HB Wealth | Market Sense: Weekly Market Recap

For the Week Ending: September 11th, 2026

Week in Review

Inflation is Increasing Pressure on the Fed. Economic data releases were light this week given the US holiday with the most important readings coming from inflation. Both consumer (3.4%) and producer (5.4%) inflation remained well above the Fed's target, increasing the probability of a rate hike starting as early as next week. Jobless claims were slightly above forecasts though continued stabilization in the labor market remains apparent. Consumers nonetheless remain worried – University of Michigan Consumer Sentiment remains near all time lows and wages are struggling to keep up with inflation. We expect a persistently K-shaped economy as a result, with consumers lagging investment trends.

Oil is Causing Turmoil as Crude Hits Highest Level Since May. West Texas Intermediate (WTI) crude oil is back at roughly $100/bbl on renewed fighting in Iran – it's highest level since mid-May. That's in the 93rd percentile of readings back to 1995 and roughly 80% above the December low. Higher oil is likewise filtering through to rate hike forecasts which now expect the Fed to push rates higher by the October meeting. Crude continues to pressure consumers at the pump and is likely to remain a weight on consumer-sector performance going forward.

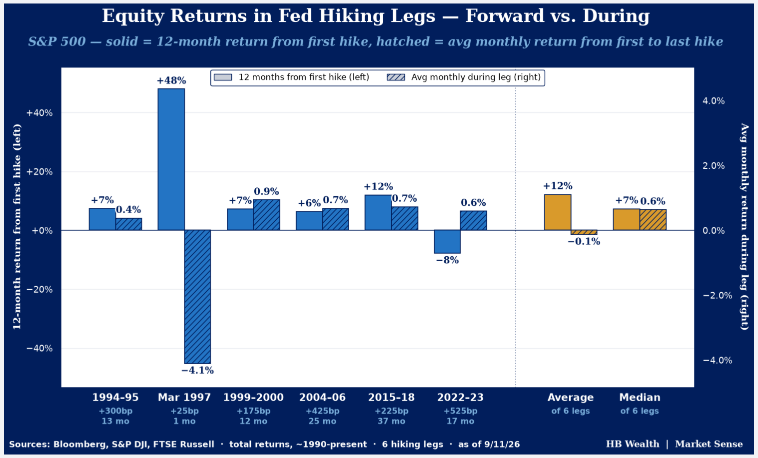
Stocks Sink as Possible Rate Hike Looms. Bond yields and rate hike forecasts are on the rise, pressuring stocks this week. All major US indices sunk this week, led lower by small caps which tend to be more rate sensitive than large cap peers given higher funding costs. Growth and value stocks fell in lockstep and telecom and energy were the only sectors to rise this week across the Russell 3000. This short-term weakness has so far resulted in a near 3% drawdown in large cap stocks from peak through Thursday's close, as rate sensitive stocks' weakness is offset somewhat by strong energy stock performance. Globally, emerging markets continued to climb as developed markets ex-US also fell.

Bonds Sold Off Hard as WTI Topped $100 for the First Time in Four Months, reigniting the inflation trade a week before the next FOMC meeting. The 10yr jumped ~8bps to a three-year high and is approaching 5% while the 30-year reached a new high since 2007 at 5.35%. Aside from PPI laid out above, the ECB hiked 25bps to 2.5% as expected. The Treasury's first buyback under the higher volume framework ran in line with expectations. Oil remains the primary driver in rates markets these days.

The Week Ahead

Will the Fed Hike Next Week? The FOMC meeting on Wednesday will be the highlight of next week with current forecasts suggesting a 87% chance of a hike. Bond markets have certainly moved in anticipation with the 10-year approaching 5% and the 2-year pushing 4.6%. Retail sales will likewise provide a peek into the strength of the US consumer on Wednesday, releasing alongside import and export prices. Thursday will feature the typical jobless claims report as well as housing starts and building permits. Friday will feature industrial production.

Chart of the Week & Commentary



Persistently higher inflation prints have fed funds futures traders expecting a Fed hike next week, and while this prospect may weigh on stocks in the short run, it is unlikely to derail the longer-term bull market in equities.

