

September 2026 in One Page

Interest rates jumped to their highest level since 2007, the Fed raised rates for the first time in three years, and a flat S&P 500 hid a down month for most stocks and bonds.

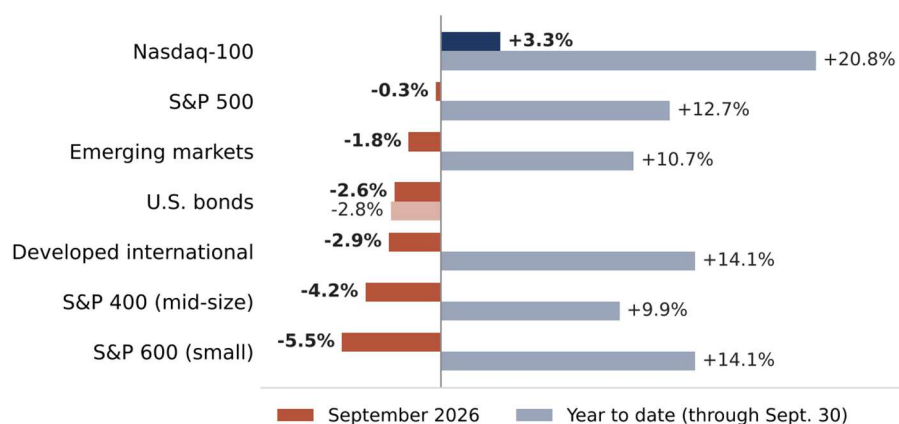
Three things that mattered

Long-term interest rates surged. The 10-year Treasury **yield** (the interest rate a bond pays, based on its current price) rose from 4.75% to 5.29%. Higher rates pushed U.S. bonds down **2.6%** and hit rate-sensitive stocks such as real estate and utilities. For a long-term investor, falling bond prices today mean higher income on money reinvested tomorrow.

The Fed raised rates to fight stubborn inflation. On September 16 the Federal Reserve lifted its benchmark rate a quarter point to 3.75%–4.00%, the first increase since 2023, because consumer prices are still rising 3.4% a year against a 2% target. Oil above \$100 amid the U.S.–Iran conflict is the main reason inflation is stuck. We do not try to guess the Fed's next move; we build portfolios that can handle several outcomes.

Technology carried the market; most stocks fell. The S&P 500 slipped just **0.3%** because technology gained **5.1%**, but the **equal-weighted** S&P 500 (every company counts the same) lost **4.8%** and small companies lost **5.5%**. Over the full year, though, most markets remain well ahead, as the scoreboard shows.

Only the Nasdaq-100 gained in September; most markets fell, but 2026 is still positive for stocks



Total returns. Source: Morningstar, iShares, as of Sept. 30, 2026. Index proxies listed in the footnote.

What it means for your portfolio. September was a month when stocks and bonds fell together because rising rates were the cause of both, so diversification did not cushion much. That happens occasionally and is not a reason to change course. Developed international stocks and small U.S. companies are still up **14.1%** this year, ahead of the S&P 500's **12.7%**, and bonds now pay the most income they have in years. We continue to favor balance and quality.

One term to know. **Core inflation** is the change in prices excluding food and energy, which swing the most from month to month. It eased to 2.4% in August even as overall inflation held at 3.4%.

Next month, we're watching

- **October 14:** September inflation report, the key input for the Fed's October 27–28 meeting.
- **October 29 and November 6:** first estimate of third-quarter growth, then the October jobs report.

Questions about what this means for your plan? Contact your Crew Capital Management advisor.

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