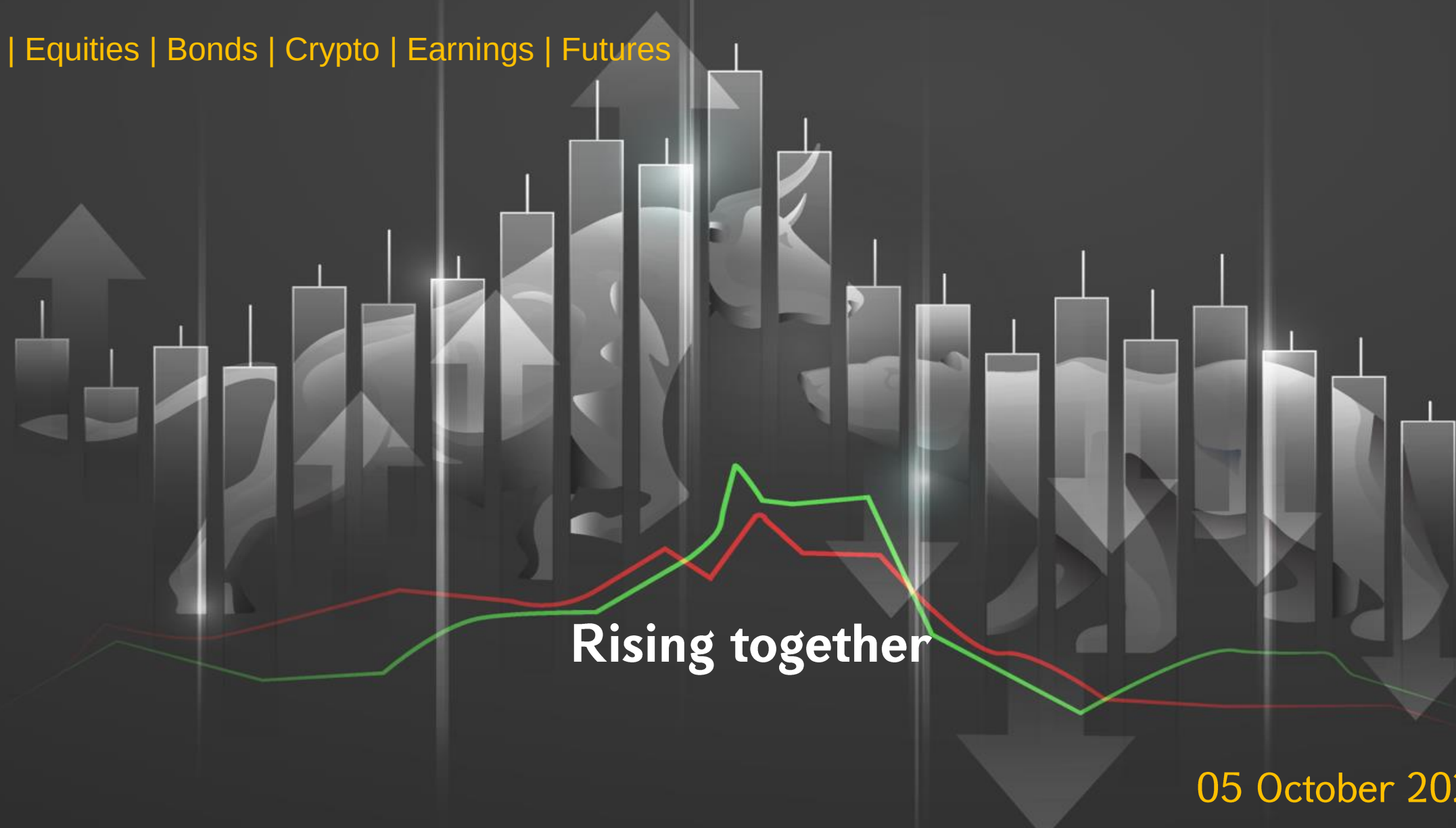


WEEKLY MARKET OVERVIEW

Macro | Equities | Bonds | Crypto | Earnings | Futures



Rising together

05 October 2026

The "Weekly overview" analysis has been prepared by ARARATBANK OJSC and can be used **only as general information**. The provided information is considered relevant within a reasonable period of time from the date of publication, depending on market behavior. The "Overview of the week" analytical report has been prepared based on currently available **public information**, which ARARATBANK OJSC considers credible. However, ARARATBANK OJSC **does not warrant** that this information is complete and reliable and, therefore, **it should not be considered as advice or recommendation for executing a financial transaction**.

The instruments outlined in "Weekly Overview" have been chosen based on the **general market approach** and big public interest towards the shares of the companies with high turnover volume and sound public acknowledgement during the reporting period. Consequently, the selected investment products may **not meet the needs and requirements of all investors**. Each investor should **individually examine and assess** its investment opportunities, the structure of the investment portfolio and the risks arising therefrom for all or separate assets. Before making an investment decision or executing a transaction, each investor should examine the information describing risks, commissions, and other potential costs. Investors should pay special attention to the **Risk/Return Ratio** to ensure that the investment matches their investment goals.

Any forecast of potential loss or gain is **a mere description** and should not be viewed as a restriction on maximum possible loss or gain. Investments **are not guaranteed or insured by ARARATBANK OJSC** or any other financial company or any local government body or insurance agency and thus **are exposed to investment risks** up to **a potential loss of the entire amount**. Investors making investments in foreign currency should be aware of the risk of exchange rate fluctuations that may lead to a loss of the amount invested.

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Bond yields continue to rise.



The technology sector was the market leader.



Source: Visible Alpha Consensus Data, Data compiled by Goldman Sachs Global Investment Research