The probability of an increase in the federal funds rate at next week's meeting jumped to above 85% after inflation prints this week, and the market expects a second hike in the policy rate by December. Policy rate hike cycles have historically merely slowed market gains, and only rarely worked against the equity market. There have been six rounds of Fed hikes since the early 1990s, and only one – the hiking cycle of 1997 – resulted in an average monthly stock price drop during the hiking period. In general, stock price gains slowed down while the Fed was hiking, to a median gain of 0.6% and average -0.1% per month during hiking periods, versus an average monthly long-term gain for stocks of 1%. Likewise, only one of the six – 2022 – resulted in a drop in stocks 12 months from the start of the hiking cycle. On average, forward 12-month returns were 12% and the median gain was 7%.

HB Wealth | Market Sense: Weekly Market Recap

For the Week Ending: September 11th, 2026 | Source: Bloomberg

Equities

	Level	1 Wk %	QTD %	YTD %	1 Yr %	3-Yr Cum
S&P 500	7,657	-0.8%	2.3%	12.7%	17.6%	77.4%
NASDAQ	26,333	-0.6%	0.6%	13.8%	20.2%	93.3%
Dow Jones 30	52,573	-1.6%	0.8%	10.6%	15.9%	59.9%
Russell 3000	4,345	-0.9%	1.8%	12.8%	17.1%	75.4%
Russell 1000	4,167	-0.9%	2.0%	12.5%	16.8%	76.1%
Russ. 1000 Growth	4,921	-0.9%	-1.6%	3.7%	7.2%	77.3%
Russ. 1000 Value	2,507	-0.8%	5.4%	22.5%	27.6%	71.9%
S&P 400	3,714	-1.8%	-3.4%	13.4%	13.4%	50.6%
S&P 600	1,717	-2.7%	-4.6%	18.3%	19.5%	52.3%
Russell 2000	2,904	-2.4%	-3.7%	18.1%	21.6%	63.2%
Russ. 2000 Growth	1,876	-2.6%	-6.7%	14.0%	17.1%	59.9%
Russ. 2000 Value	3,279	-2.1%	-0.5%	22.5%	26.5%	66.7%
MSCI ACWI Ex US	483	-0.7%	2.7%	17.1%	24.7%	77.5%
MSCI Developed Ex US	3,271	-1.6%	3.1%	13.0%	19.7%	70.5%
MSCI EM	1,745	1.1%	1.8%	26.3%	36.1%	93.2%

Index Characteristics

	NTM P/E	P/B	Div. Yld.	Mkt Cap (B)
S&P 500	19.3	5.6	1.1	67714
NASDAQ	23.8	7.5	0.5	48398
Dow Jones 30	20.0	5.8	1.5	26345
Russell 3000	19.5	5.1	1.1	78315
Russell 1000	19.3	5.4	1.1	74802
Russ. 1000 Growth	21.5	13.3	0.5	50060
Russ. 1000 Value	17.7	3.5	1.6	49167
S&P 400	16.0	2.8	1.3	3708
S&P 600	14.8	2.1	1.6	1901
Russell 2000	27.5	2.5	1.4	3513
Russ. 2000 Growth	39.2	4.6	0.5	2318
Russ. 2000 Value	17.7	1.5	2.3	2180
MSCI ACWI Ex US	13.0	2.5	2.4	61220
MSCI Developed Ex US	15.3	2.5	2.6	31002
MSCI EM	9.9	2.5	2.0	30218

Fixed Income

	Yield	Spread	1 Wk %	QTD %	YTD %	1 Yr %	3-Yr Cum
U.S. Aggregate	5.23	--	-0.9%	-1.9%	-1.3%	-0.6%	12.6%
U.S. Municipal	4.29	--	-1.4%	-3.9%	-1.7%	-0.2%	8.7%
U.S. Agency MBS	5.53	34	-1.2%	-2.1%	-1.2%	0.1%	14.1%
U.S. IG Corporates	5.71	78	-0.9%	-2.3%	-1.4%	-1.0%	15.7%
U.S. High Yield	7.63	271	-0.6%	0.0%	2.0%	3.5%	27.1%
EM $ Corporates	6.42	179	-0.4%	-0.5%	1.2%	1.9%	22.5%

Factor Returns - US (Russell 3000)

