

2,026 Things for 2026

A Review of Themes that Matter for Markets

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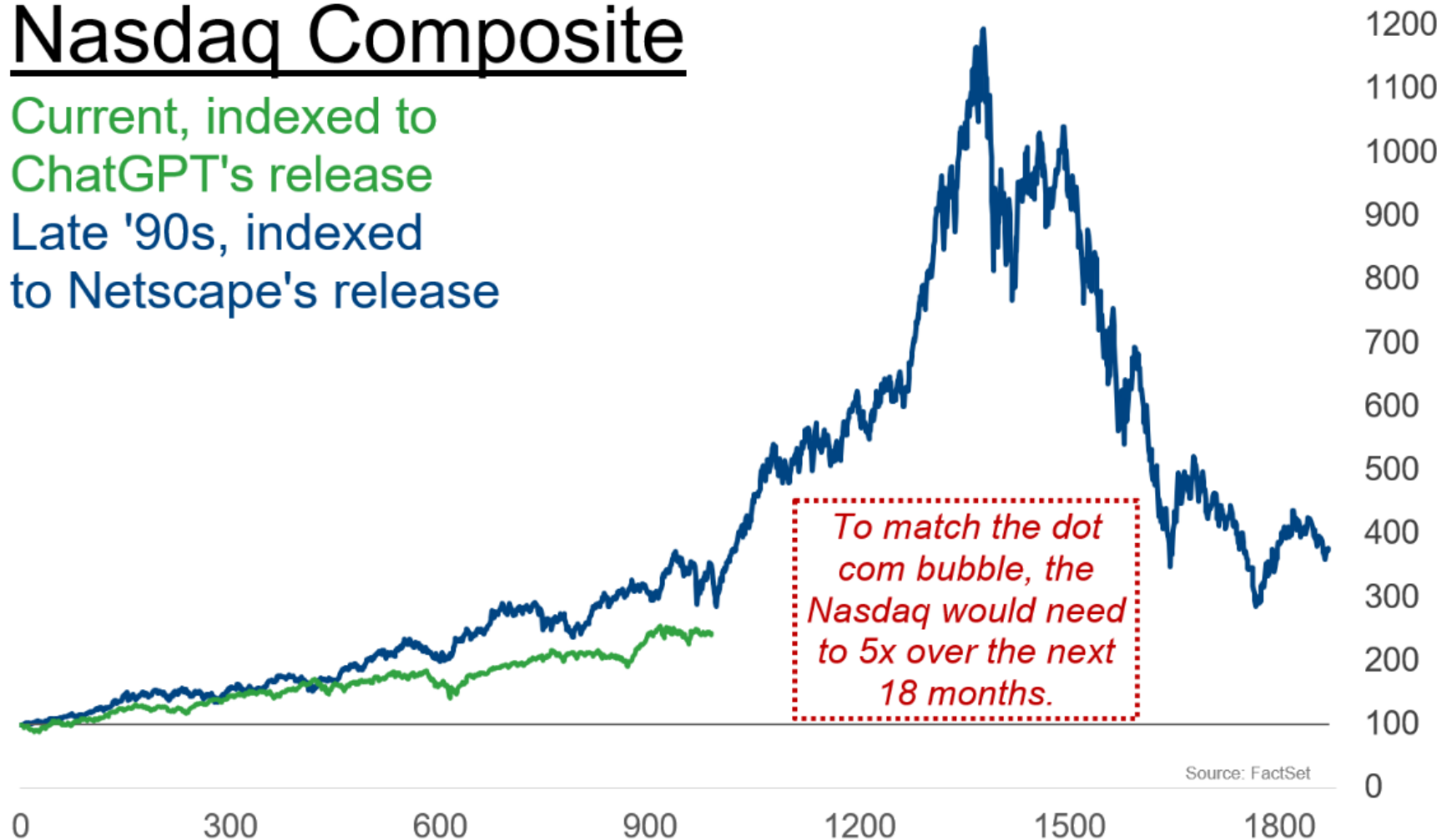
Past performance is not indicative of future results and diversification does not ensure a profit or protect against loss. All investments carry some level of risk, including loss of principal. An investment cannot be made directly in an index. Robert W. Baird and Co. Incorporated, member SIPC.

91% (Nasdaq's return over the last five months of the dotcom bubble).

Nasdaq Composite

Current, indexed to
ChatGPT's release

Late '90s, indexed to
Netscape's release



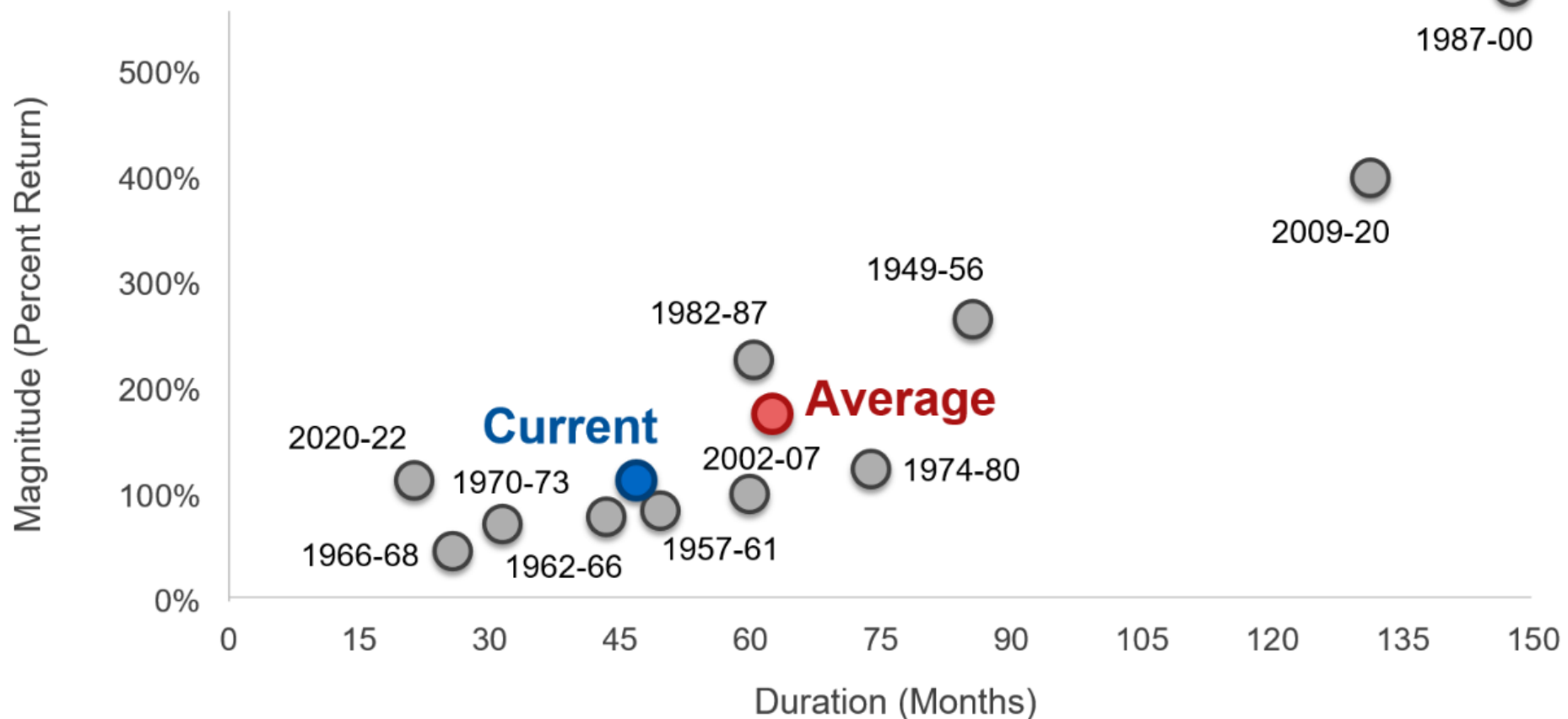
Source: FactSet

Not all bull markets are bubbles.

