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osaic

MARKET VIEW WEEKLY

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ECONOMIC REVIEW[1]

- The Producer Price Index (PPI) rose 0.4% month-over-month (MoM) in August, in line with market expectations, bringing the year-over-year (YoY) increase to 5.4%.
    - Rising energy costs were the primary driver, accounting for roughly three-quarters of the monthly increase as geopolitical tensions in the Middle East intensified toward the end of the summer.
    - Core PPI, which excludes the more volatile food and energy categories, rose 0.2% MoM, slightly below expectations, bringing the year-ago comparison to 4.6%.
- The Consumer Price Index (CPI) rose 0.3% MoM in August, slightly above expectations. On a year-over-year basis, CPI is up 3.4%, unchanged from the previous month's reading.
    - Similar to PPI, energy prices contributed meaningfully to the increase, rising 2.1% MoM.
    - Core CPI rose 0.3% MoM, above expectations, with shelter and transportation services increasing 0.3% and 0.5%, respectively.
- The preliminary University of Michigan Consumer Sentiment Index fell to 47.8 from 51.0 for the September reading, suggesting consumers have become more cautious about the economic outlook.
    - Concerns surrounding future business conditions and inflation increased as renewed hostilities involving Iran added to economic uncertainty.
- Existing home sales fell 2.0% MoM to a 14-month low, seasonally adjusted annualized rate of 3.98 million units in August, in line with market expectations.
    - With mortgage rates remaining elevated, the modest decline in home-buying activity is not surprising, as higher borrowing costs continue to weigh on housing demand.

How does the most recent economic data impact you?

- This week's inflation data showed that overall price increases remain firmly above the Federal Reserve's 2% target, as the ongoing conflict in the Middle East continues to put upward pressure on energy prices. With labor remaining resilient and inflation elevated, the case for a rate hike at the upcoming meeting has strengthened as the Fed looks to bring inflation back toward its target.
- Consumer sentiment has trended lower over the past two months as the conflict in the Middle East shows few signs of easing. Energy prices have surged, with oil climbing above $100 per barrel, adding pressure on consumers and contributing to inflation concerns. The combination of higher energy costs and greater uncertainty about future business conditions is weighing on consumers' economic outlook.

A LOOK FORWARD[1]

- All eyes will be on the Federal Reserve this week, as investors await the central bank's interest rate decision. We will also get an updated look at consumer health with the release of retail sales data.

How does this week's slate of economic data impact you?

- The Federal Reserve's interest rate decision directly impacts borrowing costs across the economy. A potential rate hike would raise financing costs for businesses, which could weigh on investment and potentially slow some of the economic momentum and business activity we have seen so far this year.

MARKET UPDATE[2]

Market Index Returns as of 9/11/26	WTD	QTD	YTD	1 YR	3 YR	5 YR
S&P 500	-0.78%	2.33%	12.77%	17.66%	21.30%	13.03%
NASDAQ	-0.64%	0.57%	13.78%	19.65%	24.95%	12.57%
Dow Jones Industrial Average	-1.56%	0.81%	10.64%	16.58%	16.95%	10.79%
Russell Mid-Cap	-1.74%	-0.41%	14.82%	15.20%	16.80%	8.00%
Russell 2000 (Small Cap)	-2.38%	-3.77%	17.95%	22.64%	17.69%	6.91%
MSCI EAFE (International)	-1.38%	2.80%	12.51%	18.56%	18.26%	8.85%
MSCI Emerging Markets	-0.23%	0.38%	24.32%	32.31%	23.47%	8.21%
Bloomberg U.S. Agg Bond	-1.04%	-2.04%	-1.43%	-0.59%	3.98%	-0.50%
Bloomberg High Yield Corp.	-0.54%	0.05%	2.01%	3.58%	8.35%	3.93%
Bloomberg Global Agg	-0.77%	-0.69%	-0.90%	-0.78%	3.86%	-1.87%

OBSERVATIONS

- Major domestic indices sold off last week, with the Dow leading the decline despite negative AI-related headlines.
  - The Dow Jones (-1.56%) led the sell off, followed by the S&P 500 (-0.78%), while the NASDAQ held up slightly better, declining -0.64%.
- Down-cap equities were hit the hardest, as the Russell Mid-Cap declined -1.74% and the Russell 2000 fell -2.38%.
- International equities faltered as well, with developed markets (MSCI EAFE) declining -1.38%, while emerging markets pulled back a more modest -0.23%.
- Domestic fixed income markets mirrored the downward trend, with the Bloomberg U.S. Aggregate declining -1.04% and high yield bonds falling -0.54%
  - International bonds (Bloomberg Global Aggregate) declined 0.77% as interest rates moved higher across global markets throughout the week.

