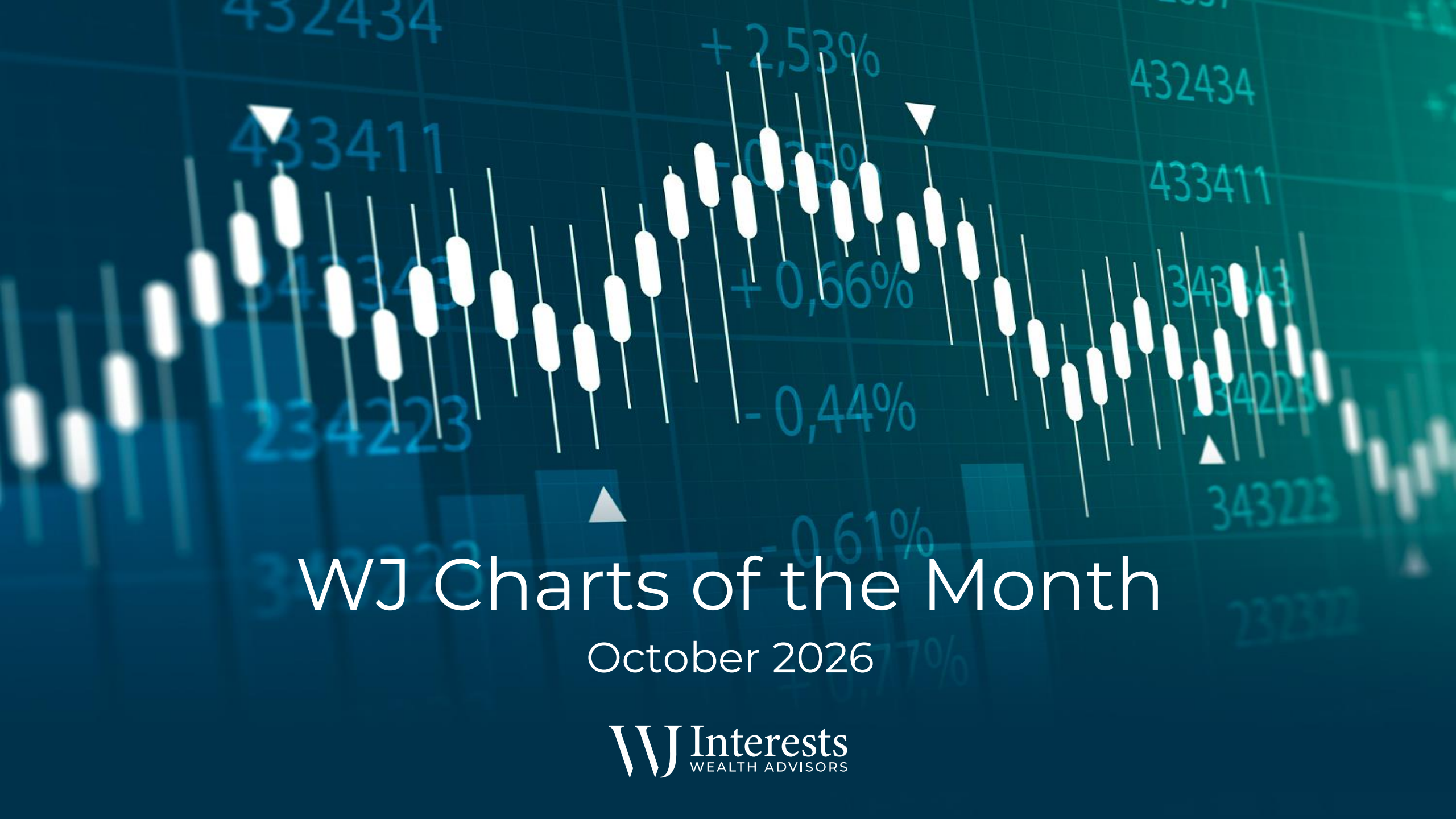


A financial candlestick chart with a dark blue background. The chart features white candlesticks with black outlines, showing price movement. Several percentage changes are displayed in light blue text: +2,53%, -0,35%, +0,66%, -0,44%, and -0,61%. The chart also includes various numerical values in light blue, such as 432434, 433411, 343343, 234223, 343223, and 22302. The overall aesthetic is professional and data-driven.

WJ Charts of the Month

October 2026

WJ Interests
WEALTH ADVISORS

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.

Highlights

The Fed Hikes Into a Strong Economy

Record Diesel Feeds Inflation

Bonds Have Worst Quarter Since 1994

Big Tech Retakes Market Leadership

Hiring Slows, but AI Isn't to Blame

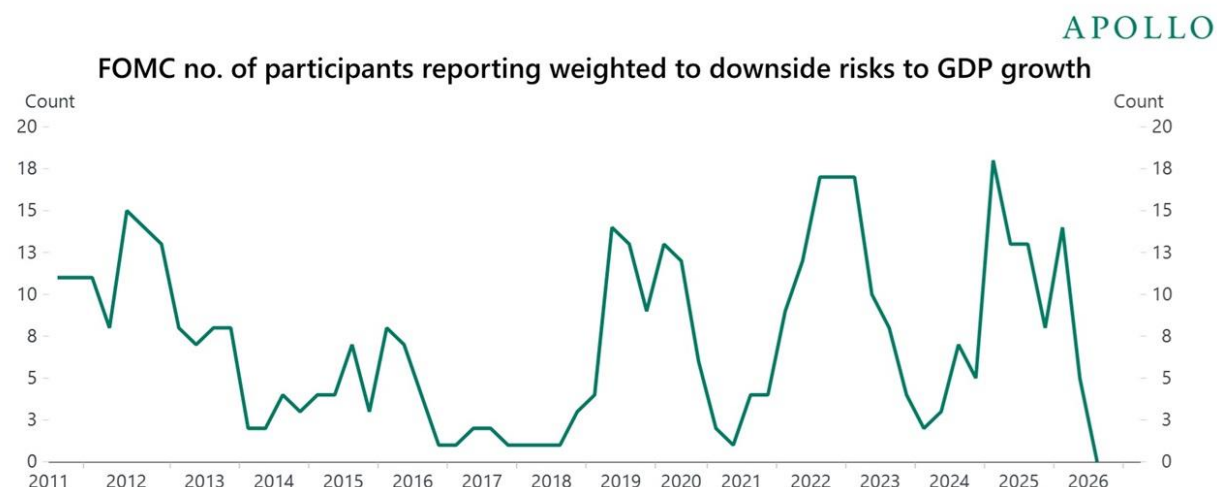
What Happened

The Fed Hikes Into a Strong Economy

The Fed raised rates last month from 3.5% to 3.75%. For the first time since at least 2011, not one participant judged the risks to growth as tilted to the downside. The data backs up that confidence. The Atlanta Fed's GDPNow model estimated 5.0% annualized real growth for the third quarter on September 25, with strong consumption and unusually rapid private investment, particularly AI spending.

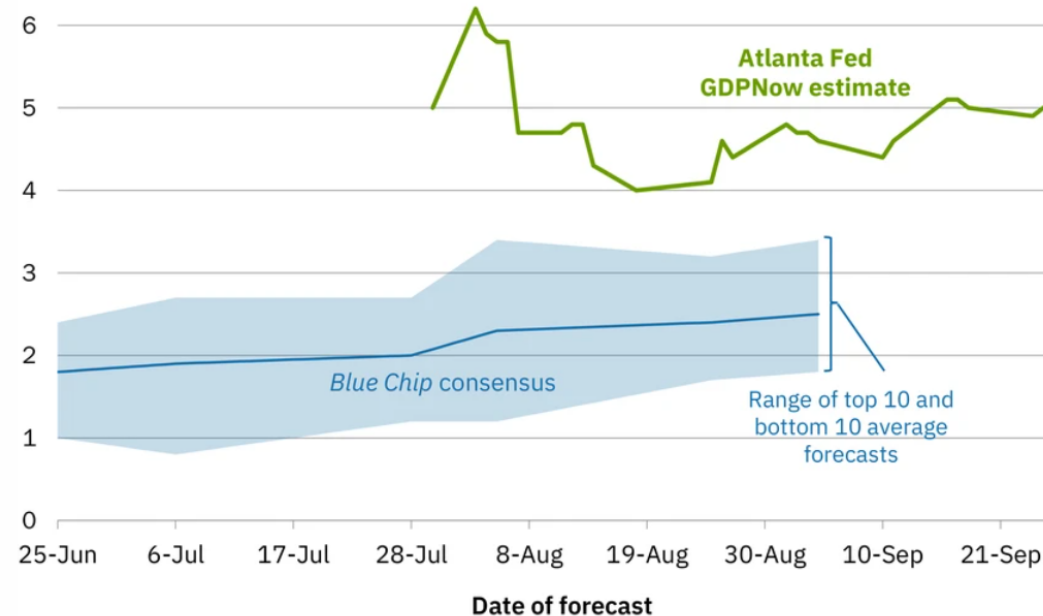
A strong economy gave the Fed room to tighten even with borrowing costs already high, as they try to bring down inflation that remains stubbornly above their target.

Not a single FOMC member sees downside risks to US growth



Evolution of Atlanta Fed GDPNow real GDP estimate for 2026:Q3

Quarterly percent change (SAAR)



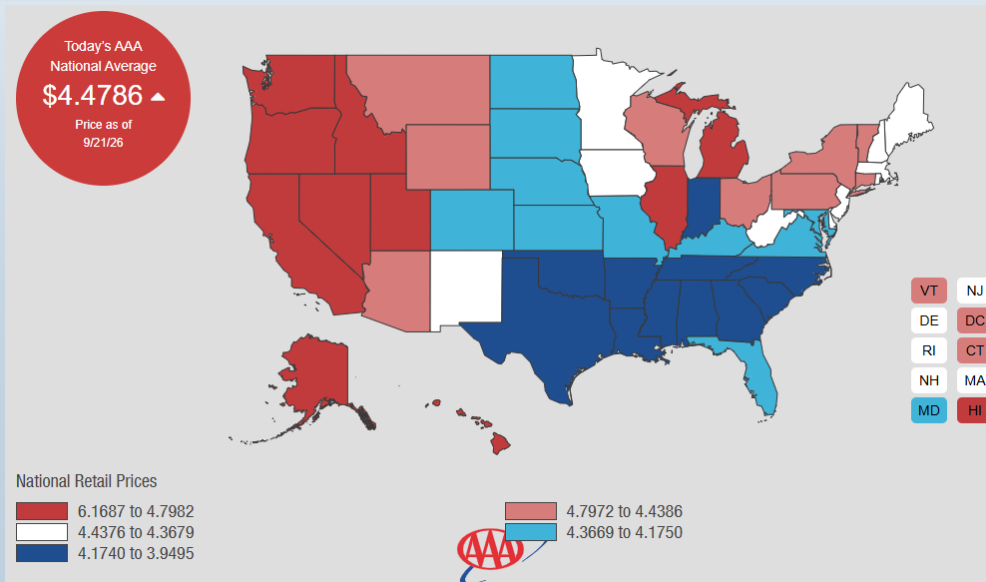
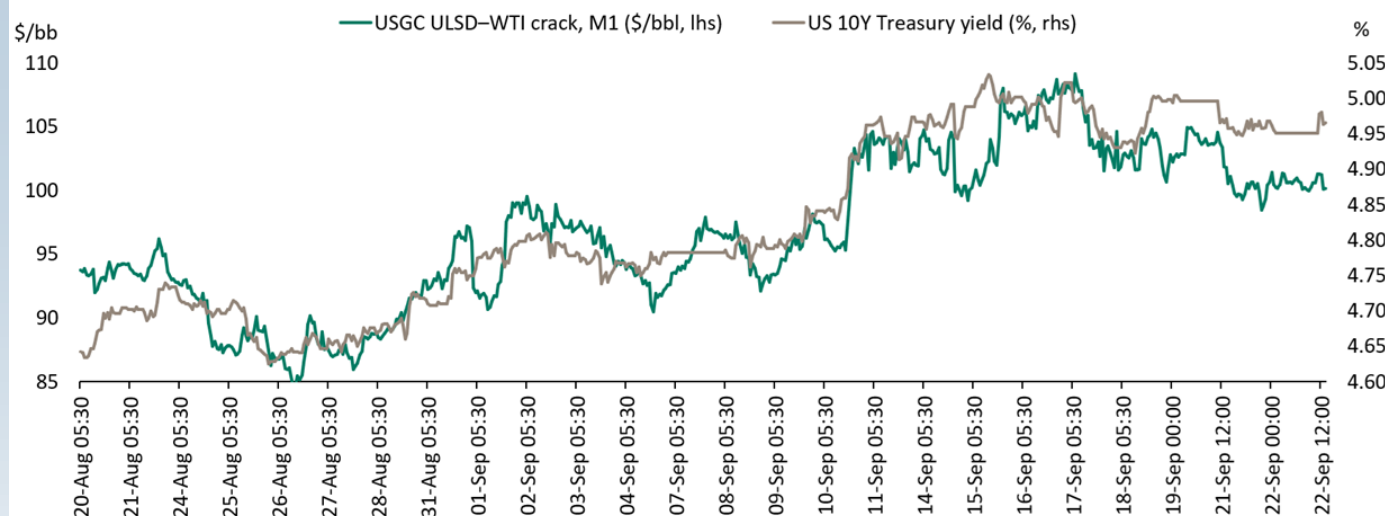
Sources: Blue Chip Economic Indicators and Blue Chip Financial Forecasts

