

WJ Charts of the Month

November 2026

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WJ Charts of the Month Intro

"WJ Charts of the Month" is a comprehensive monthly slide deck designed to showcase recent significant financial events and data. The presentation is organized into four sections, beginning with a "Highlights" slide that sets the stage for the subsequent content.

1. What Happened Last Month: This section features a curated collection of charts and images from various publications, offering a visual summary of the previous month's key events.

2. WJ State of the Economy: Our team at WJ has created an array of charts to emphasize crucial economic factors and trends.

3. WJ State of the Markets: Similarly, this section comprises a series of charts crafted by WJ to provide an overview of the core markets we monitor.

We strive to maintain consistency across the charts to facilitate easy comparison month-over-month. However, we may adjust or emphasize specific charts if their relevance shifts over time.

Our objective with this publication is to establish a "One-Stop Shop" for the most vital financial information, presented in a concise and easily digestible format. **We value your feedback to help us achieve this goal.** If you have suggestions regarding the format, or if there's particular information you'd like to see in future editions, please don't hesitate to let us know.

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Highlights

Midterm Elections: It's a Blue Wave

Another Election Winner: Prediction Markets

AI Spending Impacting the Economy, Bonds, Stocks

AI Construction is Crowding Out Other Real Estate

Updated Government Income/Spending Breakdown

Anthropic Files to Go Public

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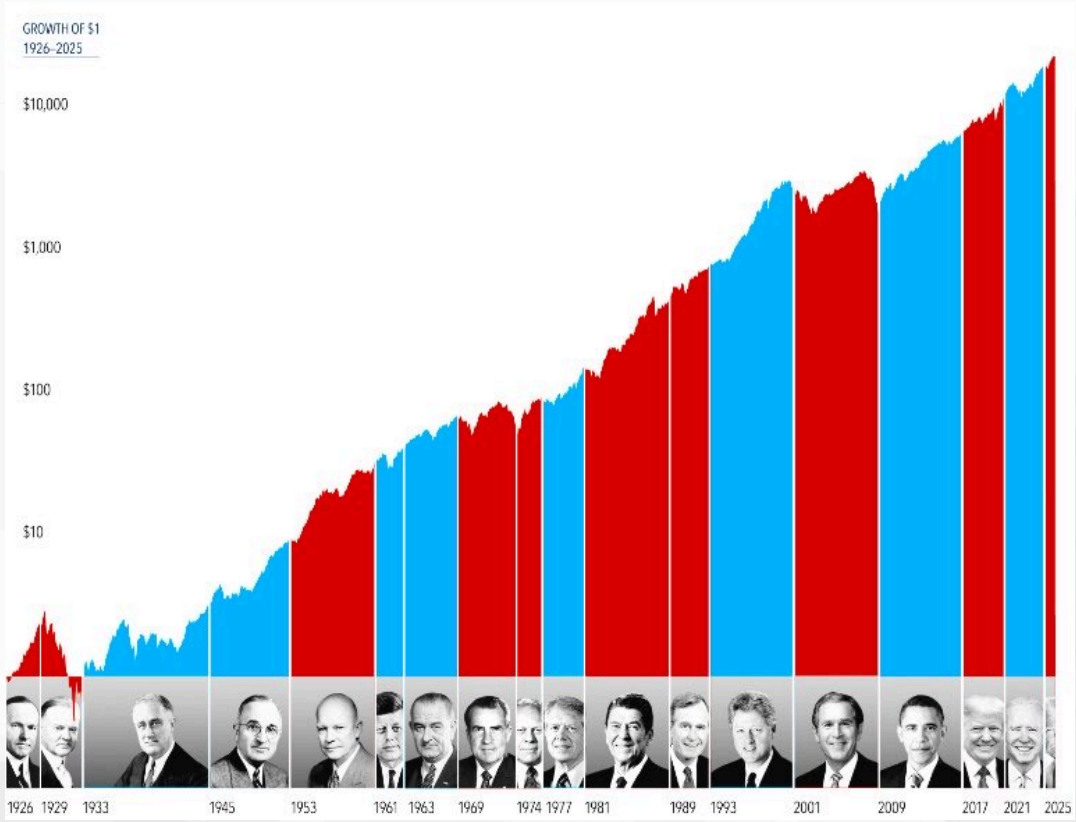
What Happened

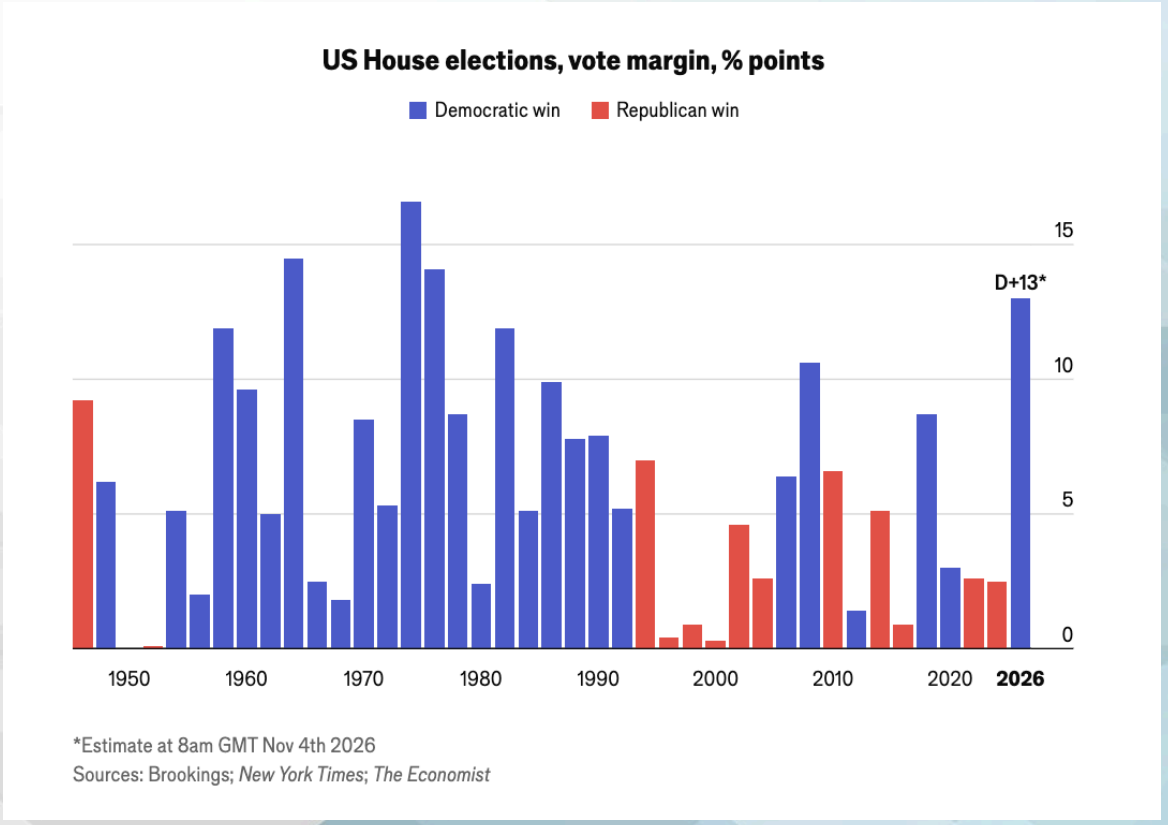
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Midterm Elections: It's a Blue Wave

As I'm sure you've heard, the midterm election resulted in a massive blue wave. Not only in the house and senate, but in state and local elections in traditionally red states. To give some historical context, Democrats had the largest popular vote margin of any party since 1976 (bottom right), with 13%.

The reasons for the result are subject to interpretation and beyond the scope of this publication. However, we'd like to remind you that the market is much more concerned with those that are running the businesses over the country. Of course politicians can have some effect, but it's often overstated. A split government tends to bode well for stocks as well, perhaps because businesses can be more certain that policies won't significantly change. As the left chart shows, stocks aren't partisan, and tend to do well regardless of party.

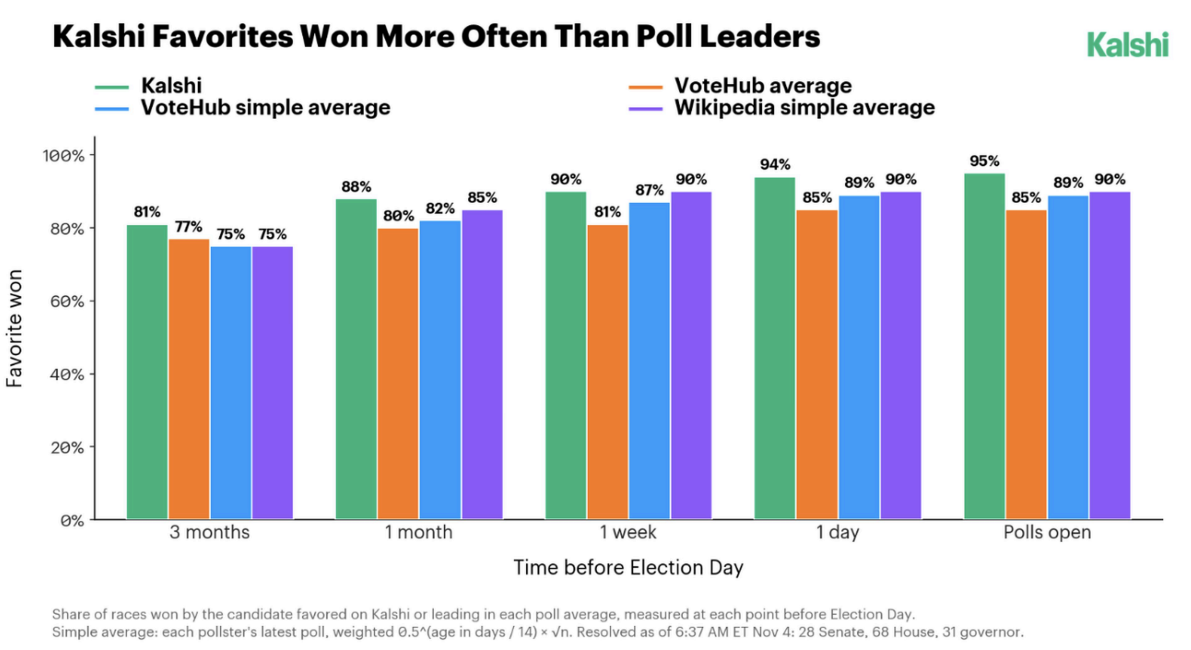


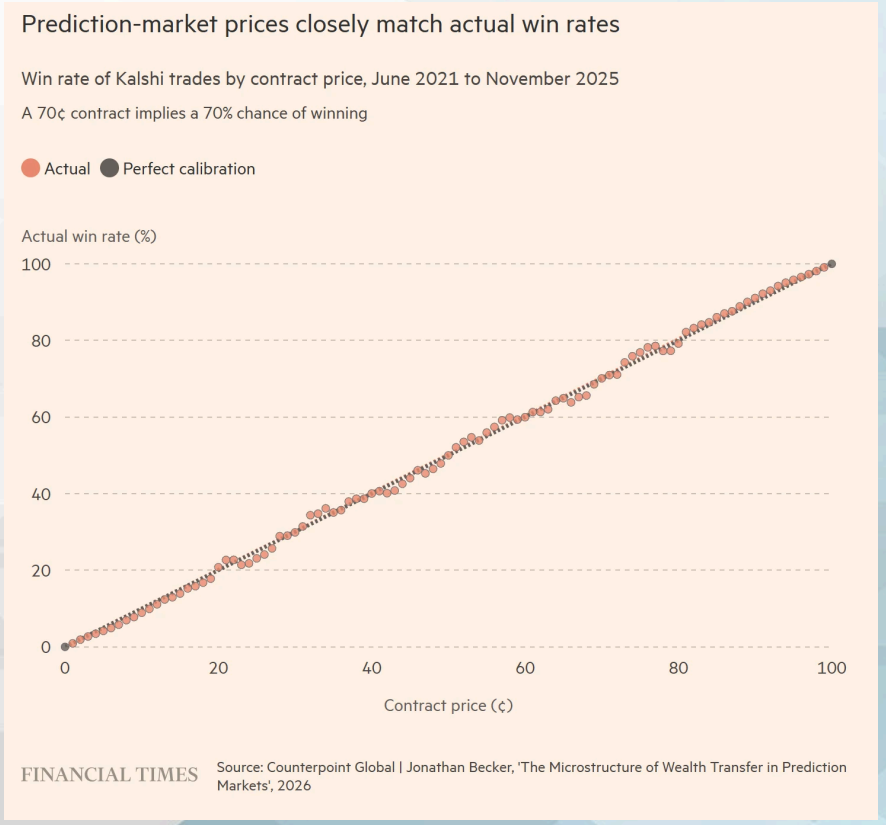


Another Election Winner: Prediction Markets

Prediction Markets are sites where you can place "bets" on certain outcomes, such as sports, economic data, or anything really. Elections are one of the most famous uses. Prediction Markets surged in popularity after correctly predicting Trump winning the 2024 Presidential Election, despite many polls predicting Harris would win. The idea is that users are predicting with their dollars, versus simply answering a poll.

This election was no different. While polling accuracy greatly improved since last election, prediction markets like Kalshi were better. Before the polls opened, Kalshi's favorite to win each race ended up winning 95% of the time. The right chart shows how accurate these prediction markets are, as implied probably in all markets almost exactly matches up with how likely an event is to occur.

