

The background of the slide features a dark blue diagonal split. The upper right portion contains a stylized financial chart with a yellow line graph showing volatility and a teal bar chart at the bottom right. A white dashed horizontal line is visible in the upper left quadrant of the chart area.

Bolton

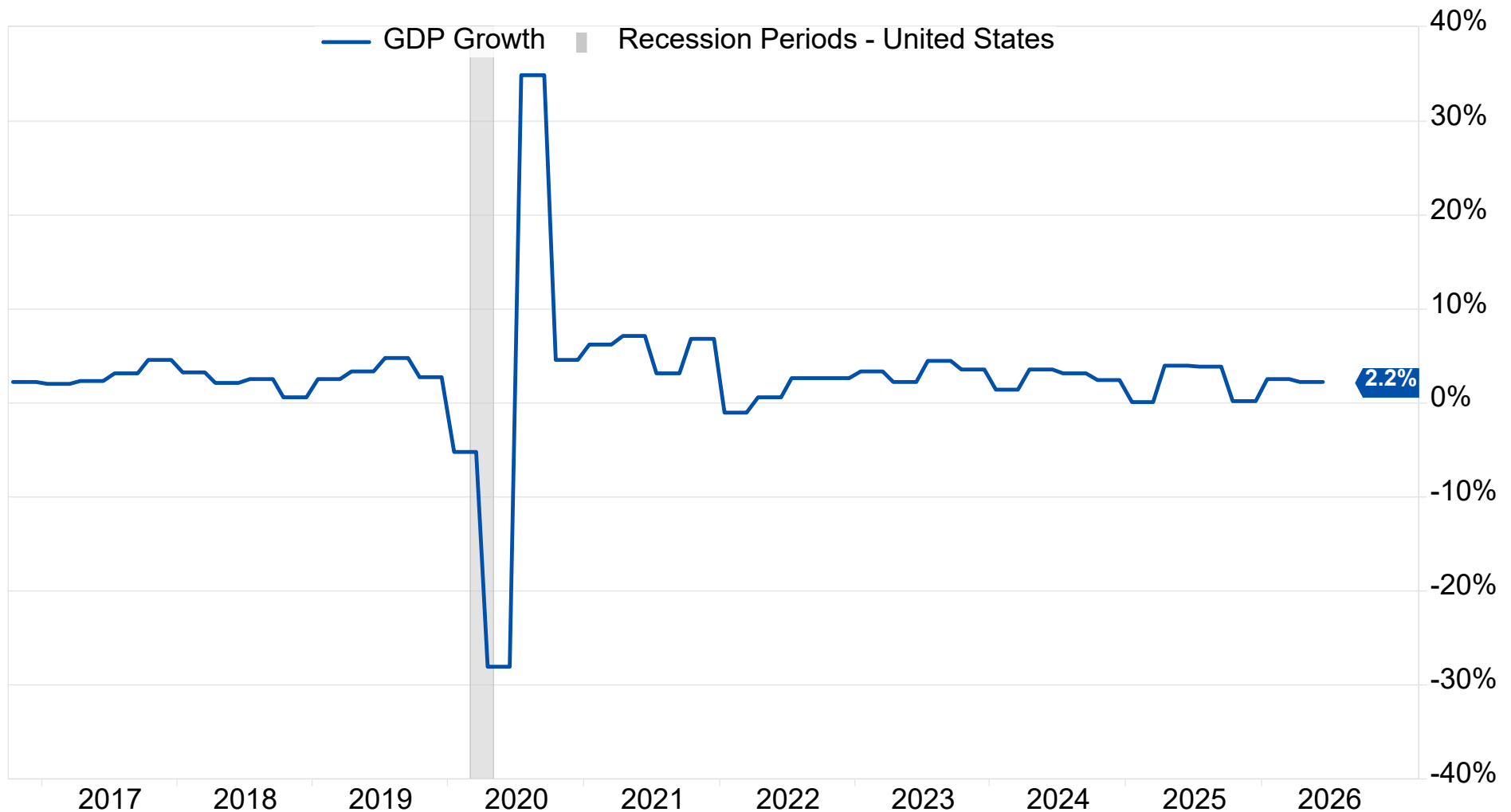
Monthly Economic Update

September 2026

All data as of 10/16/26 unless otherwise noted

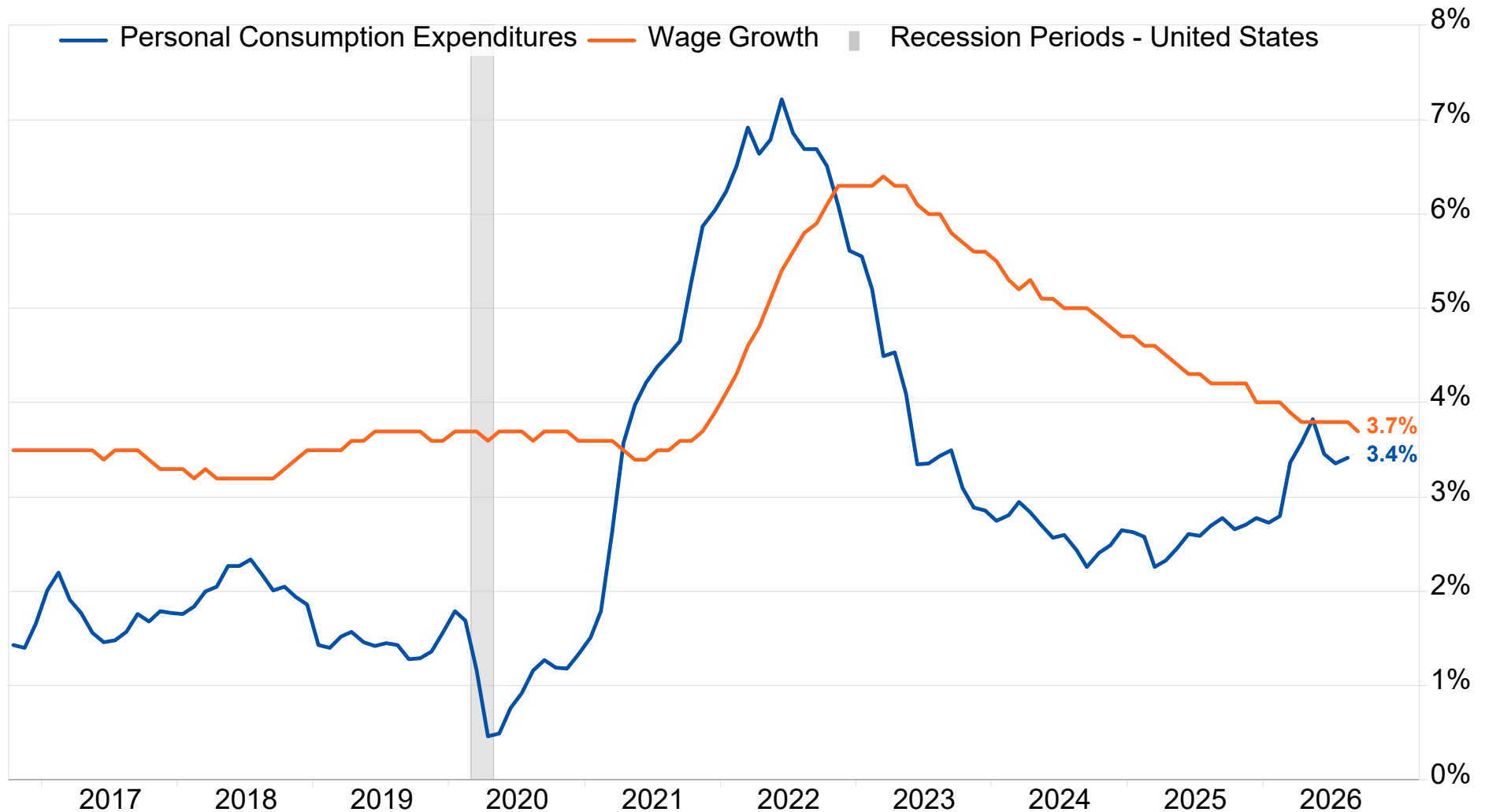
Gross Domestic Product (GDP)

