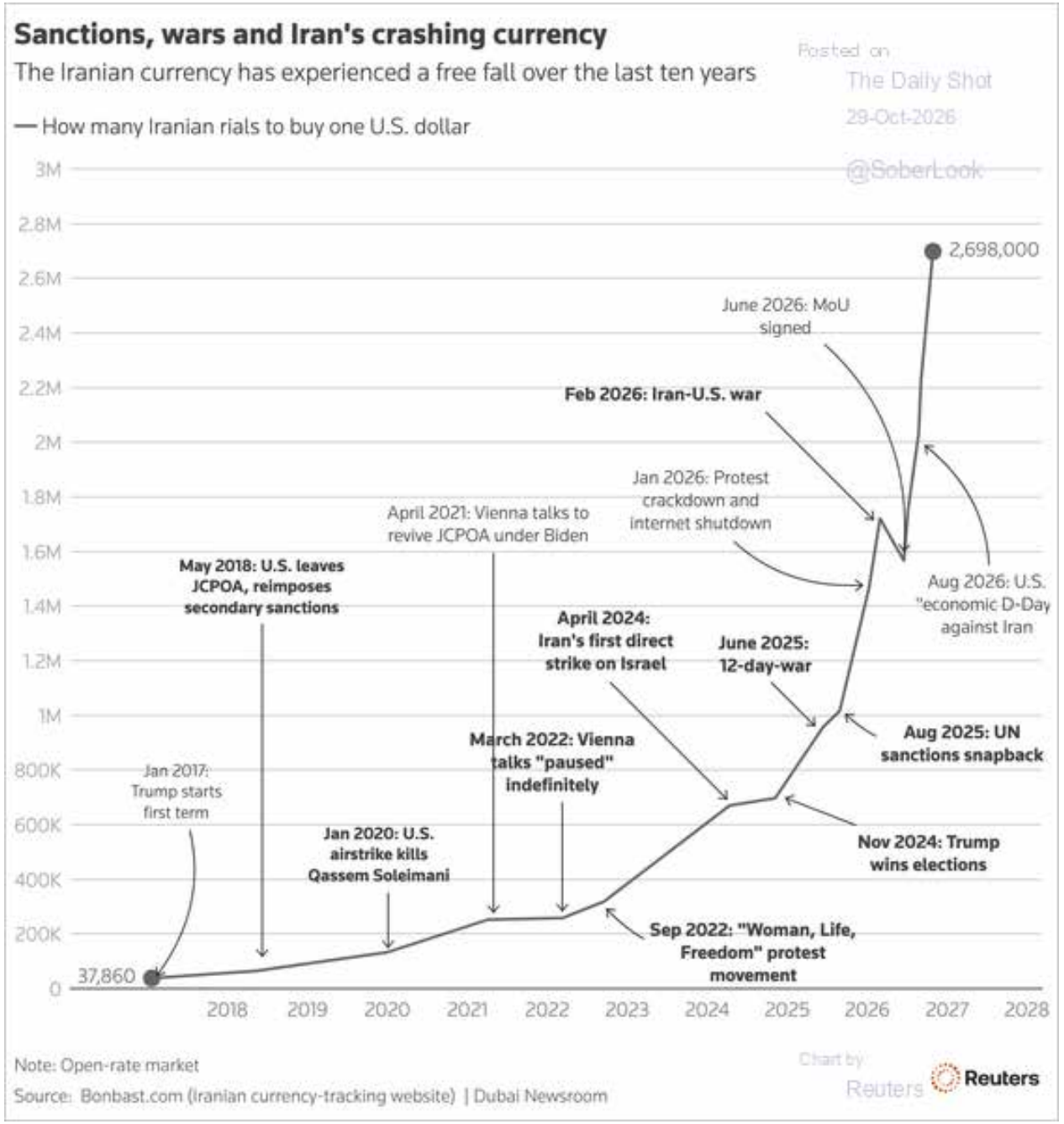




Meanwhile, French government bonds have sold off, currently trading roughly 170 bps over German Bunds, unusually wide relative to similarly rated sovereigns.

