Weekly Market Recap

The week in review

- Retail sales surged 1.2% in August
- Import prices climbed 0.7% m/m

The week ahead

- Flash PMIs
- Consumer sentiment

Thought of the week

Last week, several leading AI executives called for a slow-down in development, citing concerns that increasingly powerful models could eventually pose significant risks if left unchecked. While the debate has focused on whether companies *will* continue to develop AI, last week's 25bp rate hike also raises the question of whether they *can* continue to fund the AI race.

With the Federal Reserve unanimously raising the federal funds rate, corporate borrowing costs will likely move higher as well. The chart of the week examines which areas of the market are best positioned to absorb those higher financing costs. Looking at interest coverage ratios, a measure of a company's ability to meet interest payments from operating earnings, the Mag 7 stands out as particularly well positioned. Strong profitability and healthy balance sheets leave these companies with significant flexibility to increase borrowing and continue investing in growth, an increasingly valuable advantage as abundant cash flows become less of a tailwind. The picture is less favorable for the rest of the market. Compared to the Mag 7, many companies across the broader S&P 500, as well as mid- and small-cap stocks, have less capacity to absorb higher interest expenses, making them more vulnerable to a restrictive monetary environment.

For equities, higher rates could create headwinds for more rate-sensitive areas of the market. Higher borrowing costs can pressure corporate profit margins, while higher discount rates can weigh on equity valuations. However, tighter monetary policy is unlikely to significantly alter the outlook for mega-cap technology companies, as AI investment remains driven more by competitive positioning than financing costs. As a result, the AI investment cycle may remain largely intact despite higher rates, barring meaningful self-imposed restrictions or government regulation.

Please see important disclosures on next page.

Weekly Data Center

	Index Returns (%)							Index Characteristics			
Equities	**Level**	**1 week**	**QTD**	**YTD**	**1 year**	**3-yr. Cum.**		**NTM P/E**	**P/B**	**Div. Yld.**	**Mkt. Cap (bn)**
S&P 500	7651	-0.06	2.27	12.71	16.71	78.69		19.12	5.19	1.03	65809
Dow Jones 30	51683	-1.65	-0.85	8.82	13.83	57.38		18.66	5.38	1.55	25751
Russell 2000	7109	-1.47	-5.18	16.22	17.34	62.40		23.05	2.05	1.20	2925
Russell 1000 Growth	3284	0.94	-0.63	4.67	6.86	81.91		22.06	11.52	0.41	33370
Russell 1000 Value	1530	-1.09	4.27	21.19	26.18	69.90		17.17	3.23	1.60	36883
MSCI EAFE	3143	-1.58	1.20	11.16	17.17	64.38		14.80	2.25	2.59	21617
MSCI EM	1711	-0.55	-0.08	23.92	29.94	89.67		9.89	2.27	2.01	12323
NASDAQ	26523	0.73	1.30	14.61	18.74	97.42		22.24	6.91	0.48	46325

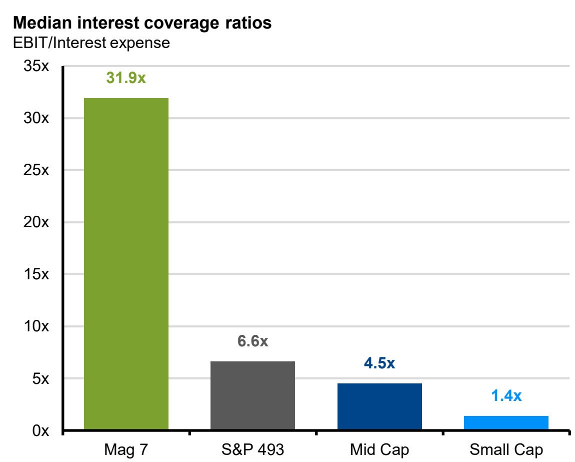
Fixed Income	Yield	1 week	QTD	YTD	1 year	3-yr. Cum.
U.S. Aggregate	5.32	-0.03	-2.07	-1.46	-0.44	12.50
U.S. Corporates	5.77	0.13	-2.23	-1.39	-0.70	15.78
Municipals (10yr)	4.22	-0.32	-3.82	-2.77	-1.39	7.66
High Yield	7.97	-0.28	-0.22	1.73	2.98	26.82