S&P500's performance: -0.22%



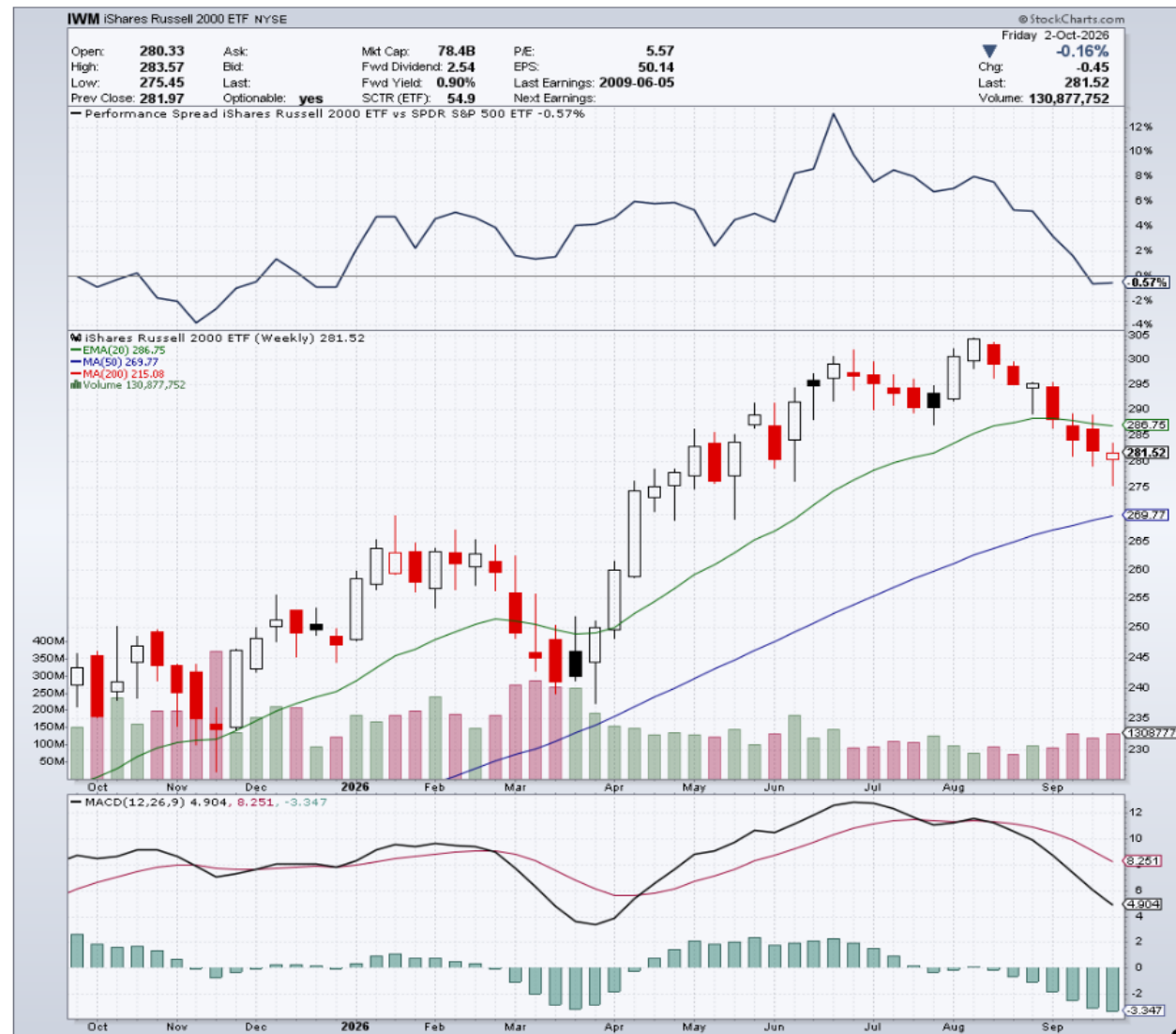
Nasdaq's performance: +0.68%



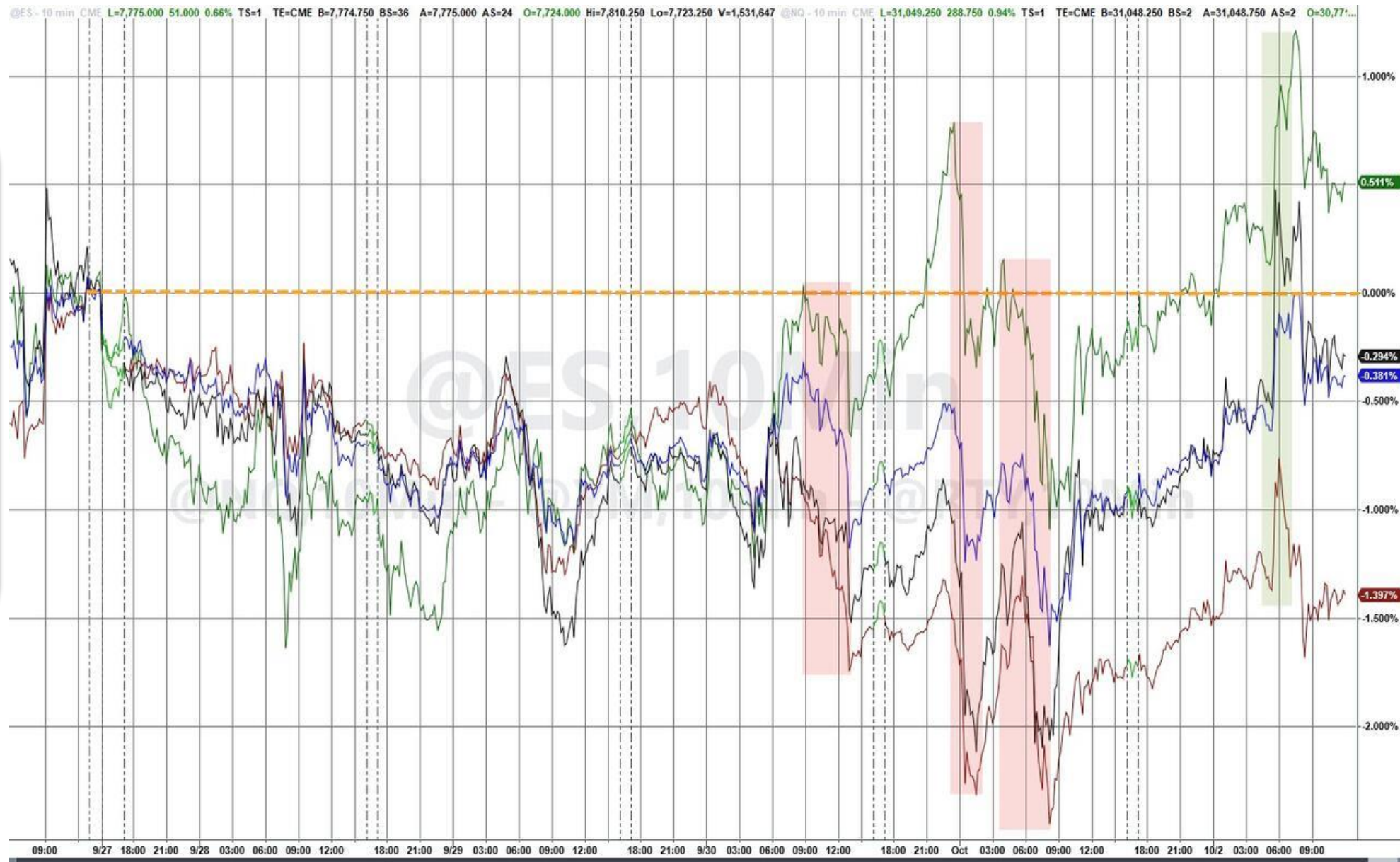
Dow Jones' performance: -1.23%



Russell 2000's performance: -0.16%



The past week was extremely volatile for the markets. Among US indices, only the Nasdaq posted a positive weekly return, driven by continued interest in artificial intelligence. The Dow Jones Industrial Average recorded the steepest decline, while the S&P 500 and Russell 2000 fell more moderately.



