



September 2026

Summary

Markets limped to the end of the third quarter with September being an especially punishing month for investors. Lingering inflation concerns tipped the Fed into an official tightening stance with the first hike in the Fed Funds rate since 2023 hitting the books during the month. At the long end of the yield curve, selling pressure from bond investors pushed yields higher throughout September with 10-year and 30-year yields hitting their highest levels in the last 20 years. The price of oil remained elevated with no imminent resolution in Iran and diesel prices hit record highs. Stocks struggled to stay above water on volatile trading and finished lower for the month.

Equities

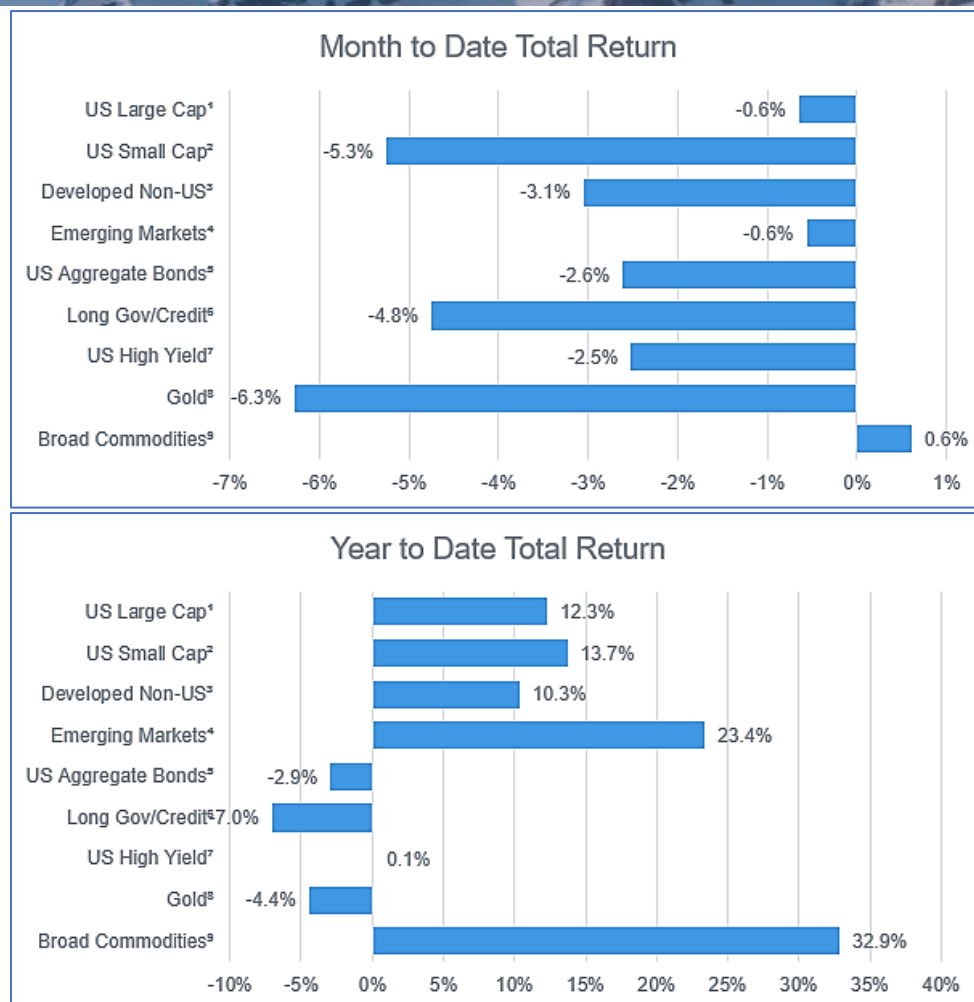
Global equity markets finished in the red for September; energy prices dinged developed markets returns outside of the US, while domestic large caps were more resilient, thanks to the AI-driven technology sector. Reactions to rising Treasury yields were mixed throughout the month, with rate-sensitive sectors like financials and utilities underperforming, while healthcare and industrials were less affected. Emerging markets outperformed their developed counterparts on mixed trading influenced by commodity prices and increasing global interest rates.

Fixed Income

The Fed pushed through their first hike of the year with commentary suggesting they may not be finished in 2026. Long-term bond investors helped to force the Fed's hand by pushing yields on 10-year and 30-year Treasuries to multi-decade highs. Rates were sharply higher across the yield curve month-over-month, resulting in losses for bond investors in September. Credit spread movements remained benign as investors were focused on monetary and fiscal policy, geopolitics, inflation, trade, and commodities, with any concerns over corporate profits landing much further down the list.

Market Trends

As of September 30, 2026



	1M	3M	YTD	1Y	3Y	5Y	10Y
US Large Cap ¹	-0.6%	1.8%	12.3%	15.0%	22.5%	13.0%	15.0%
US Small Cap ²	-5.3%	-7.2%	13.7%	16.2%	17.7%	6.3%	9.8%
Developed Non-US ³	-3.1%	0.8%	10.3%	15.7%	18.4%	9.3%	9.1%
Emerging Markets ⁴	-0.6%	-0.4%	23.4%	29.2%	24.1%	8.9%	9.1%
US Aggregate Bonds ⁵	-2.6%	-3.5%	-2.9%	-1.8%	4.1%	-0.6%	1.1%
Long Gov/Credit ⁶	-4.8%	-7.7%	-7.0%	-7.1%	2.5%	-5.4%	-0.2%
US High Yield ⁷	-2.5%	-1.8%	0.1%	1.4%	8.0%	3.6%	5.0%
Gold ⁸	-6.3%	3.1%	-4.4%	7.2%	29.9%	18.0%	11.2%
Broad Commodities ⁹	0.6%	16.2%	32.9%	40.6%	15.6%	11.3%	7.9%

1 – Russell 1000, 2 – Russell 2000, 3 – MSCI EAFE, 4 – MSCI Emerging Markets, 5 – Bloomberg US Agg, 6 – Bloomberg US Long Gov/Credit
7 – Bloomberg US Corporate High Yield, 8 – Bloomberg Gold Subindex, 9 – Bloomberg Commodity

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Disclosure Statements

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FTSE Russell

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