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Bull Market Lengths and Magnitudes

1949 - Present, Price Return, Source: Factset, Yardeni

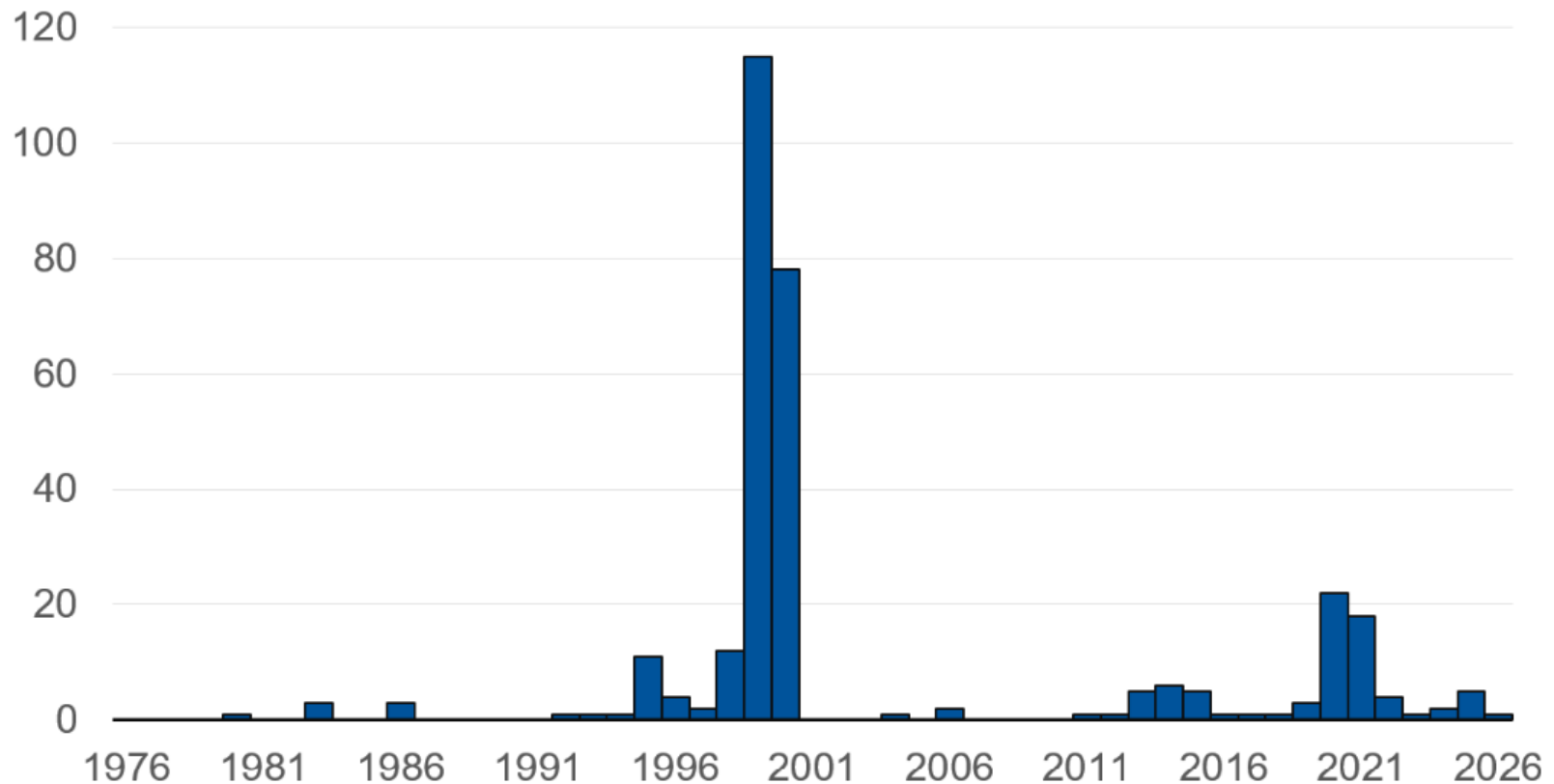


Bubbles are built on sentiment.

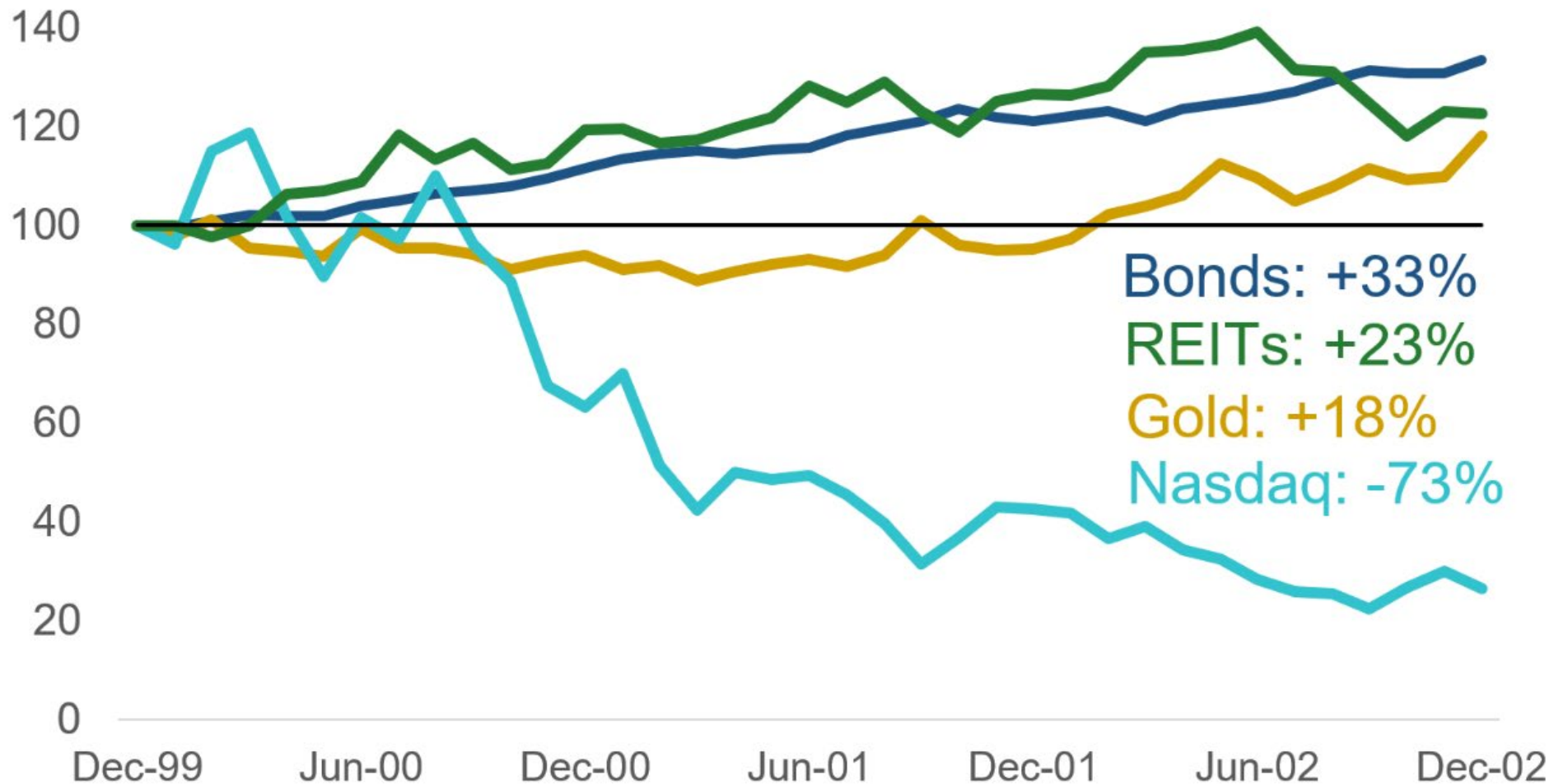
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Number of IPOs that **doubled in price** on their first trading day.

