Week in Review by Madison Fixed Income

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November 13, 2026

Inflation

The Consumer Price Index (CPI) rose 0.4% in October. The core CPI, excluding food and energy, rose 0.3%. Both of these were ahead of expectations. Year-over-year CPI data was not released because of the government shutdown. Producer prices (PPI) were up 0.3% in October and are up 6.5% over the last 12 months. Leading up to and following these reports, multiple Fed officials indicated that the reported level of inflation would require further Fed tightening, possibly at a faster pace. Treasury yields rose sharply, retracing a large portion of their move downward to start the third quarter.

Our Take: This report served as a reminder to markets that inflation is running well above the Fed's target and not improving. Since the end of September, bond markets had been pricing in less monetary restriction being needed to rein in inflation, but these reports caused a revision in those expectations.

AI

Nvidia CEO and co-founder Jensen Huang resigned from the company following the revelation of inappropriate personal relationships, including one with someone who is suspected of working with Chinese entities to circumvent U.S. export restrictions on Nvidia chips. Huang has been a very high-profile and central player in the AI buildout. Notably, Huang has been a strong advocate for not slowing AI frontier development, fewer restrictions on sales of advanced chips to China, and chipmakers providing significant financing to purchasers of advanced chips used by AI models.

Our Take: Huang's exit from Nvidia is unlikely to alter that firm's course of action in the short term. Over the longer term, his absence from a prominent position in the AI industry may reduce his ability to advocate for the positions above, and this could slow the rate of the AI infrastructure buildout.

Iran

Mediated talks between the U.S. and Iran appear to have reached an impasse. President Trump recalled Vice President Vance from these negotiations and stated that the U.S. "doesn't need a deal." Crude prices retraced most of their decline seen earlier in the week following the president's remarks.

Our Take: Energy markets are back to a situation where global crude supply is close to its pre-conflict levels, but increased transportation costs and concerns about a re-escalation of the conflict are keeping energy prices elevated.

Contact

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About Madison Fixed Income

Madison Fixed Income partners closely with advisors and investors to deliver a broad spectrum of actively managed bond strategies designed to align with varying risk profiles and portfolio objectives. With portfolio managers averaging more than 25 years of industry experience, our team has navigated multiple market cycles, leveraging a disciplined, research-intensive investment approach.

Disclosures

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The federal funds rate is the target interest rate range set by the Federal Open Market Committee (FOMC) for banks to lend or borrow excess reserves overnight. It influences monetary and financial conditions, short-term interest rates, and the stock market.

The Consumer Price Index (CPI) is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services.

The Producer Price Index (PPI) is a family of indexes that measures the average change over time in selling prices received by domestic producers of goods and services.