Capital Markets Strategy
Essential inCights for the C-Suite

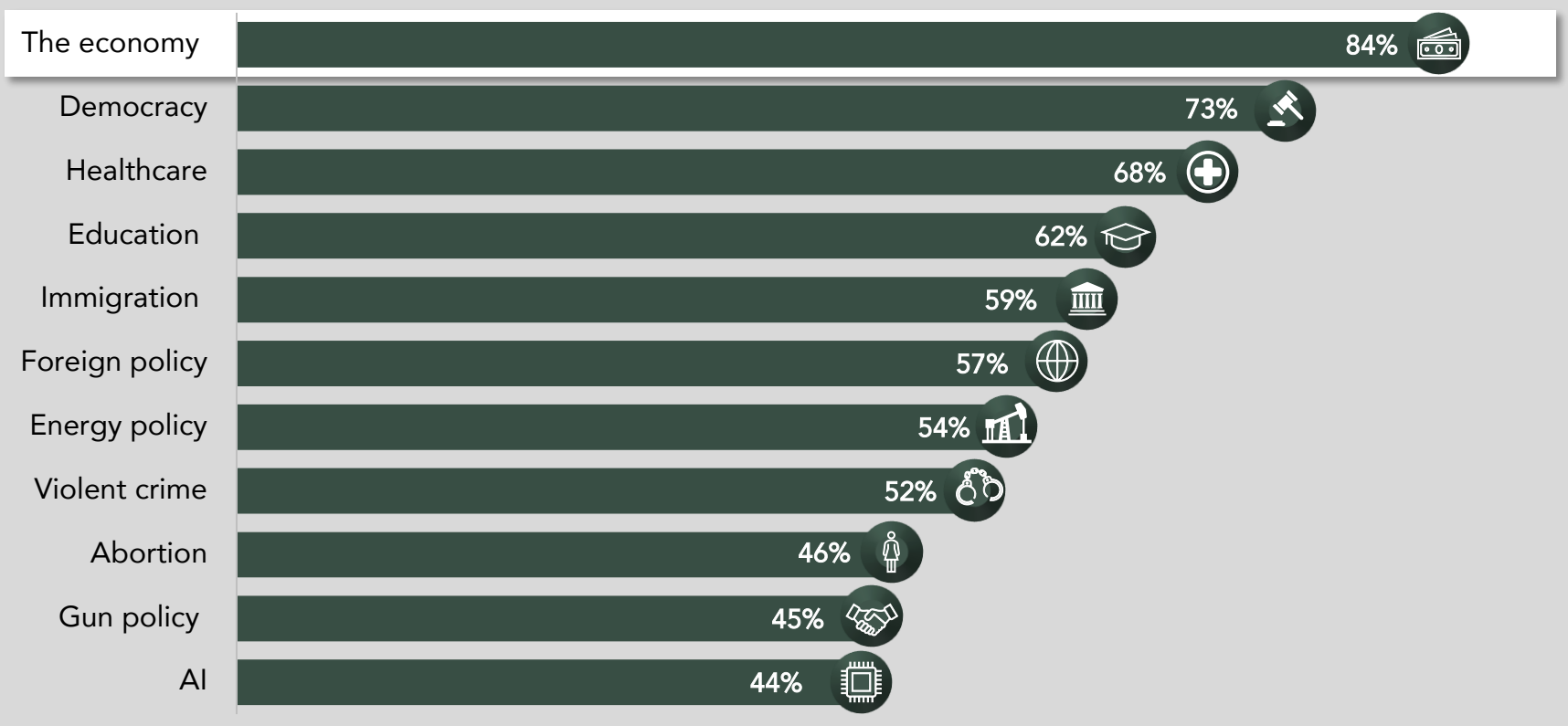
MUFG

# Chart of the Day

## Economy Ranks as Top Voter Issue

A recent Pew Research survey found that the economy is the dominant issue for both Republican and Democratic candidate supporters in the 2026 midterm election.

