CBC Weekly Economic Update for the Week Ending November 13th

Monday Loan & Deposit Pipeline Meeting

November 16, 2026

Presented By: Mark Yoon CFA CPA
EVP & CFO
Commercial Bank of California (CBC)

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Stock & Oil Markets

Market trends and key drivers

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Producer Price Index (PPI) for October

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Key Takeaways

What it all means and the road ahead

CBC Commercial Bank of California



Stock & Oil Markets

FINANCIAL MARKETS

Equity Markets

Stocks Post First Weekly Gain Since Early October, Despite a Volatile Week



Inflation pressures return

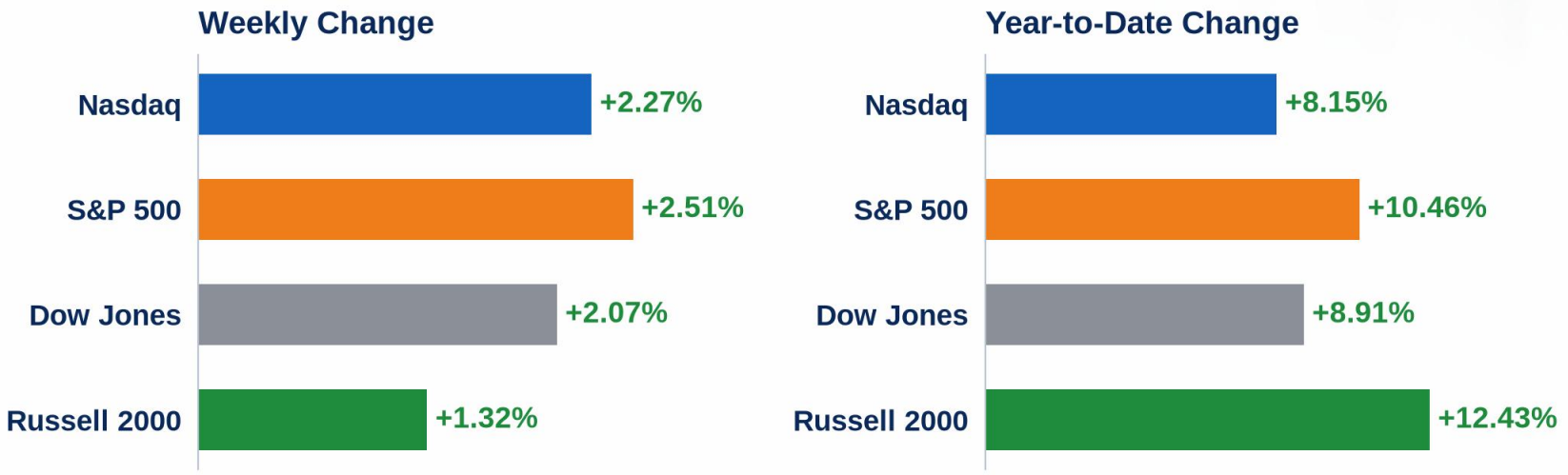
Hotter-than-expected October consumer and wholesale inflation pushed Treasury yields higher, raising concerns the Fed could keep rates elevated for longer.

AI rally meets leadership shock

CoreWeave's strong earnings sparked a Wednesday rally in AI stocks, but Jensen Huang's sudden resignation as Nvidia CEO raised questions about the AI outlook.

Major Index Performance — Weekly vs. Year-to-Date

Week ended 11/13/2026



Weekly Performance

Nasdaq	25,136	+2.27% (YTD +8.15%)
S&P 500	7,562	+2.51% (YTD +10.46%)
Dow Jones	52,348	+2.07% (YTD +8.91%)
Russell 2000	2,791	+1.32% (YTD +12.43%)

KEY TAKEAWAY: Inflation data and AI headlines are driving the market. Despite sharp daily swings, all four major indexes finished the week higher, led by the S&P 500 (+2.51%).

Source: Bloomberg

ENERGY MARKETS

Brent & WTI Crude Oil

Oil Falls for a Second Straight Week as Supply Concerns Ease



Supply concerns ease

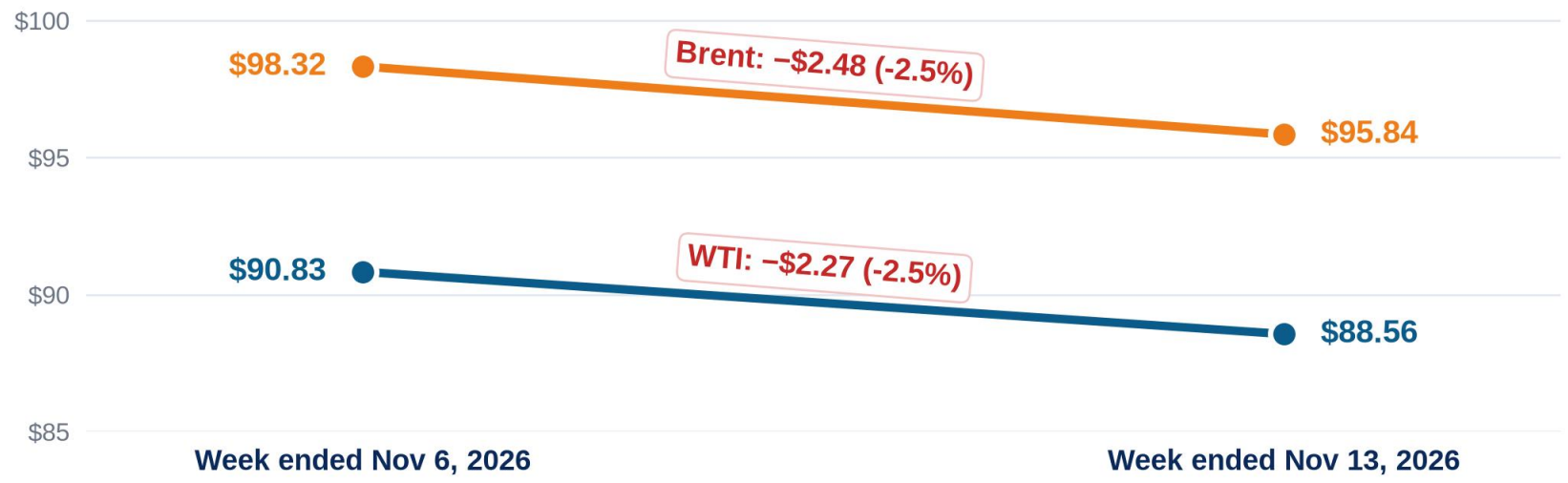
The IEA reported the first global oil surplus since the Iran war began, while U.S. inventories rose and refinery runs hit a seasonal record.

Geopolitics keep prices volatile

President Trump told VP JD Vance to focus on domestic issues over Iran talks, dimming hopes for a diplomatic deal as markets weigh post-midterm shifts.