The final estimate of Q2 GDP growth was revised up to 2.2% from 1.5% in the second estimate, indicating stronger growth than previously expected but still a decrease from 2.5% in Q1.



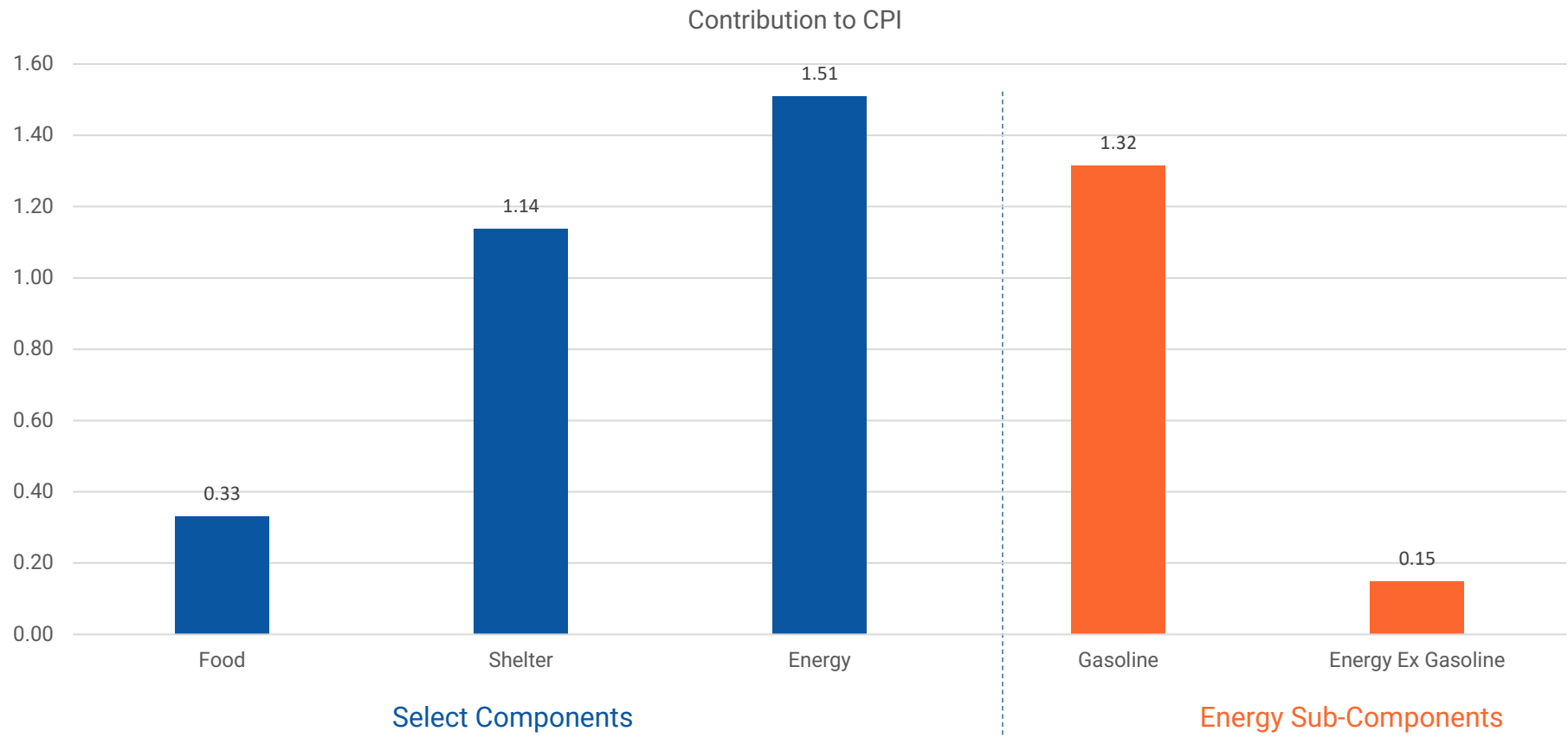
Inflation

As of the latest data point for both series, August Personal Consumption Expenditures (PCE) rose to 3.4%, and September wage growth decreased to 3.7%.



Inflation Drivers

The September Consumer Price Index rose 3.7% relative to last year, led by shelter and energy. Gasoline prices continue to be volatile due to the Iran conflict.

