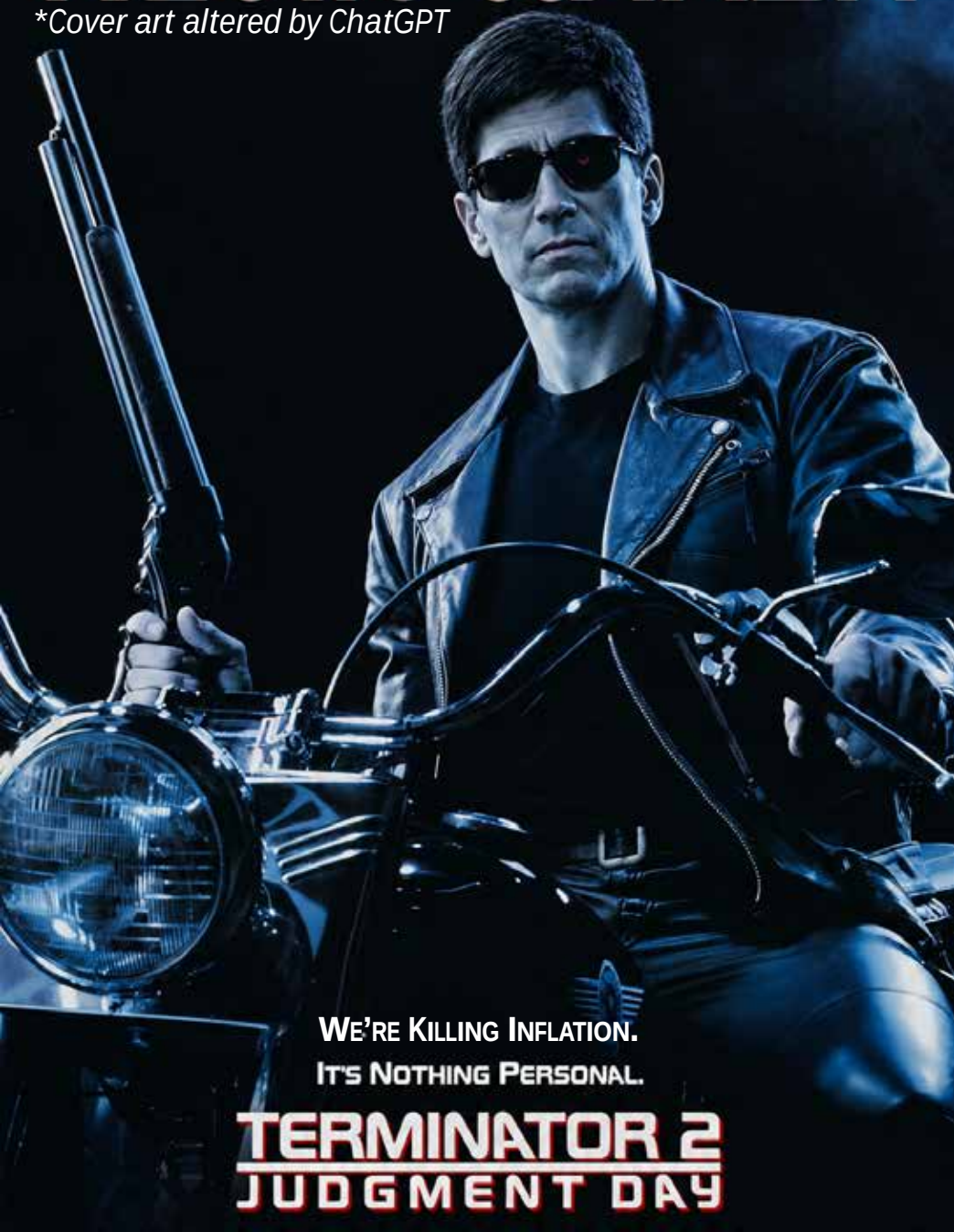


KEVIN WARSH *

*Cover art altered by ChatGPT



Charts of the Week

Judgment Day

September 20, 2026

Timothy K. Southard, CFA

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Higher rates hit real estate harder than the broader market this week, although hotel REITs remain the best-performing REIT subsector YTD.

Public REITs and C-Corps

Weekly Market Update

Company/Index	Ticker	Latest Close	Weekly Change	Weekly Change (%)	YTD Change	YTD Change (%)
Apple Hospitality REIT, Inc.	APLE	15.58	0.03	0.2%	3.73	31.5%
Ashford Hospitality Trust, Inc.	AHT	2.74	-0.42	-13.3%	-1.52	-35.7%
Blackstone Inc.	BX	124.96	-3.55	-2.8%	-29.18	-18.9%
Braemar Hotels & Resorts Inc.	BHR	1.79	-0.07	-3.8%	-1.08	-37.6%
CBRE Group, Inc.	CBRE	139.50	-1.01	-0.7%	-21.29	-13.2%
DiamondRock Hospitality Company	DRH	12.24	0.04	0.3%	3.28	36.6%
Hilton Worldwide Holdings Inc.	HLT	305.73	-0.46	-0.2%	18.48	6.4%
Host Hotels & Resorts, Inc.	HST	21.84	-0.40	-1.8%	4.11	23.2%
Hyatt Hotels Corporation	H	155.04	-8.03	-4.9%	-5.28	-3.3%
Marriott International, Inc.	MAR	338.92	4.23	1.3%	28.68	9.2%
Park Hotels & Resorts Inc.	PK	14.99	-0.29	-1.9%	4.53	43.3%
Pebblebrook Hotel Trust	PEB	18.04	0.20	1.1%	6.72	59.4%
RLJ Lodging Trust	RLJ	10.79	-0.09	-0.8%	3.34	44.8%
Starwood Property Trust, Inc.	STWD	14.94	-0.68	-4.4%	-3.07	-17.0%
Summit Hotel Properties, Inc.	INN	5.59	0.00	0.0%	0.72	14.8%
Sunstone Hotel Investors, Inc.	SHO	11.04	0.06	0.5%	2.10	23.5%
Vanguard Real Estate ETF	VNQ	92.91	-1.89	-2.0%	4.42	5.0%
Xenia Hotels & Resorts, Inc.	XHR	17.72	0.08	0.5%	3.58	25.3%
S&P 500 Price Return	^GSPC	7,651	-6	-0.1%	805	11.8%
NASDAQ Composite Price Return	^IXIC	26,523	190	0.7%	3,281	14.1%
Dow Jones Industrial Average Price Return	^DJI	51,683	-891	-1.7%	3,619	7.5%
10y US T-Note	^TNX	5.00%	0.02%		0.84%	
Bitcoin	BTC-USD	81,096	3,922	5.1%	-9,290	-10.3%



REIT Weekly Update:

The RMZ REIT index fell 2.1% for the week due in part to the interest rate hike and higher long-term Treasury yields, underperforming the broader market by 200 bps, as the S&P 500 declined 0.1% (although the equal-weight index dropped 1.2%). Only one REIT subsector was positive, with Healthcare – Lab/OM leading with a 0.6% gain. Hotels were better than the REIT average, losing 0.7%. The large lead that REITs had held over the S&P 500 all year has completely evaporated, with REITs now trailing the S&P 500 by 200 bps YTD (+9.8% to +11.8%). Hotels are still leading all REIT subsectors with a 30.8% increase YTD (2.6x the S&P 500).

Source: Baird Research

REIT Sub-Sector	1-Week Change	1-Month Change	YTD Change	FFO/Share Change*	AFFO ('27) Multiple
Cold Storage	-2.1%	-8.4%	7.4%	-0.1%	11.9x
Data Centers	-2.3%	-6.2%	27.0%	0.1%	21.9x
Healthcare - Lab/OM	0.6%	3.8%	16.4%	-0.3%	13.4x
Healthcare - Seniors/SNF	-2.8%	-3.1%	18.6%	0.6%	30.4x
Hotels	-0.7%	-3.6%	30.8%	3.6%	12.4x
Industrial	-0.2%	-2.61%	6.6%	0.0%	23.3x
Infrastructure	-2.7%	0.0%	-5.2%	0.0%	14.6x
Office	-2.1%	-5.7%	4.1%	0.8%	16.1x
Residential	-3.0%	-5.4%	-3.9%	-0.1%	17.1x
Retail	-1.2%	-6.4%	9.8%	0.1%	16.7x
Self-Storage	-0.2%	-7.3%	10.8%	0.1%	17.8x
Triple Net	-4.9%	-8.8%	-2.8%	-0.1%	11.6x
RMZ	-2.1%	-5.3%	9.8%		
S&P 500	-0.1%	-0.5%	11.8%		
S&P 500 (equal-weight)	-1.2%	-3.4%	10.8%		
10-Year Treasury	+3 bps	+29 bps	+84 bps		
2-10 Spread	-10 bps	-28 bps	-44 bps		

*Reflects consensus NTM estimates today vs. one month ago

Source: Baird Research and FactSet

Vanguard Real Estate ETF (VNQ) – One Year Price Chart

The Vanguard Real Estate ETF, which invests primarily in REITs, fell 2.0% this week, reducing its YTD gain to 5.0% and its 1-year return to 0.7%. Top holdings include Welltower, Prologis, Equinix, American Tower, and Simon Property Group.

Vanguard REIT ETF

\$92.91

▲ \$0.66 (0.72%) 1-year return

52 week range

86.84–101.80

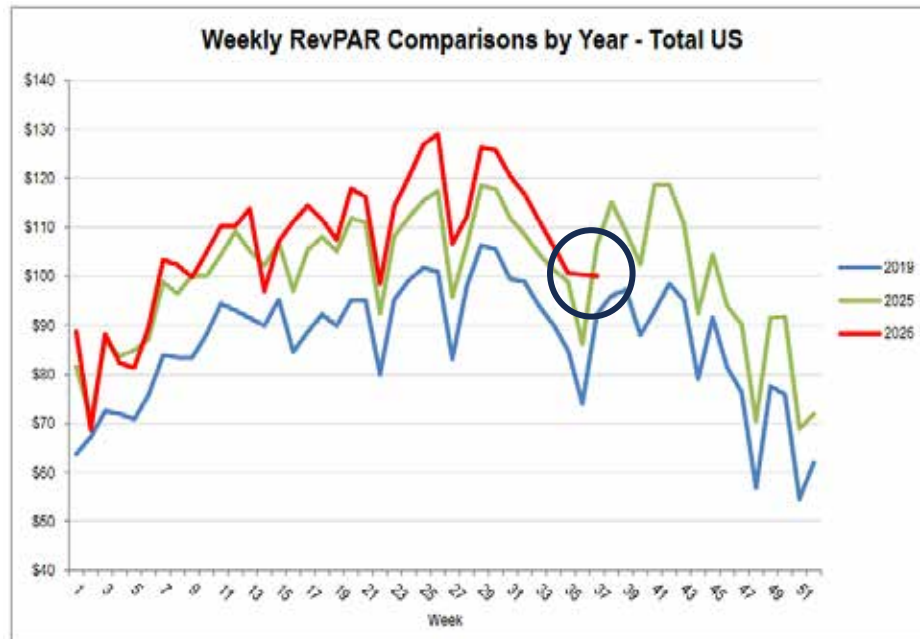
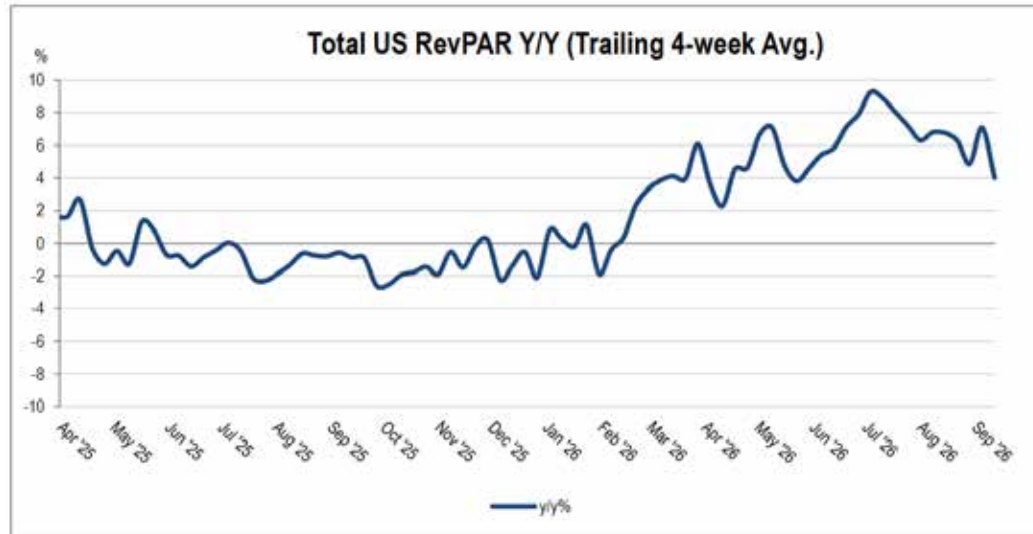


Source: Yahoo Finance, MWC

For the week ended September 12, U.S. RevPAR fell 6.2%, with occupancy down 4.6% and ADR down 1.7%. The decline was largely calendar-driven: Labor Day shifted into the comparison week, while Rosh Hashanah began September 11 versus September 22 last year; Monday and Tuesday RevPAR fell 40% and 25%, respectively.

Lodging and Travel

U.S. RevPAR Trends



RevPAR Y/Y

Week ended 8/22

Week ended 8/29

Week ended 9/5

Week ended 9/12

	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Week ended 8/22	5%	5%	5%	5%	4%	4%	3%
Week ended 8/29	7%	9%	12%	14%	12%	-5%	-20%
Week ended 9/5	-29%	57%	31%	11%	3%	20%	37%
Week ended 9/12	42%	-40%	-25%	-10%	0%	2%	1%

Wk Ended	9/12/2026	Y/Y%	vs. 2019
Total US		-6%	8%

By Chain Scale:

Luxury	-7%	6%
Upper Upscale	-15%	-7%
Upscale	-10%	-2%
Upper Midscale	-6%	7%
Midscale	0%	11%
Economy	5%	4%

By Location:

Urban	-10%	-2%
Suburban	-7%	-1%
Airport	-9%	-6%
Interstate	-3%	20%
Resort	-6%	23%
Small Metro / Town	4%	32%



BofA Global Research:

Monthly and Weekly Hotel Data Heatmap

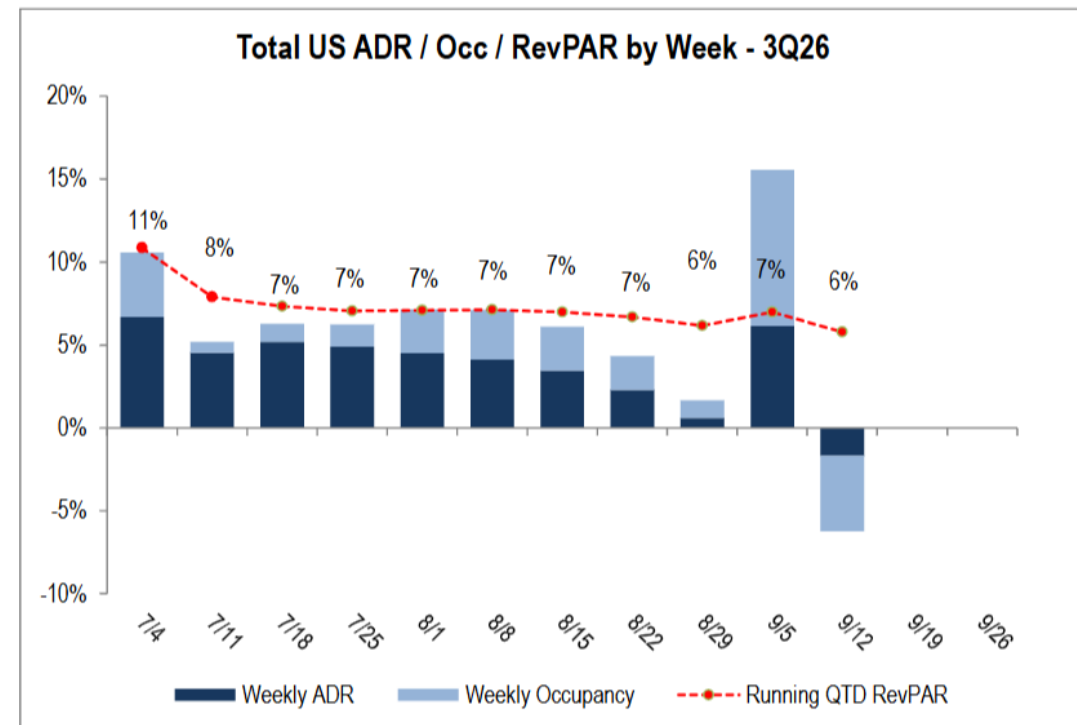
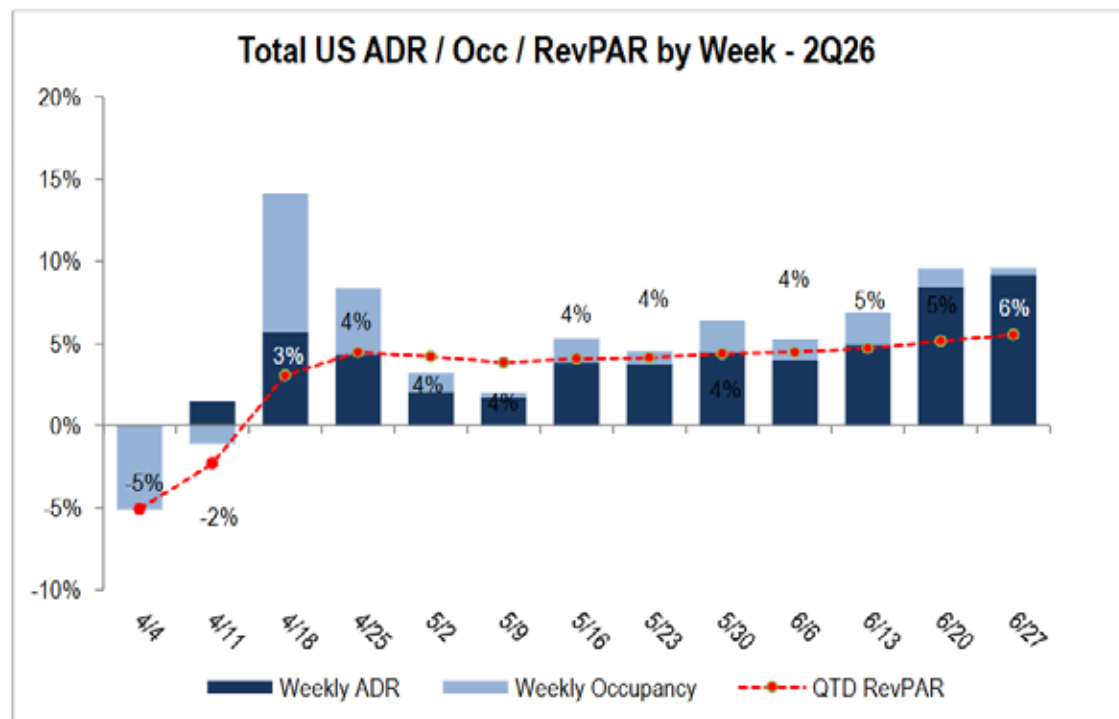
Exhibit 1: Monthly/Weekly data by chain scale, region and major markets across the country
Monthly and Weekly RevPAR Y/Y

	Monthly							Week ended	
	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26E	09/05	09/12
<u>US - Overall</u>									
RevPAR	4%	6%	4%	4%	8%	8%	2%	16%	-6%
Occ	-1%	-1%	-2%	-2%	-3%	-1%	0%	9%	-5%
ADR	0%	0%	0%	2%	1%	1%	2%	6%	-2%
<u>International</u>									
Europe	15%	7%	4%	5%	3%	5%	6%	5%	8%
APEC	15%	8%	-2%	4%	0%	5%	2%	5%	2%
China	22%	6%	12%	6%	5%	3%	6%	11%	7%
Caribbean	4%	0%	8%	-1%	-4%	-1%	4%	11%	10%
<u>US - Day of Week</u>									
Weekdays	-2%	-2%	-3%	-1%	-1%	1%	5%	14%	-7%
Weekends	0%	0%	-1%	-4%	-1%	-2%	1%	28%	2%
<u>US - Chainscales</u>									
Luxury	2%	3%	2%	5%	6%	7%	5%	13%	-7%
Upper Up	-1%	-1%	-2%	1%	0%	2%	4%	18%	-15%
Upscale	-1%	-2%	-2%	-2%	-3%	-1%	3%	19%	-10%
Upper Mid	-2%	-2%	-2%	-3%	-5%	-1%	2%	18%	-6%
Midscale	-1%	-2%	-3%	-4%	-6%	-4%	1%	14%	0%
Economy	-4%	-5%	-5%	-7%	-9%	-8%	0%	12%	5%
<u>US - Locations</u>									
Urban	-1%	-1%	0%	1%	0%	2%	5%	15%	-10%
Resort	-1%	1%	-6%	1%	0%	1%	-2%	13%	-6%
<u>US - Markets</u>									
Top 8 Markets Avg.	0%	0%	-3%	3%	3%	1%	4%	16%	-11%
Las Vegas	-10%	-9%	-12%	-12%	-9%	-12%	-6%	33%	-33%