Crude Oil Prices — Prior Week vs. This Week

$ per barrel



Weekly Performance

Brent Crude

$95.84 −2.5%

per barrel

−$2.48 from $98.32

WTI Crude

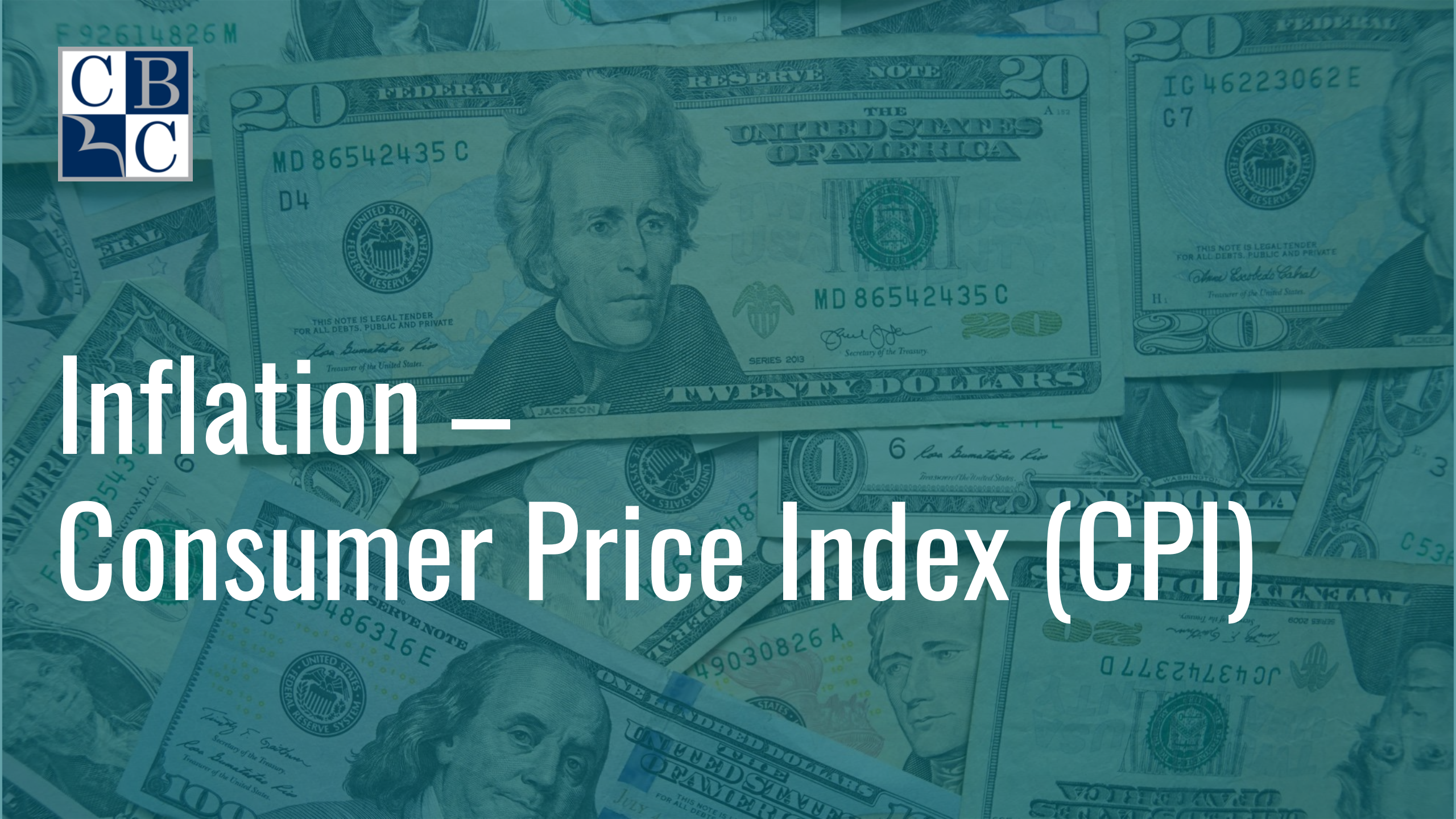
$88.56 −2.5%

per barrel

−$2.27 from $90.83

KEY TAKEAWAY: A shift to a global supply surplus pushed oil lower for a second straight week, but U.S.-Iran diplomacy and post-midterm politics could keep prices volatile.

Source: Bloomberg



Inflation – Consumer Price Index (CPI)

INFLATION

Headline CPI — October

Headline Inflation Cooled in October, But Not as Much as Expected



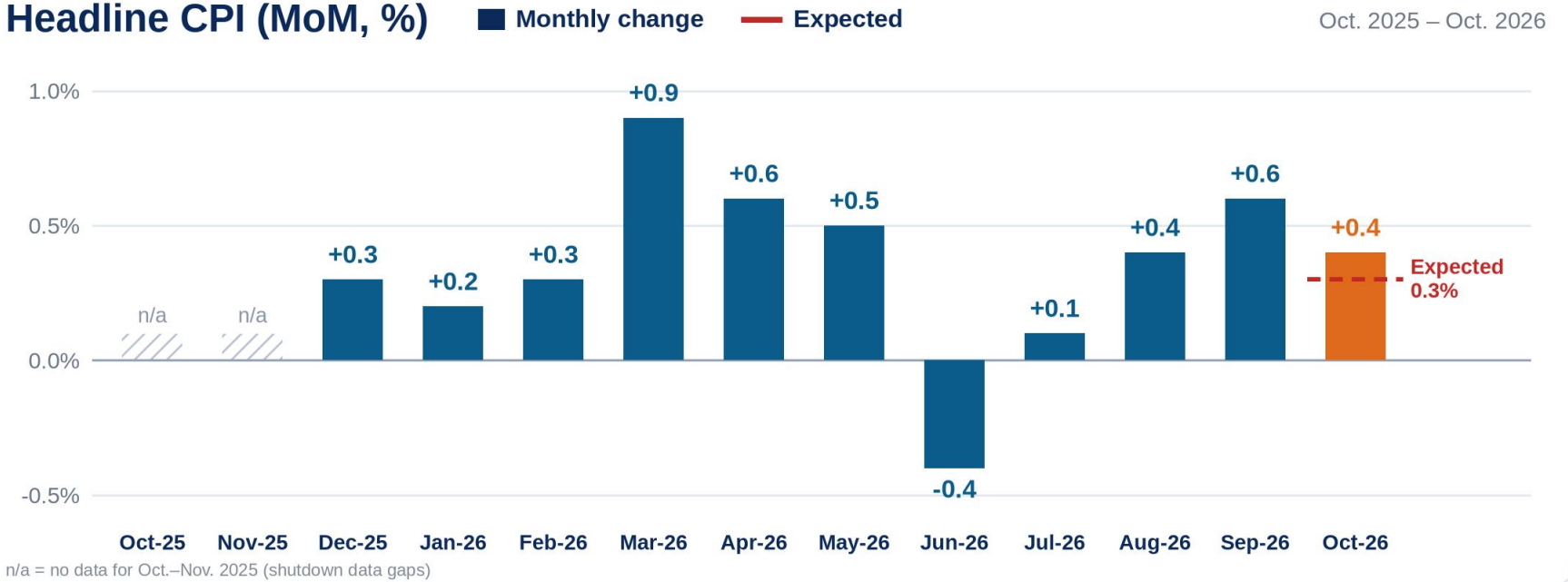
Cooler, but above forecast

Prices rose 0.4% in October, down from 0.6% in September but above the 0.3% the market expected.

Essentials drove the increase

Price gains were broad. There's no year-over-year figure this month because of data-collection gaps during last year's shutdown.

Headline CPI (MoM, %)



n/a = no data for Oct.–Nov. 2025 (shutdown data gaps)

Key Numbers

October CPI
+0.4% +0.1 pt
vs. 0.3% expected

September CPI
+0.6%
prior month

Year-over-year
n/a
not published this month

KEY TAKEAWAY: Headline inflation slowed from September, but a hotter-than-expected 0.4% gain shows price pressures are still broad, especially for everyday essentials.

Source: Bureau of Labor Statistics

INFLATION

Food Prices — October

Food Prices Heated Up



Groceries rebound

Groceries rose 0.4% after falling 0.1% in September. Meat, poultry, fish and eggs led the increase, while cereals and coffee got cheaper.

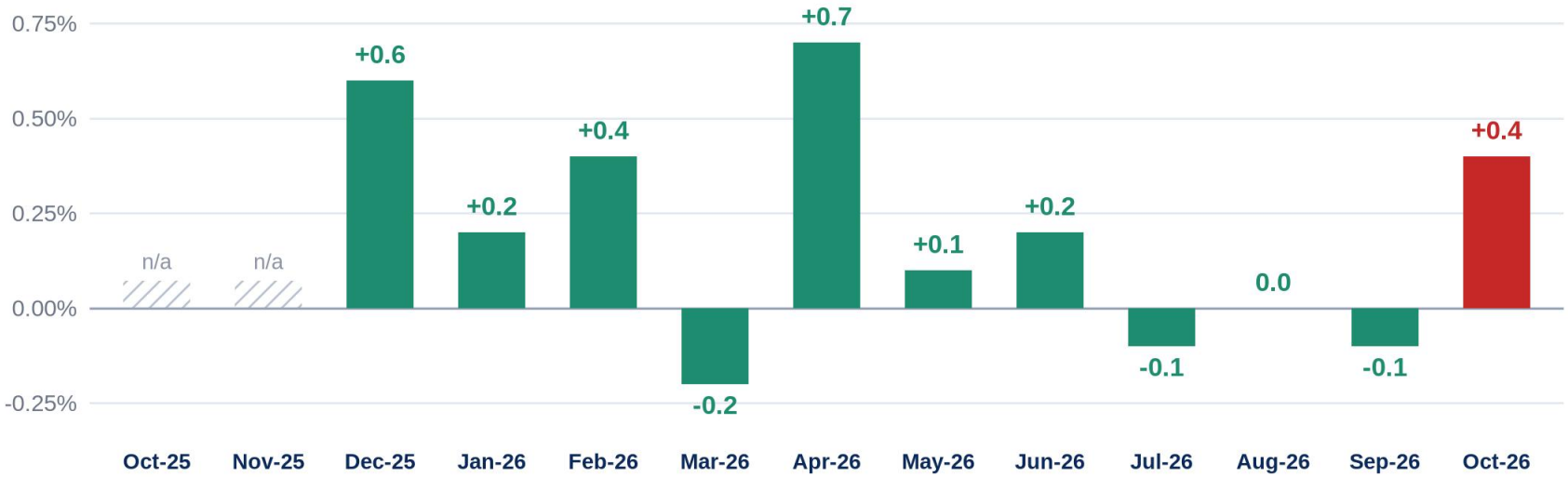
Dining out heats up

Restaurant prices rose 0.5%, up from 0.2% in September and the biggest monthly increase since December.