***% of registered voters who say each of the following issues are very important to their vote in the 2026 midterms***

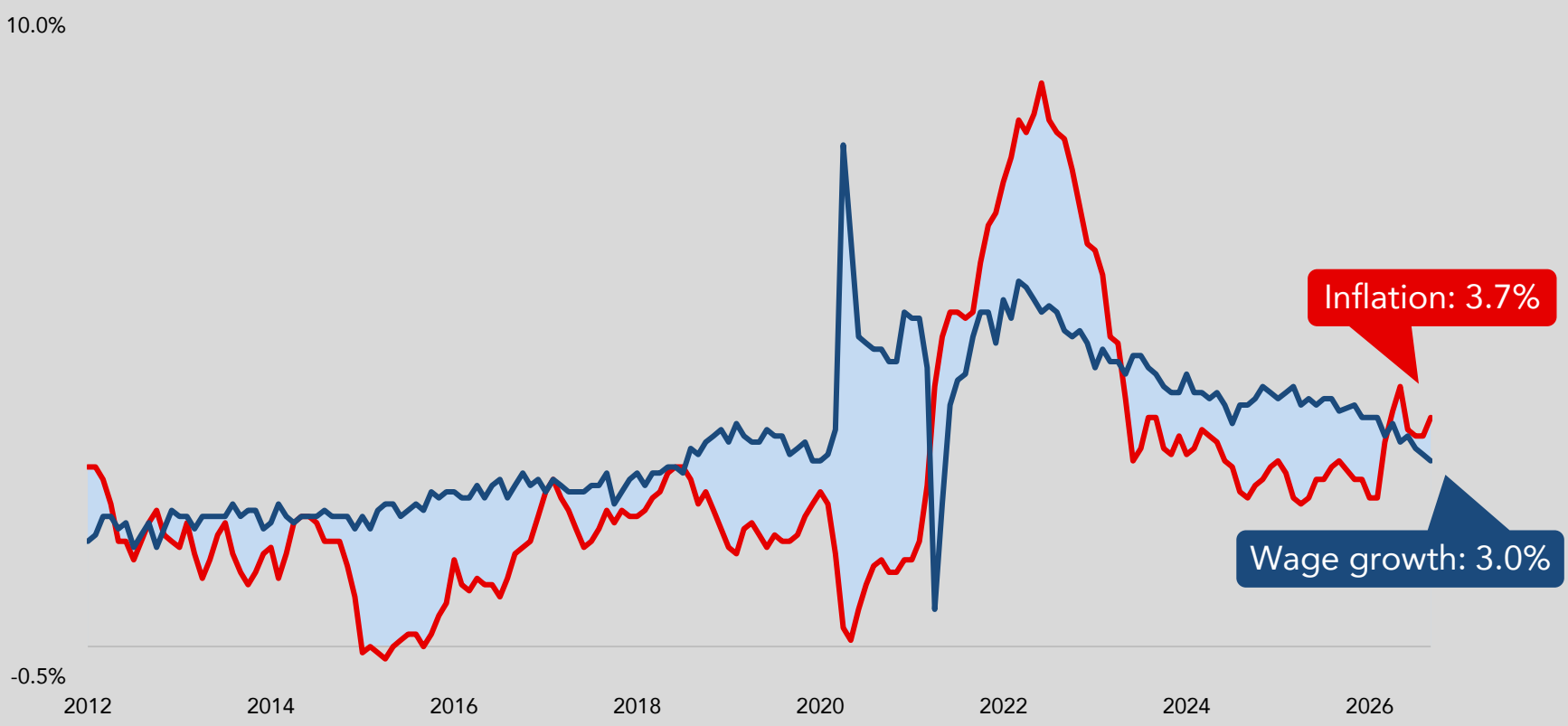



*Source: (1) Pew Research, "Economy Ranks as Top Issue in Midterms for All Voters – But Partisans Differ Over the Importance of Other Issues." (October 2026). Survey of 5,062 US adults who are registered voters conducted on September 28- October 4, 2026.*

## Headline US Inflation Outpacing Wage Growth

Average hourly earnings continued to decelerate in September, up just 3.0% y/y and below the annual inflation rate. Real wage growth has been negative since April and is directly eroding household affordability, reinforcing voters' focus on inflation as a core issue heading into the midterm elections.