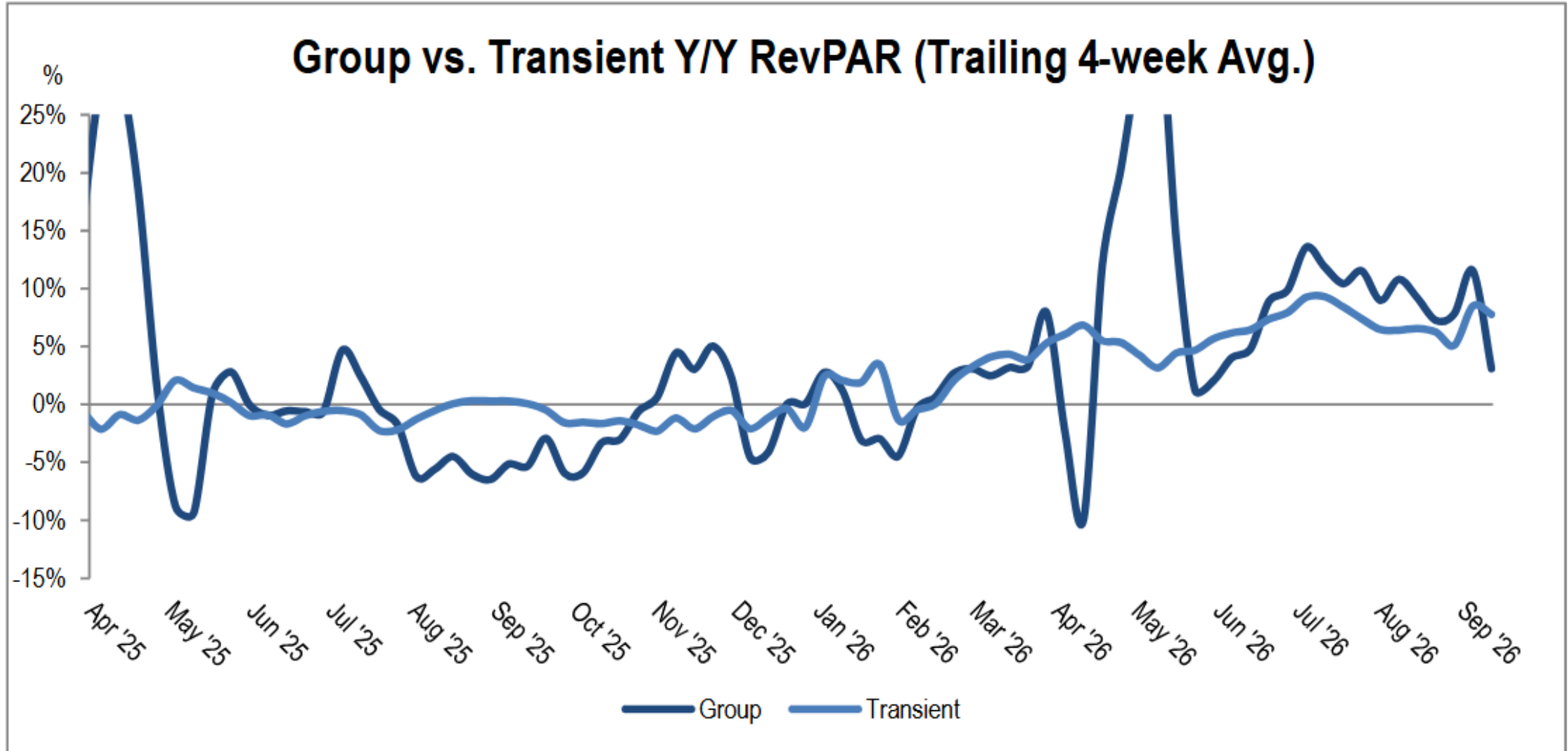
Note: Top 8 Markets Avg incl. Boston, Chicago, Los Angeles, Miami, NYC, Orlando, San Francisco, & DC Metro

Source: CoStar, BofA Global Research

Total U.S. ADR / Occupancy / RevPAR Change Running QTD



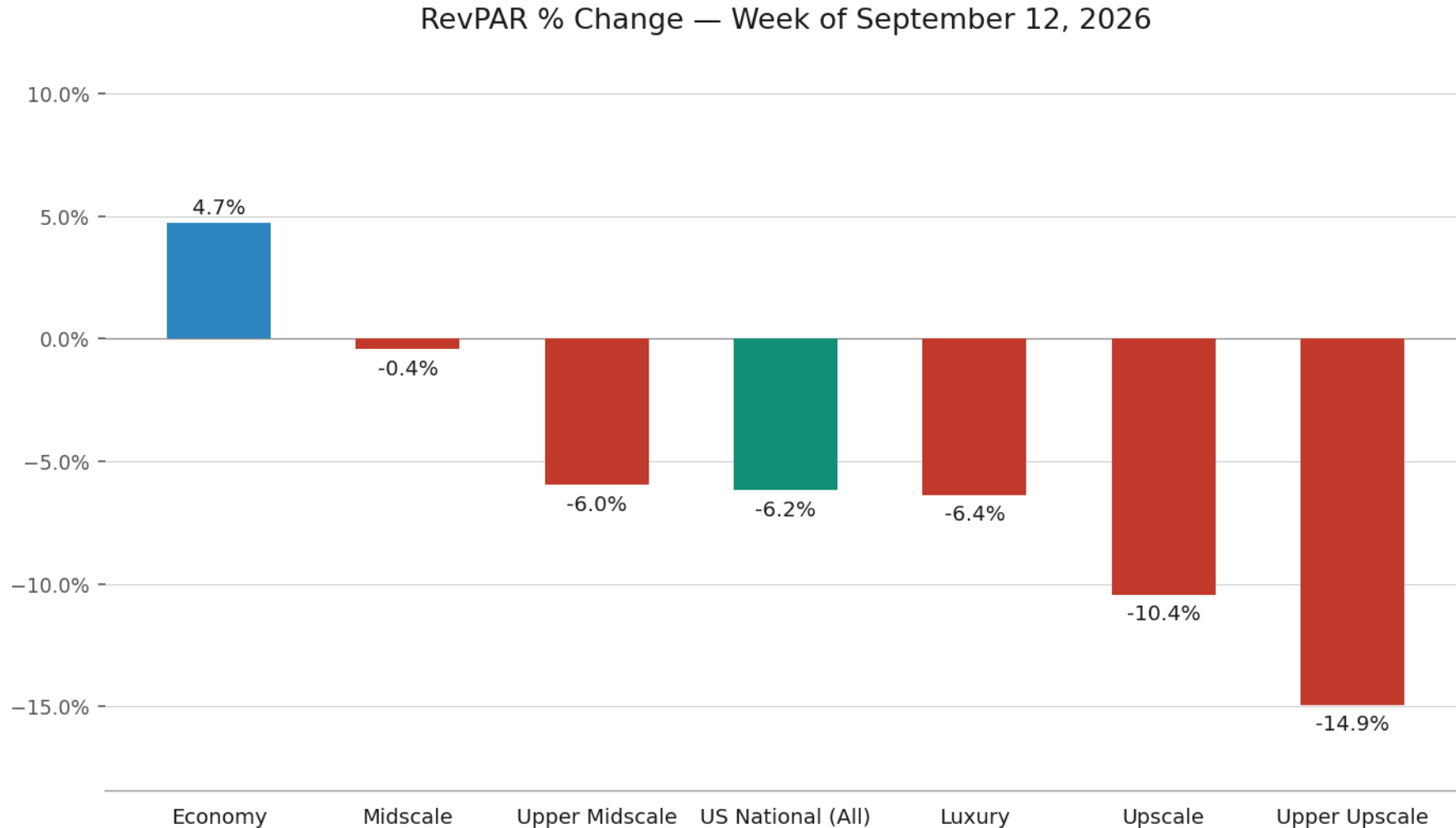
Total U.S. Group vs. Transient – 4-Week Moving Average



Source: Evercore, CoStar

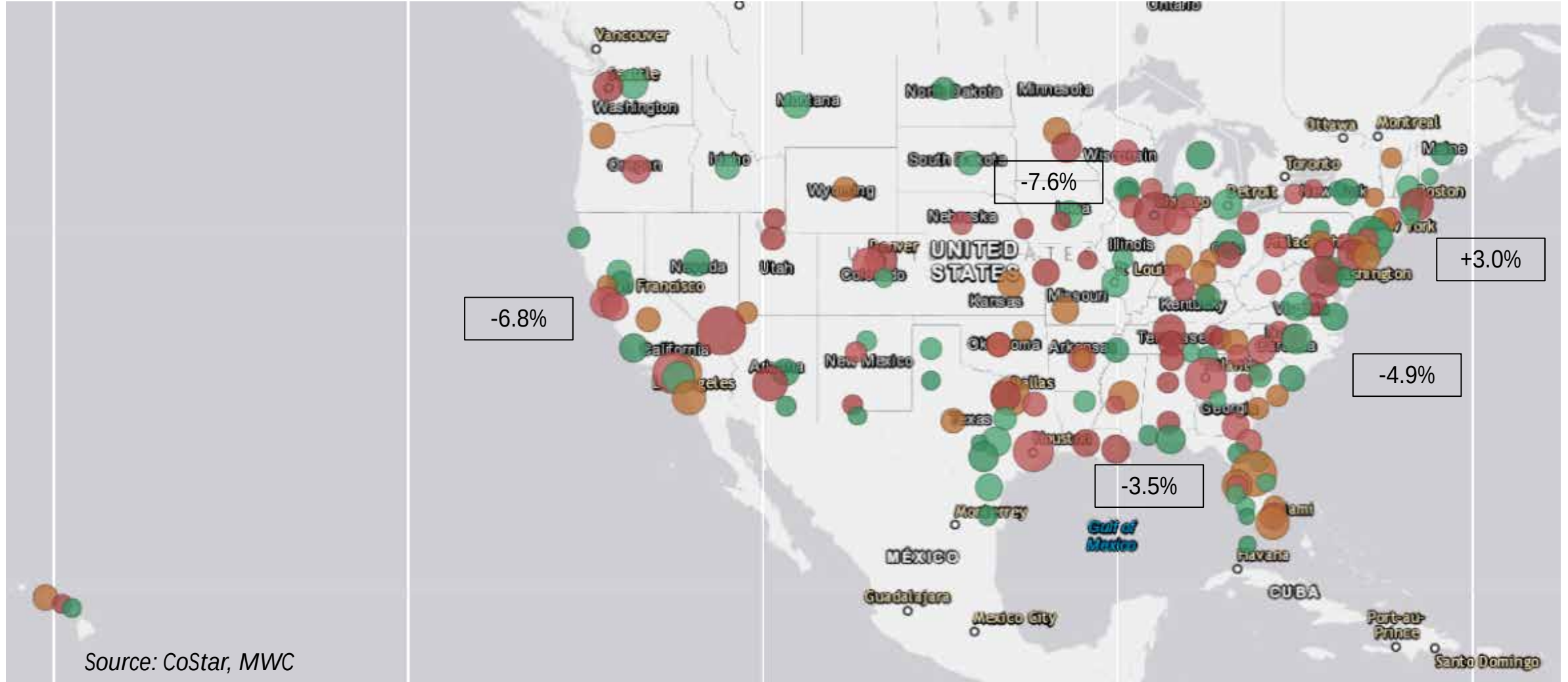
U.S. RevPAR – Weekly Chain Scales

Among chain scales, Upper Upscale was hit hardest by the calendar shift, down 15%, with Upscale declining 10%, and Luxury falling 6%, while Economy was the only scale to grow, up roughly 5%. The pattern reflects group and business-transient exposure at the upper end during the holiday shift rather than a demand problem.



U.S. RevPAR – Weekly Performance – All U.S. Markets

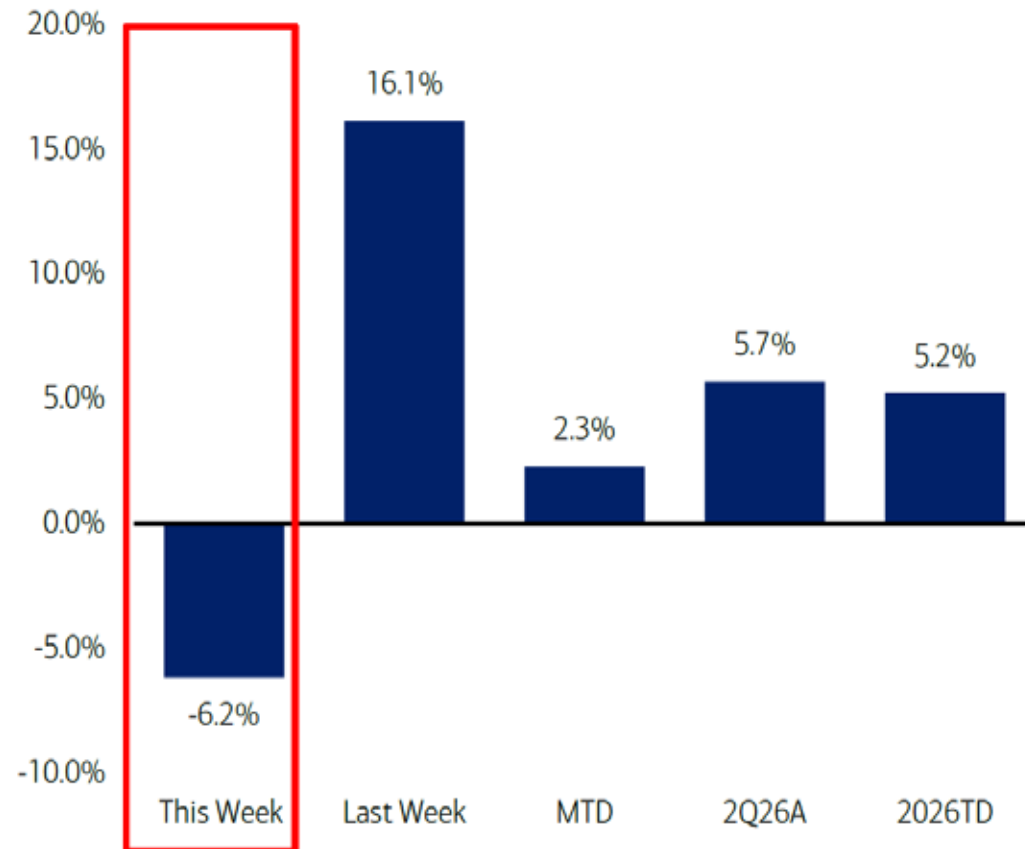
Among CoStar's 174 U.S. markets last week, the Northeast grew 3.0%, while all other regions declined. The Southwest fell 3.5%, the Southeast -4.9%, the West -6.8%, and the Midwest -7.6%. The top 25 markets fell 10.6% versus a 2.6% decline for all other markets. Las Vegas was down 33%, Phoenix -30%, and Chicago -26%, while New York City led all markets at plus 12%. The performance was clearly impacted by the calendar shift with both Labor Day and religious holidays hitting simultaneously.



U.S. RevPAR – Weekly, MTD, QTD, and YTD Est.

Exhibit 2: Domestic RevPAR was -6.2% Y/Y this week

US RevPAR Y/Y



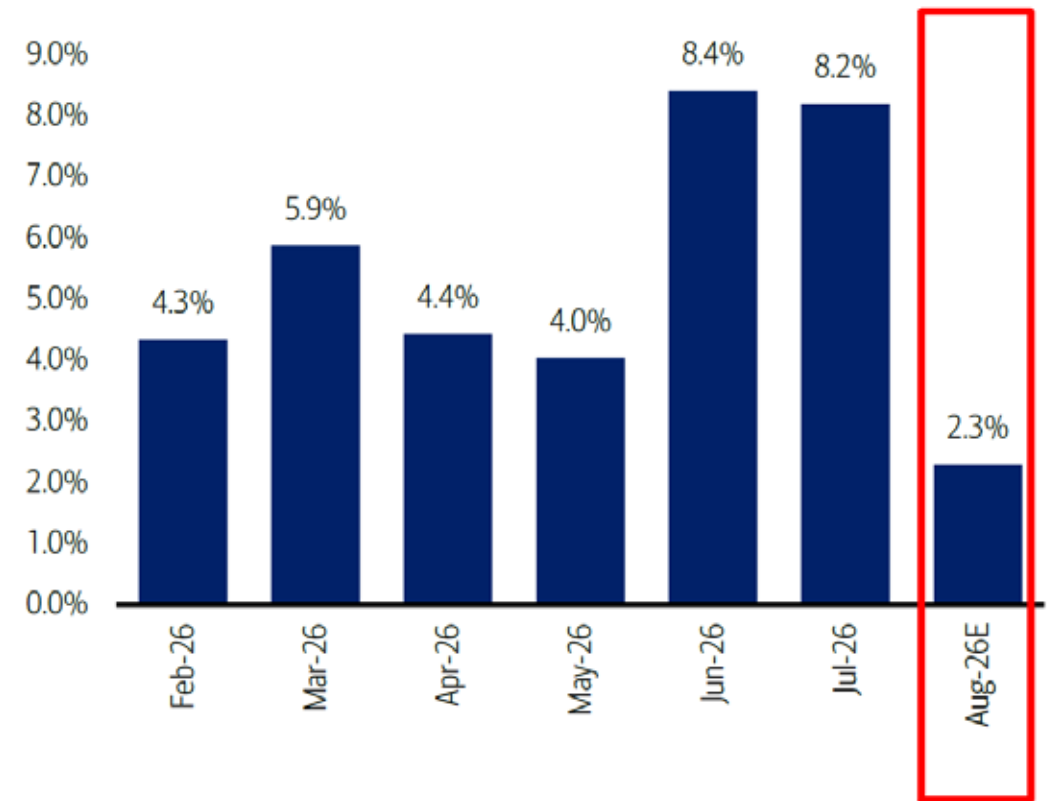
Source: CoStar, BofA Global Research

BofA GLOBAL RESEARCH

Source: BofA

Exhibit 3: We estimate August to date is +2.3%

Monthly US RevPAR

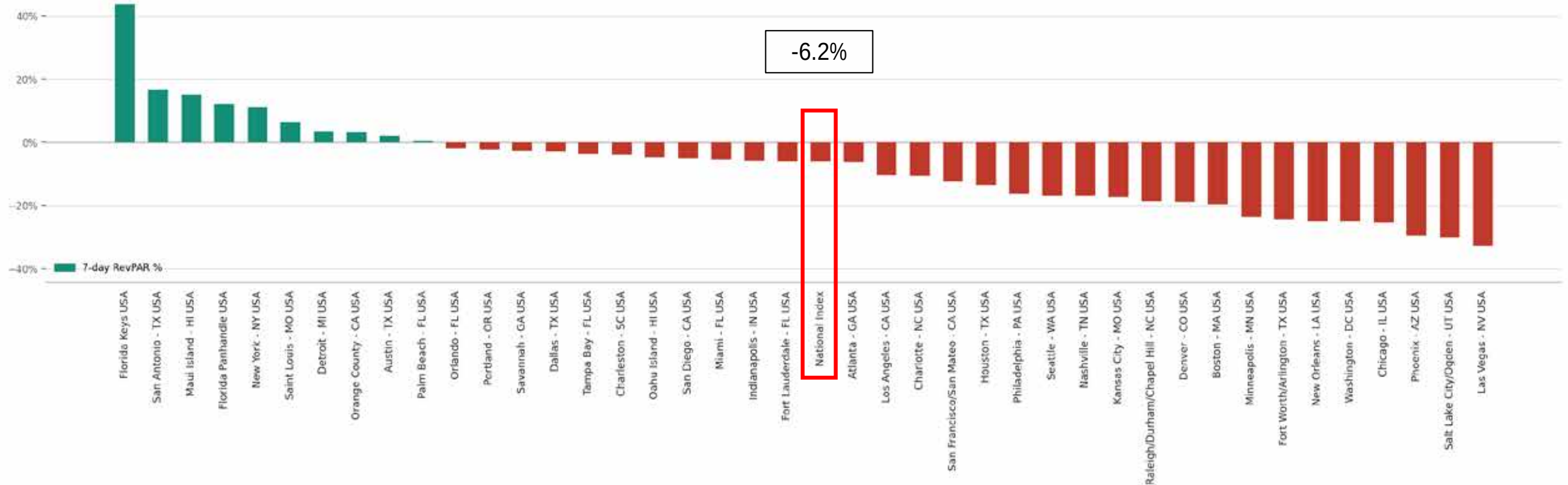


Source: CoStar, BofA Global Research

BofA GLOBAL RESEARCH

U.S. RevPAR – Weekly Performance – Major Markets

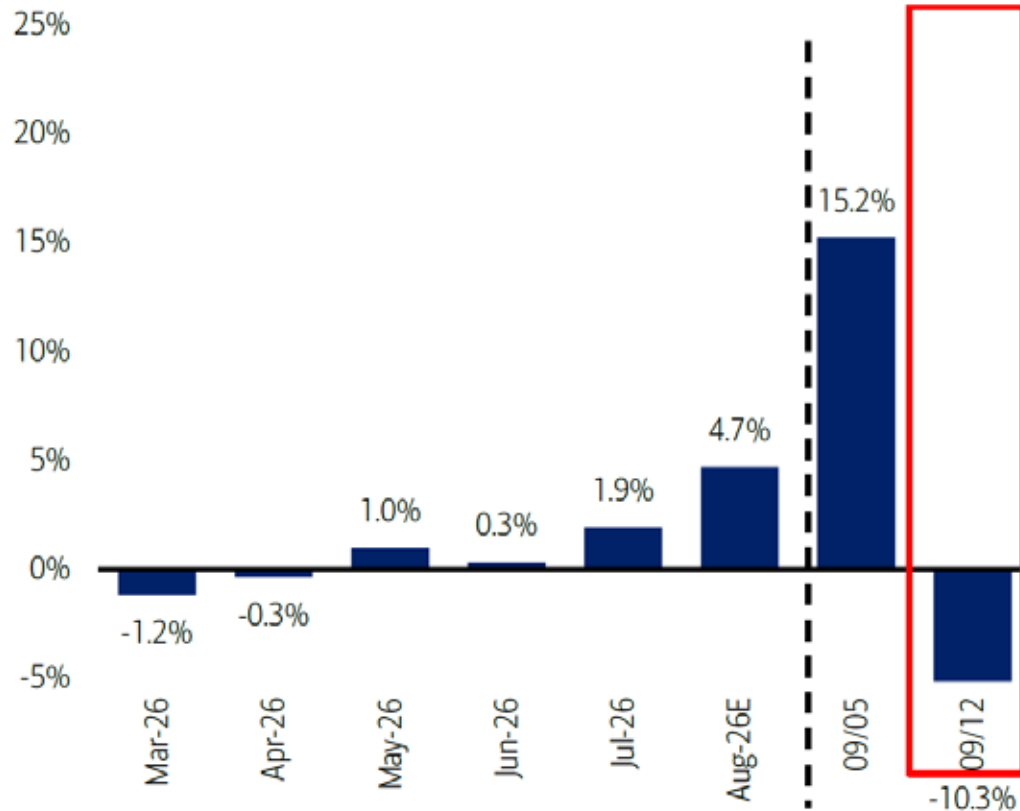
The Florida Keys led all markets by a wide margin with a gain of 43.6%, followed by San Antonio (+16.6%), Maui (+15.1%), the Florida Panhandle (+12.1%), and New York (+11.2%).