Groceries (MoM, %)

Monthly change

Oct. 2025 – Oct. 2026



n/a = no data for Oct.–Nov. 2025 (shutdown data gaps)

Key Numbers

Groceries

+0.4% +0.5 pt

up from −0.1% in Sept.

Dining out

+0.5% +0.3 pt

biggest gain since December

Led by

Meat & eggs

cereals & coffee got cheaper

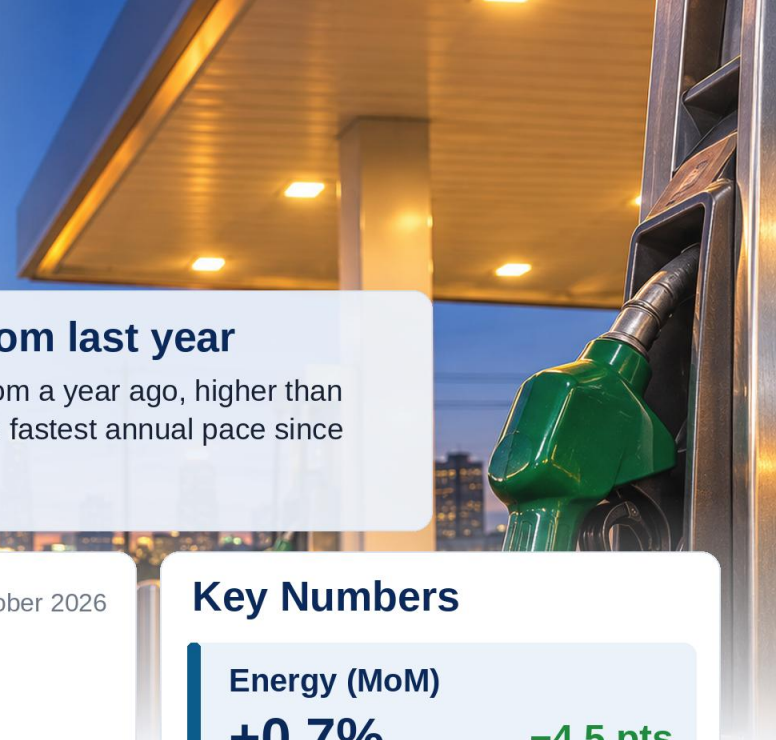
KEY TAKEAWAY: Food prices heated up in October at both the grocery store and restaurants, adding to the pressure on household budgets.

Source: Bureau of Labor Statistics

INFLATION

Energy Prices — October

Energy Prices Cooled, But Gas Is Still Way Up from Last Year



Energy inflation cools

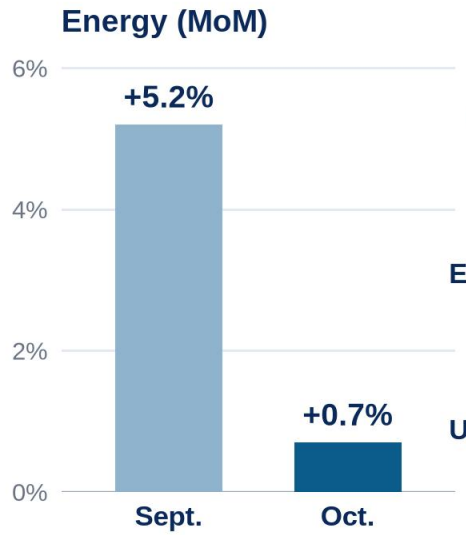
Energy rose 0.7% in October, down from 5.2% in September. Gasoline (+1.0%) and electricity (+0.9%) more than offset a 0.8% drop in utility gas.

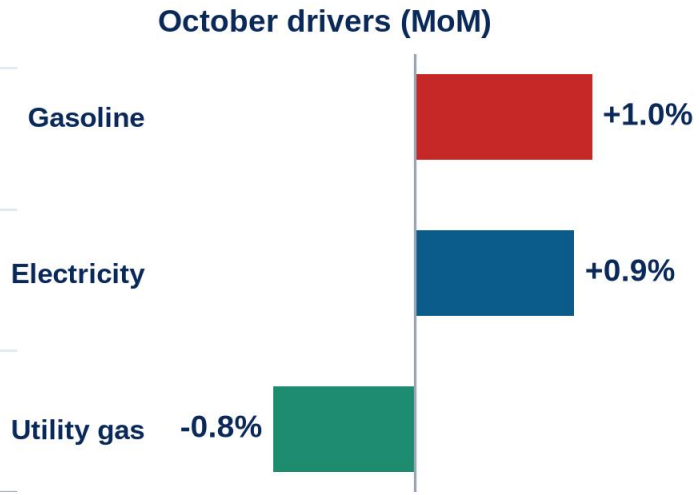
Gas still way up from last year

Gas prices are up 37.4% from a year ago, higher than September's 34.2% and the fastest annual pace since May.

Energy Price Changes

September vs. October 2026







Key Numbers

Energy (MoM)
+0.7% −4.5 pts
down from +5.2% in Sept.

Gasoline (YoY)
+37.4% +3.2 pts
fastest annual pace since May

Utility gas (MoM)
−0.8%
offset by gasoline & electricity

KEY TAKEAWAY: Monthly energy inflation cooled sharply, but gasoline is still up more than a third from a year ago, keeping pressure on consumers at the pump.

Source: Bureau of Labor Statistics

INFLATION

Core Goods & Services

Prices Eased, But Rising Costs Are Still Reaching Consumers



Core goods: +0.2%, down from 0.3%

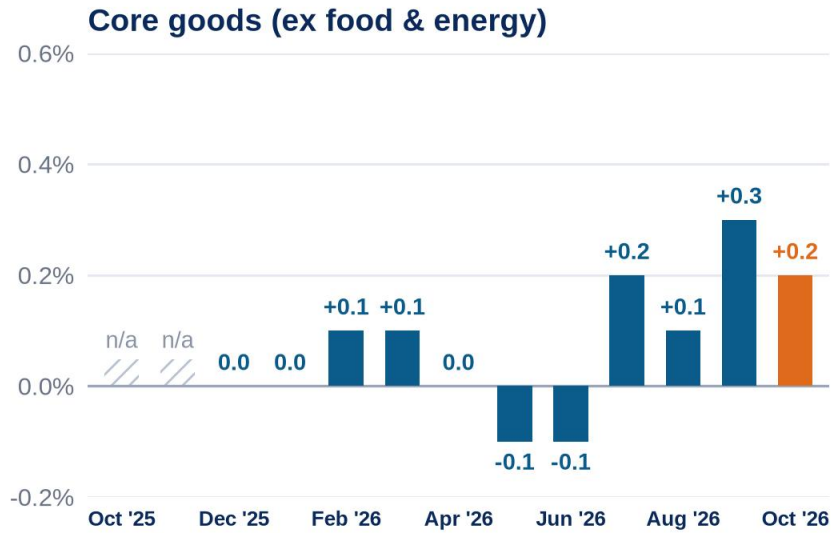
Items exposed to tariffs and freight costs got pricier, including TVs, appliances, furniture and toys, while used cars got cheaper.