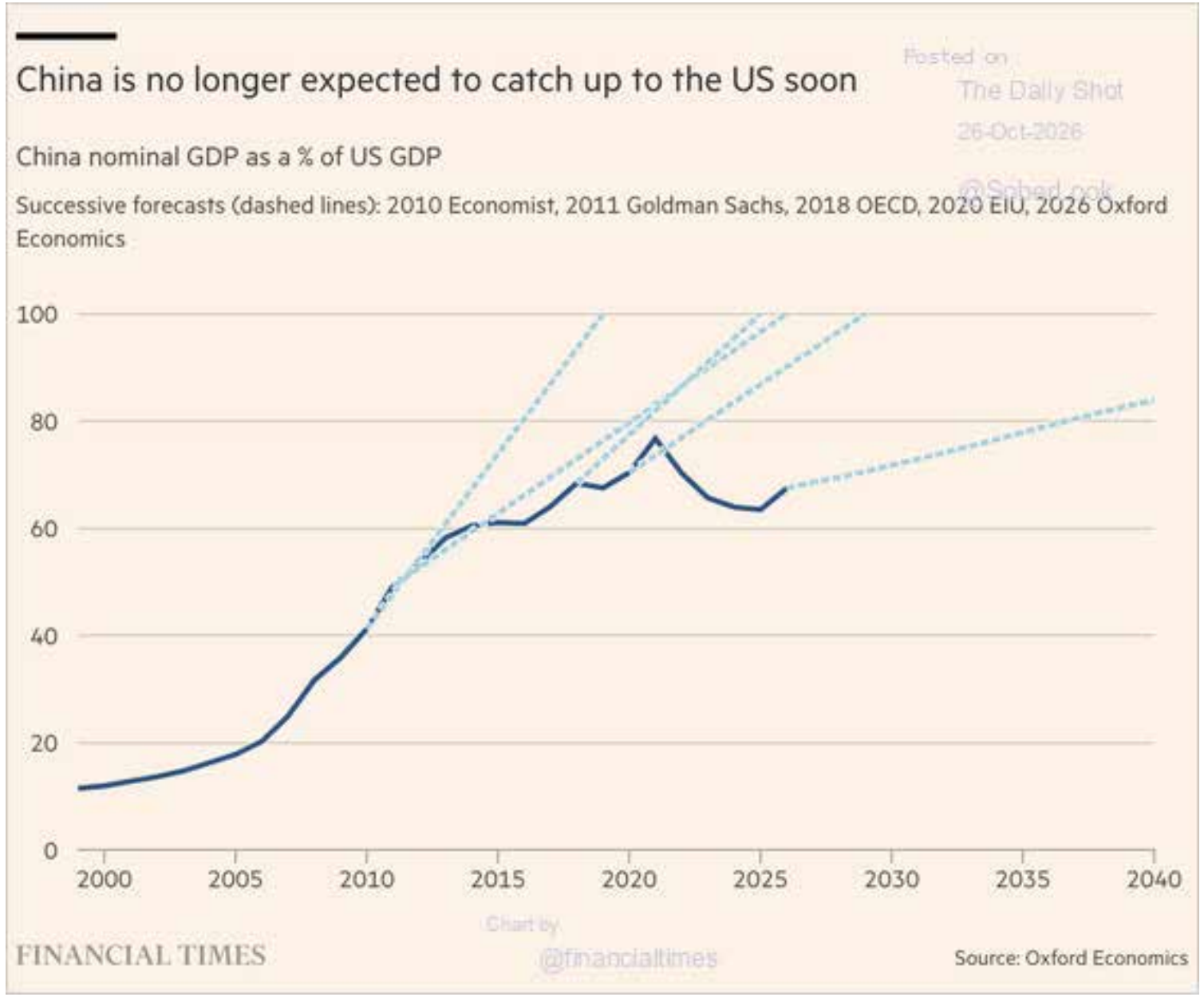


As bad as the debt market is in France, Iran would trade places in a heartbeat. The Iranian currency is in an absolute free fall, currently trading at 2.7M rials to the U.S. dollar.



