VIEWS | AUGUST 28, 2026

Weekly market update: Positive earnings and economic data cushion stocks.

The market and economy

- U.S. stocks posted gains despite periods of volatility during the week ending August 28. Investor sentiment remained supported by generally favorable economic data and strong corporate earnings. These positive contributors to market performance offset reignited worries about U.S. trade policy, as well as a rise in U.S. Treasury yields—primarily in the belly of the curve (maturities between 3 and 7 years)—on Friday following Federal Reserve (Fed) Chair Kevin Warsh's comments at the central bank's annual Jackson Hole Economic Symposium in Wyoming. (Bond prices move inversely to yields.)
- In remarks at Jackson Hole, Warsh provided little explicit guidance about the future path of interest rates, reiterating his preference for a restrained approach to Fed communications. The Fed chair emphasized that monetary policy decisions should be based on current economic conditions and broader economic trends rather than isolated data points or mechanical forecasts. While describing economic growth and labor-market conditions as resilient, Warsh argued that inflation remains too high and said that the Fed must be confident that underlying inflation is moving toward its 2% objective at a sufficient pace.
- According to the second estimate from the U.S. Bureau of Economic Analysis (BEA), U.S. real gross domestic product (GDP) increased at an annual rate of 1.5% in the second quarter, down from 2.1% in the first quarter. The upturn in GDP for the second quarter was attributable to increases in consumer spending, exports, and investment, which were partly offset by a decline in government spending. Imports, which are subtracted in the calculation of GDP, increased. The deceleration in the growth rate from the first quarter reflected a downturn in government spending and slower growth in investment and exports, partly offset by stronger consumer spending. Import growth accelerated.
- The BEA also reported that the personal-consumption expenditures (PCE) price index rose 0.2% in July and 3.7% over the previous 12-month period. The core PCE price index, which excludes volatile food and energy prices, also increased 0.2% for the month and rose 3.3% year over year. The year-over-year increases in both the PCE and core PCE indexes in July matched the respective annual gains in June. The PCE price index is widely considered the Fed's preferred measure of inflation, while the core PCE price index is closely monitored for evidence of underlying inflation trends.
- U.S. trade policy returned to the spotlight this week. After U.S.-Canada trade negotiations broke down last Friday, August 21, the Trump administration imposed 50% tariffs on roughly $20 billion in Canadian imports, including wine, cement and hockey sticks, with the new duties taking effect the following day. The tariffs represent a significant escalation in the trade conflict between the two countries. Trump also announced that levies on Canadian cars, trucks, auto parts, and steel will double to 50% beginning January 1, 2027, unless production is moved to the U.S. Canadian Prime Minister Mark Carney responded by pledging "dollar-for-dollar" retaliatory tariffs on U.S. goods.
- In the Middle East, efforts to pressure Iran increasingly shifted toward an economic campaign as the Trump administration launched Operation Economic Outcast, a sanctions initiative targeting entities and networks that facilitate Iranian oil sales, technology procurement, cyber activity, and financial transactions. The initiative followed the expiration of the 60-day negotiating window established under the June memorandum of understanding (MOU) and expanded the economic component of the administration's broader pressure campaign. However, the measures stopped short of directly targeting major Chinese financial institutions, underscoring the challenges involved in severing Iran's largest remaining economic lifeline. Meanwhile, Iran continued negotiations with Oman over maritime access through the Strait of Hormuz, while Qatar renewed efforts to facilitate broader de-escalation talks.
- Energy markets remained focused on developments in the Mideast and the broader U.S. pressure campaign against Iran. Both the Brent crude and West Texas Intermediate (WTI) crude oil prices declined during the week as renewed discussions about maritime access through the Strait reduced concerns about prolonged disruptions to global energy supplies.

Stocks

- Global equities gained ground for the week. Emerging markets outperformed developed markets.
- U.S. stocks garnered positive returns. Information technology and communication services were the top-performing sectors, while healthcare and energy were the primary market laggards.
- Value stocks outperformed growth stocks, while large caps surpassed small caps.

Bonds

- The 10-year U.S. Treasury note yield dipped to 4.72% during the week.
- The U.S. bond market finished in positive territory for the week.
- Corporate bonds led the market, followed by government bonds and high-yield bonds.