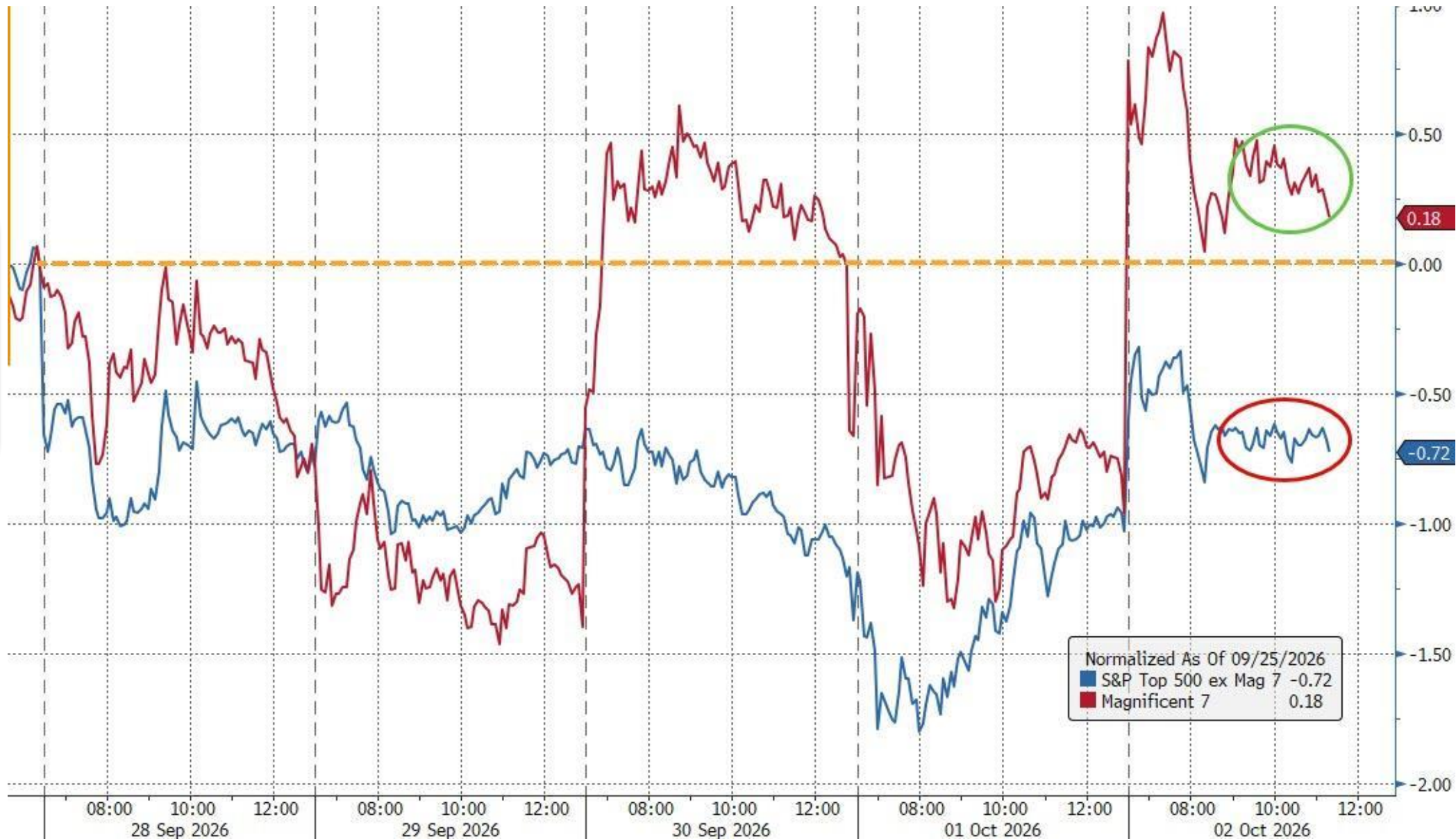
The technology sector significantly outperformed the market, while the financial sector posted the worst negative results.



Last week, shares of companies involved in optical networks posted the highest returns among artificial intelligence sectors, while NeoClouds shares showed negative returns due to concerns regarding credit risk.



The "Magnificent Seven" posted positive returns, while the S&P 493 index showed negative results.



Micron Technology (MU) reported record revenue of \$23.9 billion for the second quarter of 2026—a 196% increase year-over-year—along with a profit of \$13.8 billion. These results were driven by a surge in demand for memory chips, particularly for artificial intelligence infrastructure: revenue from cloud memory rose to \$7.75 billion, while revenue from core data centers reached \$5.69 billion. The company also significantly expanded its margins thanks to strong demand for AI-related products and improved pricing.



Accenture (ACN) reported revenue of \$18.0 billion for the second quarter of 2026, an 8% increase from the previous quarter, with new bookings reaching a record \$22.1 billion. Operating margin rose to 13.8%, and earnings per share increased by 4% to \$2.93. Key growth drivers include rising demand for artificial intelligence and enterprise digitalization. The company raised its revenue growth forecast for fiscal year 2026 to 3–5% and projects free cash flow of \$10.8–11.5 billion.



In the second quarter of 2026, Nike (NKE) continued to show signs of recovery. Revenue rose by just 1% to \$12.4 billion, while profit fell by 32% and earnings per share stood at \$0.53. Sales at Nike Direct were particularly weak, declining by 8%, as was Converse revenue, which dropped by 30%. Gross margin contracted by 300 basis points to 40.6%, primarily due to higher tariffs in North America. The company is continuing its "Win Now" transformation program, focusing on its product portfolio, partner network, and cost optimization.



Carnival Corporation (CCL) reported record revenue of \$6.7 billion for the second quarter of 2026, with earnings rising by more than 20% to \$569 million. Net income also reached a record high, increasing by 2.2% in constant currency. The company's order book remains strong: 93% of bookings for 2026 are already secured, and demand for 2027 and beyond is running ahead of schedule. At the same time, despite improvements in cost efficiency, rising fuel prices are putting pressure on profitability.



US employment growth slowed sharply in September, to just 29,000 jobs from August's revised 133,000, and the unemployment rate rose to 4.2%. Weak labor market data lowered expectations for an interest rate hike by the Federal Reserve in October. The probability dropped from about 75% to 15%. At the same time, Federal Reserve officials stressed that deciding what to do next in an environment of high inflation requires additional time and evaluation.

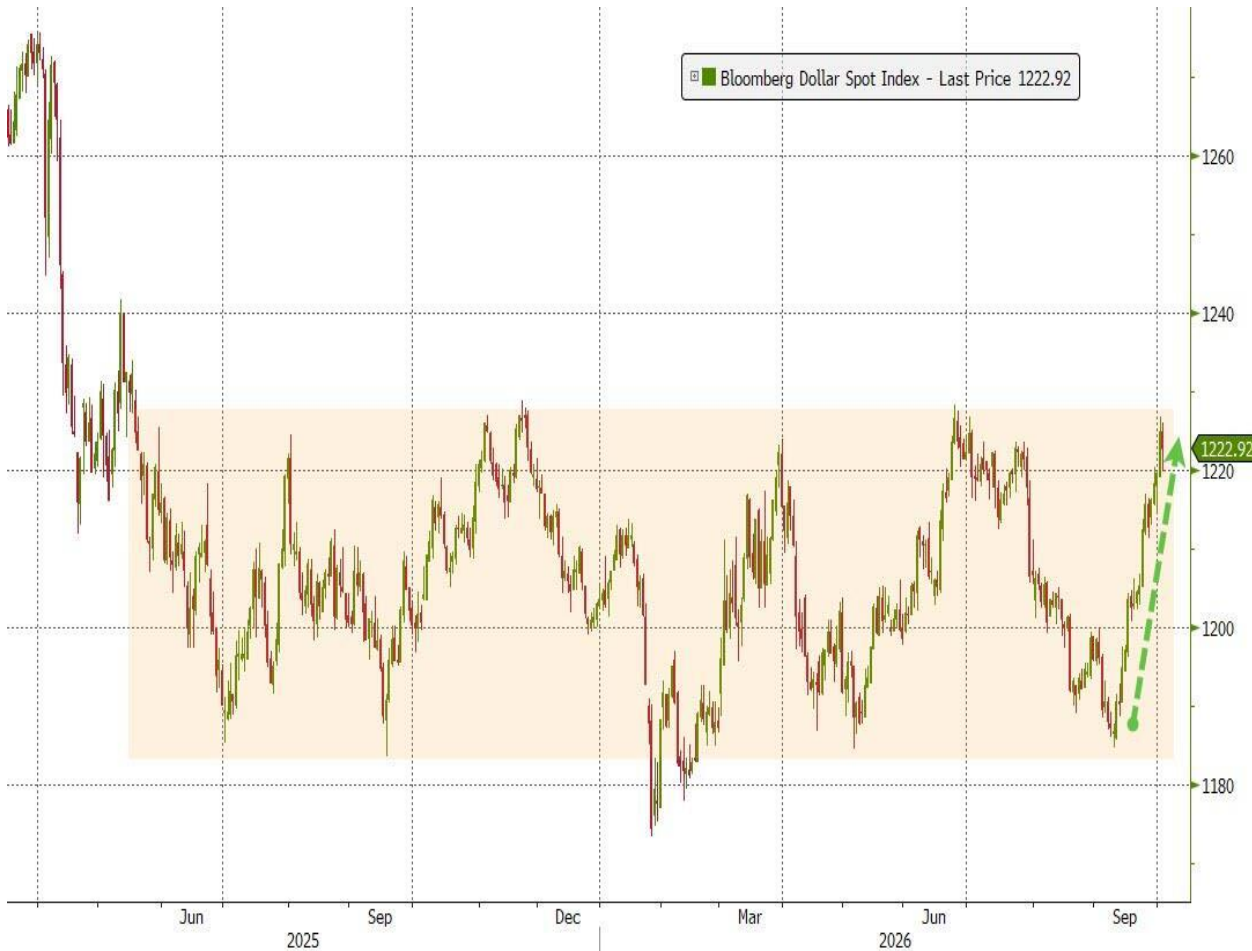


US bond yields continued to rise last week. On Thursday, the yield on 10-year Treasury bonds reached 5.33% the highest level since April 2002 while the yields on 30-year and 2-year bonds stood at 5.67% and 4.91%, respectively.