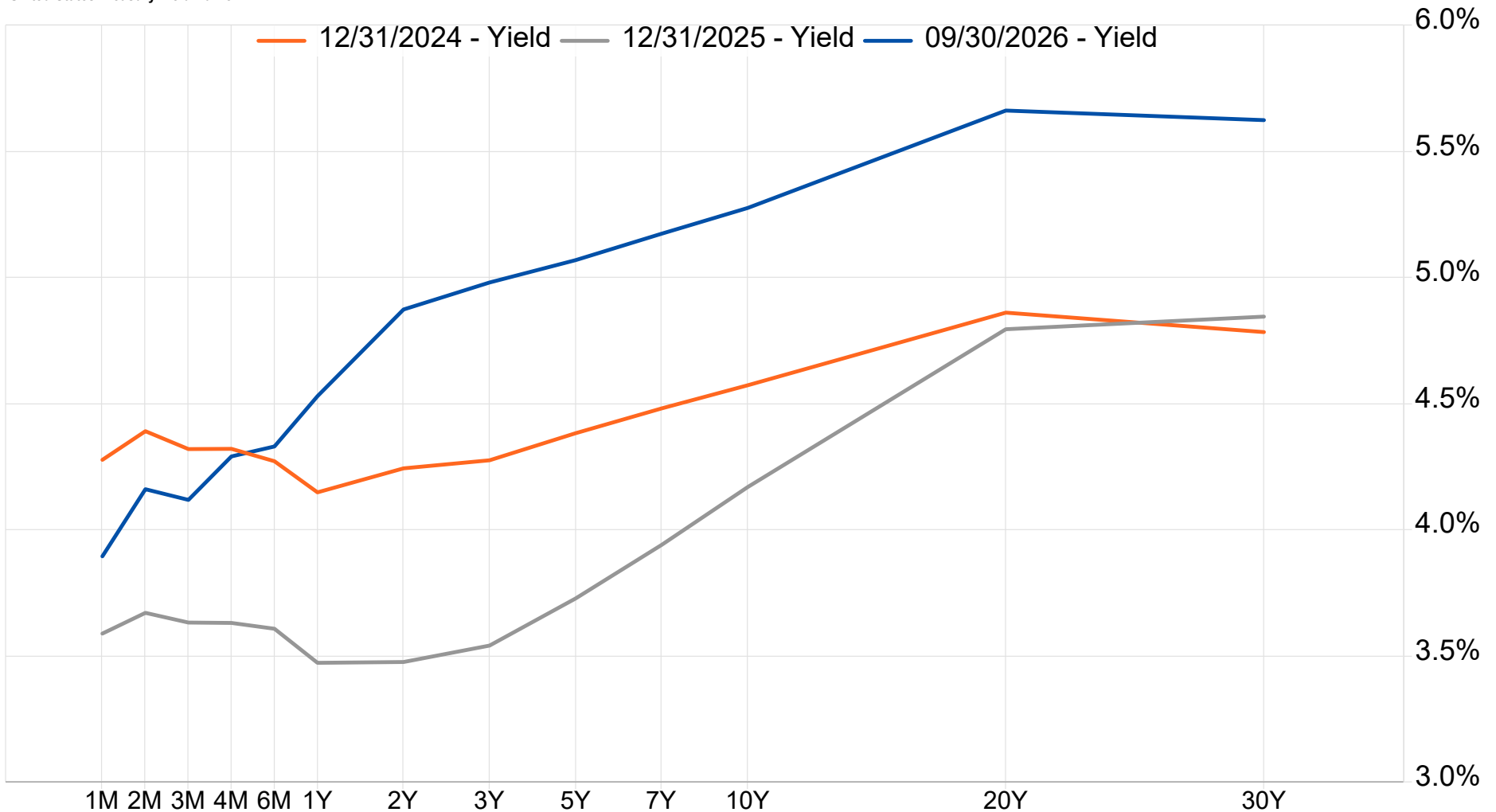


Contribution found by multiplying prior ending weight by inflation rate.
Sourced from FactSet.

Yield Curve

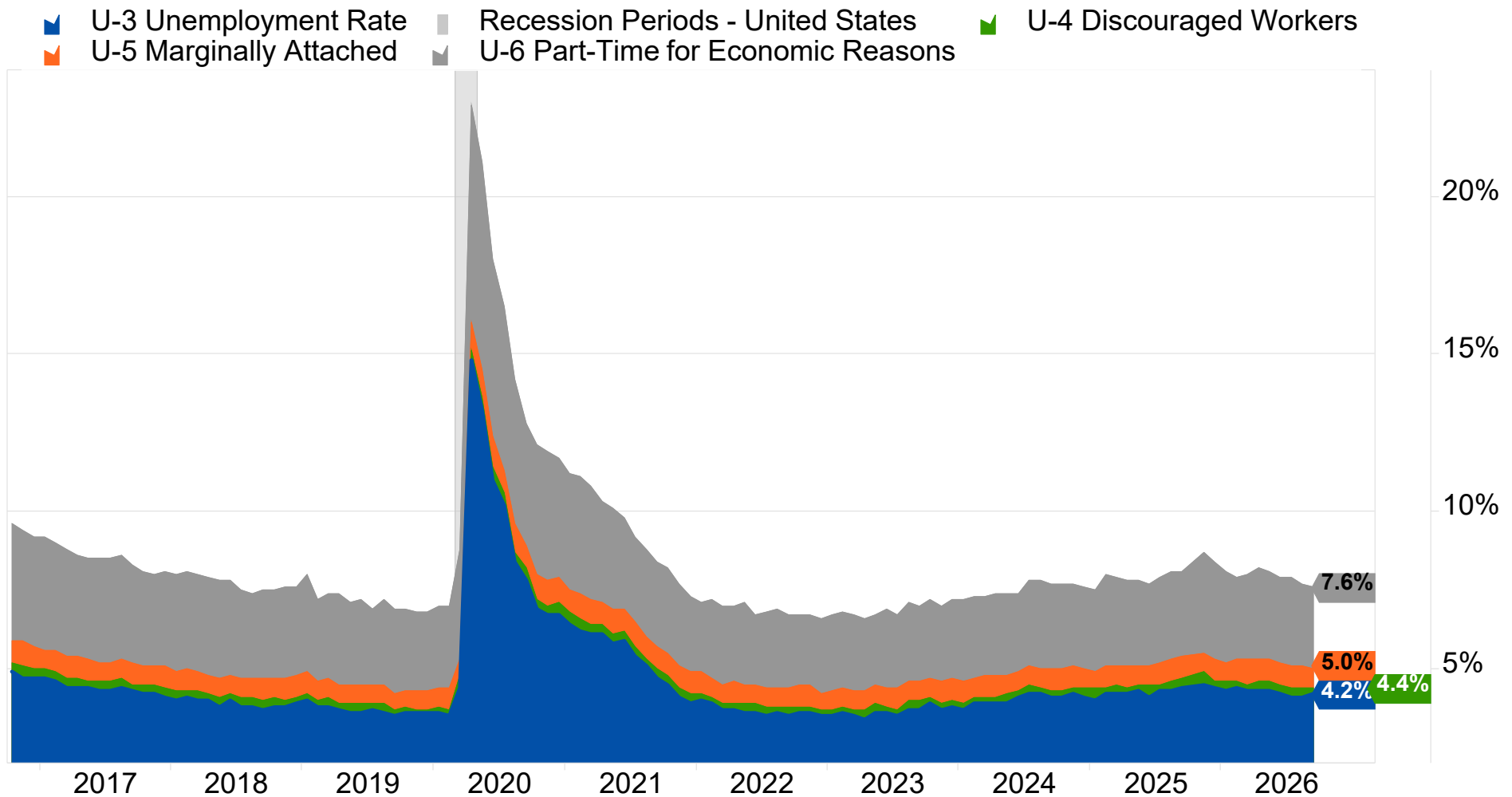
Yields have continued to rise since last month and are now considerably higher than they were at the beginning of the year. Higher inflation readings have continued to push yields higher.