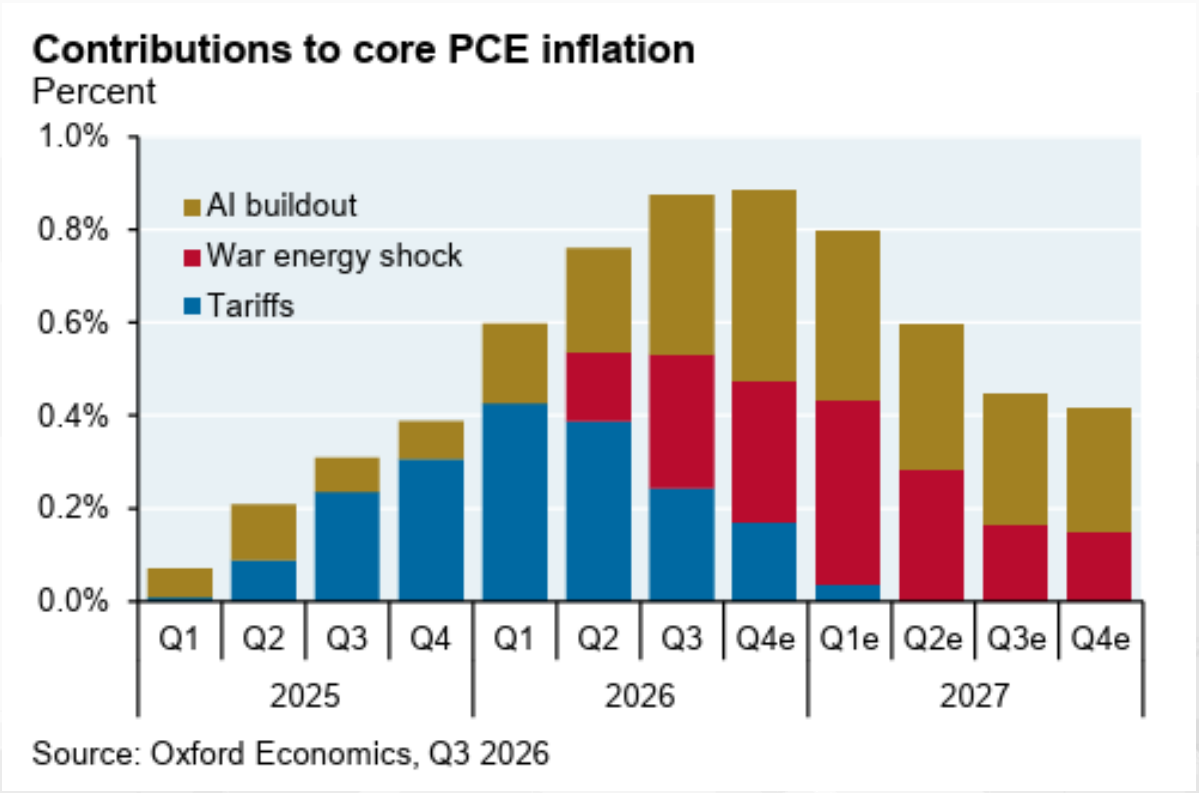


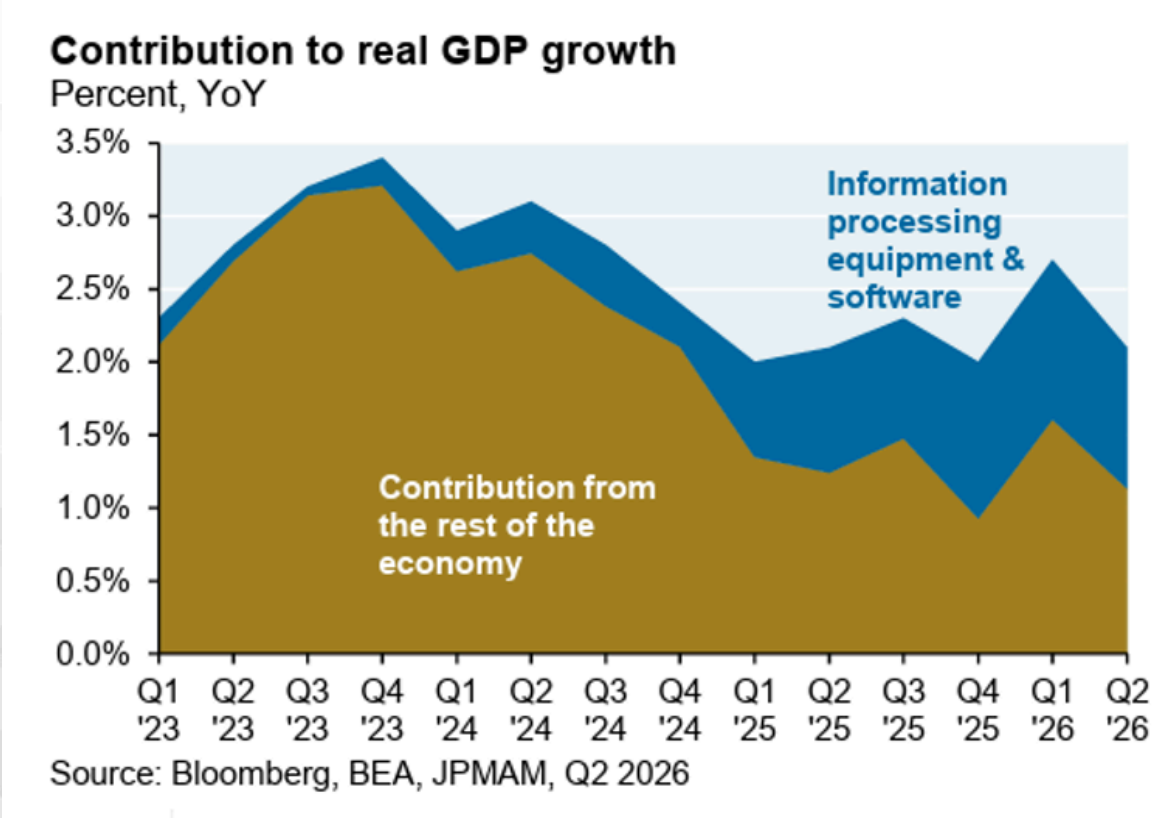


AI Spending Impacting the Overall Economy

A common explanation for the election results was of course inflation. Especially inflation that was perceived to be brought on by the actions of the administration, such as the war in Iran or tariffs. The first chart attempts to break down how much of each impacted inflation, and certainly the war and tariffs had an impact. However, another major source of inflation was due to the AI buildout, as the price of building and computing materials has skyrocketed to meet demand.

We've written a lot about AI, because it's impossible to separate it's impact from what is happening in markets and the economy. In addition to it's outsized impact on inflation, a portion of economic growth is reliant on it. AI related spending contributed a large fraction of overall GDP growth, and is likely masking some sluggish growth in the rest of the economy.

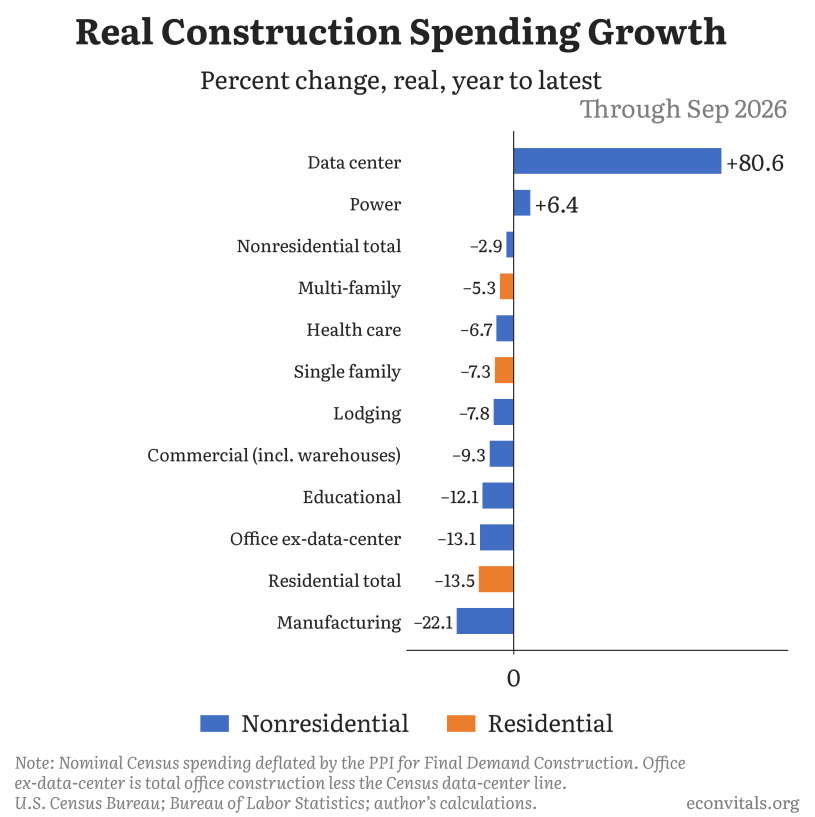


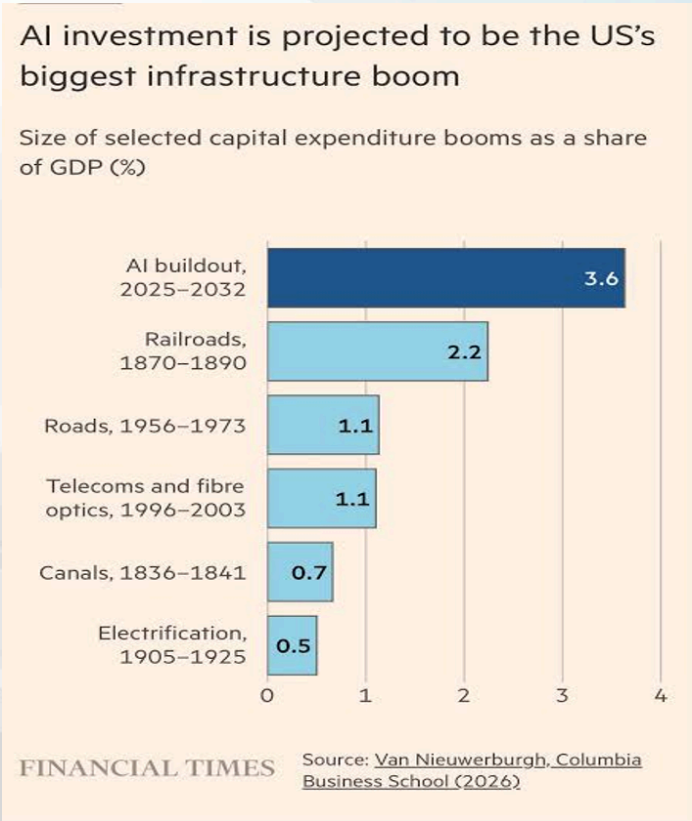


AI Construction is Crowding Out Other Sectors

The first chart is more evidence that AI is taking over everything. Construction spending on data center's has increased 80% in the last year, while every other real estate category (aside from power, which is likely for the data centers) has seen a reduction in construction spending. This can lead to affordability issues particularly in housing, as the housing and construction workers supply shortage is made worse.

There appears to be no end in sight, as projected spending ove the next ~5 years is in the $trillions. Measured against GDP, the AI buildout is projected to be about 3.6% of GDP from 2025-2032. That would be larger than the railroad boom of 1870–1890, the post WWII road and interstate build out, and the late-1990s fiber-optic build, COMBINED.



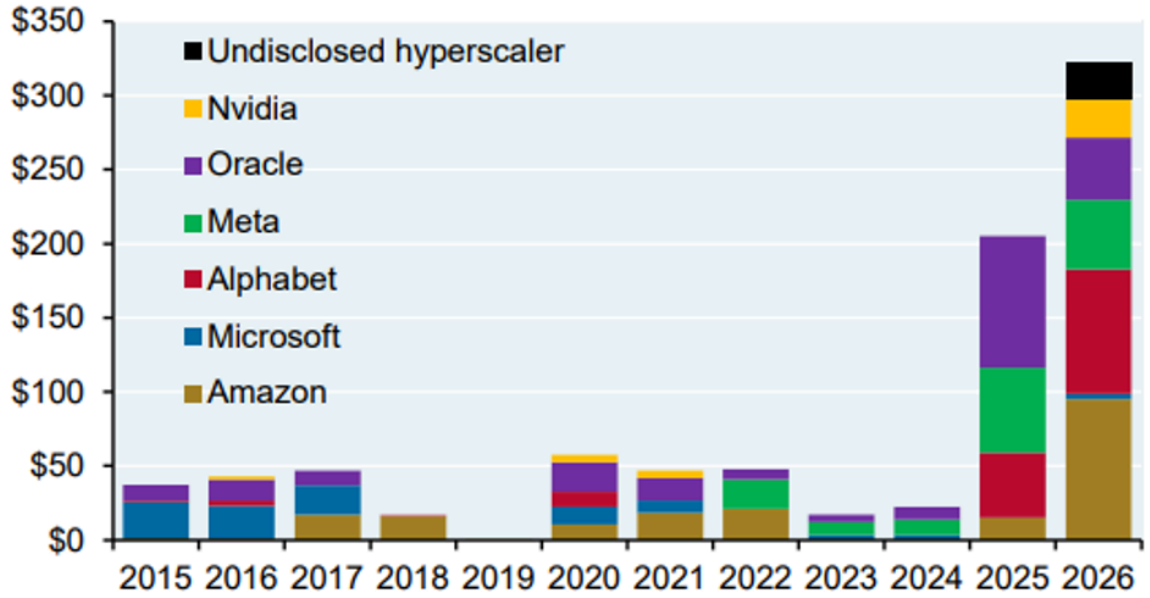


Big Tech Turns to Borrowing for AI

The largest cloud companies can no longer pay for this infrastructure with their own cash, they have to borrow. New debt from the hyperscalers reached about $205 billion in 2025 and roughly $320 billion in 2026 through August, after less than $60 billion in every year from 2015 to 2024.

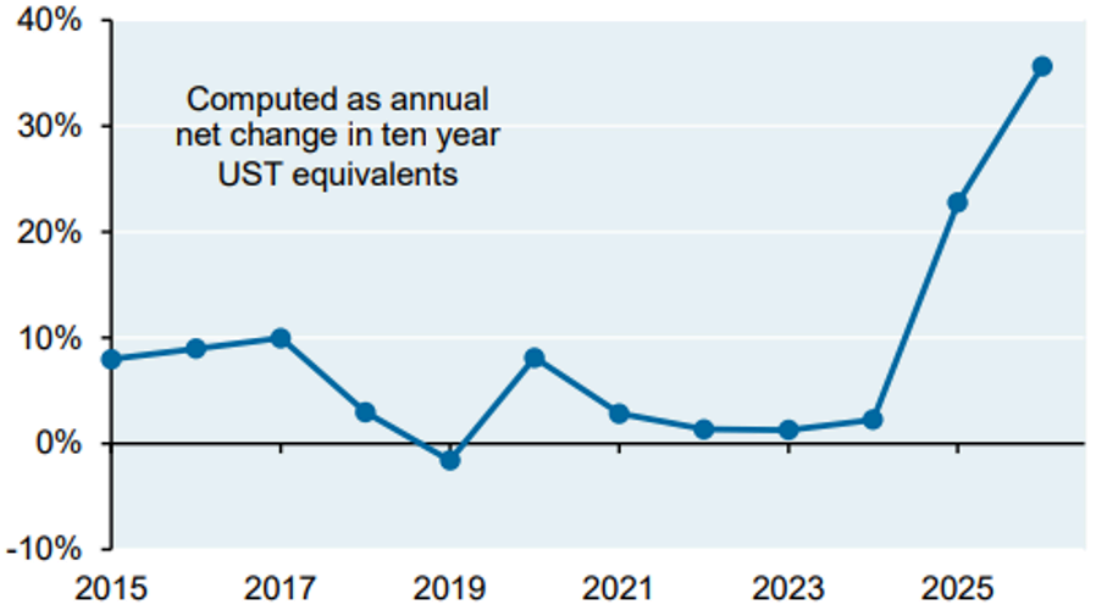
For context, that borrowing equals about 36% of Treasury bond issuance this year, up from single digits before 2025. Corporate borrowing on this scale competes with the government for the same investors and can add pressure on long-term rates. It also means more of the AI buildout now depends on credit markets staying open.