Record Diesel Feeds Into Inflation

AAA's national diesel average set an all-time record above \$6.52. The Gulf Coast crack spread, how much more a barrel of diesel sells for than the crude oil it's made from, held near \$100 per barrel after its own record. Diesel moves freight, farm equipment and construction, so the shock can spread from the pump into the delivered price of many different goods and services.

Interest rates rose alongside the crack spread as investors marked up longer-run inflation risk. Of course, moving together does not prove diesel caused the bond selloff, since refinery outages, war risk and strong growth were also in play.

Record diesel cracks are a core PCE story, and the 10-year knows it



NEWS: Pump Prices Keep Climbing as Crude Oil Remains High [Read more »](#)

NATIONAL AVERAGE GAS PRICES ⁱ

	Regular	Mid-Grade	Premium	Diesel	E85
Current Avg.	\$4.4786	\$4.9599	\$5.3545	\$6.5107	\$3.4768
Yesterday Avg.	\$4.4761	\$4.9680	\$5.3588	\$6.5050	\$3.4738
Week Ago Avg.	\$4.3163	\$4.8026	\$5.1936	\$6.2301	\$3.2852
Month Ago Avg.	\$4.1092	\$4.6156	\$4.9976	\$5.5764	\$3.2066
Year Ago Avg.	\$3.1834	\$3.6732	\$4.0326	\$3.6958	\$2.5813

HIGHEST RECORDED AVERAGE PRICE

	Price	Date
Regular Unleaded	\$5.0165	6/14/22
Diesel	\$6.5107	9/21/26

Copper Demand Is Outrunning Supply

Copper hit a record \$6.80 per pound on September 9 and ended September at \$6.56, up about 37% from a year ago and roughly triple its 2020 low. Demand is the main driver. Data centers, power grids, electric vehicles and renewable energy all use large amounts of copper, and that buildout is accelerating.

Supply has not kept up. S&P Global found no new major copper deposit in 2025, and discoveries have fallen from double digits in many years during the 1990s and 2000s to one or two in recent years. A new mine now takes roughly 18 years to move from discovery to production, so higher prices cannot quickly bring on new supply. Recycling, substitution or slower demand could narrow the gap, but the shortfall has been years in the making.

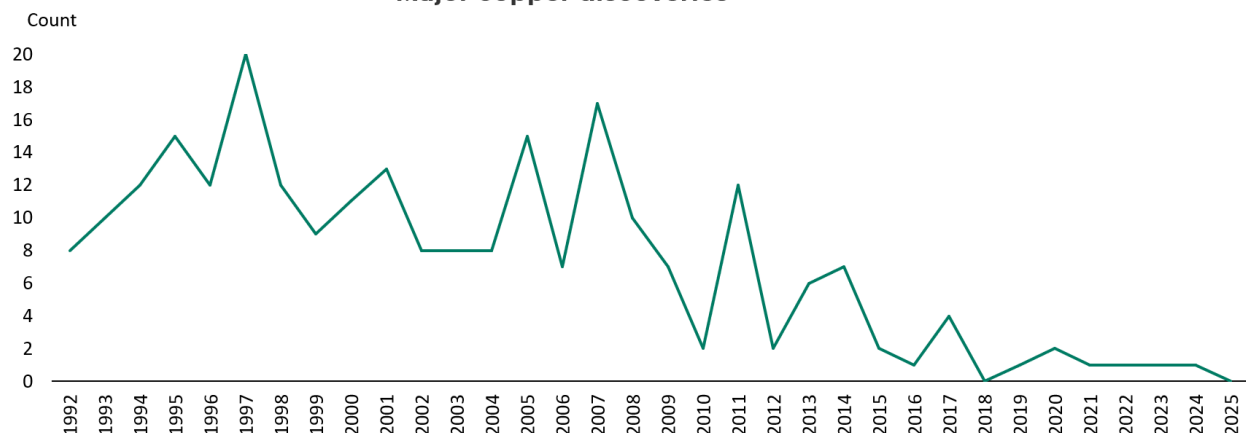
COMEX Copper Price (\$ per pound)



Source: CME Group COMEX front-month copper futures (HG), daily closes Oct 3, 2016 to Sep 30, 2026, via Yahoo Finance.

The copper discovery pipeline is drying up

Major copper discoveries



APOLLO

U.S. 10-yr Suffers Worst Quarter Since 1994

The 10-year Treasury yield moved to 5.29%, its highest level since 2002, after a mix of strong growth indicators and stubborn inflation pushed investors to expect more tightening. Markets now price roughly four to six quarter-point hikes across the major developed economies through 2028, with the United States and Europe near five.

Treasury bonds have returned -2%/year over the last 10 years, the lowest in at least 100 years!. Fortunately, that means forward expected returns in bonds are the highest in several decades.

US 10-Year Treasury Yield: 5.29%

Highest close since May 2002, and above the 2007 peak.



Source: CBOE 10-Year Treasury Yield Index (TNX), daily closes Jan 2, 2002 to Sep 30, 2026, via Yahoo Finance.

Chart 2: Negative long-run returns... great entry points

US 15-year+ Treasuries: 10-year rolling annualized returns (%)



Source: BofA Global Investment Strategy, Polymarket, Bloomberg

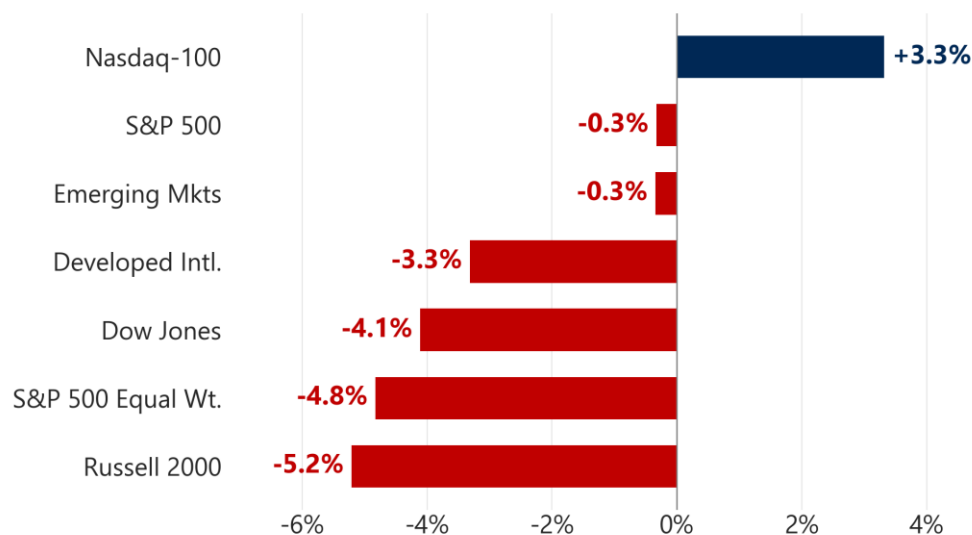
Stock Market Leadership Flips

September flipped this year's market leadership. Small-company stocks had led for most of 2026 and were up nearly 20% through August, ahead of the Nasdaq. In September they fell 5.2% while the Nasdaq gained 3.3%. Developed International markets also lost 3.3%.

Rising rates may be a partial driver of the split. The Fed hiked and the 10-year Treasury yield climbed to its highest close since 2002. Smaller companies tend to carry more floating-rate debt, so higher rates hit their profits faster, while the largest technology firms have strong balance sheets and growing AI earnings. One month does not make a trend, but it shows how quickly leadership can change and why diversification still matters.

September: Big Tech Up, Almost Everything Else Down

Total return, August 31 to September 30, 2026



Source: Total returns of index ETFs (QQQ, SPY, EEM, EFA, DIA, RSP, IWM) via Yahoo Finance.

Small Caps Led Most of 2026, Then Lost It in a Month

2026 total return. Through Aug: small caps +19.9%, Nasdaq-100 +17.0%.
September: small caps -5.2%, Nasdaq-100 +3.3%.



Source: Total returns of index ETFs (QQQ, IWM, SPY, RSP) via Yahoo Finance; December 31, 2025 to September 30, 2026.

Large-Cap Margins Hit a Record

Continuing from last slide, large companies appear immune from the issues of smaller companies.

Wall Street analysts expect S&P 500 companies to keep 16.8 cents of every sales dollar as profit over the next year, the highest forward (expected) margin in more than two decades of data. That figure has climbed from roughly 13% at the start of 2004 and about 9% in 2004. Mid-size and small companies tell a different story. Their expected margins, 8.9% and 7.4%, sit only slightly above their 2021 highs, so large companies now earn roughly twice the margin of small ones.

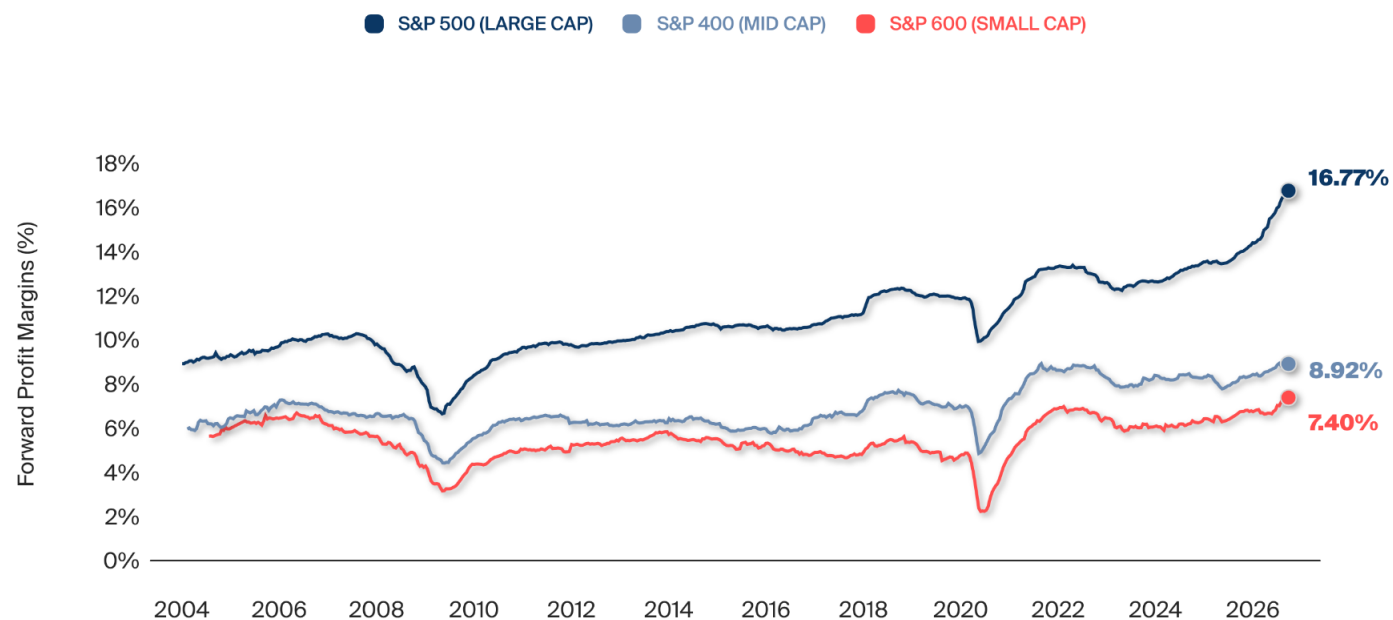
Much of the large-company gain comes from the biggest technology firms, whose software, cloud and AI businesses earn far higher margins than the typical company.