United States Treasury Yield Curve



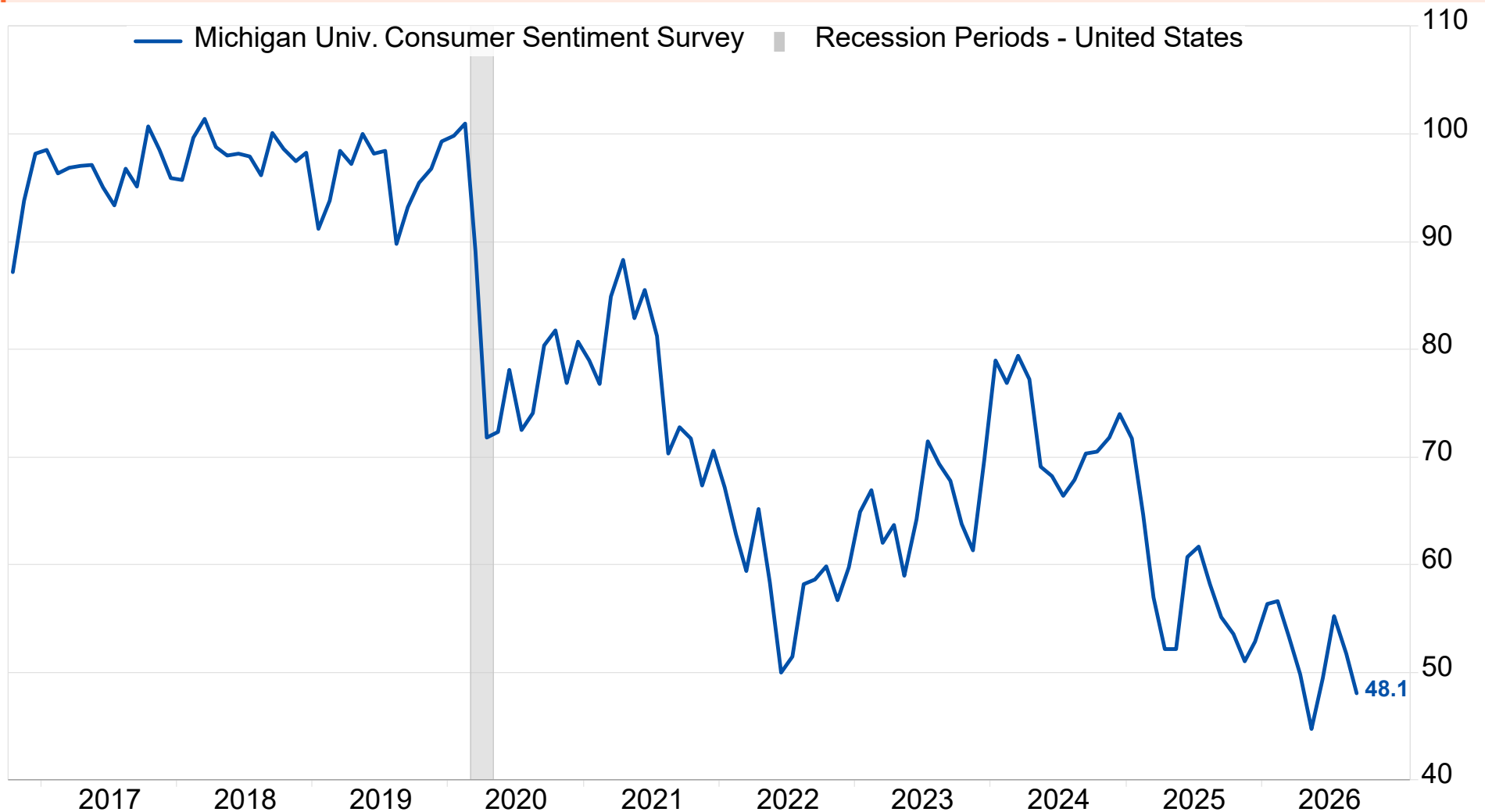
Unemployment

The September jobs report saw unemployment tick up to 4.2%. The U-5 value also ticked up slightly while the U-6 figure continued to decrease.



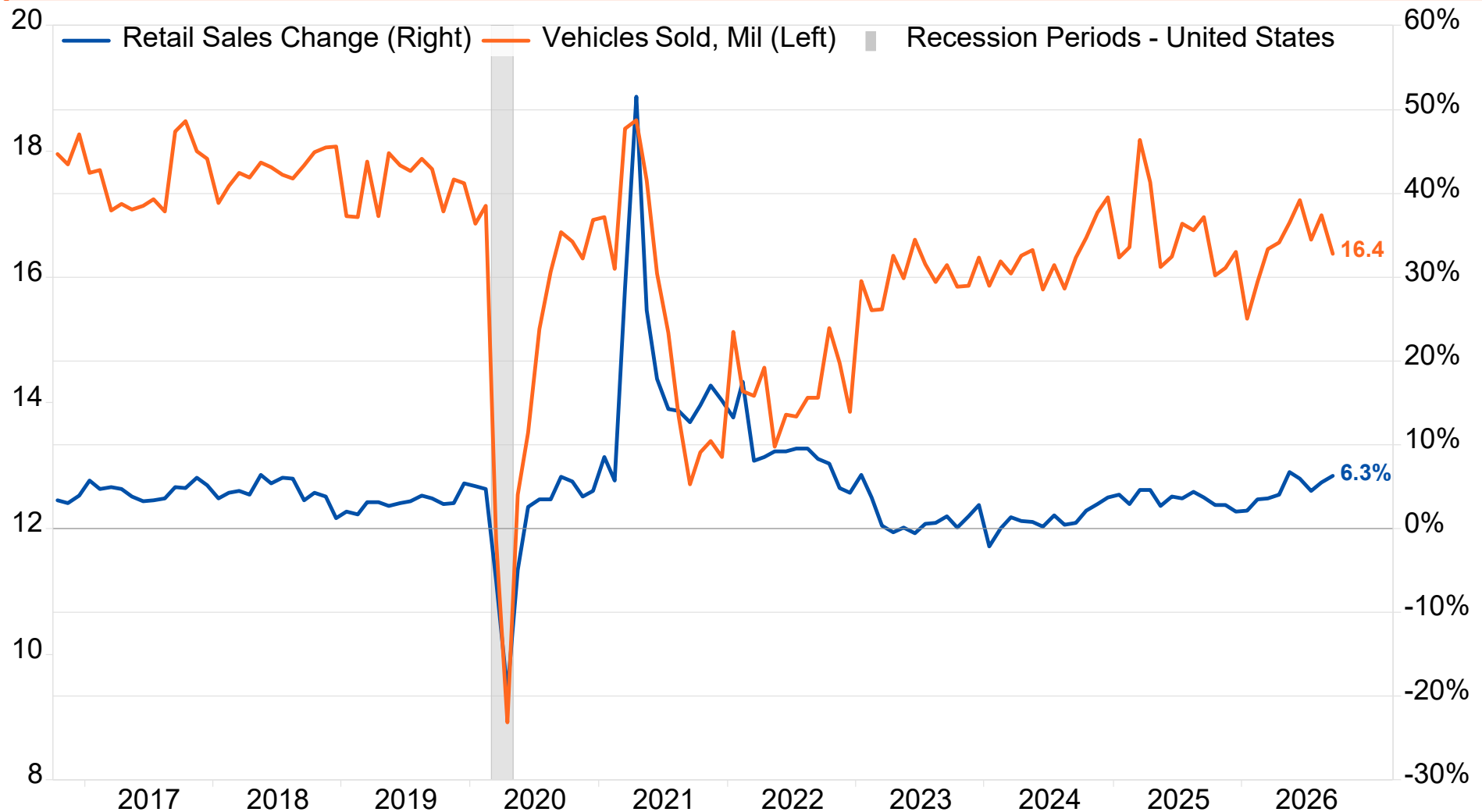
Consumer Sentiment

Consumer sentiment continued its downward trend as ongoing tensions in the Middle East and the absence of a clear path to resolution weighed on consumers.