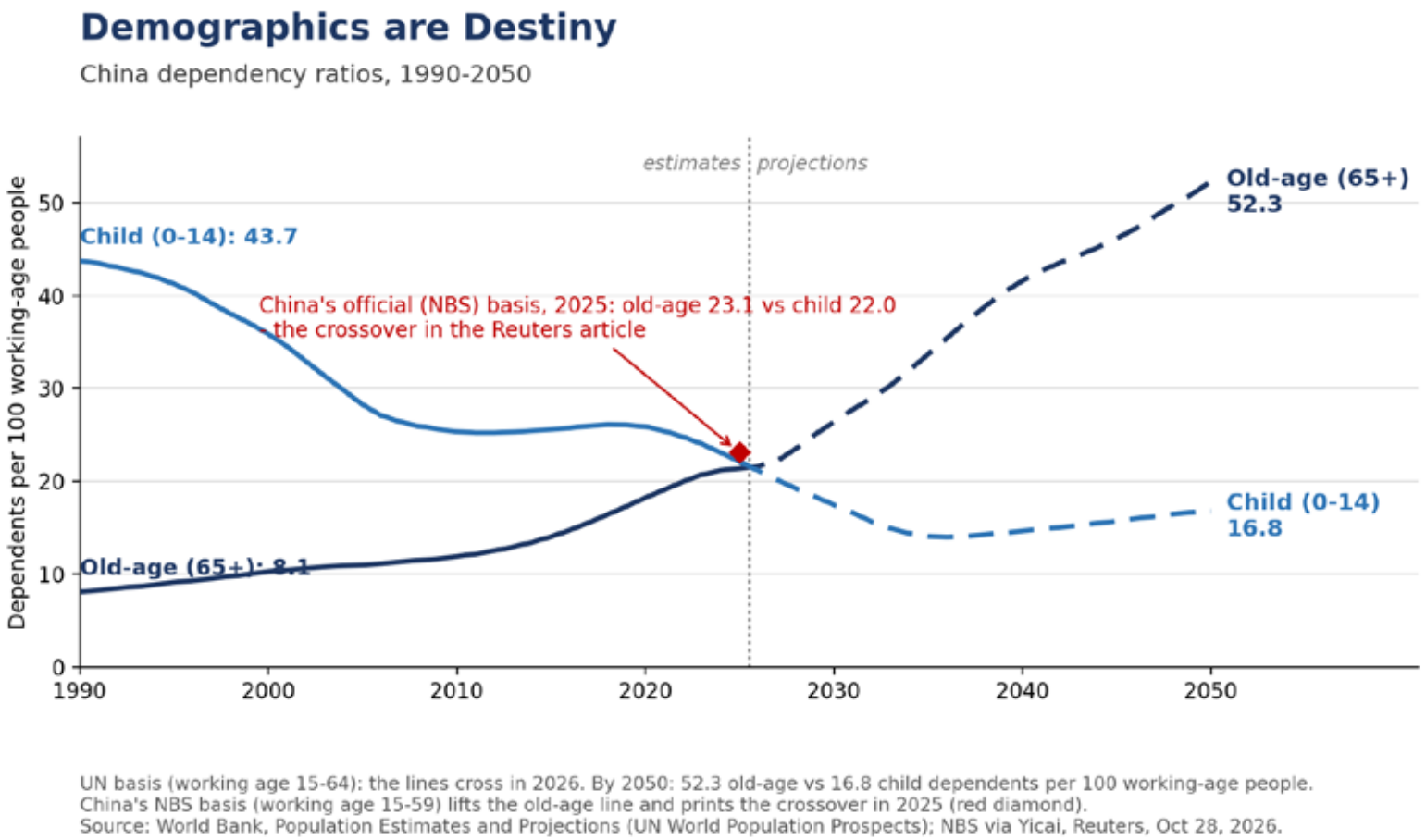
Not So Fast:

In 2010, the Economist predicted that China's nominal GDP would catch the U.S. before 2020, but while China was able to move from 60% to nearly 80% of U.S. GDP, it has since fallen back. Projections from Oxford Economics now suggest that it will be a long time before China catches up to the U.S. (if ever).