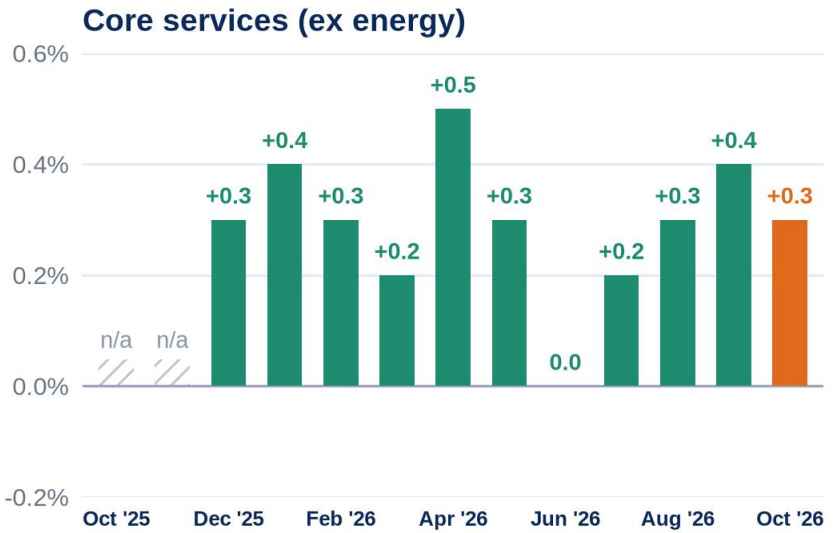
Core services: +0.3%, down from 0.4%

Shelter drove about 31% of October's total increase, and delivery, postage, moving and car insurance costs climbed.

Monthly Change (%)

Oct. 2025 – Oct. 2026





n/a = no data for Oct.–Nov. 2025 (shutdown data gaps)

Key Numbers

Core goods

+0.2% −0.1 pt

down from +0.3% in Sept.

Core services

+0.3% −0.1 pt

down from +0.4% in Sept.

Shelter's share

~31%

of October's total CPI increase

KEY TAKEAWAY: Core prices cooled a bit, but tariffs, freight and shelter costs are still pushing up prices for everyday goods and services.

Source: Bureau of Labor Statistics

INFLATION

Core CPI — October

Core Inflation Came in Hotter Than Expected, and the Fed Is Likely to Raise Rates



Hotter than expected

Core CPI (excluding food and energy) rose 0.3%, above the 0.2% expected. That's the same pace as September, so underlying inflation isn't letting up.

All eyes on December 8–9

This was the last CPI report before the Fed's meeting, and it strengthens expectations of a rate hike.

Core CPI (MoM, %)

Monthly change — Expected

Oct. 2025 – Oct. 2026



n/a = no data for Oct.–Nov. 2025 (shutdown data gaps)

Key Numbers

October core CPI

+0.3% +0.1 pt

vs. 0.2% expected

September core CPI

+0.3% Same pace

no letup in underlying inflation

Next Fed meeting

Dec. 8–9

rate hike expectations rising

KEY TAKEAWAY: Core inflation is running hotter than expected and isn't slowing, which raises the odds that the Fed raises rates at its December 8–9 meeting.

Source: Bureau of Labor Statistics



Inflation – Producer Price Index (PPI)

WHOLESALE INFLATION

Headline PPI — October

Wholesale Prices Cooled, But the Annual Rate Hit a Four-Year High



Monthly pace cooled

PPI rose 0.3%, below the 0.4% expected and well off September's 1.4%, helped by lower energy prices and trade services costs.

Annual rate at a 4-year high

PPI is up 6.5% from a year ago, up from 6.3% in September and the highest since November 2022, though just under the 6.6% forecast.

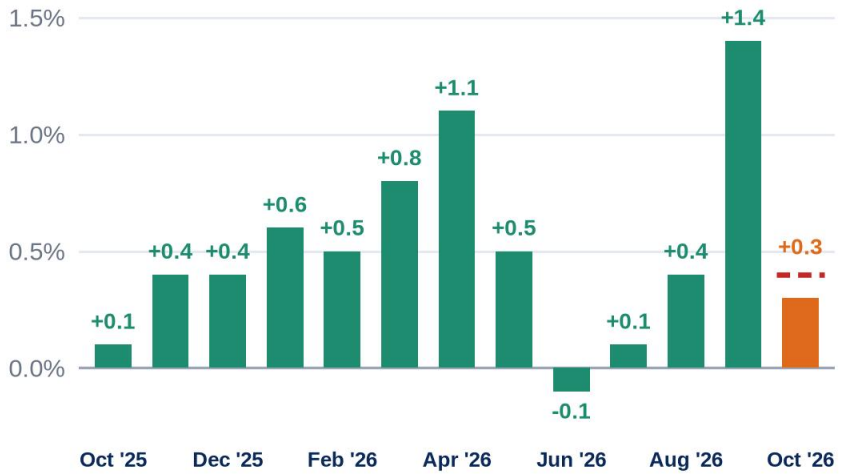
Headline PPI

Monthly | Annual | Expected

Oct. 2025 – Oct. 2026

Monthly change (MoM, %)

Expected: 0.4%



Year-over-year (YoY, %)

Expected: 6.6%



Key Numbers

October PPI (MoM)

+0.3% −0.1 pt

vs. 0.4% expected

September PPI (MoM)

+1.4%

prior month

PPI year-over-year

6.5% +0.2 pt

highest since Nov. 2022

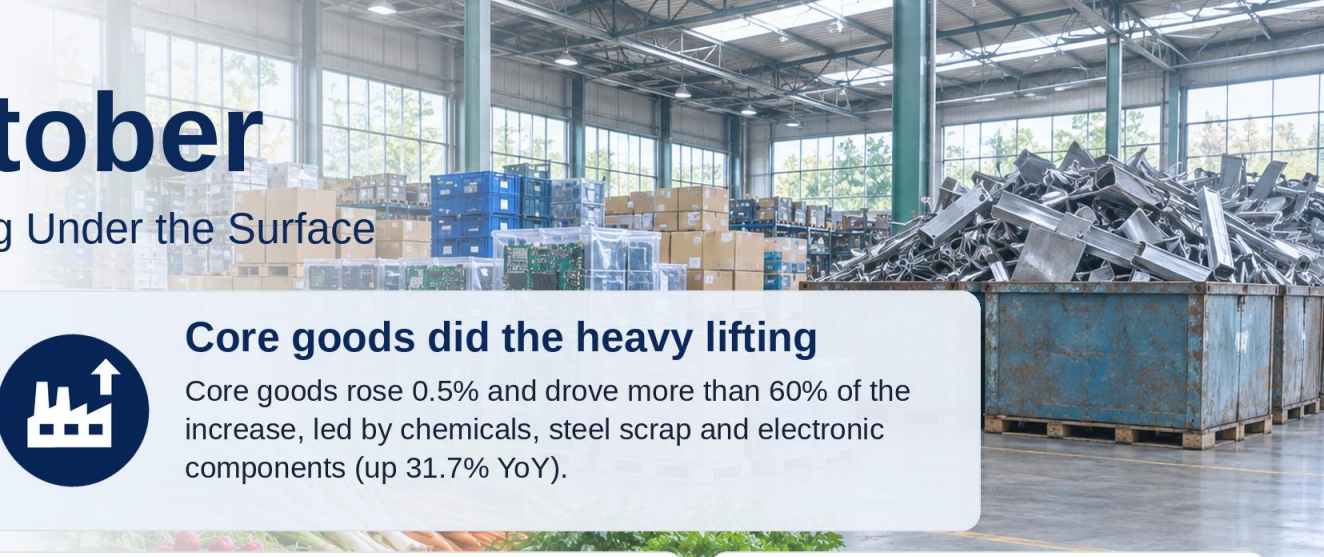
KEY TAKEAWAY: The monthly pace cooled more than expected, but annual wholesale inflation is at its highest in nearly four years, so pipeline price pressure remains elevated.