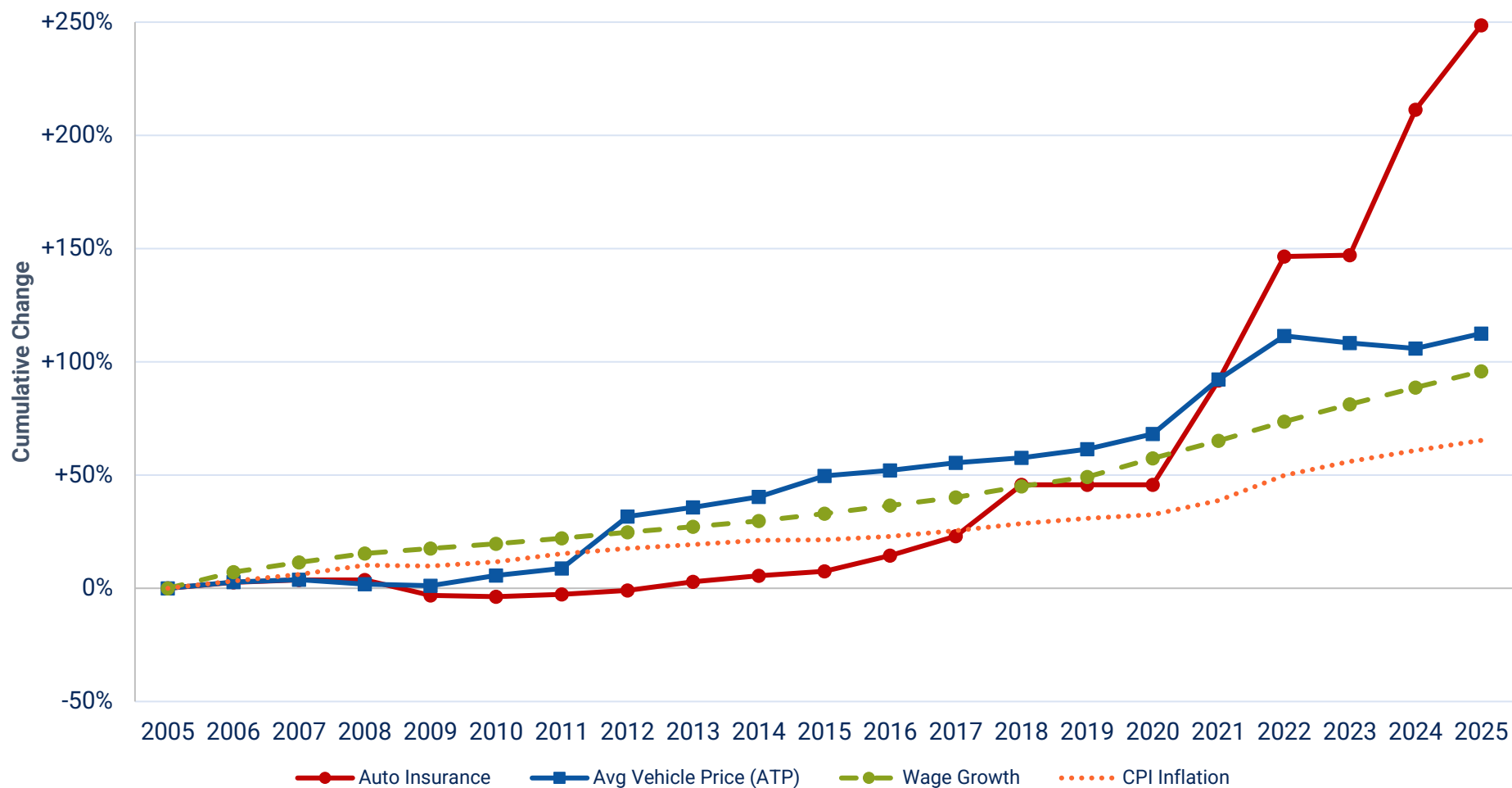
Consumption

Retail sales continued to grow in September to 6.3% compared to the prior year. However, vehicles sold, a significant weight in retail sales, saw a drop.