Keep in mind, these are analyst forecasts. Record margins support today's stock valuations, but they also leave less room for disappointment if costs rise or AI spending pays off more slowly than expected.

A Look at Forward Profit Margins

Forward Profit Margins Based on Consensus Estimates for Next 12 Months of Net Income and Revenue for S&P 500, S&P 400, and S&P 600

Since 2004



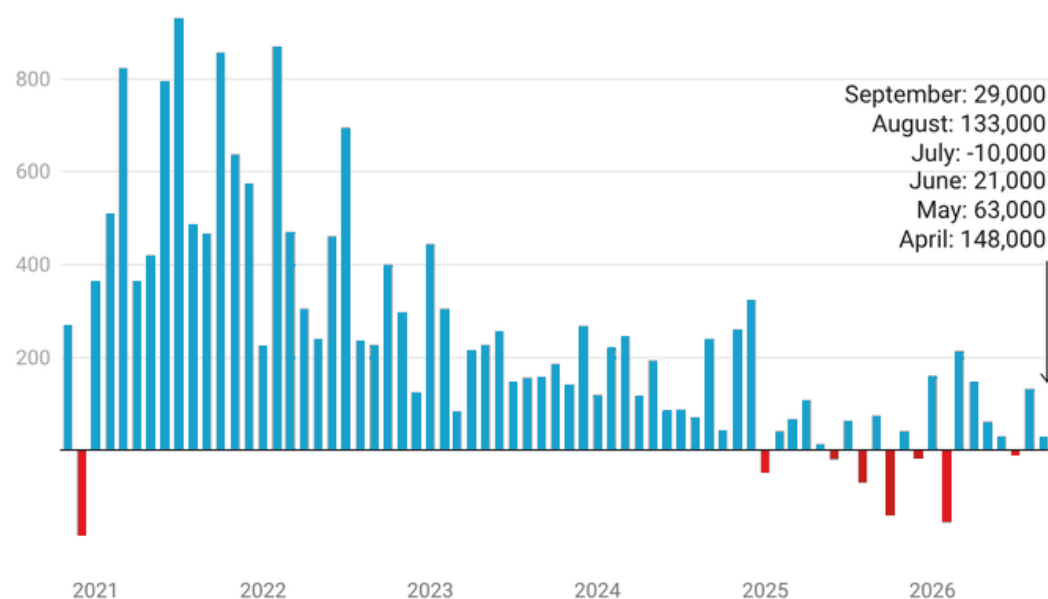
Hiring Slows, but AI Isn't the Culprit

The economy added only 29,000 jobs in September. Even so, hiring has averaged 68,000 a month in 2026, up from just 10,000 in 2025. Slower immigration also means the economy needs fewer new jobs each month to keep pace with the labor force, so smaller gains are not as weak as they once would have been. Still, unemployment rose to 4.2%, a sign the labor market is cooling.

AI does not appear to be the cause. The Economist estimates AI-related demand has added roughly 300,000 infrastructure jobs, from electricians to HVAC and utility workers, and more than 600,000 technical jobs such as software developers and data scientists. So far, AI is creating more jobs than it is replacing.

A weak September: Only 29,000 jobs added

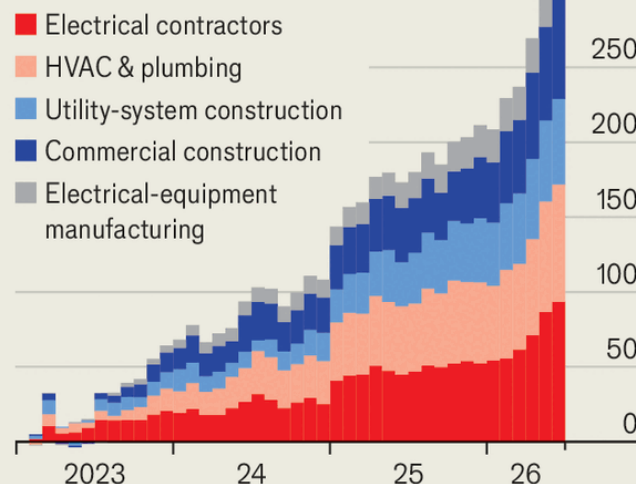
Job growth has averaged 68k a month so far in 2026, up from just 10k in 2025



Source: Bureau of Labor Statistics • Created with Datawrapper

Hard-hat labour

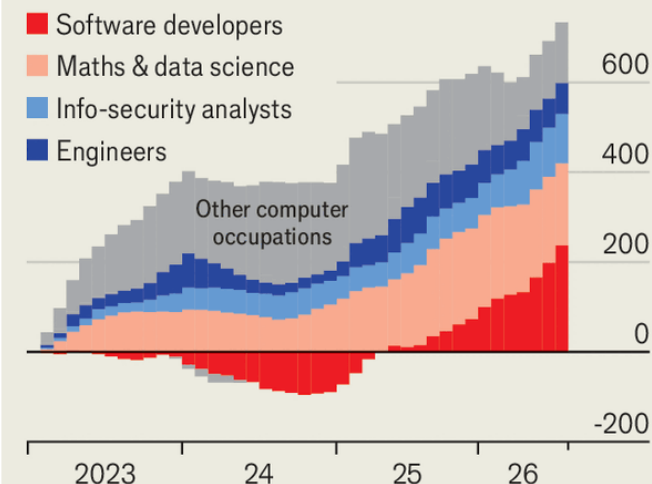
United States, additional AI-related infrastructure jobs*, '000



*Actual jobs minus jobs expected if sectors followed broader hiring trends
Sources: Bureau of Labour Statistics; *The Economist*

STEM with the flow

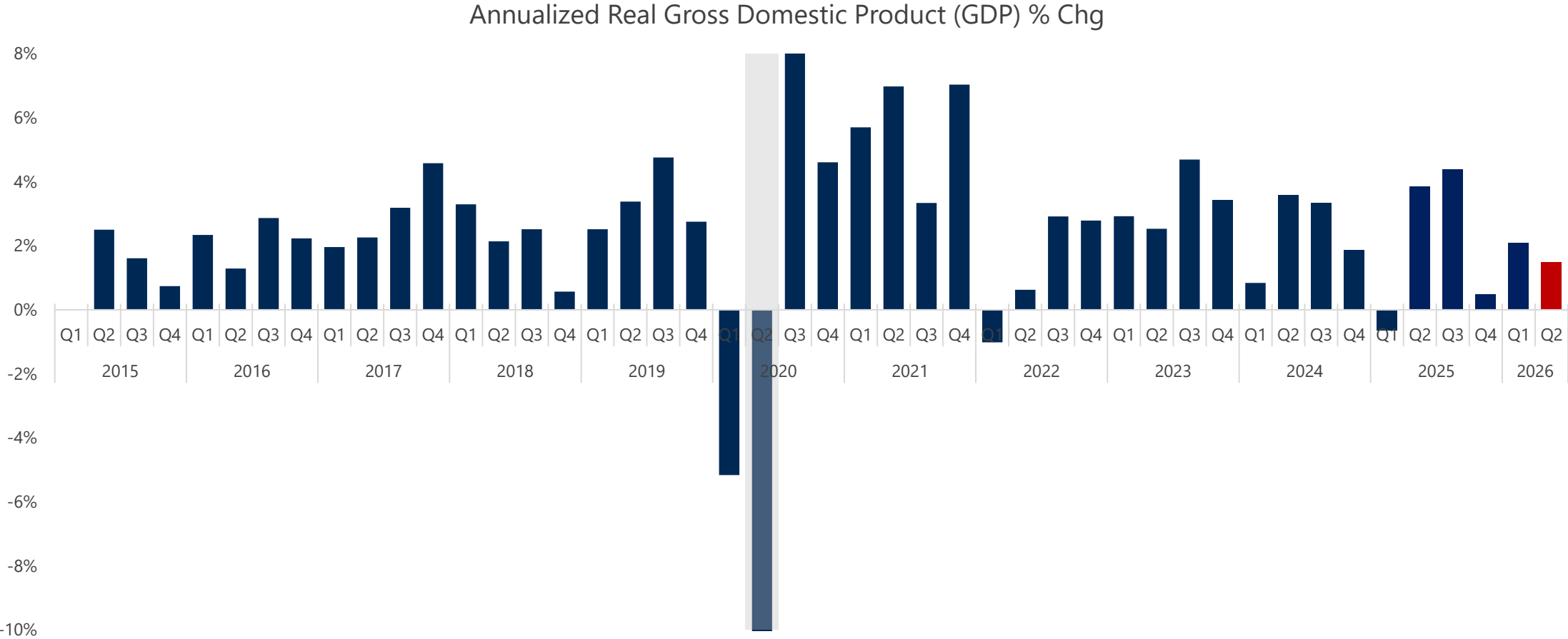
United States, additional AI-related white-collar jobs*, '000



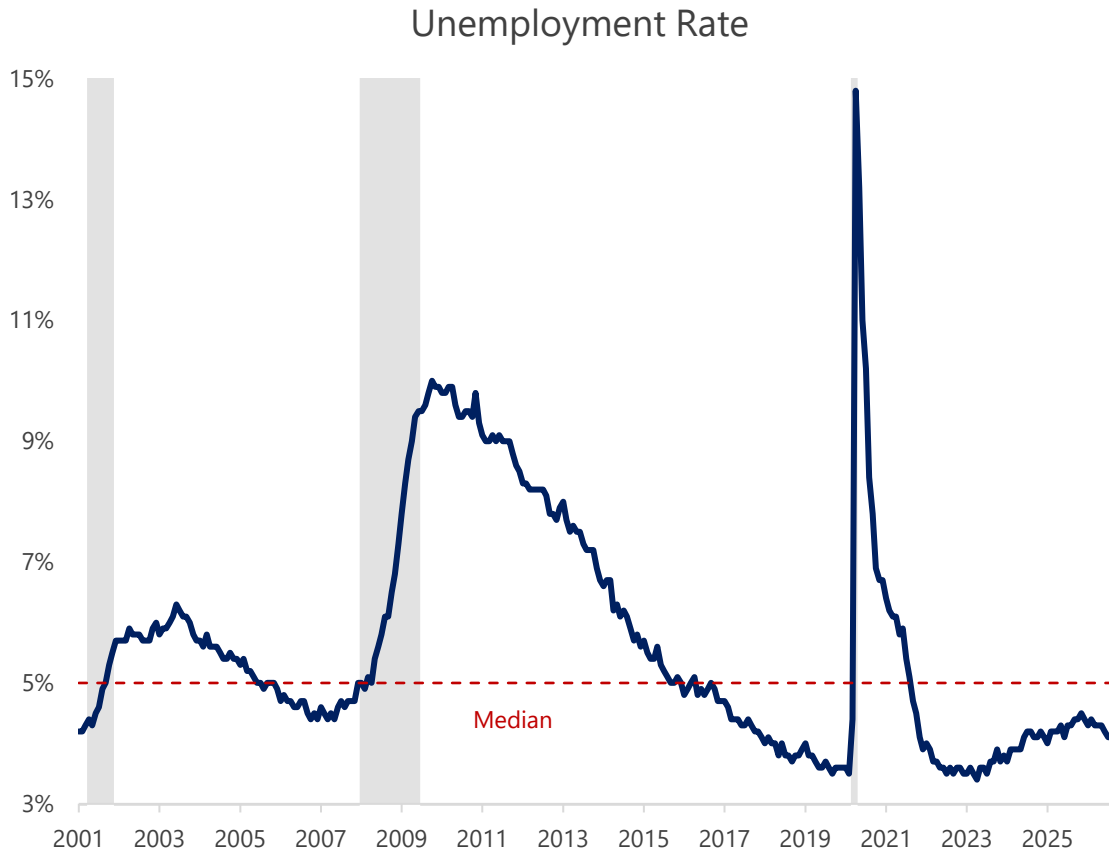
*Actual jobs minus jobs expected if sectors followed broader hiring trends
Sources: Bureau of Labour Statistics; *The Economist*