Source: Bureau of Labor Statistics

WHOLESALE INFLATION

Goods Prices — October

Goods Prices Slowed Sharply, But Costs Are Still Rising Under the Surface



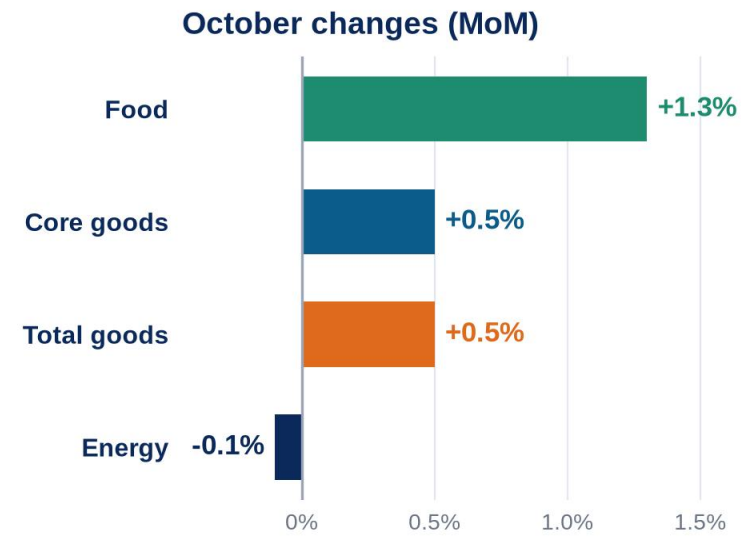
Energy dipped, food jumped

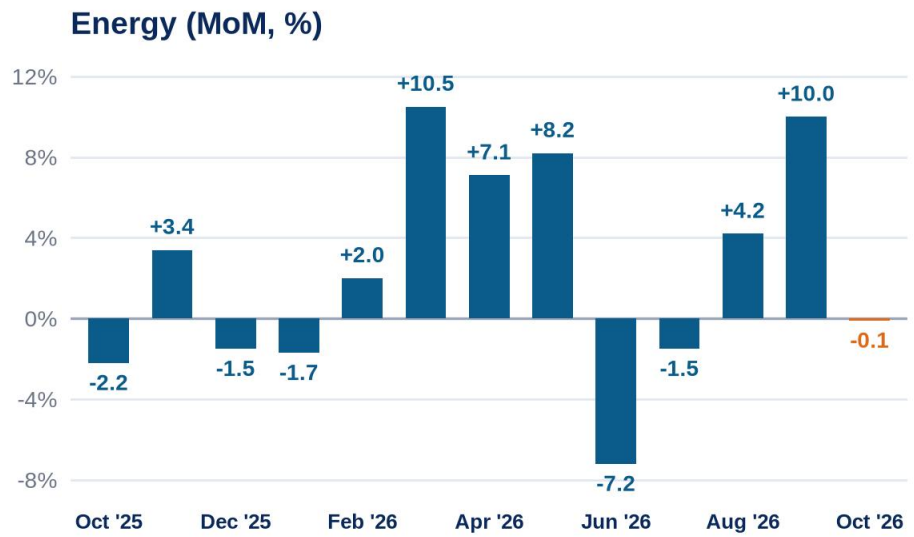
Goods rose 0.5%, down from a record 2.5% in September. Energy slipped 0.1%, but food rose 1.3%, with vegetables up 26.7% and chicken up 10.8%.

Core goods did the heavy lifting

Core goods rose 0.5% and drove more than 60% of the increase, led by chemicals, steel scrap and electronic components (up 31.7% YoY).

Goods PPI





Key Numbers

October goods PPI

+0.5% **−2.0 pts**

down from a record +2.5% in Sept.

Food

+1.3%

vegetables +26.7%, chicken +10.8%

Core goods' share

>60%

of October's goods increase

KEY TAKEAWAY: Lower energy prices masked the real story: food and core goods costs are still climbing, which could keep pressure on consumer prices in the months ahead.

Source: Bureau of Labor Statistics

WHOLESALE INFLATION

Services Prices — October

Services Prices Cooled, But Trucking Costs Are Rising Fast



Services cooled to +0.2%

Down from 1.0% in September. Trade margins slipped 0.2%, while travel-related costs like car rentals and hotels went up.

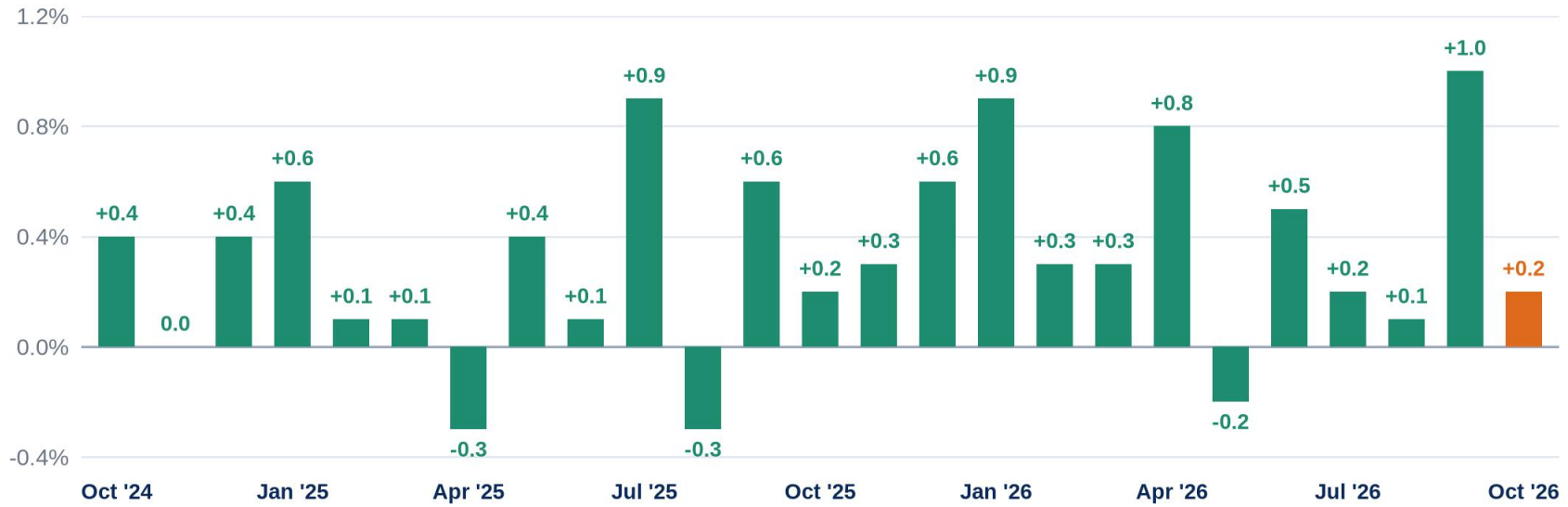
Freight trucking +3.9%

Trucking drove more than 80% of October's services increase. Services inflation held steady at 5.0% from a year ago.

Services PPI (MoM, %)

Monthly change

Oct. 2024 – Oct. 2026



Key Numbers

October services PPI

+0.2% −0.8 pt

down from +1.0% in Sept.

Freight trucking

+3.9%

80%+ of the services increase

Services year-over-year

5.0% Steady

unchanged from September

KEY TAKEAWAY: Services cooled overall, but a sharp jump in freight trucking costs could filter through to the price of goods that businesses and consumers buy.

Source: Bureau of Labor Statistics

WHOLESALE INFLATION

Core PPI — October

Core Wholesale Inflation Came In Right on Target



Right on expectations

Core PPI rose 0.3%, in line with forecasts. That's a big slowdown from September's 0.8% gain.

Steady, but still elevated

Core PPI is up 5.0% from a year ago, unchanged from September and matching forecasts, but well above year-ago levels.

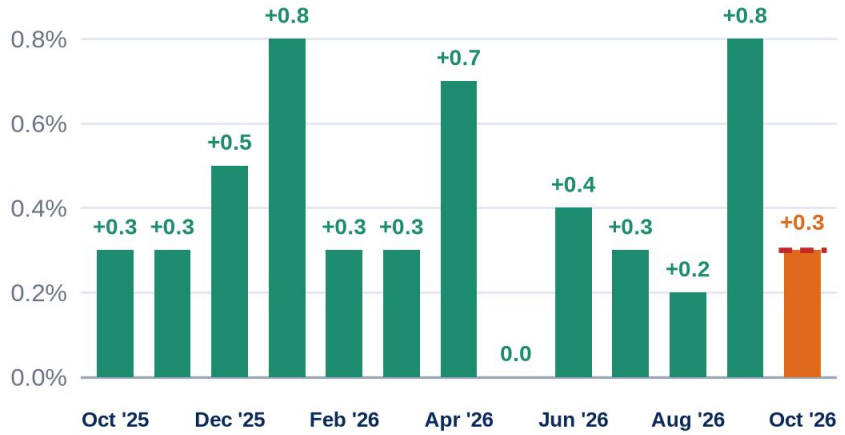
Core PPI

Monthly | Annual | Expected

Oct. 2025 – Oct. 2026

Monthly change (MoM, %)

Expected: 0.3%



YoY (%, unadjusted)

Expected: 5.0%



Key Numbers

October core PPI (MoM)

+0.3% On target

vs. 0.3% expected

September core PPI

+0.8%

prior month

Core PPI year-over-year

5.0% Unchanged

matched the 5.0% forecast

KEY TAKEAWAY: Core wholesale inflation landed right on target and cooled from September, but a steady 5.0% annual rate shows underlying price pressure is still elevated.

Source: Bureau of Labor Statistics

WHOLESALE INFLATION

Super Core PPI — October

Super Core Ran Hotter Than Expected, and Price Pressures Are Spreading

Hotter than expected

Super core PPI rose 0.5%, above the 0.4% expected. It's up 4.9% from a year ago, also above the 4.8% forecast.