U.S. RevPAR – Urban vs. Resort Weekly Update

Exhibit 6: Urban RevPAR was -10.3% Y/Y this week (Labor Day shift)

Urban RevPAR Y/Y

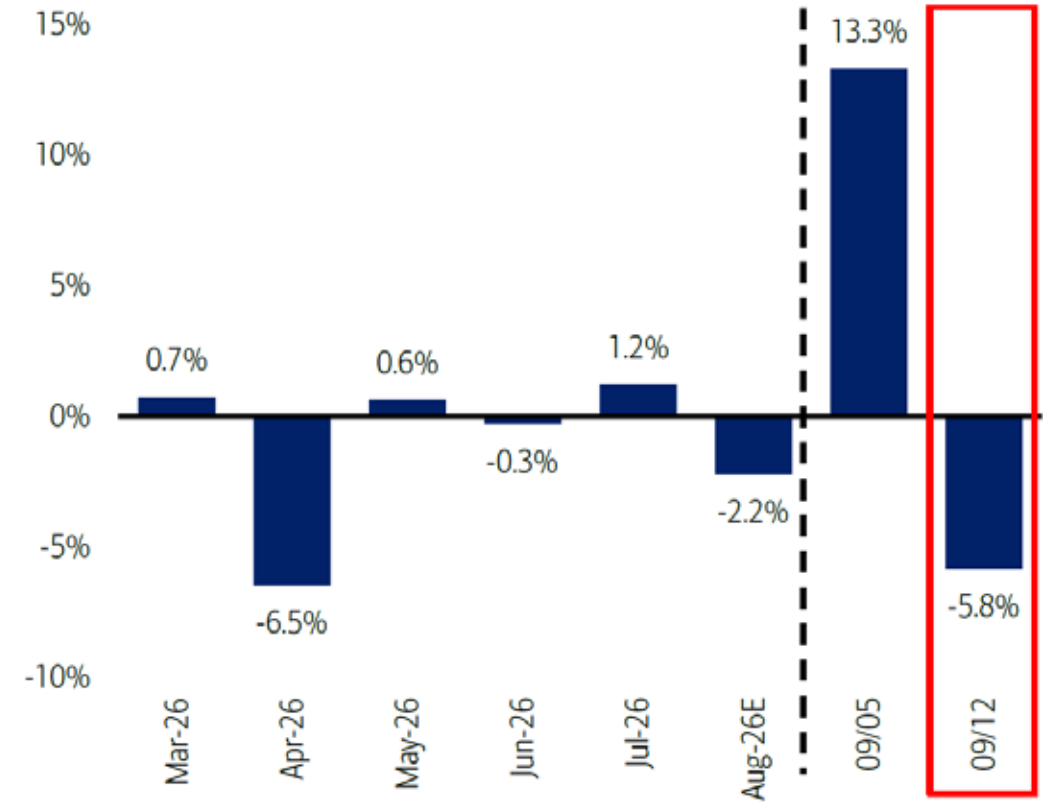


Source: CoStar, BofA Global Research

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Exhibit 7: Resort RevPAR was -5.8% Y/Y this week (Labor Day shift)

Resort RevPAR Y/Y

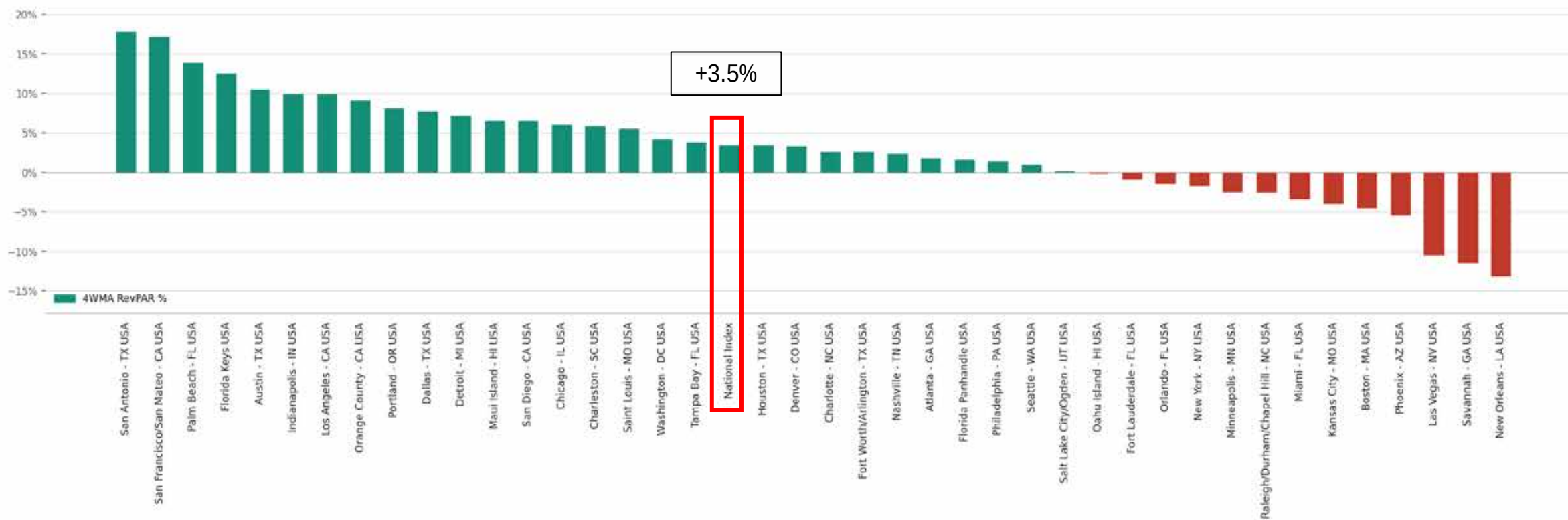


Source: CoStar, BofA Global Research

BofA GLOBAL RESEARCH

U.S. RevPAR – 4-Week Moving Average – Major Markets

With the calendar shift creating a significant impact for the last two weeks, the 4-week moving average is a more relevant measure of performance. For the four weeks ended September 12, U.S. RevPAR grew 3.5%, led by San Antonio (+17.8%), San Francisco (+17.2%), Palm Beach (+13.9%), and the Florida Keys (+12.5%). For the 4-week period, 125 of CoStar's 174 markets had positive RevPAR growth.



CMBS spreads widened this week, with 10-year AAAs at 72 bps (+3 bps), AAs at 126 bps (+8 bps), As at 180 bps (+12 bps), and BBB- spreads at 495 bps (+18 bps).

CRE Debt & Equity Markets

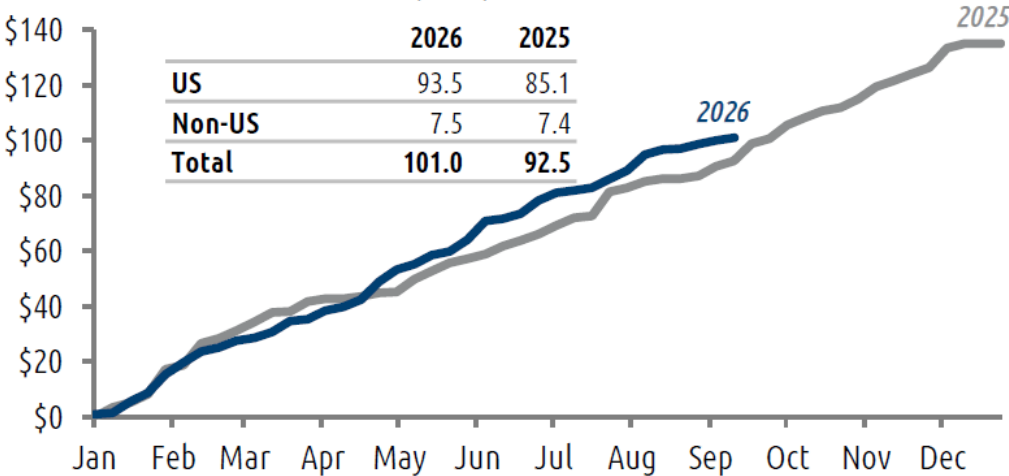
CRE Issuance and Spread Trends

Sources: Commercial Mortgage Alert,
Green Street, Trepp

The 10-year Treasury yield hit 5.0% this week, the Fed raised its target range by 25 bps, SOFR moved higher, and spreads widened, but the CMBS market soldiered on. Single-borrower deals account for 76% of U.S. CMBS volume year to date, up from 72% in 2025 and 66% in 2024.

WORLDWIDE CMBS

Year-To-Date Issuance Volume (\$Bil.)



CMBS SPREADS

10-Year AAA Recent-Issue Spread Over Treasury



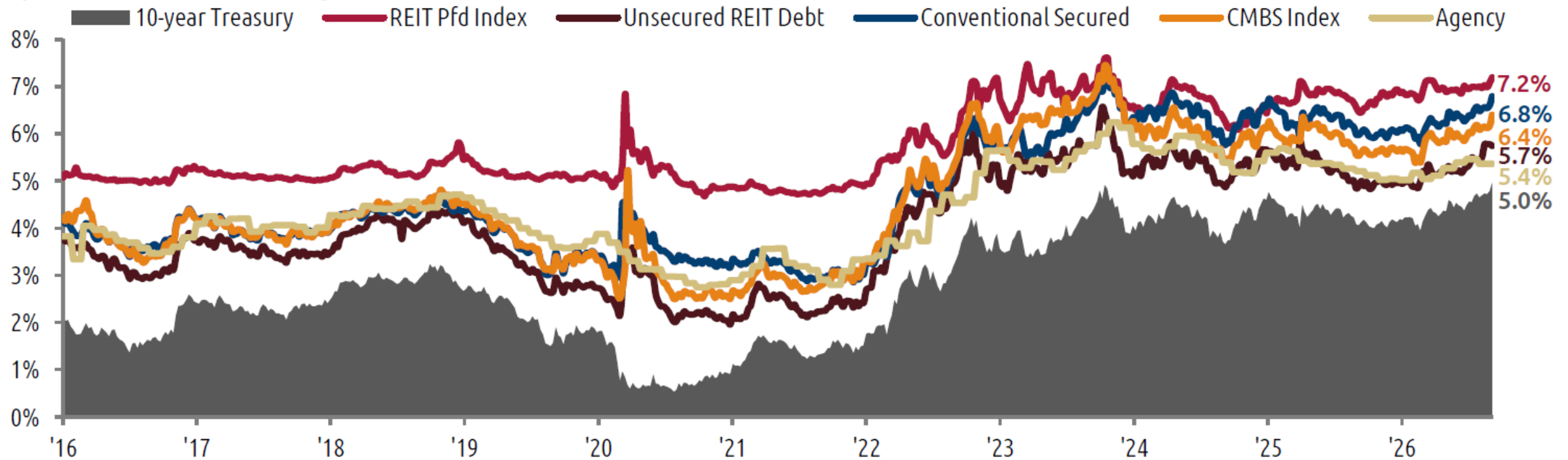
Spread (bp)

	Avg. Life	9/16	Week Earlier	52-wk Avg.
AAA	5	J+92	J+88	J+97
AAA	10	J+72	J+69	J+75
AA	10	J+126	J+118	J+136
A	10	J+180	J+168	J+191
BBB-	10	J+495	J+477	J+478

CRE Debt Costs by Type

Conventional secured-debt costs are 6.8% on average, up 70 bps year to date.

Representative of 10-Year Money



Sources: Cushman & Wakefield, Recursion, Trepp, Green Street

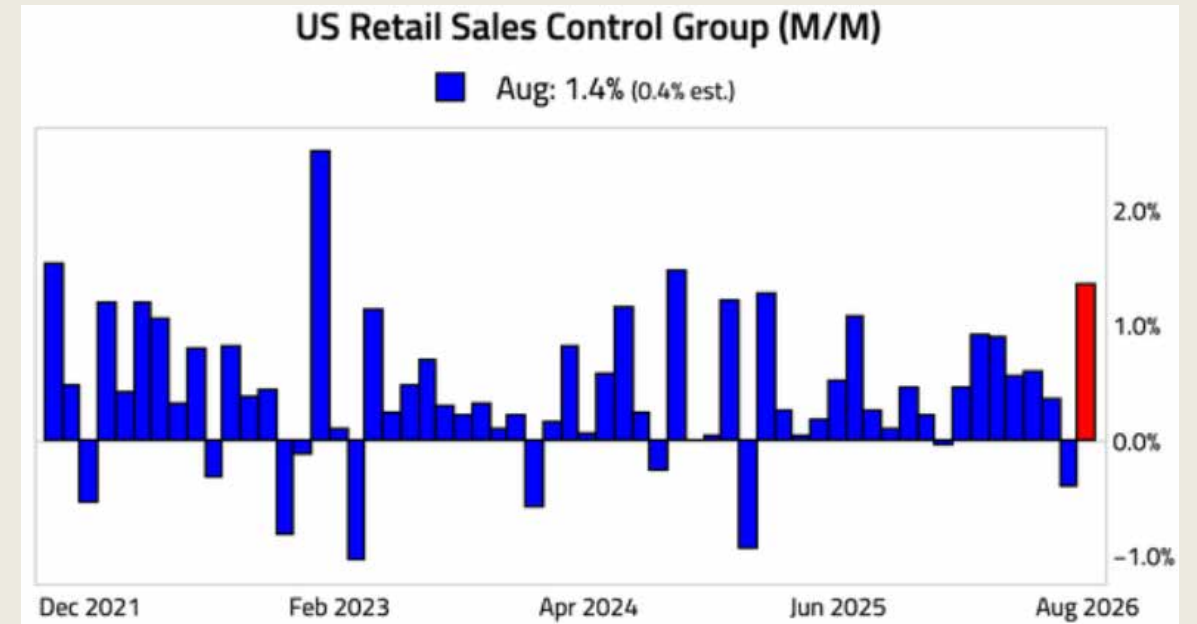
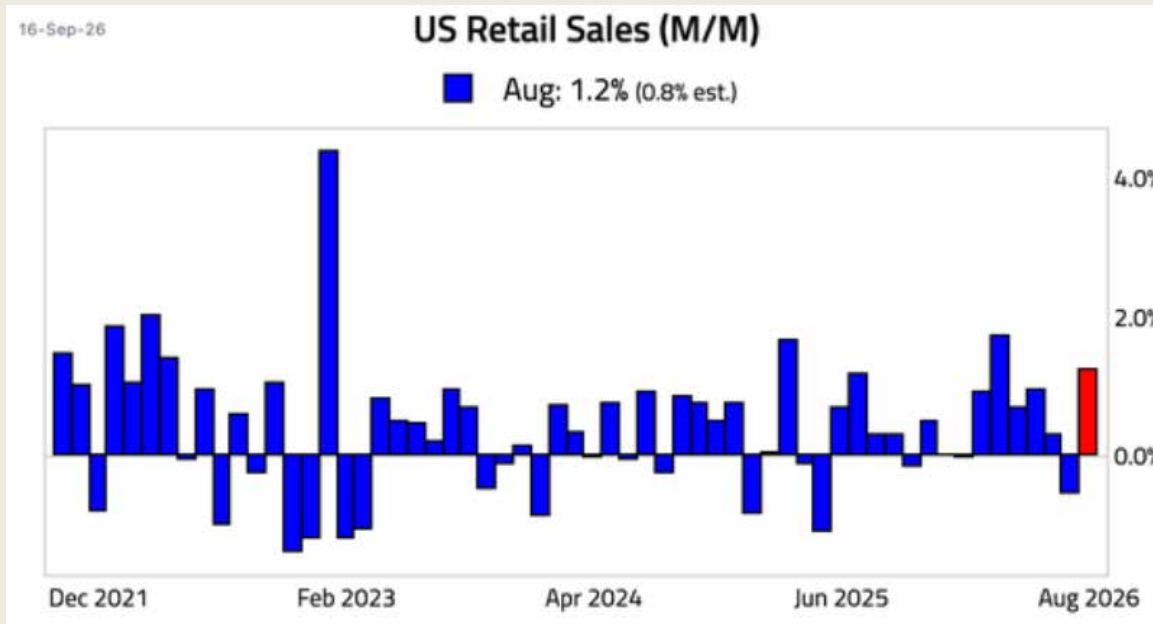
Retail sales, jobless claims, and GDPNow all point to continued economic resilience, making the Fed's inflation fight harder, not easier.

U.S. Economic Data

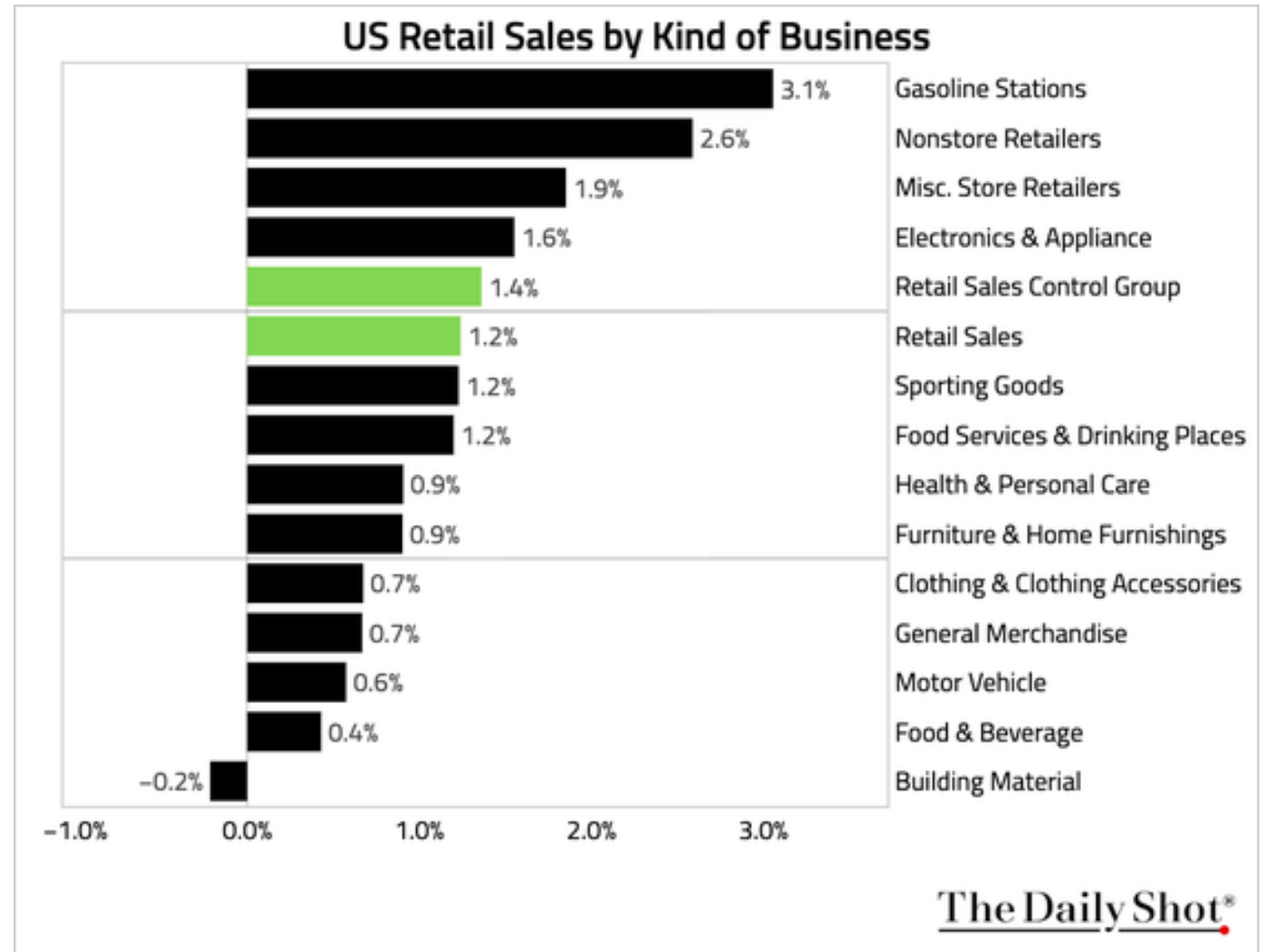
Last Week's Major U.S. Economic Reports					
Time (ET)	Report	Period	Actual	Median Forecast	Previous
Monday, Sep. 14					
No events scheduled					
Tuesday, Sep. 15					
8:30 AM	Empire State Manufacturing Survey	Sep	7.6	15.0	20.6
Wednesday, Sep. 16					
8:30 AM	Retail Sales	Aug.	1.2%	0.8%	-0.6%
8:30 AM	Import Prices	Aug.	0.7%	0.4%	-0.4%
10:00 AM	Manufacturing & Trade: Inventories	Jul.	0.8%	0.6%	0.0%
10:00 AM	NAHB Housing Market Index	Sep	32.0	34.0	35.0
2:00 PM	Federal Reserve economic projections	-	4.1%	-	3.8%
2:00 PM	U.S. interest rate decision	-	4.0%	-	3.8%
Thursday, Sep. 17					
8:30 AM	Housing Starts	Aug.	1.3M	1.3M	1.2M
8:30 AM	Philadelphia Fed Business Outlook Survey	Sep	37.8	34.0	47.4
8:30 AM	Weekly Jobless Claims	Sept. 12	196K	207K	206K
10:00 AM	Pending Home Sales Idx, M/M%	Aug.	0.3%	0.5%	-2.3%
Friday, Sep. 18					
9:15 AM	Industrial Production, M/M%	Aug.	0.0%	0.3%	0.2%
9:15 AM	Capacity Utilization %	Aug.	76.3%	76.4%	76.3%
10:00 AM	Leading Indicators	Aug.	-0.1%	0.2%	0.2%

Retail sales rose firmly in August and beat consensus across all main aggregates. The key “control group,” a direct input for GDP, increased by the most since mid 2024.