As of August 28, 2026				
Global Equity Indexes				
MSCI ACWI ($)	0.4%	13.8%	20.7%	1154.7
MSCI EAFE ($)	-0.2%	11.9%	18.5%	3236.3
MSCI Emerging Mkts ($)	0.1%	22.7%	36.6%	1722.8
US & Canadian Equities				
Dow Jones Industrials ($)	0.5%	11.4%	17.4%	53559.3
S&P 500 ($)	0.5%	12.6%	18.6%	7710.3
NASDAQ ($)	0.8%	13.6%	21.6%	26402.4
S&P/ TSX Composite (C$)	-0.2%	15.3%	28.6%	36558.4
UK & European Equities				
FTSE All-Share (£)	0.2%	9.2%	17.1%	5842.4
MSCI Europe ex UK (€)	-0.4%	10.3%	17.7%	2266.2
Asian Equities				
Topix (¥)	2.0%	21.6%	34.2%	4146.7
Hong Kong Hang Seng ($)	-1.6%	-0.2%	2.3%	25584.8
MSCI Asia Pac. Ex-Japan ($)	-0.1%	23.3%	34.1%	890.4
Latin American Equities				
MSCI EMF Latin America ($)	0.7%	12.8%	26.9%	3056.5
Mexican Bolsa (peso)	-0.4%	1.8%	10.7%	65471.0
Brazilian Bovespa (real)	2.7%	9.0%	24.6%	175682.6
Commodities ($)				
West Texas Intermediate Spot	-5.4%	45.5%	29.3%	83.5
Gold Spot Price	-3.2%	3.6%	31.1%	4479.5
Bond Indices ($)				
Bloomberg U.S. Aggregate	0.5%	0.1%	2.2%	2351.5
Bloomberg Global Aggregate	0.2%	0.1%	1.0%	501.8
JPMorgan Emerging Mkt Bond	0.5%	2.4%	7.2%	1042.4
10-Year Yield Change (basis points*)				
US Treasury	-1	55	52	4.72%
UK Gilt	0	59	36	5.06%
German Bund	2	42	58	3.28%
Japan Govt Bond	4	87	131	2.93%
Canada Govt Bond	-3	30	30	3.73%
Currency Returns**				
US$ per euro	-0.8%	-1.4%	-0.8%	1.159
Yen per US$	0.7%	2.2%	8.9%	160.08
US$ per £	-0.8%	0.5%	0.2%	1.354
C$ per US$	1.1%	1.3%	1.1%	1.391

Source: Bloomberg. Equity index returns are price only; others are total returns. *100 basis points = 1 percentage point. **Increases in U.S. dollars (USD) per euro or pound indicate a decline in the value of the USD; increases in yen or Canadian dollars per USD indicate an increase in the value of the USD.

IMPORTANT INFORMATION

Index returns are for illustrative purposes only and do not represent actual investment performance. Index performance returns do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged, and one cannot invest directly in an index. Past performance does not guarantee future results.

This material is provided by SEI Investments Management Corporation (SIMC) for educational purposes only and is not meant to be investment advice. The reader should consult with his/her financial advisor for more information. This material represents an assessment of the market environment at a specific point in time and is not intended to be a forecast of future events or a guarantee of future results. There are risks involved with investing, including possible loss of principal. SIMC is a wholly owned subsidiary of SEI Investments Company.

The information contained herein is for general and educational information purposes only and is not intended to constitute legal, tax, accounting, securities, research or investment advice regarding the strategies or any security in particular, nor an opinion regarding the appropriateness of any investment. This information should not be construed as a recommendation to purchase or sell a security, derivative or futures contract. You should not act or rely on the information contained herein without obtaining specific legal, tax, accounting and investment advice from an investment professional. Information in the U.S. is provided by SEI Investments Management Corporation (SIMC), a wholly owned subsidiary of SEI Investments Company (SEI).

seic.com

ABOUT SEI

SEI® (NASDAQ:SEIC) is a leading global provider of financial technology, operations, and asset management services within the financial services industry. SEI tailors its solutions and services to help clients more effectively deploy their capital—whether that's money, time, or talent—so they can better serve their clients and achieve their growth objectives.

1 Freedom Valley Drive
P.O. Box 1100
Oaks, PA 19456
610-676-1000