The dollar index surged for the third consecutive week, breaking out of the trading range that had formed over the past 18 months.

The \$4,200 level remains key for gold. Buyers of physical gold continue to actively purchase it during the downturn, and the Bank of Korea has begun buying gold for the first time since 2013.

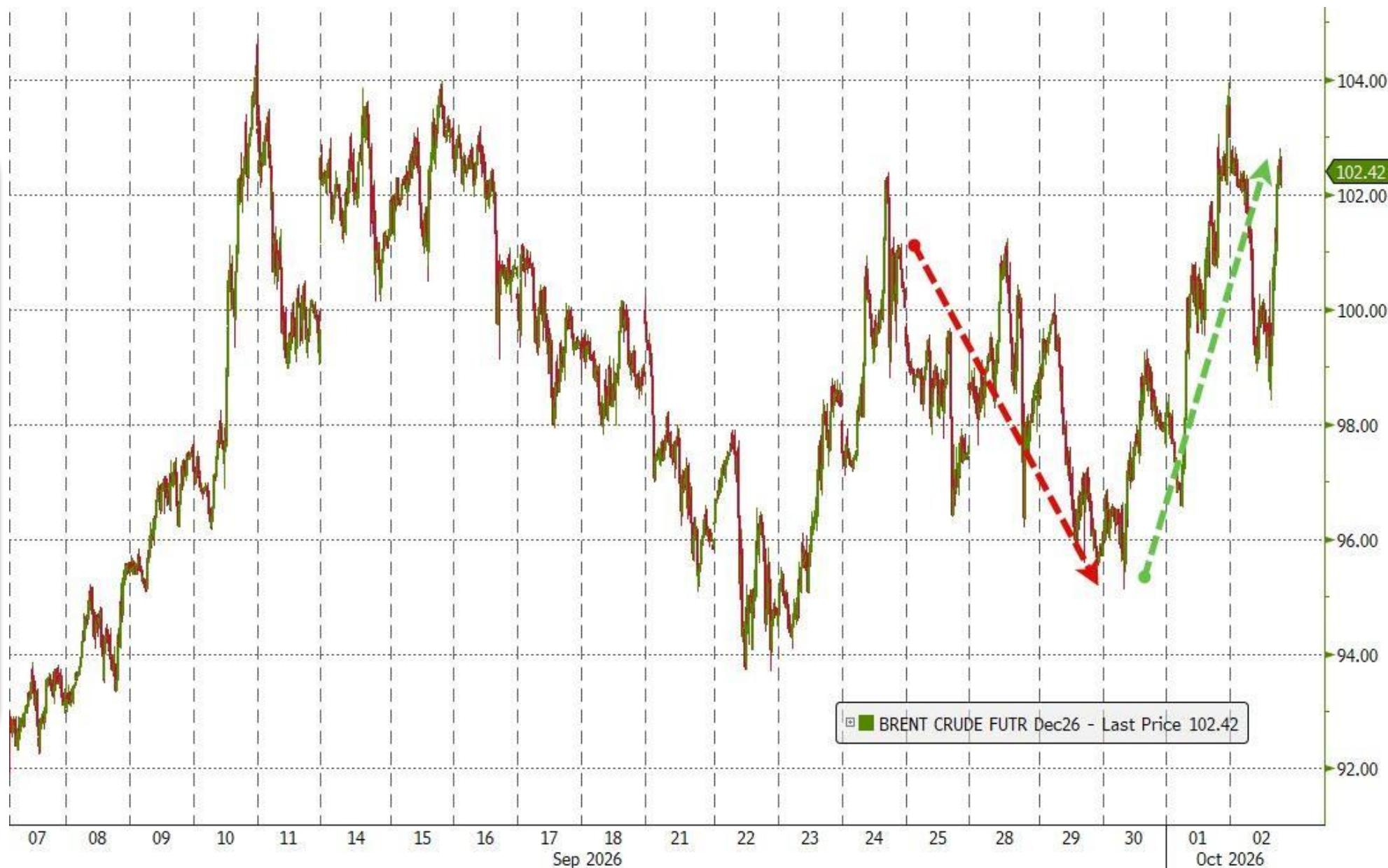


Instability in the EU sharply weakened the euro, increasing investor demand for the dollar. As a result, some capital shifted from the euro to the dollar, strengthening the US currency.

The USD/JPY exchange rate approached the 158 level amid higher-than expected Consumer Price Index figures, which raised expectations of another interest rate hike by the Bank of Japan. Meanwhile, the EUR/JPY pair fell to a ten-month low amid mounting political uncertainty in France.



Oil prices remain above \$100, intensifying pressure on Europe. On Friday, the price of Brent crude topped \$102 amid escalating tensions involving Iran and attacks on tankers. However, the primary pressure centered on supplies of refined petroleum products. On Thursday, Chinese refineries halted fuel exports to destinations outside Hong Kong and Macau, further straining the diesel market.



On Friday, G7 nations agreed to release 100 million barrels of oil and fuel onto the market over the next four months prioritizing diesel for the next 20 days which led to a slight drop in fuel prices. At the same time, tensions surrounding the Strait of Hormuz and news of military clashes between Saudi Arabia and the Houthis continued to drive high volatility in the oil market.

