

MARKET MONITOR

Month in Review: September 2026

Index	Asset Class	2026		2025
		Sep	YTD	
Equity Indexes		Total Returns		
Russell 3000	U.S. Equity	-0.05	12.42	17.15
S&P 500	Large Cap U.S. Equity	0.36	12.75	17.88
Russell 1000	Large Cap U.S. Equity	0.12	12.30	17.37
Russell 2000	Small Cap U.S. Equity	-4.09	13.71	12.81
MSCI All Country World	Global Equity	-0.77	12.14	21.57
MSCI All Country World (Ex U.S.)	International Equity	-2.63	10.65	32.94
MSCI Europe, Asia & Far East (EAFE)	International Developed Market Equity	-2.57	10.79	31.89
MSCI Emerging Markets (EM)	International Emerging Market Equity	-0.97	23.64	34.36
Fixed Income Indexes				
Bloomberg U.S. Aggregate Bond	U.S. Investment Grade Bond	-2.35	-2.91	7.30
Bloomberg Municipal Bond	U.S. Investment Grade Muni Bond	-3.98	-4.18	4.25
Bloomberg Municipal Bond High Yield	U.S. Muni Bonds (Below Investment Grade)	-3.95	-1.69	2.46
Bloomberg U.S. Corp. High Yield	U.S. Corp Bonds (Below Investment Grade)	-2.33	0.10	8.62
Index Blends: Stock/Bond				
80%/20%: Global Equity (MSCI All Country World) / U.S. Investment Grade Bond (Bloomberg U.S. Agg)		-1.21	7.96	17.01
60%/40%: Global Equity (MSCI All Country World) / U.S. Investment Grade Bond (Bloomberg U.S. Agg)		-1.49	5.24	14.60
40%/60%: Global Equity (MSCI All Country World) / U.S. Investment Grade Bond (Bloomberg U.S. Agg)		-1.77	2.52	12.18
20%/80%: Global Equity (MSCI All Country World) / U.S. Investment Grade Bond (Bloomberg U.S. Agg)		-2.06	-0.19	9.74
Data as of 9/30/2026. Sources are Ycharts for Index returns and Index Blend returns, based on monthly rebalancing.				

Please see important disclosures at end of this report.

Market Overview

U.S. equities were mixed in September, with the S&P 500 gaining 0.36%, bringing its year-to-date return to 12.75%. Performance remained concentrated in larger-cap stocks, while smaller companies struggled, the Russell 2000 fell 4.09% during the month despite remaining up 13.71% YTD. Market breadth was notably weaker than the headline S&P 500 return suggested, as technology and other large-cap growth names continued to provide support while higher interest rates weighed more heavily on smaller companies.¹

International markets generally declined in September, with the MSCI EAFE falling 2.57% and the MSCI All Country World ex-U.S. Index declining 2.63%. Emerging markets were comparatively resilient, declining 0.97% for the month, while remaining one of the stronger-performing equity segments year-to-date at 23.64%. Currency movements, interest-rate expectations, regional economic conditions and continued strength in technology-related companies remained important drivers of international performance.²

September was challenging for fixed income, as the Bloomberg U.S. Aggregate Bond Index declined 2.35%, bringing its YTD return to -2.91%. Municipal bonds also weakened, with the Bloomberg Municipal Bond Index falling 3.98% and the Bloomberg Municipal High Yield Index declining 3.95%. Rising Treasury yields were a major headwind, with the 10-year Treasury yield approaching 5.3% late in the month. The Federal Reserve also raised its federal funds target range by 25 basis points to 3.75%–4.00%, as policymakers continued to balance above-target inflation against economic growth and labor-market conditions.³

The U.S. economy remained relatively resilient in September, although inflation and higher energy costs continued to create uncertainty. PCE inflation was 3.4% year-over-year, remaining above the Fed's 2% target, while September private payrolls increased by 90,000, according to ADP. Manufacturing remained in expansion territory, with the ISM Manufacturing PMI at 54.5, though higher input prices highlighted continued inflationary pressure. Higher Treasury yields and elevated oil prices remained key considerations heading into the fourth quarter.⁴