BY THE NUMBERS

Remembering 9/11, 25 Years Later: The United States marked the 25th anniversary of the September 11 terrorist attacks with ceremonies honoring the nearly 3,000 people killed and the first responders who risked their lives. Commemorations were held at the World Trade Center, Pentagon, and Flight 93 National Memorial, where families gathered to remember those lost. In New York, relatives read victims' names, while younger generations honored family members they never had the chance to meet. At the Flight 93 Memorial, visitors also reflected on the courage of the 40 passengers and crew members who fought back against the hijackers. Twenty-five years later, the anniversary served as both a remembrance of the lives lost and a reflection on the courage, sacrifice, and national unity that emerged in the aftermath of the attacks.[3]

American Tennis Wait Continues at the U.S. Open: Ben Shelton's historic run at the U.S. Open came to an end in the final, falling to Germany's Alexander Zverev in four sets, 6-3, 7-6, 5-7, 6-2. Shelton entered the match looking to become the first American man to win a Grand Slam since Andy Roddick captured the U.S. Open in 2003, after an impressive run that included victories over Carlos Alcaraz and Frances Tiafoe. Despite battling back to take the third set, Shelton was unable to overcome Zverev, who won 92% of his first-serve points through the opening two sets and captured his second Grand Slam title of 2026. While the loss extends the American men's major drought to at least 24 years, Shelton's first Grand Slam final marked another major step forward for the 23-year-old and strengthened his position among the top young players in men's tennis.[4]

Economic Definitions

CPI (headline and core): Consumer prices (CPI) are a measure of prices paid by consumers for a market basket of consumer goods and services. The yearly (or monthly) growth rates represent the inflation rate.

Existing Home Sales: This concept tracks the sales of previously owned homes during the reference period. Total existing home sales include single-family homes, townhomes, condominiums and co-ops. All sales are based on closings from Multiple Listing Services. Foreclosed homes are only counted in the inventory if the bank is working with a realtor. Foreclosed homes that sell via auction (or other closings outside of the Multiple Listing Services) are not included.

Federal Reserve (Fed): The Federal Reserve System is the central banking system of the United States of America.

Producer Prices - PPI (headline and core): Producer prices (output) are a measure of the change in the price of goods as they leave their place of production (i.e. prices received by domestic producers for their outputs either on the domestic or foreign market).

University of Michigan Consumer Sentiment Index: Consumer confidence tracks sentiment among households or consumers. The results are based on surveys conducted among a random sample of households. Target Audience: representative sample of US households (excluding Alaska and Hawaii). Surveys of Consumers collects data on consumer attitudes and expectations summarized in the Consumer Sentiment, in order to determine the changes in consumers' willingness to buy and to predict their subsequent discretionary expenditures. This Index is comprised of measures of attitudes toward personal finances, general business conditions, and market conditions or prices. Components of the Index of Consumer Sentiment are included in the Leading Indicator Composite Index. Unit: Index (Q1 1966=100).

Retail Sales: Retail sales (also referred to as retail trade) tracks the resale of new and used goods to the general public, for personal or household consumption. This concept is based on the value of goods sold.

Index Definitions

S&P 500: The S&P 500® is widely regarded as the best single gauge of large-cap U.S. equities and serves as the foundation for a wide range of investment products. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization.

NASDAQ: The NASDAQ Composite Index is a broad-based capitalization-weighted index of stocks in all three NASDAQ tiers: Global Select, Global Market and Capital Market. The index was developed with a base level of 100 as of February 5, 1971.

NASDAQ-100: The NASDAQ-100 Index includes 100 of the largest domestic and international non-financial companies listed on The Nasdaq Stock Market based on market capitalization. The Index reflects companies across major industry groups including computer hardware and software, telecommunications, retail/wholesale trade and biotechnology. It does not contain securities of financial companies including investment companies.

Dow Jones Industrial Average: The Dow Jones Industrial Average is a price-weighted average of 30 blue-chip stocks that are generally the leaders in their industry. It has been a widely followed indicator of the stock market since October 1, 1928.

Russell Mid-Cap: Russell Midcap Index measures the performance of the 800 smallest companies in the Russell 1000 Index, which represent approximately 25% of the total market capitalization of the Russell 1000 Index.

Russell 2000: The Russell 2000 Index is comprised of the smallest 2000 companies in the Russell 3000 Index, representing approximately 8% of the Russell 3000 total market capitalization. The real-time value is calculated with a base value of 135.00 as of December 31, 1986. The end-of-day value is calculated with a base value of 100.00 as of December 29, 1978.

MSCI EAFE: The MSCI EAFE Index is a free-float weighted equity index. The index was developed with a base value of 100 as of December 31, 1969. The MSCI EAFE region covers DM countries in Europe, Australasia, Israel, and the Far East.

MSCI EM: The MSCI EM (Emerging Markets) Index is a free-float weighted equity index that captures large and mid-cap representation across Emerging Markets (EM) countries. The index covers approximately 85% of the free float-adjusted market capitalization in each country.

Bloomberg US Agg Bond: The Bloomberg US Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate pass-throughs), ABS and CMBS (agency and non-agency).

Bloomberg High Yield Corp: The Bloomberg US Corporate High Yield Bond Index measures the USD-denominated, high yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below. Bonds from issuers with an emerging markets country of risk, based on Bloomberg's EM country definition are excluded.

Bloomberg Global Agg: The Bloomberg Global Aggregate Index is a flagship measure of global investment grade debt from twenty-four local currency markets. This multi-currency benchmark includes treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers.

Bloomberg Municipal Bond Index: The Bloomberg U.S. Municipal Index covers the USD-denominated long-term tax-exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds and prerefunded bonds.

Disclosures

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[1] Data obtained from Bloomberg as of 9/11/26.

[2] Data obtained from Morningstar as of 9/11/26.

[3] A nation marks 25 years since 9/11. 'We will always remember you'

[4] Ben Shelton falls in the US Open final—and an American wait goes on