WJ State of the Economy

Q2 GDP Below Expectations at 1.5%

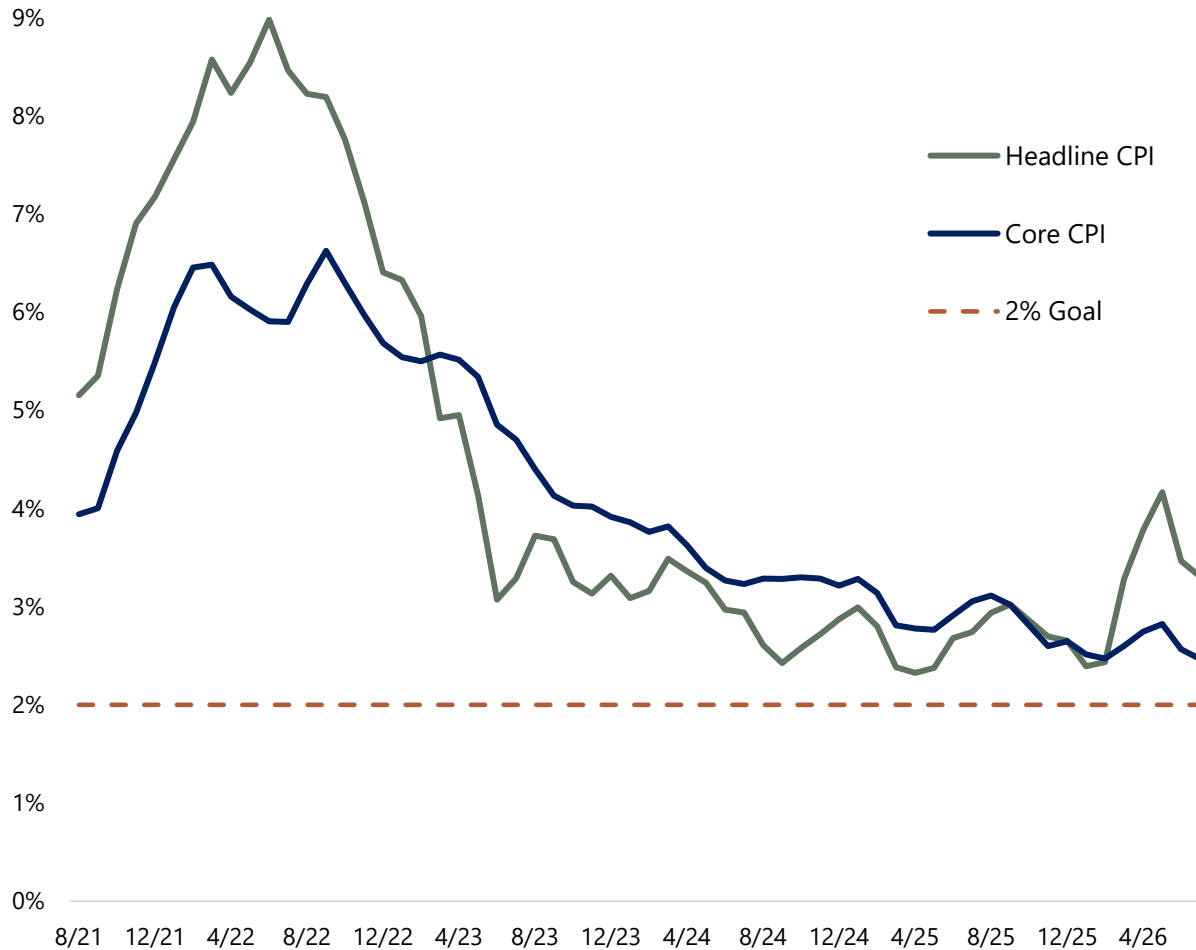


Employment Situation Remains Strong

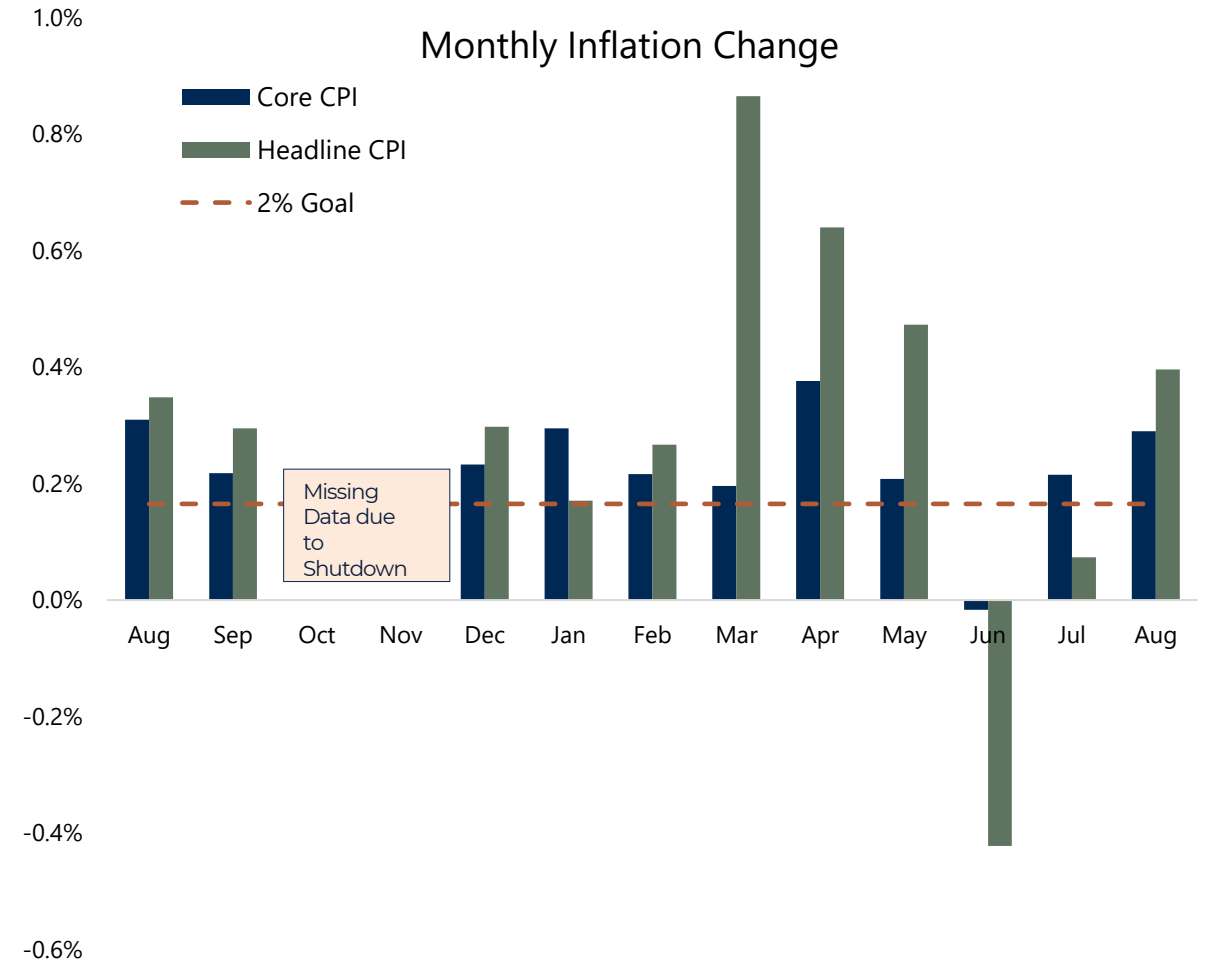


Inflation Falls Modestly, But Still Too Hot

Annual Inflation Change



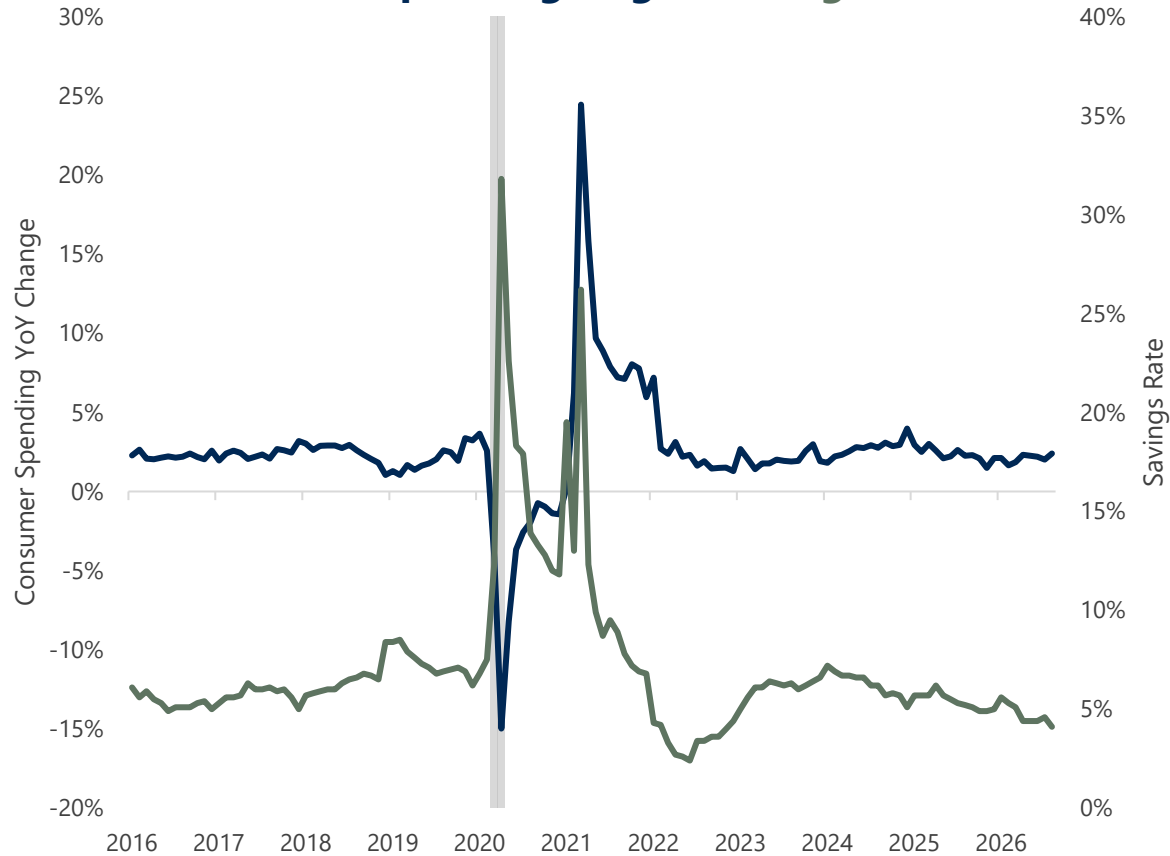
Monthly Inflation Change



Source: Federal Reserve Economic Database (FRED). Consumer Price Index. Annual CPI Forecasts are made by WJ using past month over month CPI data and extrapolating forward with different growth rates.