Annual, 1976 - 2026, Source: Jay R. Ritter, the IPO Initiative

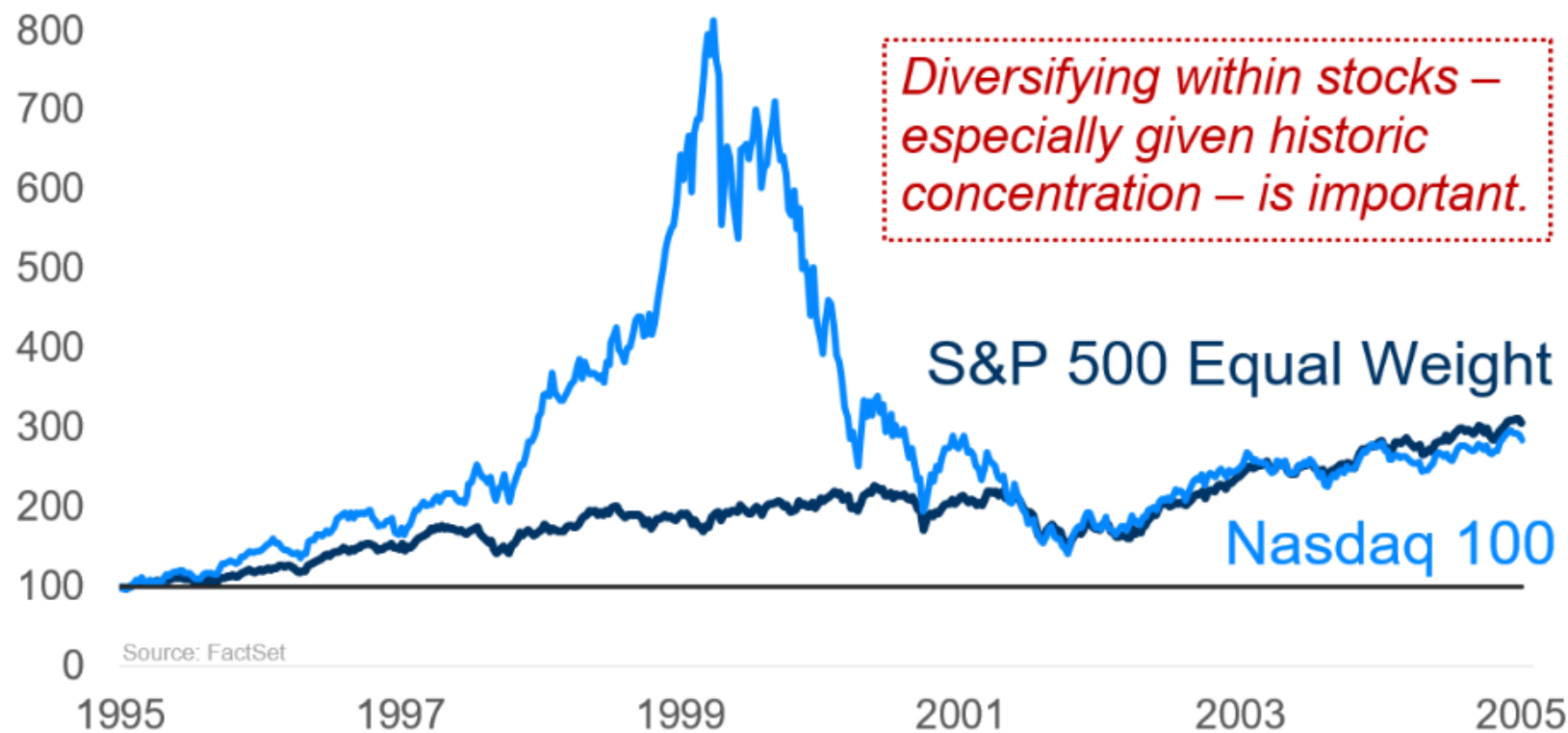


25% (Average return of Bonds, Real Estate, and Gold from 2000 to 2002).

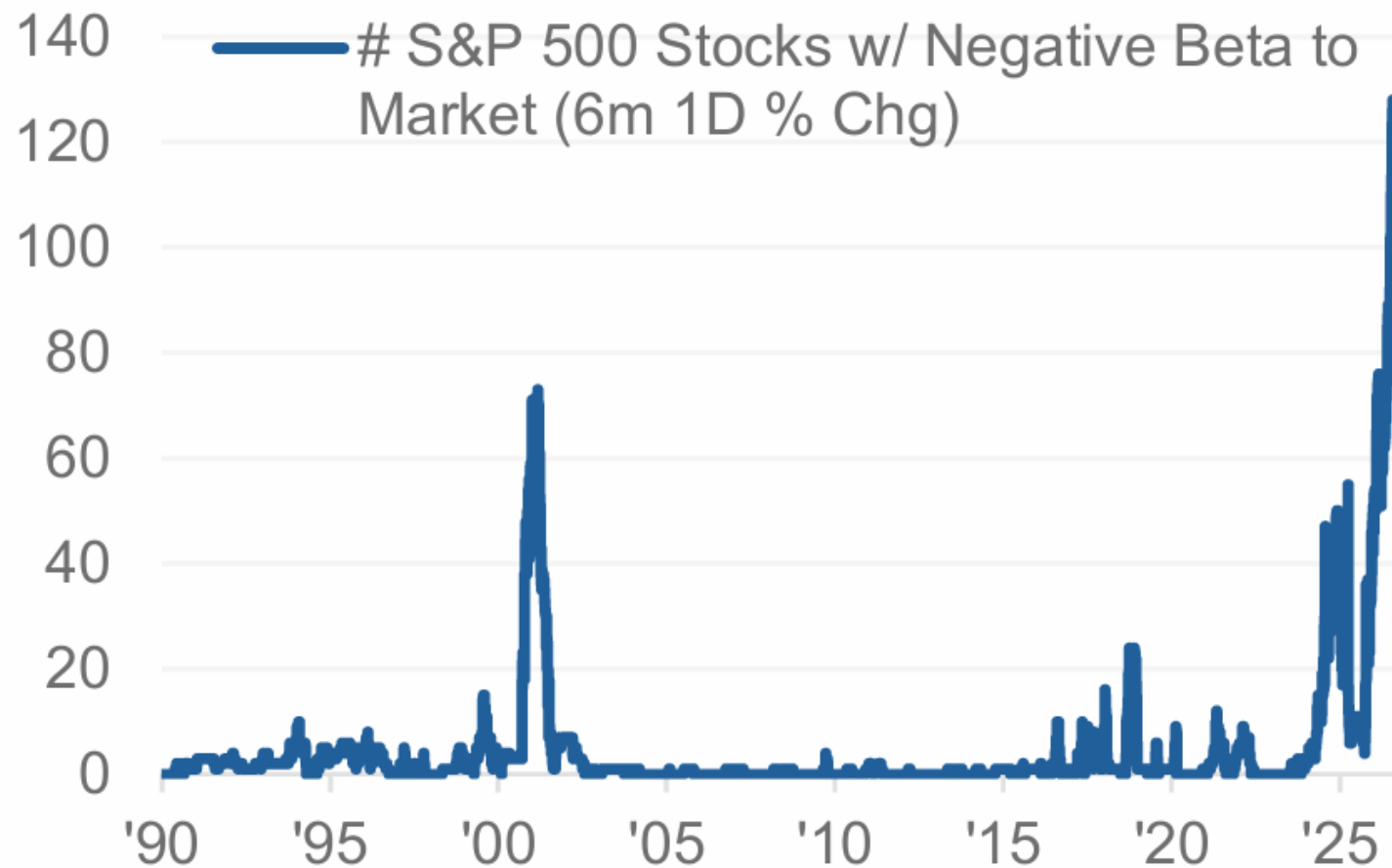


Diversify...with stocks.

From 1995 – 2005, the average S&P 500 stock outperformed the Nasdaq **with far less volatility.**