***Headline CPI vs. average hourly wages, y/y***

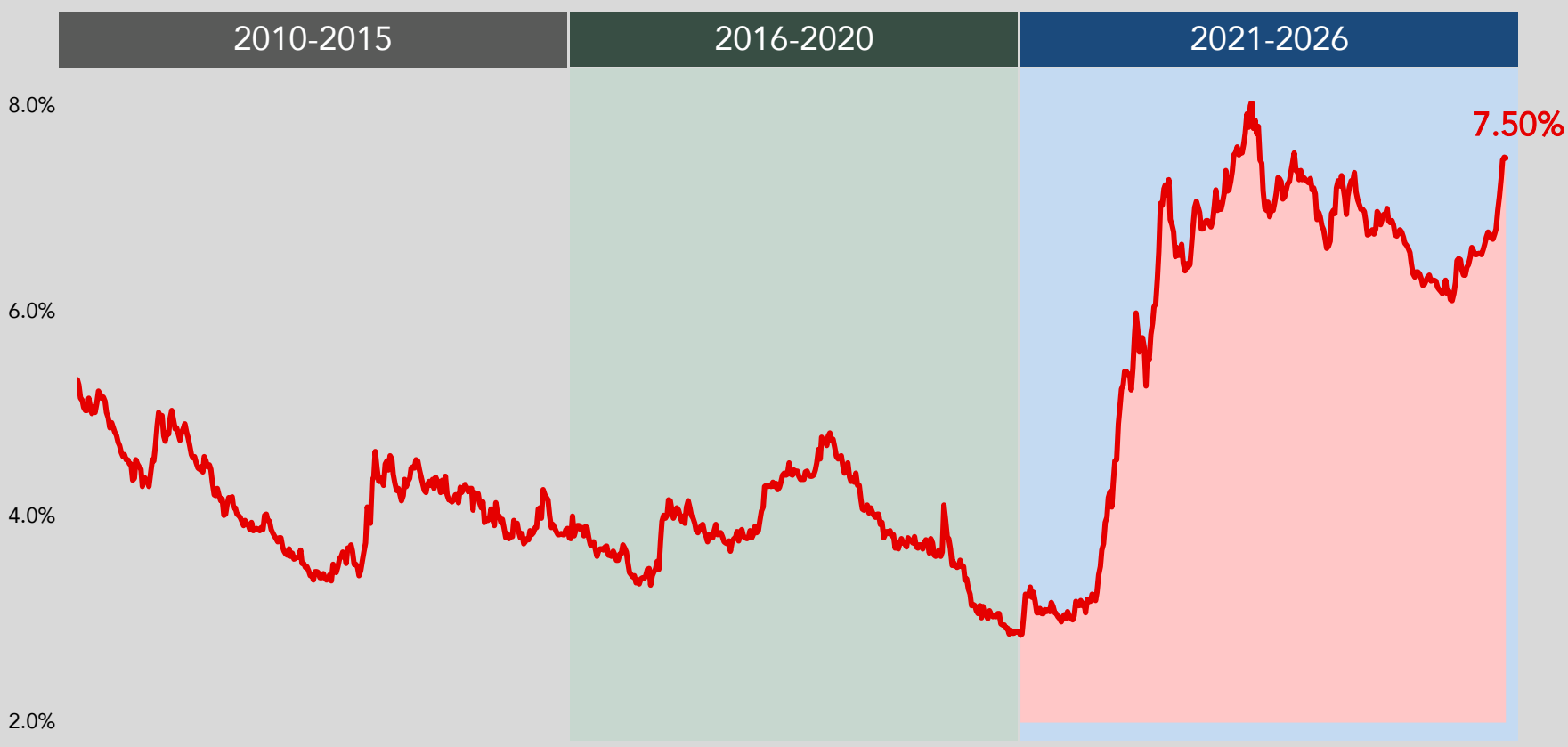



*Source: Bloomberg. Data as of October 19, 2026.*

## US Mortgage Rates at Highest Level Since 2023

The impact of higher UST yields – driven by higher term premia, fiscal supply and an evolving buyer base – has rippled through US mortgage and housing markets.