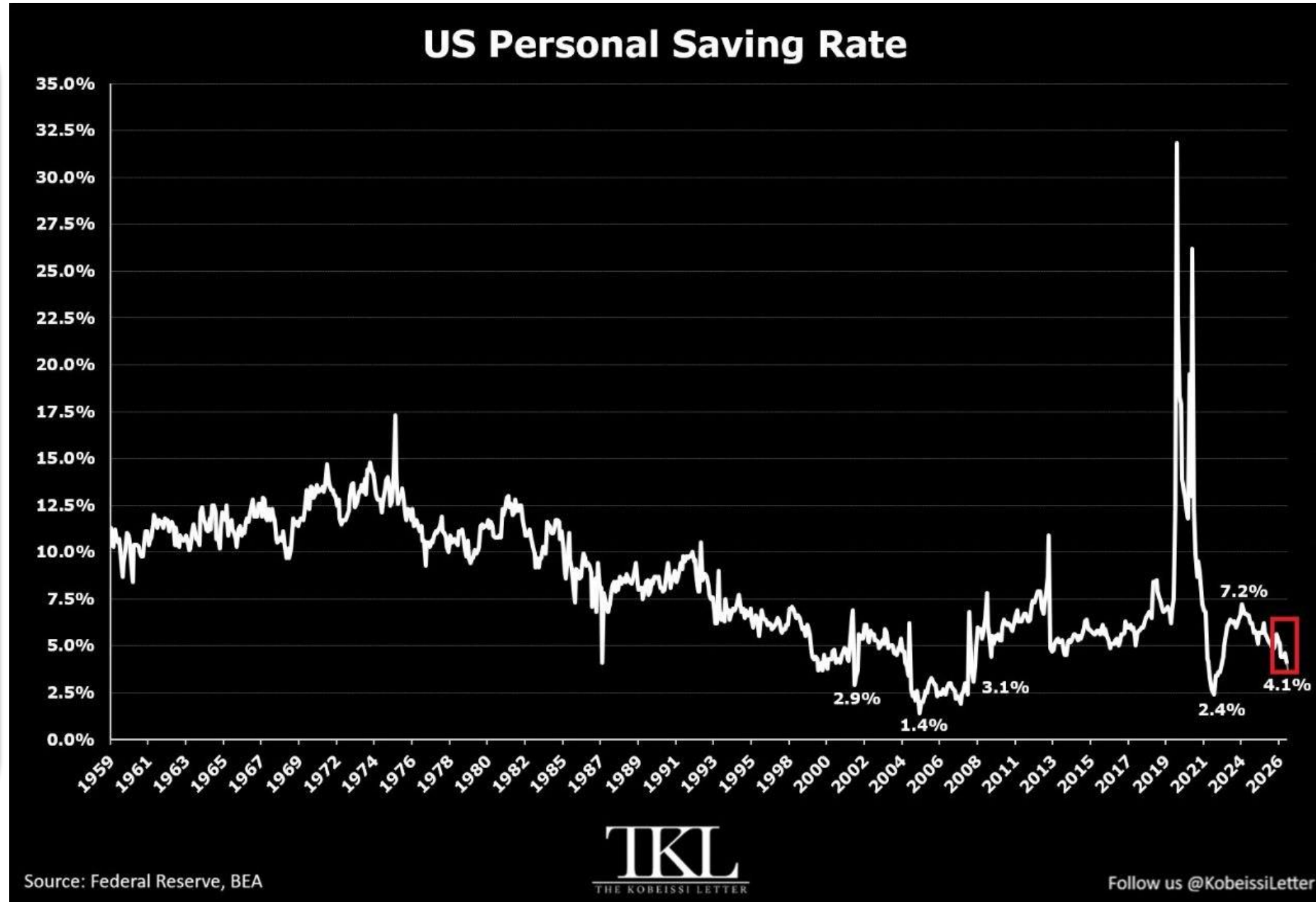


Bitcoin showed **positive momentum** this week

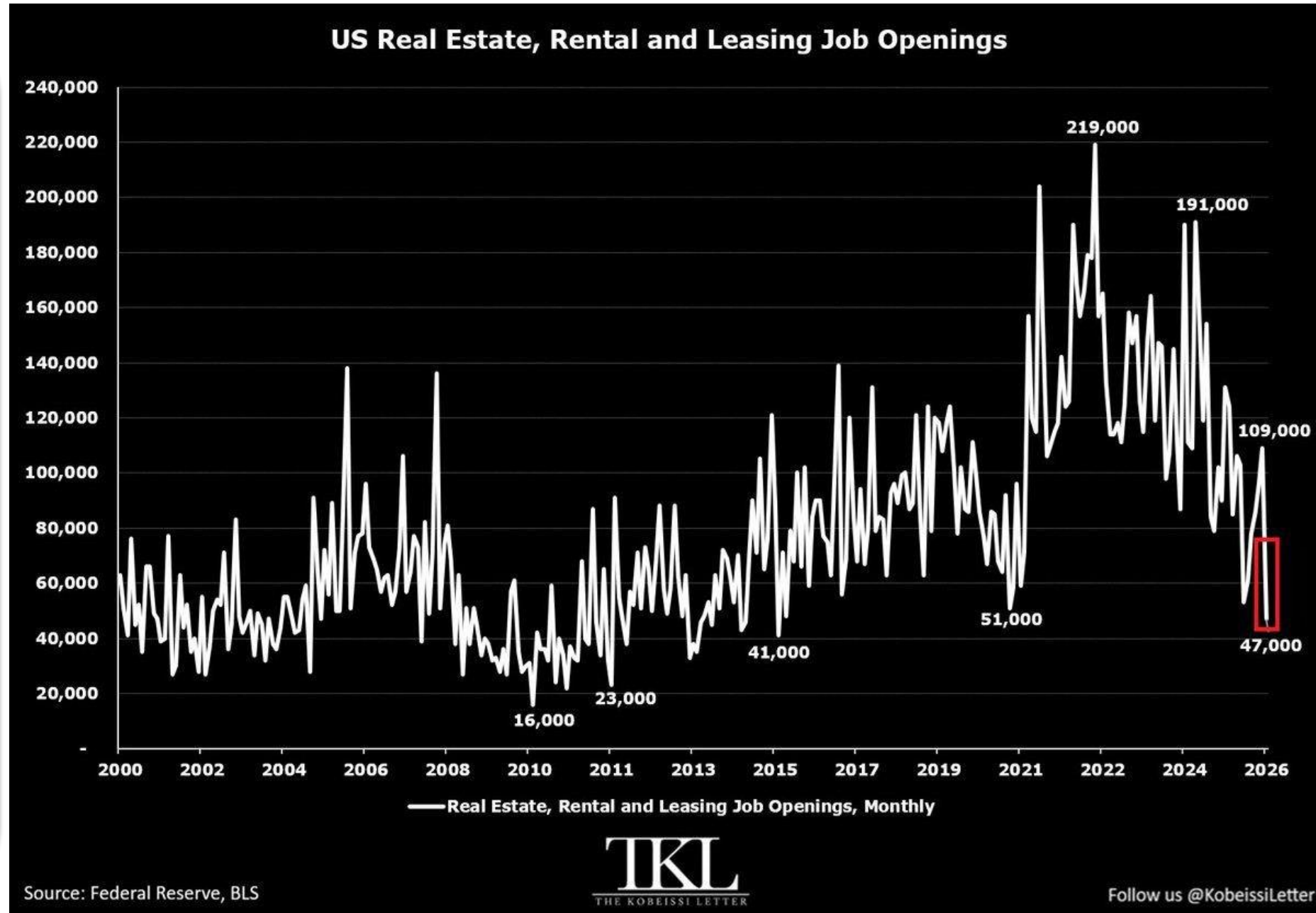
The price of Bitcoin surpassed \$85,000 and neared \$87,000 reaching its highest level since September 23 but fell sharply at the end of the week amid rising interest rates.



The US personal savings rate fell -0.5 percentage points in August, to 4.1%, the lowest level since November 2021. Since January 2025, this figure has declined -1.6 percentage points. Excluding the 2022 drop, when elevated inflation eroded purchasing power and forced American households to spend more on essentials, the savings rate is now at its lowest level since 2008. Meanwhile, the 5-year average of this metric fell to 5.4%, the lowest in 14 years. By comparison, before the 2020 pandemic, the average savings rate was ~6.0%. Households are depleting their savings amid ongoing inflation.



US job openings dropped -256,000 in August, to 7.08 million, their lowest level since March. Available vacancies have now declined by -506,000 since April. The decline was driven by real estate and rental and leasing job openings, which fell -62,000, to 47,000, their lowest since September 2015. Since January 2025, job openings in this sector have plunged -144,000. Furthermore, job openings in manufacturing and construction declined -54,000 and -48,000 last month, respectively. As a result, there are just 48,000 more available vacancies than unemployed workers, down from 419,000 in July. The Fed cannot ignore the weak US labor market.



Goldman says 2027 hyperscaler capex estimates have jumped 66% since the start of 2026 to \$1.89T.

- GOOGL \$253B → \$507B (+100%)
- AMZN \$301B → \$505B (+68%)
- MSFT \$227B → \$373B (+64%)
- META \$230B → \$333B (+45%)
- ORCL \$126B → \$174B (+38%)

Really interesting seeing cloud backed capex ramp the fastest while nearly \$1T a year is now flowing into AI picks and shovels even with the 10-year above 5%.

