BFS Benefit Financial Services Group

MONDAY MORNING RECAP - September 21, 2026

Last Week

Dow Jones Industrial Average (DJIA)	51,682.64	-890.65	-1.69%
S&P 500 Index	7,650.50	-6.48	-0.08%
NASDAQ Composite Index	26,522.55	+189.51	+0.72%
U.S. 10 yr. Treasury Note Yield	5.01%	+5 Basis Points	
Gold ($ per troy oz.)	$4,385.90	+$19.70	+0.45%
WTI Oil ($ per barrel)	$100.30	+$0.25	+0.25%

Market Summary

Global Equities: US equities fell last week as the market digested the Fed's first rate hike in three years, with the S&P 500 ending the week down –0.08%. Historically, the S&P 500 has produced an average 3-month return of -2% at the start of seven hiking cycles but delivered an average return of +9% in the 12 months after the first hike. After hitting a three-month low on Tuesday, European equities recovered on falling oil prices and global bond yields, but the STOXX 600 still ended the week down –0.54%. Japanese equities outperformed, with Japan's TOPIX gaining 1.56%, benefiting from a rebound in the AI trade and yen weakness.

Fixed Income: US Treasury yields rose last week after the Fed raised rates and signaled another hike this year. The 2-Year and 10-Year yield both ended the week up at 4.76% and 5.01%, respectively, with the 10-Year hitting its highest intraday level since 2007 on Tuesday at 5.04%. The 10-Year German Bund yield also rose as the Fed's decision reverberated throughout global markets, ending the week up at 3.52%. The 10-Year UK Gilt yield fell to 5.29% after the Bank of England announced a surprise plan to halt long-dated UK gilt sales.

Commodities: Oil prices were volatile last week, rising after Saudi Arabia's East-West pipeline was damaged and exports from its Red Sea hub were disrupted, then easing after Saudi Arabia indicated that it could restore exports and make additional crude available through Oman. WTI ended up at $100.30/bbl and Brent Crude down at $103.87/bbl. Gold initially fell on market expectations of tighter monetary policy before recouping its losses as oil prices and bond yields retreated. It ended up at $4,385.90/troy oz.

FX: The US dollar index rose by 1.11% last week, buoyed by the Fed's hawkish stance. The dollar rose against the euro, ending the week at $1.15, and sharply against the yen, which slumped to ¥156.88 after two policymakers dissented from the BoJ's widely anticipated rate hike.

Economic Summary

Monetary Policy: The Federal Reserve raised rates by 25bp to 3.75-4.00% at its September meeting, its first hike since July 2023. There were no dissents from the Committee's decision. The post-meeting statement noted that inflation "remains elevated" and that the "policy action will support a timelier return to the Committee's 2 percent goal." The median forecast in the Summary of Economic Projections indicated one more hike in 2026 and no changes to the fed funds rate in 2027. In his post-meeting press conference, Fed Chair Warsh stated that "inflation is too high and has been for too long," while the US economy and labor market remain resilient. In the UK, the Bank of England voted 6-3 to keep rates unchanged at 3.75% for the sixth time in a row, although it warned that a prolonged energy supply disruption may force it to hike. Meanwhile, the Bank of Japan raised rates by 25bp to 1.25%, their highest level since 1995. The decision was split 7-2, raising doubts about the likelihood of further hikes.

Inflation: Euro Area HICP inflation rose from 2.9% YoY in July to 3.2% in August, which was revised down from the initial flash estimate of 3.3%. However, the core annual figure, which is most closely watched by the ECB, fell from 2.5% to 2.4%, in line with consensus expectations. UK CPI reached 3.1% YoY in August, the first time it has surpassed 3% since March, due to a 23% YoY increase in motor fuel prices. Meanwhile, core CPI held steady at 2.6% YoY.

Activity: After falling by –0.5% MoM in July, US retail sales rose by 1.2% in August, well above consensus expectations of a 0.8% increase. While inflation accounts for some of this increase, underlying demand is strong, underscoring the economy's resilience. Having been expected to fall by –0.2% MoM, UK retail sales increased by 0.5% in August, boosted by promotions and the hot weather. In China, industrial production increased by a higher-than-expected 5.2% YoY in August, but retail sales came in at 0.4% YoY, below the expected 0.8%.

Key Economic Releases

Monday, September 21: No economic releases	**Thursday, September 24:** US Initial Jobless Claims (Prior: 196k)
Tuesday, September 22: No economic releases	**Friday, September 25:** No economic releases
Wednesday, September 23: US Composite PMI (Prior: 56.0) Euro Area Composite PMI (Prior: 52.0) UK Composite PMI (Prior: 52.5)	

Source: Goldman Sachs Asset Management: "Market Monitor", 9/18/2026

"Fed" refers to Federal Reserve. "Gilt" refers to a UK government bond. "Hawkish" refers to restrictive monetary policy. "WTI" refers to West Texas Intermediate crude oil, a common US benchmark for oil prices. "Brent" refers to a global benchmark for oil prices worldwide. "Bbl" refers to barrel. "Oz" refers to ounce. "FX" refers to foreign exchange. "FOMC" refers to Federal Open Market Committee. "CPI" refers to Consumer Price Index. "Core CPI" refers to Consumer Price Index, excluding food and energy prices. "YoY" refers to year-over-year. "MoM" refers to month-over-month. "HICP" refers to Harmonised Index of Consumer Prices.