5 hyperscalers + NVDA new investment grade debt + SPVs
Billion US$



Source: Bloomberg, JPMAM, August 31, 2026

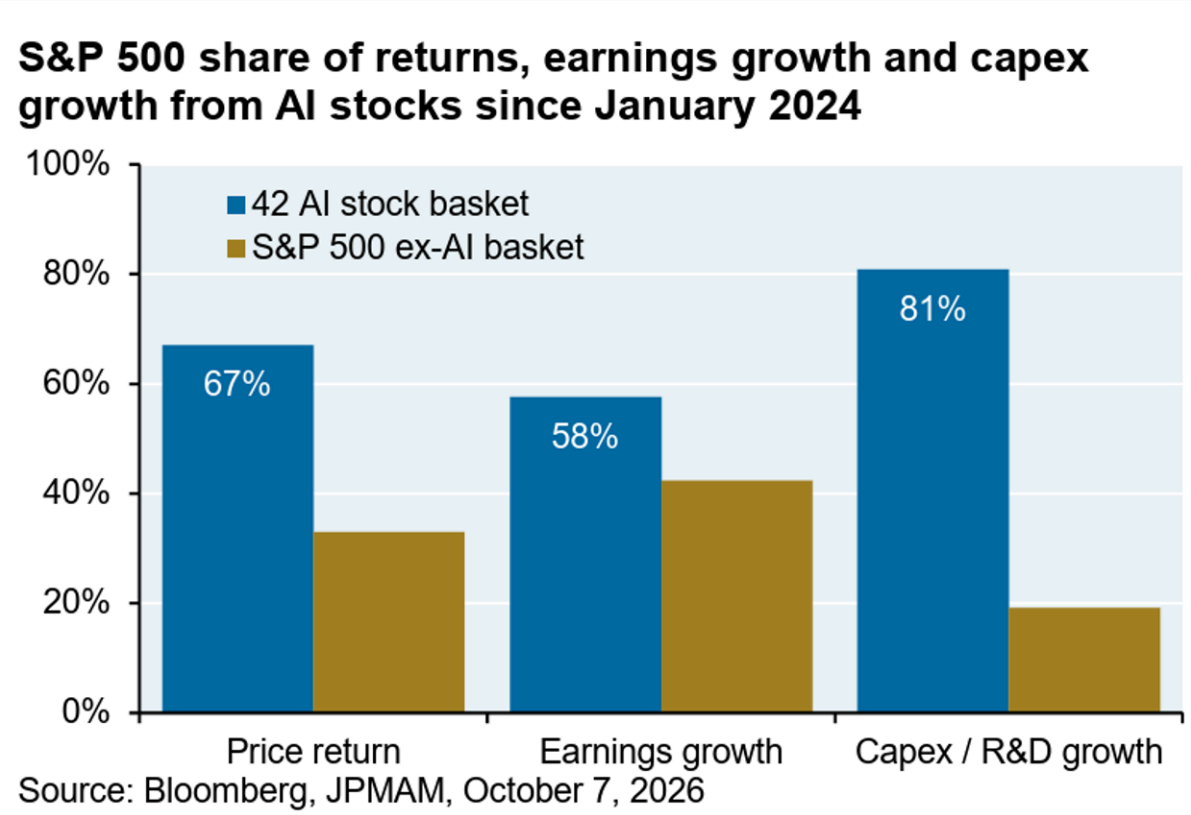
Hyperscaler + NVIDIA 10 yr + debt issuance (incl. SPVs) as a percent of Treasury bond issuance, Percent

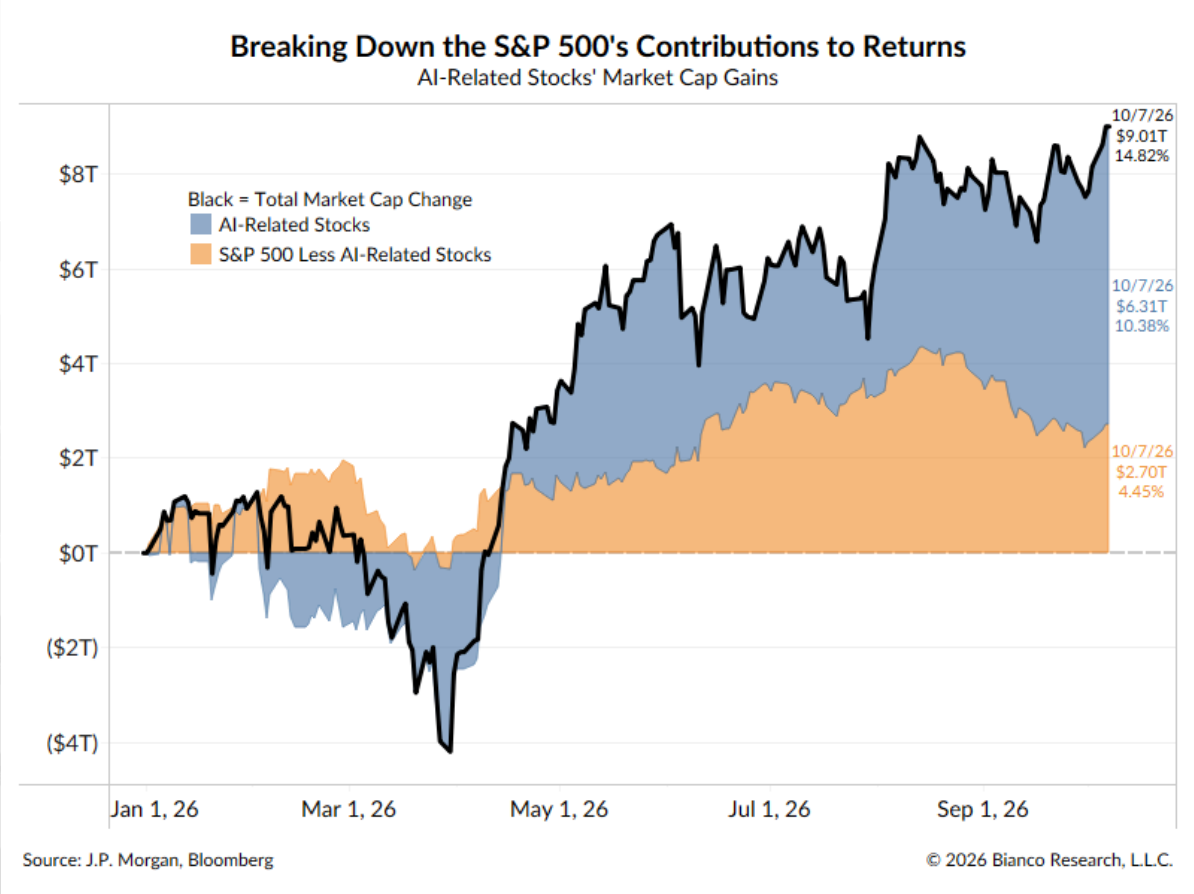


Source: Bloomberg, JPMAM, September 28, 2026

The Stock Market Depends on AI

Of course it's not just crowding out in the economy, bonds, new construction, etc., its the stock market as well. Since January 2024, a basket of 42 AI-related companies has produced about two-thirds of the S&P 500's price return, 58% of its earnings growth and 81% of its growth in capital spending and research. The market's direction increasingly rests on one theme, and on heavy spending that has to earn a return eventually.

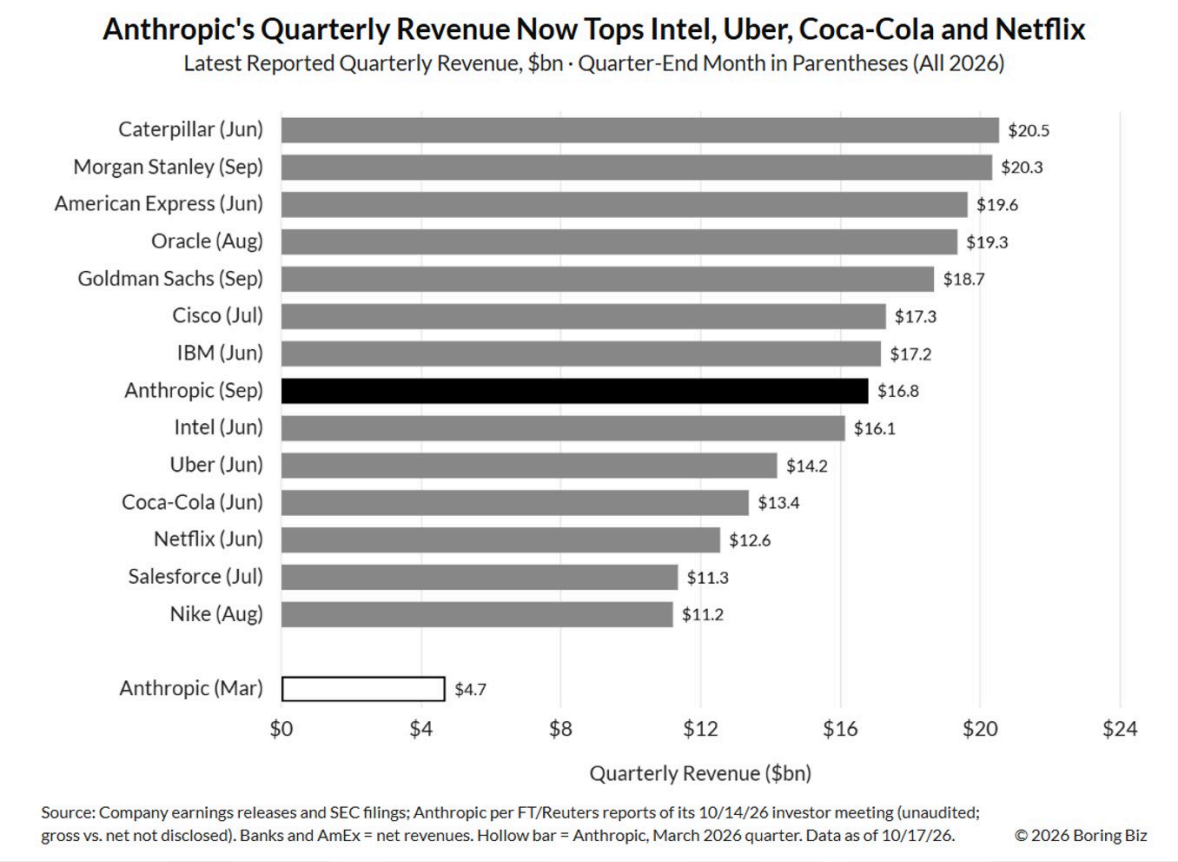


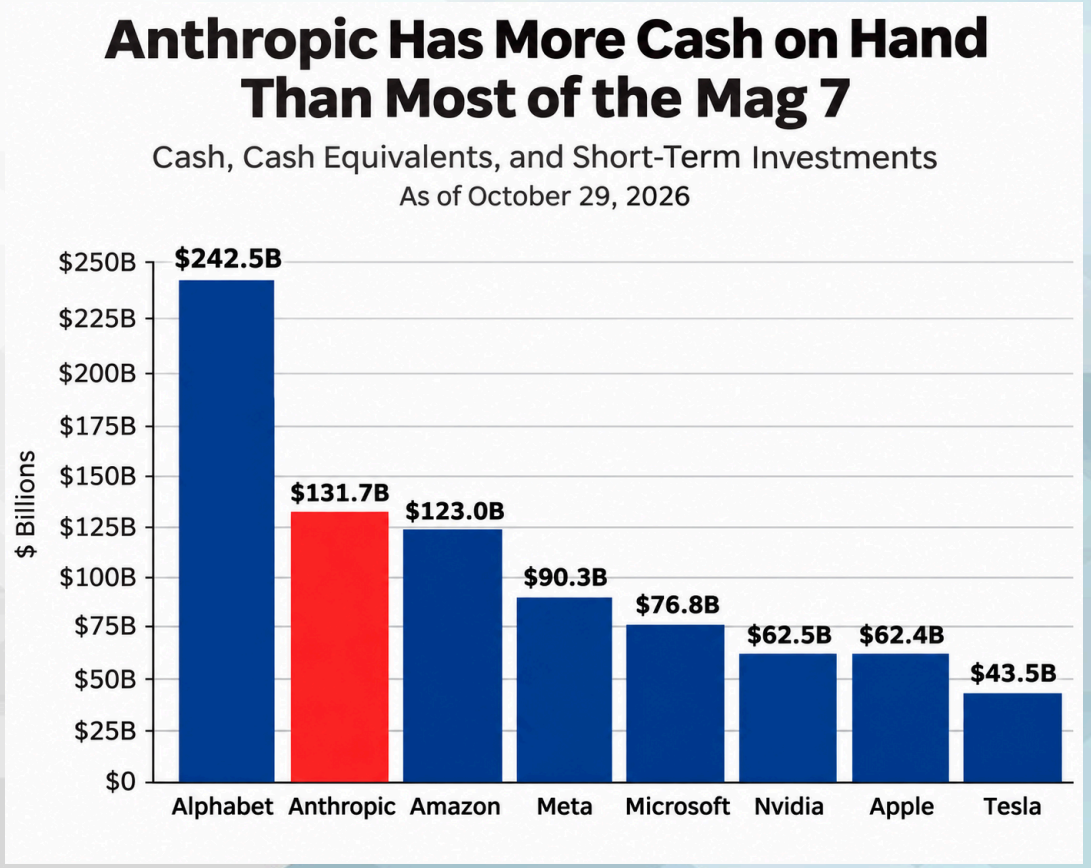


Anthropic (of Claude) is Going Public

Only a few months ago, the largest and most famous IPO of all time occurred with SpaceX. Right in line with that in terms of size and popularity will be Anthropic's IPO next month. Anthropic, the AI lab famous for its Claude models, has filed to go public at a valuation of around $2 trillion. Anthropic is only about 5 years old, and it's revenue is already larger than Netflix, Intel, etc., and has grown 13x since last year.

The company also has more cash on hand than almost any other company in the world, at $131 billion. It will need it, as its on the hook for $100s of billions in purchase commitment and leases in the next few years. Still, this will be one of the most high profile IPOs in history and is worth paying attention to.

