SMITH SHELLNUT WILSON
AN AFFILIATE OF 61BANK

Financial Week Newsletter

Summarized by Smith Shellnut Wilson

September 21, 2026

""Facts are stubborn things." John Adams

MARKETS

Macro Recap: Markets spent the week digesting the Federal Reserve's latest policy decision and updated economic outlook. The Fed delivered its first rate increase since 2023, signaling that policymakers remain focused on ensuring inflation continues its path toward target levels. Updated projections suggested that most officials still see a possibility for additional tightening before year-end if economic conditions warrant.

Energy markets remained volatile throughout the week. Crude oil prices surged early, briefly moving above the $100-per-barrel mark before pulling back later in the week. Despite the retreat, oil remains near multi-month highs, supported by ongoing geopolitical uncertainty and concerns surrounding global supply conditions.

The U.S. dollar strengthened following the Fed's announcement, reaching its highest level in several months against a basket of major currencies. A firmer dollar reflects both higher U.S. interest rates and continued investor demand for dollar-denominated assets amid an uncertain global backdrop.

Equity Market Recap: Equity markets experienced another uneven week as investors balanced the implications of higher interest rates with generally resilient economic data. While stocks staged a modest rebound during one trading session, broader market performance remained under pressure for most of the week.

The S&P 500 finished slightly lower, marking a second consecutive weekly decline. The Dow Jones Industrial Average underperformed, posting a more meaningful pullback, while the NASDAQ demonstrated relative resilience and ended the week little changed. Higher interest rates and rising energy prices remained key factors influencing investor sentiment.

Fixed Income and Rates Recap: Bond markets faced headwinds after the Fed's rate hike, with Treasury yields rising across much of the curve. Shorter-maturity securities experienced the largest increase in yields as investors adjusted expectations for future monetary policy.

The 2-year Treasury yield rose from 4.63% to 4.76% during the week, reflecting increased expectations that policy rates could remain elevated for longer. The 10-year Treasury yield climbed to 5.01% from the prior week's level, while the 30-year Treasury yield ended the week at 5.33%. The higher movement in Treasury yields reinforced a challenging backdrop for fixed income assets and other rate-sensitive sectors.

Higher rates continued to affect interest-sensitive areas of the economy, particularly housing. Mortgage costs increased during the week, with the average 30-year fixed mortgage rate rising to 6.95%, approaching the highest levels seen this year. Elevated borrowing costs continue to pressure affordability and have contributed to slower activity across portions of the residential real estate market.

INDICES

	Sep 14 Close	Sep 18 Close	Weekly Change	Dec 31 2025	YTD Change
DJIA	52,573	51,683	-1.7%	48,063	7.5%
S&P 500	7,657	7,651	-0.1%	6,846	11.8%
NASDAQ	26,333	26,523	0.7%	23,242	14.1%
Russell 2000	2,904	2,860	-1.5%	2,482	15.2%
KBW Bank Indx	188.1	178.8	-4.9%	164.0	9.0%
Bitcoin	$77,391	$85,109	10.0%	$87,648	-2.9%
Oil (WTI)	$100.05	$97.55	-2.5%	$57.42	69.9%
Gold	$4,349	$4,369	0.5%	$4,319	1.1%
Prime	6.75	7.00	0.25	6.75	0.25
Effective Fed Funds	3.63	3.88	0.25	3.64	0.24
3m Tbill	4.00	4.07	0.07	3.63	0.44
2yr UST	4.63	4.71	0.08	3.47	1.23
10yr UST	4.97	4.95	-0.02	4.17	0.78
2-10yr UST Spread	34	24	-10	69	-45
2y AAA Muni/2y UST	60.3%	62.1%	1.8%	70.3%	-8.2%
10y AAA Muni/10y UST	74.4%	74.8%	0.4%	65.4%	9.4%
5yr Inflation Forecast	2.41	2.32	-0.09	2.27	0.05

Week Ahead

- **Monday:** No major U.S. reports
- **Tuesday:** No major U.S. reports
- **Wednesday:** No major U.S. reports
- **Thursday:** New home sales, Weekly unemployment claims
- **Friday:** Durable goods, U of M Consumer Sentiment

ALL CONTENT IS FOR INFORMATIONAL PURPOSES ONLY AND SHOULD IN NO WAY BE CONSTRUED OR INTERPRETED AS A SOLICITATION TO SELL OR AN OFFER TO SELL ADVISORY SERVICES OR PRODUCTS.