Savings Rate Starting to Fall

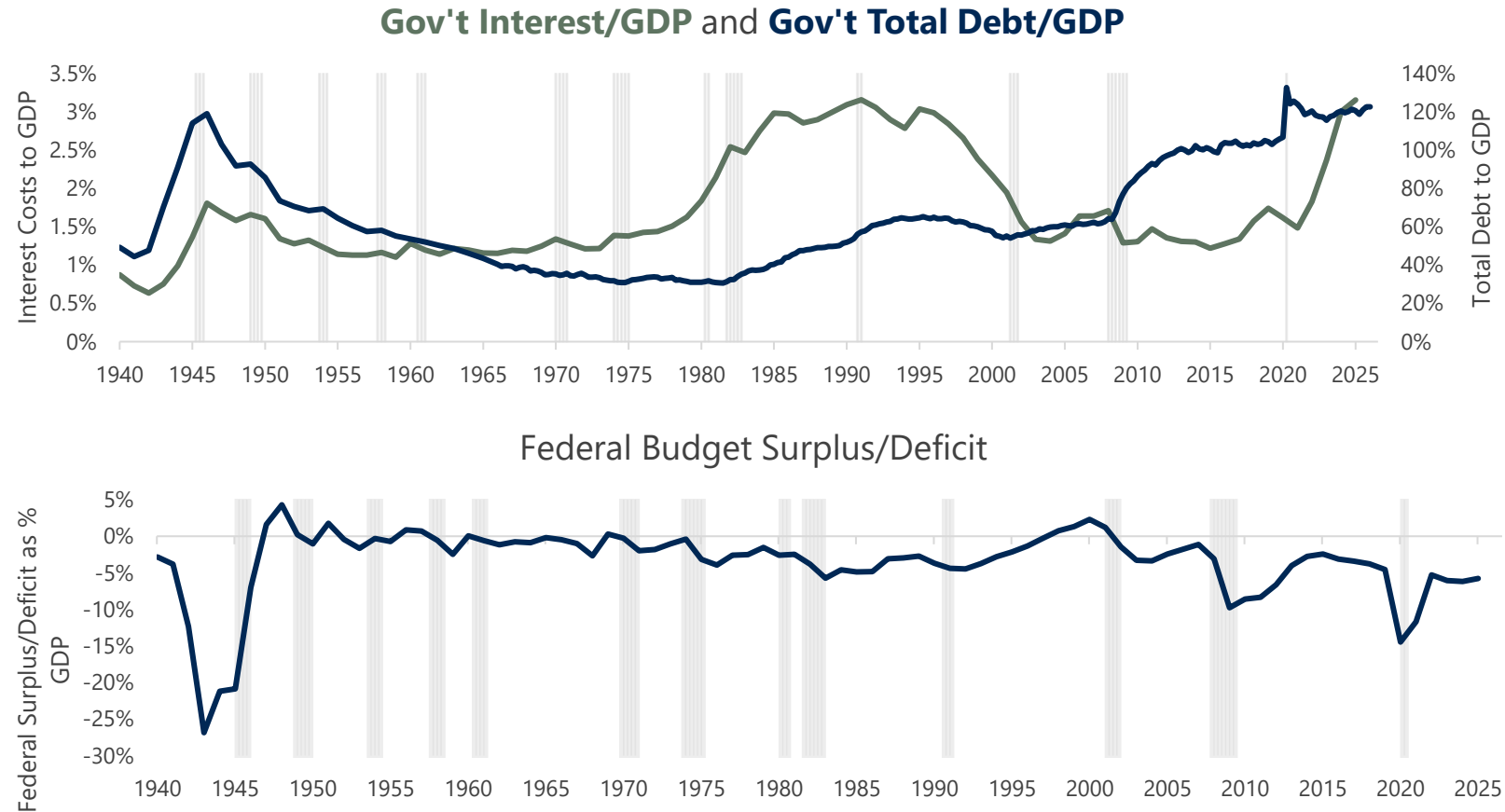
Consumer Spending Chg vs Savings Rate



Household Debt Service Payments as % of Income



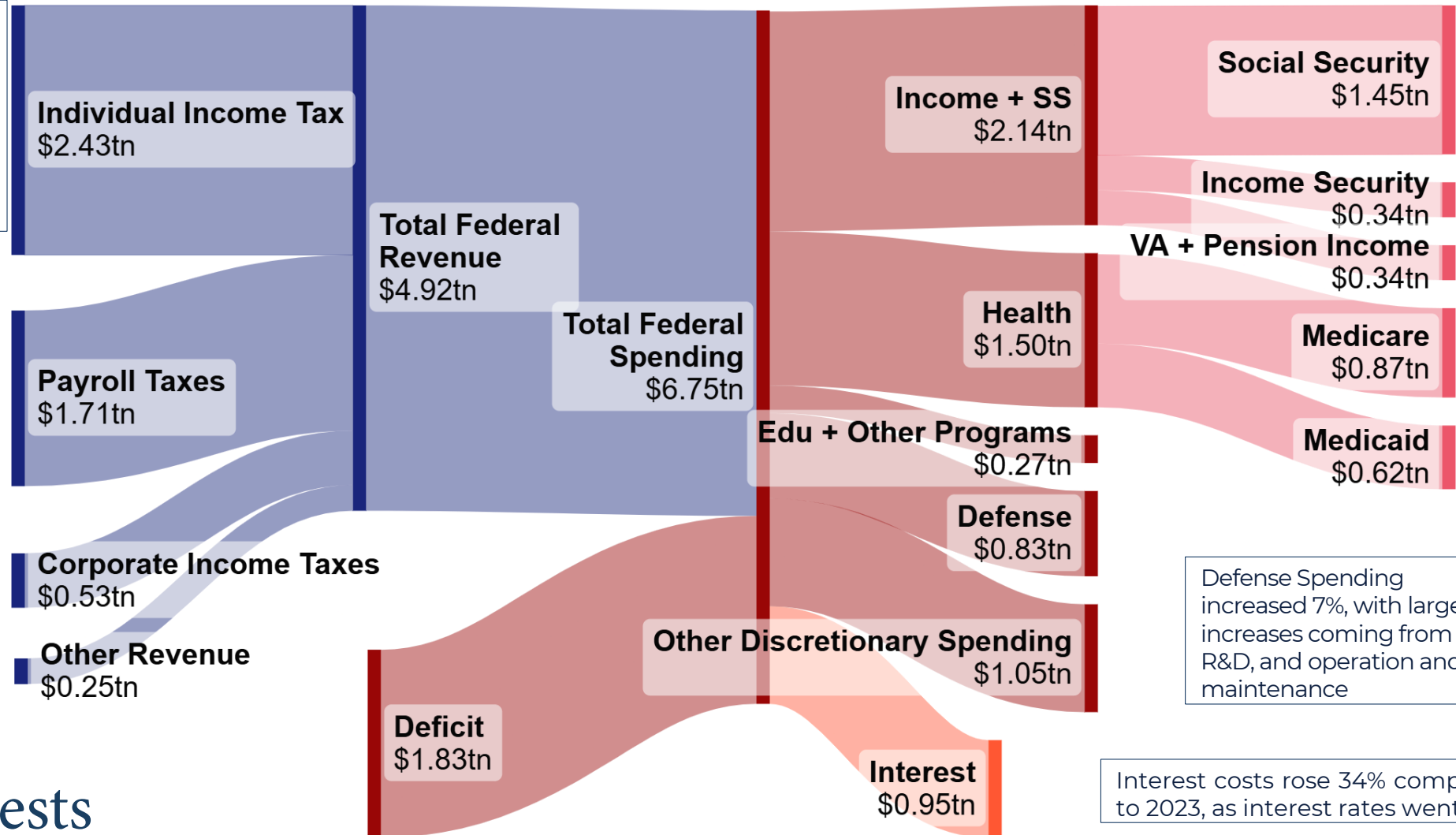
Interest Costs and the Deficit Rising



Government Expenditures 2024

This is an in depth look at how the US makes and spends money. On the spending side, the top 3 categories are known as “mandatory spending” and are unable to change without major reform. That leaves “Defense” and “Other Discretionary Spending” as the two categories congress can change on any year.

Total Receipts were up 11% in fiscal year 2024 compared to 2023. Most of these came from higher income tax receipts, and deferalls from 2023 that were paid in 2024.



Total Outlays were up 10% in fiscal year 2024 compared to 2023

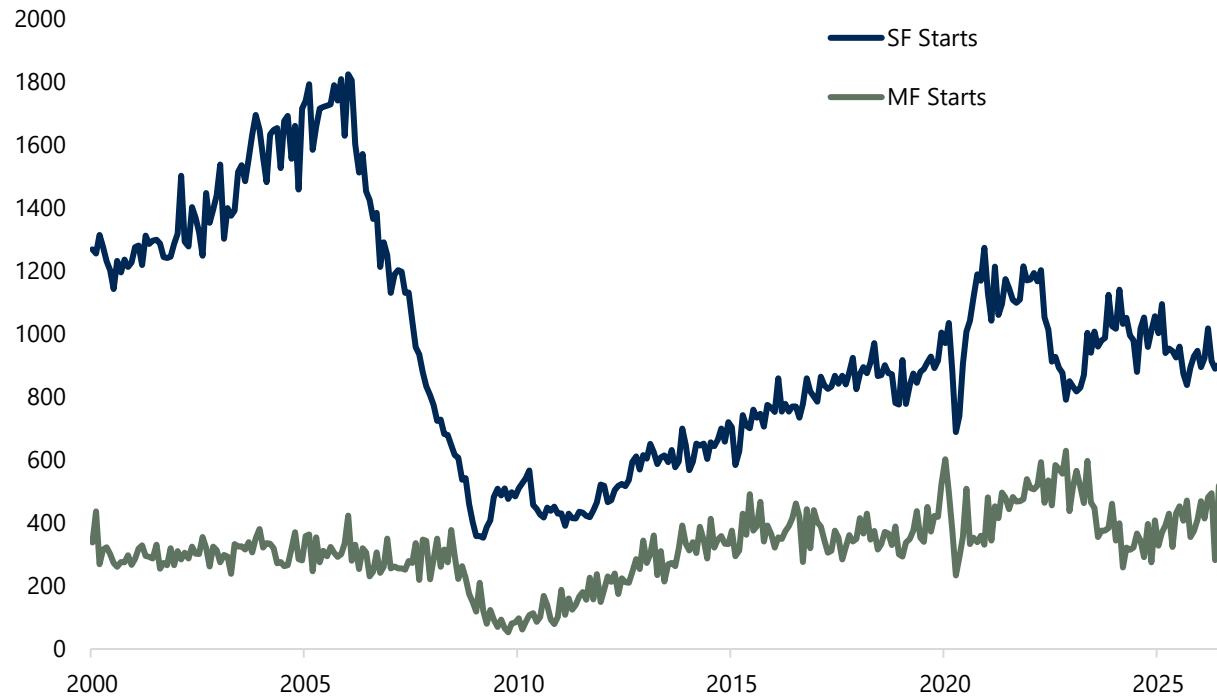
SS and Medicare rose 8% and 9% respectively, due to cost of living adjustments and more beneficiaries.