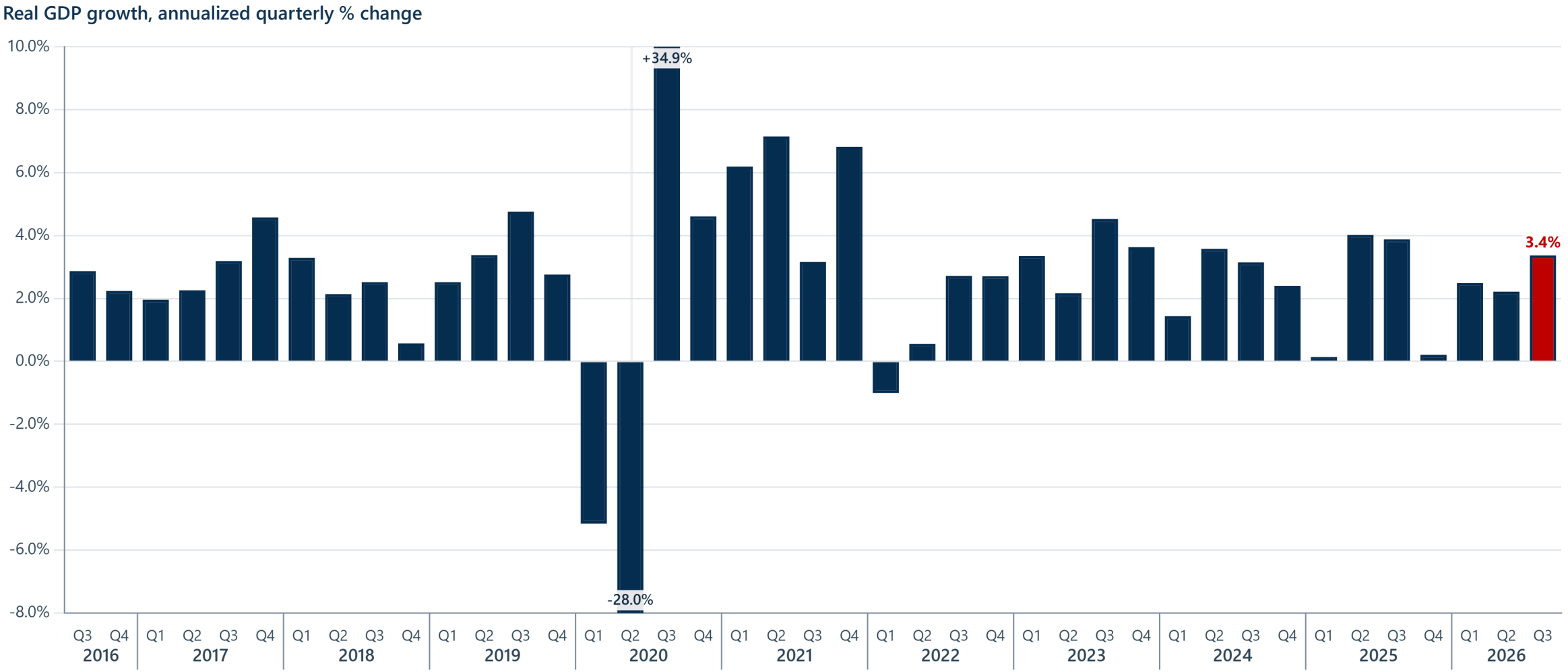




WJ State of the Economy

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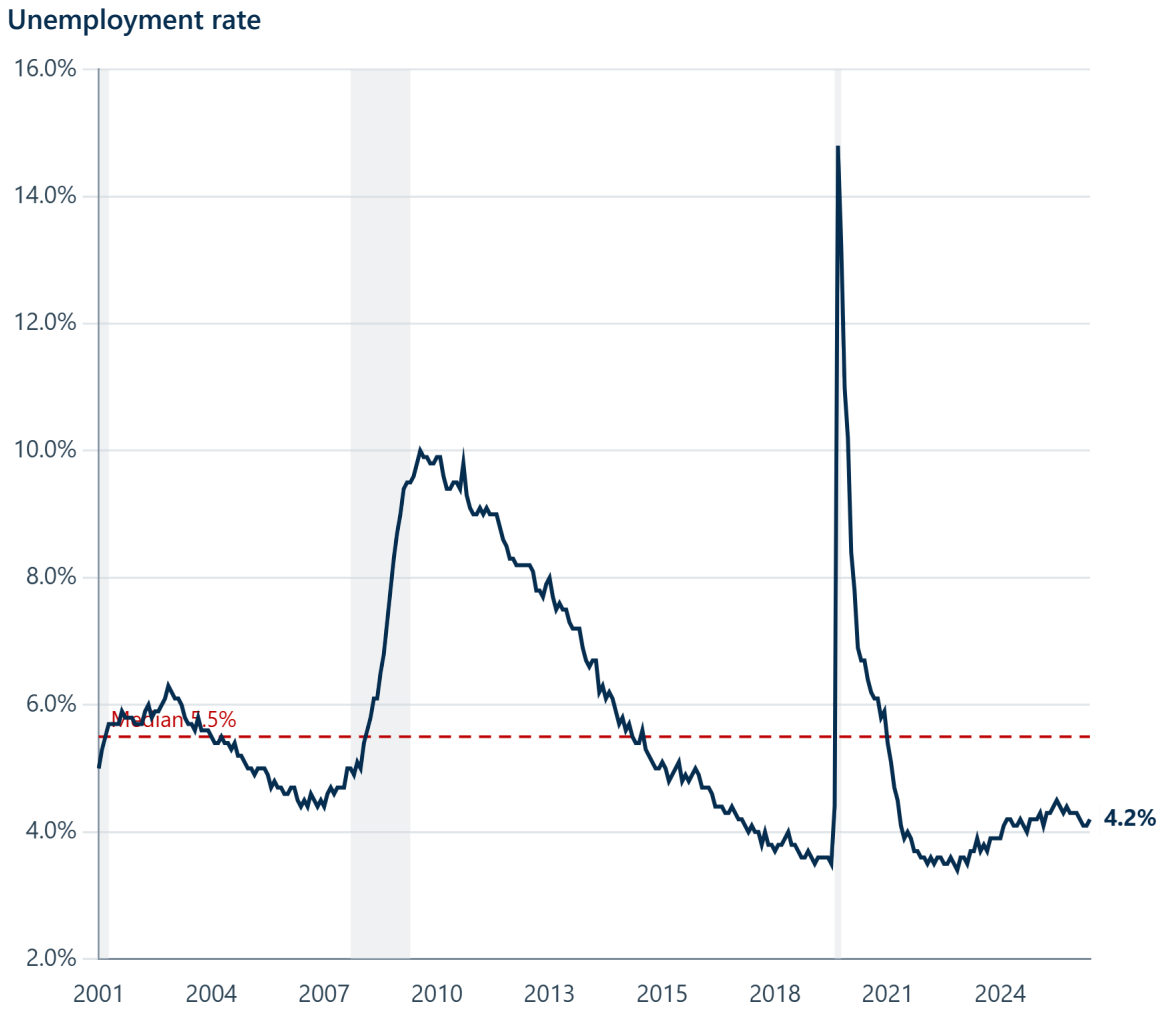
Q3 GDP Growth Picks Up

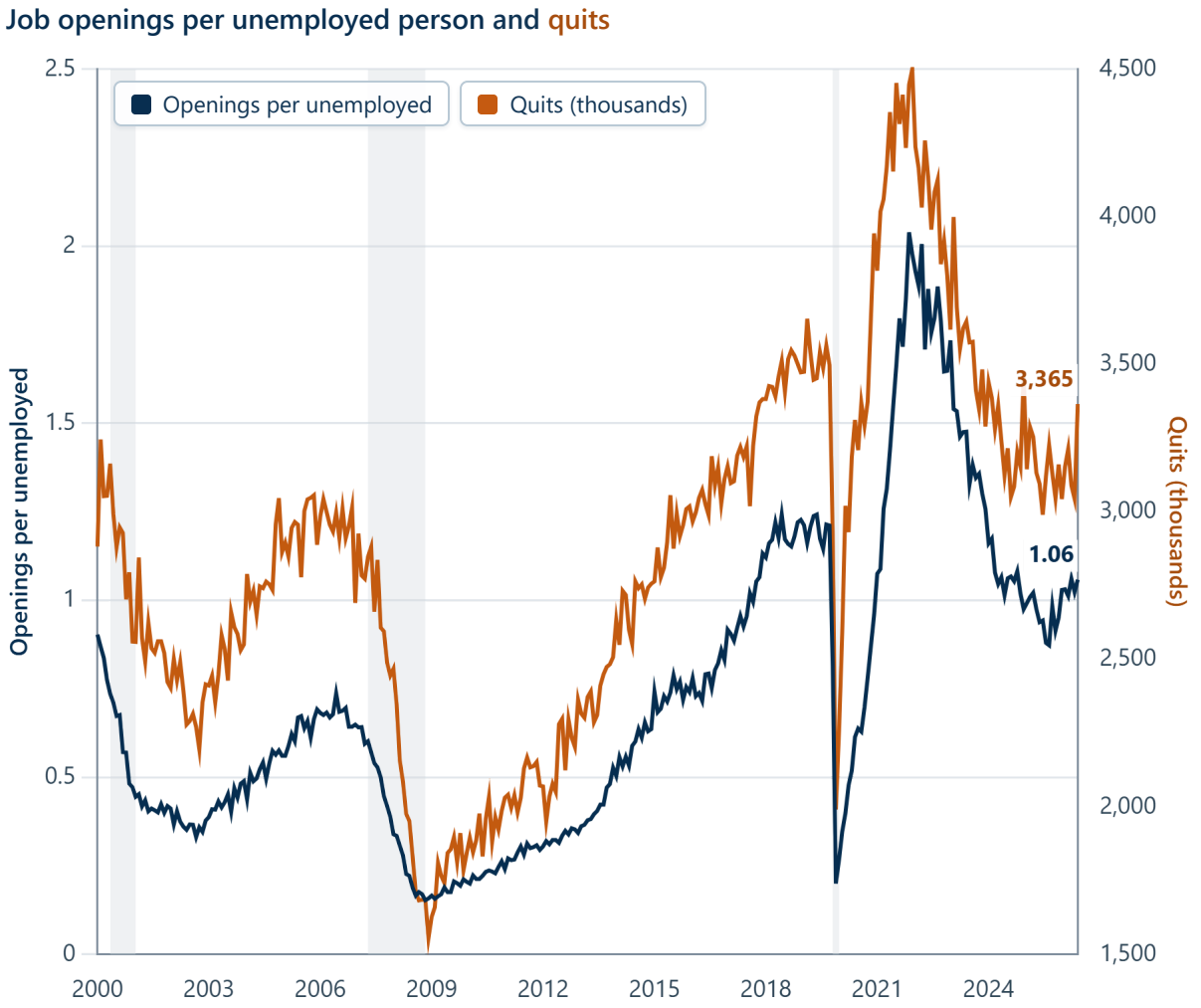


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Source: Federal Reserve Economic Database (FRED). Real Gross Domestic Product (left). Components from U.S. Bureau of Economic Analysis, "Table 1.1.6. Real Gross Domestic Product, Chained Dollars" (right). Recessions from NBER based Recession Indicators for the United States from the Period following the Peak through the Trough

Unemployment Holds Steady



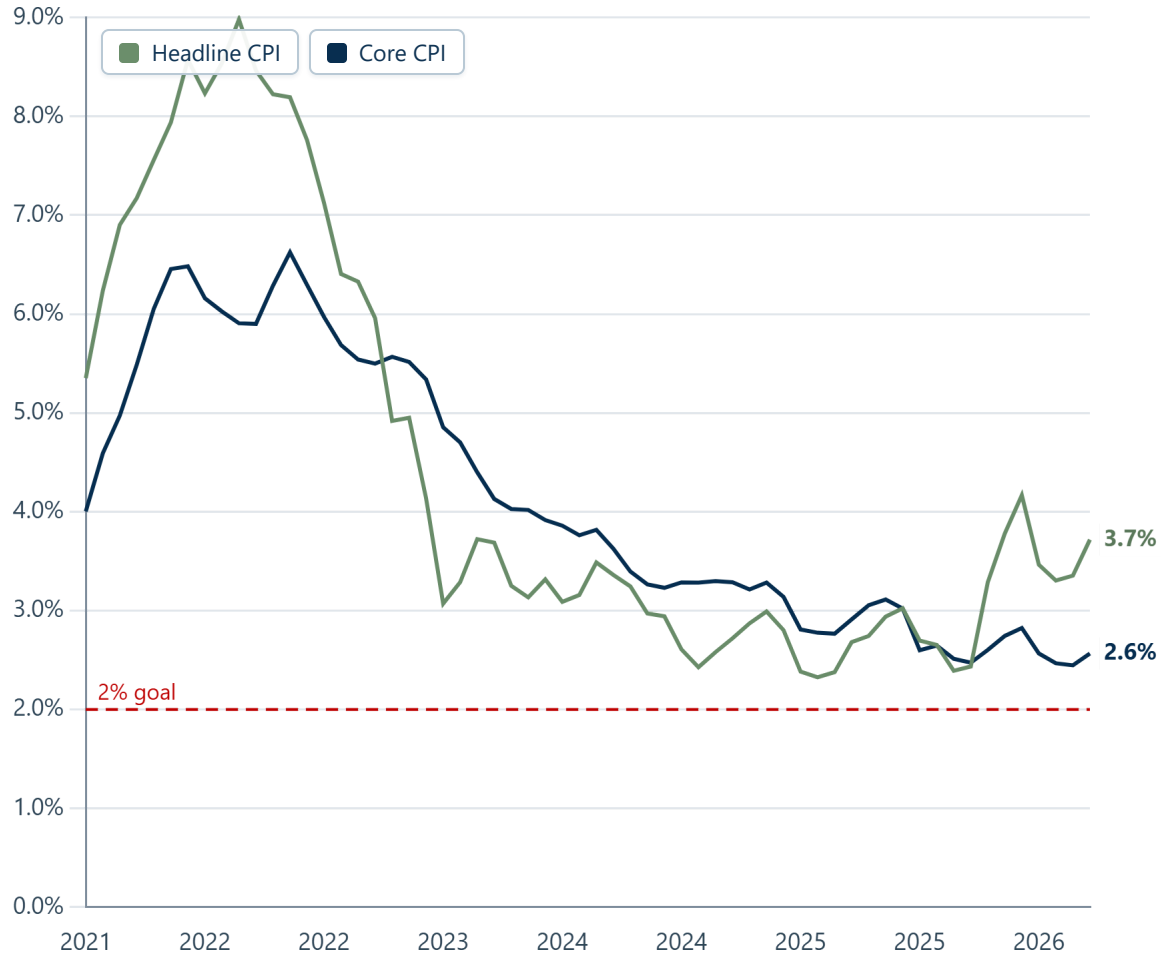


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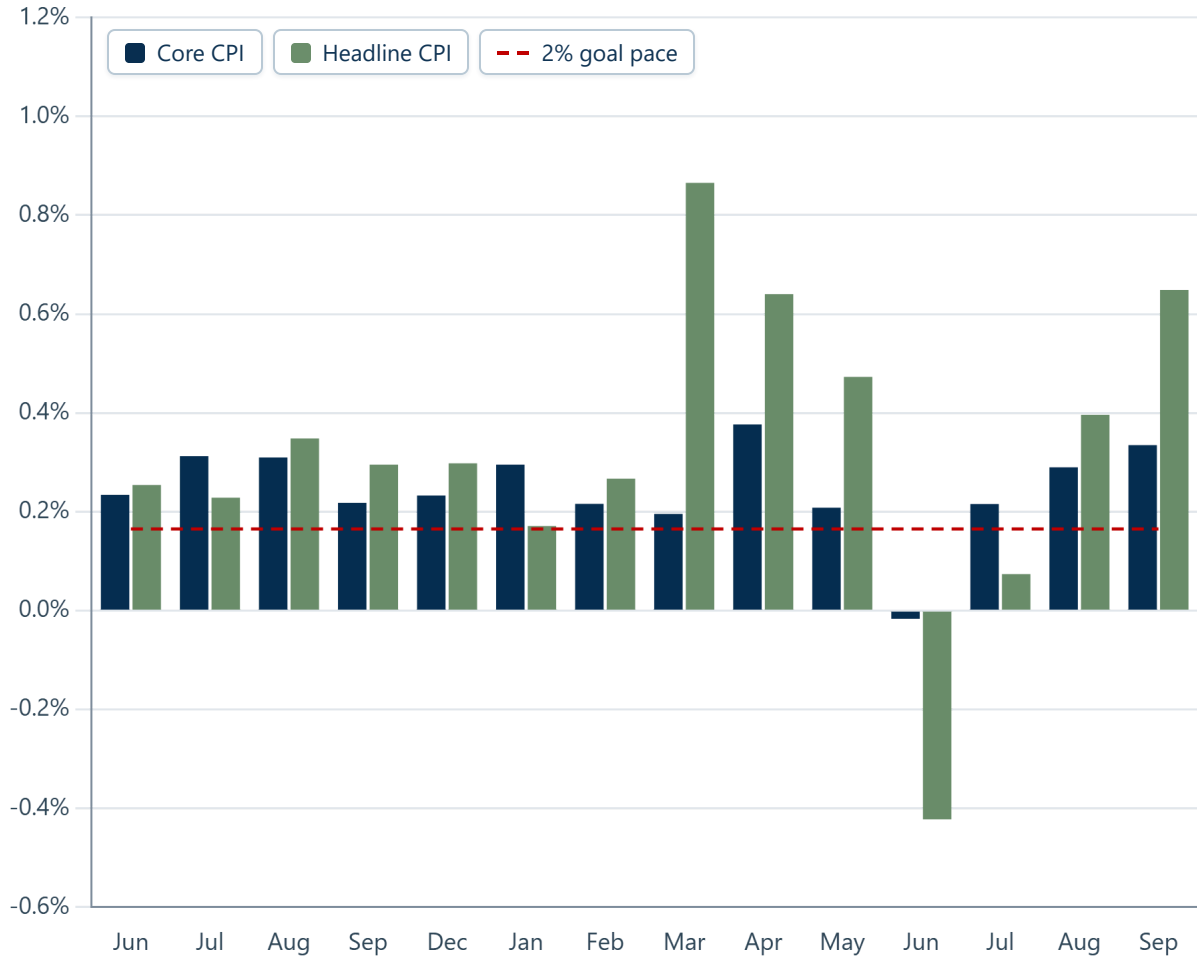
Source: Federal Reserve Economic Database (FRED). Unemployment Rate (left) and Job Openings: Total Nonfarm divided by Unemployment Level as well as Quits: Total Nonfarm (right). Recessions from NBER based Recession Indicators for the United States from the Period following the Peak through the Trough