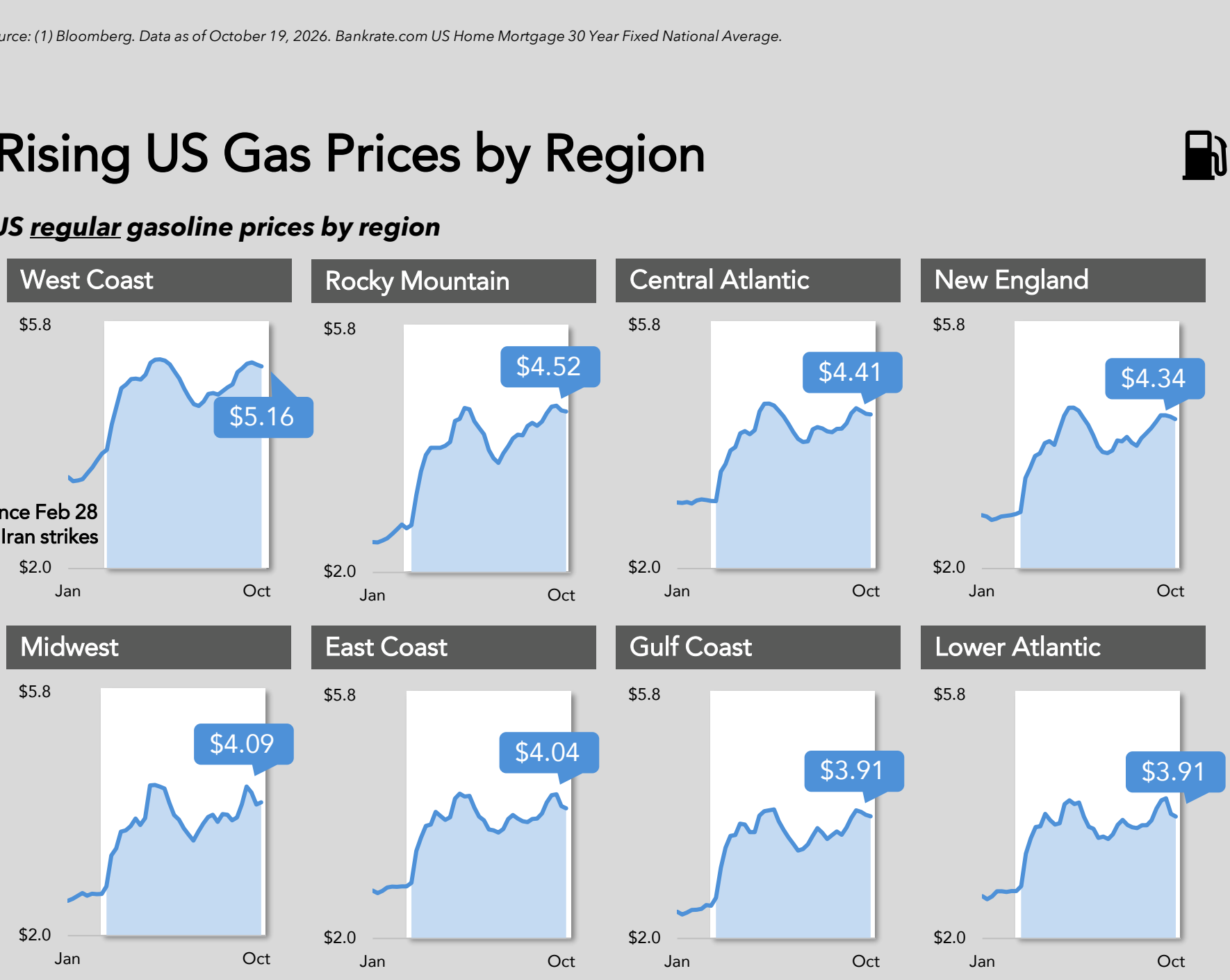
***US 30-year fixed mortgage rate, national average***




*Source: (1) Bloomberg. Data as of October 19, 2026. Bankrate.com US Home Mortgage 30 Year Fixed National Average.*