Defense Spending increased 7%, with largest increases coming from R&D, and operation and maintenance

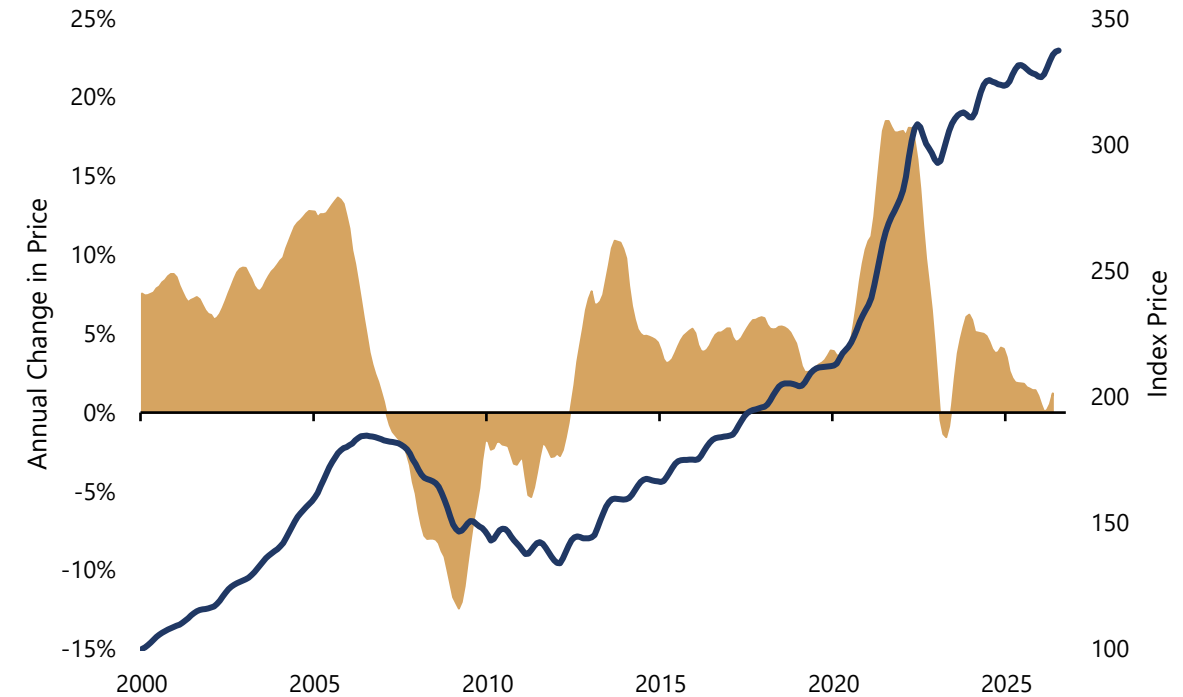
Interest costs rose 34% compared to 2023, as interest rates went up.

Housing Prices Have Stalled

Housing Starts and Completes



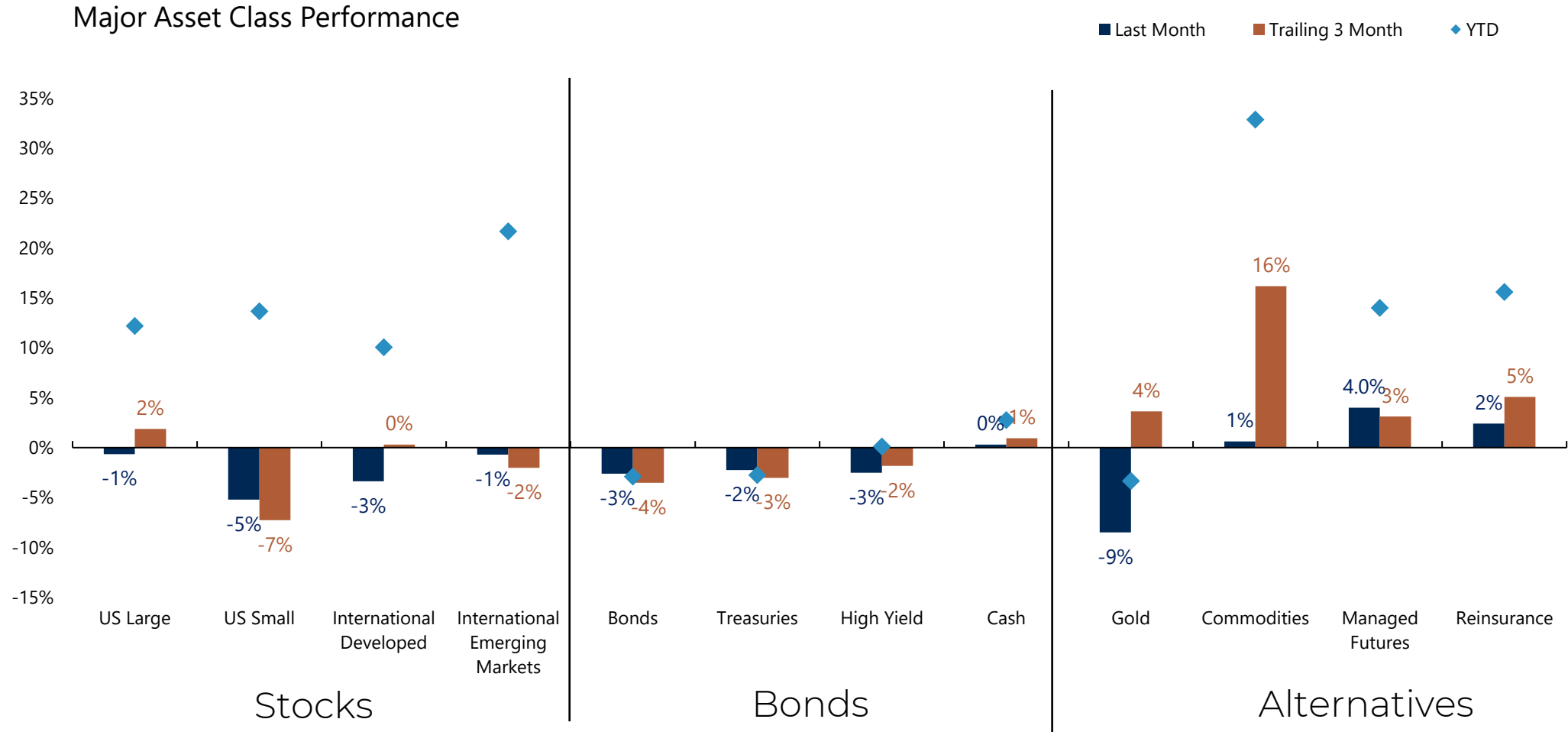
Home Prices



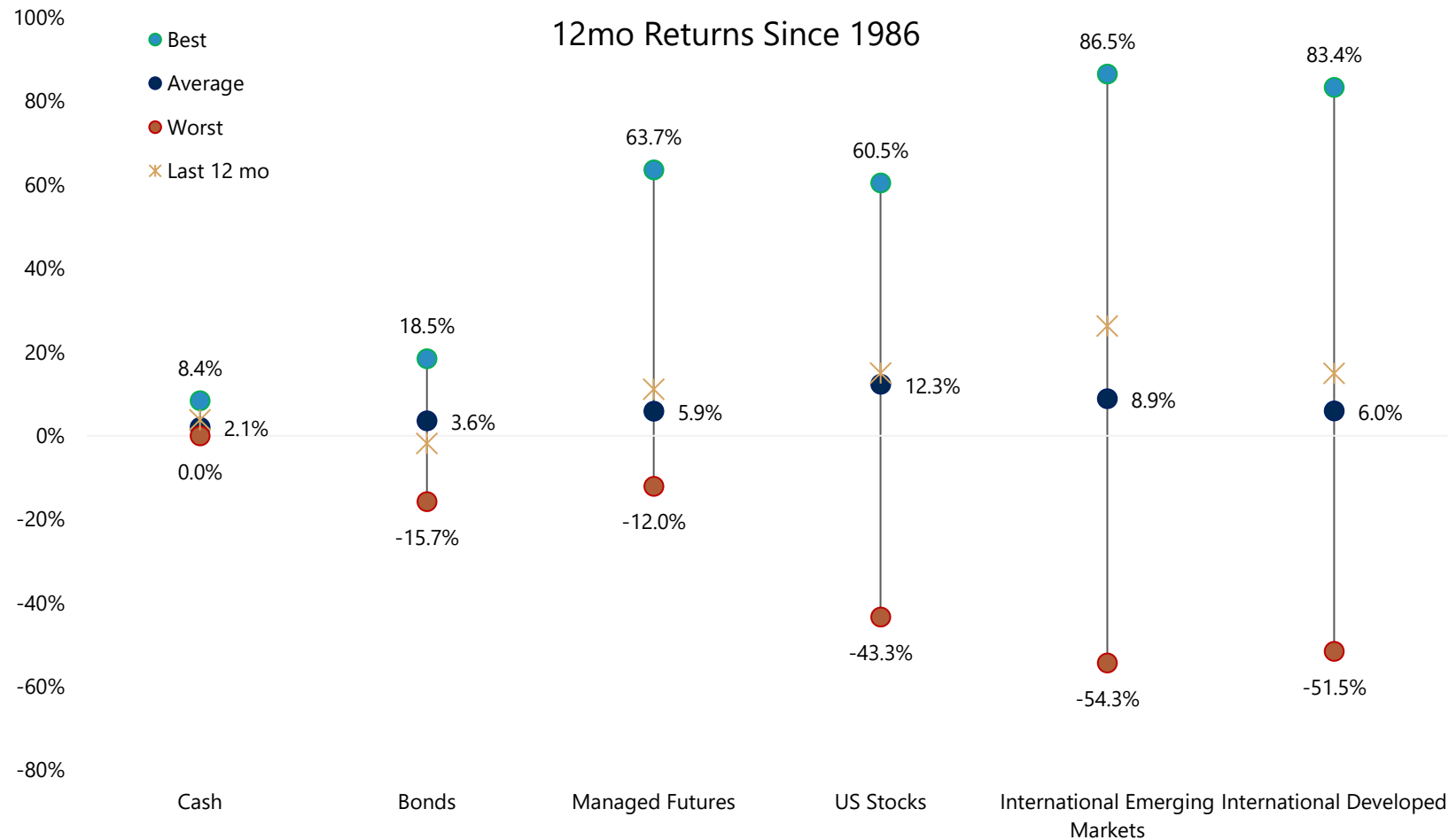
A housing start is the beginning of construction on a new residential housing unit and indicates how much new housing supply is on the horizon. On the right we show home prices over time, as well as the annual rate of change. Prices surged in 2021-2022 but have stopped growing altogether. What they do 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.