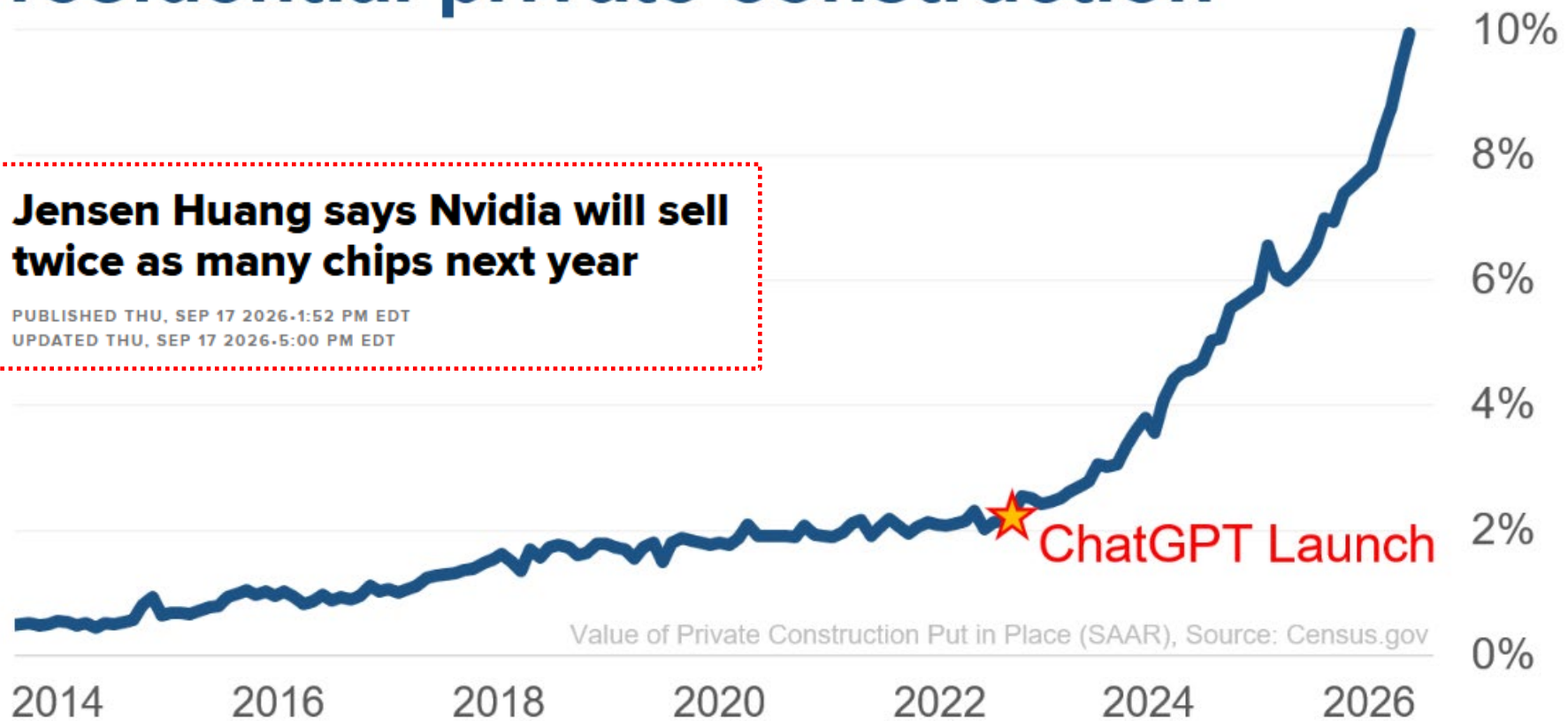


Diversify...with stocks.



\$500 (billion, Nvidia's projected orders for key AI GPUs through 2026).

Data center as a percent of total non-residential private construction

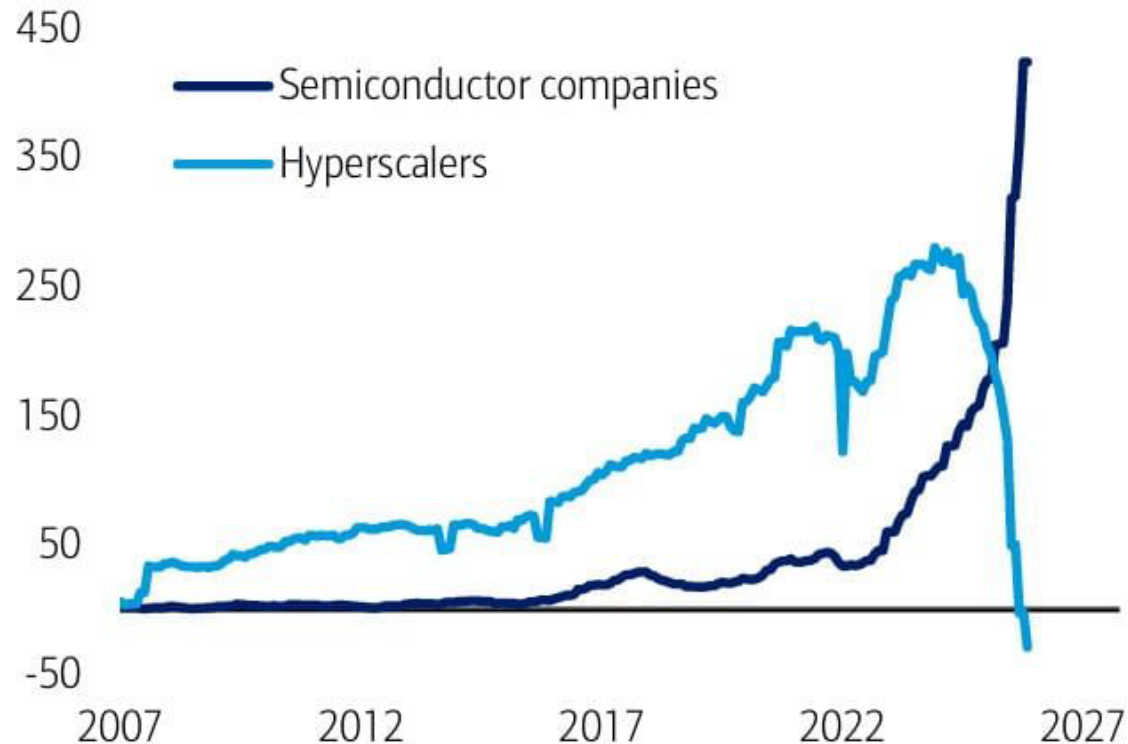


AI capex has flipped the market.

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July was the largest month of US data center starts on record – 16.6 million sq. ft. and \$29.5 billion of value, +211% and +528% year/year

Exhibit 6: A generational transfer in free cash flow is taking place
12m forward FCF of “hyperscalers” and semiconductor companies, \$bn

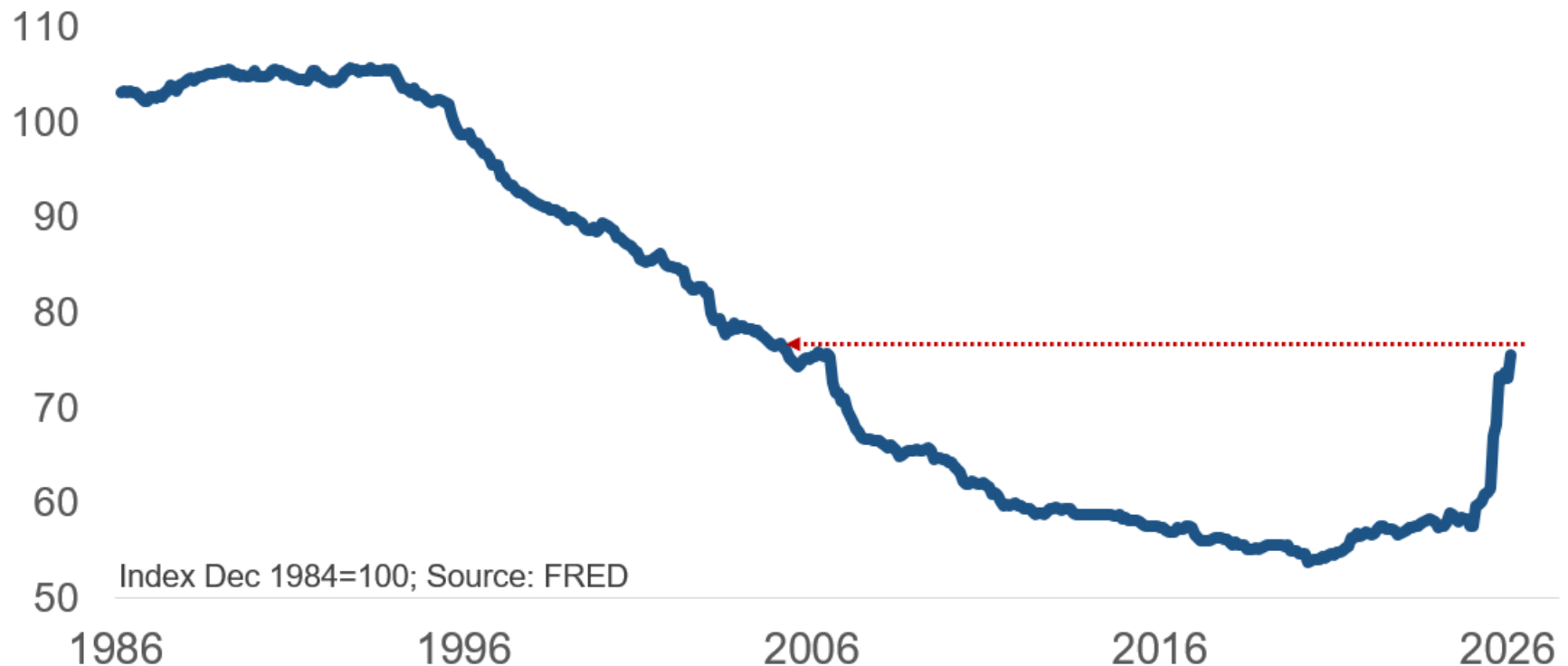


Source: BofA Research Investment Committee. Hyperscalers = AMZN, GOOGL, META, MSFT, ORCL.
Semiconductor companies = NVDA, MU, AVGO, & AMAT

Supply chains under strain.

