PEAPACK PRIVATE

The Weekly
Economic & Market Recap

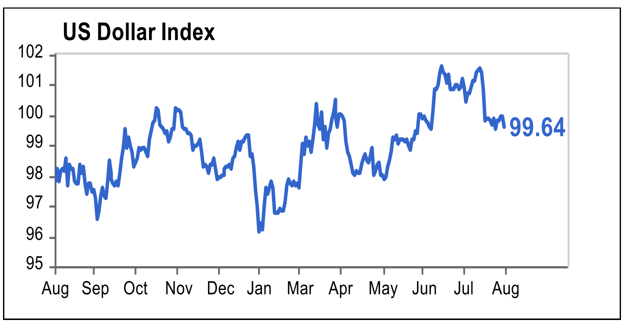
August 14, 2026

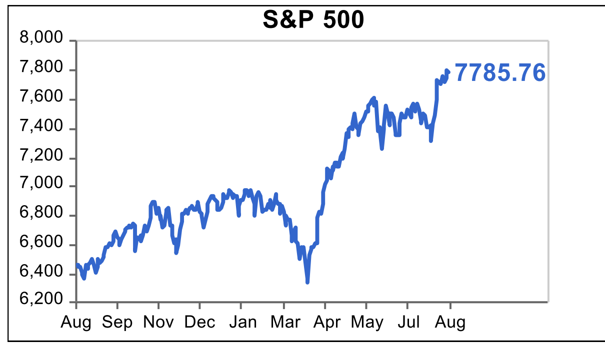
Weekly Recap

Equity markets were mostly higher this week as investors balanced encouraging inflation data, mixed economic reports, and ongoing developments in the Middle East. The S&P 500 finished near record highs, supported by continued strength in technology and AI-related companies as enthusiasm surrounding artificial intelligence investment and infrastructure spending remained a key market theme. Economic data generally reinforced the view that inflation pressures are gradually moderating. Consumer prices rose just 0.1% in July, while annual CPI increased 3.4%. Core inflation, which excludes food and energy, eased to 2.5% year-over-year. Producer prices were unchanged during the month and came in better than expected, helping alleviate concerns that inflation could reaccelerate. Treasury yields moved lower following the releases, reflecting growing confidence that the Federal Reserve can remain patient. Other economic releases were more mixed. Retail sales declined 0.6% in July, the largest monthly decline in over a year, suggesting consumers may be becoming more selective with discretionary spending. Existing home sales also softened, while initial jobless claims rose modestly to 209,000 but remained at levels generally consistent with a healthy labor market. Although several Fed officials continued to warn about lingering inflation risks, markets increasingly believe the Fed will leave interest rates unchanged at its September meeting. Fed Funds futures are currently pricing in roughly a 69% probability that the federal funds rate remains in the 3.50%-3.75% range next month, while still assigning some probability to one additional quarter-point rate hike before year-end. Overall, moderating inflation, easing rate concerns, and resilient corporate earnings helped support investor sentiment throughout the week.

Key Points for Investors to Consider:

- July inflation data indicates that inflationary pressures continue to ease
- Jobless claims edged up slightly in the previous week
- Retail sales notably fell in July, suggesting consumers may be becoming more selective with discretionary spending
- Fed Fund futures are pricing in one 25 bps rate hike before the end of 2026



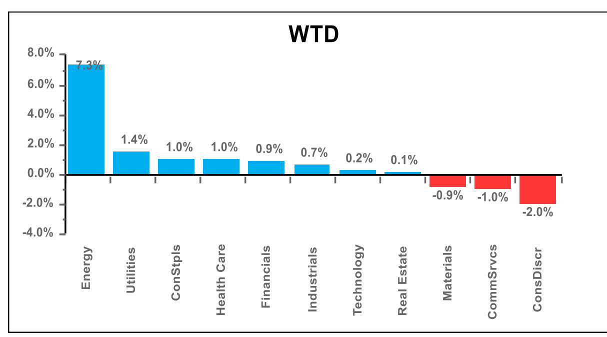


INDICES	Close	Wk Net Change	Wk % Change	Div Yield	YTD % Change	12 Mos % Change
DJII-USA	53,732.41	-304.52	-0.56	1.61	11.80	19.64
S&P 500	7,785.76	28.12	0.36	1.33	13.74	20.36
NASDAQ	26,729.16	38.55	0.14	0.83	15.00	23.12
S&P MidCap 400	3,926.98	41.41	1.07	2.09	18.81	23.06
EAFE	108.64	0.09	0.08	2.96	13.13	18.54
Emerging Markets	81.19	1.20	1.50	2.96	20.78	31.02

COMMODITIES	Price	Wk % Change
Copper	6.61	0.27
Gold	4,429.70	0.68
WTI	82.24	5.19
Brent	88.38	5.78
Natural Gas	2.71	1.99

FOREX	Price	Wk % Change
EUR/USD	1.16	0.09
USD/JPY	159.05	0.97
GBP/USD	1.35	0.31
USD/CAD	1.39	-0.49

TREASURIES	Current Yield	12/31/25 Yield
1 - Year	3.97	3.47
2 - Year	4.17	3.48
5 - Year	4.36	3.73
10 - Year	4.68	4.17
30 - Year	5.25	4.84



RUSSELL STYLE RETURNS

WTD	Value	Blend	Growth
Large	0.39%	0.47%	0.55%
Medium	1.31%	1.51%	2.17%
Small	0.85%	1.17%	1.41%

YTD	Value	Blend	Growth
Large	23.78%	14.42%	6.07%
Medium	23.72%	19.90%	7.69%
Small	26.31%	24.45%	22.67%

SECTORS - Large Cap	Close	Wk Net Change	WTD	MTD	QTD	YTD
Defensive						
Staples	950.67	9.29	1.0%	1.0%	3.0%	9.9%
Health Care	1,949.46	18.87	1.0%	2.9%	5.3%	7.9%
CommServices	458.02	-4.44	(1.0%)	0.3%	0.8%	1.2%
Eco Sensitive						
Consumer Disc	1,937.95	-39.01	(2.0%)	0.8%	1.6%	0.5%
Energy	946.99	64.52	7.3%	3.8%	16.8%	37.8%
Industrials	1,577.25	10.63	0.7%	3.7%	0.5%	20.1%
Info Tech	7,042.54	15.38	0.2%	7.5%	3.7%	23.9%
Materials	656.65	-5.75	(0.9%)	4.7%	2.9%	14.3%
Interest Rate Sensitive						
Financials	966.56	8.64	0.9%	2.1%	8.3%	6.0%
Utilities	449.01	6.41	1.4%	(0.3%)	(2.5%)	3.5%
REIT	289.90	0.34	0.1%	(0.1%)	2.2%	15.3%

COMING UP NEXT WEEK		Consensus	Prior
08/17 Empire State Index SA	(Aug)	9.0	15.6
08/18 Housing Starts SAAR	(Jul)	1,340K	1,427K
08/18 Capacity Utilization NSA	(Jul)	76.4%	76.1%
08/18 Industrial Production SA M/M	(Jul)	0.45%	0.10%
08/20 Initial Claims SA	08/15	202.5K	209.0K
08/20 Philadelphia Fed Index SA	(Aug)	13.8	41.4
08/20 Leading Indicators SA M/M	(Jul)	0.10%	-0.20%
08/21 S&P Global PMI Manufacturing SA (Preliminary)	(Aug)	54.4	53.9
08/21 S&P Global PMI Services SA (Preliminary)	(Aug)	53.0	54.6

Source: FactSet