Pressure is spreading

It's not just energy: food, core goods and freight costs all ran hot, and annual wholesale inflation is at its highest in nearly four years.

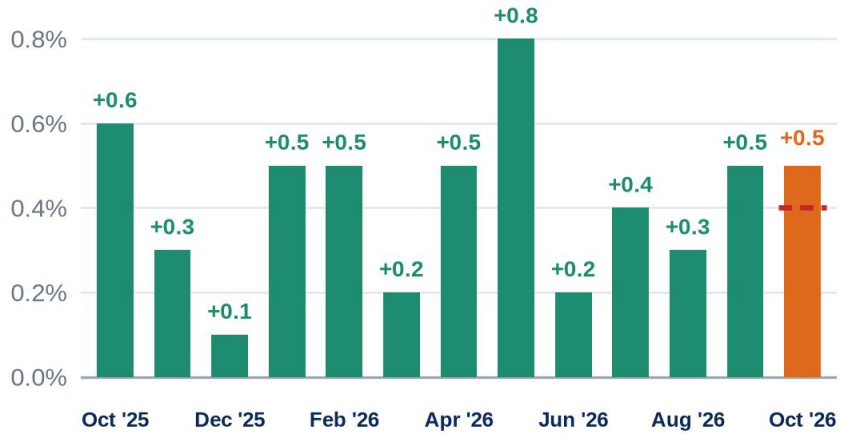
Super Core PPI

Monthly | Annual | Expected

Oct. 2025 – Oct. 2026

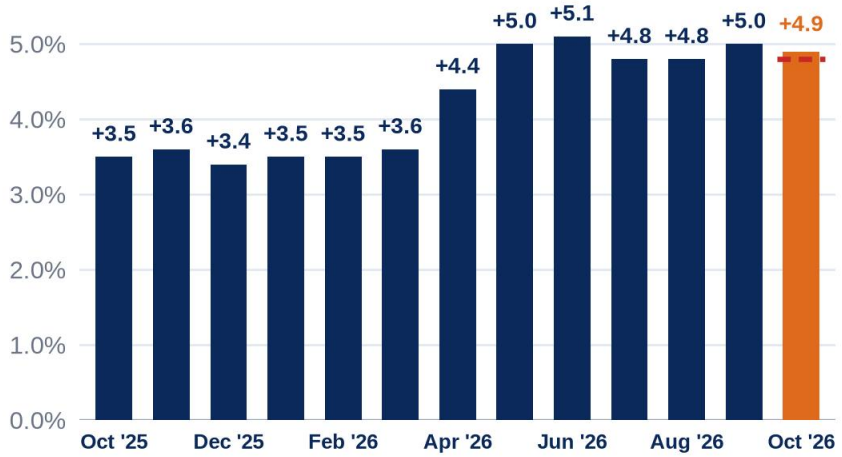
Monthly change (MoM, %)

Expected: 0.4%



YoY (%, unadjusted)

Expected: 4.8%



Key Numbers

October super core (MoM)

+0.5% +0.1 pt

vs. 0.4% expected

Super core year-over-year

4.9% +0.1 pt

vs. 4.8% expected

Headline PPI year-over-year

6.5%

highest in nearly 4 years

KEY TAKEAWAY: Underlying wholesale inflation beat forecasts and is broadening beyond energy, adding to the case that the Fed may need to keep policy tight.

Source: Bureau of Labor Statistics



Employment - Weekly

LABOR MARKET

Weekly Jobless Claims

Jobless Claims Rose a Bit, But Layoffs Are Still Low



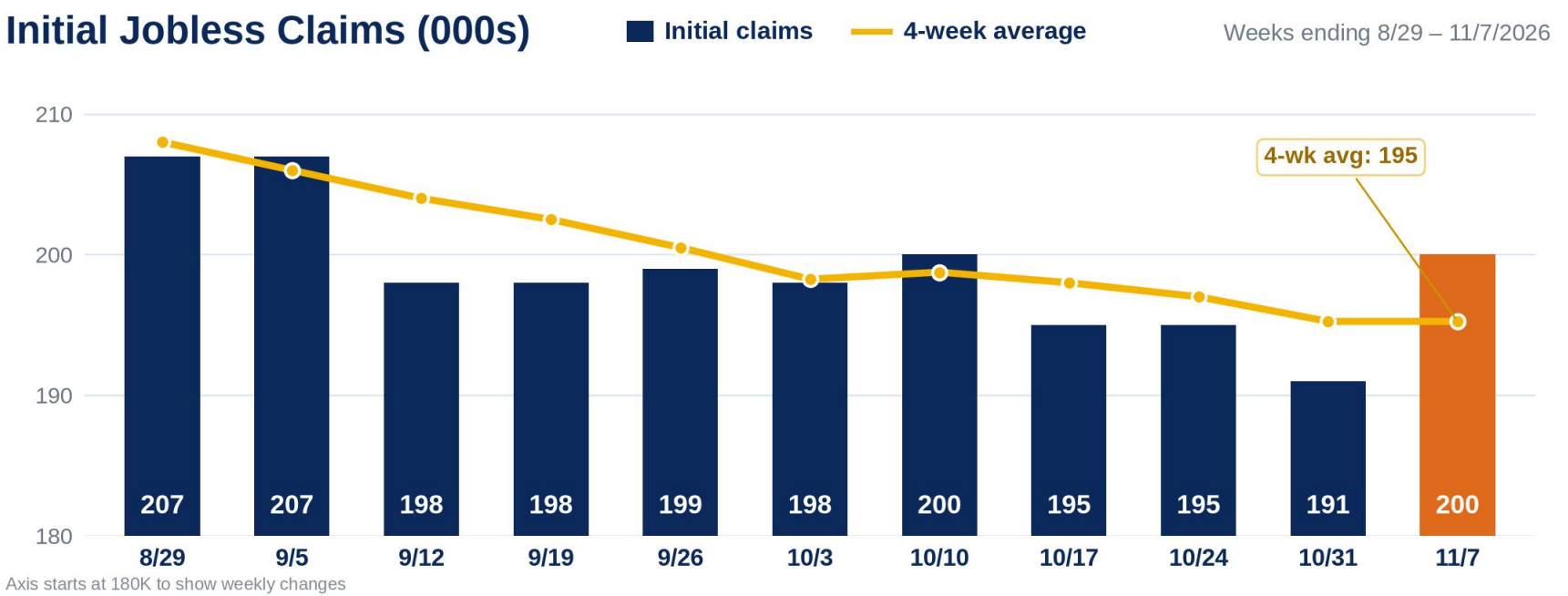
Claims tick higher

Initial claims rose 9,000 to 200,000 for the week ending 11/7, above the 194,000 expected.

Layoffs remain limited

Claims have been below year-ago levels for 39 weeks in a row, and the four-week average is well below last year's 227,000.

Initial Jobless Claims (000s)



Axis starts at 180K to show weekly changes

Key Numbers

Initial claims
200,000 +9,000
vs. 194,000 expected

4-week average
195,250 Flat
vs. 227,000 a year ago

Below year-ago
39 weeks
in a row

KEY TAKEAWAY: Claims rose a bit this week, but they've stayed below year-ago levels for 39 straight weeks, and the four-week average shows layoffs remain limited.