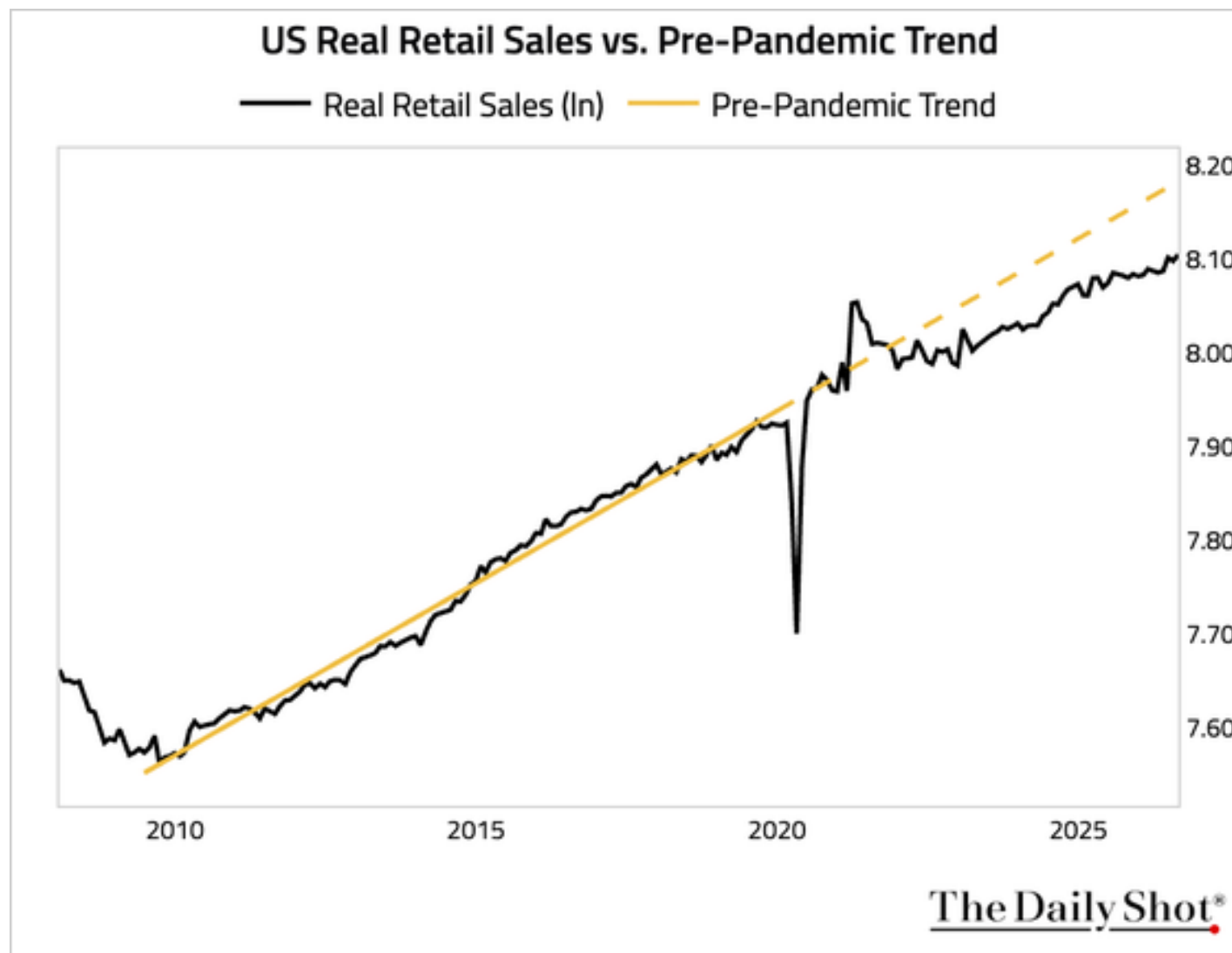
Broad Rise in US Retail Sales Highlights Resilient Consumer



While much of the increase was due to surging gas prices, evidenced by the 3.1% increase in gasoline station sales, sales for nonstore retailers (e.g. Amazon) rose 2.6%, electronics & appliance sales increased 1.6%, and the control group rose 1.4% for an overall solid month, well beyond expectations of +0.8%.



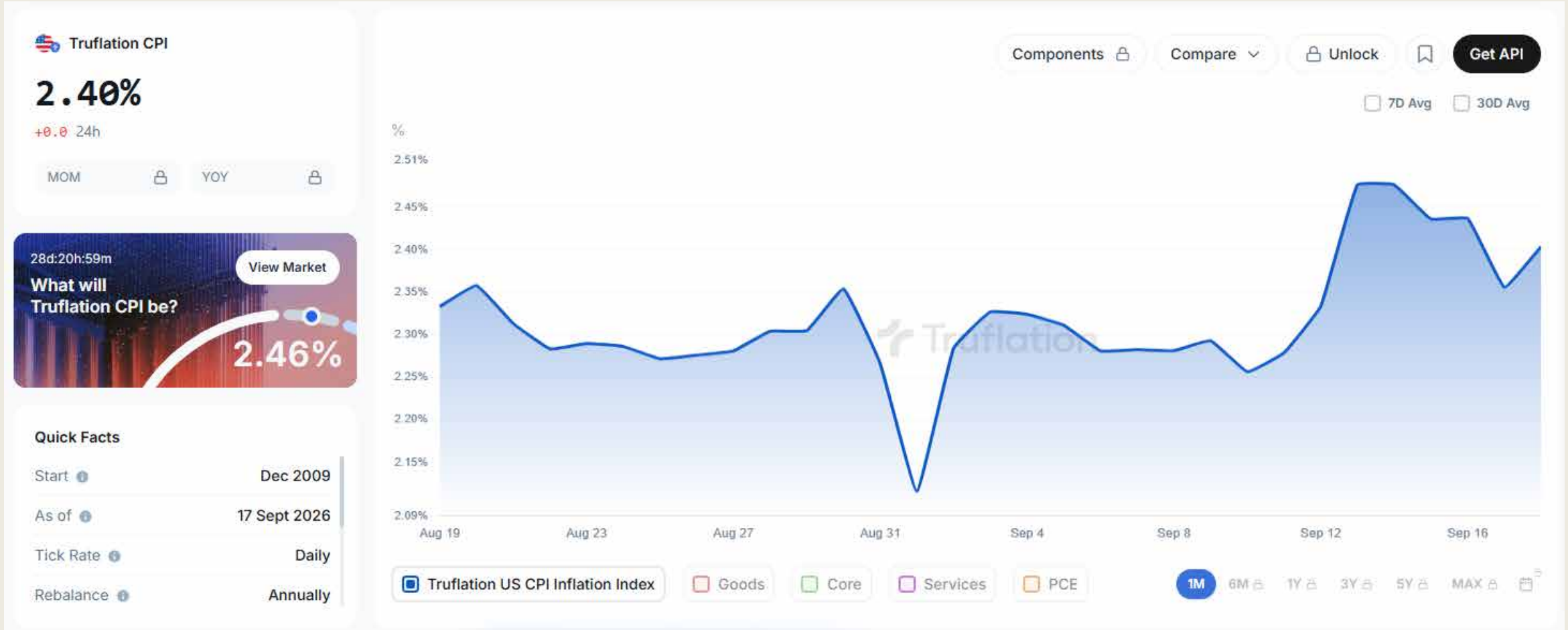
Despite the solid month, retail sales remain well below the pre-Covid trend line after adjusting for inflation



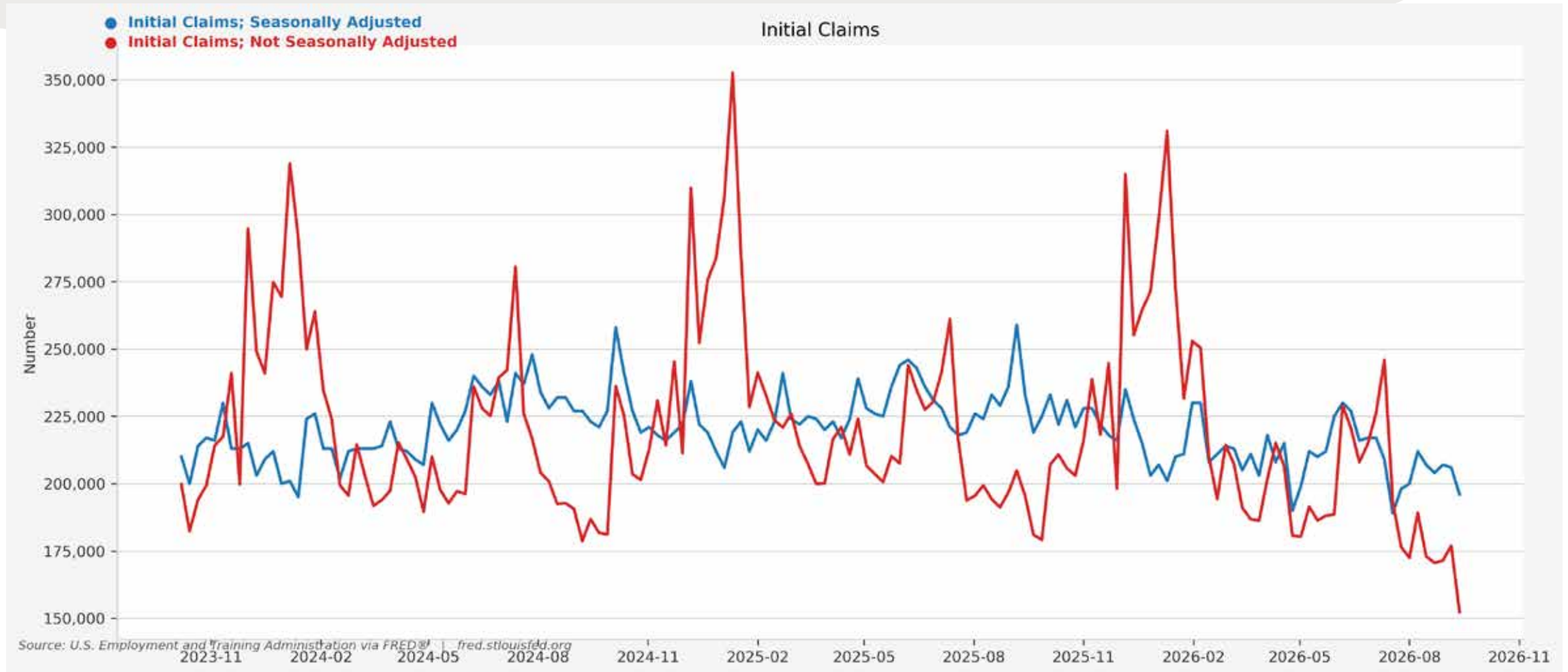
U.S. inflation-adjusted household income jumped to \$87,460 last year, supporting retail spending



Meanwhile, the Truflation “real-time” inflation indicator rose 12 bps this week to 2.40% as of September 17, leaving it 100 bps below the August headline CPI of 3.4%, equal to August’s core CPI of 2.4%, and 90 bps below the July core PCE level of 3.3%. Truflation’s latest model expects August PCE (released Sept. 30) to be 3.78% headline and 3.39% core.



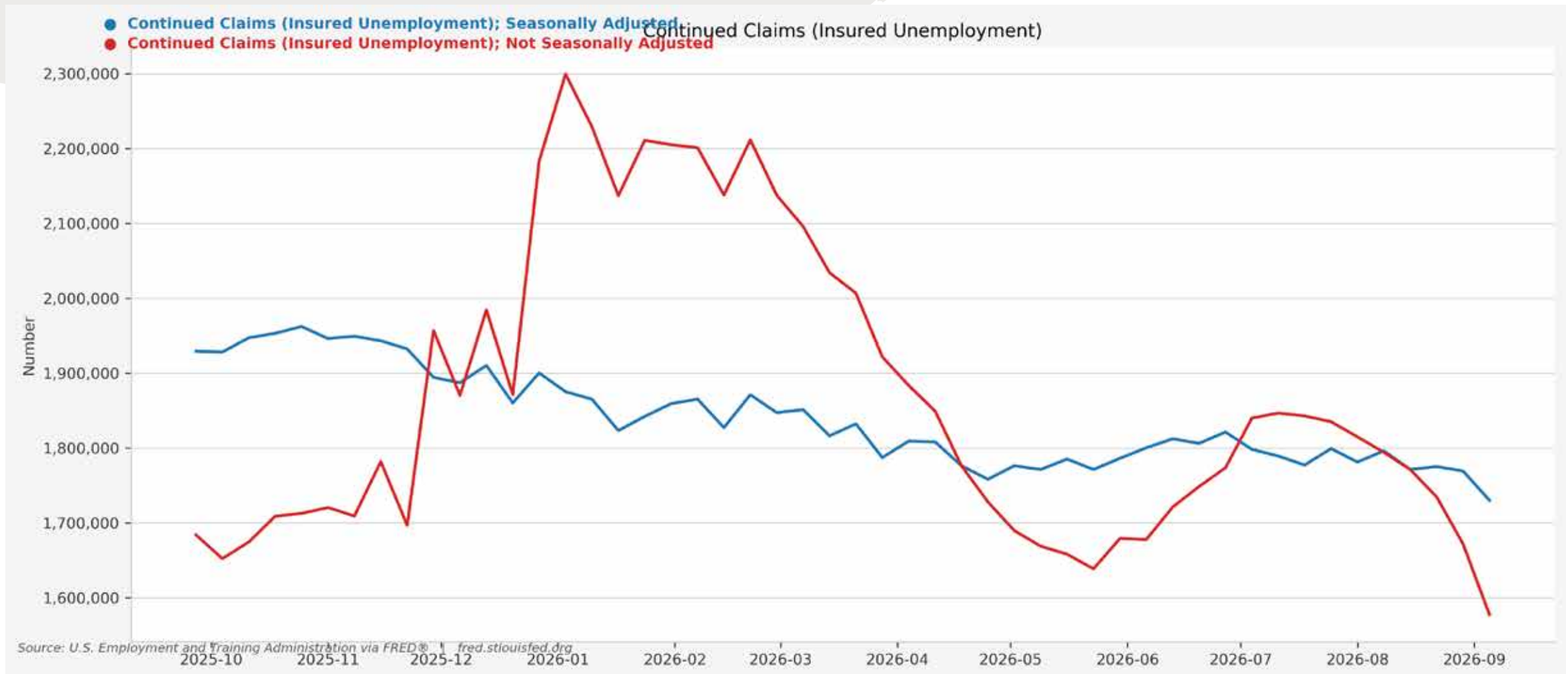
Seasonally adjusted initial jobless claims fell 10,000 to 196,000 (blue line), in line with 2022 for this time of year, while unadjusted claims dropped 24,600 to 152,300 (red line)...



...while the 4-week moving average of seasonally adjusted initial claims fell 2,750 to 203,250, and the 13-week moving average fell 2,400 to 206,000, signaling the continuation of a healthy labor market.

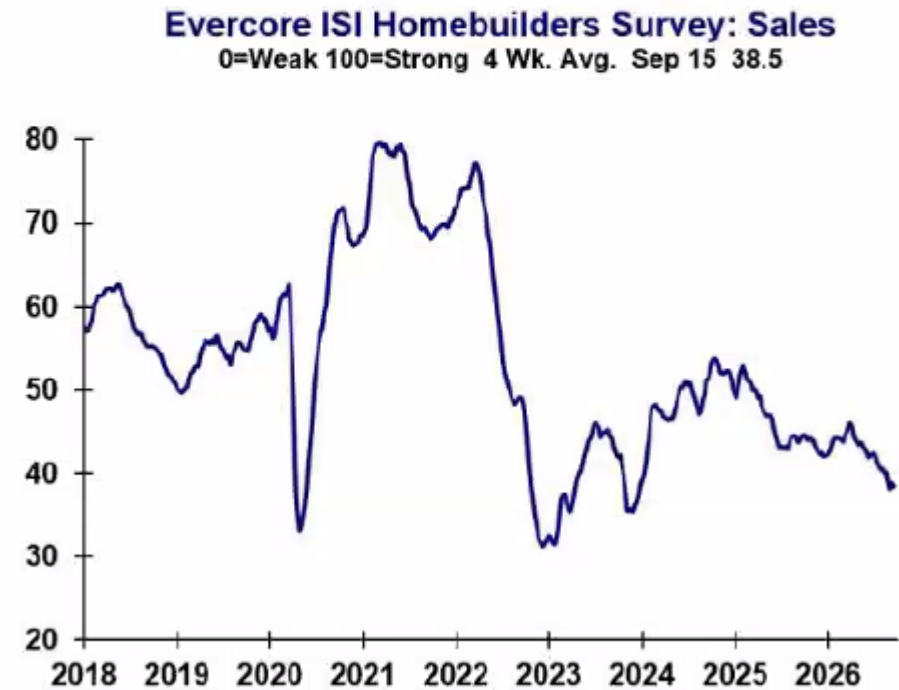
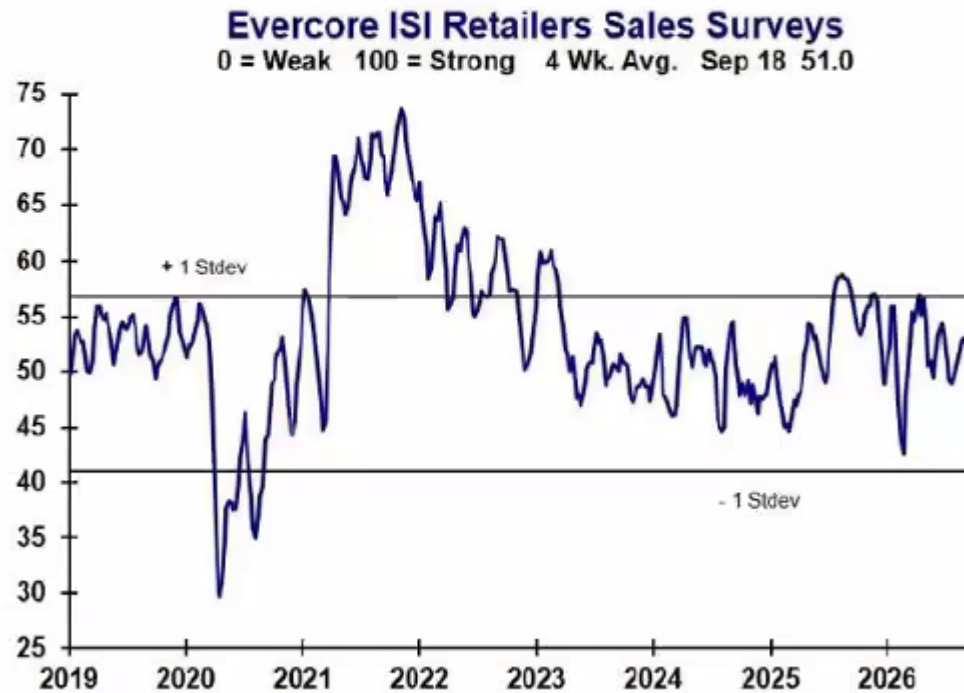


Seasonally adjusted continuing claims fell 39,000 to 1,730,000, the 4-week MA fell 16,500 to 1,761,250, and the 13-week MA fell 5,400 to 1,786,500. Unadjusted continuing claims were 1,577,300, a decline of 94,300 from the prior week.



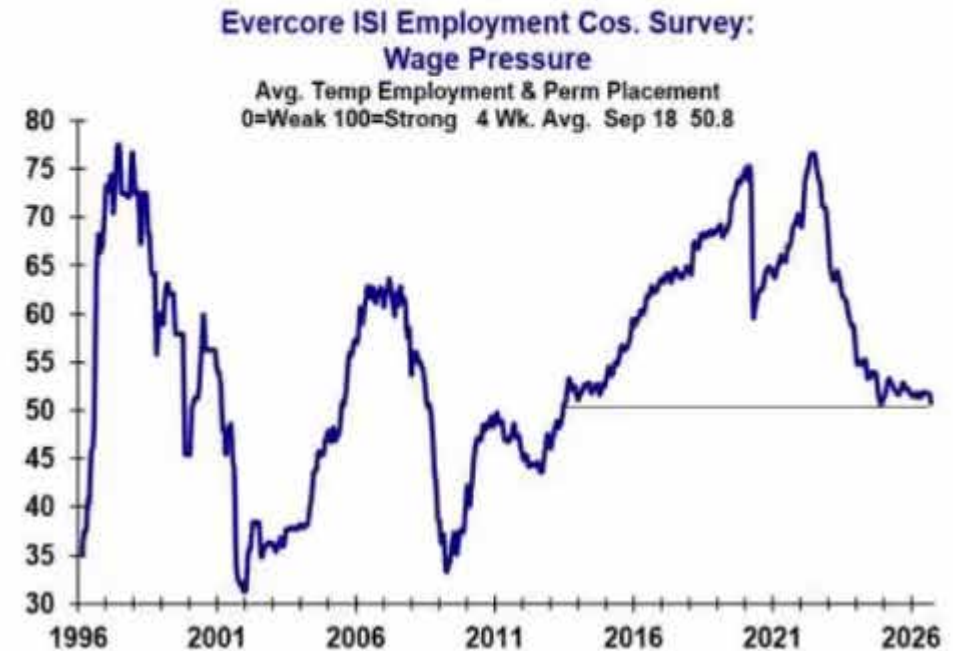
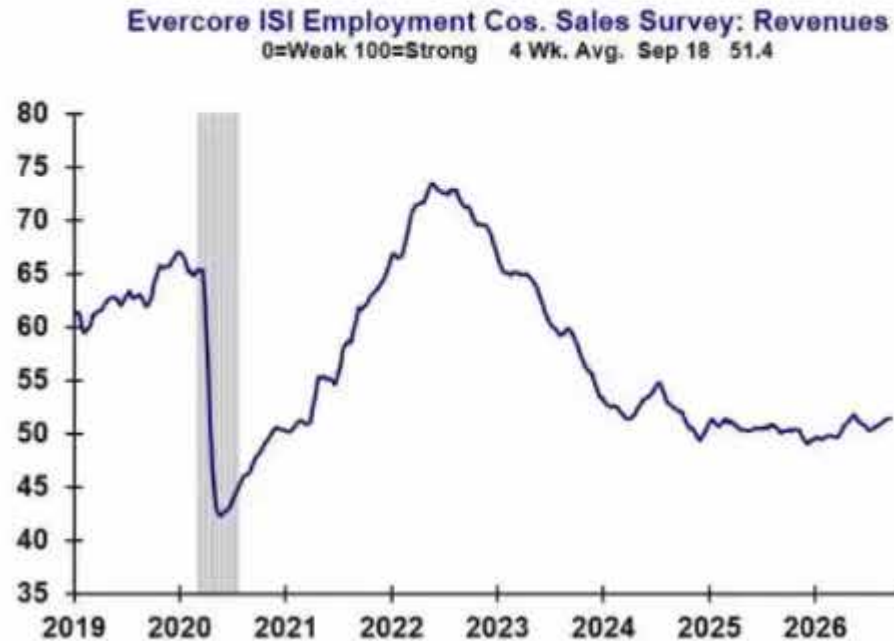
Evercore's company surveys also suggest that the consumer remains resilient, although the housing market is suffering from 7% mortgage rates and high home prices...

Consumer Holding Up. Housing Weaker.