## Rising US Gas Prices by Region

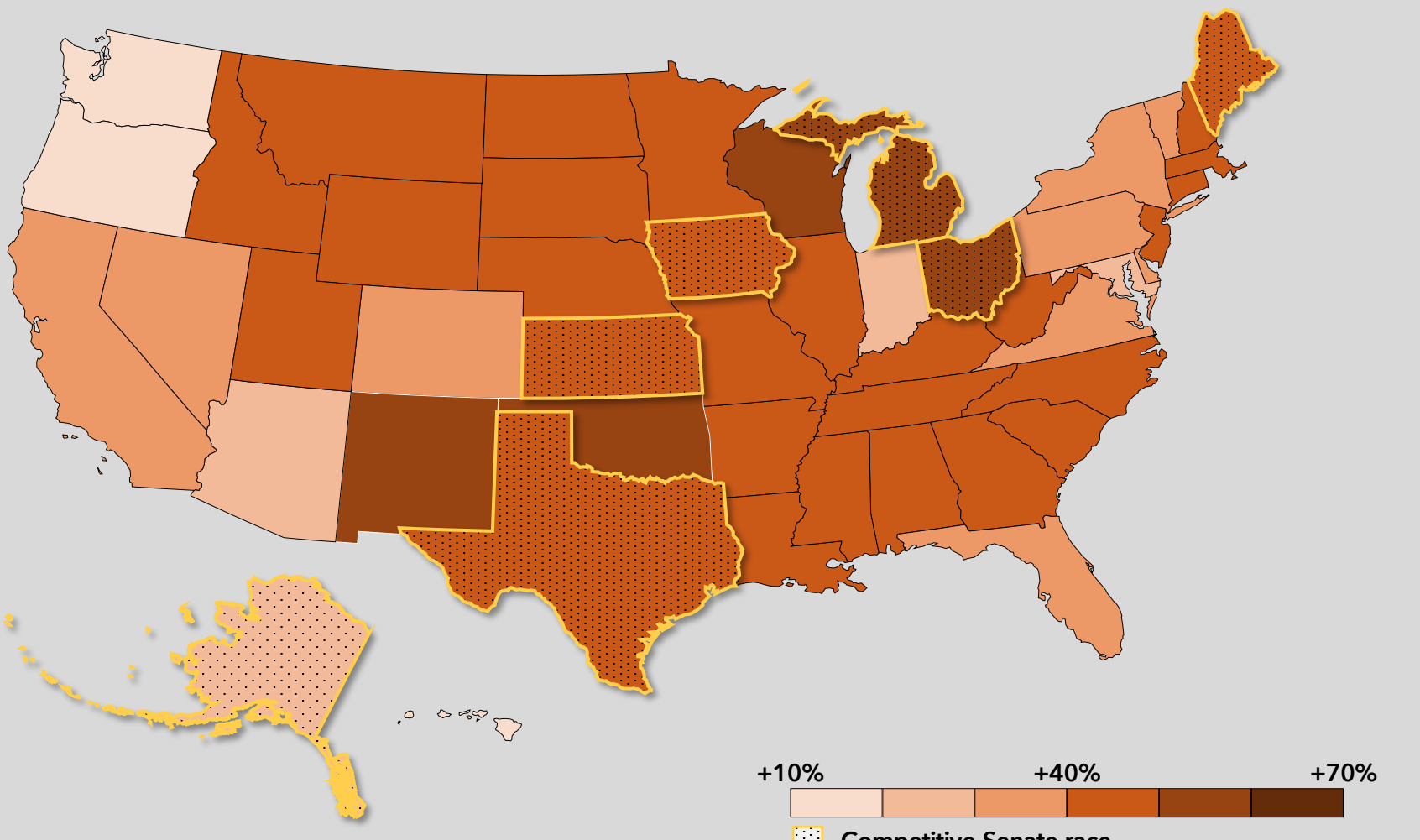
***US <u>regular</u> gasoline prices by region***




*Source: (1-8) Bloomberg. Data as of October 19, 2026. EIA regions. Regular gasoline prices including all taxes. Weekly data.*