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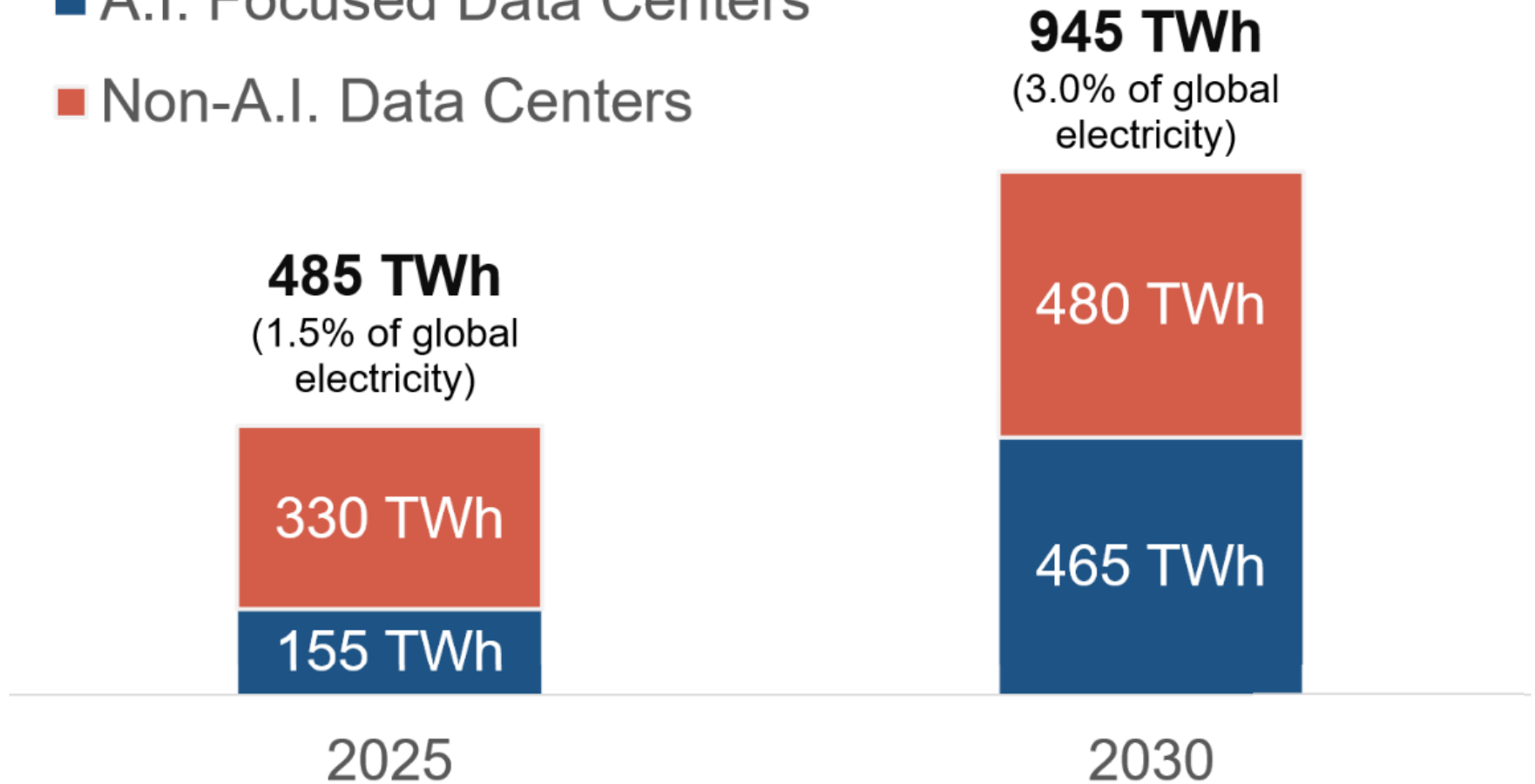
PPI: Semiconductor and Other Electronic Component Manufacturing



945 (TWh, IEA projection for data center electricity consumption by 2030).

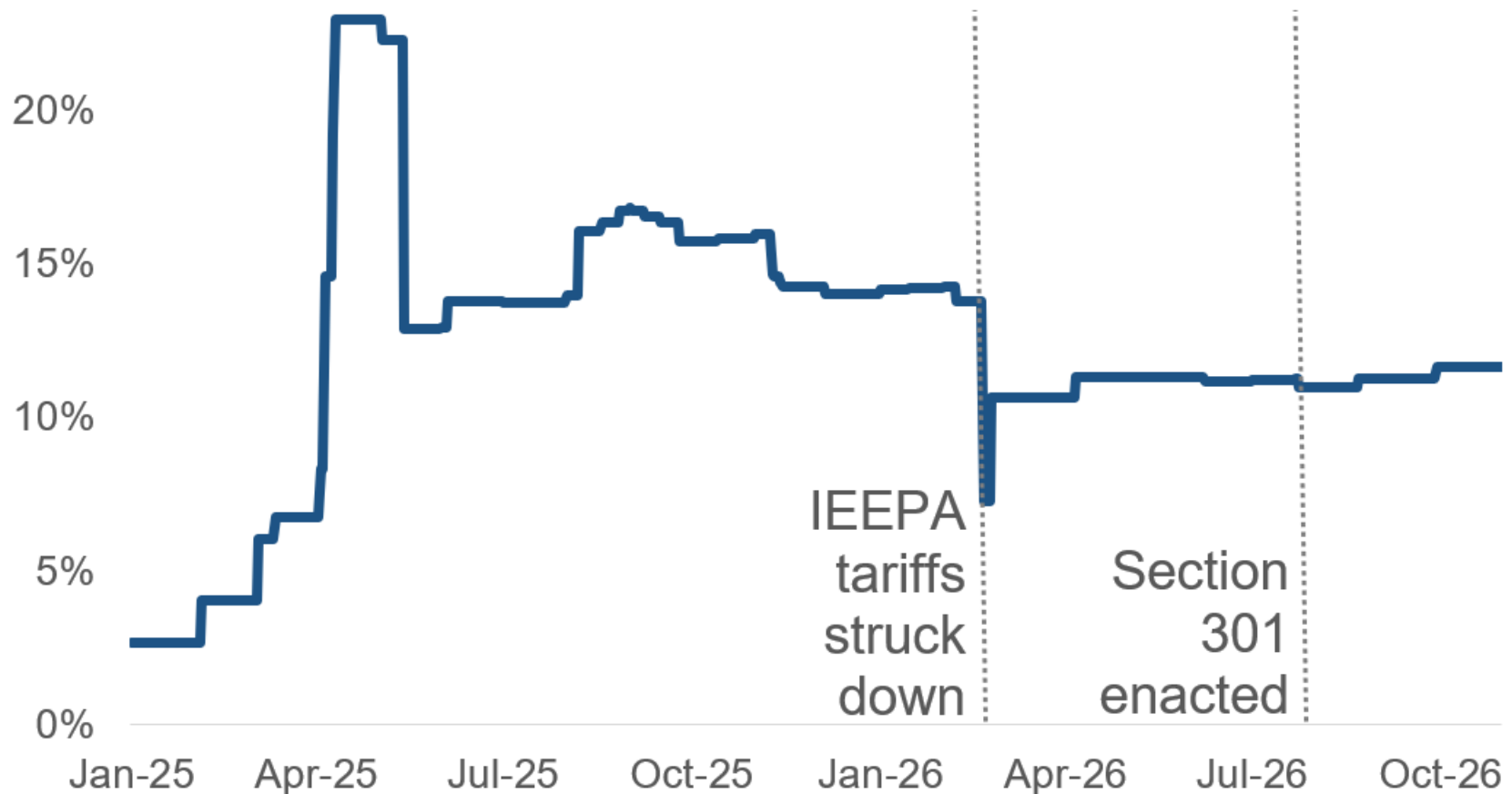
■ A.I. Focused Data Centers

■ Non-A.I. Data Centers



301 (as in, Section 301 of the Trade Act of 1974).