	Levels		
Currencies	**9/18/26**	**12/31/25**	**9/18/25**
$ per €	1.15	1.17	1.18
$ per £	1.34	1.35	1.36
¥ per $	157.43	156.75	148.03

	Levels (%)					
Key Rates	**9/18/26**	**9/11/26**	**6/30/26**	**12/31/25**	**9/18/25**	**9/18/23**
2-yr U.S. Treasuries	4.76	4.63	4.14	3.47	3.57	5.05
10-yr U.S. Treasuries	5.01	4.96	4.44	4.18	4.11	4.32
30-yr U.S. Treasuries	5.34	5.35	4.91	4.84	4.72	4.40
10-yr German Bund	3.53	3.52	2.86	2.86	2.72	2.71
SOFR	3.85	3.62	3.68	3.87	4.14	5.31
3-mo. EURIBOR	2.62	2.65	2.32	2.03	2.03	3.90
6-mo. CD rate	1.87	1.87	1.83	1.88	1.92	2.17
30-yr fixed mortgage	6.99	6.81	6.55	6.25	6.39	7.55
Prime Rate	7.00	6.75	6.75	6.75	7.25	8.50

	Levels		
Commod.	**9/18/26**	**12/31/25**	**9/18/25**
Oil (WTI)	102.03	57.26	63.91
Gasoline	4.32	2.81	3.17
Natural Gas	2.90	4.00	3.10
Gold	4348	4368	3644
Silver	67.04	71.99	41.86
Copper	14529	12504	9895
Corn	5.05	4.37	4.09
BBG Idx	376.01	276.25	257.49

Chart of the Week



Style Returns

1 Week

	V	B	G
L	-1.1	-0.1	0.9
M	-1.4	-1.2	-0.5
S	-1.5	-1.5	-1.5

YTD

	V	B	G
L	21.2	12.7	4.7
M	17.7	13.5	0.6
S	20.5	16.2	12.3

S&P 500 Sector Returns

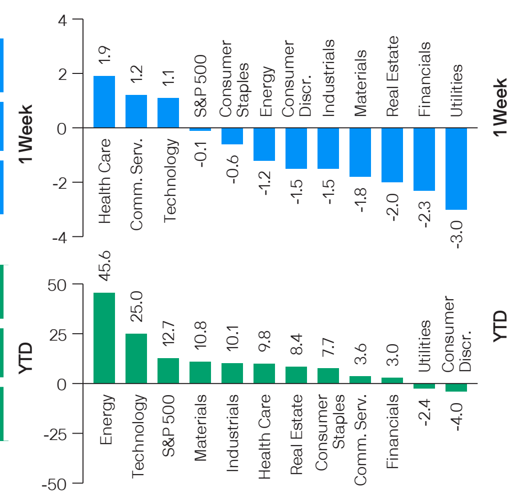


Chart of the Week: Source: Bloomberg, J.P. Morgan Asset Management. Mag 7 includes AAPL, AMZN, GOOGL/GOOG, META, MSFT, NVDA, and TSLA. The Russell Mid Cap is used for mid cap and the Russell 2000 is used for small cap.

Thought of the week: Source: Bloomberg, J.P. Morgan Asset Management.

Abbreviations: Cons. Sent.: University of Michigan Consumer Sentiment Index; CPI: Consumer Price Index; EIA: Energy Information Agency; FHFA HPI: - Federal Housing Finance Authority House Price Index; FOMC: Federal Open Market Committee; GDP: gross domestic product; HPI: Home Price Index; HMI: Housing Market Index; ISM Mfg. Index: Institute for Supply Management Manufacturing Index; PCE: Personal consumption expenditures; Philly Fed Survey: Philadelphia Fed Business Outlook Survey; PMI: Purchasing Managers' Manufacturing Index; PPI: Producer Price Index; SAAR: Seasonally Adjusted Annual Rate

Equity Price Levels and Returns: All returns represent total return for stated period. Index: S&P 500; provided by: Standard & Poor's. Index: Dow Jones Industrial 30 (The Dow Jones is a price-weighted index composing of 30 widely-traded blue chip stocks.) ; provided by: S&P Dow Jones Indices LLC. Index: Russell 2000; provided by: Russell Investments. Index: Russell 1000 Growth; provided by: Russell Investments. Index: Russell 1000 Value; provided by: Russell Investments. Index: MSCI – EAFE; provided by: MSCI – gross official pricing. Index: MSCI – EM; provided by: MSCI – gross official pricing. Index: Nasdaq Composite; provided by: NASDAQ OMX Group.

MSCI EAFE is a Morgan Stanley Capital International Index that is designed to measure the performance of the developed stock markets of Europe, Australasia, and the Far East.

Bond Returns: All returns represent total return. Index: Bloomberg US Aggregate; provided by: Bloomberg Capital. Index: Bloomberg Investment Grade Credit; provided by: Bloomberg Capital. Index: Bloomberg Municipal Bond 10 Yr; provided by: Blomberg Capital. Index: Bloomberg Capital High Yield Index; provided by: Bloomberg Capital.

Key Interest Rates: 2 Year Treasury, FactSet; 10 Year Treasury, FactSet; 30 Year Treasury, FactSet; 10 Year German Bund, FactSet. 3 Month LIBOR, British Bankers' Association; 3 Month EURIBOR, European Banking Federation; 6 Month CD, Federal Reserve; 30 Year Mortgage, Mortgage Bankers Association (MBA); Prime Rate: Federal Reserve.

Commodities: Gold, FactSet; Crude Oil (WTI), FactSet; Gasoline, FactSet; Natural Gas, FactSet; Silver, FactSet; Copper, FactSet; Corn, FactSet. Bloomberg Commodity Index (BBG Idx), Bloomberg Finance L.P.

Currency: Dollar per Pound, FactSet; Dollar per Euro, FactSet; Yen per Dollar, FactSet.

S&P Index Characteristics: Dividend yield provided by FactSet Pricing database. Fwd. P/E is a bottom-up weighted harmonic average using First Call Mean estimates for the "Next 12 Months" (NTM) period. Market cap is a bottom-up weighted average based on share information from Compustat and price information from FactSet's Pricing database as provided by Standard & Poor's.

MSCI Index Characteristics: Dividend yield provided by FactSet Pricing database. Fwd. P/E is a bottom-up weighted harmonic average for the "Next 12 Months" (NTM) period. Market cap is a bottom-up weighted average based on share information from MSCI and Price information from FactSet's Pricing database as provided by MSCI.

Russell 1000 Value Index, Russell 1000 Growth Index, and Russell 2000 Index Characteristics: Trailing P/E is provided directly by Russell. Fwd. P/E is a bottom-up weighted harmonic average using First Call Mean estimates for the "Next 12 Months" (NTM) period. Market cap is a bottom-up weighted average based on share information from Compustat and price information from FactSet's Pricing database as provided by Russell.

Sector Returns: Sectors are based on the GICS methodology. Return data are calculated by FactSet using constituents and weights as provided by Standard & Poor's. Returns are cumulative total return for stated period, including reinvestment of dividends.

Style Returns: Style box returns based on Russell Indexes with the exception of the Large-Cap Blend box, which reflects the S&P 500 Index. All values are cumulative total return for stated period including the reinvestment of dividends. The Index used from L to R, top to bottom are: Russell 1000 Value Index (Measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values), S&P 500 Index (Index represents the 500 Large Cap portion of the stock market, and is comprised of 500 stocks as selected by the S&P Index Committee), Russell 1000 Growth Index (Measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values), Russell Mid Cap Value Index (Measures the performance of those Russell Mid Cap companies with lower price-to-book ratios and lower forecasted growth values), Russell Mid Cap Index (The Russell Midcap Index includes the smallest 800 securities in the Russell 1000), Russell Mid Cap Growth Index (Measures the performance of those Russell Mid Cap companies with higher price-to-book ratios and higher forecasted growth values), Russell 2000 Value Index (Measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values), Russell 2000 Index (The Russell 2000 includes the smallest 2000 securities in the Russell 3000), Russell 2000 Growth Index (Measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values).

Past performance does not guarantee future results.

Diversification does not guarantee investment returns and does not eliminate the risk of loss.

Unless otherwise stated, all data is as of September 21, 2026 or as of most recently available.

0903c02a81dbac80