Vehicle Costs

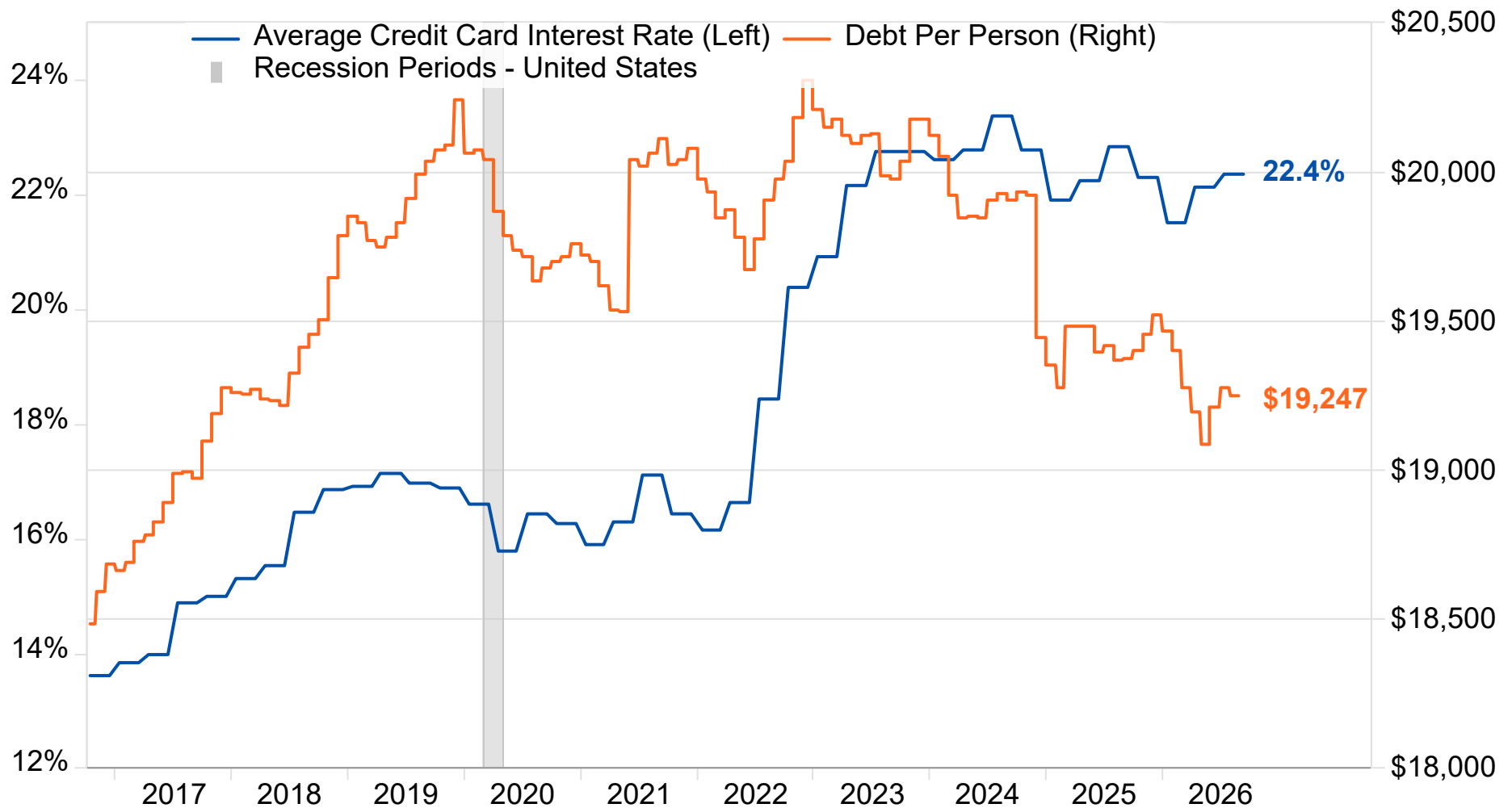
Since 2005, vehicle costs and insurance have outpaced both wages and inflation. Insurance had lagged previously; however, it has since increased dramatically following the COVID lockdowns.



Indexed to 2005=0%. Avg Vehicle Price: BEA/DOE & KBB/Cox Automotive.
Insurance: NAIC (2005–18), Bankrate/Quadrant (2019–25). Wages & CPI: BLS.

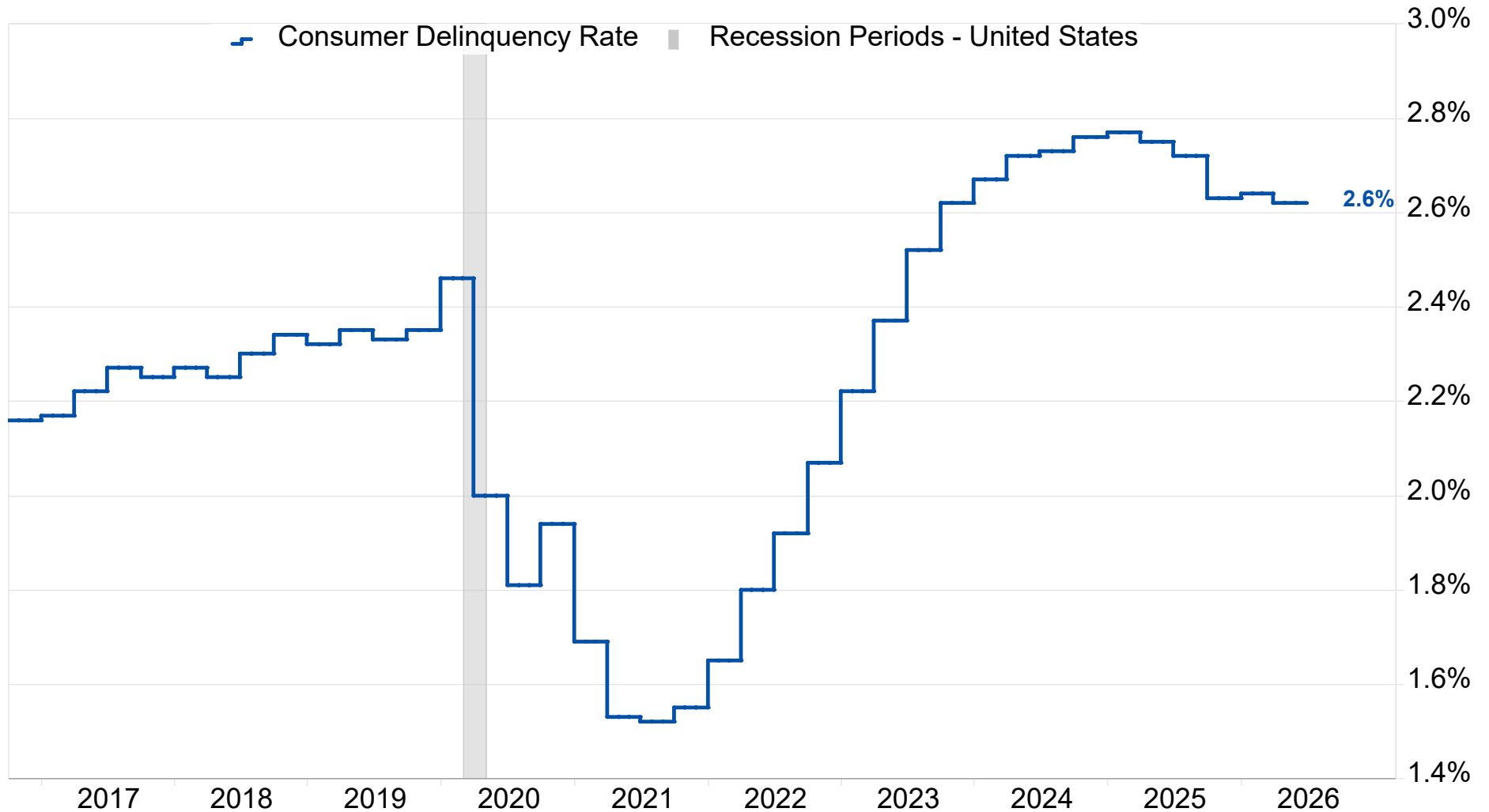
Consumer Debt

Non-mortgage debt per adult remains above levels from a decade ago in nominal dollars, while credit card interest rates are substantially higher, making revolving debt more expensive to carry.