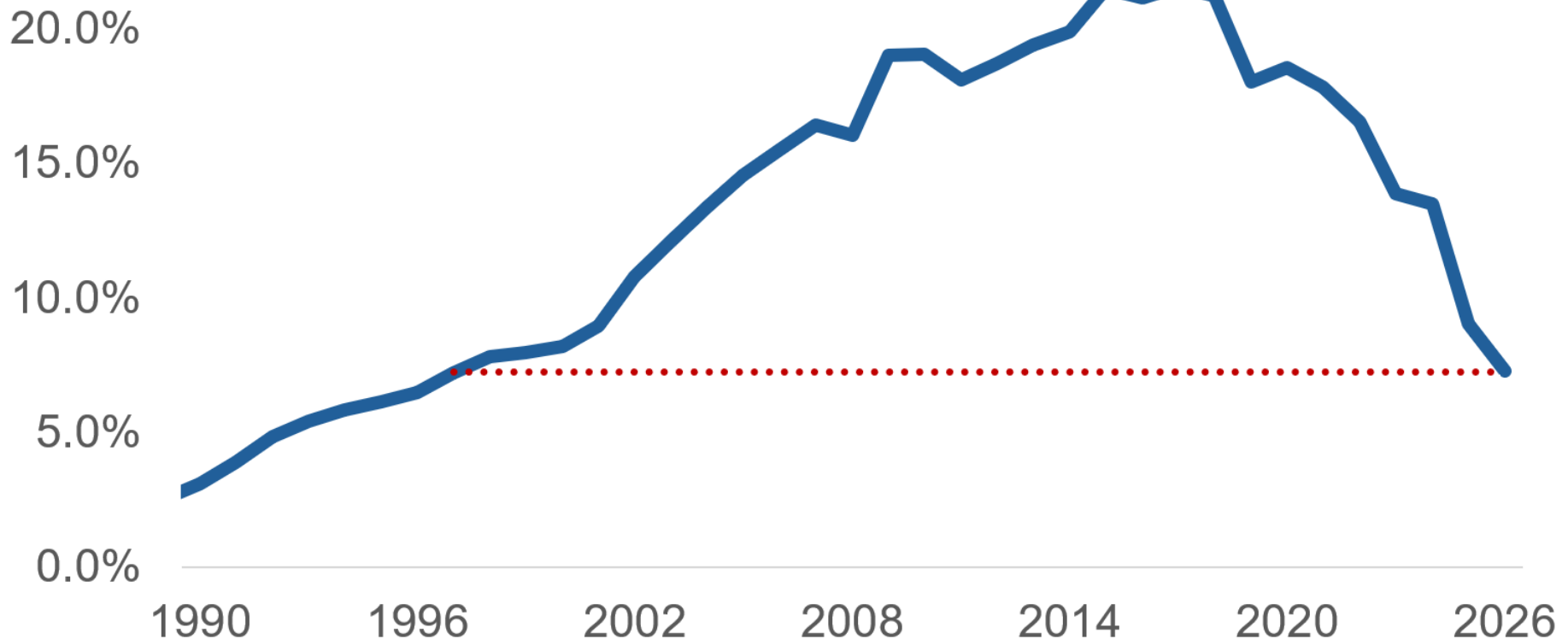
Import-weighted average statutory tariff rate



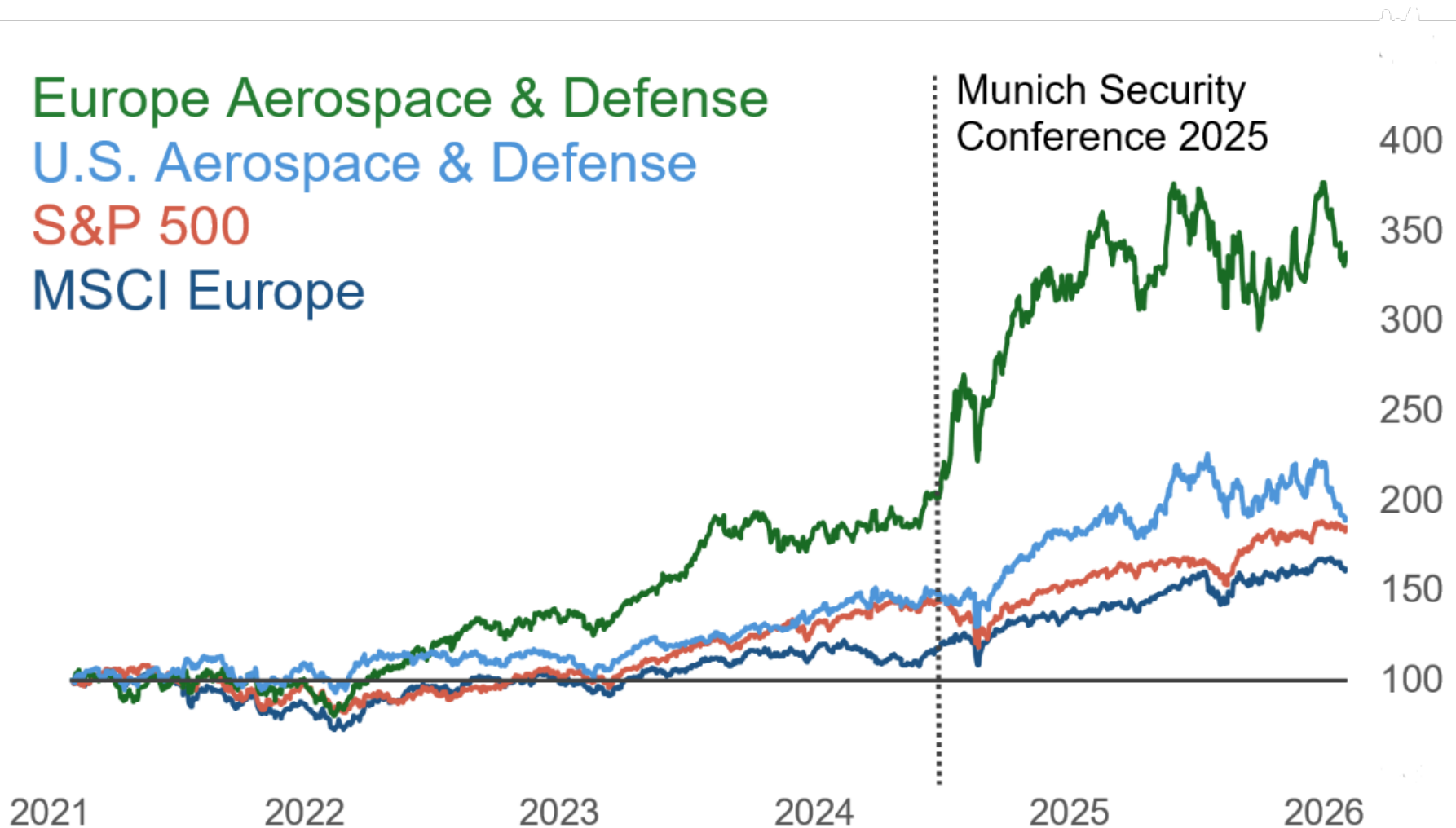
Trade patterns are changing.