WJ State of the Markets

Tough Month for Everything but Alts



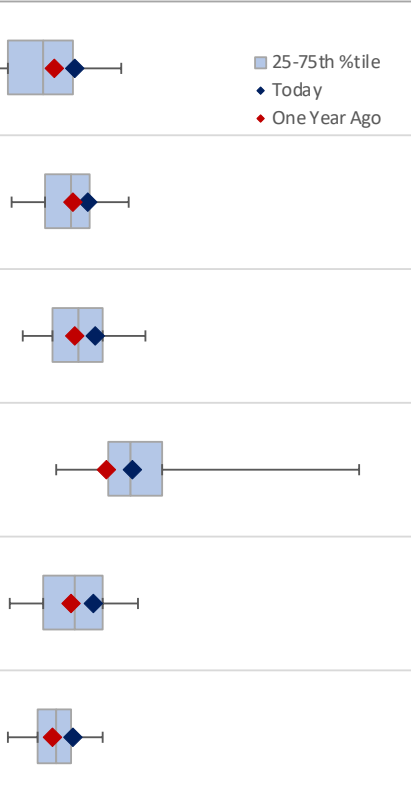
Historical Asset Class Return Range

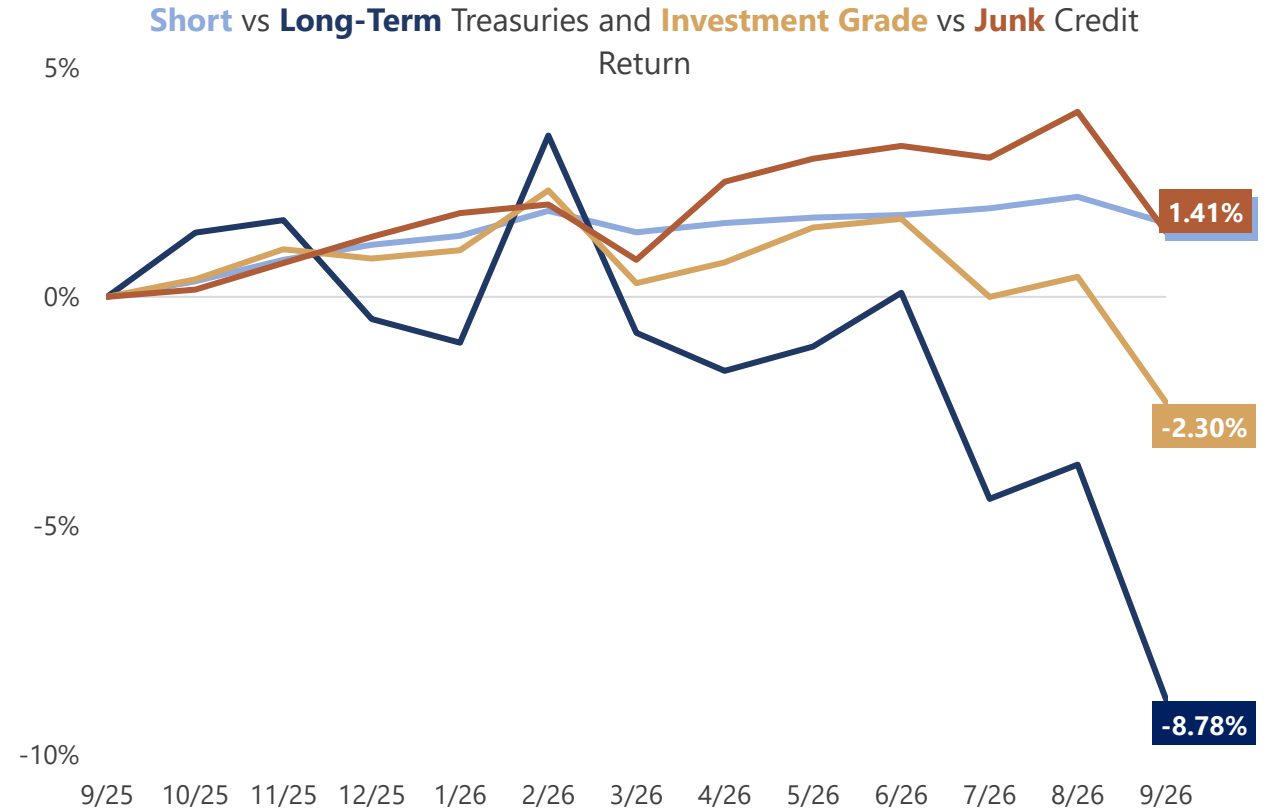


This chart shows the range of 12 month returns historically, by asset class. As you'd expect, the riskier investment leads to a greater potential gain, as well as loss.

The X on the line represents the last 12 months.

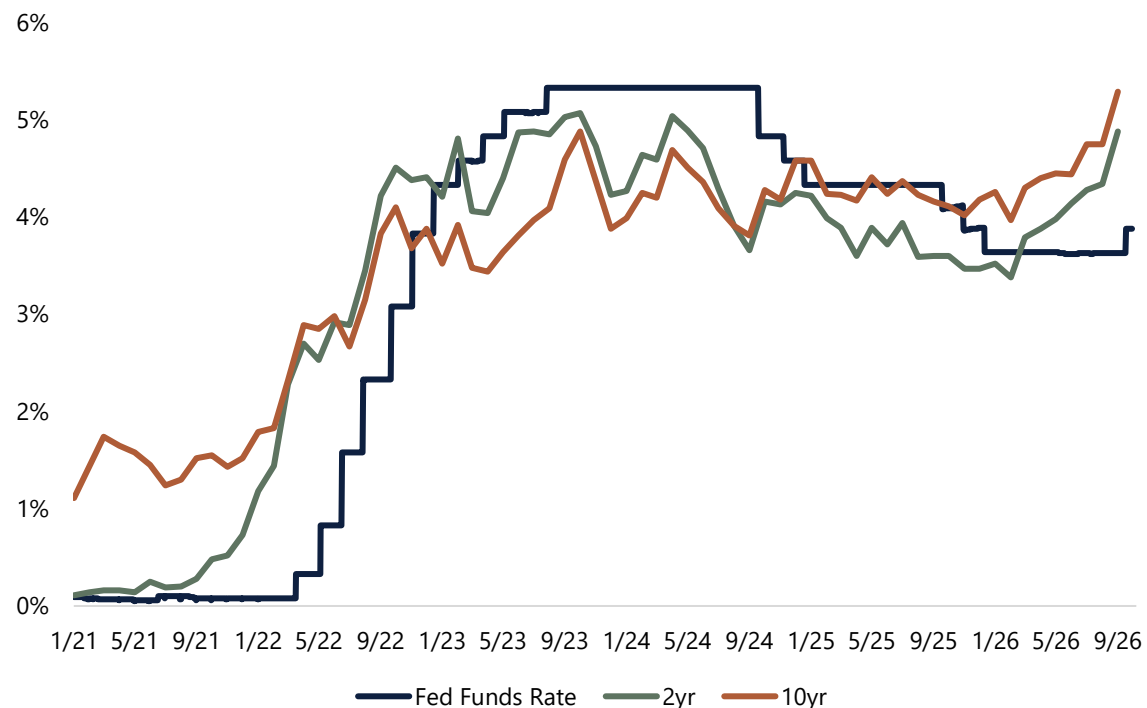
Terrible Month for Long-Term Bonds

Bond Type	Yield (%)			Yield History
	Last Month	Last Year	Change	
ST Treasury	4.86	3.63	1.23	 25-75th %tile Today One Year Ago
LT Treasury	5.68	4.71	0.97	
Investment Grade	6.04	4.82	1.22	
High-Yield	8.35	6.78	1.57	
Mortgage-Backed	5.95	4.66	1.29	
Municipal Bonds	4.78	3.57	1.21	

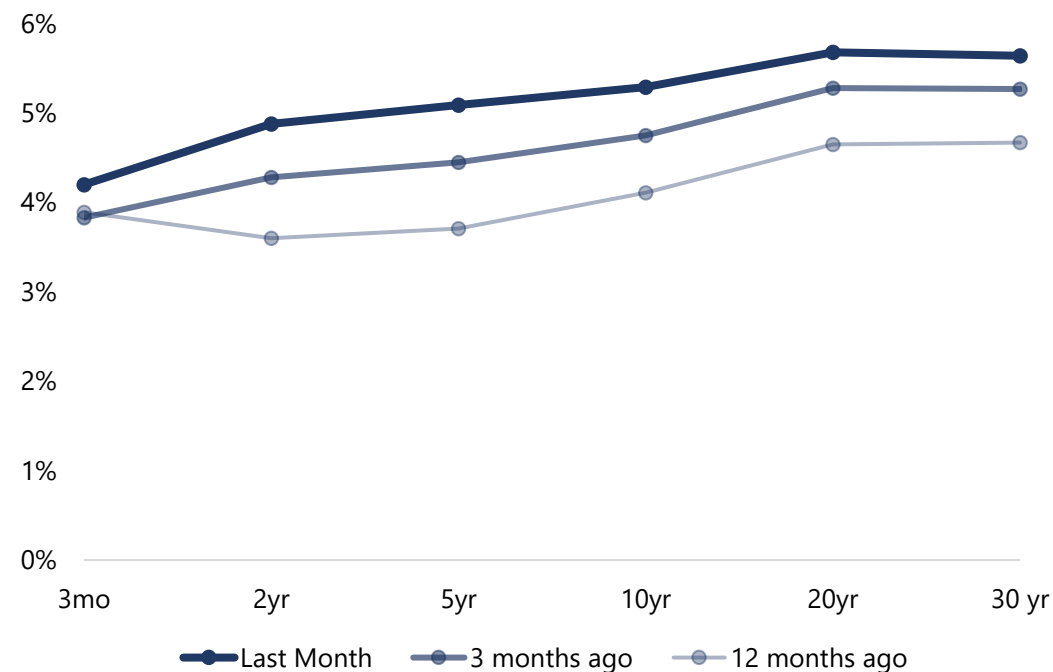


Rates Accelerate Higher Across the Board

Key Treasury Yields



Treasury Yield Curve

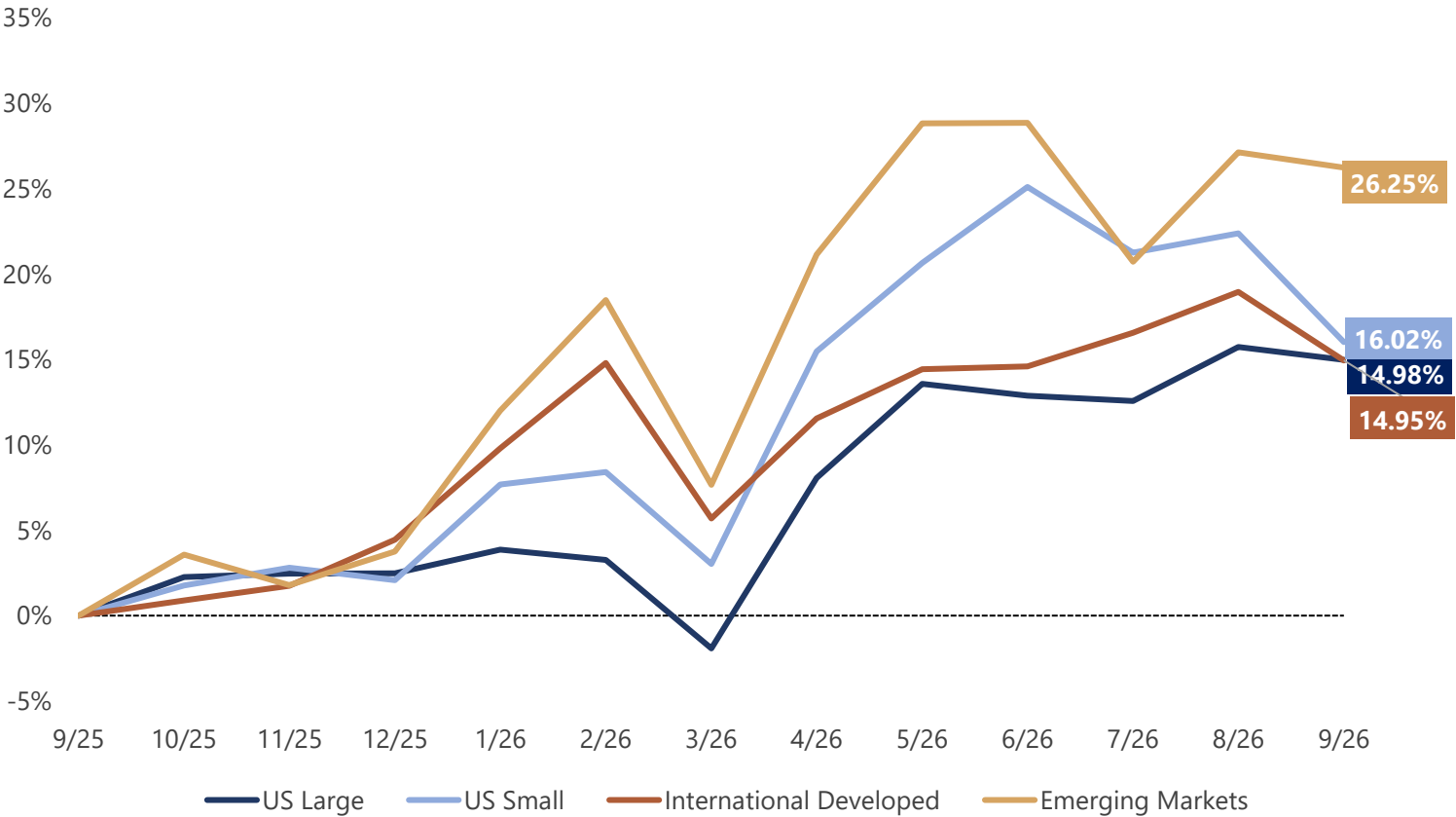


	3mo	2yr	5yr	10yr	20yr	30 yr
Last Month	4.2%	4.9%	5.1%	5.3%	5.7%	5.6%
3 months ago	3.8%	4.3%	4.5%	4.8%	5.3%	5.3%
12 months ago	3.9%	3.6%	3.7%	4.1%	4.7%	4.7%