Source: Labor Department, Bloomberg

LABOR MARKET

Continuing Jobless Claims

People Out of Work Are Finding Jobs Faster



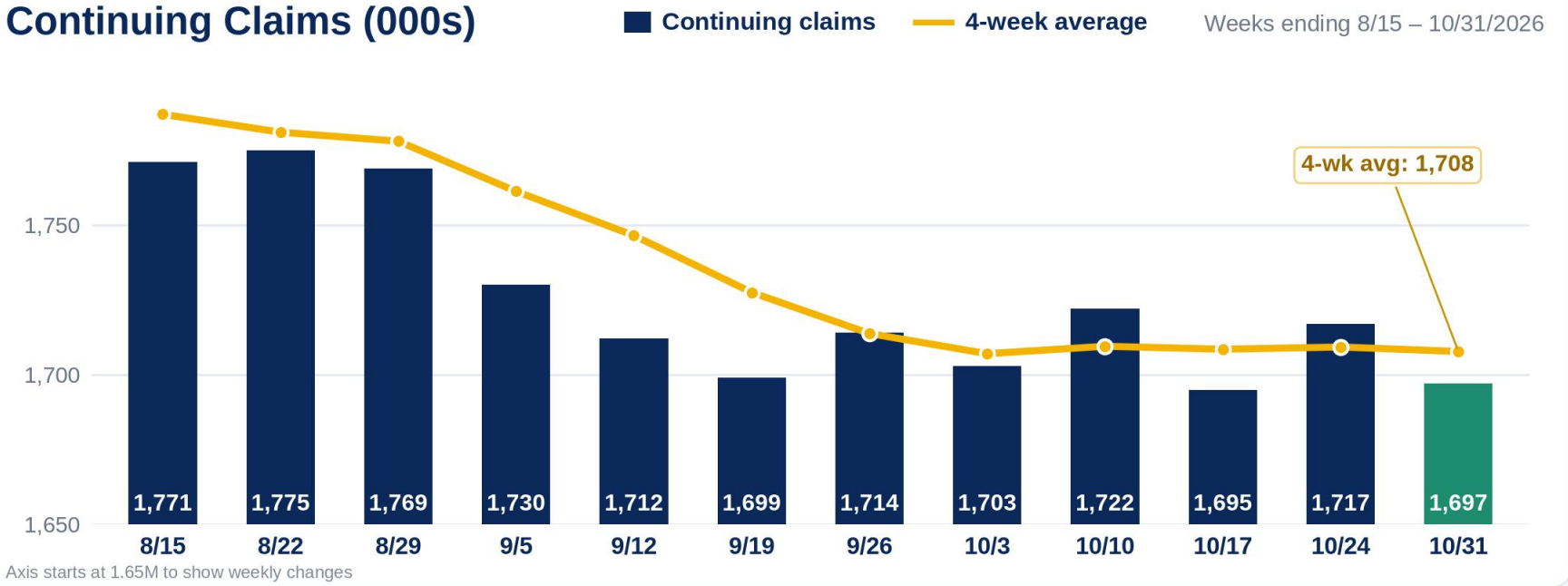
Fewer people on benefits

Continuing claims fell 20,000 to 1.697 million for the week ending 10/31, below expectations and well below year-ago levels.

Unemployment rate holds low

The insured unemployment rate held at 1.1%, and the four-week average dipped to 1.708 million.

Continuing Claims (000s)



Axis starts at 1.65M to show weekly changes

Key Numbers

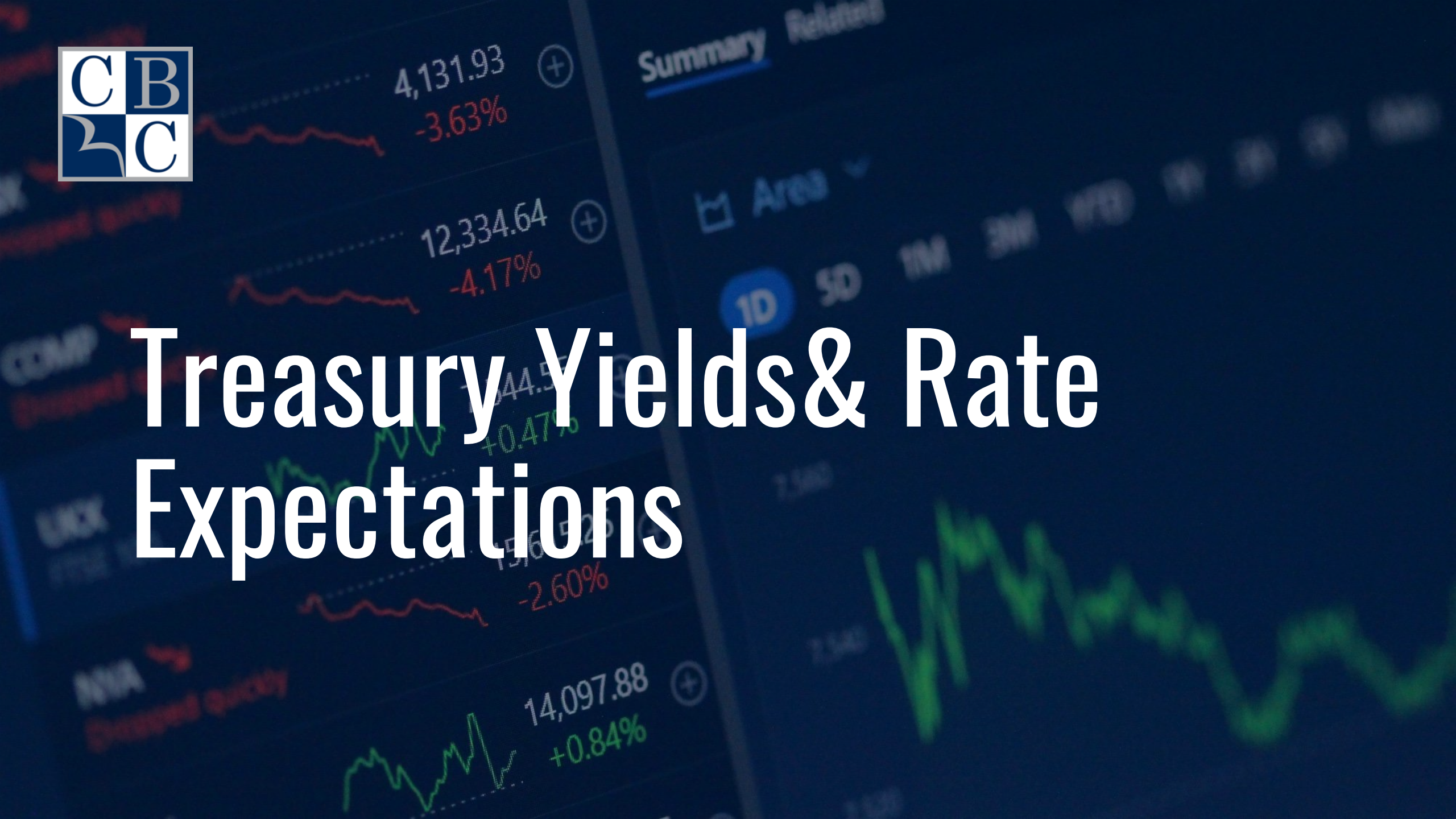
Continuing claims
1.697M −20,000
down from 1.717M

4-week average
1.708M −1,500
down from 1.709M

Insured unemp. rate
1.1% Unchanged
steady week over week

KEY TAKEAWAY: Fewer people are collecting unemployment benefits, which suggests those who lose jobs are finding new work faster. The job market remains healthy.

Source: Labor Department, Bloomberg



Treasury Yields& Rate Expectations

RATES MARKETS

Treasury Market

Yields Jump as Hot Inflation and a Hawkish Fed Lift Rate Expectations



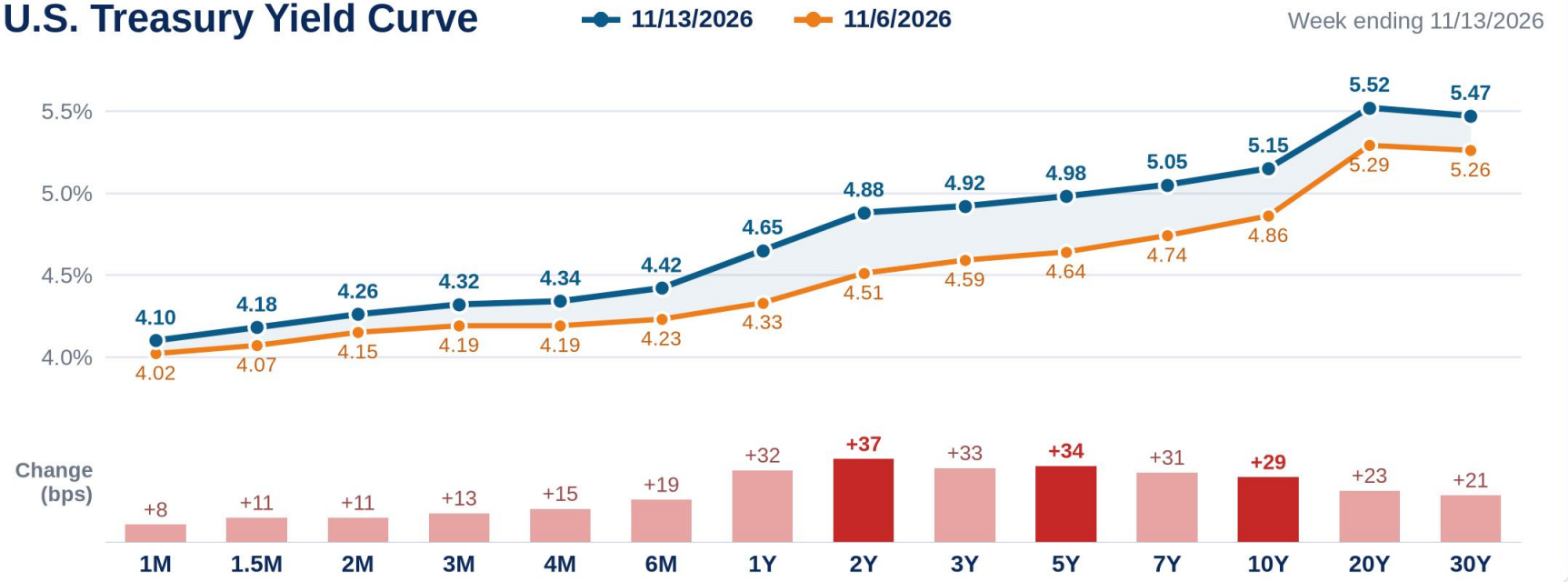
Inflation runs hotter

Hotter-than-expected inflation data reignited concerns that price pressures are not cooling, pushing yields sharply higher across the curve.