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Imports from China as a percent of total



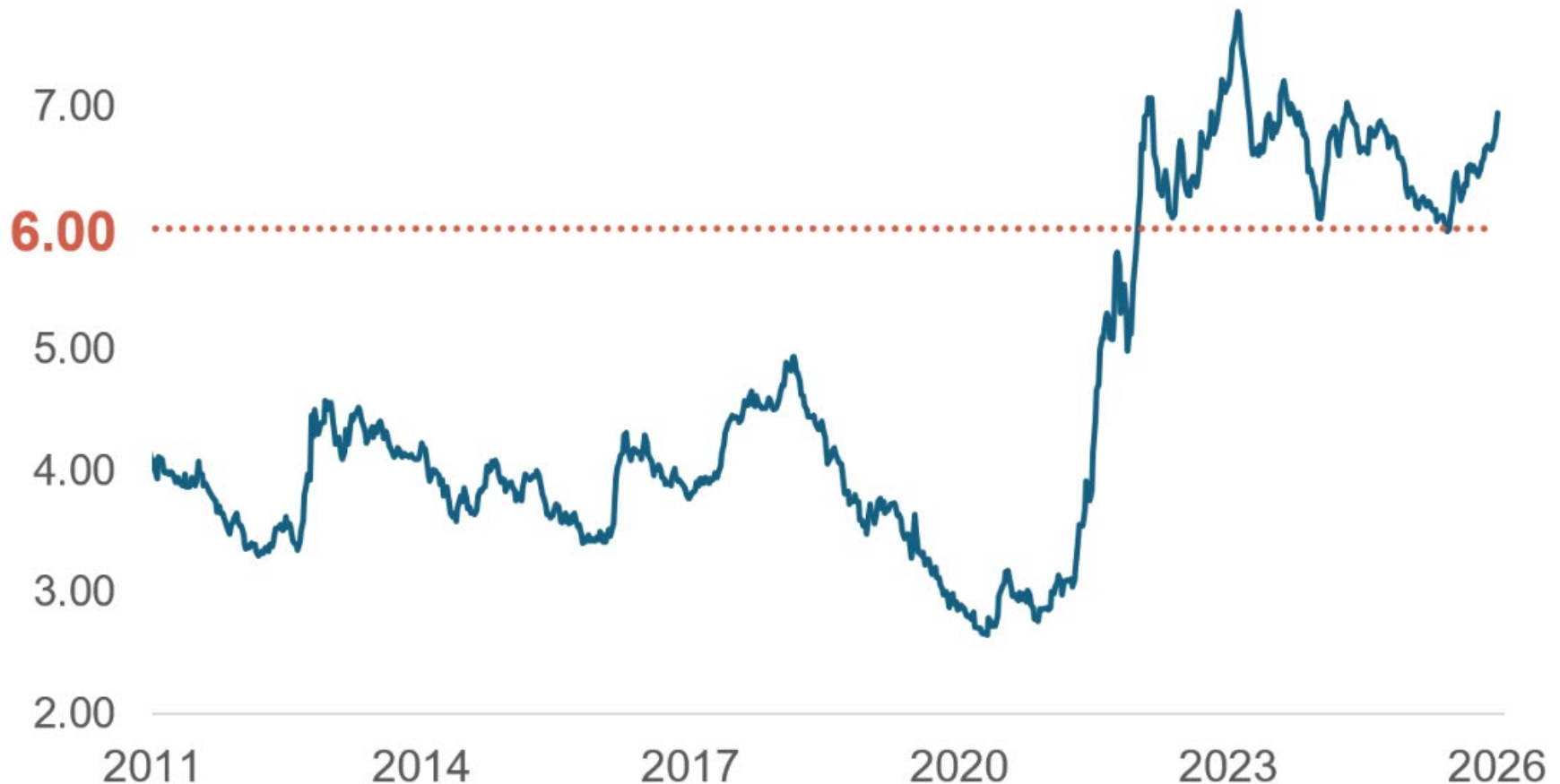
Deglobalization as a theme.



6% (30-year fixed rate U.S. mortgage).

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30-year fixed rate mortgage



Housing recession ongoing.

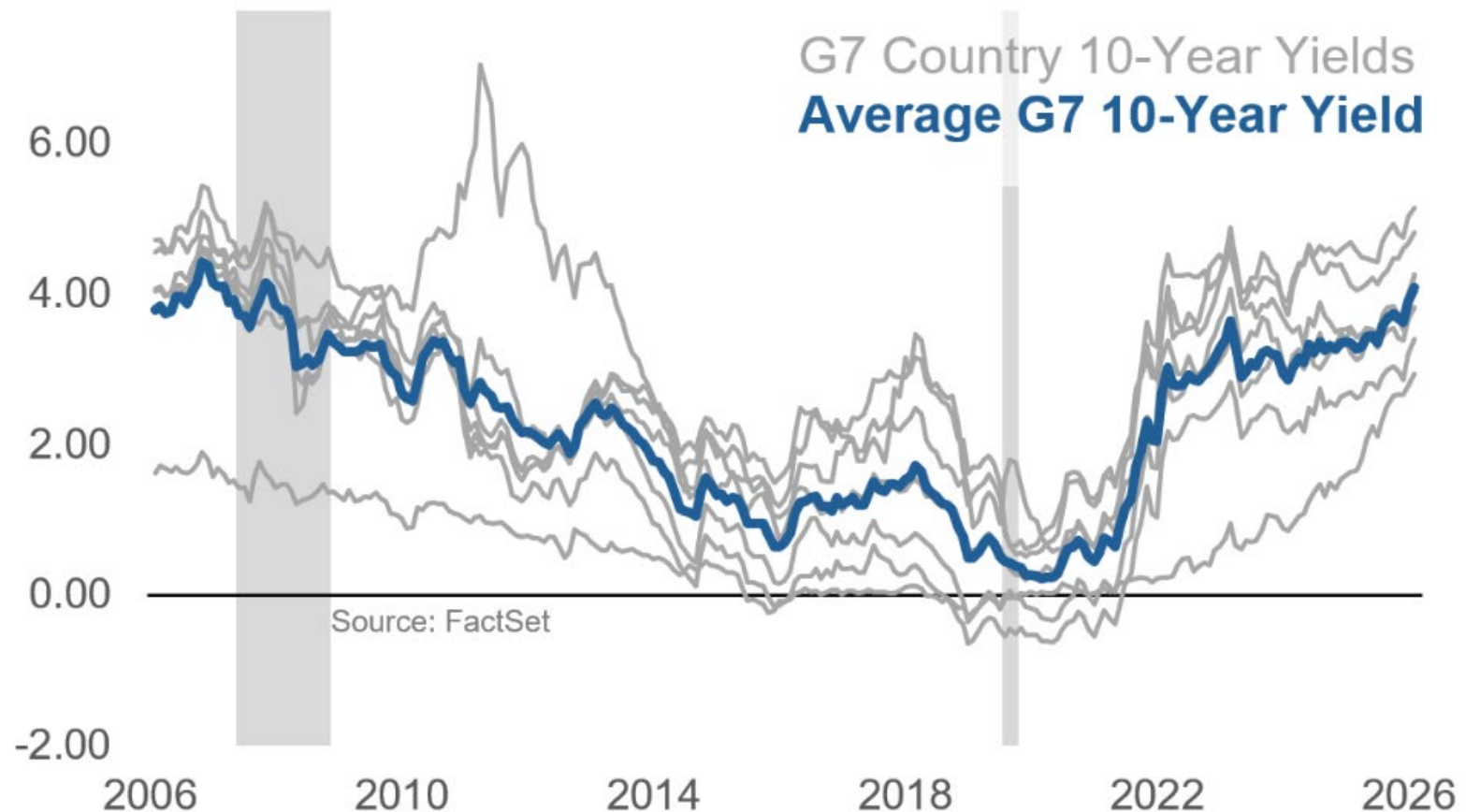
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Existing home sales remain depressed

Source: FactSet



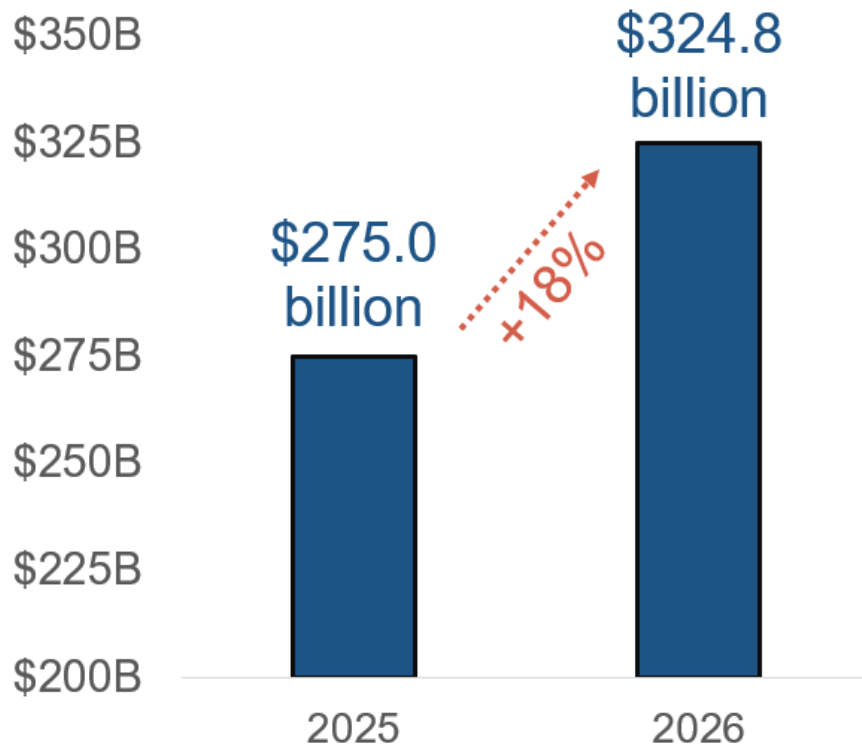
Long bond yields are rising globally



\$158 (billion, Baird Strategas projection for the y/y increase in federal tax refunds).

