

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	4.165 (9.5 bps)	Bond Buyer 40 Yield:	5.33 (18 bps)
6 Mo. T-Bill:	4.352 (9.0 bps)	Crude Oil Futures:	92.41 (-7.89)
1 Yr. T-Bill:	4.446 (5.1 bps)	Gold Spot:	4,284.81 (-93.82)
2 Yr. T-Note:	4.852 (10.8 bps)	Merrill Lynch High Yield Indices:	
3 Yr. T-Note:	4.930 (9.8 bps)	U.S. High Yield:	8.19 (28 bps)
5 Yr. T-Note:	4.988 (13.1 bps)	BB:	6.97 (25 bps)
10 Yr. T-Note:	5.160 (16.4 bps)	B:	8.37 (29 bps)
30 Yr. T-Bond:	5.490 (16.5 bps)		

The bond selloff continued last week, with the 5-year US Treasury yield climbing above 5% for the first time since 2007. Yields rose following Wednesday's release of the S&P Global US Composite PMI, which is a survey of both services and manufacturing firms. The survey easily beat estimates, showing robust US business activity in September that increased at the fastest pace in over five years. The survey also showed a sharp rise in employment to meet higher demand, as well as higher input costs due to spiking energy prices. Hawkish comments from the Fed and a defiant speech from Iran's president at the UN General Assembly also contributed to the rise in yields. The selloff continued Thursday as US long-dated bond yields climbed to their highest levels in more than two decades, with the 30-year US Treasury yield climbing to 5.44%, the highest level since 2004. Elsewhere, the University of Michigan's Consumer Sentiment Index hit a 4-month low in September. Consumers cited higher prices, especially at the pump, along with higher inflation expectations for the weaker sentiment. Major economic reports (related consensus forecasts, prior data) for the upcoming week include Tuesday: September Conf. Board Consumer Confidence (89.8, 89.4); Wednesday: September 25 MBA Mortgage Applications (N/A, -1.5%), September ADP Employment Change (72k, 38k), 2Q Third GDP Annualized QoQ (1.5%, 1.5%), August Personal Income (0.4%, 0.4%), August Personal Spending (0.9%, 0.2%), August Preliminary Wholesale Inventories MoM (0.3%, 1.3%), September MNI Chicago PMI (51.0, 47.1); Thursday: September 26 Initial Jobless Claims (200k, 197k), September Final S&P Global US Manufacturing PMI (57.0, 57.0), September ISM Manufacturing (54.8, 54.6), August Construction Spending MoM (0.0%, -0.5%); Friday: September Change in Nonfarm Payrolls (93k, 162k), September Unemployment Rate (4.1%, 4.1%), August Final Durable Goods Orders (N/A, 0.0%), August Factory Orders (0.1%, 0.9%).

US Equities			
Weekly Index Performance:		Market Indicators:	
The Dow®	51,828.62 (0.28%)	Strong Sectors:	Info Tech, Comm. Services
S&P 500®	7,743.41 (1.23%)		Health Care
S&P MidCap 400®	3,648.57 (-0.04%)	Weak Sectors:	Financials, Energy
S&P SmallCap 600®	1,683.26 (-0.45%)		Utilities
Nasdaq Composite®	27,068.72 (2.07%)	NYSE Advance/Decline:	919 / 1,906
Russell 2000®	2,837.55 (-0.79%)	NYSE New Highs/New Lows:	70 / 575
		AAll Bulls/Bears:	32.7% / 48.1%

The S&P 500 returned 1.23% last week as hopes for a diplomatic resolution to end the war in Iran drove oil prices off highs and fueled a rebound in stocks. The index was led higher by the Information Technology Sector which returned 3.13%. The best performing stock in the Information Technology Sector was **Everpure Inc**, which returned 20.99%. The storage solution company caught a bid following its 2026 Financial Analyst Meeting in which management provided revenue guidance for 2028 that exceeded street estimates. Following the meeting **Everpure Inc** saw multiple price target increases from sell-side providers. The Utilities Sector was the worst performing sector in the S&P 500 last week, falling 3.12%. Underperformance was broad based as only 2 of the 31 constituents finished the week with a positive return. Utilities broad-based underperformance can be attributed to higher yields and inflation concerns. High capital intensity and debt financing lead to higher rate sensitivity in the sector and inflation concerns can squeeze margin in the near term as regulatory approval is needed for rate increases. The worst performing Utility company was **PG&E Corp**, which fell 6.52%. In addition to weakness driven by rates **PG&E Corp** fell after California lawmakers failed to reach a deal limiting utilities' wildfire liability. The deadlock heightened investor's concerns and prompted Fitch Rating to downgrade outlook from stable to negative, the company also saw price targets reduced following the news. In other news, the top performer in the S&P 500 last week was **Moderna Inc**, which rallied 29.11%, bringing its year-to-date return to a staggering 574.40% making it the second largest gainer of the year so far just behind **SanDisk Corp**. The biotech company rallied following the news that 3 of the company's abstracts were accepted for presentation at the European Society for Medical Oncology. Analysts have been looking forward to the event for more details about the firm's cancer vaccine.

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