Inflation is Reaccelerating

Annual inflation



Monthly inflation change

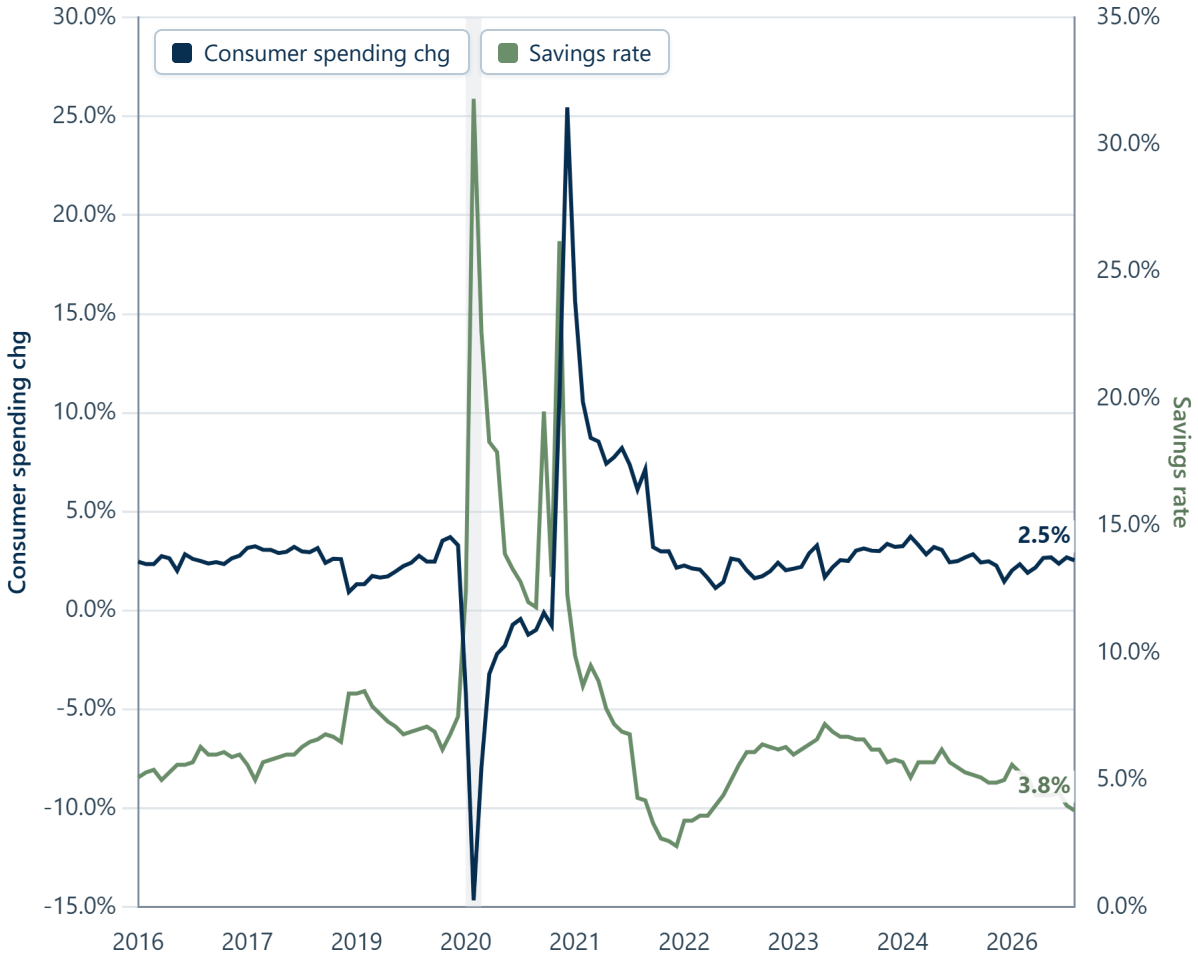


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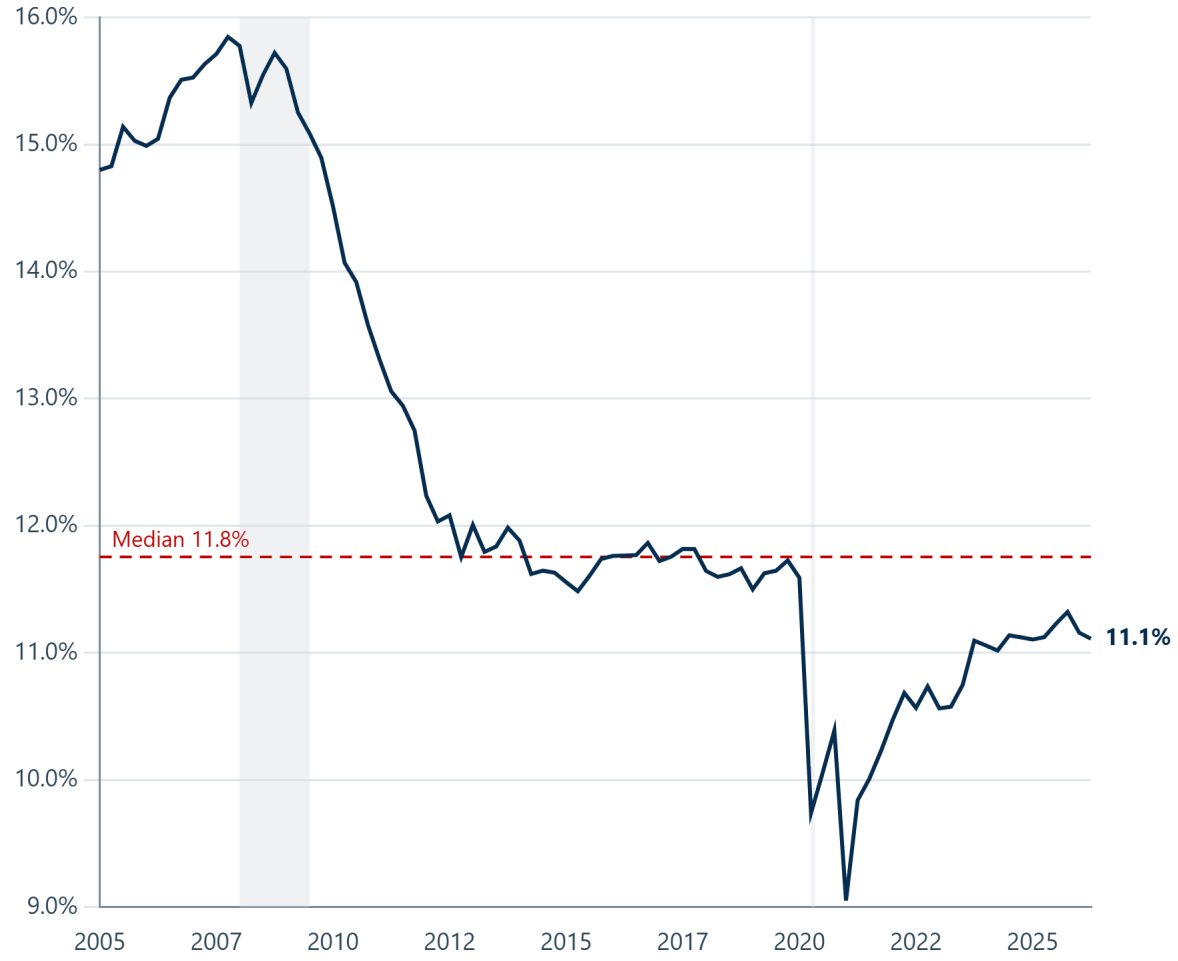
Source: Federal Reserve Economic Database (FRED). Consumer Price Index.

Households Saving Rate is Steadily Lower

Real consumer spending (year over year) vs. savings rate



Household debt service payments, % of income

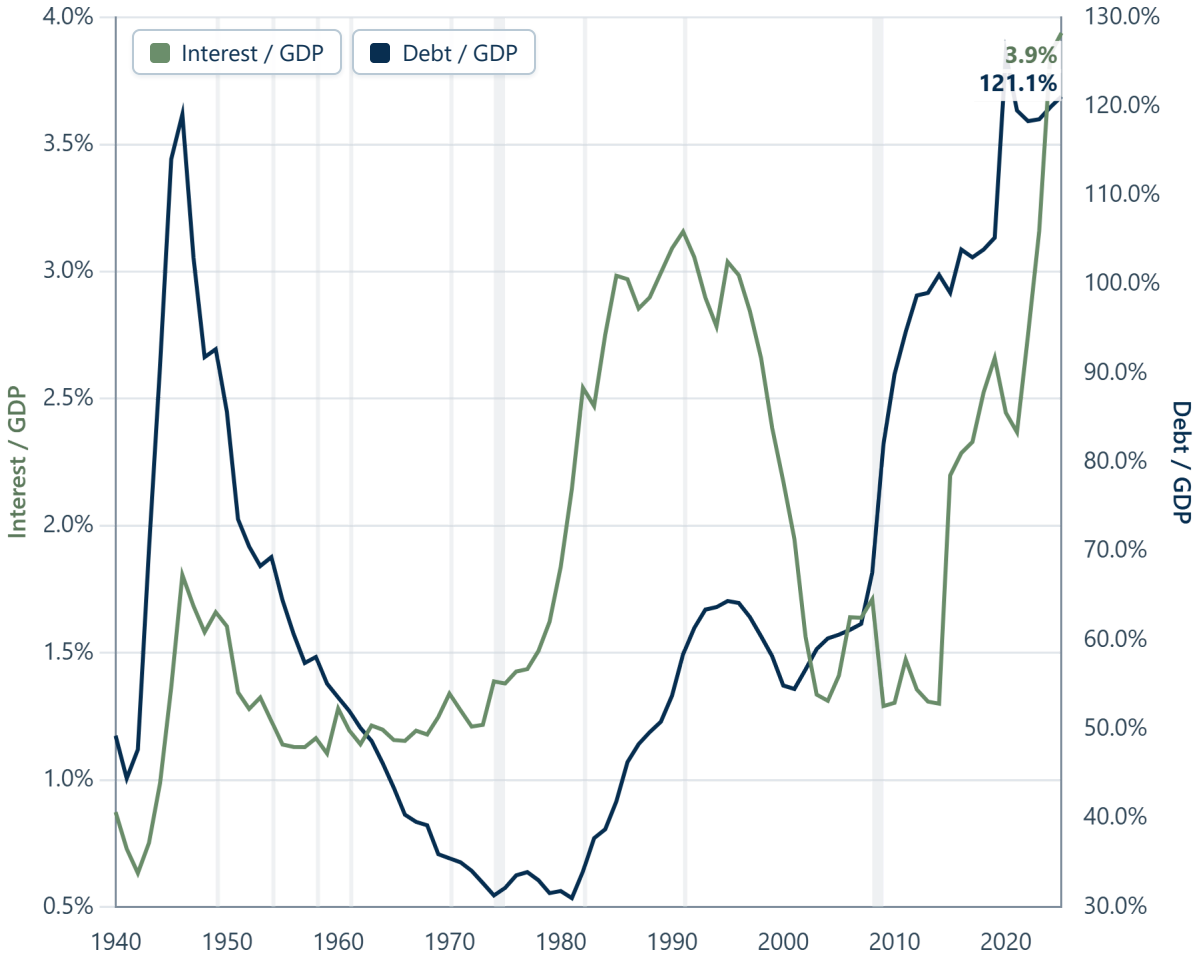


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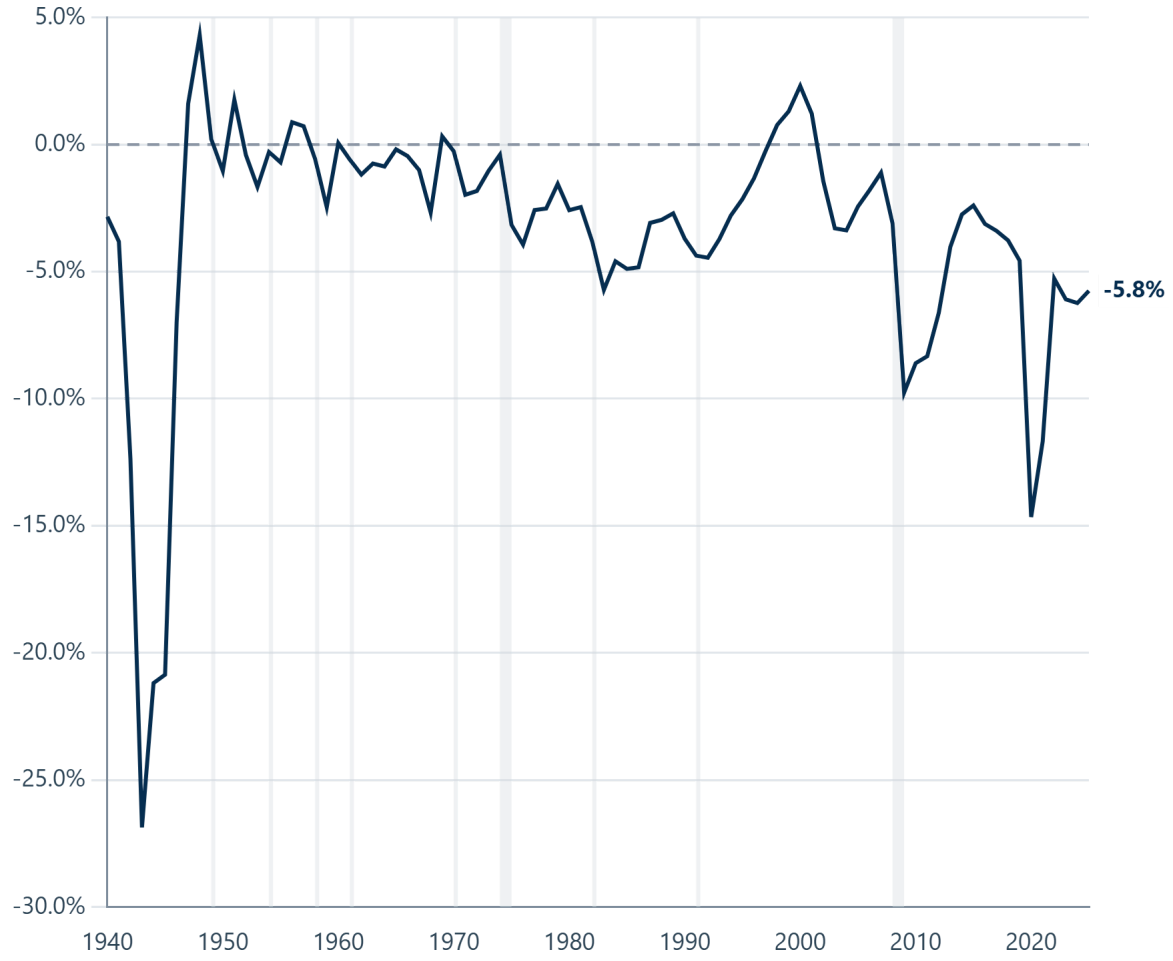
Source: Federal Reserve Economic Database (FRED). Personal Saving Rate plus Real Personal Consumption Expenditures (left) and Household Debt Service Payments as a Percent of Disposable Personal Income (right). Recessions from NBER based Recession Indicators for the United States from the Period following the Peak through the Trough

