SMITH SHELLNUT WILSON
AN AFFILIATE OF 61BANK

Financial Week Newsletter

Summarized by Smith Shellnut Wilson

November 16, 2026

"To conquer without danger is to triumph without glory." Pierre Corneille

MARKETS

Macro Recap: Inflation data released during the week pointed to continued price pressures across both consumer and producer segments of the economy. CPI increased 0.4% in October, modestly above consensus expectations and suggesting inflation remains sticky despite recent progress. PPI data reinforced that theme, with wholesale inflation accelerating to a 6.5% year-over-year pace, its highest annual reading since 2022. Together, the reports support the view that inflation remains above levels consistent with the Federal Reserve's long-term target and could keep policymakers cautious heading into year-end.

Higher borrowing costs continue to weigh on the housing market. Existing home sales declined 5.5% in October, falling to a seasonally adjusted annual rate of 3.75 million units. According to the National Association of Realtors, that marks the lowest pace of existing-home sales in more than sixteen years, as elevated mortgage rates and affordability challenges continue to sideline many prospective buyers. Inventory levels remain constrained, further limiting transaction activity across many markets.

Commodity markets were generally weaker during the week. Gold prices declined nearly 5%, falling below $3,900 per ounce. Gold is now more than 17% below its late-August peak and roughly 27% below the record highs reached earlier this year. Oil prices also softened, with West Texas Intermediate crude briefly falling to approximately $86 per barrel, its lowest level since August, before recovering to around $89 by Friday. Concerns surrounding global demand, coupled with easing geopolitical risk premiums, continued to influence energy markets.

Cryptocurrency markets remained under pressure as Bitcoin declined for a sixth consecutive week. The world's largest cryptocurrency traded below $69,000 on Friday afternoon, down from nearly $76,000 the prior week. Bitcoin has now fallen more than 20% from its September peak of approximately $86,600, reflecting softer investor sentiment and a broader shift away from risk-oriented assets amid persistent interest-rate uncertainty.

Equity Recap: U.S. equities rebounded after four consecutive weeks of declines. The S&P 500 and NASDAQ each gained more than 2% during the week as investors responded positively to economic data and stabilization in interest-rate expectations. Despite the rebound, both indices remain below their recent highs. The S&P 500 closed roughly 3% beneath its October peak, while the NASDAQ remains approximately 9% below its record level, reflecting continued investor sensitivity to higher interest rates and economic uncertainty.

Bond/Rate Recap: Bond markets saw modest but telling moves. The 2-year Treasury yield rose 6 bps to 3.53%, reflecting firmer short-term rate expectations ahead of key inflation data, while the 10-year yield slipped 2 bps to 4.17%, narrowing the 2s–10s spread by 8 bps to +63. Municipals outperformed Treasuries, with the 10-year AAA muni/Treasury ratio tightening to 63% from 65%, supported by strong demand and favorable early-year technicals.

Fixed Income and Rates Recap: Treasury yields moved higher after five consecutive weeks of declines. The benchmark 10-year Treasury yield climbed back above 5.00% during the week and finished Friday at 5.16%. While that remains below the recent high of 5.31% established in early October, the move higher reflects ongoing concerns that inflation may prove more persistent than previously expected. Yields across the curve also rose, with both 2-year and 30-year Treasury rates posting notable gains.

Credit spreads remain relatively stable despite recent volatility in Treasury yields, suggesting investors are not pricing in a significant deterioration in corporate credit conditions.

INDICES

	Nov 9 Open	Nov 13 Close	Weekly Change	Dec 31 2025	YTD Change
DJIA	51,286	52,348	2.1%	48,063	8.9%
S&P 500	7,377	7,562	2.5%	6,846	10.5%
NASDAQ	24,579	25,136	2.3%	23,242	8.2%
Russell 2000	2,754	2,790	1.3%	2,482	12.4%
KBW Bank Indx	170.3	175.3	2.9%	164.0	6.9%
Bitcoin	$75,854	$65,304	-13.9%	$87,648	-25.5%
Oil (WTI)	$90.83	$88.51	-2.6%	$57.42	54.1%
Gold	$4,071	$3,897	-4.3%	$4,319	-9.8%
Prime	7.00	7.00	0.00	6.75	0.25
Effective Fed Funds	3.88	3.88	0.00	3.64	0.24
3m Tbill	4.10	4.22	0.13	3.63	0.59
2yr UST	4.51	4.84	0.33	3.47	1.37
10yr UST	4.86	5.14	0.28	4.17	0.97
2-10yr UST Spread	34	29	-5	69	-40
2y AAA Muni/2y UST	58.7%	58.8%	0.0%	70.3%	-11.5%
10y AAA Muni/10y UST	67.3%	66.3%	-1.0%	65.4%	0.8%
5yr Inflation Forecast	2.29	2.30	0.01	2.27	0.03

Week Ahead

- **Monday:** No major reports scheduled
- **Tuesday:** Retail sales, Industrial prod & cap, Imp/Exp, Housing Market
- **Wednesday:** FOMC minutes, Pending home sales, Housing starts
- **Thursday:** LEI
- **Friday:** U of M consumer sentiment

ALL CONTENT IS FOR INFORMATIONAL PURPOSES ONLY AND SHOULD IN NO WAY BE CONSTRUED OR INTERPRETED AS A SOLICITATION TO SELL OR AN OFFER TO SELL ADVISORY SERVICES OR PRODUCTS.