Factor	1 Wk %	QTD %	YTD %	1 Yr %
Multi Factor	-1.9%	6.2%	17.1%	20.8%
Size	-2.6%	6.0%	16.0%	21.0%
Value	-2.8%	6.0%	20.2%	23.8%
Quality	-2.8%	6.2%	13.7%	16.2%
Dividend Yield	-2.5%	5.4%	20.4%	21.7%
Momentum	-1.4%	10.6%	16.1%	25.8%
Low Volatility	-2.2%	4.6%	10.6%	12.3%

Key Rates

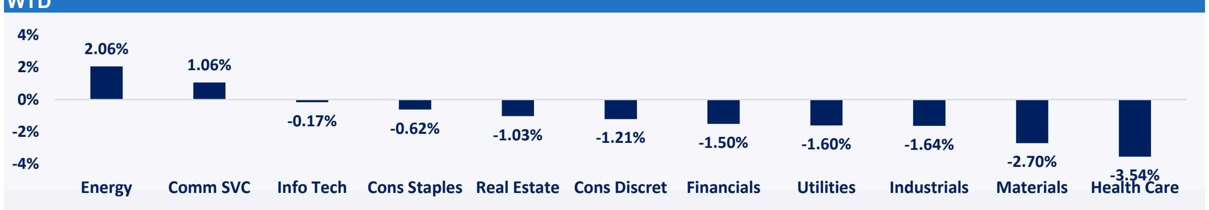
Rate	Yield	Prior Wk	Qtr-End	Yr-End	1 Yr Ago	Expectations
SOFR	3.62	3.65	3.68	3.87	4.41	3.55
2-yr U.S. Treasury	4.62	4.37	4.17	3.47	3.54	3.83
5-yr U.S. Treasury	4.78	4.54	4.23	3.73	3.60	4.00
10-yr U.S. Treasury	4.97	4.78	4.47	4.17	4.02	4.41
30-yr U.S. Treasury	5.35	5.24	4.95	4.84	4.65	4.94
10-yr German Bund	3.50	3.34	2.86	2.85	2.66	3.00
10-yr UK Gilts	5.34	5.13	4.76	4.48	4.61	
30-yr Fixed Mortgage	6.81	6.76	6.55	6.25	6.50	
1-yr Breakeven	2.45	2.35	1.42	2.29	2.66	
5-yr Breakeven	2.41	2.38	2.27	2.27	2.44	

Currencies & Commodities

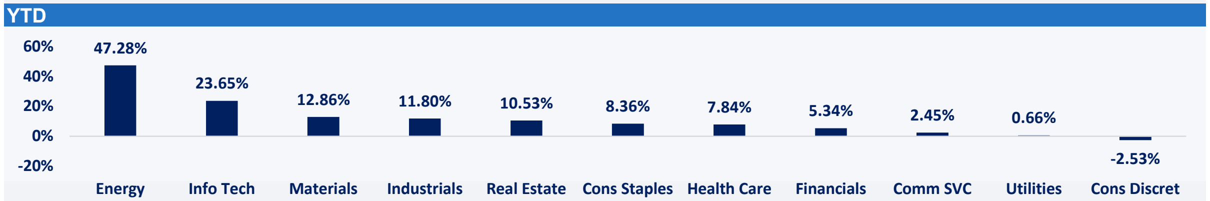
	Current	Prior Wk	Yr-End	1 Yr
$ per € (EUR/USD)	1.16	1.16	1.17	1.17
$ per £ (GBP/USD)	1.35	1.35	1.35	1.36
¥ per $ (USD/JPY)	153.69	156.26	156.71	147.21
Dollar Index	99.13	99.18	98.32	97.53
Gold ($/oz)	4349.54	4429.98	4319.37	3634.07
Silver ($/oz)	64.39	66.21	71.66	41.56
Copper	646.95	659.70	568.20	459.05
WTI Oil ($/bbl)	100.39	91.48	57.42	62.37
Brent Oil ($/bbl)	104.76	96.28	60.85	66.37

S&P 500 Sector Returns

WTD



YTD



Style Returns

YTD

	Value	Blend	Growth
Large	22.5%	12.5%	3.7%
Mid	19.3%	14.8%	1.1%
Small	22.5%	18.1%	14.0%

WTD

	Value	Blend	Growth
Large	-0.8%	-0.9%	-0.9%
Mid	-1.9%	-1.7%	-1.2%
Small	-2.1%	-2.4%	-2.6%

Disclosure: