First Citizens Wealth®

Making Sense

Market Update | November 2026



Phillip Neuhart
Head of Market and
Economic Research

Recorded on November 18, 2026

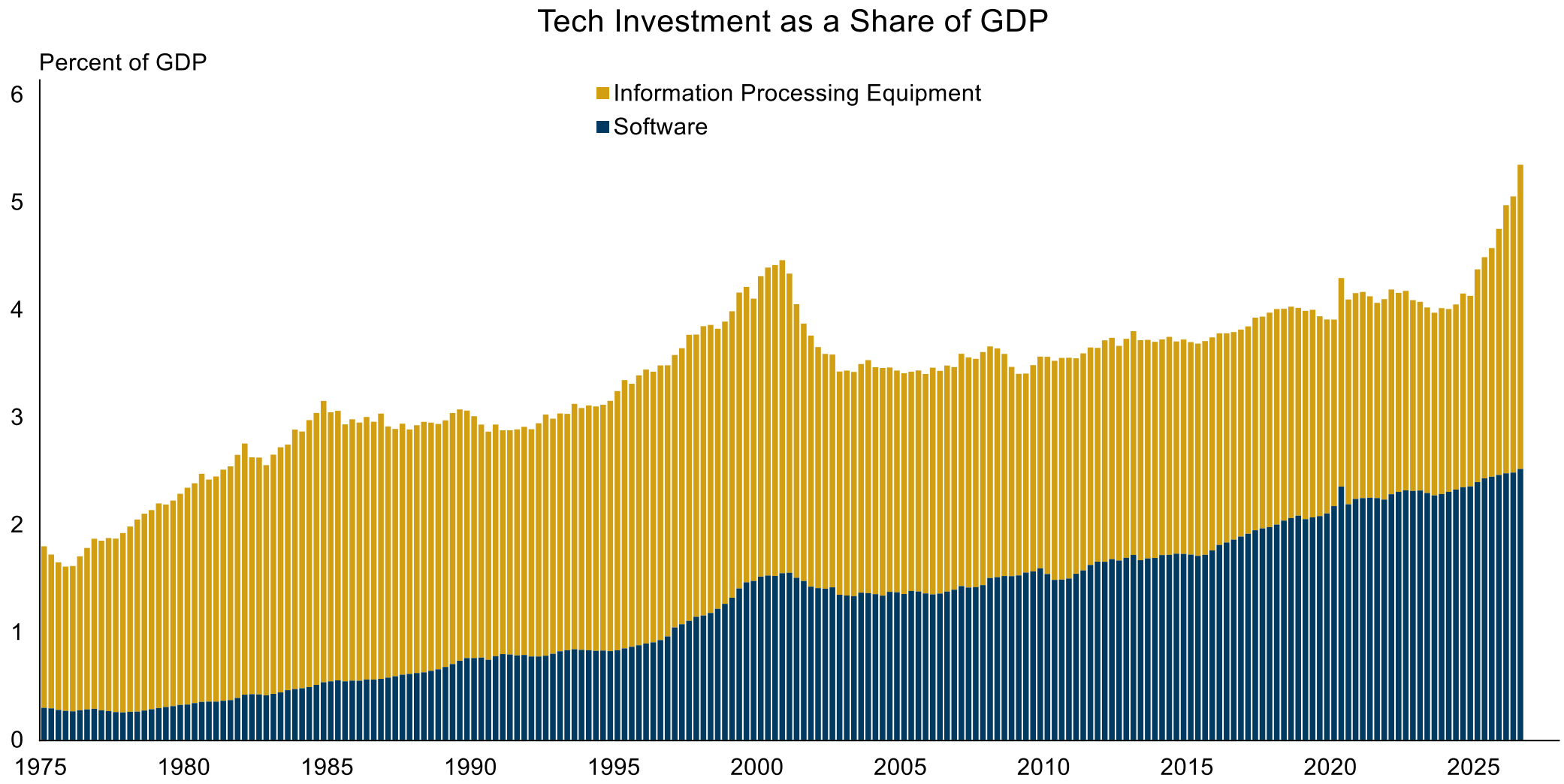
What are we going to cover?

1. **Economic update:**
   Economic growth | Inflation | Labor market | Fed policy

2. **Market update:**
   Equities | Corporate earnings | Valuations | Fixed Income

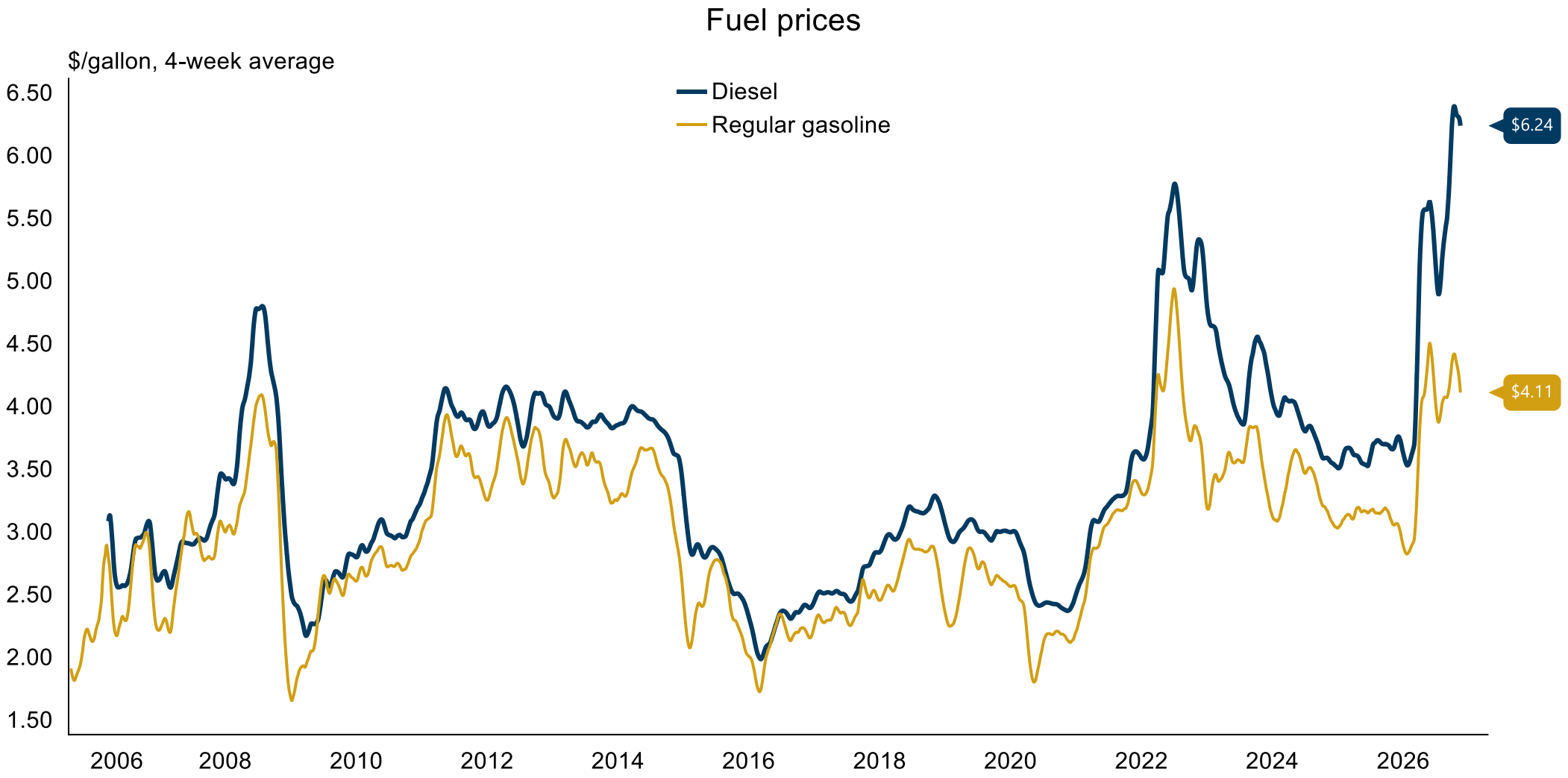
Economic update

Technology investment is now 5% of the entire economy's output



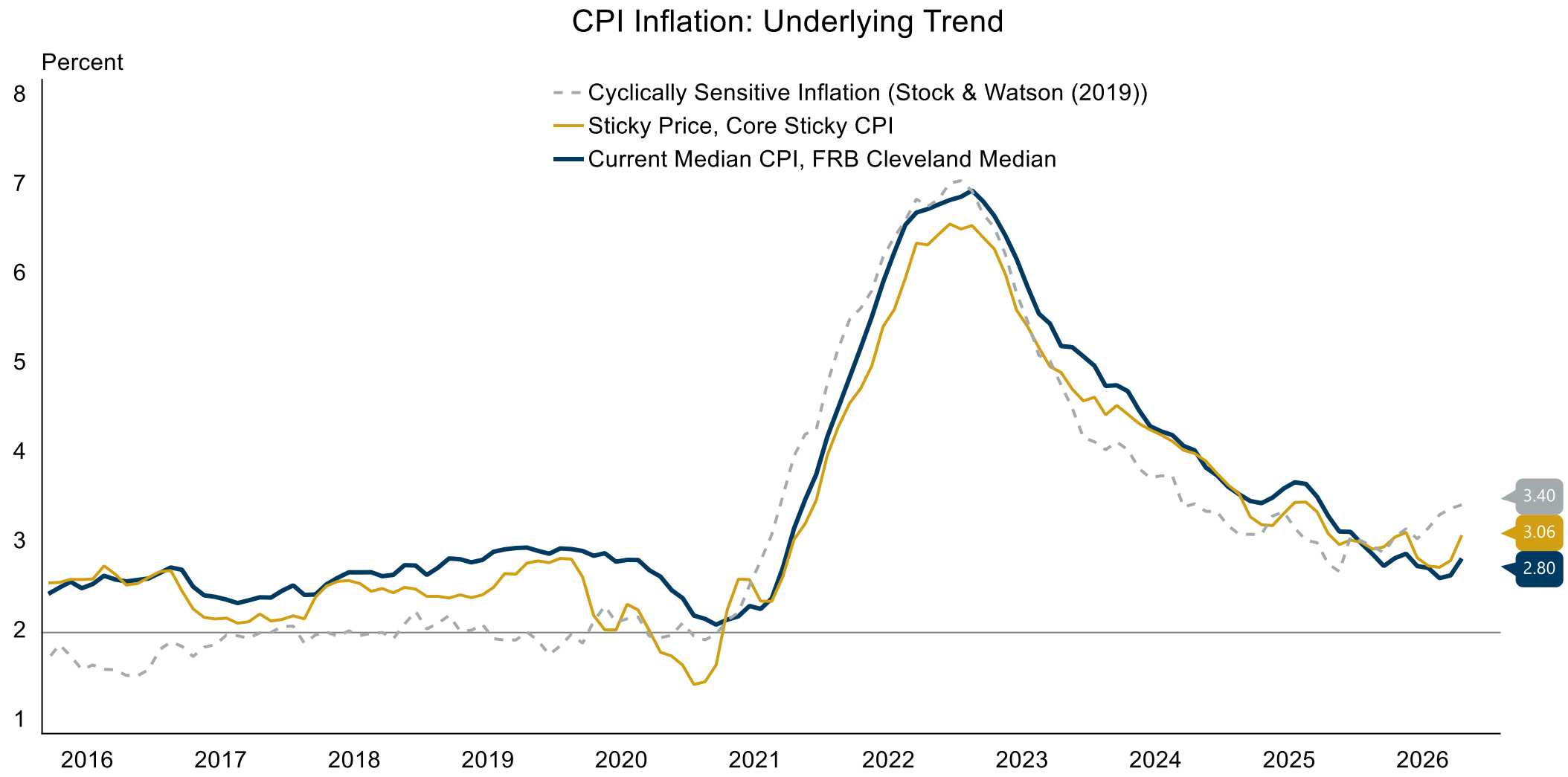
Source: U.S. Bureau of Economic Analysis (BEA), First Citizens Bank
Data as of October 29, 2026

Gasoline and diesel prices are fueling inflation



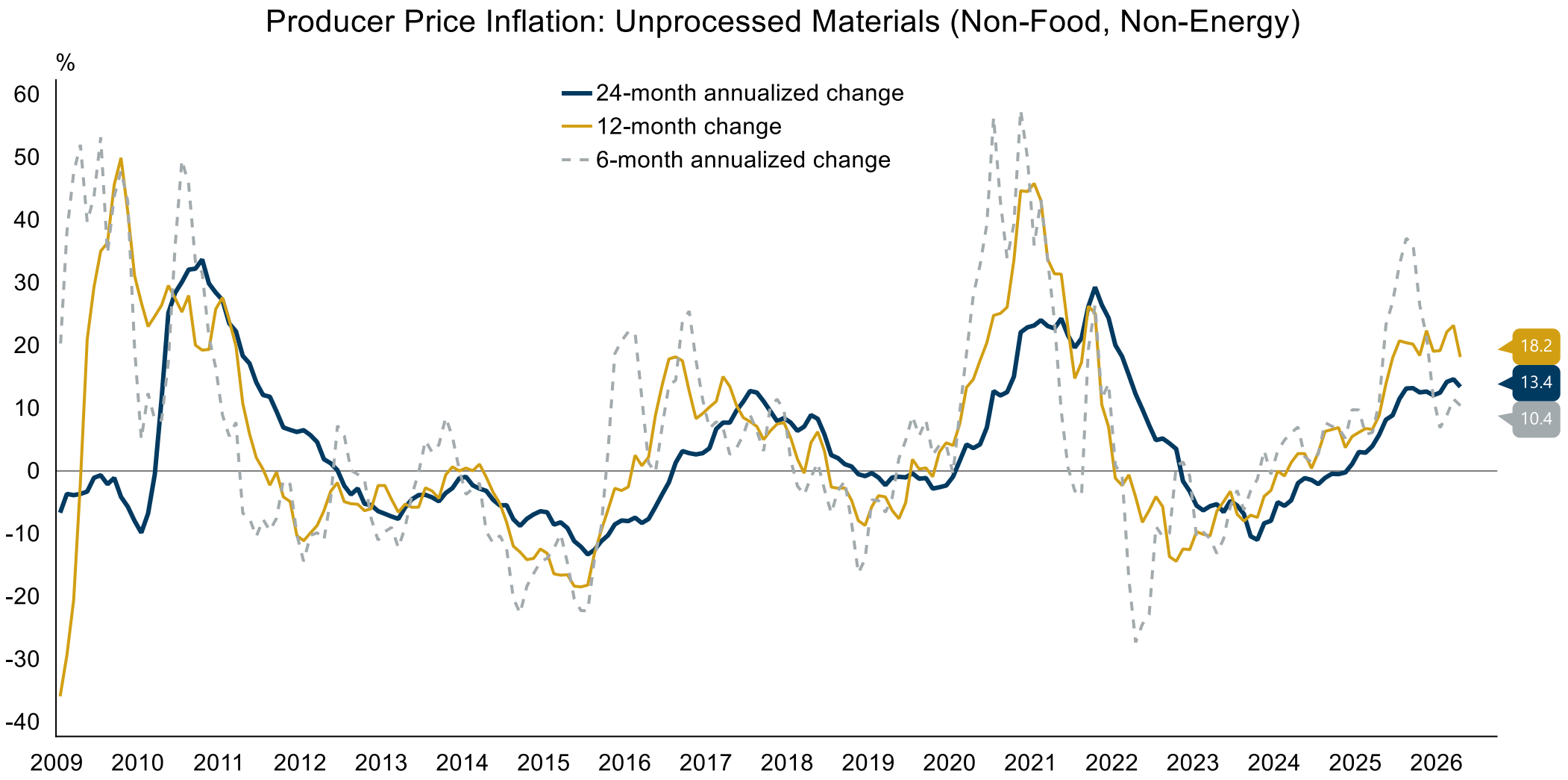
Source: Bloomberg
Data as of: 11/16/2026

Statistical measures point toward inflation sticky at 3%



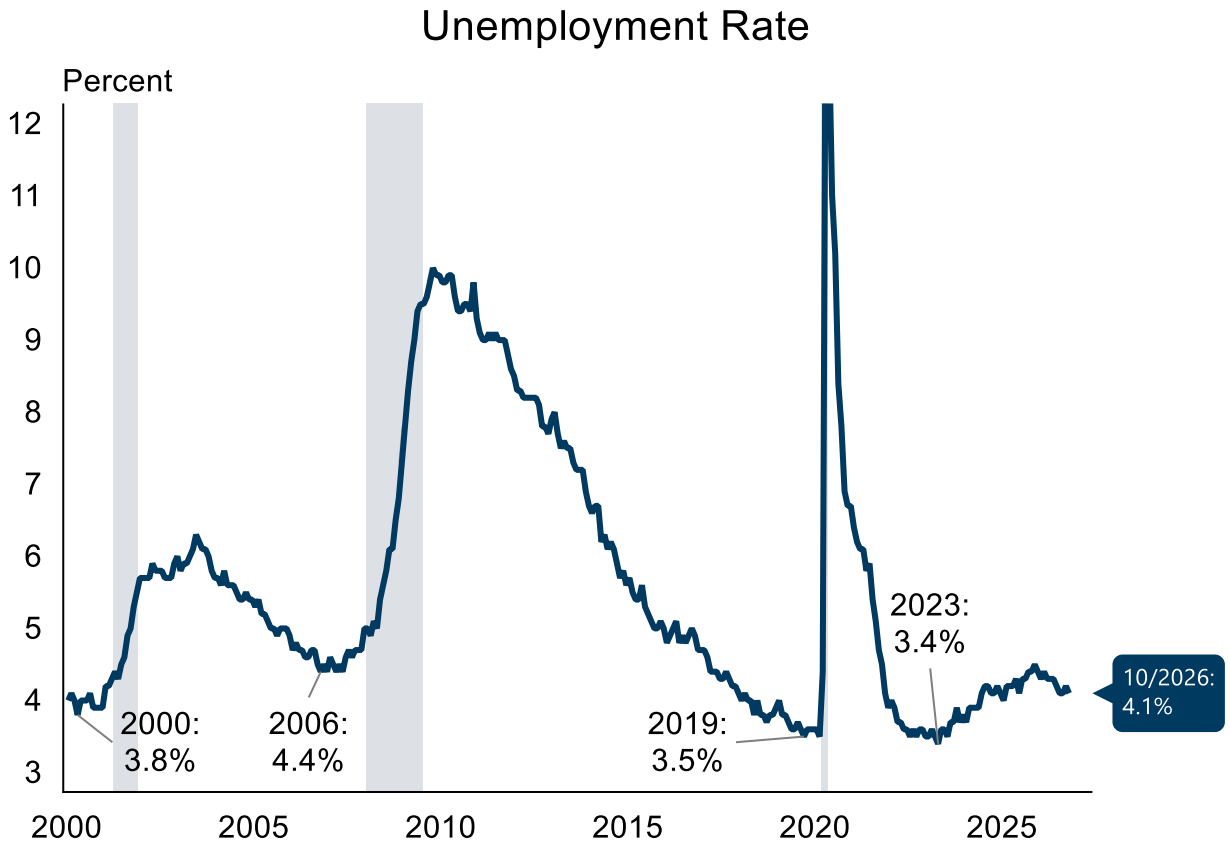
Source: Federal Reserve Bank of Dallas, Federal Reserve Bank of Cleveland, Federal Reserve Bank of Atlanta, First Citizens Bank
Data as of November 10, 2026

Price pressures are high at the producer level, and not just for energy

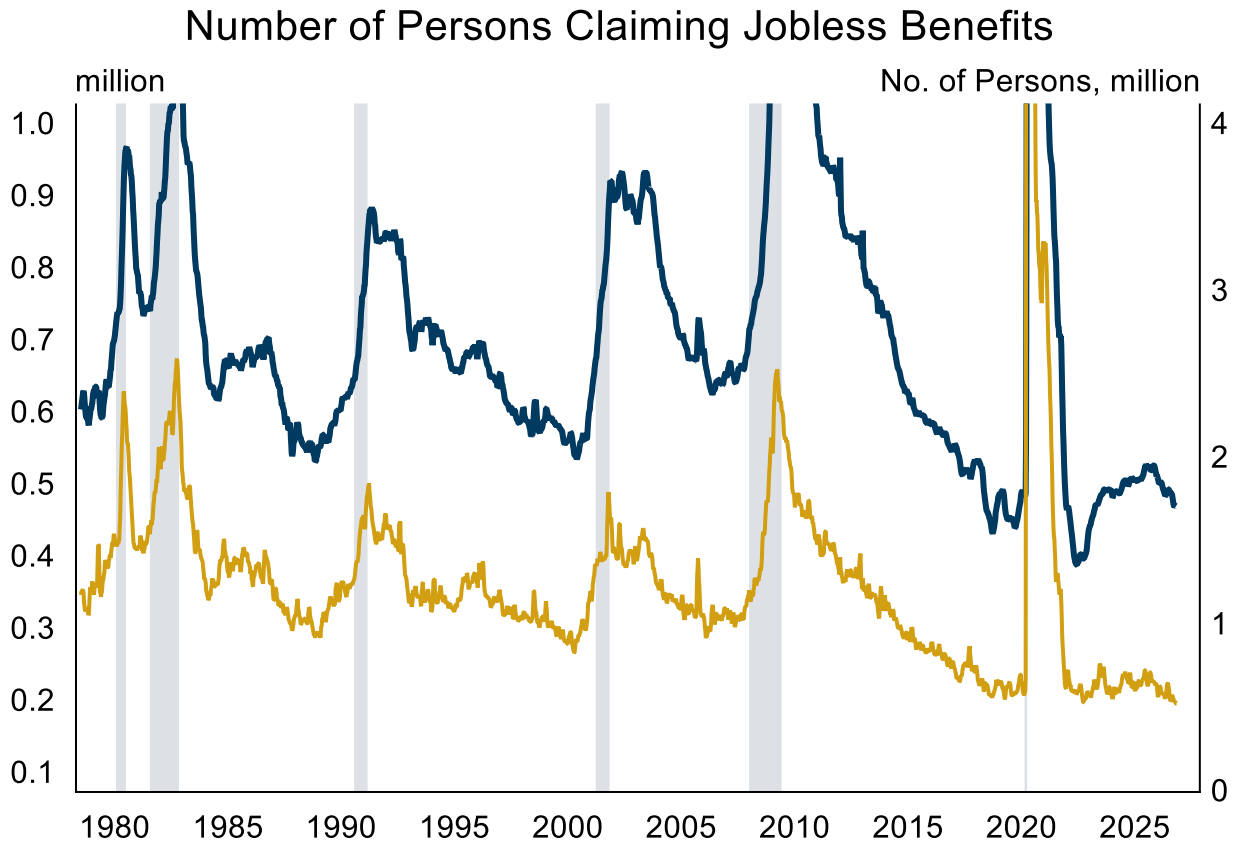


Source: U.S. Bureau of Labor Statistics (BLS), First Citizens Bank
Data as of November 13, 2026

Unemployment is low as companies are reluctant to lay off workers



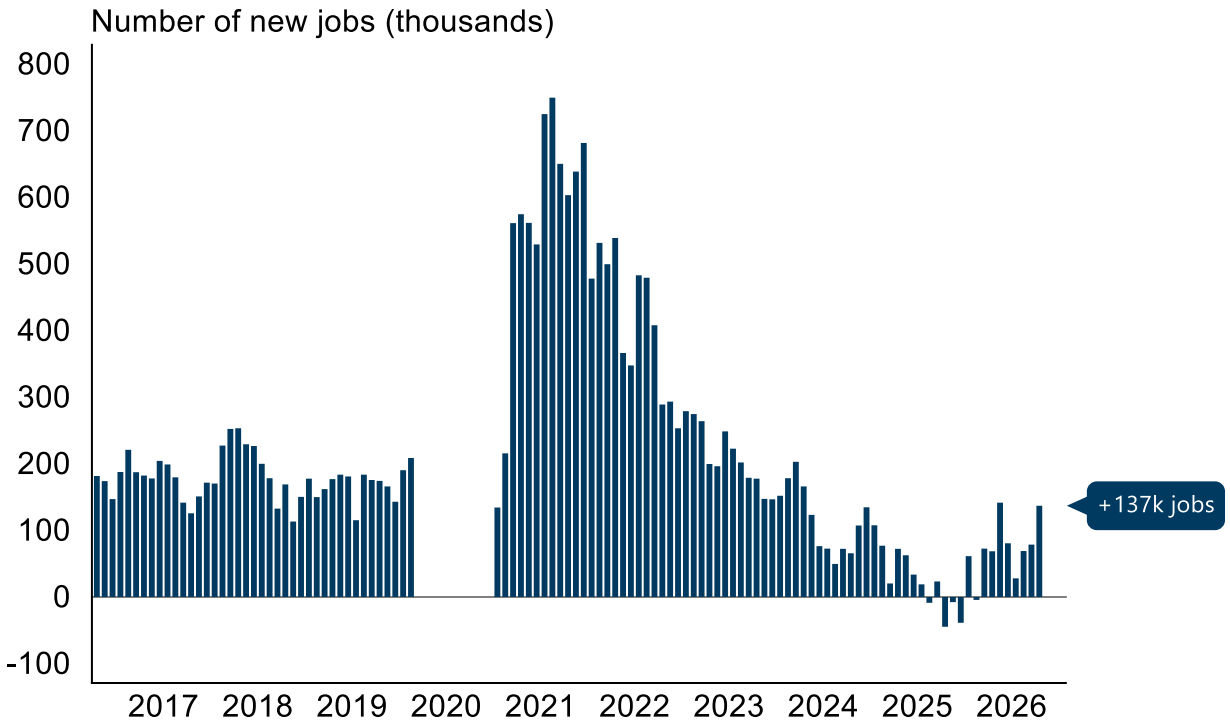
Source: U.S. Bureau of Labor Statistics (BLS), First Citizens Bank
Data as of November 6, 2026



Source: U.S. Department of Labor, First Citizens Bank
Data as of November 12, 2026

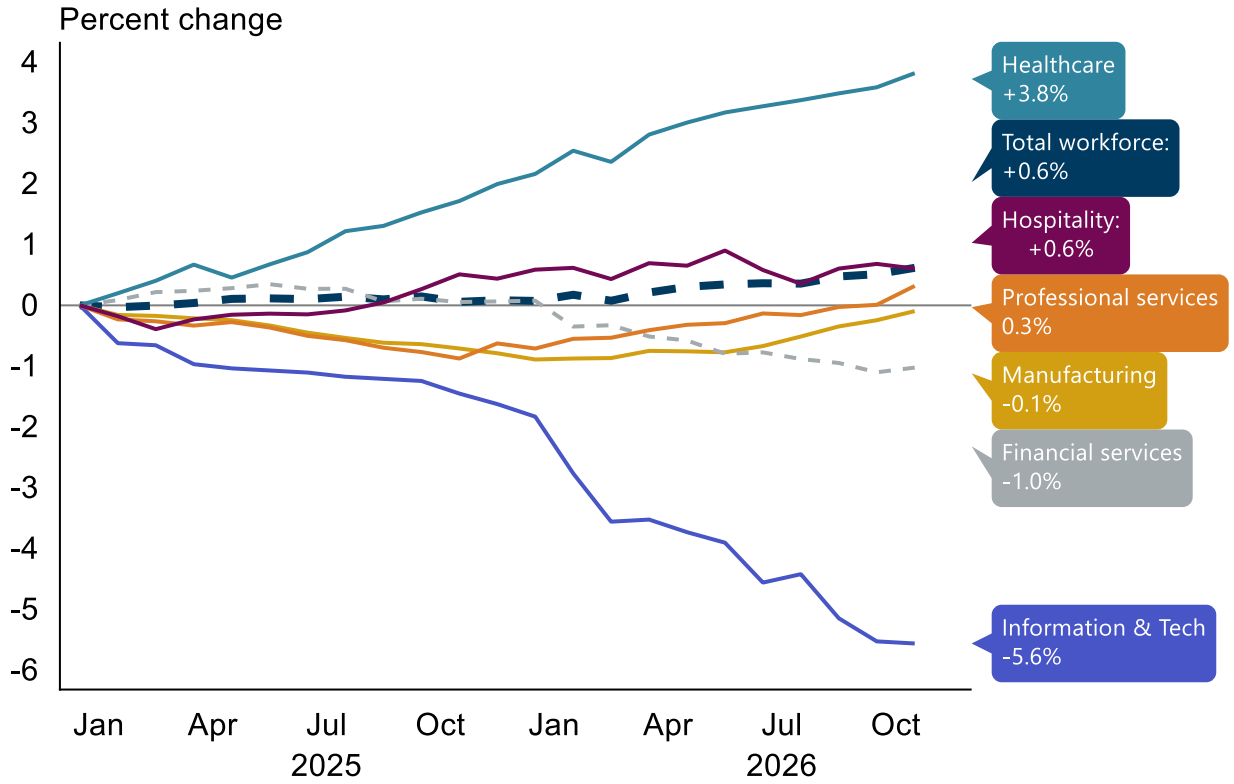
Job growth has picked back up, but not in all sectors

Monthly Change in US Payroll Employment (3-month average)



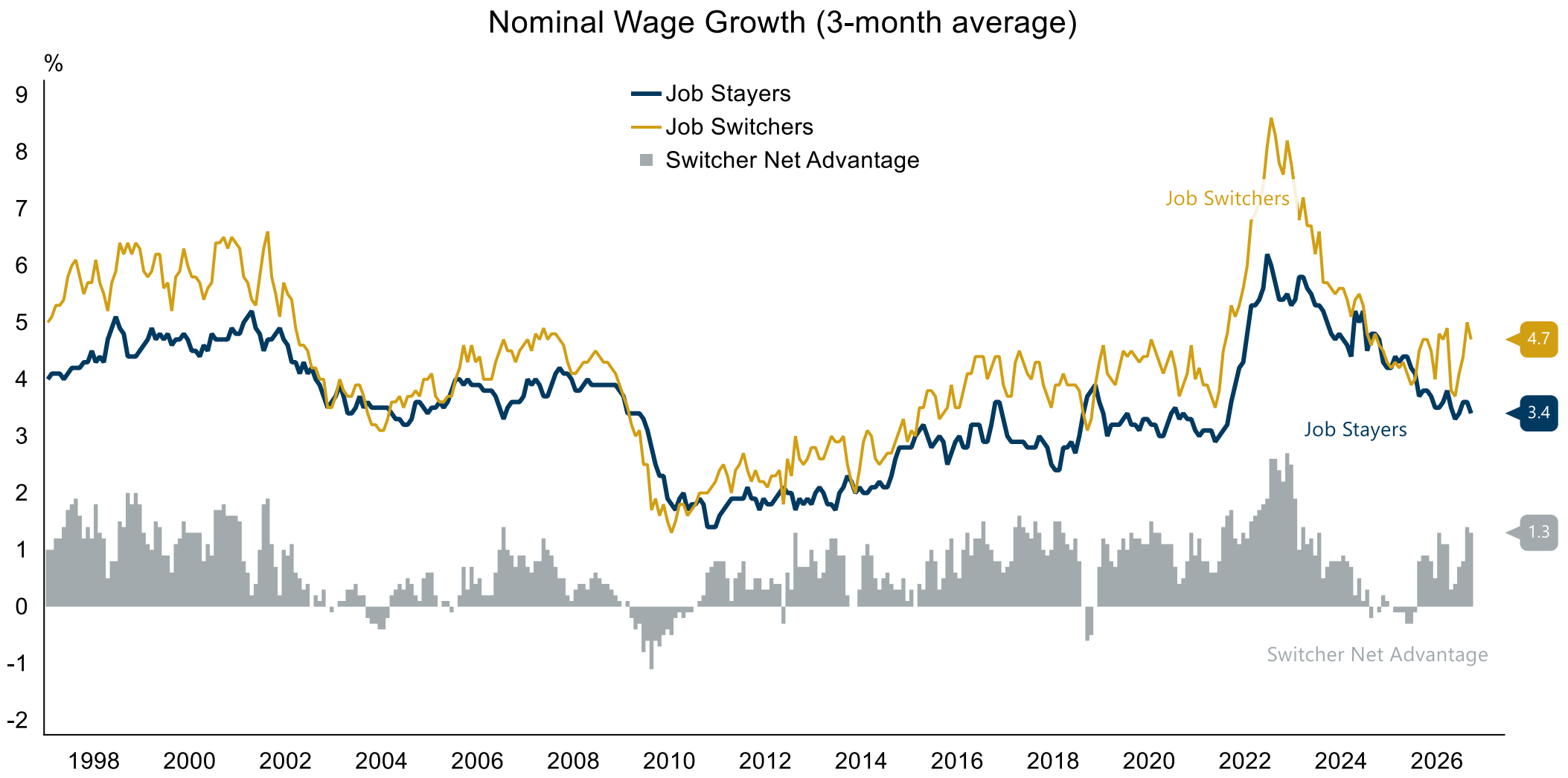
Source: Bureau of Labor Statistics, First Citizens Bank.
Data as of October 2026. Data excluded for March-December 2020.

Change in Number of Jobs by Sector Since 2024



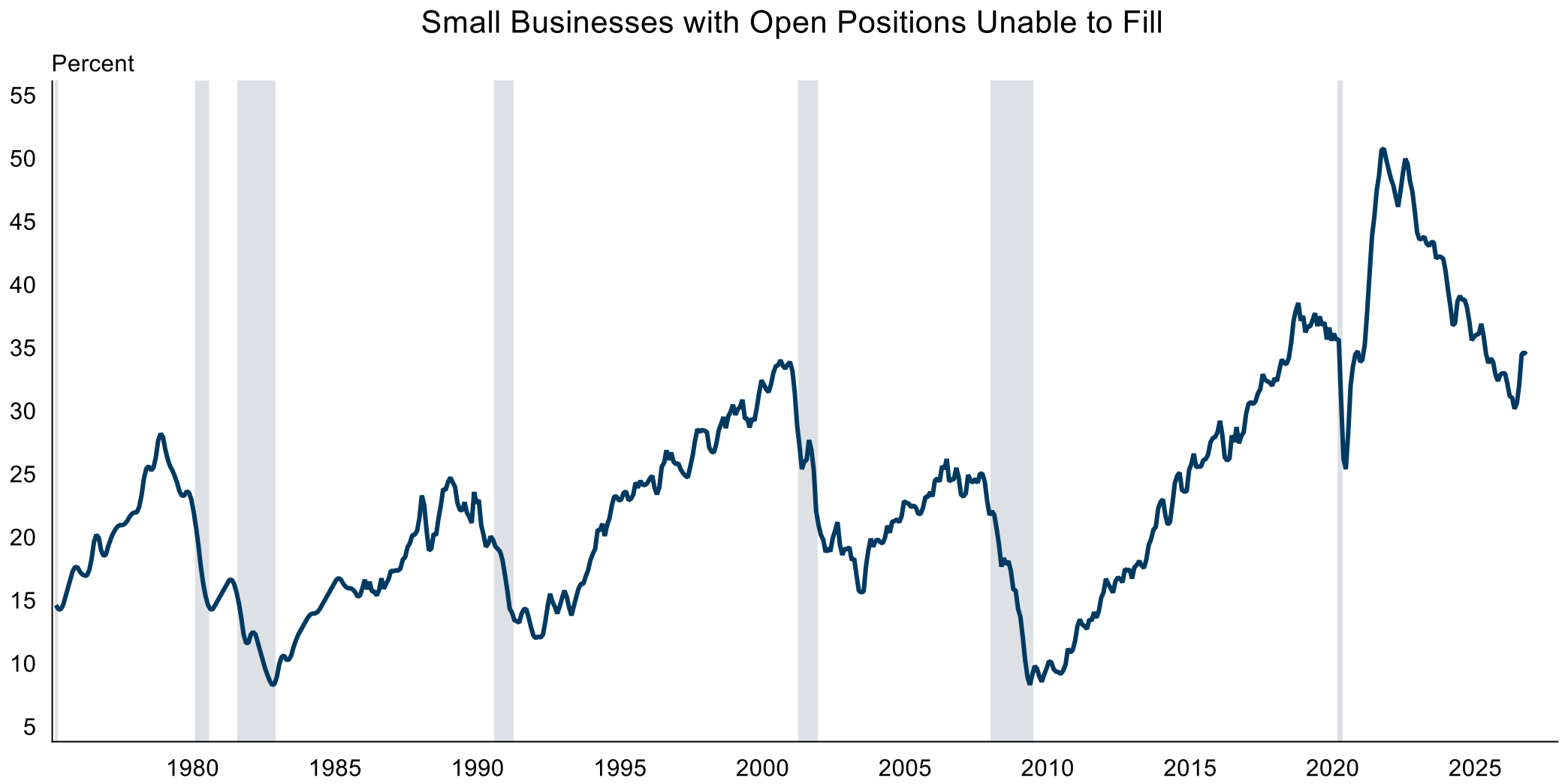
Source: U.S. Bureau of Labor Statistics (BLS), First Citizens Bank
Data as of November 6, 2026

Job switchers are back to commanding a wage premium over stayers



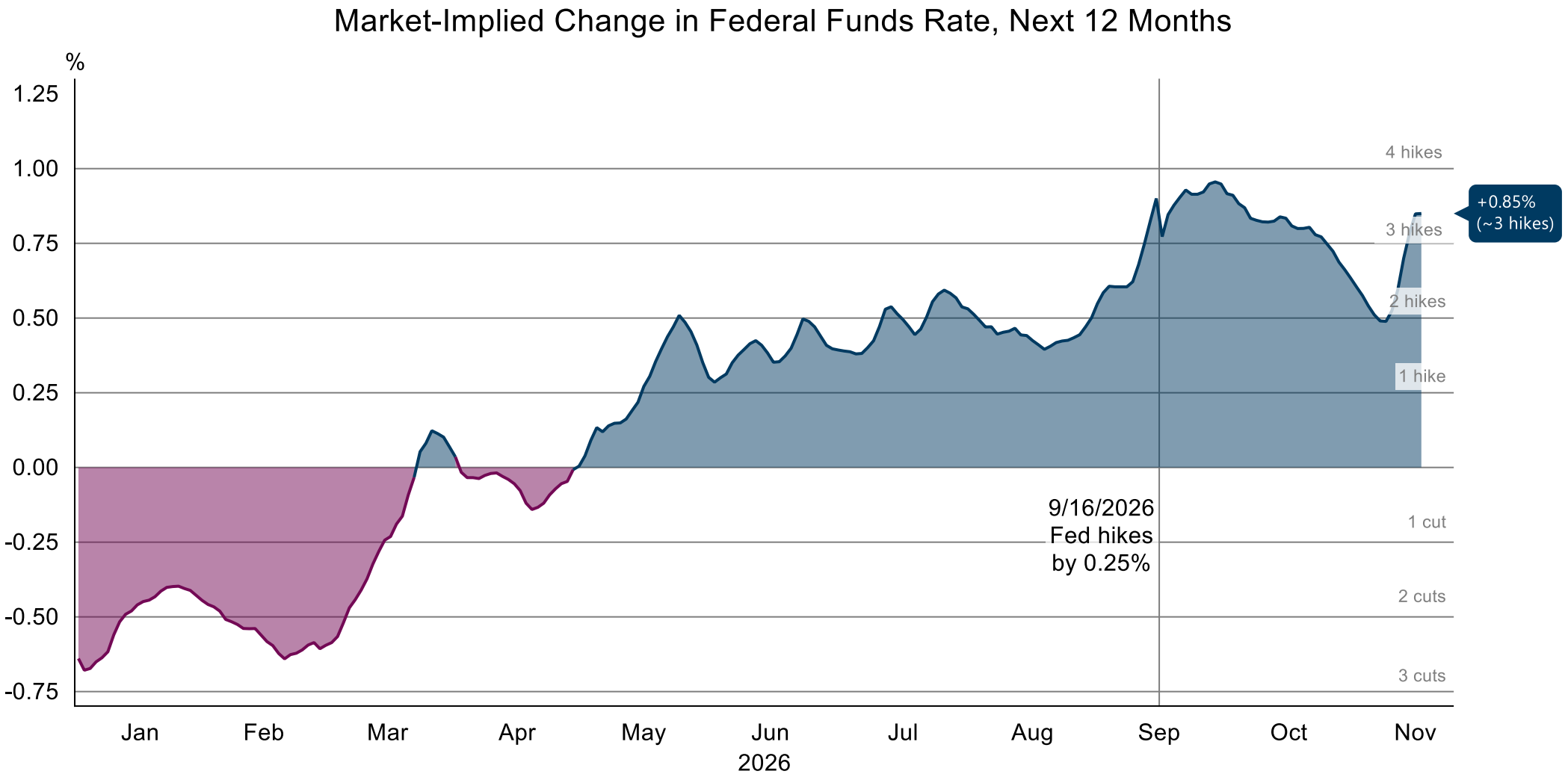
Source: Federal Reserve Bank of Atlanta, First Citizens Bank
Data as of October 8, 2026

Small businesses are reporting a rebound in labor-market tightness



Source: National Federation of Independent Business, First Citizens Bank
Data as of November 10, 2026

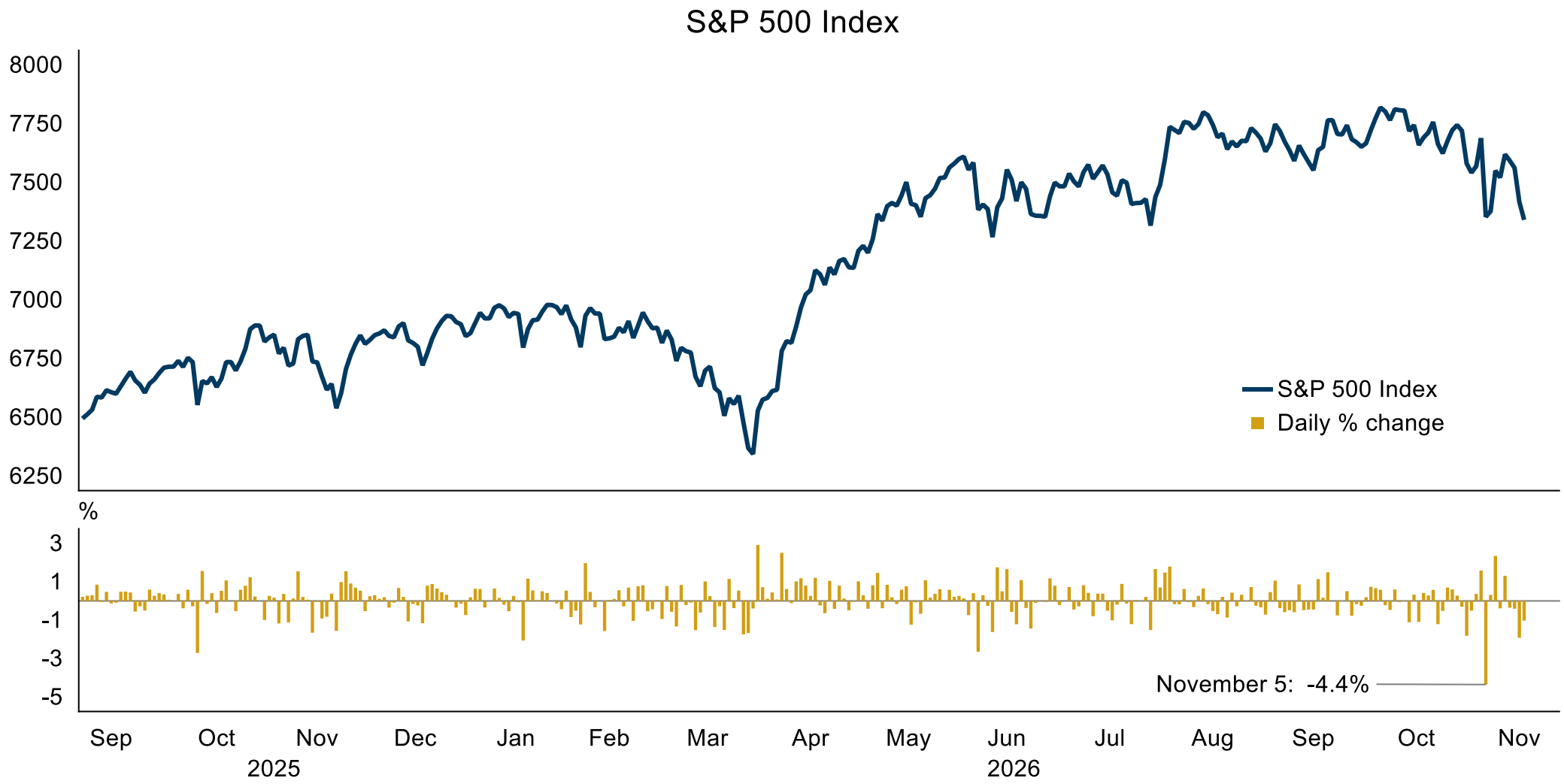
Markets started the year expecting 3 cuts but now expect 3-4 hikes



Source: Bloomberg, First Citizens Bank
Data as of: 11/18/2026

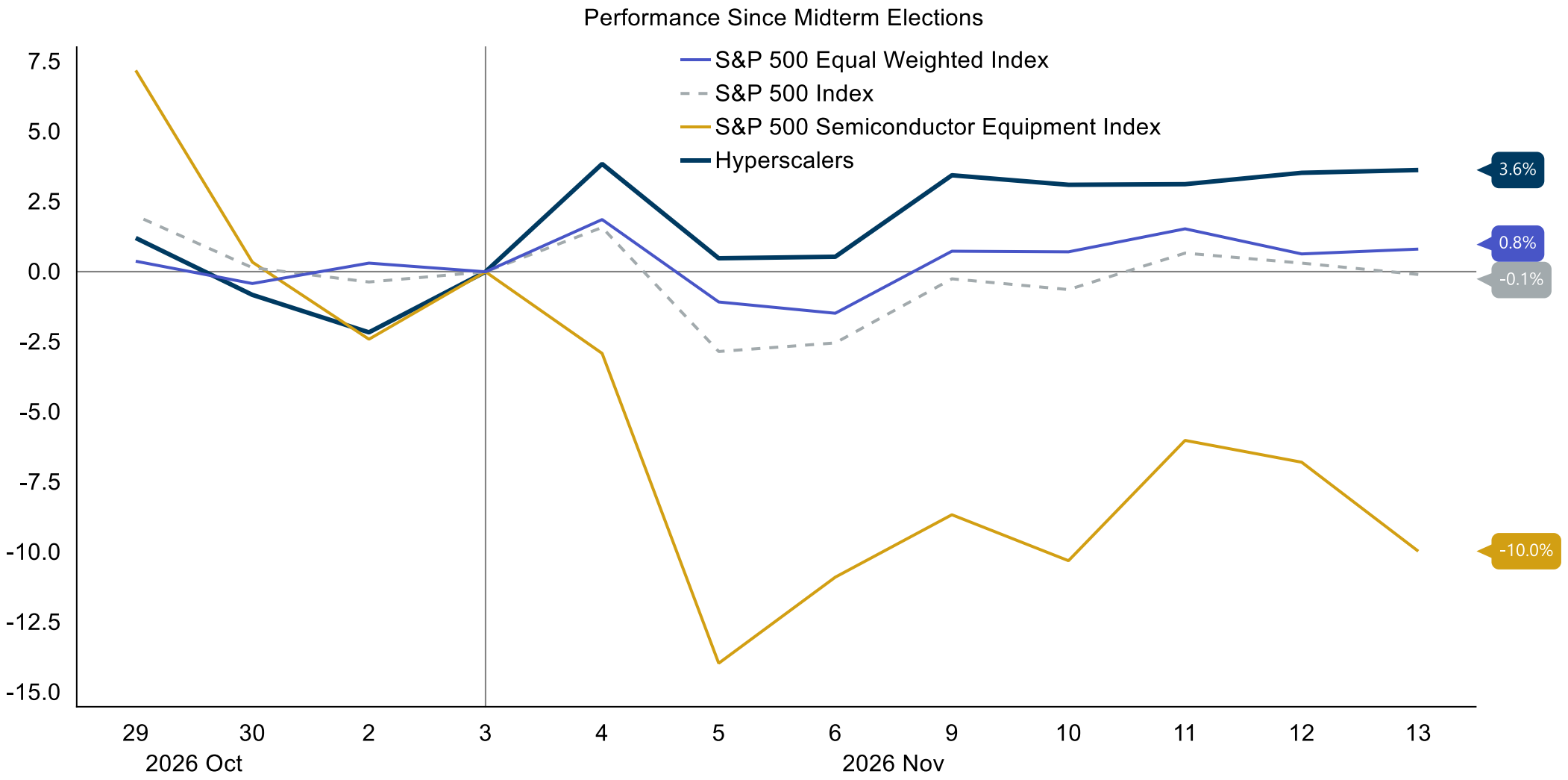
Market update

US equities were unusually volatile after the midterm elections



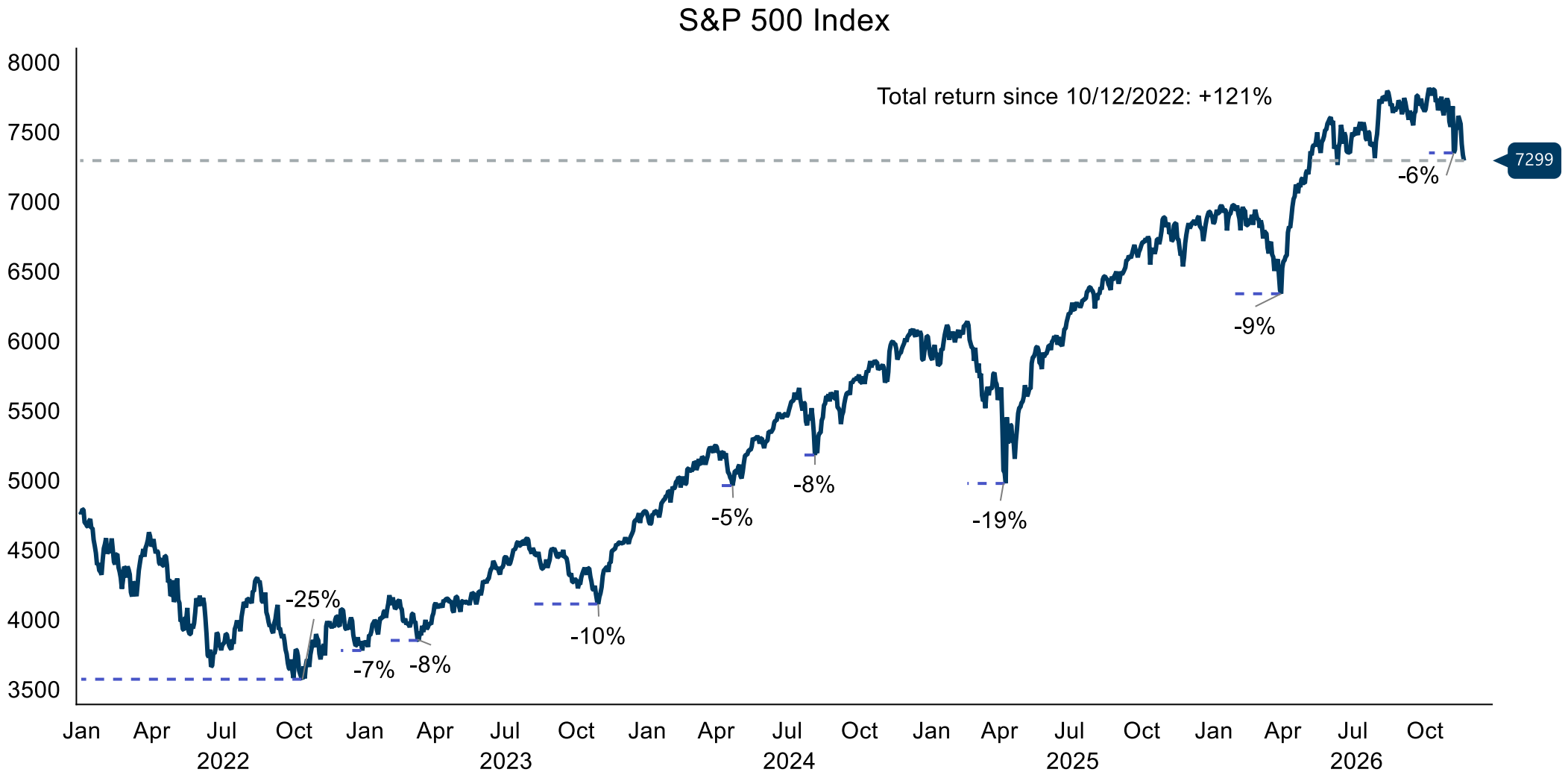
Source: Bloomberg
Data as of: 11/18/2026

Weakness after the 2026 elections is concentrated in semiconductors



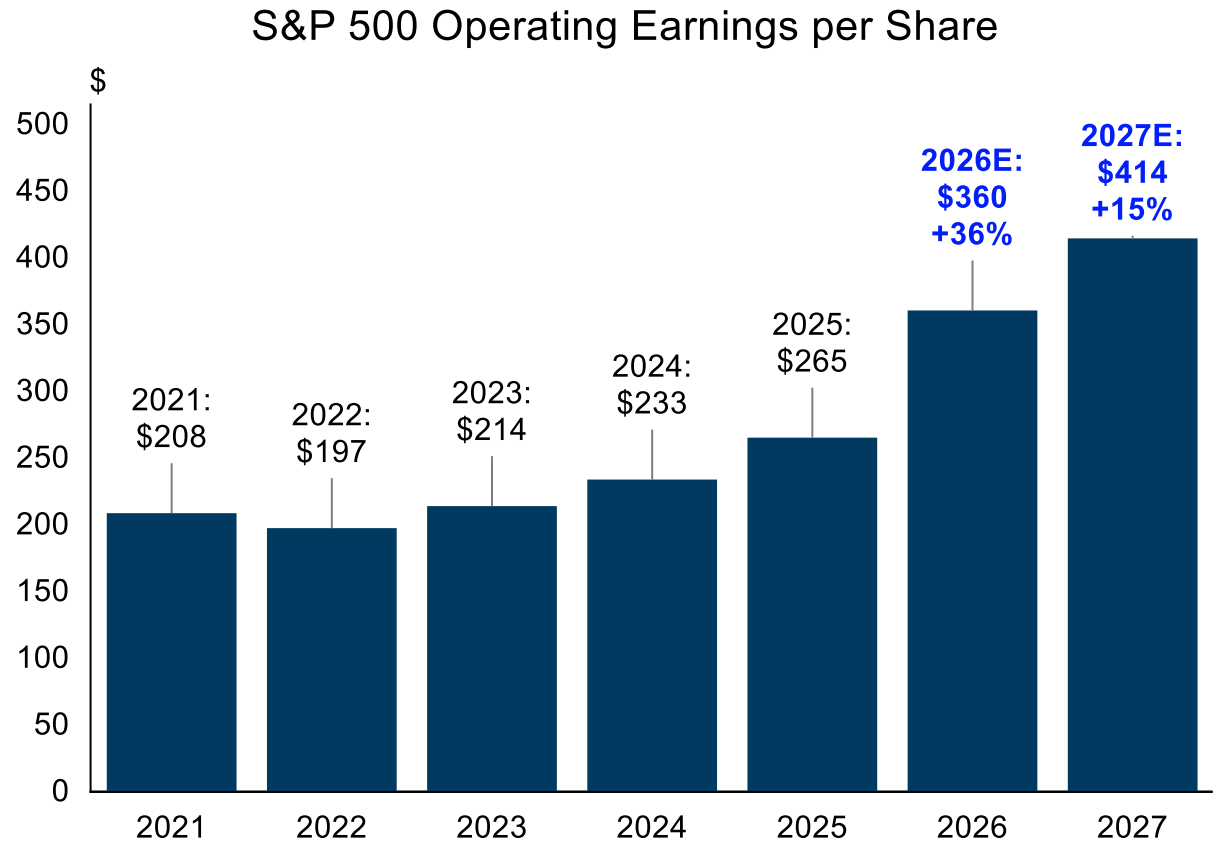
Source: Bloomberg
Data as of: 11/18/2026