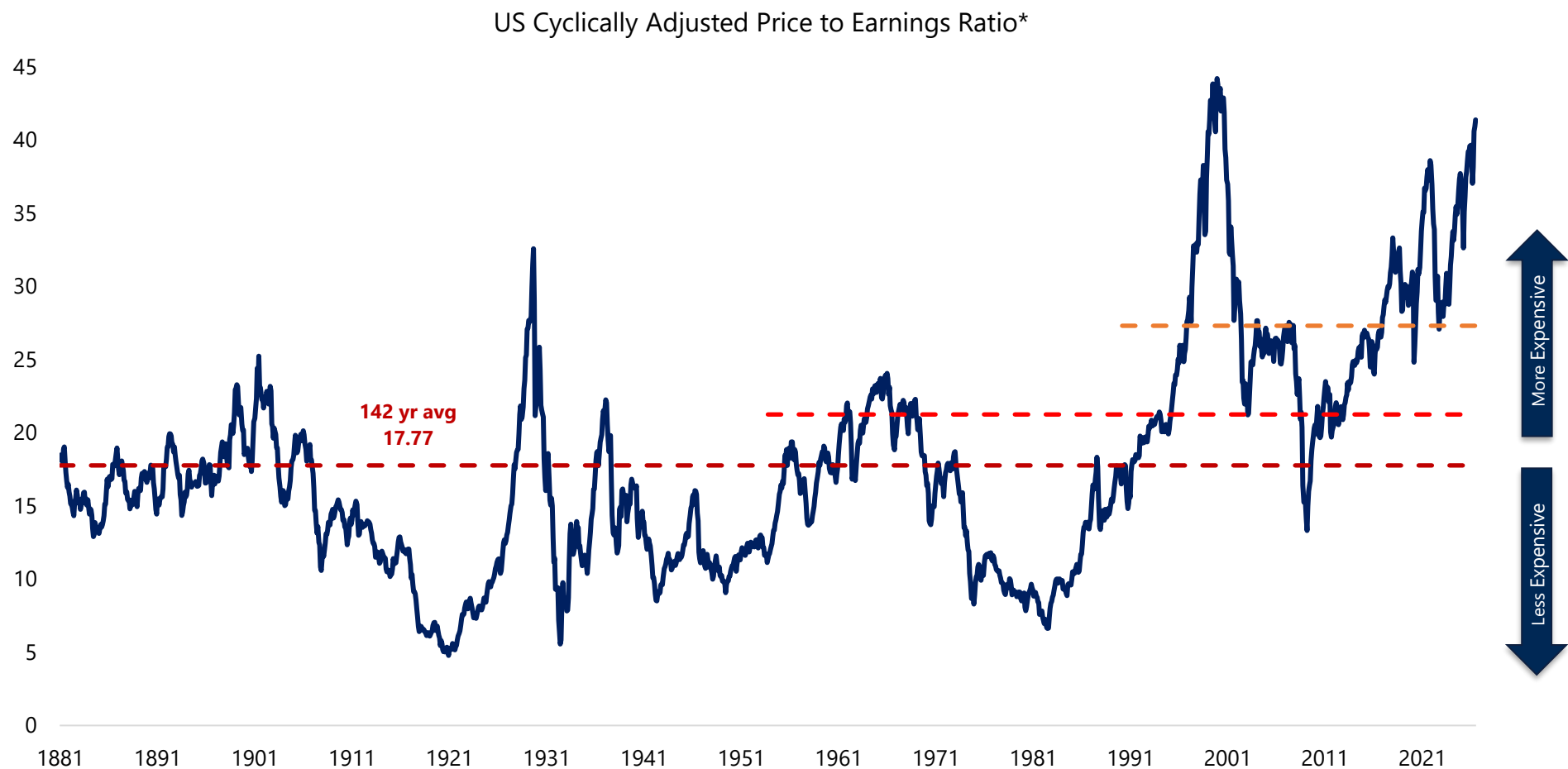
Growth Stocks Reclaim the Lead

Stock Type		Last Month	Last 3 Months	Last 12 Months
Core	US Large	-0.7%	1.9%	15.0%
	US Small	-5.2%	-7.3%	16.0%
	International Developed	-3.4%	0.3%	15.0%
	International Emerging	-0.7%	-2.0%	26.2%
Other	US Value	-3.1%	2.6%	23.6%
	US Growth	2.1%	0.9%	7.3%
	Nasdaq	3.3%	0.5%	23.8%

US vs International Stock Performance



US Stock Valuations Near Tech Bubble Highs

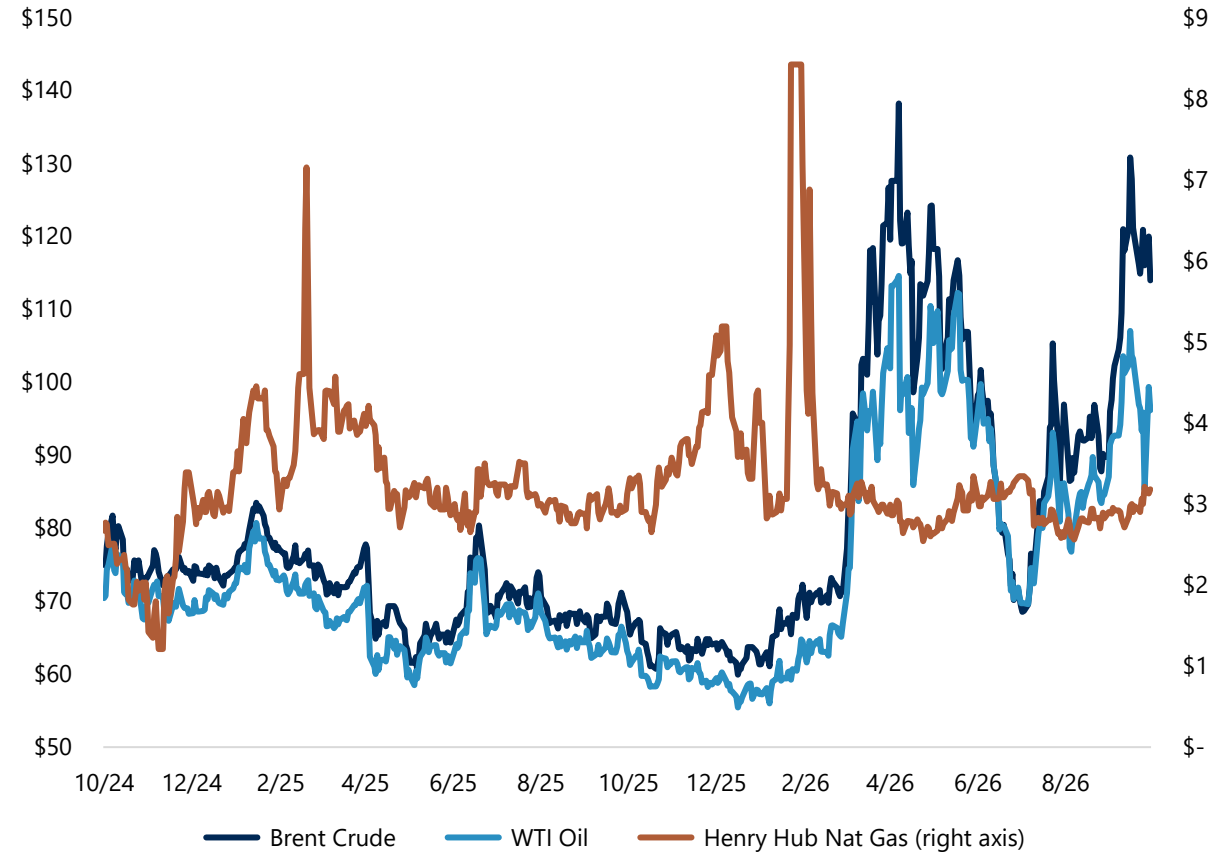


War Reignites Oil Prices

Bloomberg Commodity Index



Energy Prices



Periodic Table of Asset Class Returns



											Through Last Month End 9/30/2026	
2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	5 Yr	10 Yr
US Small Stock 22%	Intl Emerging Stk 37%	Cash 2%	US Large Stock 31%	US Large Stock 21%	US Large Stock 26%	Trend Following 22%	Reinsurance 44%	Reinsurance 31%	Intl Emerging Stk 33%	Intl Emerging Stk 22%	Reinsurance 23%	US Large Stock 15%
US Large Stock 12%	Intl Developed Stk 27%	Bonds 0%	US Small Stock 25%	US Small Stock 20%	US Small Stock 15%	Reinsurance 3%	US Large Stock 26%	US Large Stock 24%	Intl Developed Stk 32%	Reinsurance 16%	US Large Stock 13%	US Small Stock 10%
Intl Emerging Stk 10%	US Large Stock 22%	US Large Stock -5%	Intl Developed Stk 23%	Intl Emerging Stk 18%	Intl Developed Stk 12%	Cash 2%	Intl Developed Stk 18%	TAA 12%	Reinsurance 30%	Trend Following 14%	Intl Developed Stk 9%	Intl Developed Stk 9%
Reinsurance 6%	TAA 19%	Reinsurance -6%	TAA 20%	Moderate Blended Port 13%	Moderate Blended Port 11%	Bonds -12%	US Small Stock 17%	US Small Stock 11%	Moderate Blended Port 18%	US Small Stock 14%	Intl Emerging Stk 9%	Intl Emerging Stk 9%
Moderate Blended Port 6%	Moderate Blended Port 17%	Moderate Blended Port -7%	Moderate Blended Port 20%	Intl Developed Stk 8%	TAA 10%	TAA -12%	Moderate Blended Port 17%	Moderate Blended Port 10%	US Large Stock 17%	US Large Stock 12%	TAA 8%	Reinsurance 9%
TAA 5%	US Small Stock 15%	TAA -8%	Intl Emerging Stk 18%	Reinsurance 7%	Trend Following 5%	Moderate Blended Port -15%	Intl Emerging Stk 12%	Intl Emerging Stk 7%	TAA 16%	TAA 11%	Moderate Blended Port 7%	Moderate Blended Port 8%
Intl Developed Stk 2%	Bonds 5%	US Small Stock -11%	Bonds 8%	Bonds 7%	Cash 0%	Intl Developed Stk -15%	TAA 12%	Cash 5%	US Small Stock 13%	Intl Developed Stk 10%	US Small Stock 6%	TAA 7%
Bonds 1%	Trend Following 2%	Trend Following -13%	Trend Following 4%	Trend Following 3%	Bonds -1%	US Large Stock -19%	Bonds 6%	Intl Developed Stk 3%	Bonds 7%	Moderate Blended Port 8%	Trend Following 5%	Cash 2%
Cash 0%	Cash 1%	Intl Developed Stk -14%	Cash 2%	Cash 0%	Intl Emerging Stk -1%	Intl Emerging Stk -20%	Cash 5%	Trend Following 3%	Cash 4%	Cash 3%	Cash 4%	Trend Following 2%
Trend Following -6%	Reinsurance -11%	Intl Emerging Stk -15%	Reinsurance -4%	TAA -2%	Reinsurance -5%	US Small Stock -20%	Trend Following -3%	Bonds 1%	Trend Following -4%	Bonds -3%	Bonds 0%	Bonds 1%

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 Nwfd/Rslv Rbt ETF (ROMO)

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