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Total amount refunded (as of May 2026)

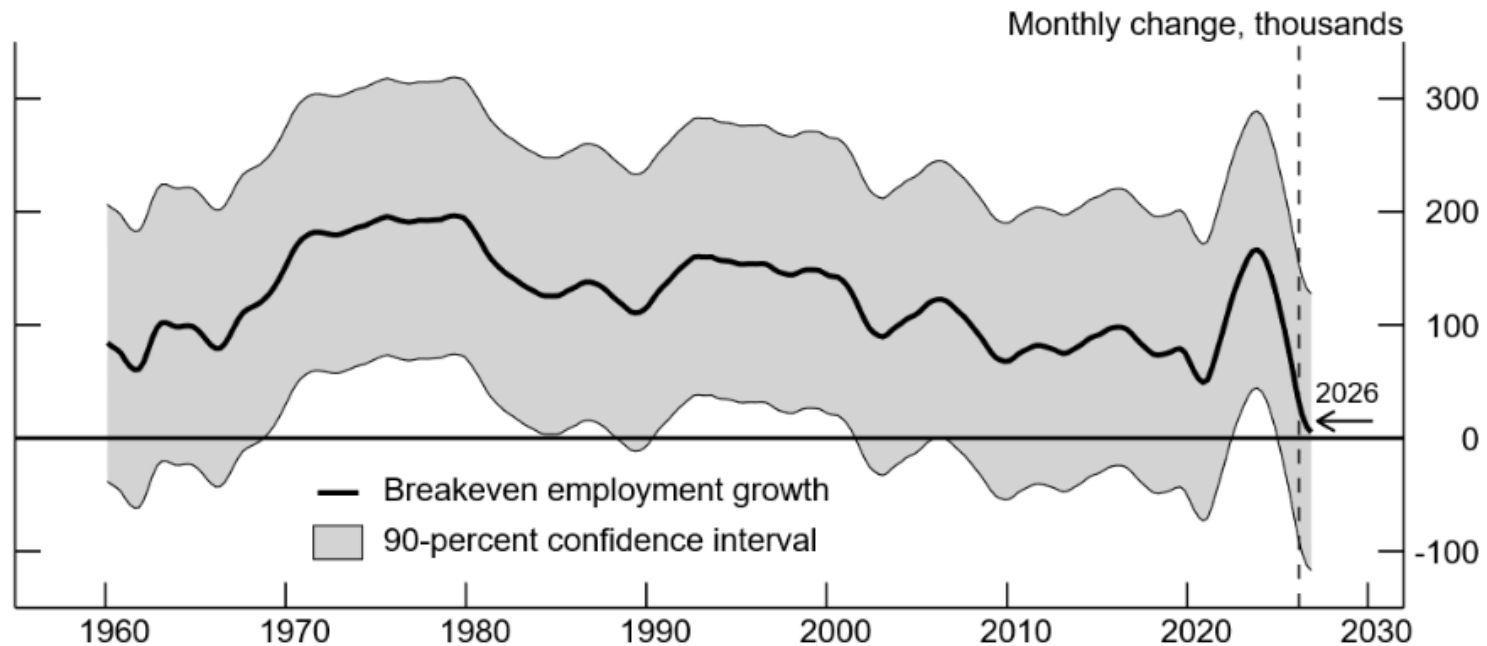


Redbook Same Store Sales Index, Y/Y %



0 (Fed Chair Powell's lower bound for breakeven jobs growth).

Figure 2. Breakeven pace of employment growth



Note: The breakeven pace of employment growth is constructed using the change in the potential labor force, as shown in Figure 1, times one minus the noncyclical rate of unemployment from CBO (2026) (see Appendix C for more details). The 90-percent confidence interval is derived from the BLS's estimate of the standard error in its measure of the change in total payroll employment (see BLS 2026).

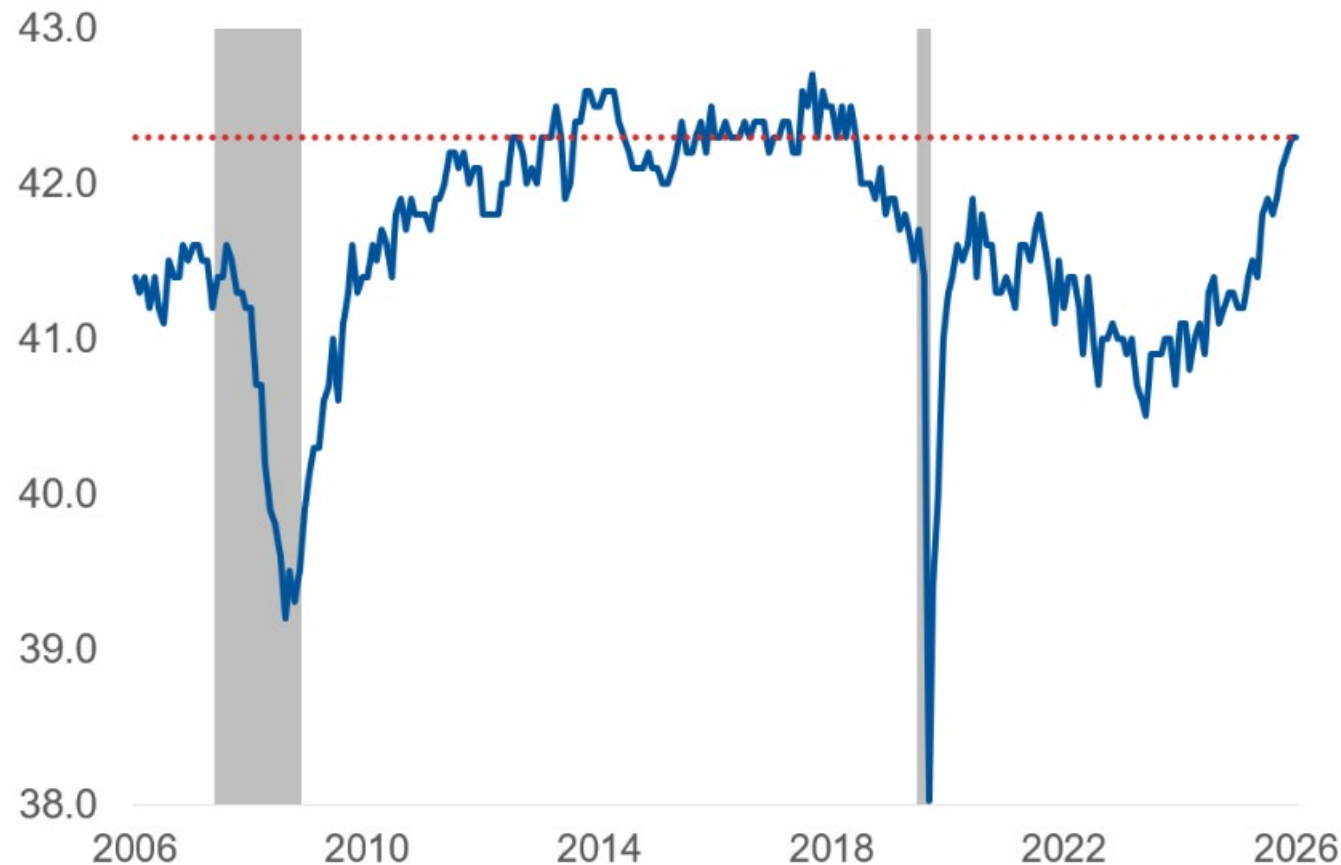
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Labor market healthier overall.

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Avg. weekly hours of production employees

Durable goods manufacturing, Source: U.S. BLS



- Initial claims at 50-year lows.
- Temporary services employment at 16-month high.
- Under-employment rate (U6) at 20-month low.
- Indeed job postings positive y/y for first time since Oct. 2022.