Bull markets do not rise in a straight line

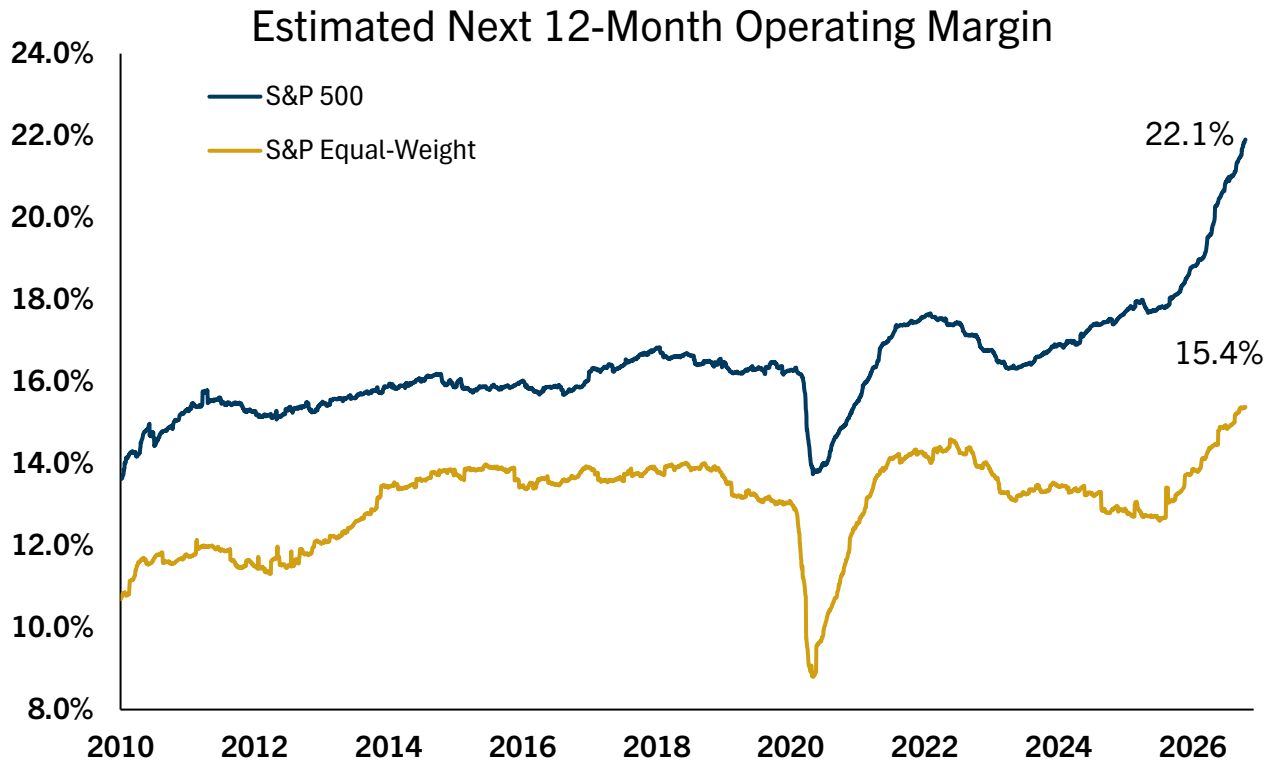


Source: Bloomberg
Data as of: 11/18/2026

Earnings are remarkably robust, and profit margins are exceptional

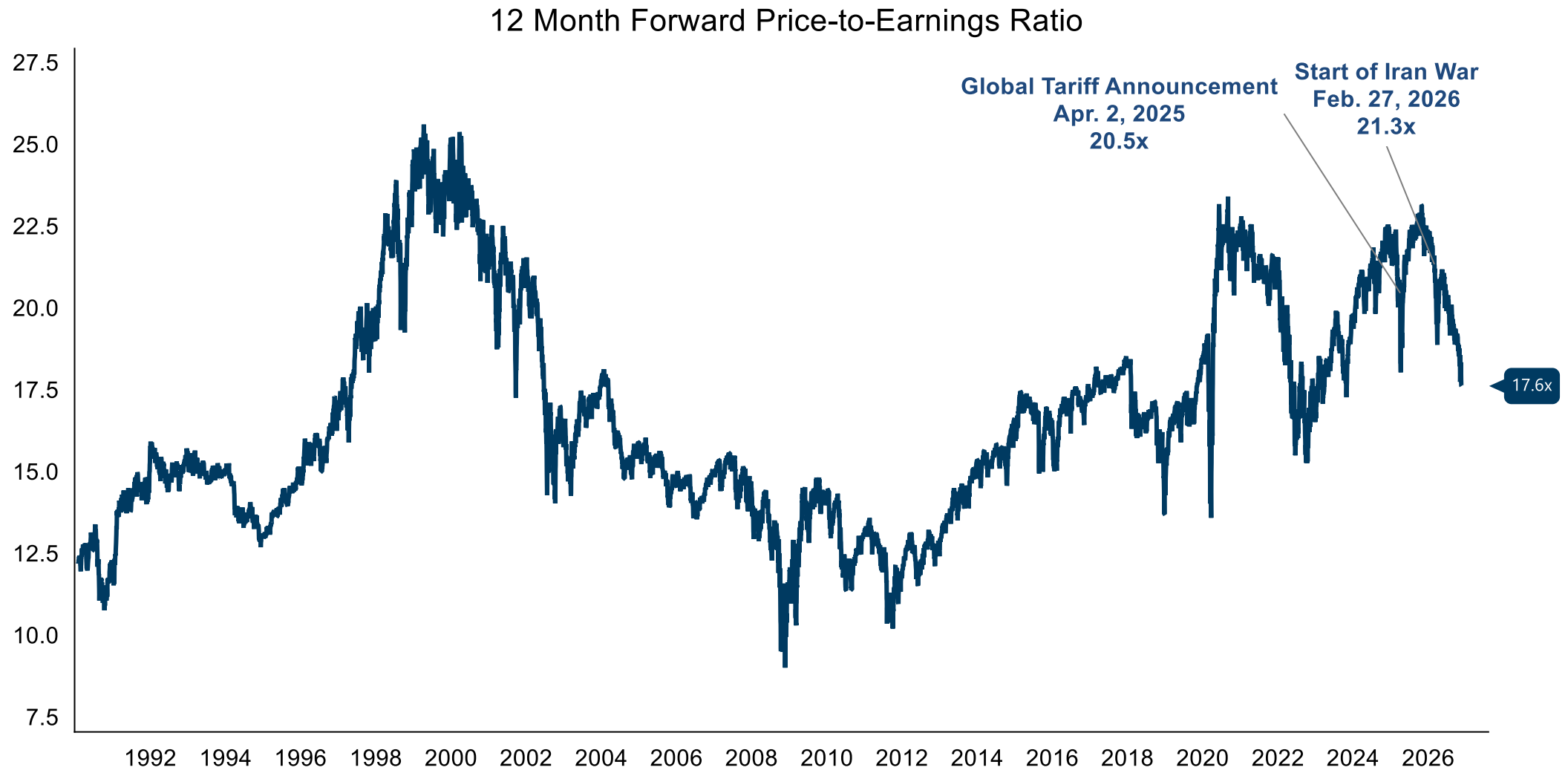


Source: Strategas, First Citizens Bank
Data as of November 16, 2026



Source: FactSet, Bloomberg. Data as of 11/16/2026.

S&P 500 valuations have cheapened substantially



Source: Bloomberg, First Citizens Bank
Data as of 11/18/2026

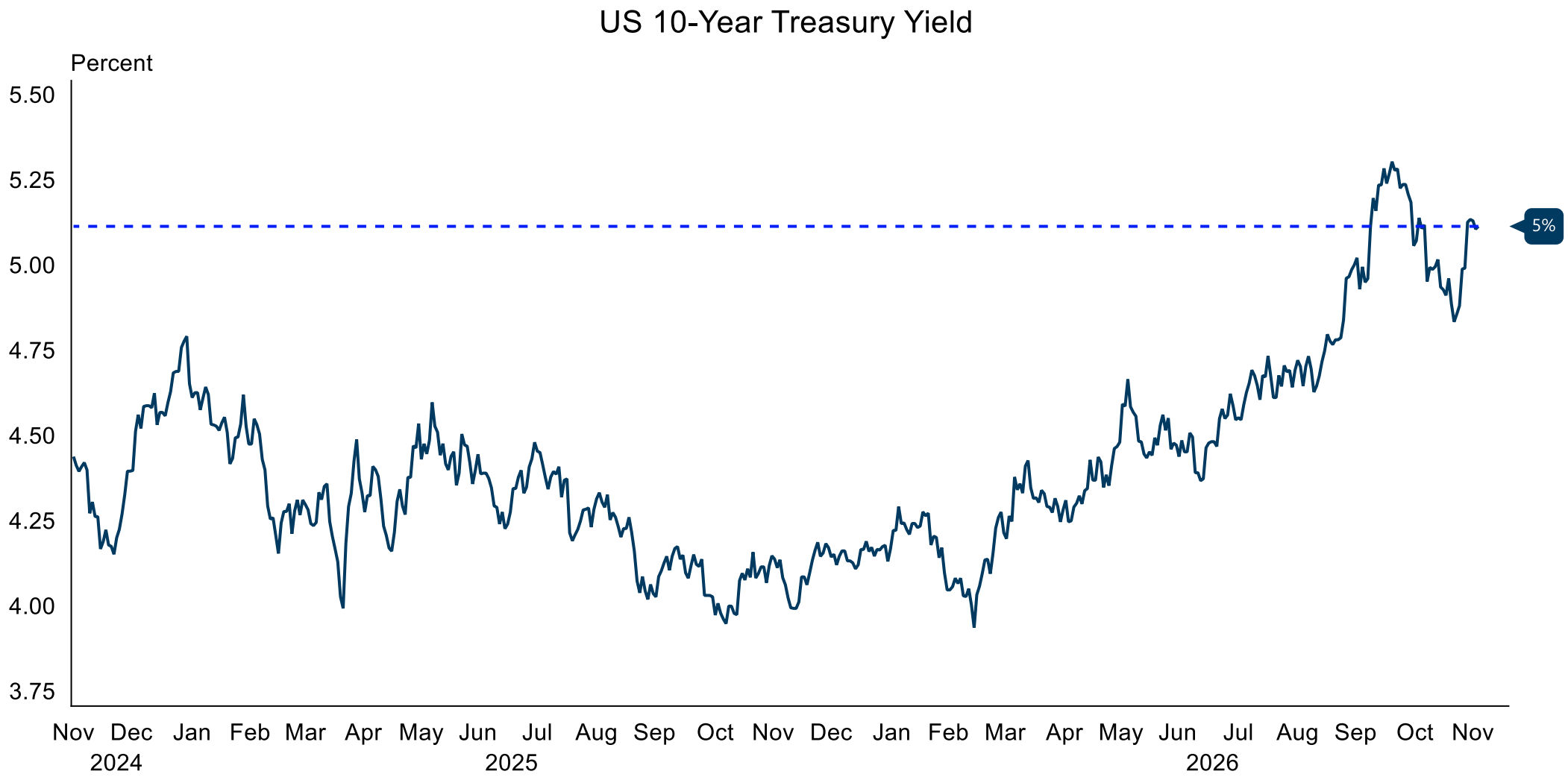
Upward earnings revisions have pushed our price target higher