# Where Gas Prices Have Increased the Most?

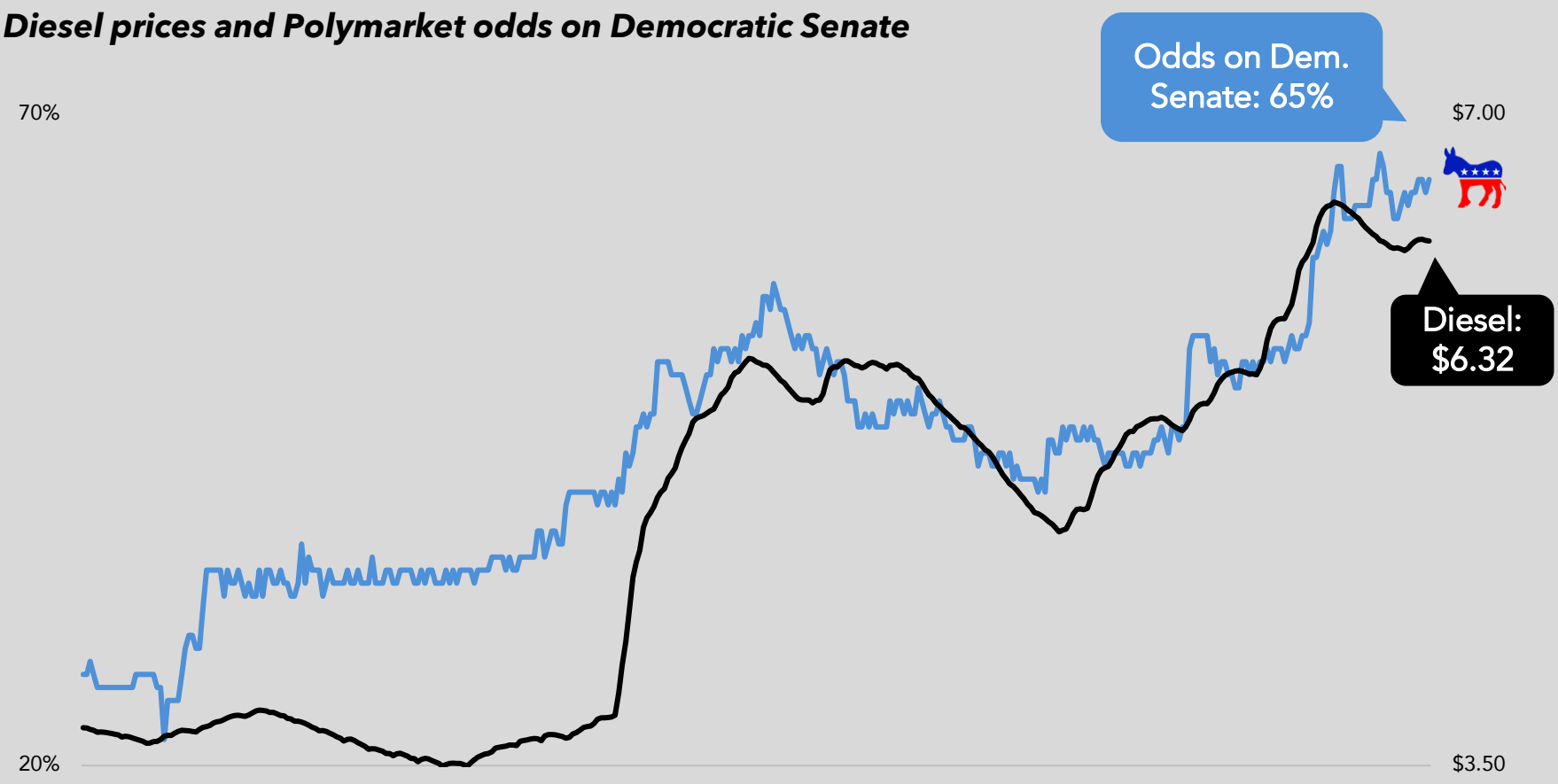
***Percentage change in regular gas prices on Sept. 22, 2026 versus one year earlier***