Demographics are Destiny: Part of China's challenge in matching the U.S.'s economy is China's rapidly aging population, which will be an ongoing storyline for decades to come.

- According to *U.S. News & World Report*, China is now supporting more people aged 65 and above than children, underscoring the impact of its rapidly ageing population and a declining birth rate.
- Data from China's National Bureau of Statistics showed the old-age dependency ratio — the non-working-age population compared to the working-age population — was 23.1% in 2025 (223M people), compared with 22% for children (213M people)
- China's population fell for a fourth straight year in 2025, as its birth rate dropped to a record low



Sources: U.S. News & World Report, Reuters, UN/World Bank; chart created by Muse

But while China's demographics are almost certainly going to be the story of the future, China remains a global manufacturing and shipping force today, with by far the busiest container ports in the world.

Sources: Daily Shot, Visual Capitalist



China has 6 of the world's top 8 container ports

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Weekly Recap

- Hotels: National RevPAR rose more than 12% for the week and nearly 10% over four weeks. Hilton, Hyatt, and Pebblebrook reported solid quarters, as strong operating fundamentals continue to distinguish lodging from other real estate sectors.

- Economy: Q3 GDP grew 3.4% annualized, and the labor market remains healthy, but core PCE inflation above 3% kept the pressure on the Fed.

- Markets: The Mag 7 sold off, but 65% of the names in the S&P 500 advanced. The index's 0.6% weekly decline obscured a healthier picture away from the largest technology stocks.

- Capital Markets: The 10-year Treasury yield dipped below 5%, offering borrowers some relief, but markets continued to price a December Fed hike. Better operating results still have to contend with expensive capital.

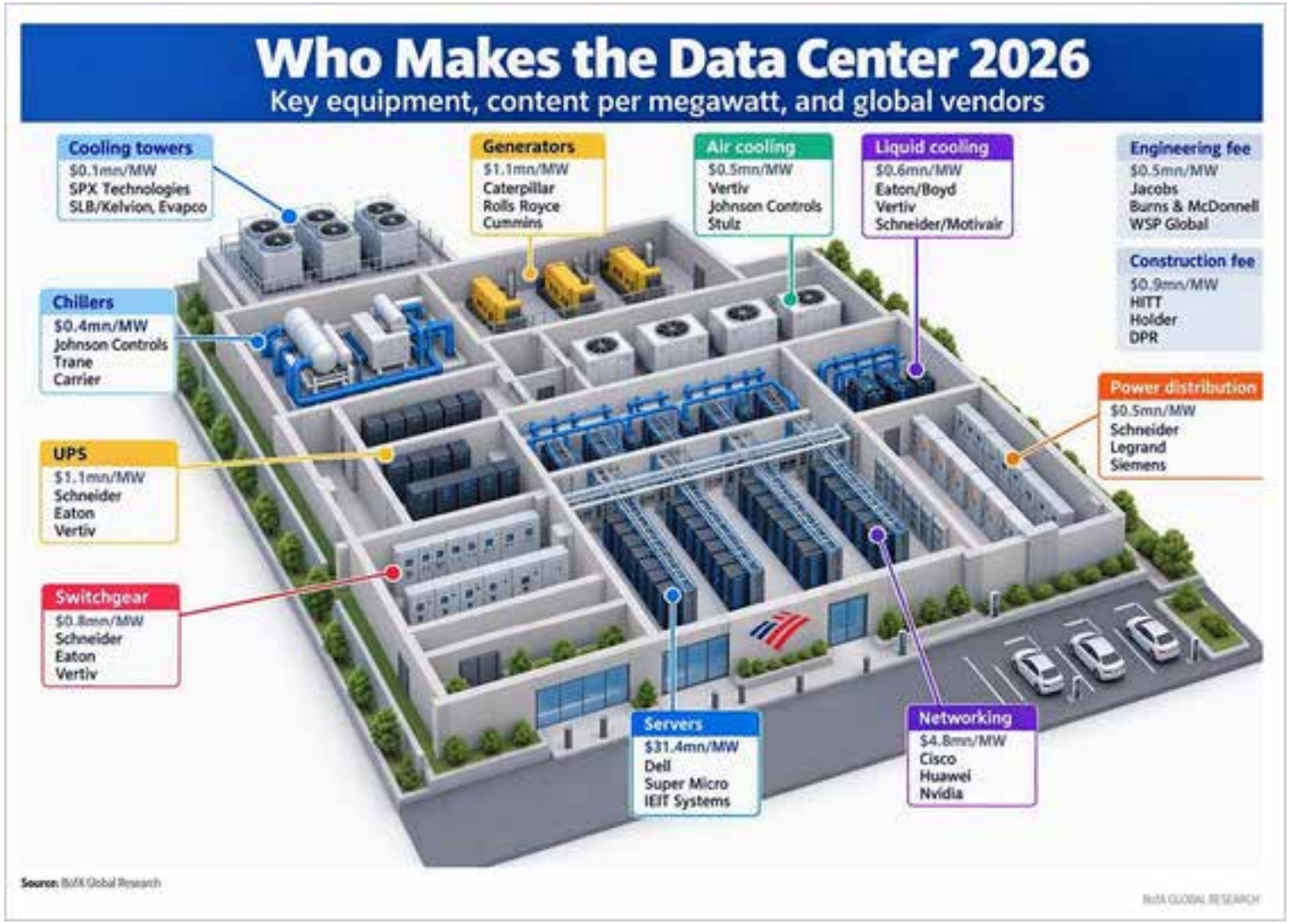
The contest for hotel owners is to turn today's demand into durable cash flow without letting higher costs and expensive capital consume the gains.

