WEEKLY MARKET COMMENTARY

September 14, 2026

WEEK IN REVIEW

The economic data last week continued to show a U.S. economy that remains resilient, but with inflation pressures moving back into focus ahead of the September Federal Open Market Committee (FOMC) meeting. Treasury yields moved sharply higher over the week, with the 10-year finishing around 4.97%, up from roughly 4.78% the prior Friday, while the 30-year ended near 5.38%, reaching its highest level in nearly two decades.

Despite the rise in yields, demand at both long-duration Treasury auctions was strong. Wednesday's $39 billion 10-year note auction cleared at 4.834%, the highest auction yield since 2007, but generated a strong 2.71 bid-to-cover ratio. The bid-to-cover ratio measures the amount investors bid relative to the amount of Treasury debt offered, with a higher ratio generally indicating stronger demand. Indirect bidders took roughly 79% of the issue and primary dealers were left with only about 4%, further indicating healthy underlying demand. Thursday's $22 billion 30-year bond auction was similarly strong, clearing at 5.308% with a bid-to-cover ratio around 2.6. Dealers absorbed just 2.2% of the issue, another indication that investors were willing to add duration at these higher yield levels.

On the economic front, Thursday's Producer Price Index (PPI) report showed producer prices rising 0.4% month-over-month and 5.4% year-over-year in August. Goods prices rose 1.1%, while services increased just 0.1%, showing that much of the latest inflation pressure is concentrated in goods and energy-related categories. Existing-home sales fell 2.0% to a 3.98 million annualized pace, the lowest level in 14 months, while inventory increased to 1.62 million homes. Housing therefore remains one of the clearer areas where elevated borrowing costs continue to weigh on activity.

Wednesday's crude-oil inventory report showed commercial crude inventories falling only about 391,000 barrels to 424.1 million, while U.S. production reached a record 13.9 million barrels per day. Gasoline and distillate inventories both increased. Friday's Consumer Price Index (CPI) report was the most important release of the week. Headline CPI rose 0.4% in August and 3.4% year-over-year, while core CPI increased 0.3% for the month and 2.4% from a year earlier. Gasoline prices rose 3.9%, showing the growing impact of the recent energy-price increase, while the firmer core monthly reading suggested that inflation pressures were not limited entirely to energy.

ECONOMIC AND CAPITAL MARKETS DASHBOARD

Broad Market Indices	1-week	1-month	3-month	YTD
Stock Market (Total Return)				
S&P 500	-1.13%	-0.79%	3.84%	12.77%
Dow Jones 30	-2.05%	-2.04%	3.78%	10.64%
NASDAQ	-0.91%	-0.34%	2.17%	13.78%
Russell 1000 Growth	-0.94%	-1.05%	0.69%	3.69%
Russell 1000 Value	-1.46%	-0.91%	6.88%	22.52%
Russell 2000	-2.13%	-3.93%	-0.27%	17.95%
Wilshire 5000	-1.26%	-1.09%	3.48%	12.90%
MSCI EAFE Index	-1.53%	-2.51%	4.03%	12.56%
MSCI Emerging Market Index	0.95%	1.85%	1.34%	23.56%
VIX	10.61%	3.66%	-18.52%	5.95%
FTSE NAREIT All Equity REITs	-1.74%	-1.31%	-2.34%	12.78%
S&P U.S. Aggregate Bond Index	-0.96%	-0.96%	-1.60%	-0.97%
Interest Rates	**9/11/2026**	**9/4/2026**	**8/28/2026**	**8/21/2026**
3-month T-bill Yield (%)	4.01	3.85	3.83	3.80
10-year Treasury Yield (%)	4.97	4.78	4.73	4.73
10Y-2Y Treasury Spread (%)	0.35	0.41	0.37	0.50
30-year Fixed Mortgage Rate (%)	--	6.76	6.71	6.72
Commodities				
WTI Crude ($/bl)	102.39	92.69	84.57	87.21
Gold ($/Troy Oz)	4,386.25	4,415.40	4,562.75	4,582.10
Bitcoin	77,279.17	79,677.98	77,841.57	78,180.58

Weekly Indicators	9/11/2026	9/4/2026	8/28/2026	8/21/2026
Employment				
Initial Unemployment Claims (000’s)	-	206.00	207.00	204.00

Quarterly Data	6/30/2026	3/31/2026	12/31/2025	9/30/2025
Output				
Real GDP Growth (%q/q, saar)	1.50	2.10	0.50	4.40
Private Consumption (%q/q, saar)	3.40	0.50	1.90	3.50