Next Twelve-Month S&P 500 Price Target

	Next Twelve Months Price Level	Percent Change from 11/17/2026
Bear	6,300	-14.2%
Base	8,300	13.1%
Bull	9,100	24.0%

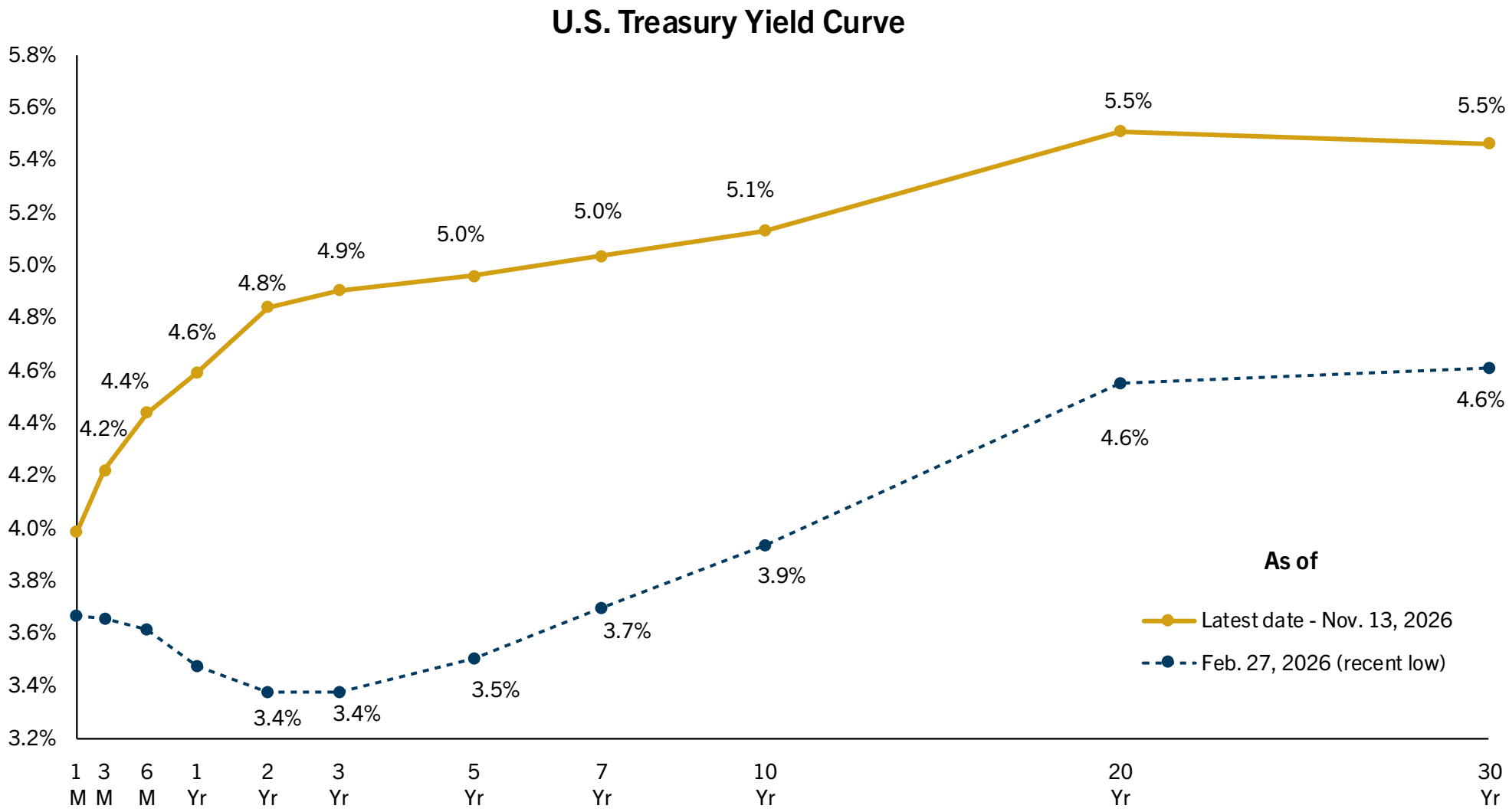
Source: Bloomberg, FactSet, First Citizens Wealth

The 10-year Treasury yield is back above 5%



Source: Bloomberg
Data as of: 11/18/2026

Treasury yields have risen sharply across the curve



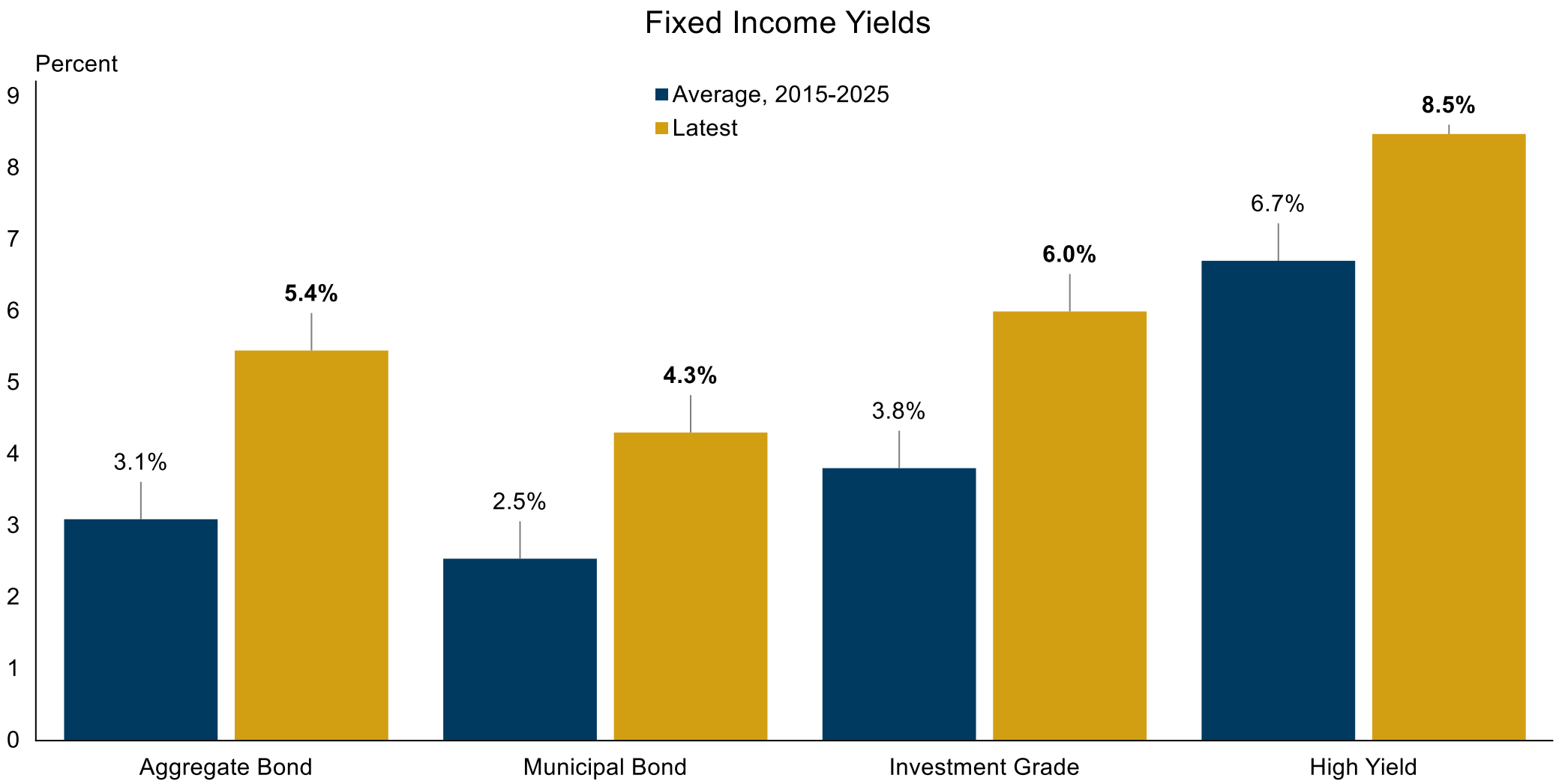
Source: Bloomberg

Corporate bonds yield very tight spreads over Treasuries



Source: Bloomberg
Data as of: 11/18/2026

Fixed income is at an attractive entry point compared to the last decade



Source: Bloomberg
Data as of: 11/18/2026

Making Sense

In Brief | A look at the week ahead in under two minutes every Monday morning

Market updates | Monthly interactive discussions with in-depth analysis of markets and the economy

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