Deficit Stays Wide as Interest Costs Climb

Gov't interest / GDP and total debt / GDP



Federal budget surplus / deficit, % of GDP

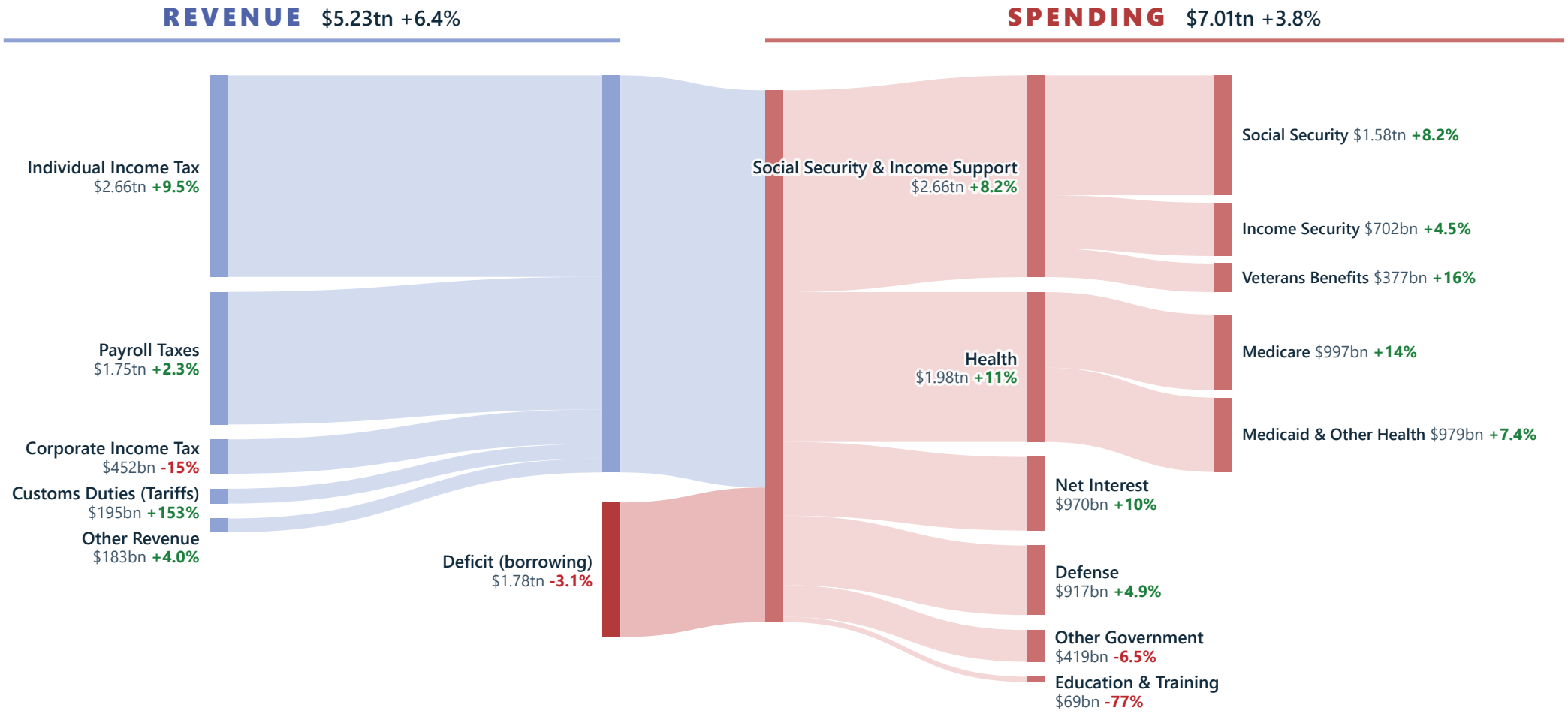


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Source: Federal Reserve Economic Database (FRED) Federal Surplus or Deficit [-] as Percent of Gross Domestic Product (top) and Federal Debt: Total Public Debt as Percent of Gross Domestic Product plus Federal Outlays: Interest as Percent of Gross Domestic Product (bottom). Recessions from NBER based Recession Indicators for the United States from the Period following the Peak through the Trough

Government Expenditures 2025

REVENUE	SPENDING	DEFICIT
$5.23tn	$7.01tn	$1.78tn
+6.4%	+3.8%	-3.1%



Fiscal year 2025 (Oct 2024 to Sep 2025); change vs. fiscal 2024.

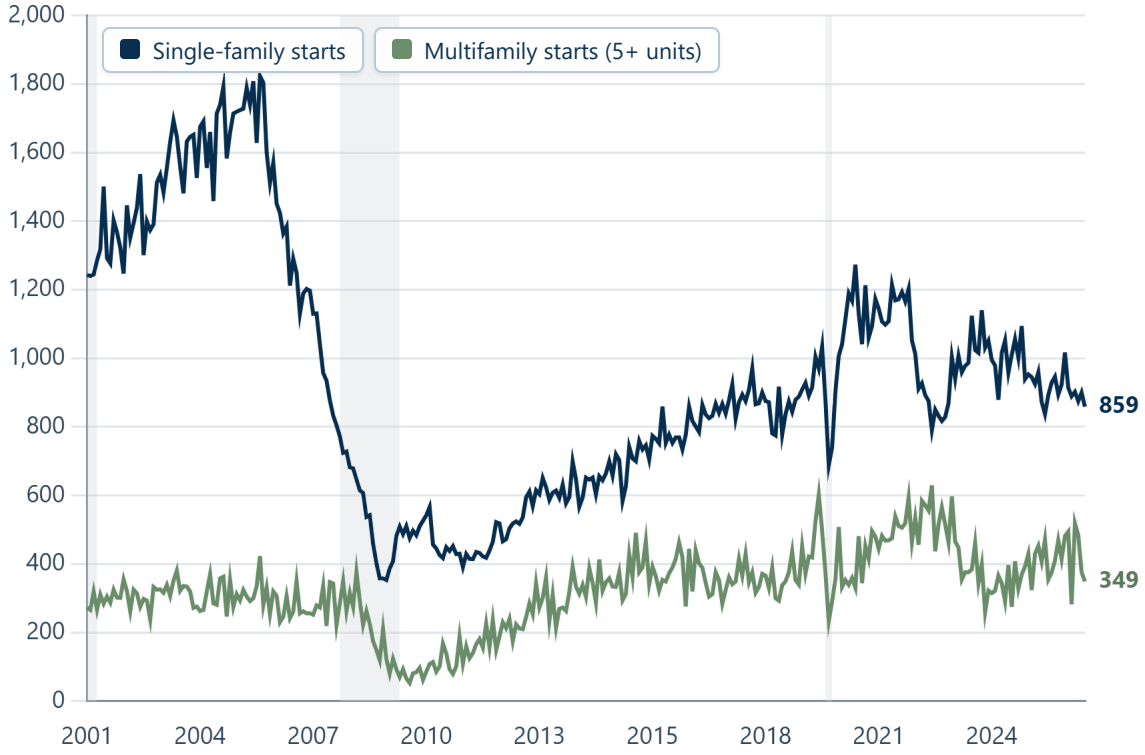
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Source: U.S. Treasury, Monthly Treasury Statement, fiscal years 2024 and 2025 (receipts by source, outlays by budget function). Some functions combined by WJ.

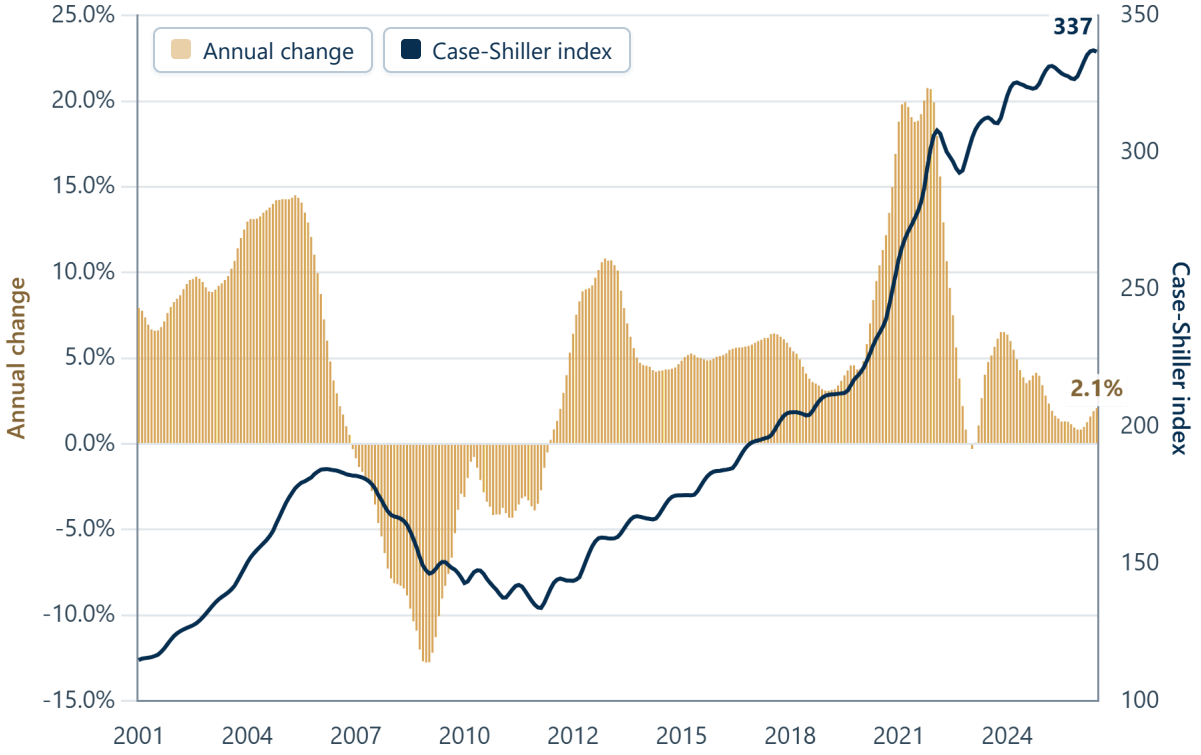
Home Prices Edge Higher

A housing start is the beginning of construction on a new residential housing unit and indicates how much new housing supply is on the horizon. On the right we show home prices over time, as well as the annual rate of change. Prices surged in 2021-2022 but have stopped growing altogether. What they do next will depend on how much pent-up demand there is, and how much housing we build going forward. Note of how significantly starts dropped after the 2008 crisis, and led to the undersupply we have today.

Housing starts, thousands (annual rate)



Home prices: annual change and index level



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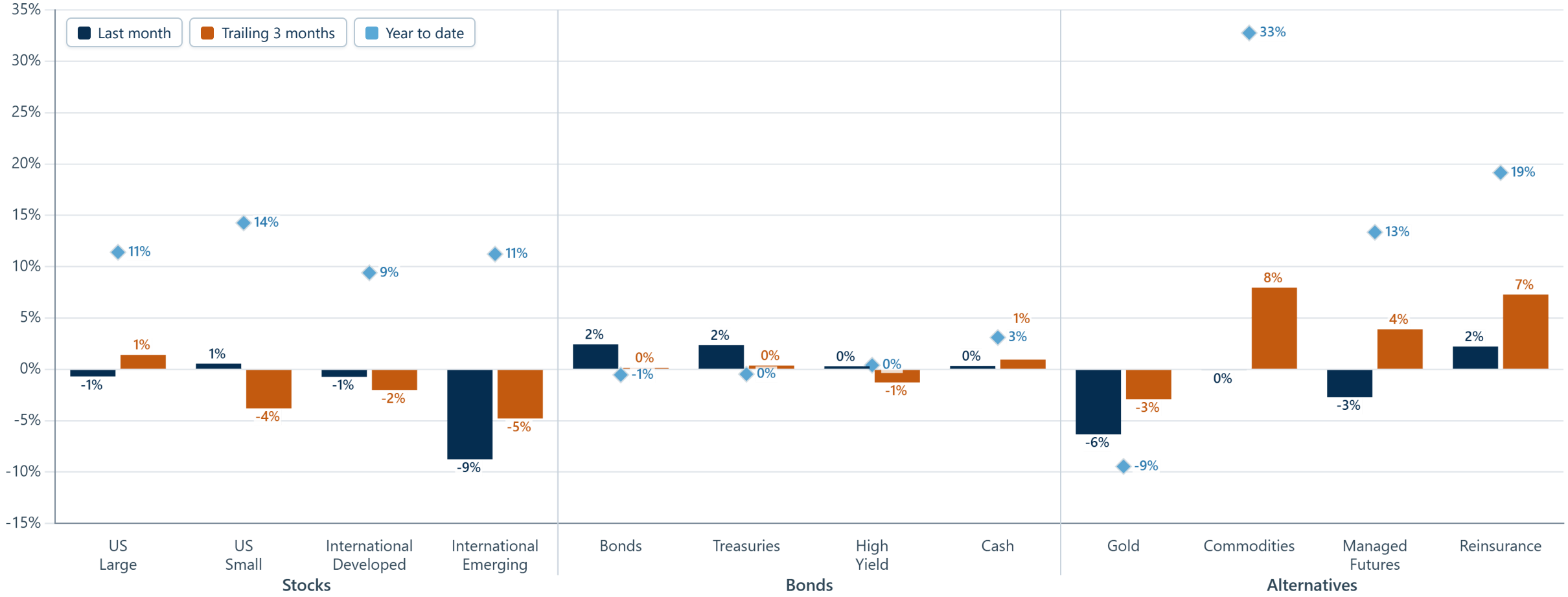
Source: Federal Reserve Economic Database (FRED) (LEFT)New Privately-Owned Housting Units Starts: Single-Family Units and New Privately-Owned Housting Units Started: Units in Buildings with 5 units or More. (RIGHT) S&P CoreLogic Case-Shiller U.S. National Home Price Index

WJ State of the Markets

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Bonds Rebound, Stocks Struggle in October