Monthly Indicators	8/31/2026	7/31/2026	6/30/2026	5/29/2026
Consumption				
Consumer Expenditures (%m/m, sa)	-	0.16	0.35	0.85
Retail Sales (%m/m, sa)	-	-0.75	0.22	0.88
Personal Savings Rate (%)	-	3.00	2.60	2.80
Labor				
Civilian Unemployment Rate (%)	4.10	4.10	4.20	4.30
Nonfarm Employment (Chg, 000's)	162	21	31	63
Real Average Hourly Earnings (%y/y)	-0.05	-0.02	-0.05	-0.61
JOLTS Job Openings (000's)	-	7271	7182	7537
Inflation				
Consumer Price Index (CPI) (%m/m, sa)	0.40	0.07	-0.42	0.47
Core CPI (%m/m, sa)	0.29	0.22	-0.02	0.21
Producer Price Index (PPI) (%m/m, sa)	0.40	0.07	-0.13	0.51
Core PPI (%m/m, sa)	0.38	0.21	0.24	0.71
Personal Consumption Expenditures (PCE) (%m/m, sa)	-	0.16	-0.09	0.48
Core PCE (%m/m, sa)	-	0.25	0.15	0.36
Output and Capacity				
Industrial Production (%m/m, sa)	-	0.20	0.27	-0.01
Mfg New Orders (%m/m, sa)	-	0.89	-0.16	-1.06
Durable New Orders (%m/m, sa)	-	1.08	0.58	-4.00
Durable Inventories (%m/m, sa)	-	0.40	0.38	0.15
Survey Data and Composite Indicators				
Consumer Confidence (CB, 1985=100)	89.40	90.20	92.20	90.60
ISM Manufacturing Report (%)	54.60	55.60	53.30	54.00
ISM Non-Manufacturing Report (%)	55.40	54.10	54.00	54.50
Leading Economic Index (%m/m)	-	0.20	-0.10	0.20
Housing and Construction				
Building Permits (Mil. of Units, saar)	-	1.43	1.37	1.41
Housing Starts (Mil. of Units, saar)	-	1.24	1.42	1.18
New Home Sales (Mil. of Units, saar)	-	0.61	0.68	0.63

WEEK AHEAD

The first major release this week will be August retail sales on Wednesday morning, just hours before the Fed decision. Retail sales fell 0.6% in July, their first decline in nine months, so August's report will be important in determining whether consumer spending has rebounded or whether higher prices and softer confidence are beginning to restrain demand.

The primary focus, however, will be the September FOMC meeting on Tuesday and Wednesday, with the policy decision being released Wednesday afternoon. This meeting is particularly highly anticipated because the Fed appears to be approaching an important shift in policy. At the July meeting, the Committee held the federal funds target at 3.50%-3.75%, but the decision was already unusually divided, with three members voting for a 25-basis-point hike. Since then, the Fed has received a strong August employment report, higher-than-expected PPI, a firmer monthly CPI reading, and another sharp increase in energy prices. Markets have consequently moved from viewing a September hike as a close call to pricing roughly an 85% probability of a 25-basis-point increase.

The meeting is also important because September includes an updated Summary of Economic Projections and dot plot. Investors will therefore be looking beyond the immediate rate decision to see how policymakers have changed their forecasts for inflation, growth, unemployment, and the appropriate path for interest rates. The central question is whether the Fed views the recent inflation pressure, particularly from energy, as temporary, or whether the combination of persistent inflation and a still-resilient labor market warrants a broader return to tighter monetary policy. With inflation still materially above the Fed's 2% objective and three policymakers already favoring a hike at the previous meeting, Wednesday's decision and updated projections should provide the clearest indication yet of how the Fed intends to navigate the remainder of the year.

DISCLOSURES AND DEFINITIONS

Economic Indicators:

