Market Update

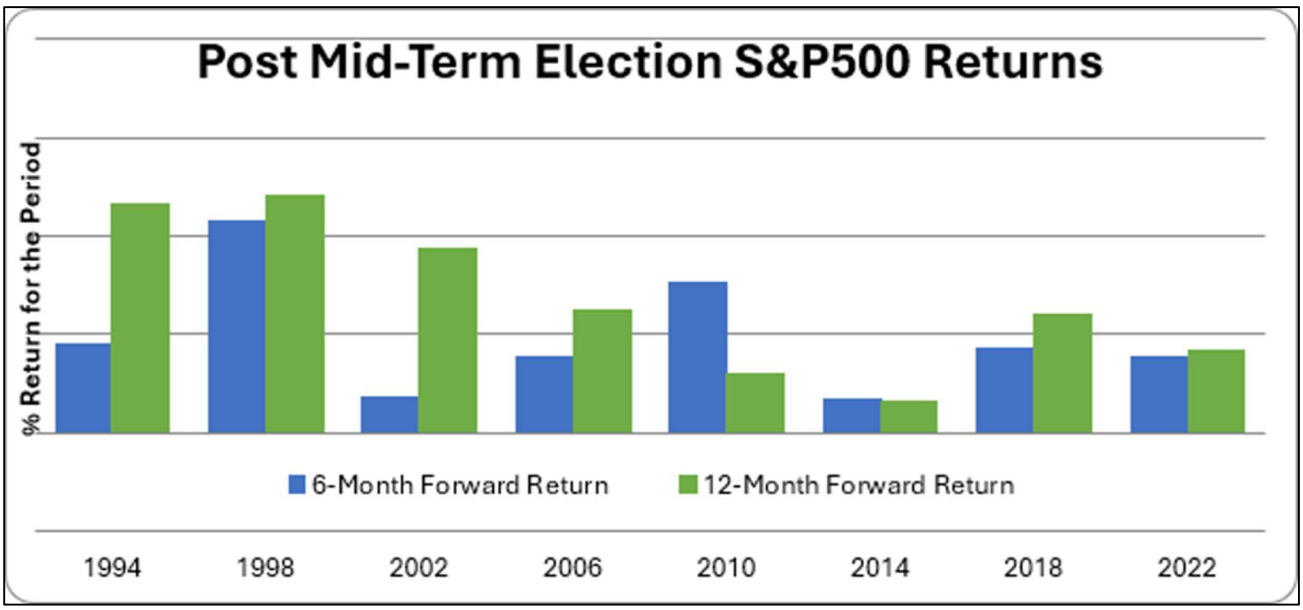
Seacoast WEALTH MANAGEMENT

Markets and Elections

Index	October 2026	2026 YTD
S&P 500	(0.9%)	11.8%
Russell 2000	0.6%	14.4%
MSCI World, Ex-US	(0.2%)	10.0%
Bloomberg AGG Bond	2.3%	(0.5%)

