VIEWS I SEPTEMBER 25, 2026

Weekly market update: Stocks drive through yield signs.

The market and economy

- Major U.S. equity market indexes posted gains for the week ending September 25. Rising U.S. Treasury yields and expectations for additional Federal Reserve (Fed) monetary policy tightening weighed on investor sentiment. However, the broad-market S&P 500 Index, the tech-heavy Nasdaq Composite Index, and the Dow Jones Industrial Average weathered a late-week downturn to finish positive.
- Long-term Treasury yields surged to multiyear highs this week as rising oil prices, persistent inflation pressures, and hawkish comments from Fed officials led investors to anticipate higher interest rates for longer. On Thursday, the yield on the 10-year Treasury note closed at 5.18%—its highest level since 2007—while the 30-year bond yield reached a 22-year high of 5.49% on Friday. At the end of the week, CME's FedWatch Tool, which provides a gauge of the market's expectations of potential changes to the federal-funds target rate while assessing potential Fed monetary policy actions at FOMC meetings, implied a 64.2% chance that the central bank will raise the federal-funds rate by 0.25% to a range of 4.00% to 4.25% following its meeting in late October.
- In the Middle East, diplomatic efforts to end the U.S.-Iran conflict gained momentum as U.S. and Iranian officials explored a framework to reopen the Strait of Hormuz, with mediators pressing for a new round of talks. However, major Gulf oil producers, including Saudi Arabia and the United Arab Emirates, reportedly opposed easing economic pressure on Iran, while attacks on shipping and regional energy infrastructure continued to complicate prospects for a broader agreement.
- Both Brent crude and West Texas Intermediate (WTI) crude oil prices declined during the week as investors weighed signs of diplomatic progress against ongoing supply risks. Front-month Brent crude fell to approximately $104 per barrel, while WTI crude traded near $92 per barrel by week's end. Hopes for reopening the Strait and reports of increased cargo transits through the waterway helped reduce supply disruption fears, although renewed Houthi attacks on Saudi targets and continued threats to energy infrastructure kept geopolitical risks elevated.
- In an address to the U.N. General Assembly on Tuesday, President Donald Trump defended the U.S. military action in the Middle East, arguing that the Iranian government is weakened and warning that the U.S. could take far more severe action if Iran does not agree to a settlement. Trump said that his administration is working to bring an end to other conflicts, including the war in Ukraine, while portraying his broader foreign policy as focused on advancing U.S. interests and security.
- The University of Michigan's final Index of Consumer Sentiment for September fell 3.6 points (-7.0%) to 48.1, its lowest level in four months. The Current Economic Conditions Index declined 1.0 point (-1.9%) to 50.9, while the Index of Consumer Expectations dropped 5.2 points (-10.1%) to 46.3. Consumer sentiment was down 7.0 points (-12.7%) from September 2025 and approximately 15% below its January 2026 level. Consumers' expectations for inflation over the next 12 months increased 0.6 percentage point to 4.6% in September, the highest level since June, while long-run inflation expectations ticked up 0.1 percentage point to 3.4%. Director Joanne Hsu noted that concerns about high prices continued to mount, while the short-run outlook for business conditions deteriorated amid worries that elevated fuel prices and renewed trade disputes could weigh on the broader economy.
- The Department of Labor reported that initial unemployment insurance claims, a barometer of the health of the labor market, decreased by 1,000 to 197,000 for the week ending September 19, and were down 22,000 compared to the same week in 2025. The four-week moving average of initial claims dipped by 1,750 week-over-week to 207,500 and was well below the four-week average of 236,750 reported for the comparable week in 2025.
- Higher interest rates may be weighing down the housing market. The Mortgage Bankers Association (MBA) reported that mortgage applications in the U.S. decreased 1.5% during the week ending September 18. The Refinance Index fell 3.0% and 62.0% for the week and over the previous 12-month period, respectively. The Purchase Index declined by corresponding margins of 1.0% and 11.0% for the week and year-over-year. According to the Federal Home Loan Mortgage Corporation (Freddie Mac), the average interest rate on a 30-year fixed-rate mortgage rose 19 basis points (0.19%) to a 20-month high of 6.95% during the week ending September 25.

Stocks

- Global equities rose during the week. Emerging markets outperformed developed markets.
- U.S. stocks ended positive for the week. Information technology and communication services were the top-performing sectors within the broad-market S&P 500 Index, while energy and utilities were the primary market laggards.
- Growth stocks outperformed value stocks, while large caps surpassed small caps.

Bonds

- The 10-year U.S. Treasury note yield rose to 5.18% during the week.
- The U.S. bond market ended the week in negative territory.
- High-yield bonds led the market, followed by government bonds and aggregate bonds.

As of September 25, 2026	1 Week	YTD	1 Year	Friday's close
Global Equity Indexes				
MSCI ACWI ($)	0.4%	12.6%	17.3%	1142.4
MSCI EAFE ($)	-0.8%	7.8%	14.4%	3119.0
MSCI Emerging Mkts ($)	1.2%	23.3%	28.9%	1732.2
US & Canadian Equities				
Dow Jones Industrials ($)	0.3%	7.8%	12.8%	51828.6
S&P 500 ($)	1.3%	13.2%	17.3%	7747.7
NASDAQ ($)	2.1%	16.5%	20.9%	27068.7
S&P/ TSX Composite (C$)	-0.1%	12.8%	20.3%	35782.2
UK & European Equities				
FTSE All-Share (£)	0.3%	7.7%	15.6%	5763.1
MSCI Europe ex UK (€)	0.3%	7.7%	15.2%	2212.4
Asian Equities				
Topix (¥)	0.9%	21.1%	29.6%	4128.6
Hong Kong Hang Seng ($)	-1.0%	-4.4%	-7.5%	24510.1
MSCI Asia Pac. Ex-Japan ($)	1.2%	23.4%	27.7%	891.4
Latin American Equities				
MSCI EMF Latin America ($)	-0.9%	12.7%	21.1%	3053.5
Mexican Bolsa (peso)	2.5%	1.0%	4.9%	64973.6
Brazilian Bovespa (real)	-0.8%	14.0%	26.4%	183709.0
Commodities ($)				
West Texas Intermediate Spot	-7.9%	38.4%	32.4%	92.4
Gold Spot Price	-2.2%	-0.8%	14.8%	4286.6
Bond Indices ($)				
Bloomberg U.S. Aggregate	-1.0%	-2.5%	-1.2%	2290.8
Bloomberg Global Aggregate	-1.0%	-2.5%	-1.8%	488.7
JPMorgan Emerging Mkt Bond	-1.0%	0.1%	3.1%	1019.4
10-Year Yield Change (basis points*)				
US Treasury	16	99	99	5.16%
UK Gilt	7	89	61	5.36%
German Bund	8	75	83	3.60%
Japan Govt Bond	9	102	143	3.08%
Canada Govt Bond	4	48	69	3.92%
Currency Returns**				
US$ per euro	-0.8%	-3.0%	-2.3%	1.140
Yen per US$	0.2%	0.3%	5.0%	157.22
US$ per £	-1.1%	-1.7%	-0.7%	1.325
C$ per US$	1.1%	3.1%	1.5%	1.415

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