MONTHLY MARKET UPDATE

The Dispatch

September 2026

MARKET SCORECARD

S&P 500	
MTD	+0.33%
QTD	+3.00%
YTD	+13.51%

Dow Jones Industrial Avg.	
MTD	-3.28%
QTD	-1.49%
YTD	+8.12%

Nasdaq Composite	
MTD	+2.22%
QTD	+2.91%
YTD	+16.42%

As of September 24, 2026 close.

MARKET SNAPSHOT

September offered an illustration of how a strong economy can become its own source of market pressure. The month opened with evidence that growth had more staying power than many expected, as employers added 162,000 jobs in August and earlier months were revised higher, easing the concerns that followed July's weak report. Heavy investment in AI infrastructure also continued to support business spending and corporate earnings. Yet stronger growth carries a different meaning when inflation remains above target. Fed Chair Kevin Warsh had signaled at Jackson Hole that inflation would remain the Fed's primary focus, and oil climbed back above $100 a barrel as fighting in the Middle East intensified and shipping through the Strait of Hormuz remained disrupted. Within a few weeks, a rate hike went from a possibility to an expectation.

The Federal Reserve followed through on September 16, raising its benchmark interest rate target range by a quarter of a percentage point to 3.75%-4.00%, its first increase since 2023, with most officials anticipating at least one more hike this year. The details matter as much as the decision. Federal Reserve policymakers raised their growth forecast and lowered their unemployment forecast, signaling that they see an economy strong enough to absorb tighter policy, not one in need of support. The inflation picture was also more nuanced than the headlines suggested. Consumer prices rose 3.4% from a year earlier, with gasoline alone accounting for more than a third of August's increase, while inflation that excludes food and energy eased to 2.4%, its lowest level since 2021.

By the second half of the month, the bond market was delivering its own message. The 10-year Treasury yield climbed above 5.1%, its highest level since 2007, after a survey of U.S. private sector businesses showed activity expanding at its fastest pace since 2021, with input costs rising at the quickest rate in nearly four years. In contrast, households grew more pessimistic, with consumer sentiment slipping back toward May's record low as rising inflation concerns reduced household purchasing power, a notable gap between how the economy is performing and how it feels.

WHAT THIS MEANS FOR YOU

Measured by the S&P 500 alone, September would appear to have been an uneventful month. Beneath the surface, a small group of large technology companies continued to climb while most other stocks declined, the kind of stretch that can make a diversified portfolio seem to be falling behind. This year has already shown how quickly leadership can change hands, as mega-cap technology stumbled early in the year, the broader market took the lead in the spring, AI stocks sold off sharply in July, and technology is back in front today. Diversification

may sometimes not feel rewarding in the moment, but owning more than one source of growth keeps a portfolio from depending on any single narrative.

It may have felt uneasy watching oil climb back above $100 a barrel, or seeing the Dow fall more than 3% in a month that brought a record high for the Nasdaq, and that reaction is completely understandable. The source of this month's discomfort matters, which is an economy running hot rather than one running out of steam. Employers are hiring, consumers are still spending, and businesses are reporting their strongest activity in more than five years. At the same time, elevated inflation and a Fed inclined to tighten further are real headwinds, but they present a very different challenge than falling demand or shrinking earnings, and it's worth keeping this difference in mind.

A good time to revisit a financial plan is not when the headlines are loudest, but now, with enough time to consider what a volatile few weeks did and didn't change about long-term goals. A sound plan is built to absorb months like this one, and reviewing it is less about reacting than about confirming it still fits. If the swings in oil prices, the market's narrow leadership, or the growing conversation about AI reshaping entire industries have prompted a fresh look at risk, or if your circumstances have shifted, our door is always open. We are here not only to help steady the course through choppier stretches, but also to make the most of the moments when markets are cooperating.

ONE THING WORTH KNOWING

> Financial headlines tend to reach for the most striking comparison, and this month offered several, which included the Fed's first rate hike since 2023, Treasury yields at their highest in nearly two decades, and mortgage rates above 7%. A longer view tells a calmer story. Even after September's increase, the Fed's benchmark rate sits below its average of about 4.6% since the 1950s, while the 10-year Treasury yield has averaged about 5.8% since 1962 and 30-year mortgage rates about 7.7% since 1971, both historical averages above today's levels. The true anomaly was the long stretch of near-zero policy rates and unusually cheap borrowing that followed the 2008 financial crisis, which has become the yardstick for many of today's headlines. This may not make a 7% mortgage feel affordable to a buyer who remembers 3%, but it does suggest that today's rates reflect a return toward historical norms rather than a crisis. The more relevant questions center on why rates are moving and how quickly, as compared to how they compare with an unusually low starting point.

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