

Beacon Weekly Investment Insights

The primary U.S. financial story over the past week was not focused on the stock market, but rather on the bond market, as yields on long-term bonds hit multi-decade highs. The benchmark 10-Year U.S. Treasury Note nearly touched 5.2%, a 19-year high. The yield on the 30-Year U.S. Treasury Bond reached 5.5%, a 20-year high. The rise in long-term yields has pushed the Bloomberg Aggregate Bond Index down 2.1% year-to-date.

Somewhat surprisingly given the increase in long-term yields, the S&P 500 increased 1.2% last week, led by the technology-laden Nasdaq Index, which increased 2.1% last week. Meta surged almost 13% last week on consumer enthusiasm for its new artificial intelligence (AI) agent, Muse. Advanced Micro Devices (AMD) surpassed the \$1 trillion market capitalization threshold for the first time last week on investor excitement for its traditional CPUs used in the AI infrastructure buildout. Oil prices fell 7.1% last week, but we expect continued volatility this week on the heels of President Trump's rejection of Iran's latest proposal to end the roughly 7-month conflict. He believes the war is now likely to extend beyond the November midterm elections.

Several global leaders spoke at the United Nations (UN) last week. Subsequent to his speech at the UN, President Trump met with Chinese President Xi at the White House. The meeting was high on pageantry, but low on firm agreements. The two economic titans agreed that AI should remain firmly under human control but did not place specific restrictions that would slow down the further development of the technology. A U.S.-Taiwan arms deal was paused, but there was no change to the U.S. policy on the region. A high-profile White House dinner included CEOs of many of the leading technology firms, such as Alphabet, Anthropic, Apple, Microsoft, Meta, NVIDIA, and Tesla.

The economic calendar is fairly active this week as we close the quarter and begin a new one. Federal Reserve Governors are on the speaker circuit almost every day this week. We know that Chair Kevin Warsh is somewhat tight-lipped compared to recent Fed chairs, but it remains to be seen if his fellow governors will follow suit under the new regime. With mortgage rates exceeding 7% for the first time since 2025, analysts will look for its possible impact on the housing market. The S&P Case Shiller report on home prices will be released on Tuesday, providing data points on both regional and national markets.

The Personal Consumption Expenditures (PCE) Index, the Fed's preferred measure of inflation, will be released on Wednesday. Stubborn inflation has been partially responsible for the rise in interest rates. Hence, investors will look at the latest report both for its potential impact on future Fed actions and the general level of interest rates. The Institute for Supply Management (ISM) will release its forward-looking manufacturing index on Thursday. The manufacturing segment of the U.S. economy has been strong, due in part to the AI infrastructure buildout, so analysts will look for signs of continued growth.

A series of employment-related reports will be released this week. The Job Openings & Labor Turnover Survey (JOLTS) will be released on Tuesday, followed by the ADP National Employment Report on Wednesday. However, the highlight will be the Employment Report on Friday. The current unemployment rate of 4.1% is low in the context of long-term history, but some concerns remain regarding the quality of the jobs created in an economy on the cusp of being flooded by millions of AI agents.

Market Scorecard:	9/24/2026	YTD Price Change
Dow Jones Industrial Average	51,349.98	6.84%
S&P 500 Index	7,704.13	12.54%
NASDAQ Composite	26,939.37	15.91%
Russell 1000 Growth Index	5,060.21	6.21%
Russell 1000 Value Index	2,467.57	19.12%
Russell 2000 Small Cap Index	2,835.57	14.25%
MSCI EAFE Index	3,119.00	7.82%
US 10 Year Treasury Yield	5.19%	+103 basis points
WTI Crude Oil	\$93.10	62.18%
Gold \$/Oz.	\$4,330.20	-0.02%

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