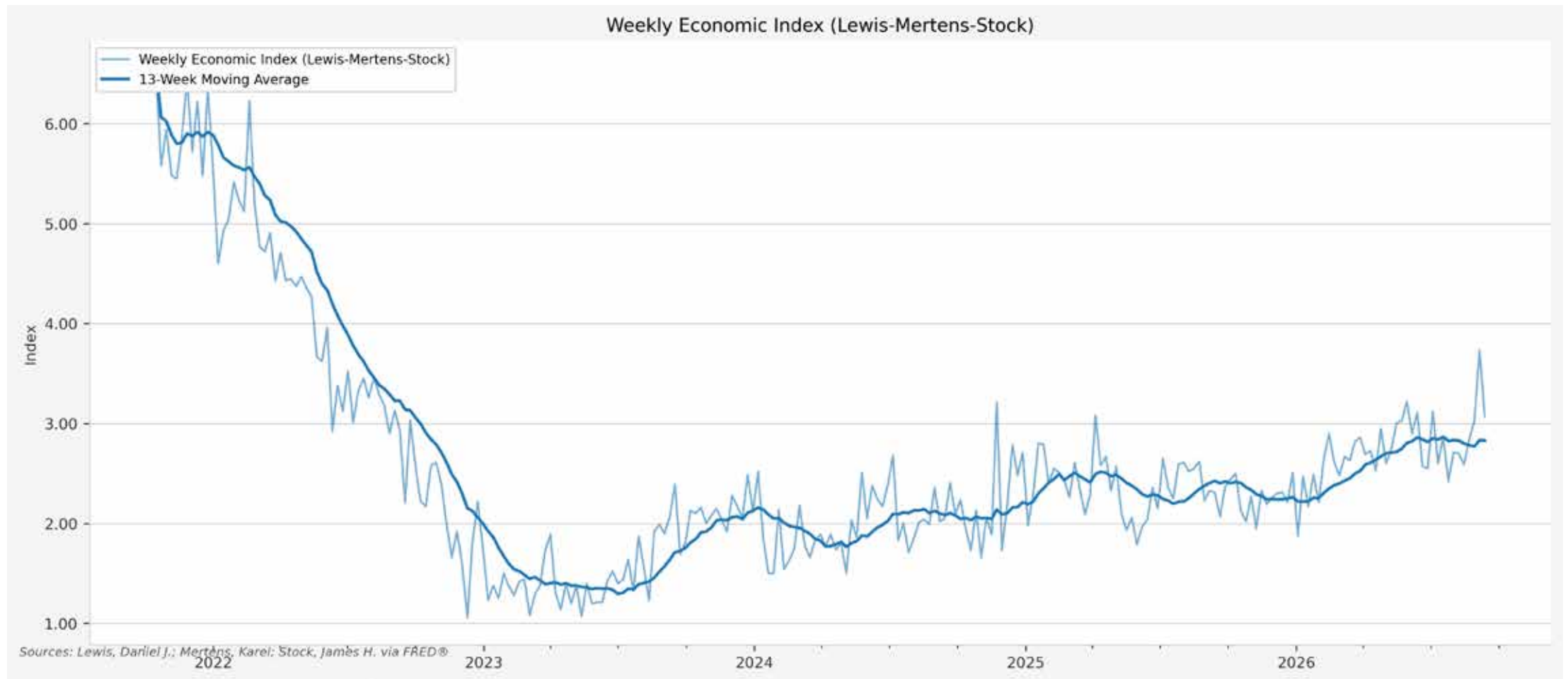


...and while employment remains strong, wages are softening.

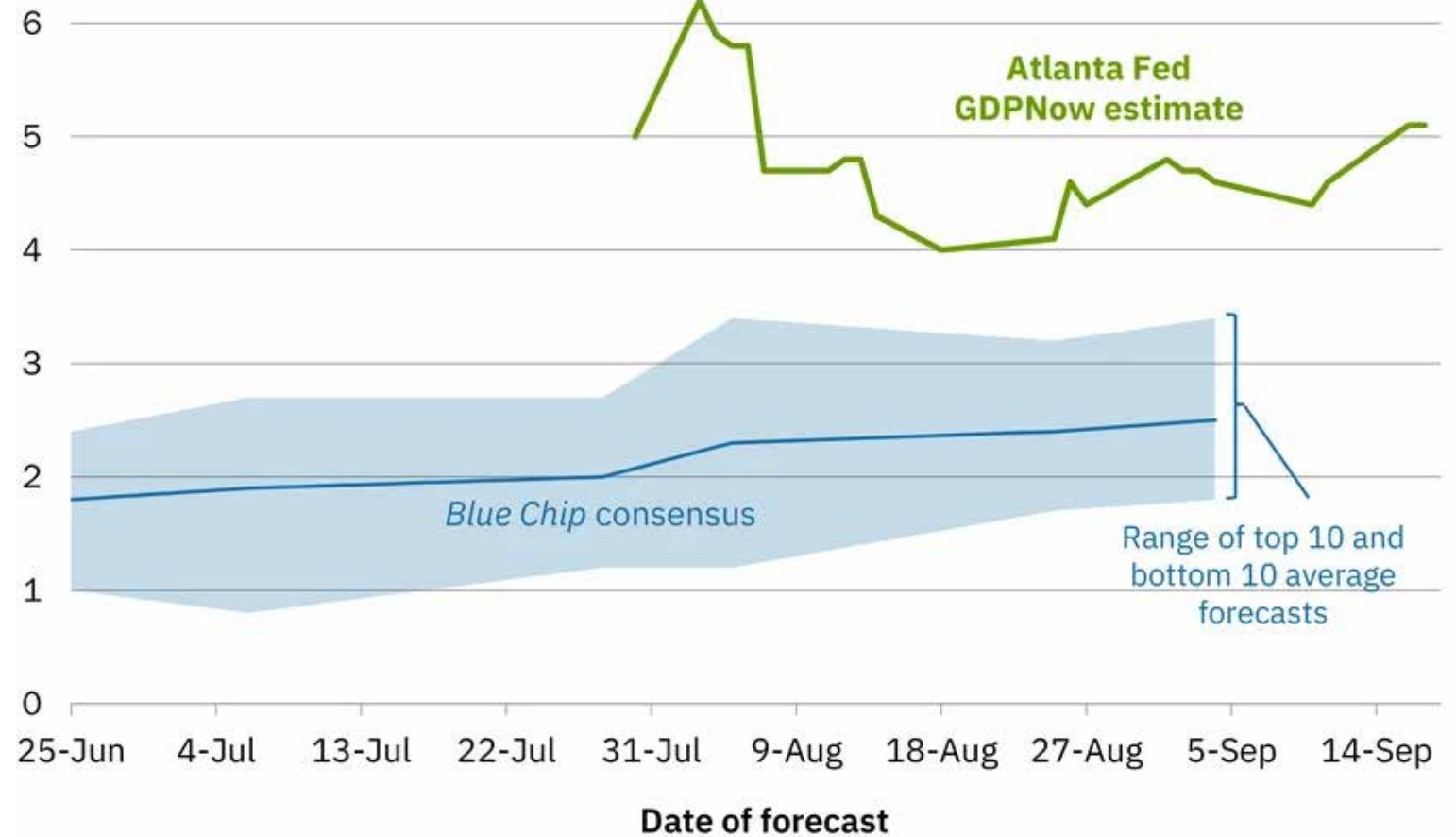
Solid Employment. Wage Pressures Fall To 13 Year Low.



The Weekly Economic Index dipped to 3.1%, while the 13-week moving average remained at 2.8% as of September 12...



...while the Atlanta Fed's GDPNow estimate of 3Q26 growth roared higher to 5.1% as of September 17 on the strength of August retail sales.



The Fed hiked 25 bps, and its new projections suggest it may not be done. The Fed's dot plot indicates another increase this year, while market pricing points to additional increases into 2027, potentially pushing SOFR into the mid 4s.

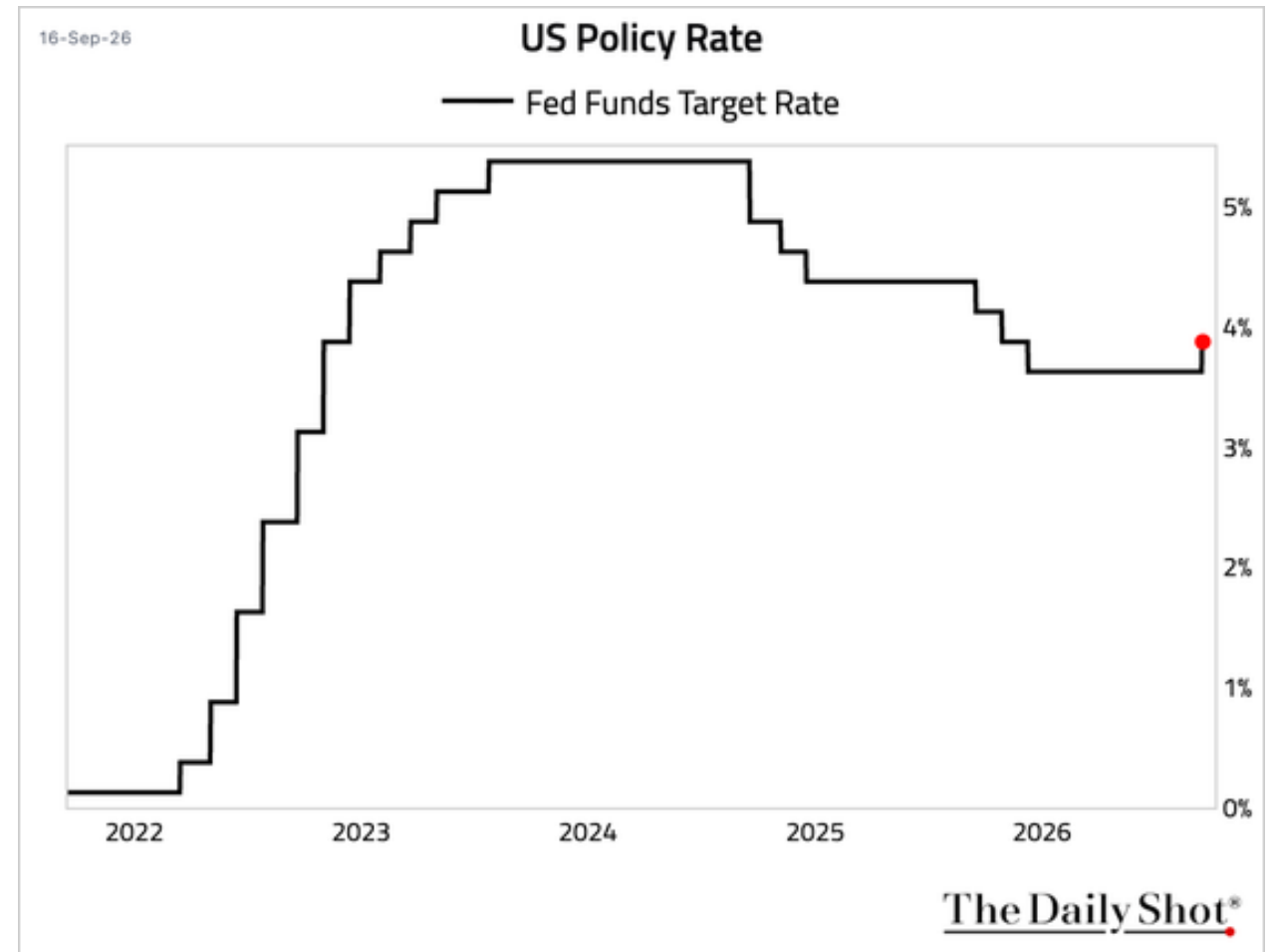
MWC translation of Chair Warsh's presser:
“We're killing inflation. It's nothing personal.”

Central Bank Policy

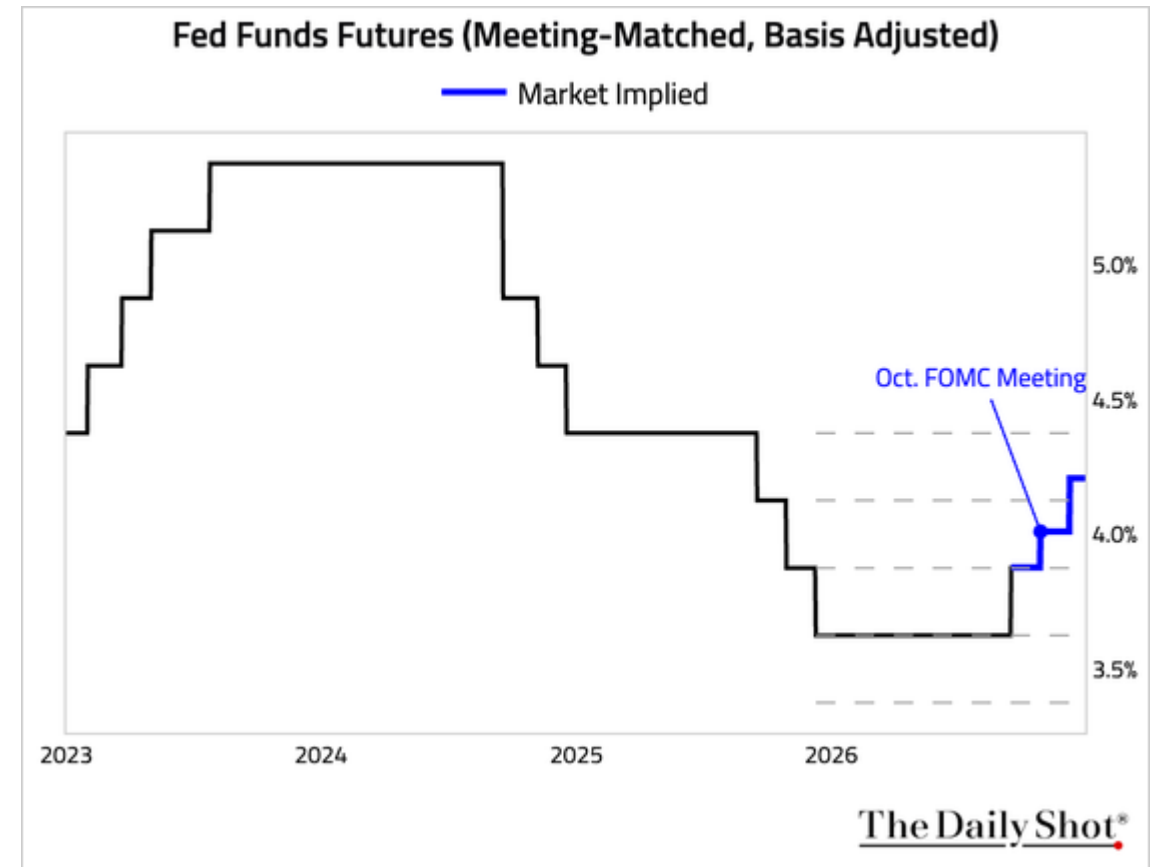
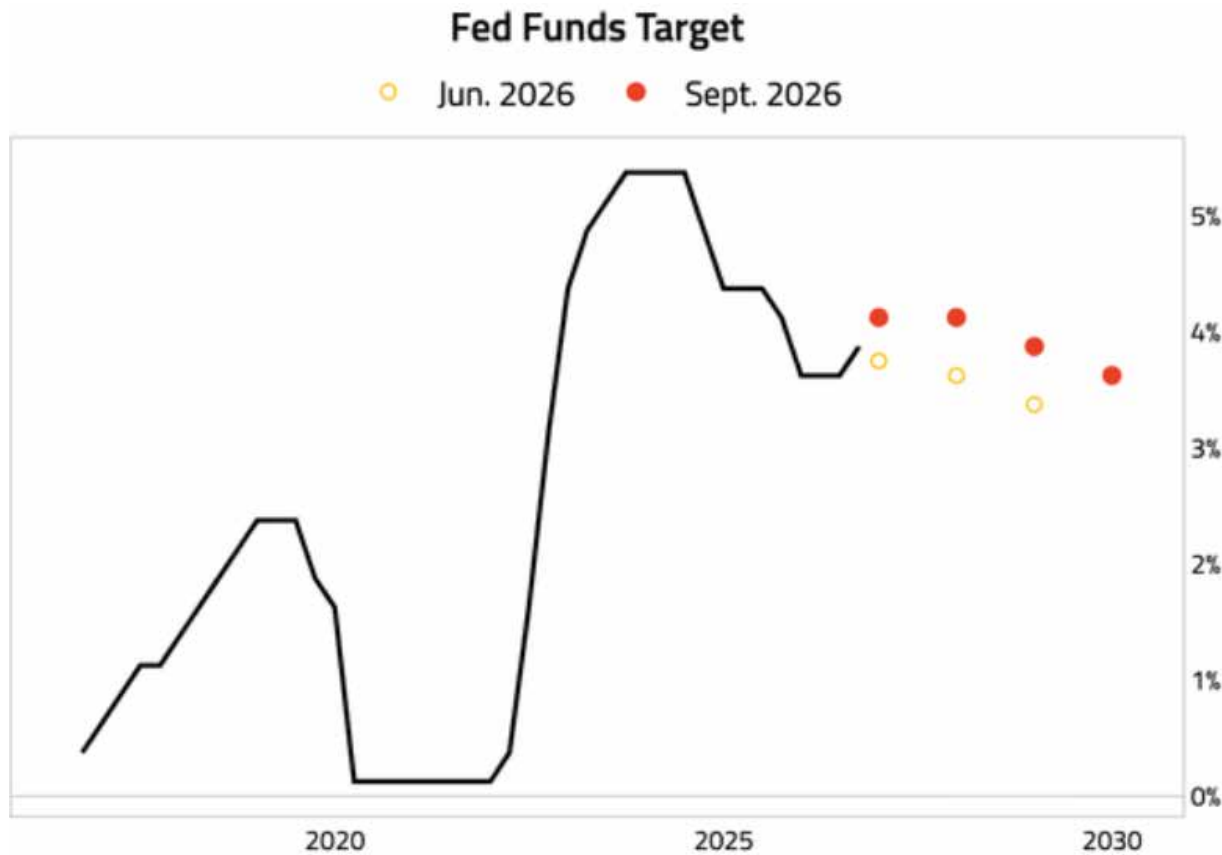
As expected, the Fed raised rates 25 bps to 3.75%-4.00%...

Fed Delivers First Rate Hike in Years With Unanimous Vote

Most officials penciled in one more increase this year. An energy shock and a surge of AI investment have reshaped the inflation outlook.



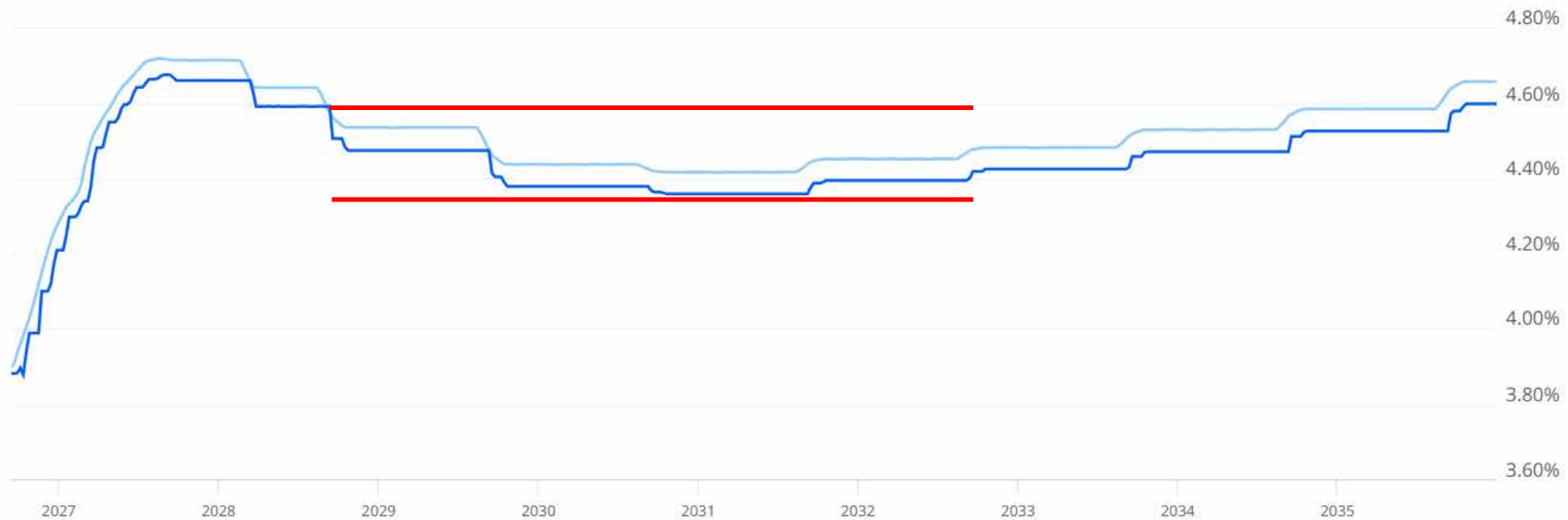
...although it may not be a “one-and-done” hike: the Fed’s median dot implies another increase this year, while futures put roughly even odds on another move in October.