Exhibit 1: Since the start of 2026, consensus CY26-27 capex estimates for the 5 US-based hyperscalers (GOOGL, MSFT, AMZN, META and ORCL) have risen by ~66% (or a combined ~\$750bn total)

Consensus CY26-27 US-Based Hyperscaler Capex Ests. (\$bn), at YE2025 v. Current



“Current” represents data as of 9/23/26; MSFT capex represents additions to PP&E (excl. capital leases)

Source: Visible Alpha Consensus Data, Data compiled by Goldman Sachs Global Investment Research

US Treasury yields are absolutely EXPLODING:

The 30-year Treasury yield is up to 5.61%, its highest level in 24 years. This marks a +33 basis points move in just one week! This is unprecedented.



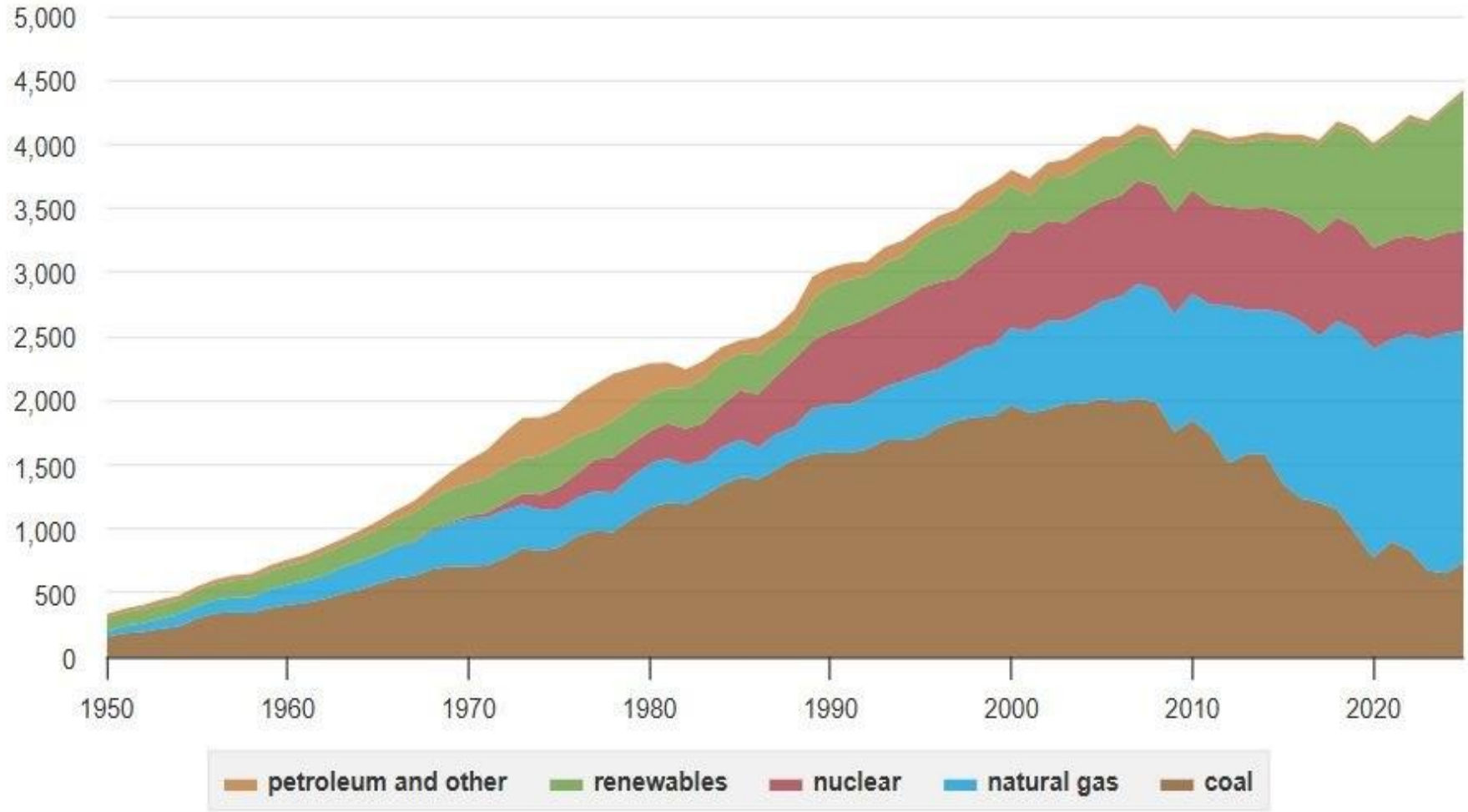
The AI boom is running into the hard reality of physics.

After 2 decades of almost zero power demand growth in the US, ~100 GW of power is needed to run US data centers through 2028, according to Morgan Stanley. To put this into perspective, that's the equivalent of ~100 nuclear power plants needed in 2 years, while it takes ~10 years to build one...

You could use gas turbines... but order books are stretching into 2030, and manufacturers are struggling to ramp up production. The latest news of Oracle declaring force majeure on its New Mexico data center could be the canary in the coal mine for the AI industry. No power = no AI.

U.S. electricity generation by major energy source, 1950-2025

billion kilowatthours



Data source: U.S. Energy Information Administration, *Monthly Energy Review*, March 2026, and *Electric Power Monthly*, January 2026, preliminary data for 2025



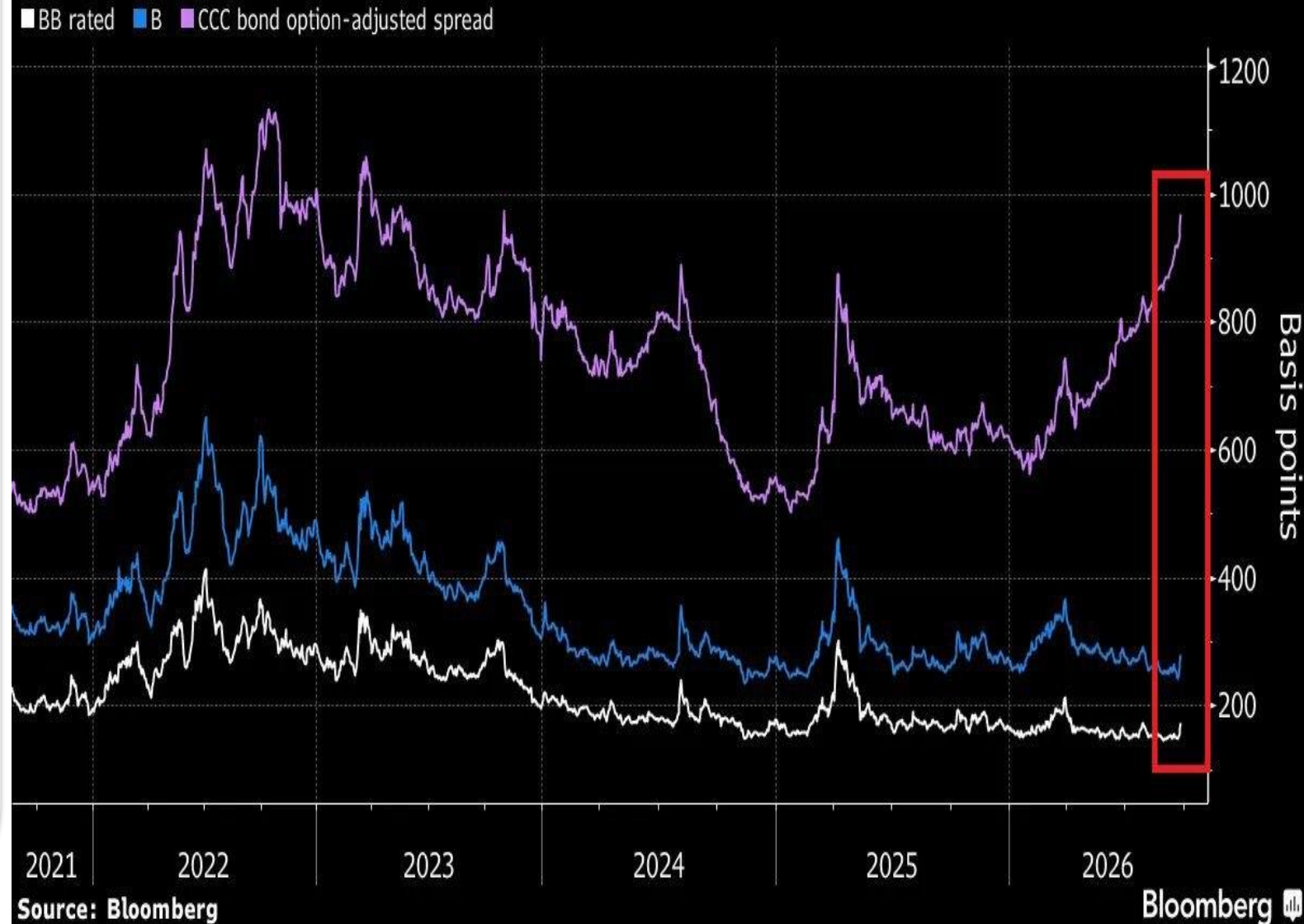
Note: Includes generation from power plants with at least 1 megawatt electric generation capacity.