Major asset class performance

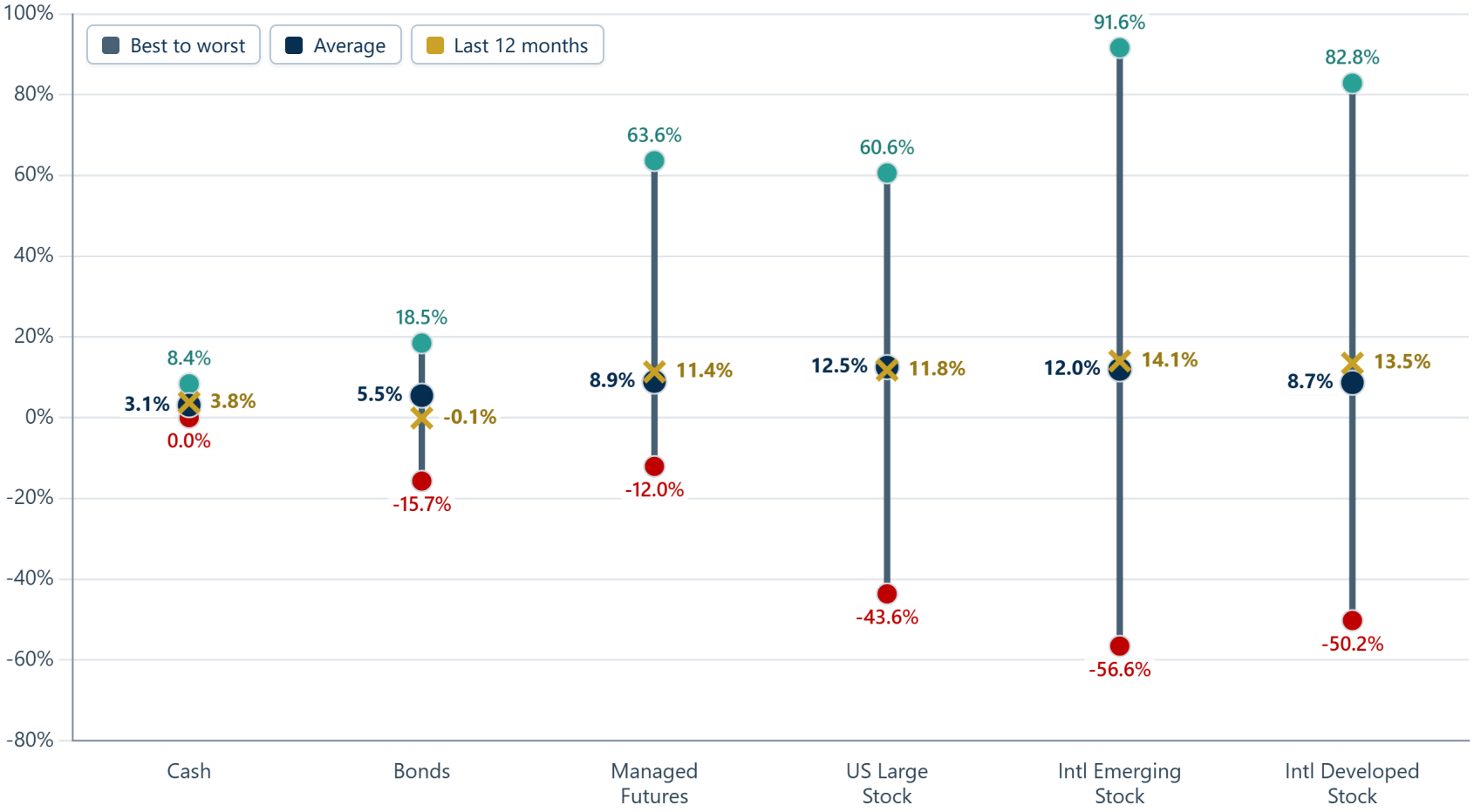


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Source: Morningstar Direct. Categories in table are represented by (left to right) iShares Russell 1000 (IWB), iShares Russell 2000 (IWM), iShares Core MSCI EAFE (IEFA), iShares Core MSCI EM (IEMG), Bloomberg US Agg Bond TR, Bloomberg US Treasury TR USD, Bloomberg US Corporate High Yield TR USD, IA SBBI US 30 Day TBill TR USD, SPDR Gold Shares, Bloomberg Commodity TR USD, CISDM CTA EW USD, Stone Ridge Reinsurance Fund

Historical Asset Class Return Range

Range of 12-month returns since 1986: best to worst, average, and the last 12 months



This chart shows the range of 12 month returns historically, by asset class. As you'd expect, the riskier investment leads to a greater potential gain, as well as loss.

The X on the line represents the last 12 months.

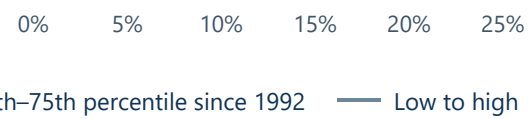
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Source: Morningstar Direct. Categories are represented by (left to right) WJ cash index, Bloomberg US Agg Bond TR USD, CISDM CTA EW USD, Russell 1000 TR USD (large cap), MSCI EM, MSCI EAFE NR USD. Rolling 12-month returns since 1986; emerging markets since 1988 (MSCI EM PR USD through 2000, MSCI EM NR USD after), the earliest history available.

Yields Rise Over the Past Year

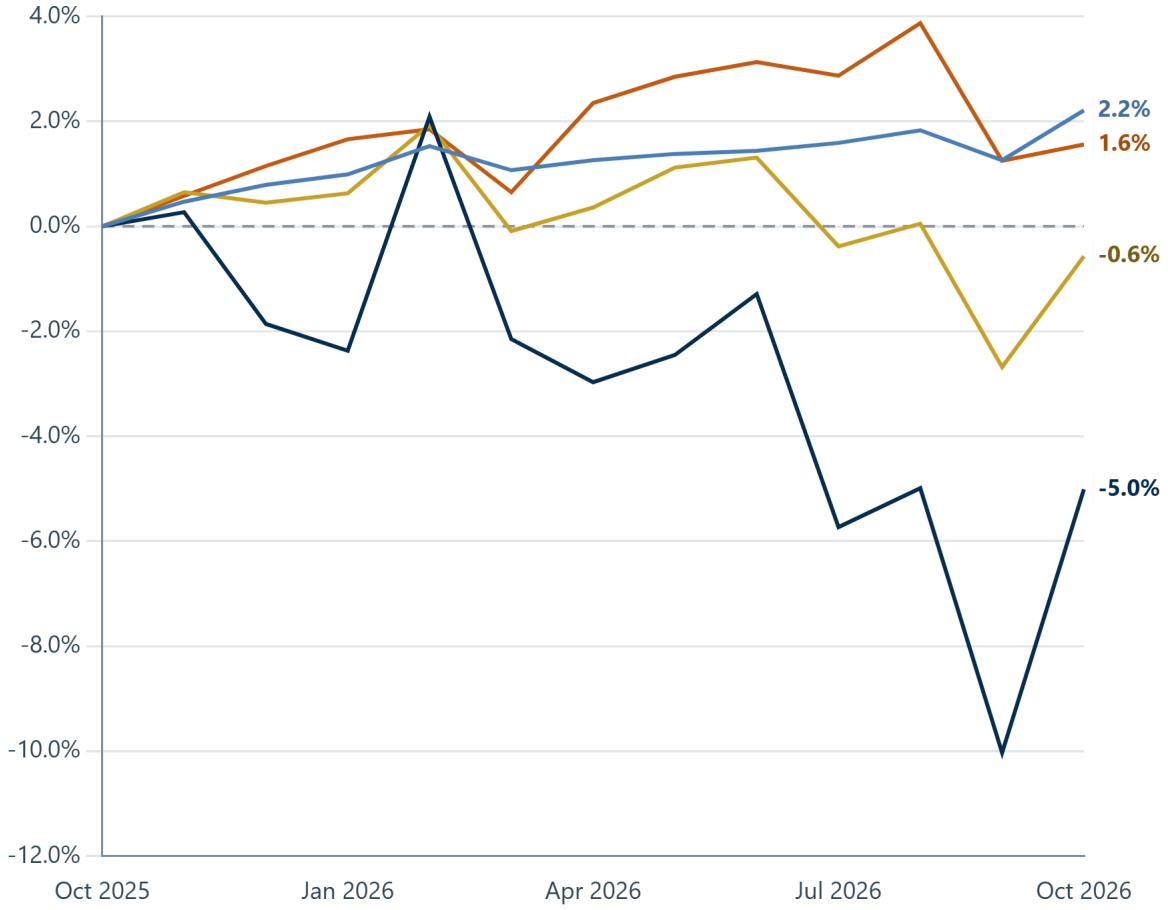
Yields (%)

Bond type	Latest	Year ago	Change	Yield Range since 1992
ST Treasury	4.57	3.63	+0.94	
LT Treasury	5.35	4.71	+0.64	
Investment Grade	5.79	4.82	+0.97	
High-Yield	8.31	6.78	+1.53	
Mortgage-Backed	5.52	4.66	+0.86	
Municipal Bonds	4.21	3.57	+0.64	



Latest | Year ago | 25th–75th percentile since 1992 | Low to high

Last 12 Months Return: Short vs. Long Treasuries, Investment Grade vs. High Yield

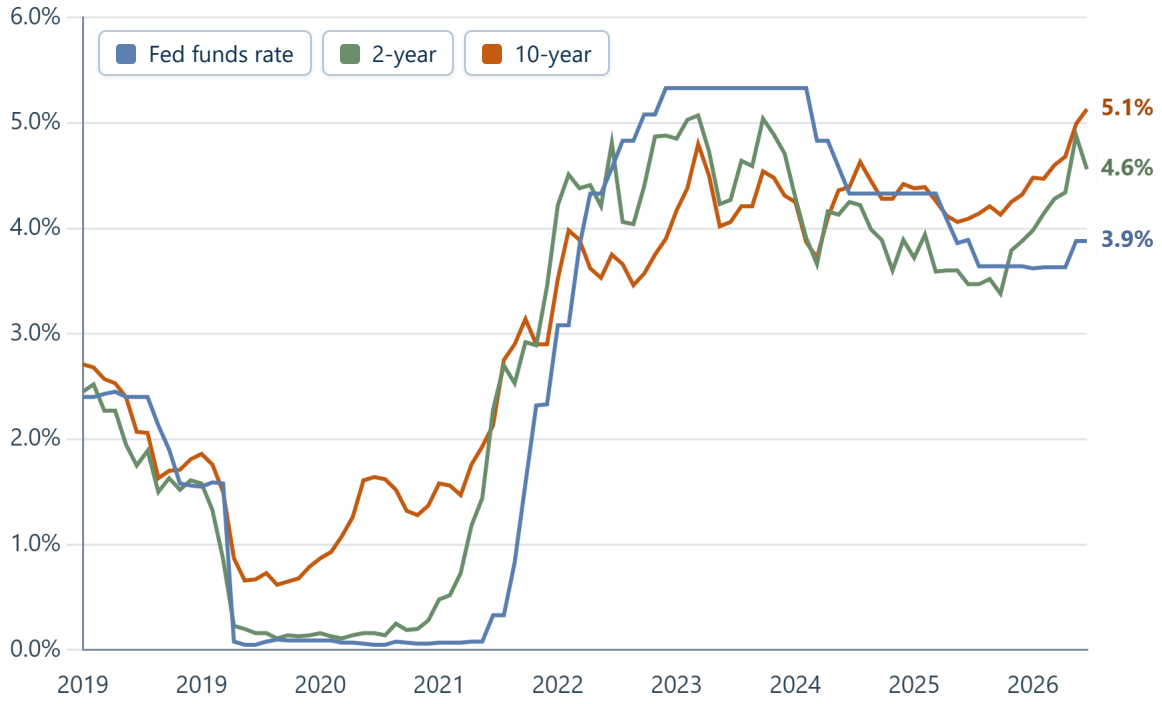


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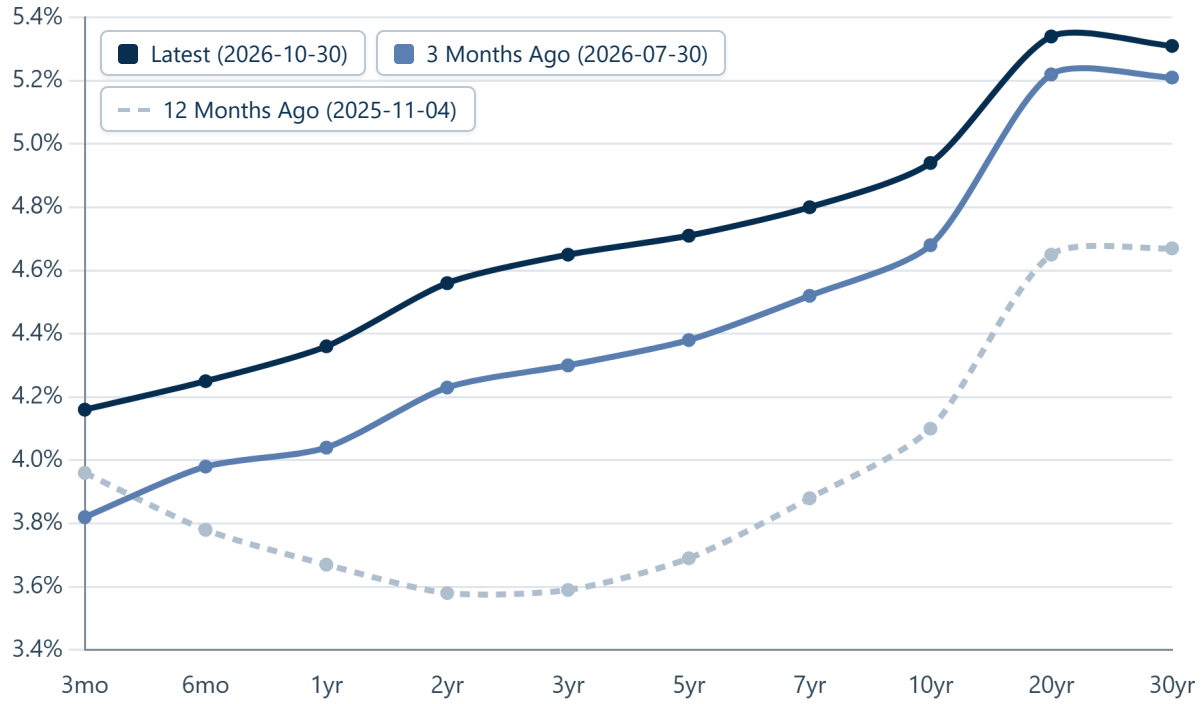
Source: Morningstar Direct. Categories in table are represented by (top to bottom) Bloomberg US Treasury 1-3 Yr Yld USD, Bloomberg US 20+Yr Yld USD, Bloomberg US Corp Bond Yld USD, Bloomberg US Corp High Yield Yld USD, Bloomberg US MBS Yld USD, Bloomberg Municipal Yld USD

10-Year Treasury Yield Climbs

Key Treasury yields



Treasury yield curve



	3mo	6mo	1yr	2yr	3yr	5yr	7yr	10yr	20yr	30yr
Latest	4.16%	4.25%	4.36%	4.56%	4.65%	4.71%	4.80%	4.94%	5.34%	5.31%
3 Months Ago	3.82%	3.98%	4.04%	4.23%	4.30%	4.38%	4.52%	4.68%	5.22%	5.21%
12 Months Ago	3.96%	3.78%	3.67%	3.58%	3.59%	3.69%	3.88%	4.10%	4.65%	4.67%

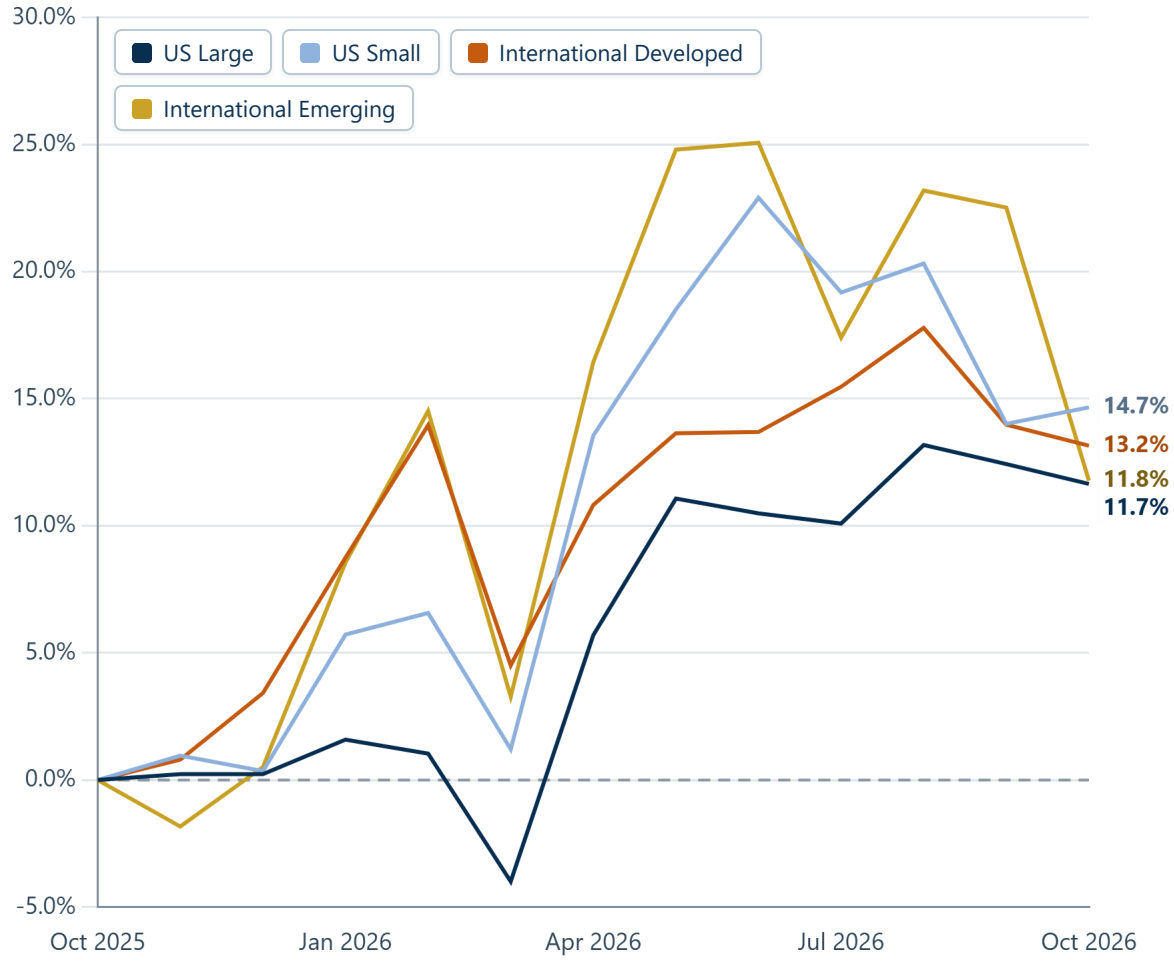
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Source: Morningstar Direct. USTREAS T-Bill Cnst Mat Rate 3mo, USTREAS T-Bill Cnst Mat Rate 2 yr, USTREAS T-Bill Cnst Mat Rate 5yr, USTREAS T-Bill Cnst Mat Rate 10 Yr, USTREAS T-Bill Cnst Mat Rate 20 Yr, USTREAS T-Bill Cnst Mat Rate 30 Yr. Effective Fed Funds Rate from FRED Database.