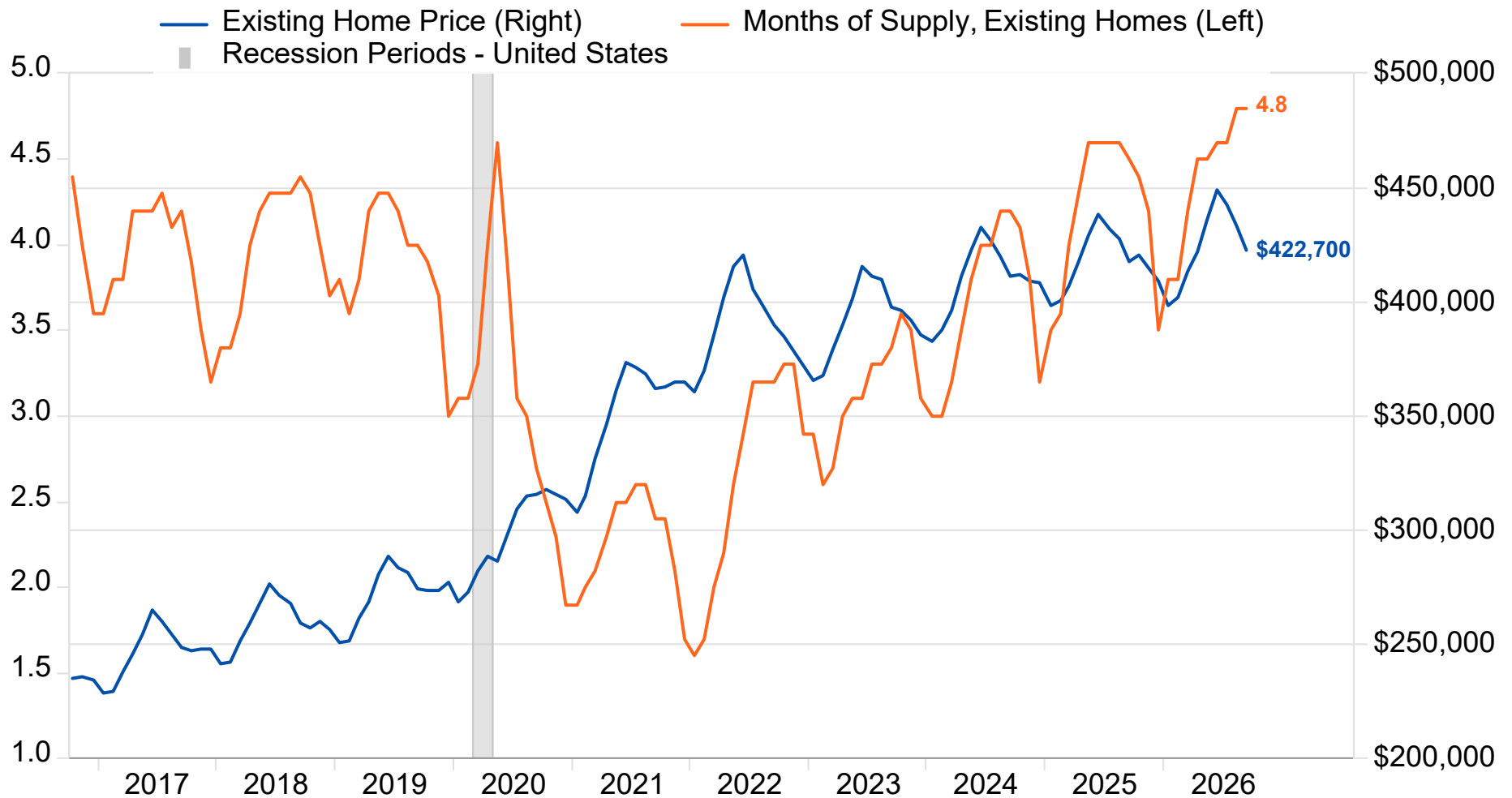
Consumer Delinquency

The consumer delinquency rate, which measures the share of consumer loans with past-due payments, held steady at approximately 2.6%. While stable in recent months, the rate remains above pre-COVID levels, indicating that a larger share of borrowers are falling behind on payments than before the pandemic.



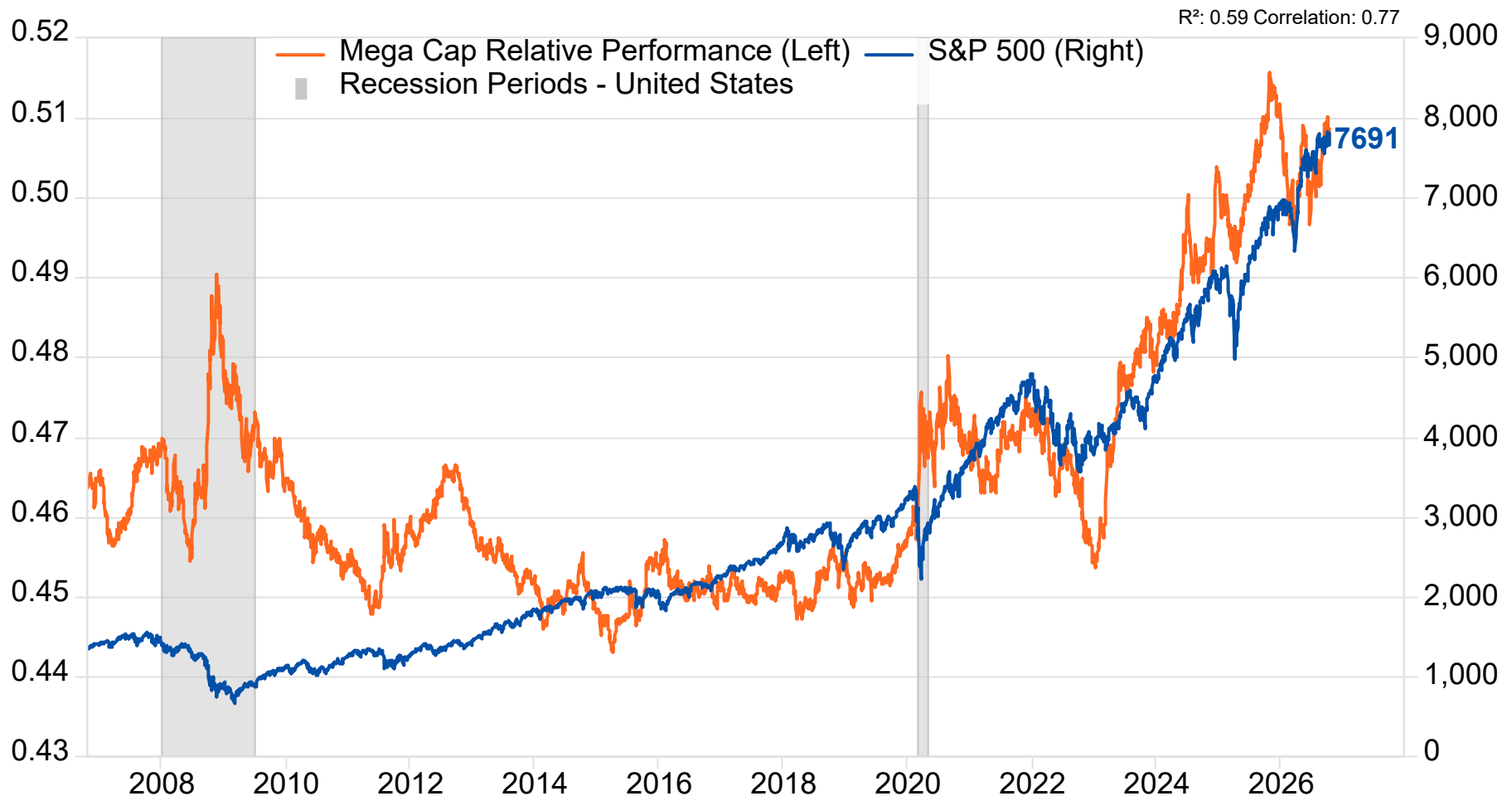
Housing

Home prices moved downwards again in September, and supply came down to 4.8 months worth of homes.



