VIEWS | SEPTEMBER 11, 2026

Weekly market update: Stocks fall as rising oil prices fuel inflation concerns.

The market and economy

- U.S. stocks lost ground during the abbreviated trading week ending September 11. U.S. financial markets were closed on Monday in observance of the Labor Day holiday. Stocks declined for the first three trading days as rising oil prices fanned fears of inflation and U.S. Treasury yields rose sharply. (Bond prices move inversely to yields.) The Brent crude oil price reached a four-month high of $110.19 in intraday trading on Friday. Stocks rebounded later in the day as oil prices reversed direction and firm inflation data provided greater clarity about the likelihood of a Federal Reserve (Fed) interest-rate increase at next week's meeting.
- In the Middle East, the Trump administration's "Operation Economic Outcast" campaign against Iran increasingly overlapped with renewed military activity after U.S. forces struck Iranian rocket launchers reportedly preparing to deploy sea mines in the Strait of Hormuz. Iran responded with missile launches toward Jordan, while both Iranian and Israeli officials escalated rhetoric, highlighting the risk of a broader regional confrontation.
- Brent crude and West Texas Intermediate crude oil prices climbed to four-month highs in intraday trading on Friday and Thursday, respectively, as military operations around the Strait heightened supply disruption concerns. Attacks on oil tankers, concerns about additional mine-laying activity, and reduced shipping traffic through the waterway reinforced those fears, with preliminary data showing only six commodity vessels transited the Strait on Wednesday, down from 11 on Tuesday, and below the recent 10-day average of approximately 13 vessels per day. Oil prices reversed direction on Friday in response to the U.S. employment report. Stronger-than-expected U.S. economic data can pressure oil prices when investors believe that the Fed may keep interest rates higher for longer, potentially slowing future economic activity and demand for oil.
- There was notable economic news during the week. According to the Department of Labor, the consumer-price index (CPI) rose 0.4% in August, an increase from the 0.1% uptick in July and in line with expectations. Prices for fuel oil and gasoline increased 10.1% and 3.9%, respectively in August, while utility costs were down 1.1%. The CPI advanced 3.4% year-over-year, matching the annual increase in July. Fuel oil and gasoline prices surged 52.0% and 27.4%, respectively, over the previous 12-month period. Core inflation, as measured by the CPI for all items less food and energy, was up 2.4% year-over-year in August, down marginally from the 2.5% increase in July. Apparel and housing costs rose by corresponding margins of 3.6% and 3.0% over the previous 12-month period. Conversely, prices for medical care commodities (prescription drugs, over-the-counter medications, and medical equipment) and used cars and trucks declined 2.7% and 2.3%, respectively, year-over-year. The sticky inflation data bolstered speculation that the Fed will raise interest rates at its meeting next week.
- The Department of Labor also reported that U.S. inflation at the wholesale level, as measured by the producer-price index (PPI), rose 0.4% in August—in line with expectations and an increase from the 0.1% uptick in July. (The PPI tracks the average change over time in selling prices received by domestic producers of goods and service providers.) The goods index advanced 1.1% for the month, while the services index edged up 0.1%. The PPI was up 5.4% year-over-year, a notable increase from the 4.7% annual gain in July. Core wholesale inflation, as measured by the index for final demand less foods, energy, and trade services, rose by corresponding margins of 0.3% and 4.7% in August and over the previous 12 months.
- The National Association of Realtors (NAR) reported that sales of existing homes fell 2.0% to a seasonally adjusted annual rate of 4.0 million in August and were down 1.2% year-over-year. (Home sales are viewed as an indicator of housing market trends and, by extension, the health of the broader economy.) The median existing-home sale price rose 1.6% over the previous 12-month period to $429,100. The inventory of unsold existing homes as of the end of August stood at 1.62 million—up 3.2% from the end of July—equivalent to a 4.9-month supply at the current monthly sales pace. The NAR considers a six-month supply of homes to be a "balanced market," in which prices rise modestly. Inventories of greater than six months typically have favored buyers, while a supply of homes that will be depleted in less than six months denotes a "seller's market."

Stocks

- Global developed-market equities declined for the week, while emerging markets finished in positive territory.
- U.S. stocks posted losses for the week. Energy and communication services were the top-performing sectors within the broad-market S&P 500 Index, while healthcare and materials were the primary market laggards.
- Value stocks modestly outperformed growth stocks, while large caps surpassed small caps.

Bonds

- The 10-year U.S. Treasury note yield rose to 4.97% during the week.
- The U.S. bond market experienced a downturn for the week.
- High-yield bonds led the market, followed by government bonds and investment-grade corporate bonds.

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As of September 11, 2026				
Global Equity Indexes				
MSCI ACWI ($)	-1.3%	12.2%	17.2%	1138.6
MSCI EAFE ($)	-1.4%	10.4%	15.7%	3192.3
MSCI Emerging Mkts ($)	1.1%	24.2%	33.2%	1744.9
US & Canadian Equities				
Dow Jones Industrials ($)	-1.6%	9.4%	14.0%	52573.2
S&P 500 ($)	-0.7%	11.9%	16.3%	7661.8
NASDAQ ($)	-0.7%	13.3%	19.5%	26333.0
S&P/ TSX Composite (C$)	-2.3%	12.5%	21.3%	35668.3
UK & European Equities				
FTSE All-Share (£)	-1.8%	7.2%	14.1%	5733.6
MSCI Europe ex UK (€)	-2.1%	7.6%	14.7%	2211.0
Asian Equities				
Topix (¥)	-1.8%	18.2%	28.0%	4028.3
Hong Kong Hang Seng ($)	-3.3%	-3.2%	-4.9%	24805.6
MSCI Asia Pac. Ex-Japan ($)	0.6%	24.1%	30.3%	896.4
Latin American Equities				
MSCI EMF Latin America ($)	0.6%	17.4%	28.1%	3179.9
Mexican Bolsa (peso)	-1.5%	-0.6%	3.8%	63913.6
Brazilian Bovespa (real)	0.9%	15.9%	30.5%	186767.1
Commodities ($)				
West Texas Intermediate Spot	12.0%	78.5%	64.3%	102.5
Gold Spot Price	-1.7%	0.9%	20.0%	4361.7
Bond Indices ($)				
Bloomberg U.S. Aggregate	-0.9%	-1.3%	-0.6%	2318.1
Bloomberg Global Aggregate	-0.6%	-0.8%	-0.8%	497.5
JPMorgan Emerging Mkt Bond	-0.8%	1.4%	4.4%	1032.3
10-Year Yield Change (basis points*)				
US Treasury	19	81	95	4.97%
UK Gilt	21	87	74	5.34%
German Bund	17	65	85	3.50%
Japan Govt Bond	7	92	141	2.99%
Canada Govt Bond	17	51	79	3.95%
Currency Returns**				
US$ per euro	-0.2%	-1.3%	-1.2%	1.160
Yen per US$	-1.7%	-1.9%	4.4%	153.67
US$ per £	0.1%	0.4%	-0.3%	1.353
C$ per US$	0.2%	1.0%	0.2%	1.387

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.

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

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