Reference(s):

- 1) "Small-Cap, Microcap, Megacap Stocks." *Barron's*, 28 Sep. 2026, <https://www.barrons.com/articles/small-cap-microcap-megacap-stocks-2a1f813b>
- 2) "Ycharts – Financial Research and Charting Platform." *Yhcharts.com*, n.d. Web. 1 Oct. 2026.
- 3) "U.S. Bond Yields Surge as Global Rout Rattles Investors." *MarketWatch*, 30 Sept. 2026, <https://www.marketwatch.com/story/u-s-bond-yields-head-for-biggest-jump-in-a-generation-as-global-rout-rattles-investors-7dede2f2>
- 4) "US Private Payrolls Growth Picks Up in September, ADP Says." *Reuters*, 30 Sep. 2026, <https://www.reuters.com/business/us-private-payrolls-growth-picks-up-september-adp-says-2026-09-30/>

Cross Border Financial Planning USA LLC is an SEC Registered Investment Advisor. This publication is reprinted with permission from NWAM, LLC dba Northwest Asset Management and RIA Innovations, an SEC registered investment adviser. NWAM, LLC and Cross Border Financial Planning USA LLC are unaffiliated entities. This publication is in no way a solicitation or offer to sell securities or investment advisory services. Statistical information, quotes, charts, references to articles or any other quoted statement or statements regarding market or other financial information is obtained from sources which we believe are reliable, but we do not warrant or guarantee the timeliness or accuracy of this information.

Reference to market index information is included for illustrative purposes only, as it is not possible to directly invest in an index. Indexes are unmanaged, hypothetical vehicles that serve as market indicators. Index total return performance data reflects the assumptions of the reinvestment of interest and dividends but does not include the deduction of fees or transaction costs which otherwise reduce performance of an actual portfolio. The blended indexes are shown for informational purposes only and are not representative of any particular investment or plan.

Index Definitions:

Russell 3000 – Index comprised of 3,000 largest U.S. stocks by market capitalization.

Russell 1000 – Index comprised of 1,000 largest U.S. stocks by market capitalization.

Russell 2000 – Index comprised of 2,000 smaller U.S. stocks by market capitalization within the Russell 3000.

S&P 500 – Compilation of 500 major U.S. stocks meeting certain criteria; market capitalization and float-weighted.

MSCI All Country World – Global equity index across market capitalizations with about 2,800 constituents, representing about 85% of the free float-adjusted market capitalization across 23 developed and 27 emerging markets.

MSCI All Country World ex USA – Global equity index across market capitalizations, which excludes the U.S., with about 2,300 constituents which represents free float-adjusted market capitalization across 22 developed and 27 emerging markets.

MSCI Europe, Asia & Far East (EAFE) – International equity index across market capitalizations, which excludes North America, with about 840 constituents which represents free float-adjusted market capitalization across 21 developed markets.

MSCI Emerging Markets (EM) – International equity index across market capitalizations with about 1,400 constituents which represents free float-adjusted market capitalization across 27 emerging markets.

Bloomberg U.S. Aggregate Bond – Widely followed bond benchmark comprised of investment grade, U.S. dollar denominated, fixed rate taxable bonds including Treasuries, government-related, corporate, mortgage-backed, and agency.

Bloomberg Municipal Bond – Broad benchmark of the US municipal tax-exempt investment grade bond market.

Bloomberg Municipal High Yield Bond – U.S. index of municipal bonds that are either not rated or rated below investment grade.

Bloomberg U.S. Corporate High Yield Bond – Index of fixed rate U.S. dollar denominated corporate bonds rated BB+ or below by Fitch and S&P.

All domestic and international rights are reserved. No part of this newsletter including text, graphics, et al, may be reproduced, copied or edited in any format, electronic, print, et al, without written consent from Northwest Asset Management or RIA Innovations. Neither Alyssa Miller, nor Northwest Asset Management or RIA Innovations provide legal or tax advice. Please be advised to consult your investment advisor, attorney, or tax professional before making any investment decisions.