ResourceTrust
A DEPARTMENT OF RESOURCE BANK, N.A.

Weekly Insight

August 28, 2026

Equities Pause as Second Quarter Earnings Season Winds Down

Key Takeaways

- Global equity performance mixed
- Earnings reports buoy investor expectations
- On the macro front

Global equity performance mixed

For the week, the MSCI All-Country World Index ex-USA (ACWI x-USA) rose 1.5%, driven by the 3.0% uptick in emerging markets (Korea advanced 6.0% for the week) while foreign developed rose 0.9%. Within the U.S., the Russell 3000 Index modestly declined 0.4% given the declines in both large caps and small caps of 0.4% and 0.9%, respectively. Bonds were basically flat as yields remained constant over the week.

Earnings reports buoy investor expectations

Corporate earnings have provided a tailwind to global equities throughout 2026. As the second quarter earnings reporting season winds down, companies have exhibited a resilience within earnings growth, which has buoyed valuations and performance.

According to the London Stock Exchange Group PLC (LSEG), 95% of the companies that comprise the MSCI USA Investable Market Index have reported exhibiting year-over-year (YOY) growth in earnings-per-share (EPS) of 46.9%. When blending in analyst estimates for those companies yet to report, growth in EPS of 47.0% YOY is projected.

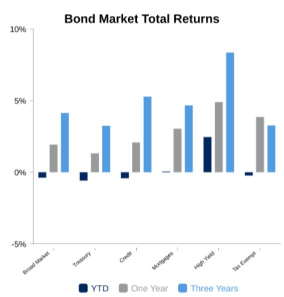
Regarding foreign companies, 85% of the constituent companies of ACWI ex-USA have reported, exhibiting EPS growth of 57.5% YOY. When blending in analyst estimates for those companies yet to report, growth in EPS of 54.8% YOY is projected.

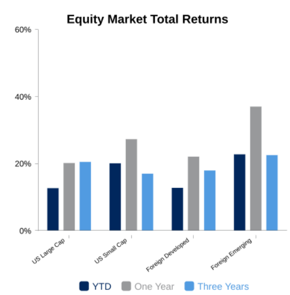
On the macro front

The big economic news for the week was the second estimate of second quarter U.S. Gross Domestic Product (GDP). The U.S. Bureau of Economic Analysis (BEA) reported that GDP grew at a 1.5% annual rate for the quarter, similar to its first estimate but below the 2.1% increase of first quarter GDP. BEA reported the estimated growth in GDP was attributed to increases in consumer spending, exports, and investment which were partially offset by a decrease in government spending.

BEA also reported personal income for July increased 0.4% month-over-month (M/M), at a rate higher than June's increase of 0.2%. BEA reported personal consumption expenditures rose 0.2% M/M, less than June's rise of 0.4%. Note, personal consumption expenditures account for approximately 67% of U.S. GDP.

S&P Global released its preliminary Purchasing Managers Index (PMI) for August. The composite PMI Output Index rose to 56.0, a 52-month high, from July's 54.5, supported by a rise in its Services PMI to 56.8 which stands at a 20-month high. Manufacturing PMI appears to have contracted in August, hitting what appears to be a five-month low of 53.2.





Interest Rates (%)	Current	12M Ago	3YR Ago
Fed Funds Rate (Upper b	3.75	4.50	5.50
3-Month T-Bill	3.86	4.12	5.41
10-Year Treasury	4.78	4.22	4.18
30-Year Treasury	5.26	4.90	4.29
10-Year Corporate AA	5.58	4.96	5.28
10-Year High Yield Corp.	6.73	6.23	7.24
Commodity Prices ($)	**Current**	**12M Ago**	**3YR Ago**
Gold ($/oz.)	4,382	3,559	1,940
Oil (WTI, $/barrel)	91.01	63.97	85.55
Currencies	**Current**	**12M Ago**	**3YR Ago**
USD (Dollar Index Spot)	99.60	98.14	104.24
USD/EUR	0.86	0.86	0.93
USD/JPY	158.71	148.10	146.22

Keith Akre, CFA, CFP
Director of Trust &
Investment Services
(815) 748-1443

Mary Phelan, CTFA
Senior Trust Officer
(815) 748-1607

Carolyn Walsh, CTFA
Trust Officer
(815) 748-1640

Carrie Thompson, JD
Trust Officer &
Legal Counsel
(815) 748-5012

Stacia Little
Trust Officer
(815) 748-1609