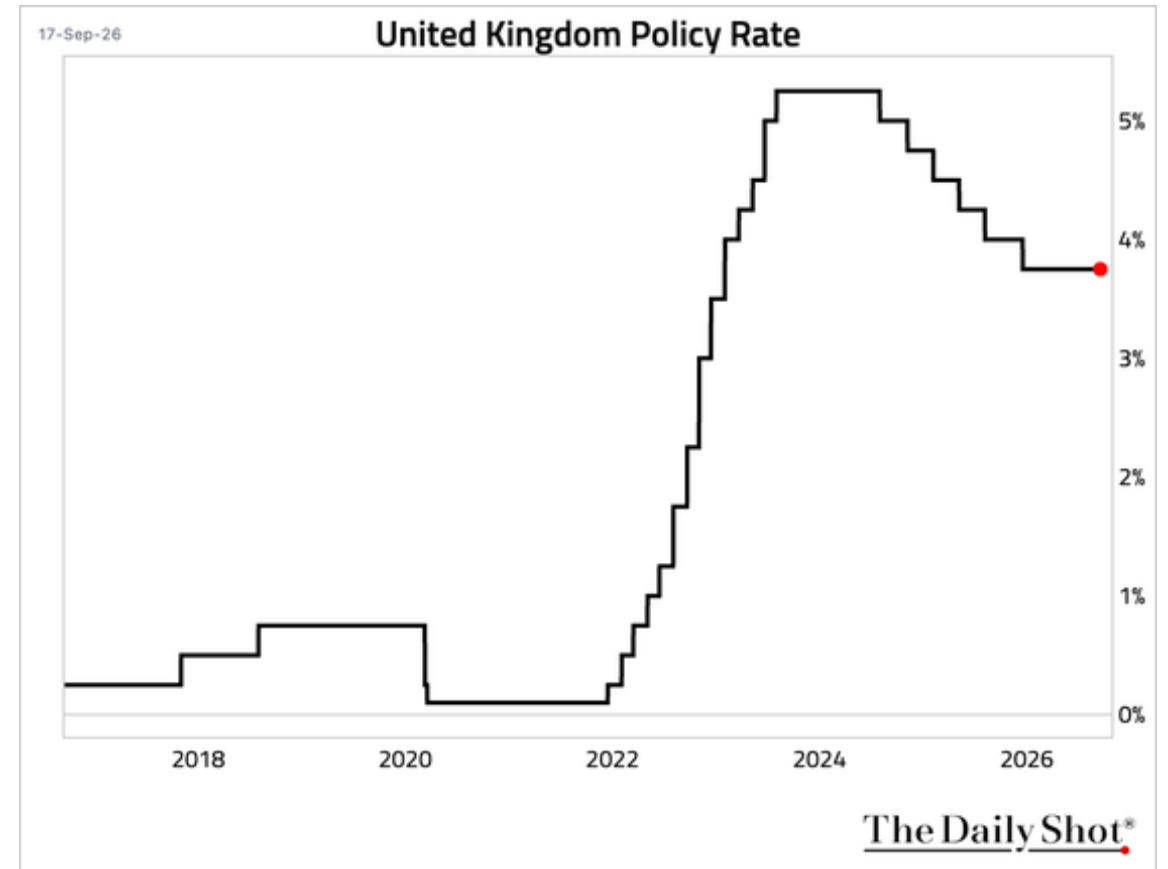
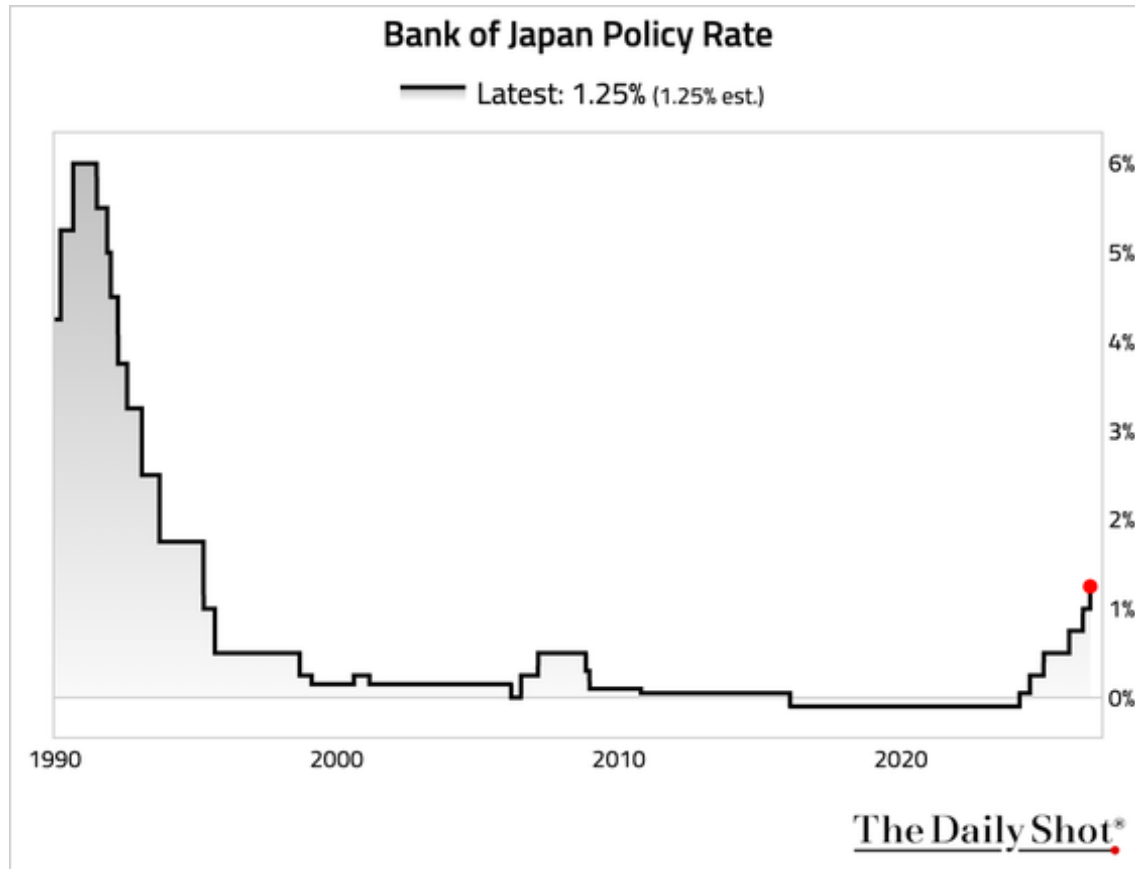
Market-based Probability for Rate Adjustments at the October 2026 Fed Meeting



Fed Funds (dark blue) and SOFR futures continue to point to a higher-for-longer rate environment. 1-month term SOFR, currently 3.899%, is expected to rise ~80 bps to 4.718% by next August before settling into a 20-bps range from 4.40%-4.60% for the next several years. These levels are 25 bps higher than they were a week ago and 50 bps higher than two weeks ago.



The Bank of Japan also raised rates this week, while the Bank of England held at 3.75%. Three BOE members voted to hike, and the Committee warned that persistent energy prices would increase the risk that tighter policy is needed.



Equities mostly shrugged off the rate hike. The bigger repricing came in the front and middle of the Treasury curve, with 2s-10s flattening to just 25 bps.

U.S. Equity and Fixed-Income Markets

S&P 500 Index – One Year Price Chart

The S&P 500 was nearly flat for the week, down just 0.1% despite the rate hike, putting its YTD return to 11.8%, while its one-year return declined to 15.4%.



Nasdaq Composite Index – One Year Price Chart

The tech-heavy Nasdaq Composite managed a gain of 0.7% for the week, leaving it up 14.1% YTD and 18.0% for the last year.



Weekly Performance – S&P 500 Index Components



Top 20 S&P 500 stock performances for the week

Health Care was the only sector in positive territory for the week, with the median stock gaining 1.3%. A total of 138 S&P 500 stocks were positive for the week with a simple average gain of 2.8%...

Ticker	Company	Sector	Last Close Sep 18, 2026	Daily %	Weekly %	MTD %	YTD %	52-Wk %	% Off 52-Wk High
RVTY	Rewity	Health Care	\$143.45	-2.24%	15.40%	11.49%	48.57%	65.87%	-2.24%
CRWD	CrowdStrike	Information Technology	\$237.65	-3.28%	14.95%	2.88%	102.79%	89.16%	-3.28%
GNRC	Generac	Industrials	\$207.44	0.10%	10.94%	11.90%	52.12%	13.80%	-29.81%
COIN	Coinbase	Financials	\$194.25	11.66%	10.84%	3.26%	-14.10%	-43.28%	-49.84%
PANW	Palo Alto Networks	Information Technology	\$363.58	-3.06%	9.96%	-4.85%	97.38%	74.64%	-8.19%
SNDK	Sandisk	Information Technology	\$1,791.82	10.99%	9.70%	14.37%	654.83%	1653.08%	-23.26%
FDS	FactSet	Financials	\$283.83	1.79%	9.29%	-9.48%	-0.83%	-0.08%	-9.48%
FTNT	Fortinet	Information Technology	\$169.84	-1.59%	8.82%	-0.64%	113.88%	101.69%	-1.70%
AMD	Advanced Micro Devices	Information Technology	\$559.82	2.70%	8.46%	18.93%	161.40%	255.69%	-3.63%
MTD	Mettler Toledo	Health Care	\$1,392.32	-1.28%	7.64%	-0.91%	-0.13%	10.01%	-7.55%
DXCM	Dexcom	Health Care	\$89.35	1.61%	7.61%	-1.88%	34.62%	32.47%	-3.24%
MPC	Marathon Petroleum	Energy	\$424.89	0.69%	7.31%	13.81%	164.29%	132.93%	0.00%
MRNA	Moderna	Health Care	\$154.04	-2.55%	6.99%	9.76%	422.35%	510.30%	-11.66%
TMO	Thermo Fisher Scientific	Health Care	\$651.45	-1.04%	6.91%	5.65%	12.74%	36.31%	-1.04%
ISRG	Intuitive Surgical	Health Care	\$393.33	2.55%	6.55%	4.37%	-30.55%	-10.35%	-33.65%
PODD	Insulet Corporation	Health Care	\$140.60	-0.67%	6.55%	-5.42%	-50.53%	-57.50%	-59.41%
A	Agilent Technologies	Health Care	\$156.47	0.08%	6.49%	1.90%	15.68%	24.86%	-1.59%
HOOD	Robinhood Markets	Financials	\$119.82	9.12%	6.44%	14.32%	5.94%	-3.97%	-21.41%
PLTR	Palantir Technologies	Information Technology	\$177.64	0.79%	6.22%	-4.69%	-0.06%	-2.60%	-14.26%
VLO	Valero Energy	Energy	\$413.28	0.18%	5.86%	15.15%	157.63%	159.53%	0.00%

Bottom 20 S&P 500 stock performances for the week

...while Wynn Resorts, Las Vegas Sands, Goldman Sachs, Bank of America, Netflix, and Chipotle were in the bottom 20 performers. 362 stocks declined, losing an average of 2.9%.

Ticker	Company	Sector	Last Close Sep 18, 2026	Daily %	Weekly %	MTD %	YTD %	52-Wk %	% Off 52-Wk High
JBHT	J.B. Hunt	Industrials	\$234.25	-1.08%	-13.39%	-11.76%	21.21%	78.21%	-21.37%
CHTR	Charter Communications	Communication Services	\$128.17	-3.90%	-12.07%	-15.92%	-38.60%	-51.18%	-54.67%
CEG	Constellation Energy	Utilities	\$254.71	-3.08%	-10.55%	-7.30%	-27.58%	-22.59%	-36.59%
GLW	Corning Inc.	Information Technology	\$150.13	1.58%	-9.78%	0.94%	72.37%	90.35%	-41.17%
CMCSA	Comcast	Communication Services	\$22.74	-0.74%	-9.76%	-14.58%	-15.79%	-19.47%	-28.21%
SLB	Schlumberger	Energy	\$51.12	-1.84%	-8.81%	-14.50%	35.38%	52.11%	-14.50%
NRG	NRG Energy	Utilities	\$103.66	-2.42%	-8.64%	-5.87%	-34.27%	-36.15%	-43.30%
FISV	Fiserv	Financials	\$47.19	-4.28%	-8.51%	-11.48%	-29.75%	-64.20%	-64.20%
GS	Goldman Sachs	Financials	\$942.00	-1.00%	-8.47%	-7.73%	8.74%	19.32%	-17.83%
ON	ON Semiconductor	Information Technology	\$69.98	2.46%	-8.09%	-5.55%	29.23%	37.03%	-47.75%
BAC	Bank of America	Financials	\$57.73	-0.77%	-7.91%	-6.32%	6.65%	12.84%	-10.47%
TMUS	T-Mobile US	Communication Services	\$168.18	1.04%	-7.76%	-6.79%	-15.84%	-27.89%	-28.29%
EXE	Expand Energy	Energy	\$87.49	-0.95%	-7.74%	-10.87%	-19.33%	-9.18%	-27.55%
CMG	Chipotle Mexican Grill	Consumer Discretionary	\$33.43	-0.24%	-7.65%	-12.10%	-9.65%	-14.98%	-21.08%
APH	Amphenol	Information Technology	\$77.55	-1.05%	-7.59%	-2.18%	15.17%	25.82%	-12.03%
EQT	EQT Corporation	Energy	\$50.00	-0.70%	-7.53%	-7.72%	-5.90%	2.84%	-25.96%
NFLX	Netflix	Communication Services	\$71.79	-4.67%	-7.25%	-11.43%	-23.43%	-41.49%	-42.17%
WYNN	Wynn Resorts	Consumer Discretionary	\$81.68	-1.54%	-6.86%	-10.52%	-31.63%	-36.35%	-38.18%
LVS	Las Vegas Sands	Consumer Discretionary	\$39.98	-1.70%	-6.65%	-8.74%	-37.50%	-24.18%	-41.46%
ROL	Rollins, Inc.	Industrials	\$32.43	-1.73%	-6.62%	-10.09%	-45.35%	-40.73%	-50.00%

U.S. Treasury Yield Curve

- 2- and 5-year yields were 4.76% (+13 bps for the week) and 4.86% (+8 bps), respectively
- 10- and 30-year yields were 5.01% (+5 bps for the week) and 5.34% (-1 bp), respectively

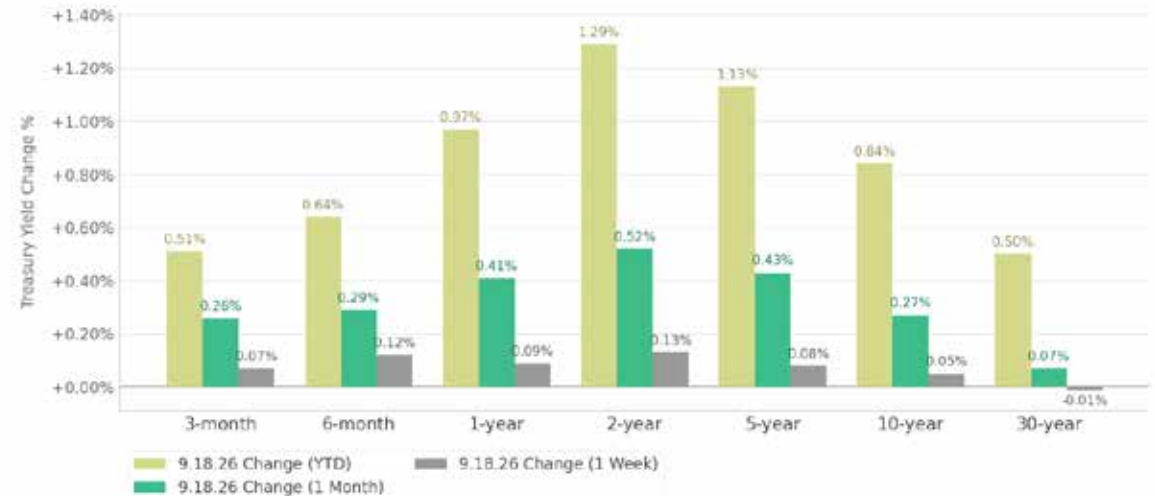
US Treasury Yield Curve

Week ended 9/18/26 | Source: U.S. Treasury, Bloomberg

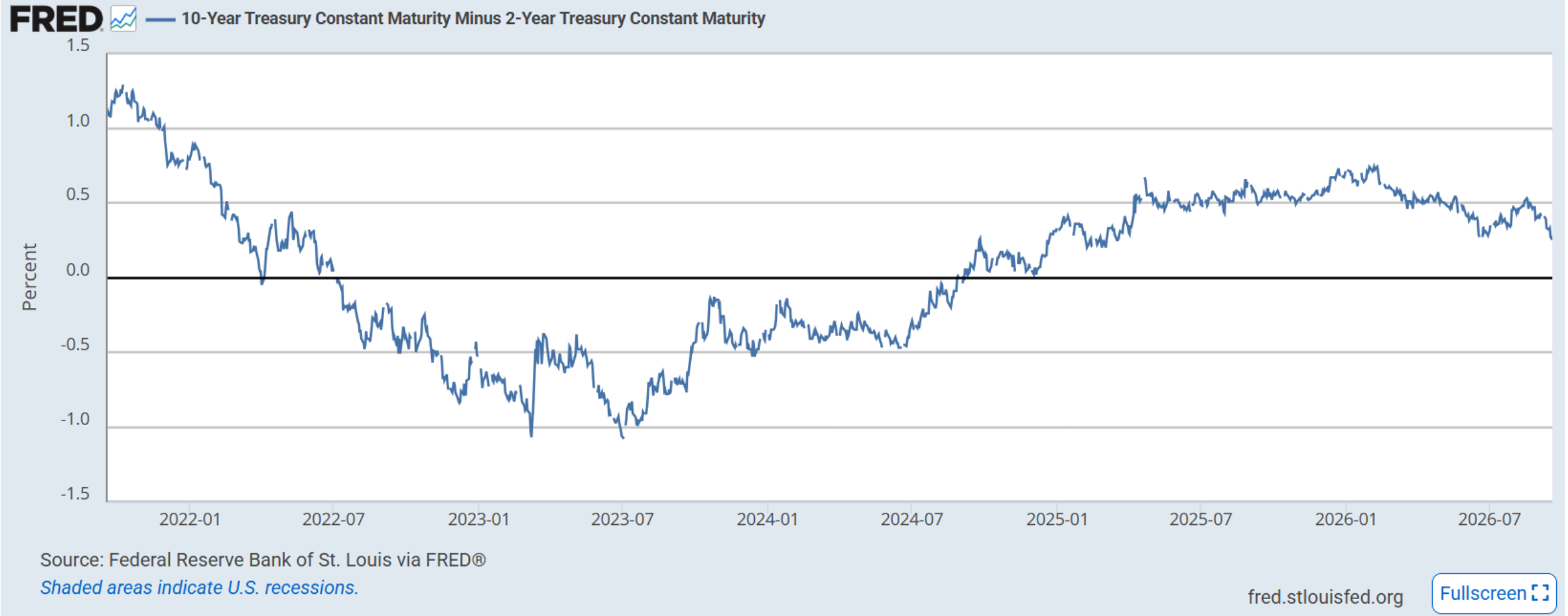


US Treasury Yields — Year-to-Date Change

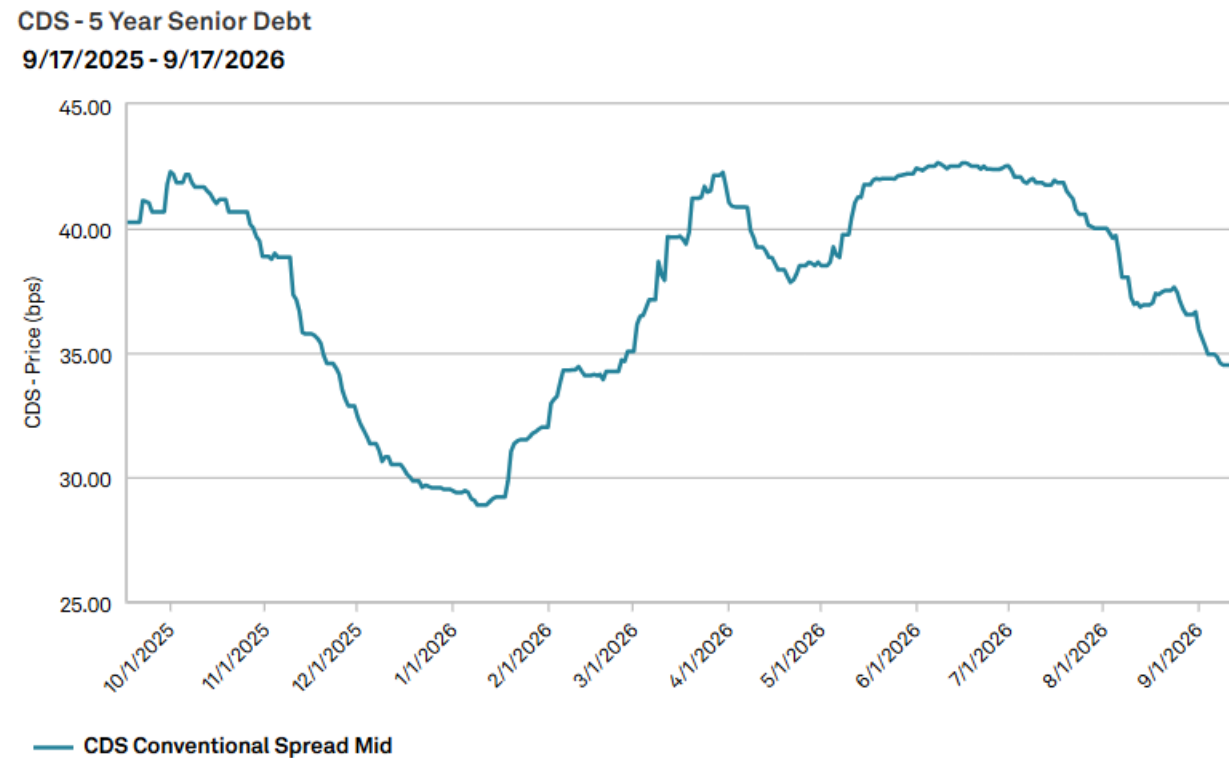
As of 9.18.26 | Source: U.S. Treasury, Bloomberg



The yield curve has flattened, with the 2s-10s spread falling to 25 bps, the lowest in 18 months and down 45 bps year-to-date



Credit default swap spreads on U.S. Treasuries were unchanged this week.



Bitcoin – One Year Price Chart

Bitcoin jumped 5% this week (~\$4,000), trading at \$81,096 on Friday afternoon. Bitcoin is down 10% YTD and 36% from its all-time high of \$126k.



Gold – One Year Price Chart

Gold rose 0.2% this week, closing just over \$4,400/ounce.



Middle East supply disruptions pushed oil above \$100 before a sharp late-week pullback, while gasoline and diesel remained painfully high.

Energy and Commodities

WTI Crude Oil – One Year Price Chart

After spiking to \$106 earlier in the week, WTI prices fell back to \$95.47/barrel to end the week. WTI is still up 11% month-to-date, putting its year-to-date increase at 66%. It has increased 73% from its 52-week low of \$55/barrel.