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Random Charts

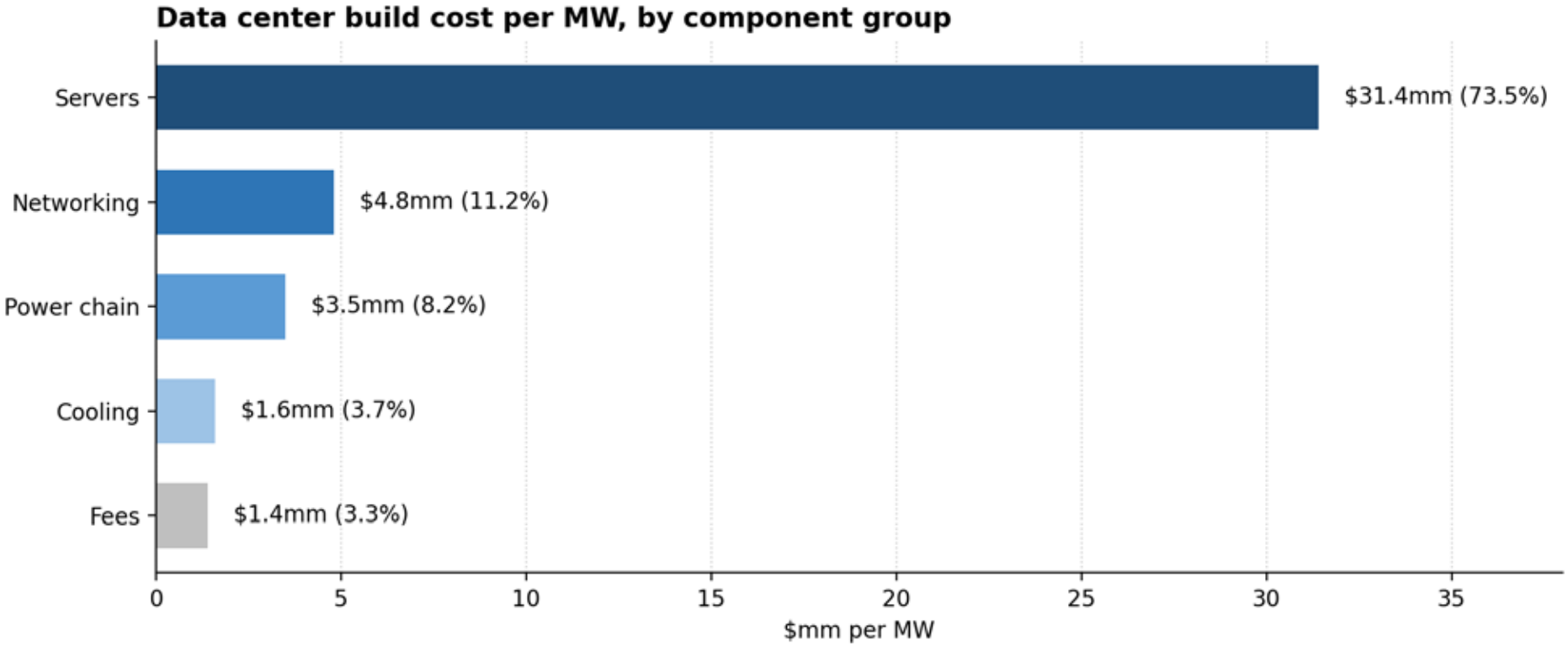
Data Centers for Dummies

As all of my readers know, I sell hotels. I've never set foot in a data center, and I couldn't tell you how one works, but this graphic helps show who the vendors are, what type of equipment they produce, and what each major component costs...