1. CPI: Consumer Price Index measures the average change in prices paid by consumers for goods and services over time. Source: Bureau of Labor Statistics.
2. Core CPI: Core Consumer Price Index excludes food and energy prices to provide a clearer picture of long-term inflation trends. Source: Bureau of Labor Statistics.
3. PPI: Producer Price Index measures the average change in selling prices received by domestic producers for their output. Source: Bureau of Labor Statistics.
4. Core PPI: Core Producer Price Index excludes food and energy prices to provide a clearer picture of long-term inflation trends. Source: Bureau of Labor Statistics.
5. PCE: Personal Consumption Expenditures measure the average change in prices paid by consumers for goods and services. Source: Bureau of Economic Analysis.
6. Core PCE: Core Personal Consumption Expenditures exclude food and energy prices to provide a clearer picture of long-term inflation trends. Source: Bureau of Economic Analysis.
7. Industrial Production: Measures the output of the industrial sector, including manufacturing, mining, and utilities. Source: Federal Reserve.
8. Mfg New Orders: Measures the value of new orders placed with manufacturers for durable and non-durable goods. Source: Census Bureau.
9. Durable New Orders: Measures the value of new orders placed with manufacturers of durable goods. Source: Census Bureau.
10. Durable Inventories: Measures the value of inventories held by manufacturers for durable goods. Source: Census Bureau.
11. Consumer Confidence (CB, 1985=100): Measures the degree of optimism that consumers feel about the overall state of the economy and their personal financial situation. Source: Conference Board.
12. ISM Manufacturing Report: Measures the economic health of the manufacturing sector based on surveys of purchasing managers. Source: Institute for Supply Management.
13. ISM Non-Manufacturing Report: Measures the economic health of the non-manufacturing sector based on surveys of purchasing managers. Source: Institute for Supply Management.
14. Leading Economic Index: Measures overall economic activity and predicts future economic trends. Source: Conference Board.
15. Building Permits (Mil. of Units, saar): Measures the number of new residential building permits issued. Source: Census Bureau.
16. Housing Starts (Mil. of Units, saar): Measures the number of new residential construction projects that have begun. Source: Census Bureau.
17. New Home Sales (Mil. of Units, saar): Measures the number of newly constructed homes sold. Source: Census Bureau.
18. SA: Seasonally adjusted.
19. SAAR: Seasonally adjusted annual rate.

Market Indices & Indicators:

1. S&P 500: A market-capitalization-weighted index of 500 leading publicly traded companies in the U.S., widely regarded as one of the best gauges of large U.S. stocks and the stock market overall.
2. Dow Jones 30: Also known as the Dow Jones Industrial Average, it tracks the share price performance of 30 large, publicly traded U.S. companies, serving as a barometer of the stock market and economy.
3. NASDAQ: The world›s first electronic stock exchange, primarily listing technology giants and operating 29 markets globally.
4. Russell 1000 Growth: Measures the performance of large-cap growth segment of the U.S. equity universe, including companies with higher price-to-book ratios and growth metrics.
5. Russell 1000 Value: Measures the performance of large-cap value segment of the U.S. equity universe, including companies with lower price-to-book ratios and growth metrics.
6. Russell 2000: A market index composed of 2,000 small-cap companies, widely used as a benchmark for small-cap mutual funds.
7. Wilshire 5000: A market-capitalization-weighted index capturing the performance of all American stocks actively traded in the U.S., representing the broadest measure of the U.S. stock market.
8. MSCI EAFE Index: An equity index capturing large and mid-cap representation across developed markets countries around the world, excluding the U.S. and Canada.
9. MSCI Emerging Market Index: Captures large and mid-cap representation across emerging markets countries, covering approximately 85% of the free float-adjusted market capitalization in each country.
10. VIX: The CBOE Volatility Index measures the market's expectations for volatility over the coming 30 days, often referred to as the «fear gauge.»
11. FTSE NAREIT All Equity REITs: Measures the performance of all publicly traded equity real estate investment trusts (REITs) listed in the U.S., excluding mortgage REITs.
12. S&P U.S. Aggregate Bond Index: Represents the performance of the U.S. investment-grade bond market, including government, corporate, mortgage-backed, and asset-backed securities.
13. 3-Month T-bill Yield (%): The yield on U.S. Treasury bills with a maturity of three months, reflecting short-term interest rates.

14. 10-Year Treasury Yield (%): The yield on U.S. Treasury bonds with a maturity of ten years, reflecting long-term interest rates.
15. 10Y-2Y Treasury Spread (%): The difference between the yields on 10-year and 2-year U.S. Treasury bonds, often used as an indicator of economic expectations.
16. WTI Crude ($/bl): The price per barrel of West Texas Intermediate crude oil, a benchmark for U.S. oil prices.
17. Gold ($/Troy Oz): The price per troy ounce of gold, a standard measure for gold prices.
18. Bitcoin: A decentralized digital currency without a central bank or single administrator, which can be sent from user to user on the peer-to-peer bitcoin network.

The Dow Jones Industrial Average (DJIA) is a price-weighted index composed of 30 widely traded blue-chip U.S. common stocks. The S&P 500 is a market-cap weighted index composed of the common stocks of 500 leading companies in leading industries of the U.S. economy. The NASDAQ Composite Index is a market-value weighted index of all common stocks listed on the NASDAQ stock exchange.