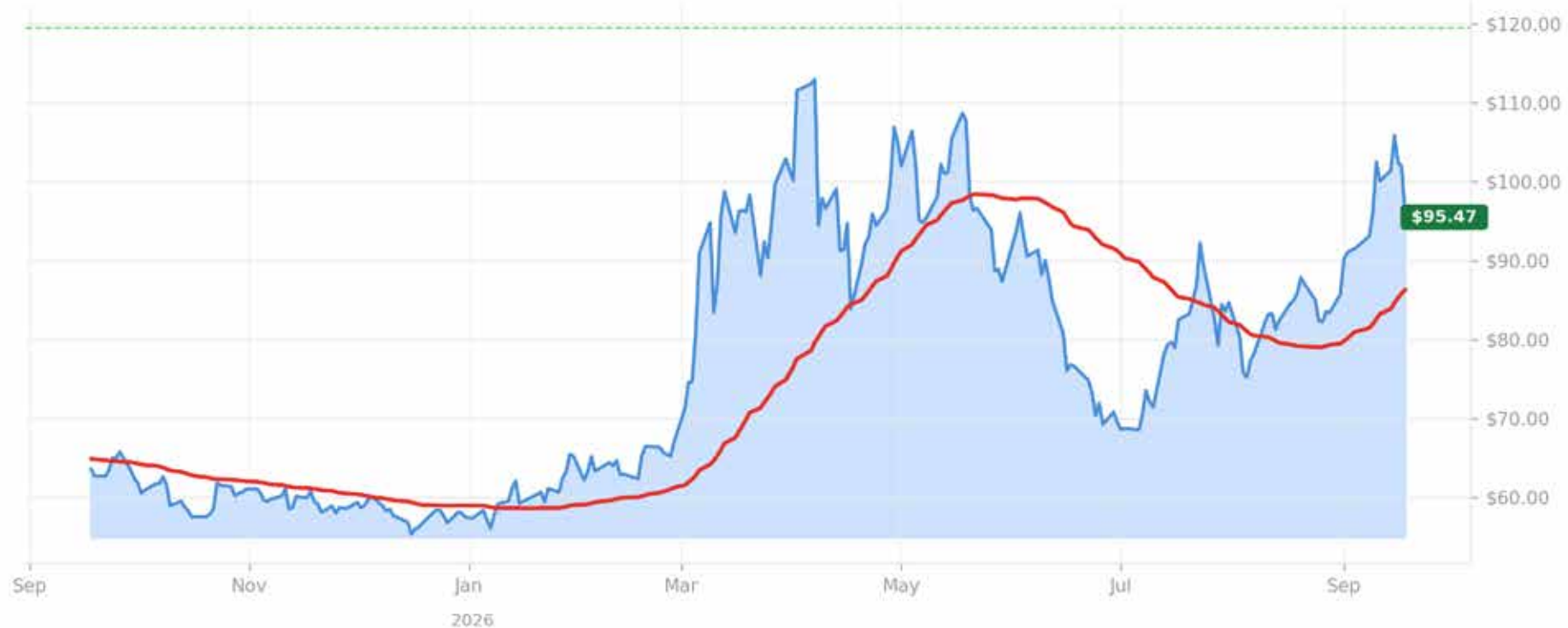
WTI Crude Oil

\$95.47

▲ \$31.90 (50.18%) 1-year return

52 week range

54.98-119.48



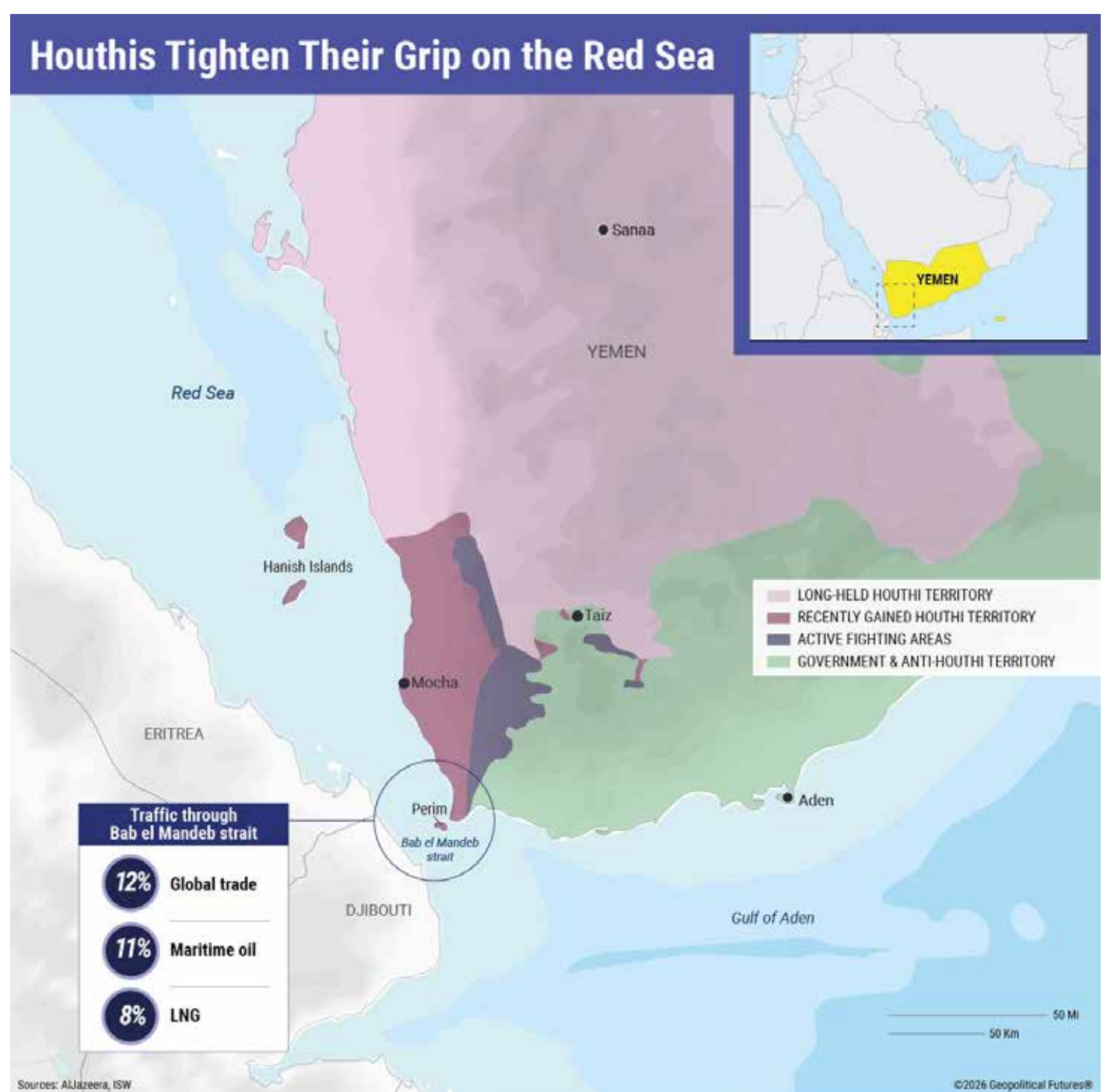
The spike earlier in the week was caused by hostilities in the Red Sea, which Saudi Arabia had been using to bypass the chokepoint in the Strait of Hormuz. Unfortunately, a drone attack on Saudi Arabia's East-West pipeline disrupted the alternative route to Hormuz and temporarily shut operations at Yanbu. Aramco reportedly halted October deliveries to at least two European refiners.

Saudis Give European Oil Buyers No Supplies for Next Month

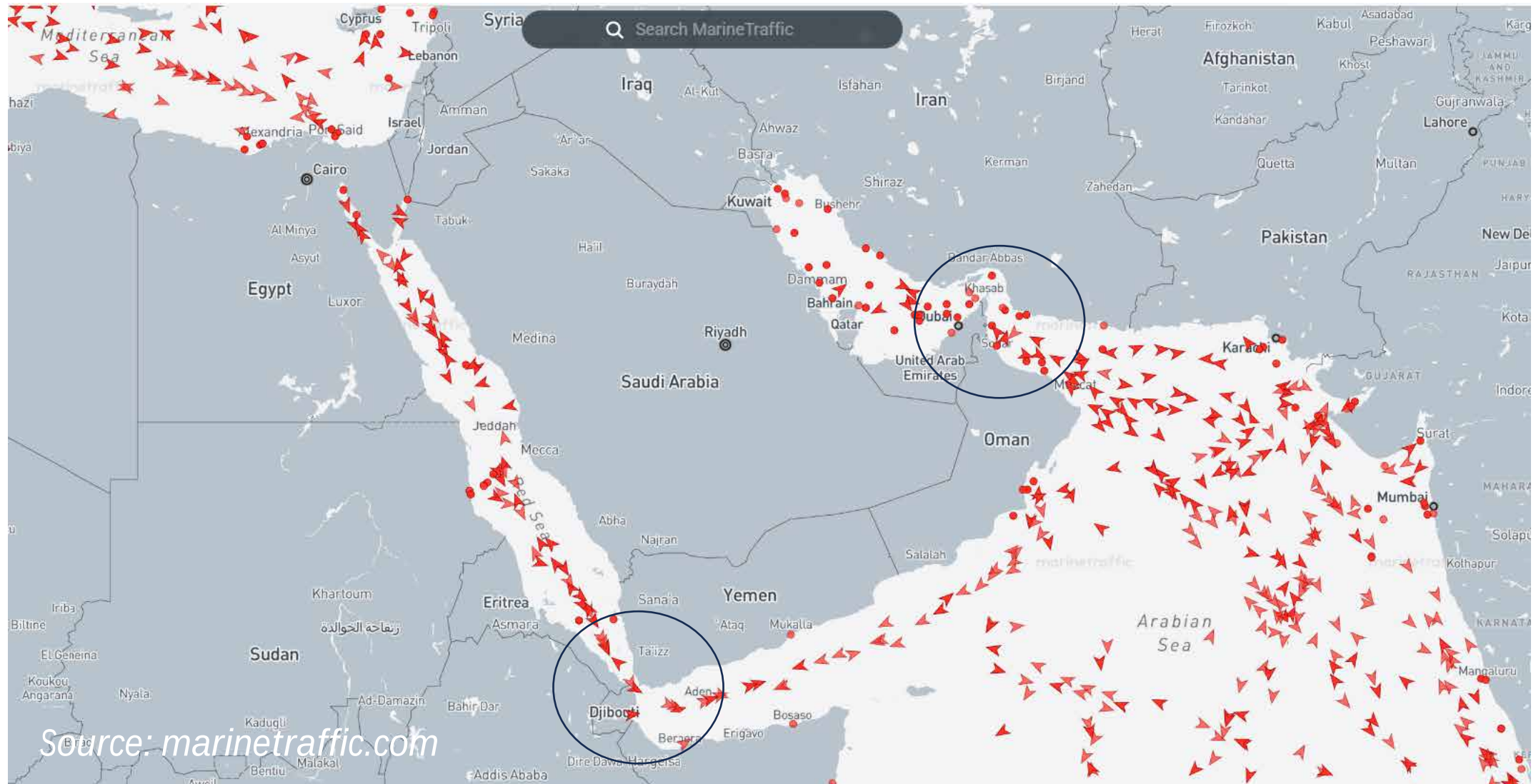
Saudis Shut Down the East-West Pipeline After Attacks



For additional geopolitical context, the Houthis have taken additional Yemeni territory in order to gain control of the Bab el-Mandeb Strait, giving Iran-aligned forces greater influence over both of the region's key maritime chokepoints.

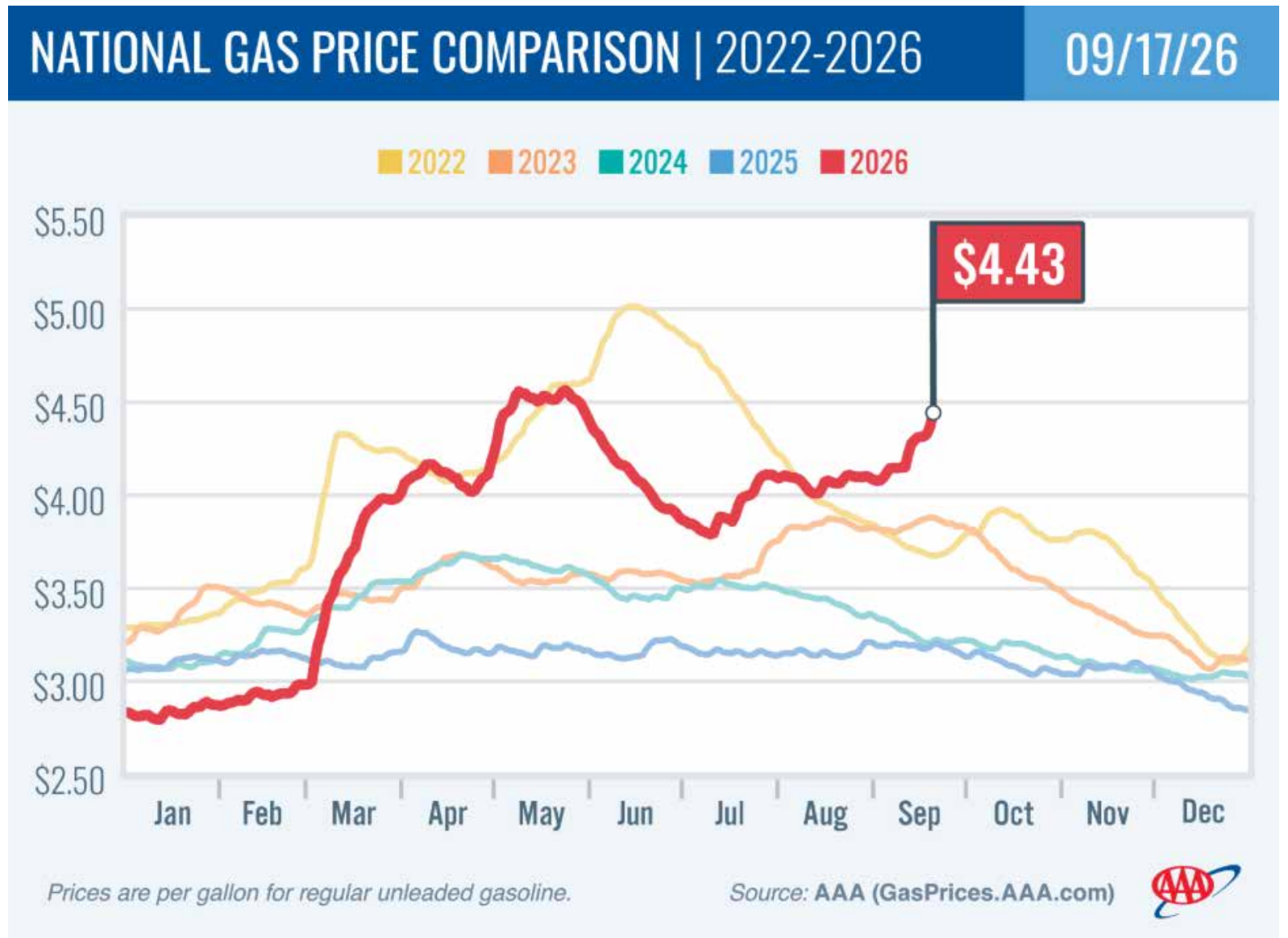


The map of tankers provided by Marine Traffic shows several ships anchored in the Persian Gulf (represented by red dots), while tanker traffic seems to be moving through the Red Sea.



U.S. national gas prices rose another 16 cents this week to \$4.43/gallon as of September 17, \$1.23 above the same time last year, a 38% increase...

Source: AAA.com



...while U.S. diesel prices surged another 40 cents to \$6.45/gallon nationally, a 74% increase YoY, while California's diesel prices jumped above \$8 to \$8.39/gallon.

COMPARE STATES

Location

National ▼

California ▼

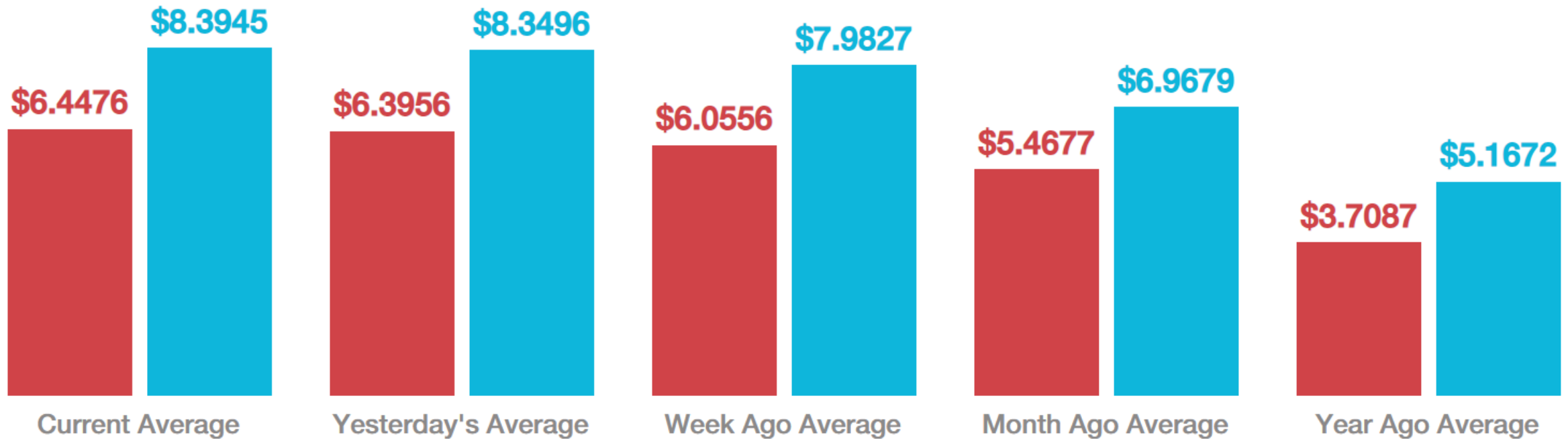
Gas

Reg

Mid

Prem

Diesel



China is still fighting weak credit demand, while Japan is moving the other direction: tighter policy, a weaker yen, and higher yields. The UN General Assembly meets in New York City this week, with several high-profile meetings, including Trump-Xi, potentially altering the global playing field. However, most analysts expect the meetings to be “talking about talking” vs. anything substantive.

Global Markets and Economic Data

Major Global Equity Markets

Source: S&P Global

Ticker	Entity Name	Last Price (Report...)	Net Chg (Reported)	Chg (%)	1 Week Pct. Change (%)	MTD Pct. Change (%)	3 Month Pct. Change (%)	YTD Pct. Change (%)	52 Week High (Reported)	52 Week Low (Reported)
▲ Americas										
^DJI	Dow Jones Industrial Average Price Return	51,682.64	-95.40	-0.18%	-1.69%	-2.83%	+0.23%	+7.53%	54,744.33	45,057.30
^SPX	S&P 500 Price Return	7,650.50	+12.74	+0.17%	-0.08%	-0.46%	+2.00%	+11.76%	7,816.70	6,316.91
^SPXE	S&P 500 EQUAL WEIGHTED Price Return	8,577.17	-41.43	-0.48%	-1.26%	-3.33%	+1.06%	+10.47%	9,040.51	7,369.40
^MID	S&P 400 Mid Cap Price Return	3,650.73	-10.80	-0.29%	-1.71%	-2.91%	-3.71%	+10.46%	3,928.98	3,107.41
^SML	S&P 600 Small Cap Price Return	1,690.89	-8.01	-0.47%	-2.04%	-3.69%	-3.05%	+15.20%	1,832.20	1,364.94
^COMP	NASDAQ Composite Price Return	26,522.55	+104.25	+0.39%	+0.72%	+0.58%	+0.02%	+14.11%	27,190.21	20,690.25
^RUT	Russell 2000 Price Return	2,860.40	0.00	0.00%	-1.50%	-3.25%	-4.01%	+15.25%	3,068.42	2,305.11
^GSPTSE	S&P TSX Composite Price Return	35,806.65	-67.61	-0.19%	+0.31%	-1.28%	+2.39%	+12.91%	36,957.63	29,731.98
^IBOV	Brazil IBOVESPA Index Price Return	185,229.17	-762.86	-0.41%	-1.06%	+4.40%	+10.07%	+14.96%	198,657.33	140,680.34
▲ Europe										
^SX5E	EURO STOXX 50 Price Return	6,236.20	-86.70	-1.37%	-1.41%	-2.87%	-1.38%	+7.68%	6,551.22	5,442.05
^PX1	CAC 40 Price Return	8,065.02	-121.91	-1.49%	-1.40%	-3.23%	-4.76%	-1.04%	8,726.03	7,665.62
^DAXK	Germany DAX Index (Kursindex) Price Return	9,236.02	-150.62	-1.60%	-1.03%	-3.63%	+1.04%	+0.66%	9,698.09	8,329.21
^UKX	FTSE 100 (GBP) Price Return	10,659.13	-157.01	-1.45%	+0.08%	-1.53%	+2.49%	+7.33%	10,989.50	9,177.09
^I	IBEX 35 Price Return	19,513.80	-318.00	-1.60%	-1.64%	-2.30%	+0.57%	+12.75%	20,213.60	15,082.50
▲ Asia										
^MXCN	MSCI China Index Price Return	72.09	0.00	0.00%	-0.20%	-4.00%	-0.51%	-12.70%	90.75	68.13
^000001	China Shanghai SE Composite Price Return	3,911.87	+36.27	+0.94%	+0.61%	-1.87%	-4.37%	-1.44%	4,242.57	3,764.15
^HSCFI	Hang Seng China Enterprises Index Price Return	8,225.40	+50.04	+0.61%	-0.25%	-3.38%	+3.13%	-7.72%	9,770.21	7,404.47
^HSI	Hang Seng Index Price Return	24,750.78	+146.49	+0.60%	-0.22%	-3.19%	+3.45%	-3.43%	28,056.10	22,518.00
^N225	Nikkei 225 Stock Average Price Return	65,018.95	+882.70	+1.38%	+1.57%	-1.95%	-8.75%	+29.16%	72,366.34	44,550.85
^KS200	KOSPI 200 Index Price Return	1,090.23	+31.96	+3.02%	-1.95%	+1.73%	-23.05%	+79.94%	1,477.22	468.03
^NIFTY50	Nifty 50 Index Price Return	23,346.40	+75.80	+0.33%	-0.22%	-3.05%	-2.78%	-10.65%	26,373.20	22,182.55

China's Credit Expansion Misses Forecast...