*Source: Nate Silver, "Diesel prices could crush Republicans in the heartland".*

# Democratic Senate Odds Have Risen Alongside the Price of Diesel

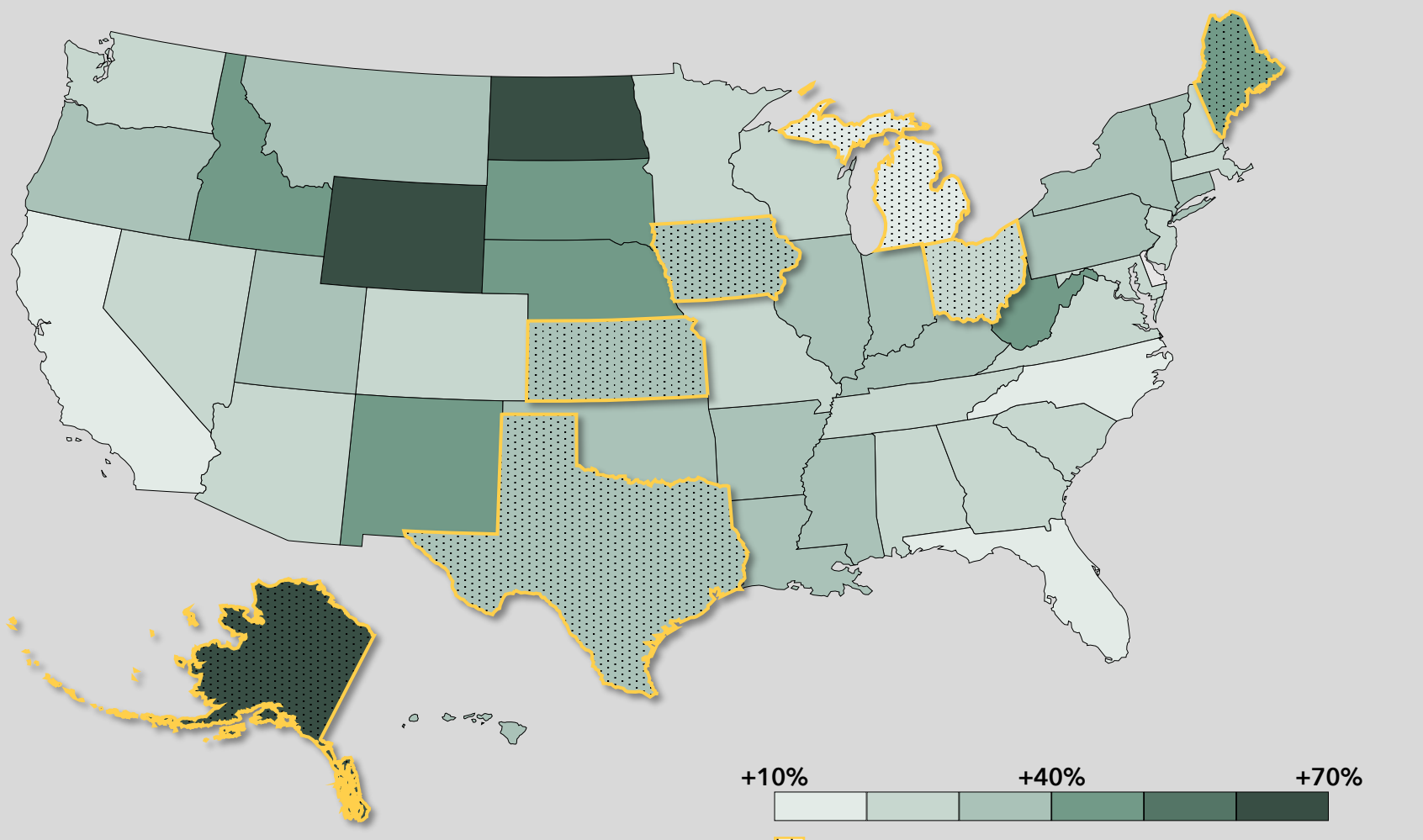
***Diesel prices and Polymarket odds on Democratic Senate***