*Total Returns Source: Factset Data

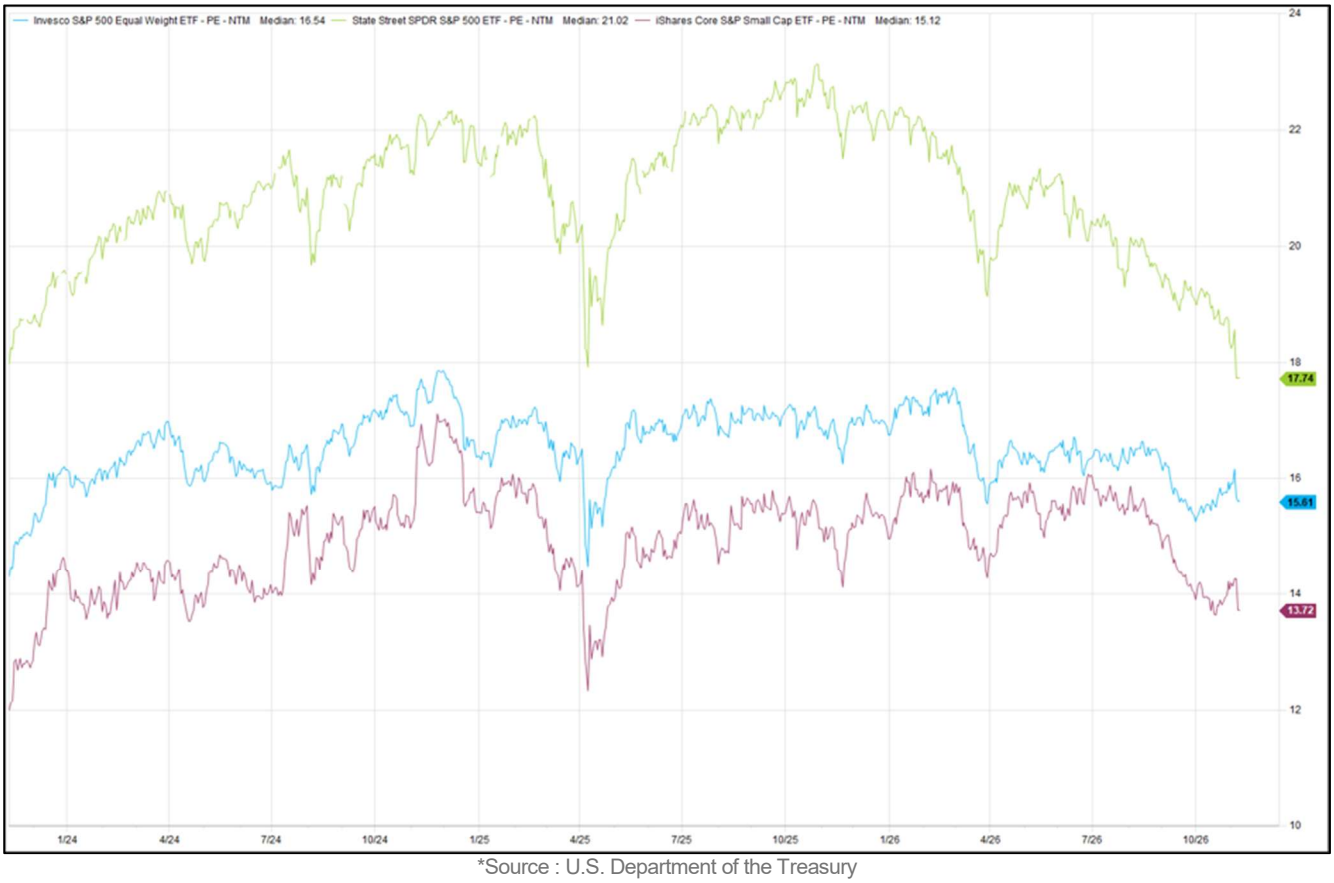
We write this October market commentary post the 2026 mid-term election results. In each of the last eight midterms, the S&P 500 index generated positive returns over the subsequent six and twelve months. Over short time periods markets react to many non-fundamental things like fear, headlines, rumors. As time frames extend, markets reflect more the economic fundamentals such as corporate earnings growth, employment and inflation moderation. Each remains directionally positive for equity markets.



*Source: Factset Data Research

October saw the equity market pendulum swing back towards a broadening trade in almost a mirror image of September. The S&P 500 returned -0.9%, while the equal-weighted index gained approximately 5.0%. The small-cap Russell 2000 index gained 0.6%, outperforming the large-cap benchmark by 1.5 percentage points. Meanwhile, the Bloomberg U.S. Aggregate Bond Index returned 2.4%, as the 10-year Treasury yield declined approximately 36 basis points to 4.93%.

In October investors reassessed elevated valuations and the prospective returns on substantial artificial-intelligence infrastructure spending. There was also recognition of potential political shifts at the state level making data center permitting/builds more difficult. Sector performance swung defensive with energy, consumer staples, utilities, and health care leading and consumer discretionary, information technology, and communication services lagging. Given their substantial index weights, technology and communication services were the principal detractors from the S&P 500, while gains in energy, defensives, and financials provided meaningful offsets.



*Source : U.S. Department of the Treasury

At Seacoast Wealth Management holdings of CDW, IBM, L3Harris, Allstate and ConocoPhillips were the biggest winners in the month, while most of the data-center exposed holdings like Alphabet, Caterpillar, Applied Materials, Eaton and Freeport McMoran all declined more than 10%. Overall our broader diversification and small cap exposures helped generate positive returns for the month and continue to look attractive both for quality and valuation.