S&P 500 Index Performance

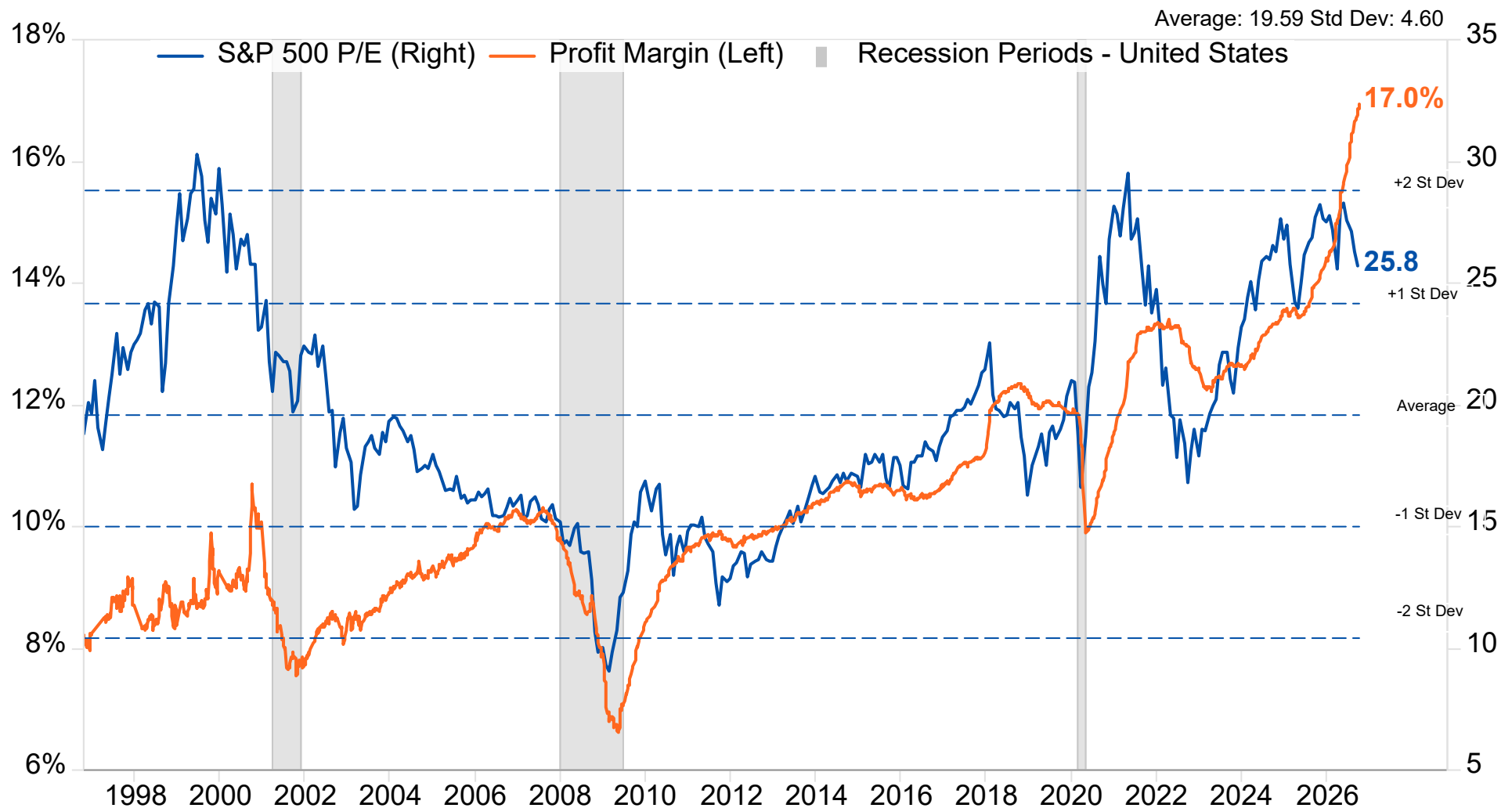
The S&P 500 index saw a loss 0.35% over the month of September. This decreased the year-to-date return at the end of September to 12.7%.



► In 2025, the total return for the S&P 500 Index was **17.88%**. This return follows two consecutive years of strong gains.

S&P 500 Price/Earnings

Profit margins saw a slight decrease, while the P/E of the S&P 500 saw a minor increase.



Glossary

Data point definitions and sources

GDP Growth: Real GDP growth, seasonally adjusted annualized rate (BEA)

Personal Consumption Expenditures: YoY % change in consumer prices, seasonally adjusted (BEA)

Wage Growth: 12-month moving avg % change in median hourly wages, continuously employed workers (Atlanta Fed)

S&P 500 PE: Trailing 12-month Price/Earnings ratio

Mega Cap Relative Performance: S&P 100 / S&P 500 total return; rising = outperformance, falling = underperformance

Profit Margin: Net profit margin of the S&P 500 index

Consumer Sentiment: Consumer Sentiment Index (University of Michigan)

Vehicles Sold: Total US vehicle sales, seasonally adjusted annualized rate, millions (BEA)

Sales Change: YoY % change in Retail & Food Services Sales (US Census Bureau)

Credit Card Rate: Average interest rate on credit card balances, excludes pay-in-full / 0% APR accounts (Federal Reserve)

Debt per person: Total consumer credit outstanding ÷ ~267M US adults (USD/person); includes revolving & fixed debt, excluding mortgages (Federal Reserve)

Delinquency Rate: Delinquency rate on consumer loans (credit cards, auto, personal), seasonally adjusted (Federal Reserve)

Months of Supply, Existing Homes: Months to sell current existing home inventory at prevailing pace, not seasonally adjusted (NAR)

Median Existing Home Sale Price, Total Existing Homes: This is the median price for all existing homes.

U-3: Official unemployment rate; actively job-seeking, available to work (BLS)

U-4: U-3 + discouraged workers (stopped searching, believe no suitable jobs available) (BLS)

U-5: U-4 + other marginally attached workers (sought work in past 12 months, not past 4 weeks) (BLS)

U-6: U-5 + part-time workers seeking full-time employment (BLS)