*Source: (1) Bloomberg. Data as of October 19, 2026. John Authers.*

# Which States Depend the Most on Diesel?

***Diesel and heating oil as a share of combined diesel and gasoline use (2024)***

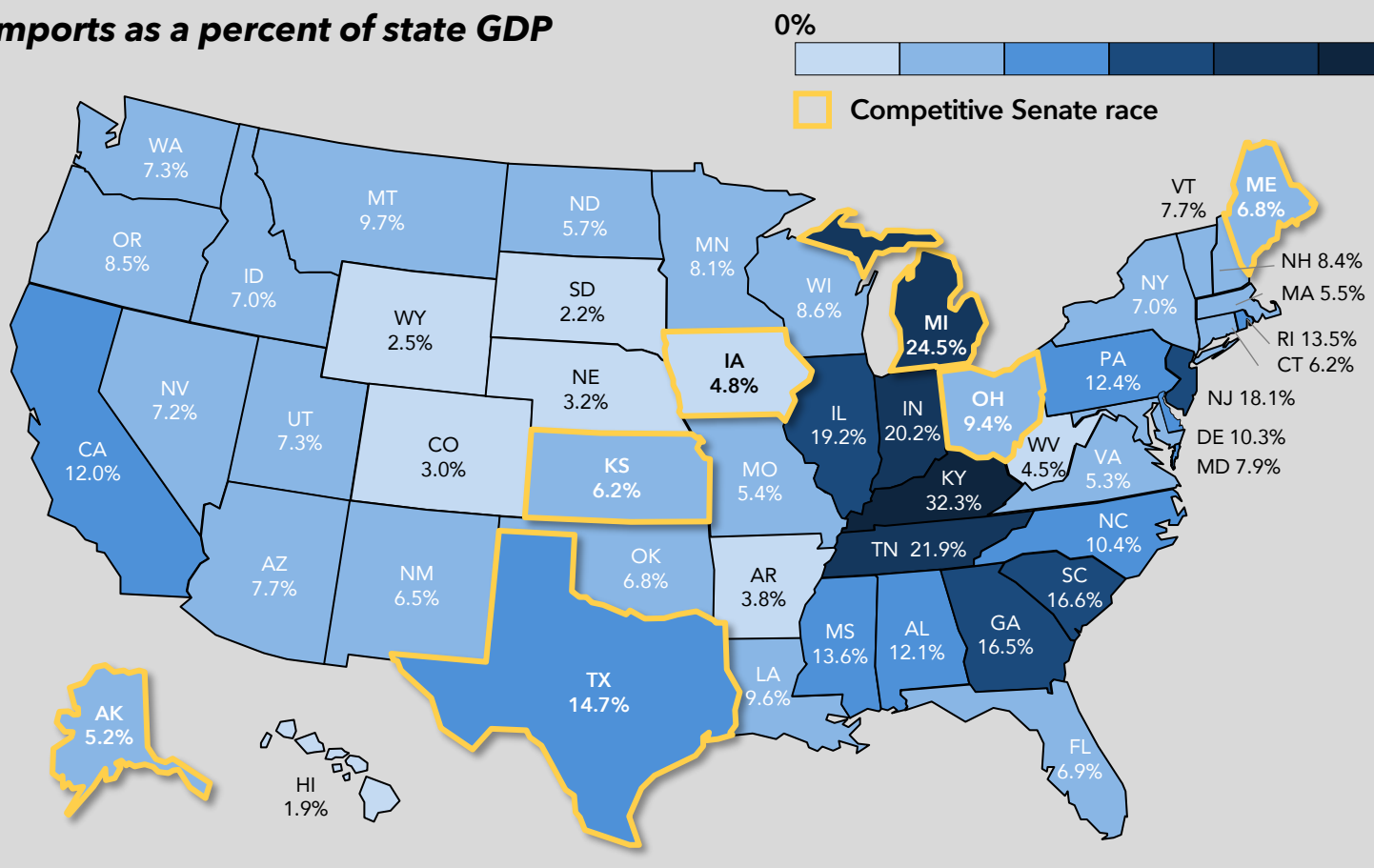



*Source: Nate Silver, "Diesel prices could crush Republicans in the heartland".*

# Key Swing States More Exposed to Tariffs

Trump's trade policy has contributed to affordability pressures, with the household costs due to tariffs estimated at $1,100 annually. Key battleground states that have more concentrated manufacturing and farm economies are more exposed. However, according to a new Cato Institute / Morning Consult survey, nearly 60% of respondents have an unfavorable opinion on the President's handling of US trade policy.

***Share of imports as a percent of state GDP***




*Source: (1) National Association of Realtors. Competitive Senate race data is from Cook Political Report. Cato Institute "75% of Americans Say Tariffs Will be Important to Their Vote in the Midterms." Data as of October 19, 2026.*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"Macro stability isn't everything, but without it, you have nothing."