Fed turns more hawkish

Fed Governor Christopher Waller and several regional Fed presidents signaled openness to tighter monetary policy.

U.S. Treasury Yield Curve



Key Yield Moves

2-Year
4.88%
+37 bps
from 4.51%

5-Year
4.98%
+34 bps
from 4.64%

10-Year
5.15%
+29 bps
from 4.86%

KEY TAKEAWAY: The 2-year yield jumped the most (+37 bps) as markets priced in a tougher Fed. Inflation is back in charge, and the bond market is bracing for higher rates for longer.

Source: U.S. Department of the Treasury

FED OUTLOOK

Interest Rate Expectations

Markets Now Expect Three Fed Rate Hikes



A week ago: two hikes

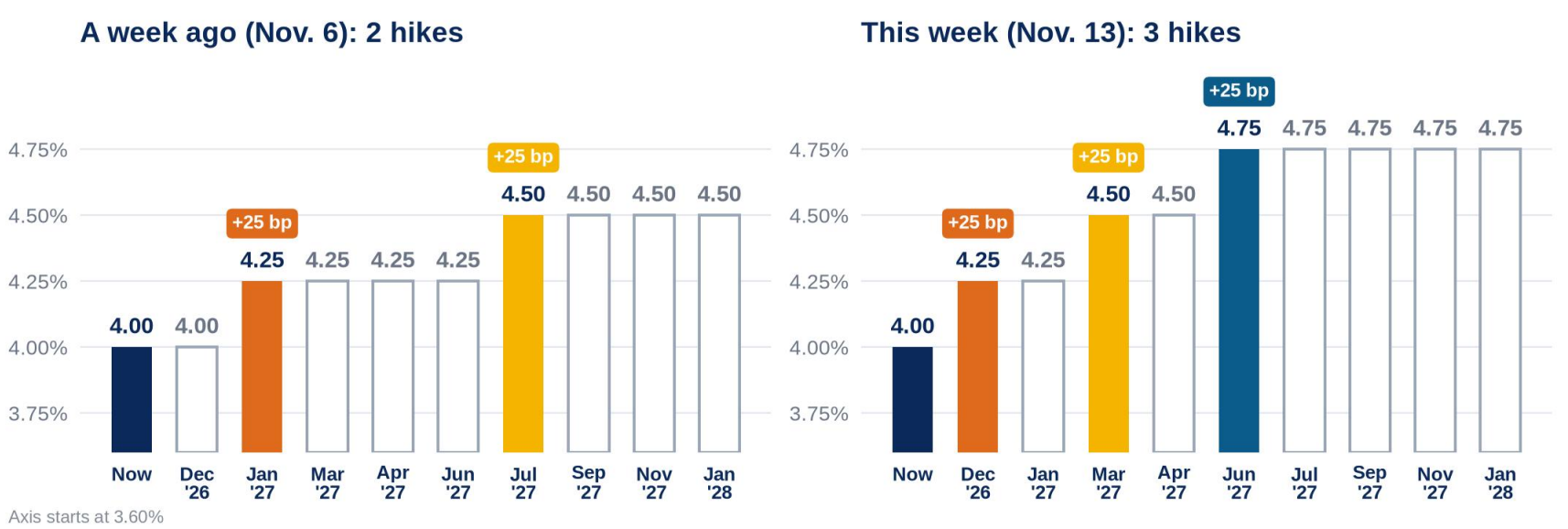
Markets expected two 25 bp hikes, in January and July 2027. January was fully priced in, and July was just over 80% likely.

This week: three hikes

Markets fully expect three 25 bp hikes, in December, March and June, taking the fed funds upper bound to 4.75%.

Expected Fed Funds Upper Bound

≥80% probability



Axis starts at 3.60%

Key Numbers

Hikes priced in

3 +1

up from 2 a week ago

First hike

Dec. 2026 Sooner

was January 2027

Peak upper bound

4.75% +0.25 pt

by June 2027 (was 4.50%)

KEY TAKEAWAY: In just one week, markets pulled the first hike forward to December and added a third, pricing a faster and higher path for rates as inflation stays hot.

Source: Bloomberg



Next Week's Economic Calendar

Next Week's Economic Calendar

Key economic releases and consensus expectations

TUESDAY 11/17

Release	Expected	Prior
Retail Sales MoM (Oct)	0.2%	0.8%
Import Price Index MoM (Oct)	0.8%	1.1%
Industrial Production MoM (Oct)	0.1%	0.7%

WEDNESDAY 11/18

Release	Expected	Prior
MBA Mortgage Applications (Nov 13)	—	6.2%
Housing Starts (Oct)	1,250K	1,221K
Building Permits (Oct)	1,377K	1,398K

THURSDAY 11/19

Release	Expected	Prior
Initial Jobless Claims (Nov 14)	198K	200K
Continuing Claims (Nov 7)	1,700K	1,697K
Leading Index (Oct)	0.0%	0.0%

Key Takeaway: Next week is relatively light on economic data, with updates on retail sales, housing activity, and jobless claims. While these releases will provide an important read on the economy, they are unlikely to deliver a significant new signal on the broader outlook.



Key Takeaways

ECONOMIC SNAPSHOT

Status and near-term outlook | Week ending November 13, 2026



Source: Bloomberg

Consumer Inflation
October 2026

STATUS

Headline CPI Rose 0.4%
Above expectations; broad-based price pressures

NEAR-TERM OUTLOOK

Inflation Remains Persistent
Supports another Fed rate hike next month

Producer Inflation
October 2026

STATUS

Wholesale Prices Rose 0.3%
Monthly pace slowed, but annual rate hit 6.5%

NEAR-TERM OUTLOOK

Core Inflation Remains Firm
Broad-based pressures reinforce rate hike bets

Labor Market
Weekly

STATUS

Claims Rose to 200K
Still well below year-ago levels; layoffs limited

NEAR-TERM OUTLOOK

Labor Market Remains Resilient
Unemployed workers finding new jobs quickly

Equity Market
Weekly

STATUS

S&P 500 Gained 2.51%
All major indexes up; first weekly gain since early Oct.

NEAR-TERM OUTLOOK

Volatility Remains Elevated
Inflation, yields and AI leadership uncertainty

Oil Market
Weekly

STATUS

Brent Fell 2.5% to $95.84
Second consecutive weekly decline

NEAR-TERM OUTLOOK

Supply Surplus Weighs on Prices
IEA sees a surplus; geopolitical risks linger

Fed Rate Expectations
Weekly

STATUS

Three Hikes Fully Priced In
December, March and June

NEAR-TERM OUTLOOK

Upper Bound Could Reach 4.75%
Markets see a more hawkish path

Treasury Yields
Weekly

STATUS

10-Year Rose to 5.15%
10Y +29 bps; 2Y +37 bps

NEAR-TERM OUTLOOK

Yields Likely to Stay Elevated
Hot inflation data and hawkish Fed commentary

Week Ahead
Nov. 17 – 19

STATUS

Retail Sales and Housing in Focus
Plus industrial production and jobless claims

NEAR-TERM OUTLOOK

Limited New Signals Expected
A relatively light week for data

KEY TAKEAWAY: October's CPI and PPI showed persistent, broad-based inflation, pushing Treasury yields higher and reinforcing expectations for three more Fed rate hikes; equities rebounded, oil declined on improving supply, and the labor market held up.

Questions?

