



WEEKLY UPDATE | September 18, 2026



U.S. & World News

On Wednesday, the Federal Reserve raised interest rates for the first time in more than three years. The increase was approved unanimously and lifted the benchmark federal funds rate by 25 basis points to a target range of 3.75% to 4.00%. Since taking office in May, Chairman Kevin Warsh has vowed to combat inflation and return it to the Fed's 2% target. "Today's action starts to show that we're serious about this," Warsh said. In its policy statement, the Fed noted that the rate hike would support a timelier return to its inflation goal. Despite the recent focus on inflation, the war in Iran has contributed to rising energy and commodity prices, adding to inflationary pressures. The Federal Reserve rarely makes only one adjustment after determining that a shift in policy is necessary. In its latest projections, 16 of 18 policymakers indicated they expect at least one additional rate increase this year, which would push rates above 4%. The decision also highlighted the Fed's independence from political pressure. Warsh and the Federal Reserve moved forward with the rate hike despite President Donald Trump's calls for lower borrowing costs. On Thursday, major stock market indexes rallied, reversing the declines that followed the Federal Reserve's interest-rate increase on Wednesday.



Markets

- Equity markets fell this week with the S&P 500 down -0.06% closing at 7,650. The Dow was down -1.65% and closed at 51,681. The year to date returns for the S&P 500 and the Dow are 12.61% and 8.88%, respectively.
- Bond markets fell as yields rose, resulting in a -0.15% decline for the US Aggregate Bond Index. The year-to-date return for the US Aggregate Bond Index is -1.31%.
- The yield on 2-year treasuries rose to 4.75% and the yield on 10-year treasuries rose this week to 5.00%.
- The spot price of WTI Crude Oil fell -0.8% this week and closed at \$99.70/barrel. Oil prices this year have risen 73.63%
- The spot price of Gold rose 0.6% this week to close at \$4,376/ounce. So far this year, gold has risen 1.30%.



Economic Data

- Initial jobless claims fell to 196,000, below the median forecast of 199,000 and last week's figure of 206,000.
- Retail Sales came in stronger than expected at a 1.2% rise for the month of August, analyst had expected a 0.7% increase. Last month's reading was a decline of -0.5% for retail sales.
- Housing Starts were 1,275,000 for August, slightly below the 1,304,000 forecasts. July's reading was revised up 60,000 to 1,309,000.

Fact of the Week

RATES SOAR. At the start of the Iran War in late February, the 10-Year Treasury yield hit a low of 3.93%. That yield rose a full percentage point to 4.93% by 9/10. Outside of a two-week stretch in late October 2023 when it ticked up to 5.02%, July 2007 was the last time the 10-year yield was this high.

(Source: MFS)

Questions?

Your Wealth Management team is here to answer.

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