Data Centers for Dummies

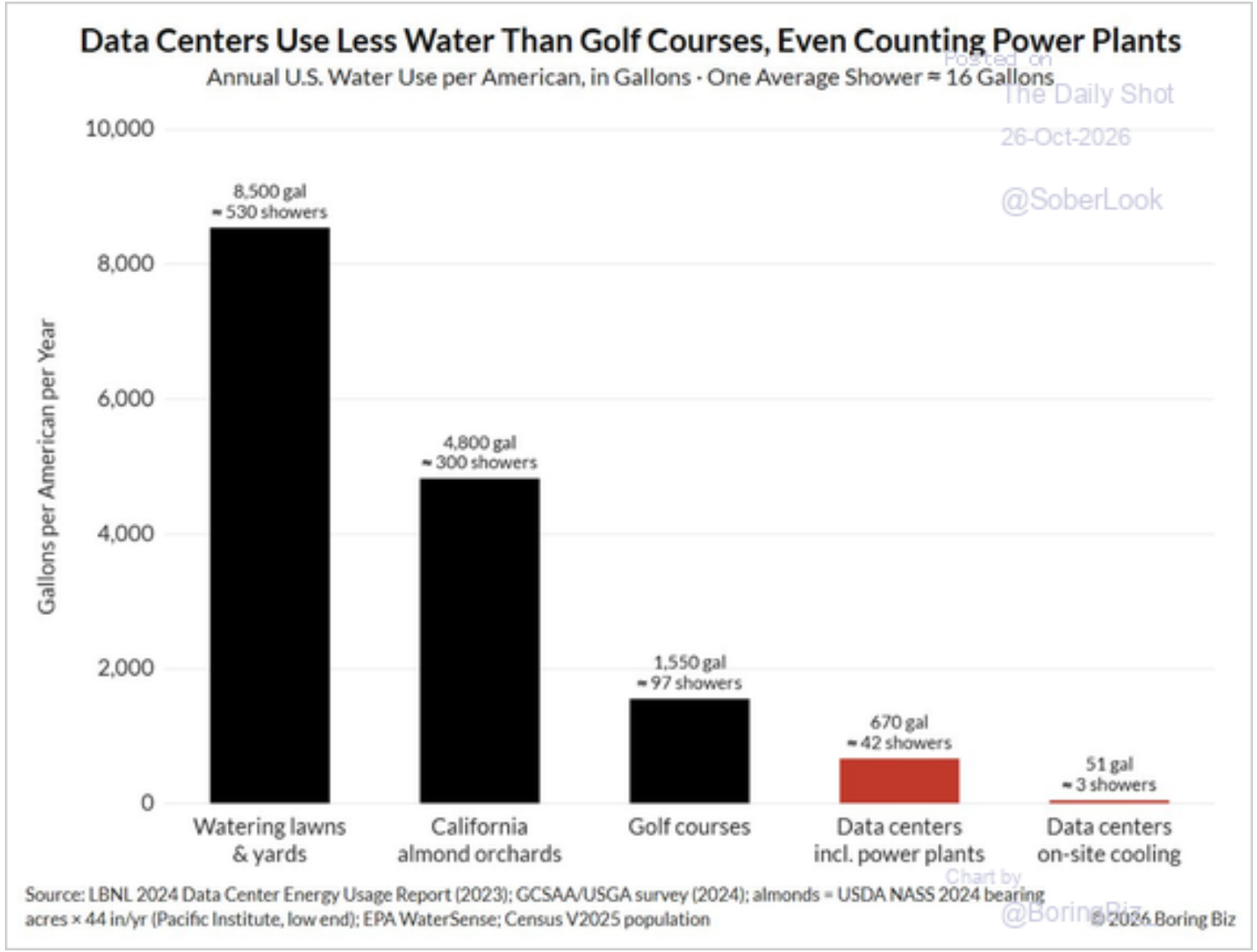
...and they cost a lot! Add it up and you're at roughly $43 million per megawatt, and some of these data centers are a gigawatt or more (1,000 megawatts), meaning $40 billion plus for a 1-gigawatt data center. I'm used to real estate being the story, but here the real estate is just the box holding billions of dollars of equipment.