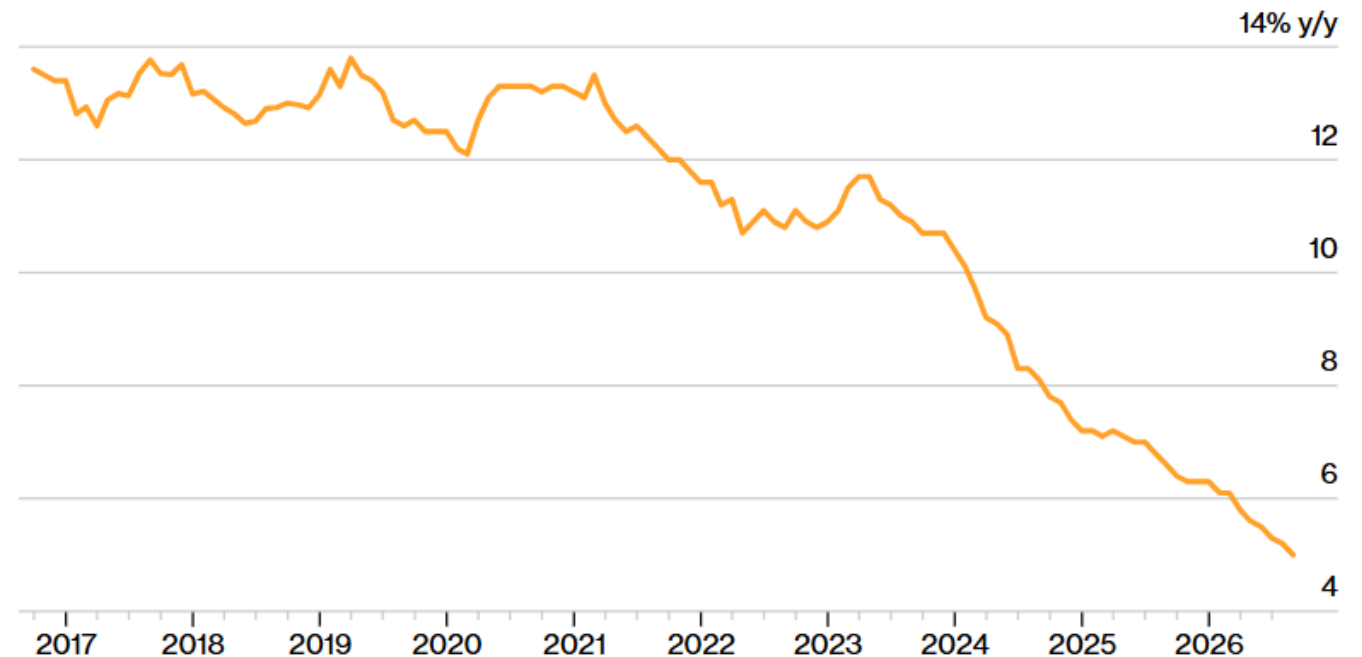
China's credit expansion fell short of expectations in August, with aggregate financing increasing 1.66 trillion yuan, compared to the median forecast of 2.1 trillion yuan.

The reluctance of consumers and businesses to take on debt points to weak confidence in the economic outlook, with household mid and long-term loans shrinking for the fifth time this year.

China's Loan Growth Collapses

Expansion rate more than halved over the past three years

— Stock of yuan loans extended to the real economy

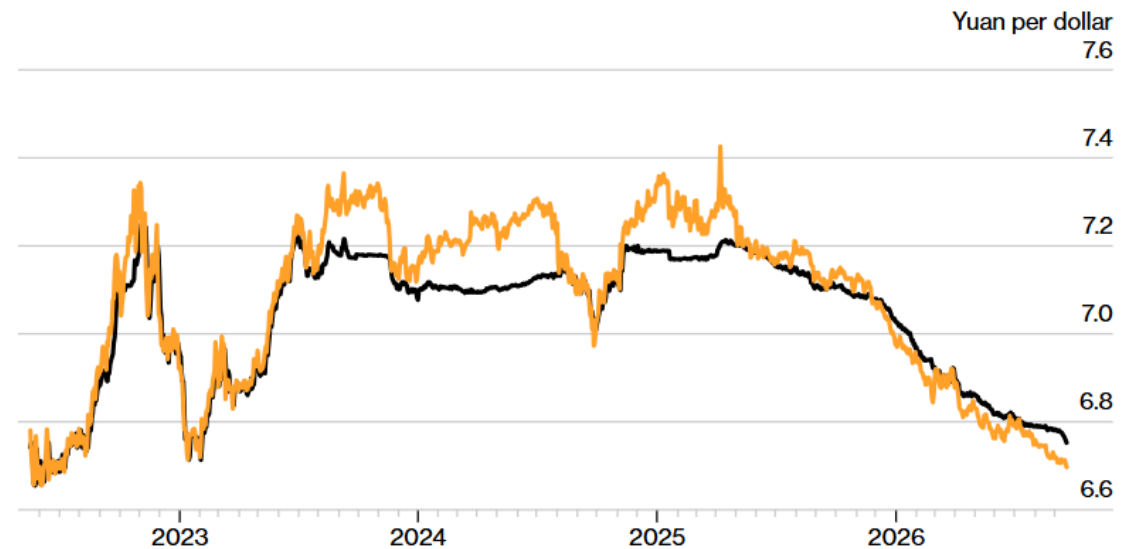


Source: People's Bank of China

...yet China's yuan strengthened to four-year highs against the U.S. dollar as China's central bank guided the currency higher ahead of a meeting between Chinese leader Xi Jinping and US President Donald Trump.

Yuan Advances to Strongest Level Since 2022 Versus the Dollar

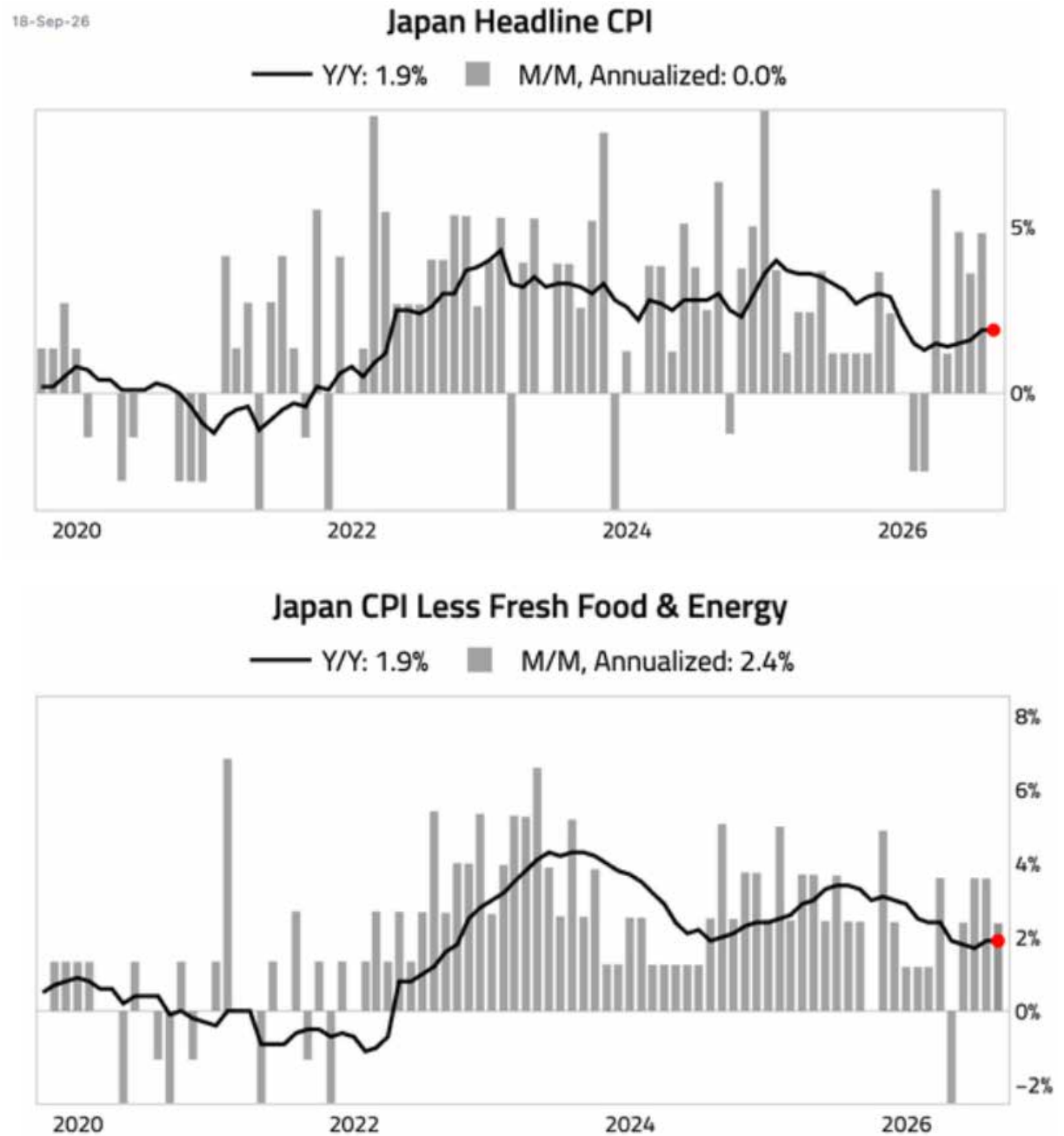
Offshore yuan spot PBOC yuan fixing



Source: Bloomberg

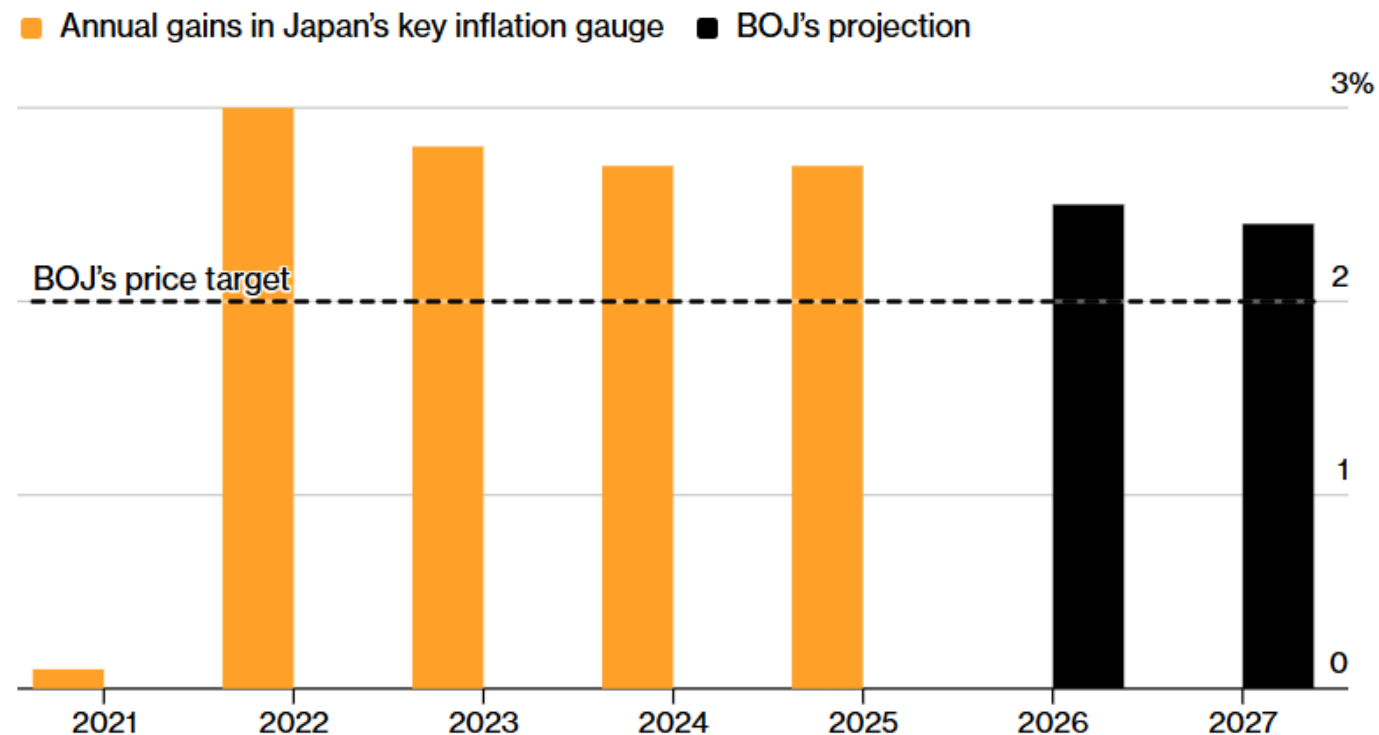
Japanese consumer inflation remains elevated but was stable in August

Headline inflation remained steady at 1.9% in August, while new core inflation (excluding fresh food and energy) was unchanged at 1.9%, with surging semiconductor memory prices offset by slowing food and service inflation.



The Bank of Japan raised interest rates to 1.25% this week. *“It has become important to stabilize the rate of price increases at a level of around 2%,”* [BOJ Governor Kazuo] Ueda said in a post-decision briefing. *“In that sense, I believe the phase of policy has shifted to a new stage.”* The bank should act preemptively to avoid being forced into a situation where rapid hikes might become unavoidable, he added.

Japan's Inflation Is Expected to Stay Above BOJ's Target



Note: All in fiscal years

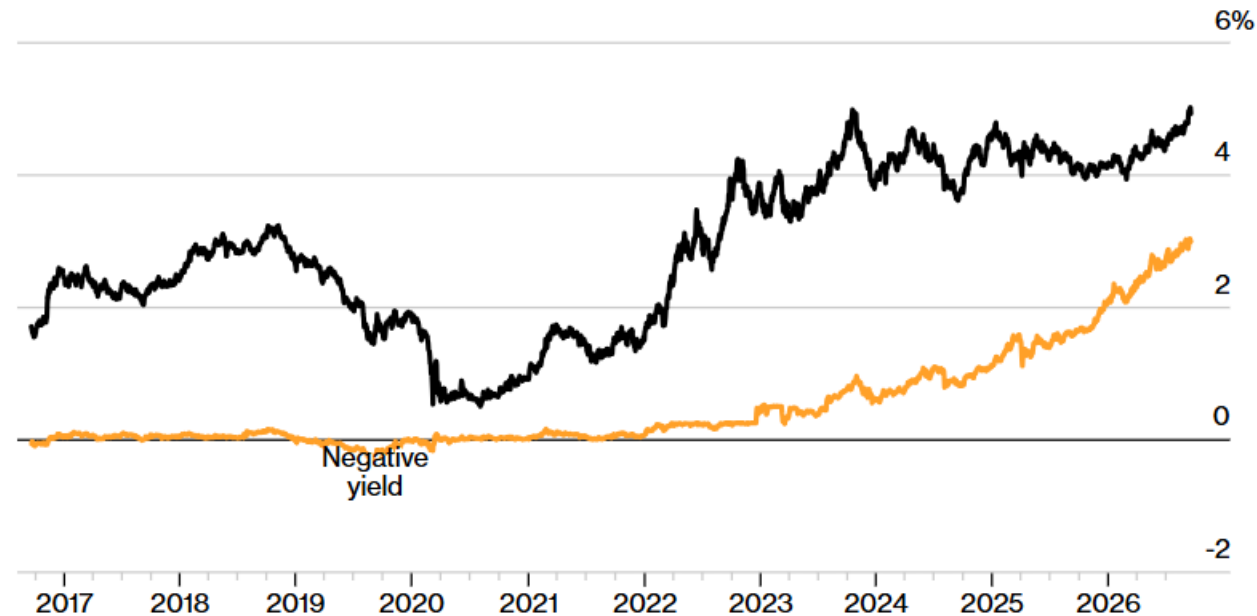
Sources: The Ministry of Internal Affairs and Communications, BOJ, Bloomberg

Despite rate hikes in both the U.S. and Japan, long-term government bond yields in both countries hit or remain near multi-year highs, as investors continue to perceive inflation risks

Japanese, US Yields Hit Highest Levels in Years This Week

Inflation concerns, central bank rate hikes and fiscal angst cited for the rise

Japanese 10-year government bond yield / US 10-year Treasury yield

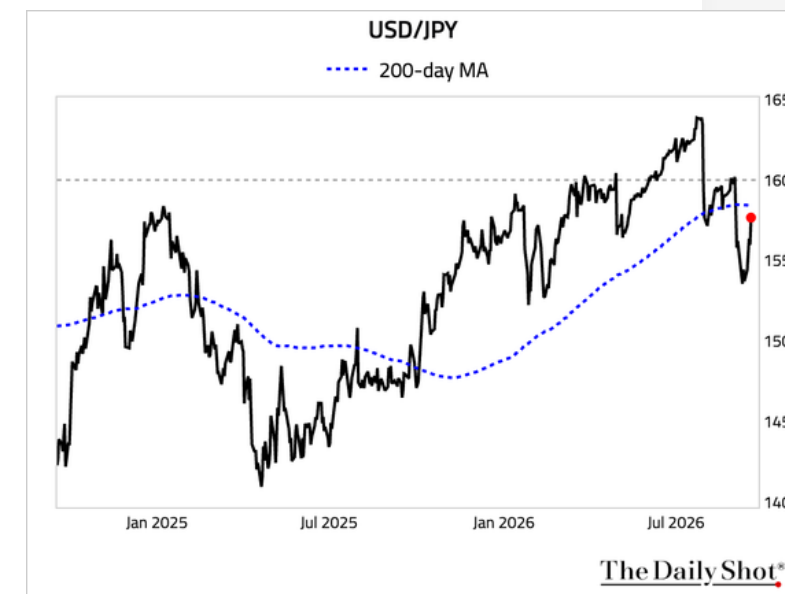


Source: Bloomberg

Despite the BOJ's interest rate hike, the yen depreciated sharply as the BOJ offered little additional hawkish guidance (see short-term chart on the right). Viewed from a 5-year perspective, the yen has weakened from roughly ¥100–¥115 per dollar in 2021 to nearly ¥157 today.

156.86 ▲ +0.90 (+0.57%)

5-Year Trend: Japanese Yen



U.S. Dollar Index (DXY) – One Year Price Chart

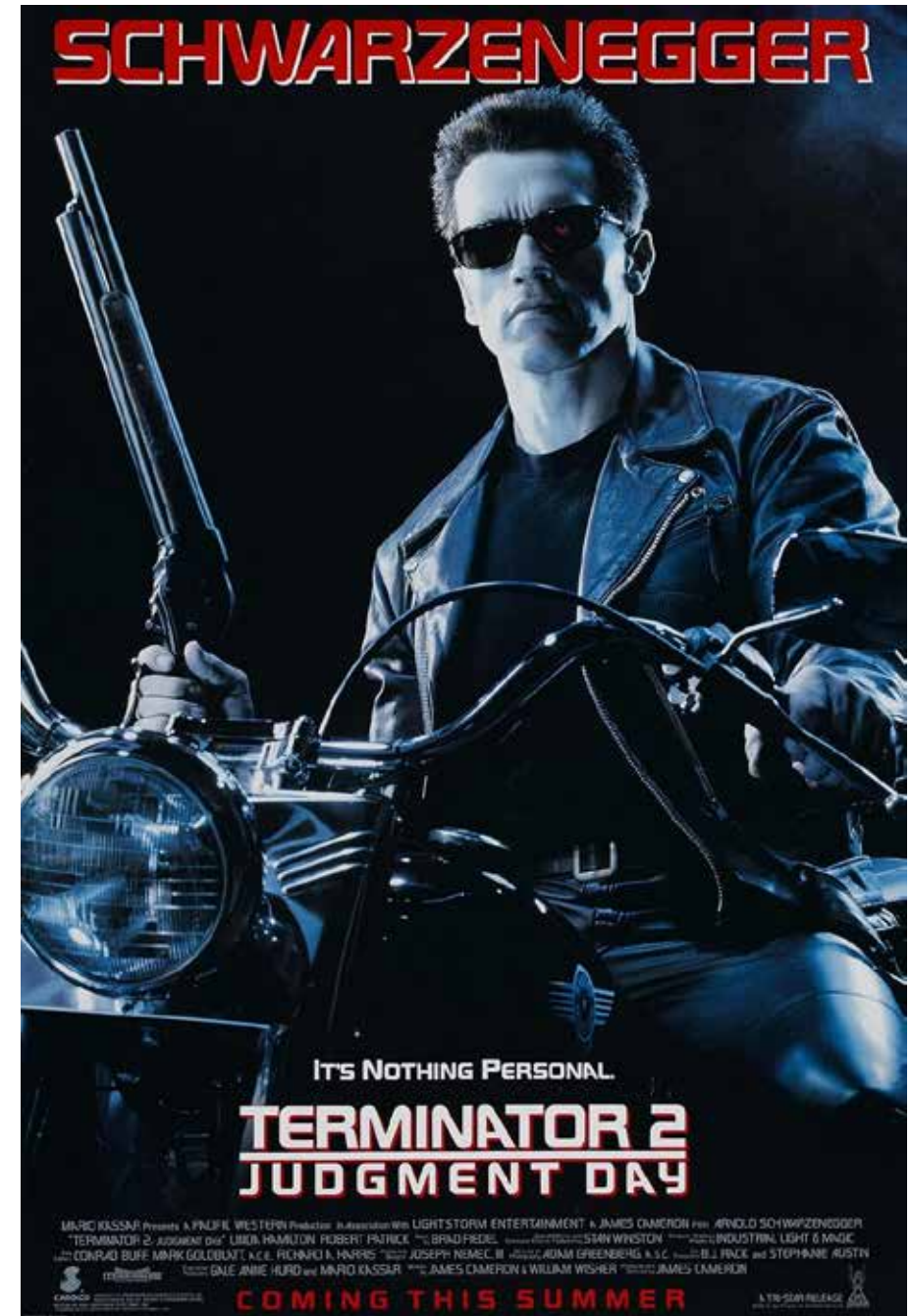
The U.S. Dollar index rallied 1.1% this week, leaving it up 2.0% YTD and 2.9% over the last 12 months



Random Charts

Terminator 2: Judgment Day

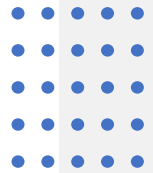
- Budget: \$94M-\$102M, the most expensive movie ever produced at the time of its release (1991).
- Opening Sequence Cost: The first 3 minutes depicting the nuclear apocalypse cost more than the entire production budget of the original 1984 *The Terminator* (\$6.4 million).
- Box Office: Grossed over \$520M worldwide, becoming the highest-grossing film of 1991 and the highest-grossing movie of Arnold Schwarzenegger's career.
- Schwarzenegger's Paycheck: Arnold was paid \$15M for the role, an average of \$21k per word the future Governor spoke.



After the Fed's Judgment Day, attention turns back to the data, with PMIs, jobless claims, housing, durable goods, and consumer sentiment the highlights in a relatively light week.

Economic Calendar

This Week's Major U.S. Economic Reports				
Time (ET)	Report	Period	Median Forecast	Previous
Monday, Sep. 21				
No events scheduled				
Tuesday, Sep. 22				
No events scheduled				
Wednesday, Sep. 23				
9:45 AM	US Flash Manufacturing PMI	Sep	53.5	53.2
9:45 AM	US Flash Services PMI	Sep	55.9	56.8
Thursday, Sep. 24				
8:30 AM	Weekly Jobless Claims	Sept. 19	204K	196K
10:00 AM	New Home Sales	Aug.	620K	607K
Friday, Sep. 25				
8:30 AM	Durable Goods	Aug.	-0.3%	1.1%
10:00 AM	U. Michigan Final Consumer Survey	Sep	47.1	51.7



Charts of the Week

Thanks for reading! Please send me any feedback, other charts you like, your favorite sources for economics and investment ideas, book recommendations, etc. Have a great week!

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