In fixed income we saw a nice relief rally. Reduced expectations for additional near-term monetary tightening helped Treasury yields retrace part of September's increase. Falling rates particularly benefited longer-duration securities and we did see investment-grade credit spreads widen by roughly 10 basis points. The widening of the spread is not a concern as most of it was concentrated in AI hyperscaler new issuance. Our view on corporate credit remains positive.

October's results showed that broader equity participation, improved small-cap relative performance, strong earnings growth across all 11 sectors, and more attractive bond income provide multiple potential return sources

As always, we appreciate the opportunity to work with you, and if you have any questions, please do not hesitate to reach out to your Seacoast Wealth Management Associate.

Seacoast Wealth Management
888.669.4142
P.O. Box 9012 Stuart, FL 34995-9012

Disclosures:
Trust and investment management services are offered through Seacoast Wealth Management, a business group of Seacoast Bank. The information contained herein was gathered from sources believed to be reliable but is not guaranteed by Seacoast Bank nor is it to be considered all-inclusive. Further, the information does not purport to be a complete analysis of any security, company, or industry mentioned. Opinions regarding any securities and/or security mentioned are subject to change at any time.
This presentation is intended for the sole use of the present or prospective client named and it not to be distributed to any other party. The presentation is not intended as nor does it constitute tax or legal advice. You should consult your own lawyer, accountant or other professional advisor when planning to implement a strategy. All charts/tables are presented as illustrations provided for informational purposes only and are not indicative of future results. No guarantee is given that any specific investment or strategy referenced or described herein will be profitable or will achieve results equal to or exceeding historical, simulated or hypothetical results presented. There is no guarantee that a diversified portfolio will outperform a non-diversified portfolio or assure or protect against loss in any given market environment. Past performance is not a guarantee of future results. Securities, Insurance and Advisory Services are: Not a deposit. Not FDIC Insured. Not guaranteed by the bank.

Sources: JP Morgan Asset Management; NASDAQ; FactSet; Bloomberg; Broadridge: Data sources: Economic: Based on data from U.S. Bureau of Labor Statistics (unemployment, inflation); U.S. Department of Commerce (GDP, corporate profits, retail sales, housing); S&P/Case-Shiller 20-City Composite Index (home prices); Institute for Supply Management (manufacturing/services). Performance: Based on data reported in WSJ Market Data Center (indexes); U.S. Treasury (Treasury yields); U.S. Energy Information Administration/Bloomberg.com Market Data (oil spot price, WTI, Cushing, OK); www.goldprice.org (spot gold/silver); Oanda/FX Street (currency exchange rates). News items are based on reports from multiple commonly available international news sources (i.e., wire services) and are independently verified, when necessary, with secondary sources such as government agencies, corporate press releases, or trade organizations. All information is based on sources deemed reliable, but no warranty or guarantee is made as to its accuracy or completeness. Neither the information nor any opinion expressed herein constitutes a solicitation for the purchase or sale of any securities and should not be relied on as financial advice. Forecasts are based on current conditions, subject to change, and may not come to pass. U.S. Treasury securities are guaranteed by the federal government as to the timely payment of principal and interest. The principal value of Treasury securities and other bonds fluctuates with market conditions. Bonds are subject to inflation, interest-rate, and credit risks. As interest rates rise, bond prices typically fall. A bond sold or redeemed prior to maturity may be subject to loss. Past performance is no guarantee of future results. All investing involves risk, including the potential loss of principal, and there can be no guarantee that any investing strategy will be successful. The Dow Jones Industrial Average (DJIA) is a price-weighted index composed of 30 widely traded blue-chip U.S. common stocks. The S&P 500 is a market-cap weighted index composed of the common stocks of 500 largest, publicly traded companies in leading industries of the U.S. economy. The NASDAQ Composite Index is a market-value weighted index of all common stocks listed on the NASDAQ stock exchange. The Russell 2000 is a market-cap weighted index composed of 2,000 U.S. small-cap common stocks. The Global Dow is an equally weighted index of 150 widely traded blue-chip common stocks.