

MARKET VIEW WEEKLY

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ECONOMIC REVIEW¹

- The Federal Reserve (Fed) met this week and decided to raise the level of interest rates by 0.25% to a range of 3.75% - 4.00%.
 - This marked the Fed's first interest rate hike since July 2023, reversing course after a series of rate cuts that began in 2024 and continued through late 2025.
 - The decision to cut rates was unanimous on behalf of the committee, as the committee all saw inflation as a risk.
 - Rising inflation, in part due to the conflict in the Middle East, was a big reason the Fed hiked interest rates. Outside of energy, however, the Consumer Price Index (CPI) has been above the Fed's 2% target for over 5 consecutive years.
 - The Fed did note the strength of the economy and the job market, and did not believe that this interest rate hike would harm economic activity.
- Retail sales, a broad measure of retail spending for the month of August, were released well above expectations, rising 1.2%.
 - Excluding gas and auto prices, which can be inflated during periods of higher energy costs, retail sales actually rose 1.4%, highlighting the strength of the consumer in spite of higher gas prices.
- Housing starts declined 2.6% to an annualized rate of 1.275 million homes started per year.
- Building permits fell to an annualized rate of 1.394 million homes permitted per year.
 - Both of these numbers falling is indicative of rising interest rates, which tend to slow homebuilder sentiment and demand for housing from consumers.

How does the most recent economic data impact you?

- The Fed raising interest rates will have an immediate effect on things like credit card interest rates and borrowing costs, but for consumers who have net assets instead of net liabilities, they will benefit from higher interest rates on things like high-yield savings accounts and money market funds, which should move higher.
- Retail sales increasing suggests that despite higher prices and an uptick in inflation this year, consumers are still spending on a variety of things, from staples like food and gas to discretionary and hobby items.
- This report was a strong reading ahead of the holiday spending season, but it could have been higher as back-to-school spending kicked into gear.



A LOOK FORWARD¹

- Investors will be looking forward to the University of Michigan Consumer Sentiment report, which is released on Friday and should show how consumers are feeling.

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

- Despite consumers continuing to spend, it is important to also monitor how the broad consumer base is feeling about the economy and the path of inflation moving forward.
- Consumer sentiment is only slightly off the lowest reading ever hit in May of 2026.



MARKET UPDATE²

Market Index Returns as of 9/18/26	WTD	QTD	YTD	1 YR	3 YR	5 YR
S&P 500	-0.06%	2.27%	12.71%	16.14%	21.43%	13.14%
NASDAQ	0.73%	1.30%	14.61%	17.90%	25.54%	12.83%
Dow Jones Industrial Average	-1.65%	-0.85%	8.82%	13.40%	16.43%	10.44%
Russell Mid-Cap	-1.17%	-1.58%	13.48%	13.81%	16.71%	7.82%
Russell 2000 (Small Cap)	-1.47%	-5.18%	16.22%	18.25%	17.70%	6.50%
MSCI EAFE (International)	-1.58%	1.17%	10.73%	16.90%	17.41%	8.81%
MSCI Emerging Markets	-0.56%	-0.18%	23.62%	30.03%	23.27%	8.57%
Bloomberg U.S. Agg Bond	-0.03%	-2.07%	-1.46%	-0.44%	4.11%	-0.50%
Bloomberg High Yield Corp.	-0.28%	-0.22%	1.73%	2.94%	8.30%	3.85%
Bloomberg Global Agg	-0.63%	-1.31%	-1.52%	-1.33%	3.77%	-1.89%



OBSERVATIONS

- Equity markets were mixed last week, with the tech-oriented NASDAQ rising +0.73%, but the broad market S&P 500 was essentially flat (-0.06%), and the Dow Jones was negative, falling -1.65%.
 - Tech rebounded after last week's selloff, but most other areas of the market were negative.
- Small and mid-cap stocks fell, potentially because of higher interest rates, which tend to impact them more.
- International equities were also negative, with developed companies falling -1.58%, and emerging market equities performed better, but still fell -0.56%.
- Fixed income mirrored what was seen in equities, with mostly negative performance. The U.S. Aggregate Bond Index was essentially flat, however, falling only -0.03%.
 - International bonds (Bloomberg Global Aggregate) declined -0.63%, while lower-rated, high-yield bonds declined -0.28%.



BY THE NUMBERS

Warren Buffett Steps Down as Chairman of Berkshire Hathaway: Warren Buffett will step down as the chairman of Berkshire Hathaway effective immediately, the company announced Friday. His son, Howard—a Berkshire director since 1993—will replace him as chairman. Warren Buffett will now serve as chairman emeritus of the company and remain a member of the board. The move came a little more than nine months after Buffett retired as CEO of Berkshire and was replaced by Greg Abel. Buffett wrote in a letter to shareholders Friday that the timing to step down as chairman was right, as Abel had been “making the decisions that matter for some time” and had exceeded his expectations as head of the company.³

LSU's College Football Playoff Odds Plummet After Ole Miss Loss: Lane Kiffin, in his much-anticipated return to Oxford, fell to his former team, the Ole Miss Rebels. Kiffin's LSU Tigers, a team he spent more than \$40 million to build into a national championship contender, got outplayed by the Rebels, falling 32-24. Safe to say this isn't the start Kiffin was hoping for after the university signed him to a record seven-year, \$91 million contract. This loss to his former team comes amid a months-long dramatized exit which included in Lane Kiffin not coaching Ole Miss in their playoff berth last year, and leaving Ole Miss with a handful of its players and coaching staff coming with him to LSU. That doesn't leave much room for error for Kiffin's team, and anything more than two losses over that stretch would likely end their season.⁴

Economic Definitions

Building Permits: This concept tracks the number of permits that have been issued for new construction, additions to pre-existing structures or major renovations. These statistics are based on the number of construction permits approved.

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.

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

Housing Starts: Housing (or building) starts track the number of new housing units (or buildings) that have been started during the reference period.

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.

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Investing involves risk, including the potential loss of principal. No investment strategy can guarantee a profit or protect against loss. In general, the bond market is volatile; bond prices rise when interest rates fall and vice versa. This effect is usually pronounced for longer-term securities. Any fixed-income security sold or redeemed prior to maturity may be subject to a substantial gain or loss. Vehicles that invest in lower-rated debt securities (commonly referred to as junk bonds or high-yield bonds) involve additional risks because of the lower credit quality of the securities in the portfolio. International investing involves special risks not present with U.S. investments due to factors such as increased volatility, currency fluctuation, and differences in auditing and other financial standards. These risks can be accentuated in emerging markets.

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¹ Data obtained from Bloomberg as of 9/18/26.

² Data obtained from Morningstar as of 9/18/26.

³ [Warren Buffett steps down as Berkshire Hathaway chairman. Here's his final message.](#)

⁴ [LSU's College Football Playoff Odds Plummet After Ole Miss Loss - Newsweek](#)