Value Stocks Lead as US Stocks Outperform

	Stock type	Last month	Last 3 months	Year to date	Last 12 months
Core	US Large	-0.7%	+1.4%	+11.4%	+11.7%
Core	US Small	+0.6%	-3.8%	+14.3%	+14.7%
Core	International Developed	-0.7%	-2.0%	+9.4%	+13.2%
Core	International Emerging	-8.8%	-4.8%	+11.2%	+11.8%
Other	US Value	+4.4%	+3.1%	+24.3%	+28.4%
Other	US Growth	-6.1%	-0.5%	-0.3%	-2.8%
Other	Nasdaq	-6.6%	+0.5%	+12.8%	+10.3%

US vs. international stocks, last 12 months (cumulative)

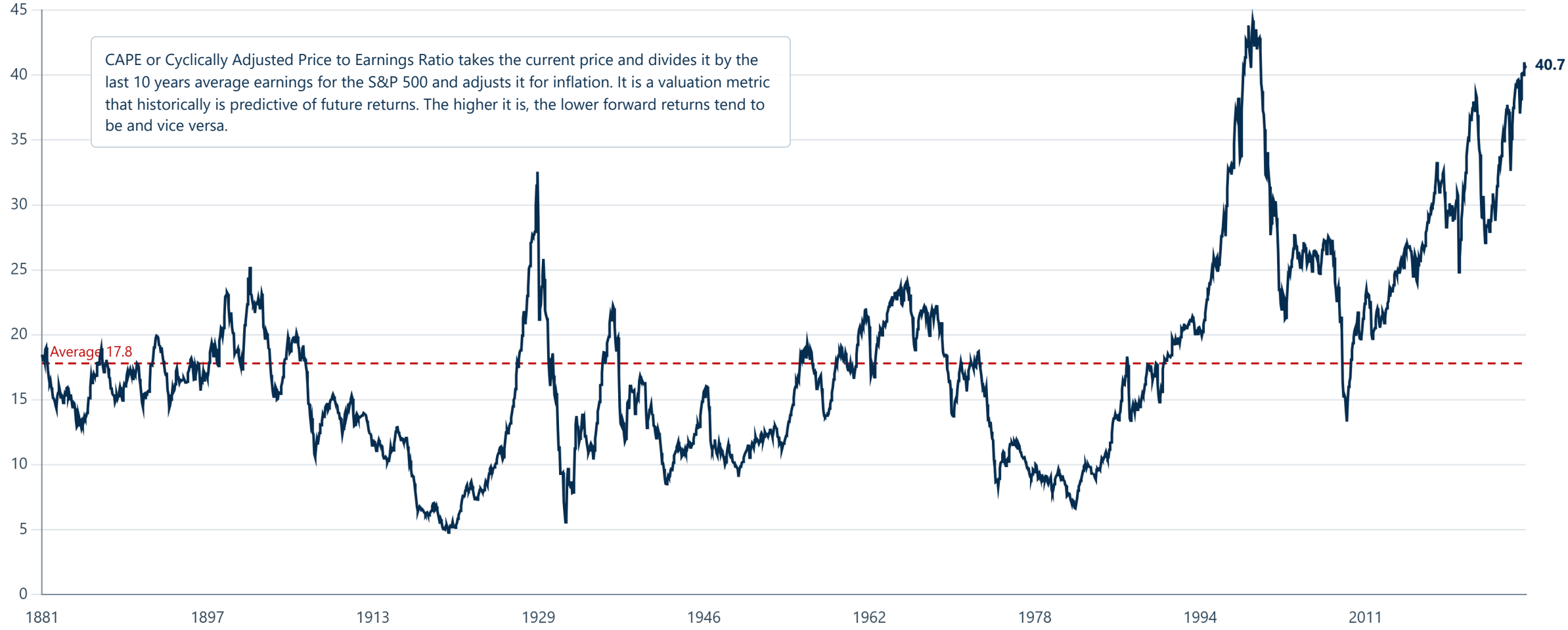


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Source: Morningstar Direct. Categories in table are represented by (top to bottom) iShares Russell 1000 (IWB), iShares Russell 2000 (IWM), iShares Core MSCI EAFE (IEFA), iShares Core MSCI Emerging Markets (IEMG), iShares Russell 1000 Value ETF (IWD), Russell 1000 Growth ETF (IWF), Nasdaq 100 ETF (QQQ).

Stock Valuations Near Record Highs

US cyclically adjusted price-to-earnings ratio (CAPE)



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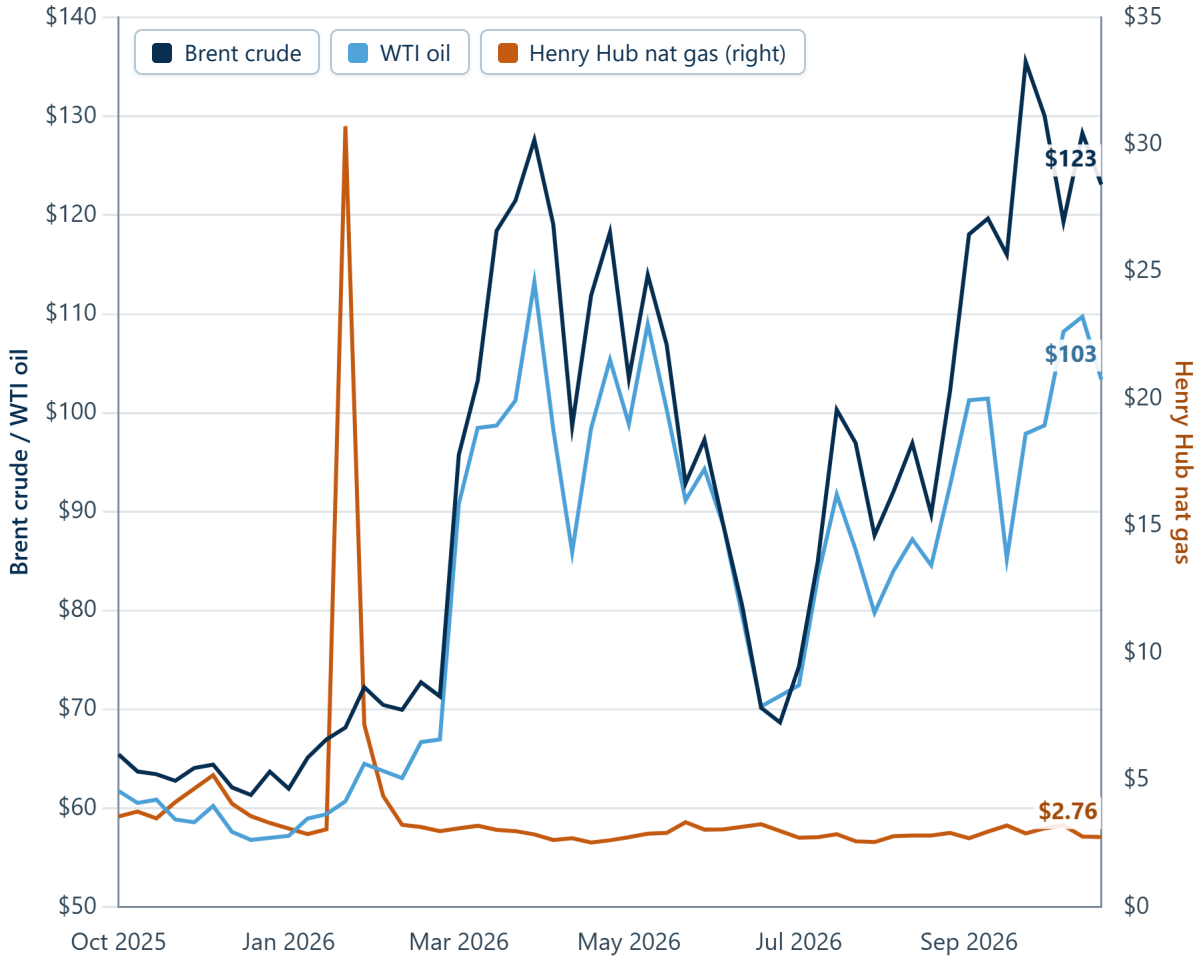
Source: Data and CAPE Ratio were developed by Robert Shiller using various public sources.

Commodities Keep Soaring Higher

Bloomberg Commodity Index (total return)



Energy prices



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Source: Bloomberg Commodity TR USD (left) and Crude Oil Prices: West Texas Intermediate (WTI) - Cushing, Oklahoma, Crude Oil Prices: Brent – Europe, Henry Hub Natural Gas Spot Price from U.S. Energy Information Administration (right)

Periodic Table of Asset Class Returns

2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026 YTD	5 Yr	10 Yr
US Small Stock 21%	Intl Emerging Stk 37%	Cash 2%	US Large Stock 31%	US Large Stock 21%	US Large Stock 26%	Trend Following 20%	Reinsurance 45%	Reinsurance 33%	Intl Emerging Stk 32%	Reinsurance 19%	Reinsurance 26%	US Large Stock 15%
US Large Stock 12%	Intl Developed Stk 26%	Bonds 0%	US Small Stock 25%	US Small Stock 20%	US Small Stock 15%	Reinsurance 5%	US Large Stock 26%	US Large Stock 24%	Intl Developed Stk 32%	Trend Following 15%	US Large Stock 11%	US Small Stock 10%
Intl Emerging Stk 10%	US Large Stock 22%	TAA -3%	Intl Developed Stk 23%	Intl Emerging Stk 18%	TAA 12%	Cash 2%	Intl Developed Stk 18%	TAA 12%	Reinsurance 30%	US Small Stock 14%	Intl Developed Stk 8%	Reinsurance 10%
Asset Allocation 7%	TAA 17%	US Large Stock -5%	Asset Allocation 20%	Asset Allocation 13%	Trend Following 12%	TAA -11%	US Small Stock 17%	US Small Stock 11%	Asset Allocation 18%	US Large Stock 11%	TAA 8%	Intl Developed Stk 9%
Reinsurance 6%	Asset Allocation 16%	Trend Following -6%	Intl Emerging Stk 18%	Trend Following 11%	Intl Developed Stk 11%	Bonds -13%	Asset Allocation 17%	Asset Allocation 11%	US Large Stock 17%	Intl Emerging Stk 11%	Asset Allocation 7%	Asset Allocation 9%
TAA 5%	US Small Stock 15%	Reinsurance -6%	TAA 12%	Intl Developed Stk 9%	Asset Allocation 11%	Intl Developed Stk -15%	TAA 12%	Intl Emerging Stk 7%	TAA 16%	TAA 10%	Intl Emerging Stk 7%	Intl Emerging Stk 8%
Bonds 3%	Trend Following 4%	Asset Allocation -7%	Bonds 9%	Bonds 8%	Cash 0%	Asset Allocation -16%	Intl Emerging Stk 11%	Cash 5%	US Small Stock 13%	Intl Developed Stk 9%	Trend Following 5%	TAA 7%
Intl Developed Stk 1%	Bonds 4%	US Small Stock -11%	Trend Following 7%	Reinsurance 7%	Intl Emerging Stk -1%	US Large Stock -19%	Bonds 6%	Intl Developed Stk 3%	Bonds 7%	Asset Allocation 8%	US Small Stock 5%	Trend Following 6%
Cash 0%	Cash 1%	Intl Developed Stk -14%	Cash 2%	Cash 1%	Bonds -2%	Intl Emerging Stk -20%	Cash 5%	Trend Following 2%	Cash 4%	Cash 3%	Cash 4%	Cash 2%
Trend Following -3%	Reinsurance -11%	Intl Emerging Stk -15%	Reinsurance -4%	TAA -3%	Reinsurance -6%	US Small Stock -20%	Trend Following -3%	Bonds 1%	Trend Following 0%	Bonds 0%	Bonds 0%	Bonds 1%

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See the disclaimer at the end for the data sources behind each asset class.

Disclaimer

PAST PERFORMANCE IS NOT A GUARANTEE OF CURRENT OR FUTURE RESULTS. Examples of historical information included in this presentation do not, nor are they intended to, constitute a promise of similar future results. Specific client portfolio allocations, risks and returns can and may deviate from these examples depending on accounts and types of investments available through each account. Future market views by WJ Interests, LLC may vary significantly from the historical examples presented herein and no one receiving this summary should assume that WJ Interests, LLC will be able to replicate successful views in the future.

Moderate Blended Portfolio is for illustrative purposes only. It is calculated by taking a weighted average of the following asset classes and represents a moderate risk portfolio incorporating leverage and the asset classes in the table:

27%	US Large Stock: iShares Russell 1000 (IWB)
6%	US Small Stock: iShares Russell 2000 (IWM)
21%	Intl Developed Stock: iShares Core MSCI EAFE (IEFA)
6%	Intl Emerging Stock: iShares Core MSCI Emerging Markets (IEMG)
40%	Bonds: Vanguard Total Bond Market (BND)
-15%	Cash: Morningstar USD 1M Cash TR USD
5%	Reinsurance: Stone Ridge Reinsurance Fund (SRRIX)
5%	Managed Futures: SG Trend Index, PIMCO Trends (PQTIX), Virtus Alphasimplex (ASFYX), Standpoint (BLNDX)
5%	TAA: GMO Benchmark Free (GBMIX) and Strategy Shares Nwfnd/Rslv Rbt ETF (ROMO)

Assumes annual rebalancing. All data represents total return for stated period.

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