Credit risk is skyrocketing in the junk bond market:

The average spread on US high-yield bonds has widened to 294 basis points, its highest level since April, as a surge in corporate bond issuance puts pressure on credit markets. The deterioration is much more severe at the lowest-quality end, with CCC-rated bond spreads spiking to 968 basis points, their widest level since November 2023 and approaching the March 2023 banking crisis levels. This comes as September high-yield issuance has already reached \$38.51 billion, making it the busiest month of the year, while another \$44.4 billion of investment-grade high-yield bonds is expected to be issued by Paramount this week. Rising Treasury yields are adding further pressure, making investors demand greater compensation for taking corporate credit risk. Meanwhile, Goldman estimates that nearly \$600 billion of AI-linked debt has been issued across credit markets so far in 2026, with ~40% coming from hyperscalers. The weakest parts of the corporate bond market are coming under severe pressure.

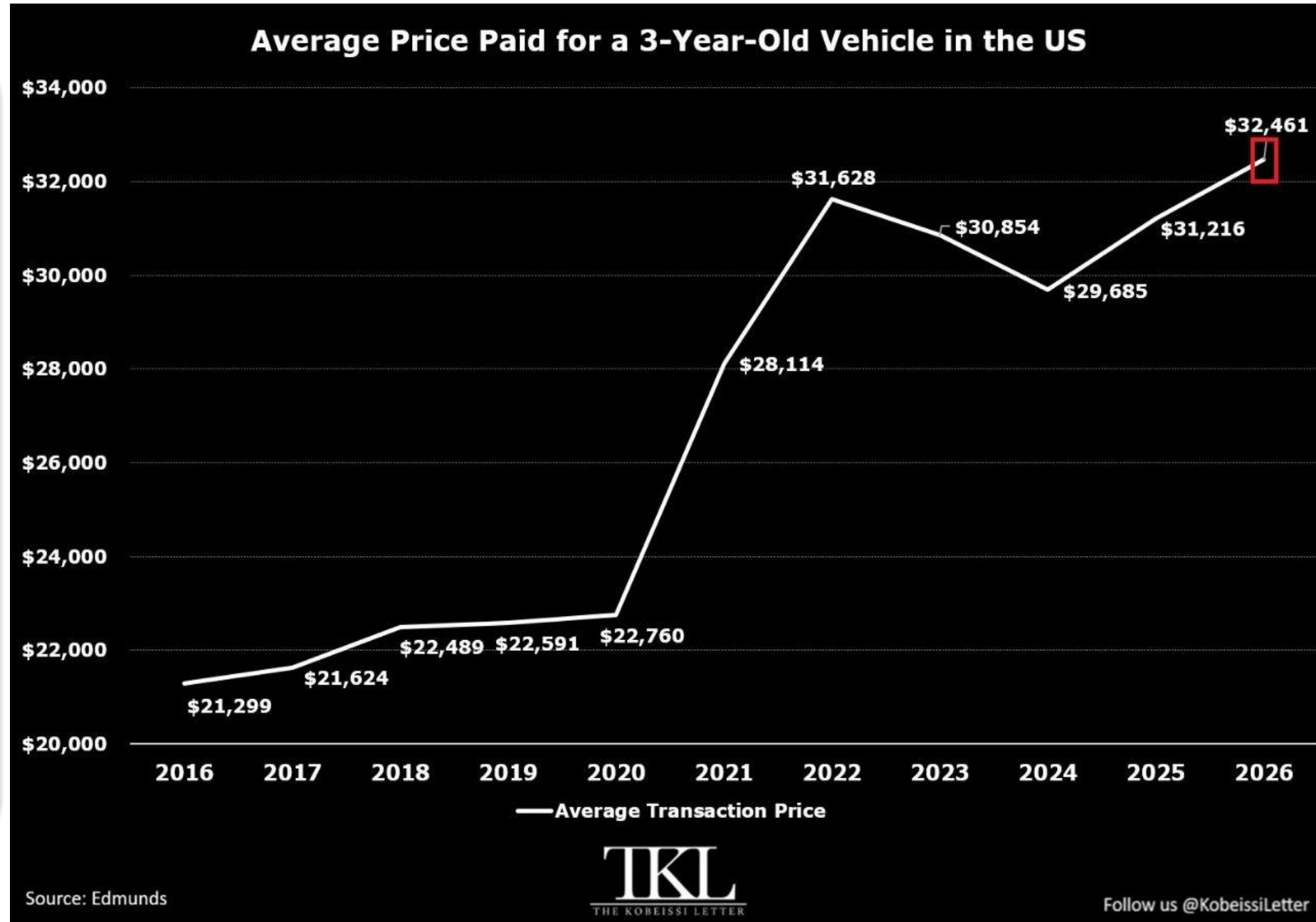
Junkiest Junk Risk Flares

CCC debt risk premium is widest since November 2023



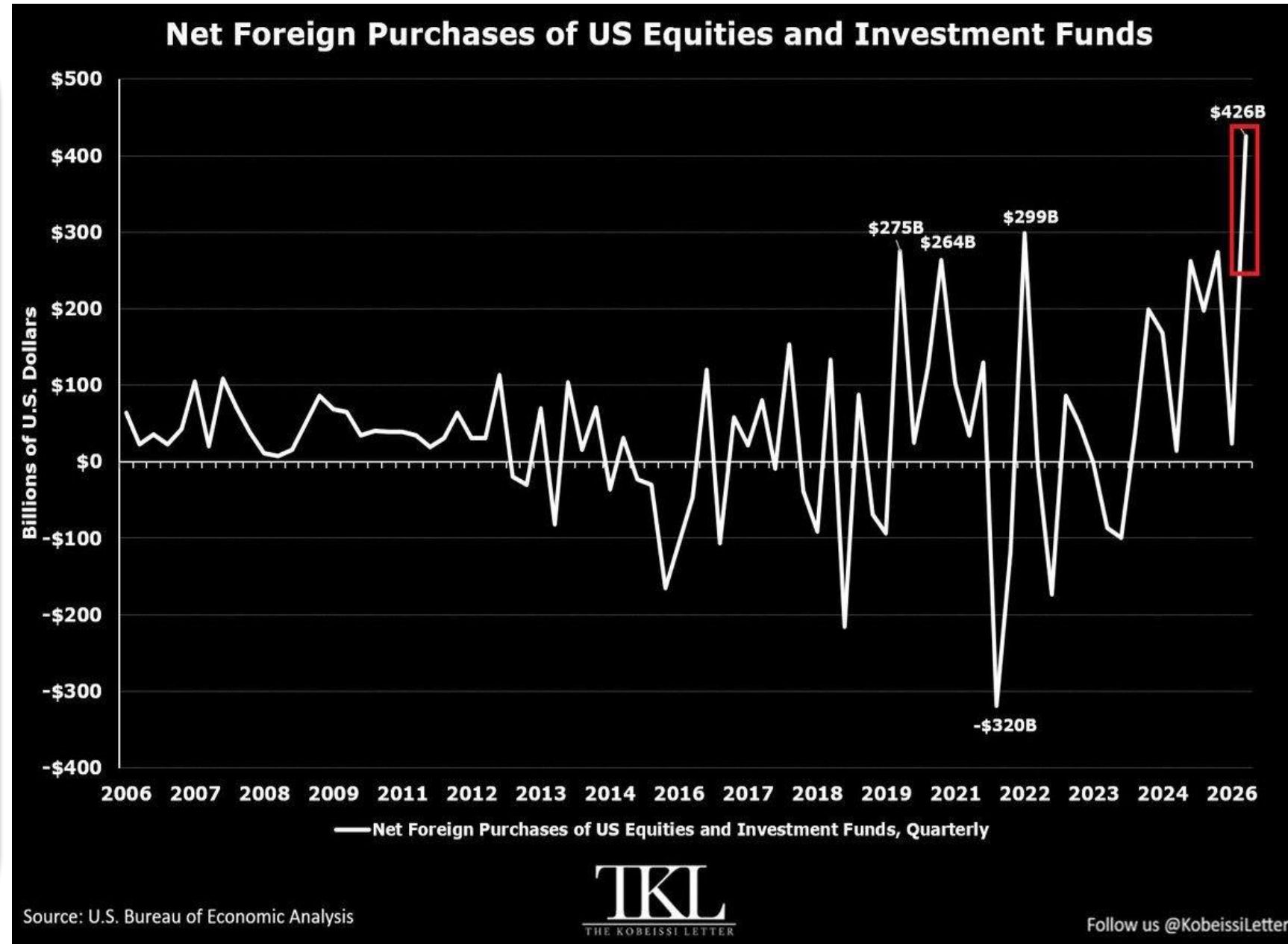
America's car affordability crisis is getting worse.

The average price paid for a 3-year-old vehicle in the US surged to a record \$32,461 in Q2 2026. This officially surpasses the previous record of \$31,628 set in 2022. Since 2020, the average price of a 3-year-old vehicle has soared +\$9,701, or +43%. The squeeze is becoming even more visible at the lower end of the market, where a \$10,000 to \$15,000 budget now buys a vehicle averaging nearly 9 years old with ~98,000 miles. In 2019, the same budget bought a vehicle less than 5 years old with ~58,000 miles. Even used car ownership is becoming a luxury.



The inflow of foreign capital into the US market remains at a high level.

Foreign investors bought a net +\$426 billion of US equities and investment fund shares in Q2 2026, the largest quarterly purchase on record. This marks the 9th consecutive quarterly net purchase, totaling +\$1.6 trillion. By comparison, the previous record of +\$299 billion was set in Q2 2022. Furthermore, foreign investor purchases of US equities and investment fund shares rose to +\$942 billion in the 12 months ending in July, their largest rolling 12-month total in Treasury data going back to 1985. Meanwhile, foreign investors bought a net +\$188 billion in US debt securities in Q2 2026, down from +\$314 billion in Q1 2026. Foreign investors are piling into US equities.