Source: 'Who Makes the Data Center 2026' infographic, 12 line items grouped by Muse. Total $42.7mm per MW; shares may not sum due to rounding.

Meanwhile, for those who want to ban data centers because they use too much water...

...you might want to cut back on watering your yard and eating almonds, too



Tuesday’s U.S. midterm elections share the week’s spotlight with Friday’s October employment report. Manufacturing and services surveys, September job openings, factory orders, productivity and weekly claims will help gauge whether growth is holding up as inflation remains elevated. With earnings season continuing, investors will have plenty of opportunities to test their convictions before the next week is out.

Economic Calendar

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This Week's Major U.S. Economic Reports

Time (ET)	Report	Period	Median Forecast	Previous
Monday, Nov. 2				
9:45 AM	US Manufacturing PMI	Oct.	-	55.9
10:00 AM	ISM Report On Business Manufacturing PMI	Oct.	54.5	54.5
10:00 AM	Construction Spending	Sep	0.4%	0.9%
Tuesday, Nov. 3				
10:00 AM	Job Openings & Labor Turnover Survey (JOLTS)	Sep	7.1M	7.1M
10:00 AM	Factory Orders	Sep	1.5%	0.1%
Wednesday, Nov. 4				
8:15 AM	ADP National Employment Report	Oct.	-	90,000
8:30 AM	U.S. Trade Balance	Sep	-107.8B	-105.6B
9:45 AM	US Services PMI	Oct.	-	58.8
10:00 AM	ISM Report On Business Services PMI	Oct.	54.6	54.9
Thursday, Nov. 5				
8:30 AM	Preliminary Productivity and Costs	3Q	2.5%	1.4%
8:30 AM	Weekly Jobless Claims	Oct. 31	198K	194K
Friday, Nov. 6				
8:30 AM	Employment Report	Oct.	55K	29K
8:30 AM	Unemployment Rate	Oct.	4.2%	4.2%
8:30 AM	Avg Hourly Earnings, M/M%	Oct.	0.3%	0.1%
8:30 AM	Avg Hourly Earnings, Y/Y%	Oct.	-	3.0%
10:00 AM	U. Michigan Prelim Consumer Survey	Nov.	47.2	46.3

Source: MarketWatch.com

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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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