DEVON BANK

WealthWise

A look back. A look forward. A look at the market through the eyes of an expert.

October 2026

The Devon Bank Wealth Management team wants to help you stay on top of the most important news related to finance and investing. See below for the latest edition of WealthWise.

October 2026 Stock Market Report

"We cannot direct the wind, but we can adjust the sails."

— The late, great **Dolly Parton**, whose wise words can be applied to our lives and to our portfolios.

Most of the financial authors I read regularly (who clearly copy off one another) recently noted that the current bull market reached its 4-year anniversary on October 12th. And they all mostly offered the same follow-up commentary: Without the strong returns of stocks like Nvidia, Micron and a few other high-profile technology companies, the S&P 500 would be looking far worse, and certainly not hovering near record highs like it is now.

And they're not wrong. About 84% of all the stocks in the S&P 500 index are now trading at least 10% below their all-time highs, according to new analysis from the Kobeissi Letter (an excellent follow on Twitter/X)

- 97% of all real estate stocks are down at least 10%.
- Plus 96% of all materials companies (think Sherwin Williams and other construction-related businesses).
- Plus 94% of all utilities stocks (the companies you send your gas and electric payments to).
- Even 92% of consumer discretionary stocks are in the same boat, meaning Americans are buying less, well… *boats* (as well as fancy coffees and long weekend stays at hotels.)

And technology stocks are not immune from this trend, either. Sure, Intel (INTC) may be *up* 136% so far in 2026, but **72% of their tech compadres are *down* 10% or more from their highs.** And because I haven't included quite enough percentage signs yet, 59% of all S&P 500 stocks are down at least 20% from their highs, 41% are down more than 30%, and 17% are off by more than 50%.

Sheesh, that's a lot of weakness!

(Hey, when you're the one directing the AI, you can prompt it to do things like *"Make me look 300% more handsome than I am in real life").*

But is this phenomenon really all that unique? Not as much as you might expect.
In the late 1960s, the **"Nifty Fifty"** (companies like Coca-Cola, IBM, Polaroid, McDonald's, and Xerox) carried a very narrow but very strong market rally. Eventually they all experienced severe declines during the 1973-74 bear market, which was followed by a +37% S&P return in 1975 and +24% in 1976.

And we all remember the 1998-2000 **Dot-Com Bubble**, right? Same deal. Companies with exceptional growth potential became exceptionally expensive. Market crash ensued, followed by bear markets pretty much up to and through the 2008-2009 Financial Crisis, after which we had decades of consistently great performance.

Conclusion: This is not a deal breaker for the bull market. As author Morgan Housel once wrote, *"Markets are often carried by a few extraordinary winners, so narrow leadership may be unusual in appearance, but is not unusual in market history."*

And for our clients at **Devon Bank Wealth Management**, here's the message: It's times like these when we're really happy to be set up as a true fiduciary. Because we have the luxury of holding more cash in our clients' accounts than our competitors, so during times like this we can keep plenty of powder dry while still maintaining enough exposure to take advantage of any upward market movement. **But we can also play defense**, so that when a reasonably sized pullback does come— as it most likely will at some point— we can use it to *your* advantage. We can use it for what it ultimately will be: **a "buy low" opportunity.**

Because when you're not a broker (like us), you're not living off commissions generated from shipping your clients' money off to some third party investment company. We're not sacrificing our own personal income to keep you in a more defensive position**. Because for those broker competitors, every dollar that's not sitting in a "product" (mutual fund, annuity, private investment, etc.) is a dollar that's not paying them a monthly residual check.** It doesn't make them bad people, but it does create a significant conflict of interest.

And that conflict may be with your best interest.

-Paul Manelis
Sr. Vice President
Devon Bank Wealth Management

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This is going to be a great event where you will learn how to prevent fraud, manage cyber risks, evaluate insurance coverage, and protect your business from evolving digital threats.

Please visit the link below to learn more and register:
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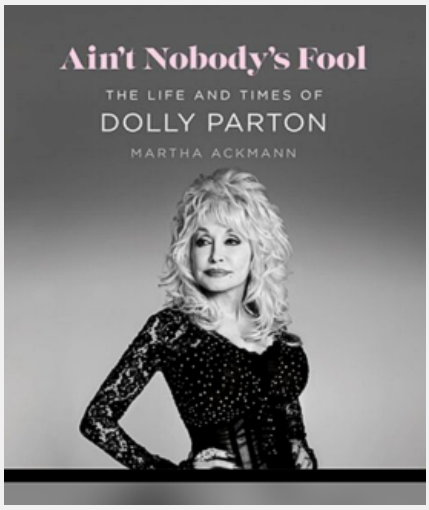
"Paul's Picks"

Paul's Pick #1: *Ain't Nobody's Fool* by Martha Ackmann



I started reading this fantastic Dolly Parton biography when, like many of us, I was feeling nostalgic following her passing back in August. It's the story of how a kid from a tiny Smoky Mountain cabin with no indoor plumbing turned relentless ambition and world-class songwriting into a cultural empire. She overcame poverty, rejection, critics who dismissed her, and plenty of people who confused big hair and… personality for a lack of substance. But behind the flashiness was a sharp business mind, a tireless work ethic, and a talent that simply refused to quit. By the end, the book reads less like the biography of a country singer and more like the blueprint for building an American legend: write great songs, outwork everyone, and stay true to yourself. Or, as Dolly was fond of saying, "it isn't the hair, it's the hustle."

Paul's Pick #2: *The Psychology Of Money* Podcast

I quoted Morgan Housel earlier in the note, and now here I am pumping his podcast. I swear this guy isn't paying me! He's just an exceptional financial author who launched this exceptional show back in 2023. I've been tuning in since the beginning, because it focuses on all the subjects I personally "nerd out" over: investing, behavior, wealth building, decision making, and the psychology behind financial success. No stock picks, no market forecasts. Because that stuff is useless. Instead, he focuses on topics that actually matter, like "Getting rich vs. staying rich" and "The role of luck and risk in financial outcomes." I can't recommend it enough as an easy way to become a better investor.

See you next month!

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Readers should consult their own financial, tax, and legal advisors before making any investment decisions. Any forward-looking statements are inherently uncertain and based on assumptions that may prove to be incorrect.

Ready to build wealth for tomorrow?

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