This week, 23 companies will publish their financial reports for the second quarter of 2026. Among the most anticipated by market participants are the reports from PepsiCo, Inc. (PEP), Delta Air Lines, Inc. (DAL), Constellation Brands, Inc. (STZ), RPM International Inc. (RPM) and many other companies.

No.	Ticker	Company	Sector	Industry	Country	↓ Market Cap	P/E	Price
1	 PEP	PepsiCo Inc	Consumer Defensive	Beverages - Non-Alcoholic	USA	172.96B	16.62	126.72
2	 DAL	Delta Air Lines Inc	Industrials	Airlines	USA	54.89B	13.87	83.46
3	 STZ	Constellation Brands Inc	Consumer Defensive	Beverages - Brewers	USA	19.31B	10.79	113.06
4	 RPM	RPM International Inc	Basic Materials	Specialty Chemicals	USA	12.59B	19.11	98.67
5	 LEVI	Levi Strauss & Co	Consumer Cyclical	Apparel Manufacturing	USA	7.58B	16.12	19.70
6	 APLD	Applied Digital Corp	Technology	Information Technology Services	USA	7.29B	-	24.37
7	 LW	Lamb Weston Holdings Inc	Consumer Defensive	Packaged Foods	USA	5.73B	19.98	41.69
8	 NG	Novagold Resources Inc	Basic Materials	Gold	USA	2.85B	-	6.50
9	 PENG	Penguin Solutions Inc	Technology	Information Technology Services	USA	2.80B	34.70	54.69
10	 NEOG	Neogen Corp	Healthcare	Medical Devices	USA	2.79B	-	12.80
11	 WS	Worthington Steel Inc	Basic Materials	Steel	USA	1.79B	251.28	35.23
12	 ODC	Oil-Dri Corp Of America	Basic Materials	Specialty Chemicals	USA	1.22B	23.39	90.59
13	 APOG	Apogee Enterprises Inc	Industrials	Building Products & Equipment	USA	738.11M	11.13	35.37
14	 ANGO	Angiodynamic Inc	Healthcare	Medical Instruments & Supplies	USA	646.80M	-	15.38
15	 HELE	Helen of Troy Ltd	Consumer Defensive	Household & Personal Products	Bermuda	638.44M	-	27.41
16	 TLRY	Tilray Brands Inc	Healthcare	Drug Manufacturers - Specialty & Generic	Canada	554.18M	-	3.75
17	 SAR	Saratoga Investment Corp	Financial	Asset Management	USA	267.91M	16.65	16.66
18	 RELL	Richardson Electronics Ltd	Technology	Electronic Components	USA	259.93M	40.31	17.73
19	 RGP	Resources Connection Inc	Industrials	Consulting Services	USA	130.48M	-	3.76
20	 HOVR	New Horizon Aircraft Ltd	Industrials	Aerospace & Defense	Canada	114.11M	-	1.70

^	Monday, Oct. 5					
∨	9:45 AM	US Services PMI	Sep	-	-	56.5
∨	10:00 AM	ISM Report On Business Services PMI	Sep	-	-	55.4
^	Tuesday, Oct. 6					
∨	8:30 AM	U.S. Trade Balance	Aug.	-	-	-88.6B
∨	6:00 PM	FRB Dallas President Lorie Logan participates in Global Perspectives event	-	-	-	-
^	Wednesday, Oct. 7					
∨	2:00 PM	Federal Open Market Committee meeting minutes	-	-	-	-
∨	3:00 PM	Consumer Credit	Aug.	-	-	18.1B
^	Thursday, Oct. 8					
∨	8:30 AM	Weekly Jobless Claims	Oct. 3	-	-	-
∨	10:00 AM	Monthly Wholesale Trade	Aug.	-	-	1.3%
^	Friday, Oct. 9					
∨	9:30 AM	FRB Kansas City President Jeffrey Schmid speaks at Kansas City Economic Outlook event	-	-	-	-
∨	10:00 AM	U. Michigan Prelim Consumer Survey	Oct.	-	-	47.8

