Market Down & Dirty

September 21, 2026

The Data

- Major equity indices were mostly lower last week with the exception of Large-Cap Tech.
  - S&P 500 -0.09% Dow -1.69% Russell 2000 -1.4%, Nasdaq +0.72%[1]
    - The All-Country World Index declined -0.60%.[1]
  - S&P 500 sub-sectors were mixed for the week.
    - Healthcare, Consumer Discretionary, & Tech were the only positive sectors.[1]
    - Utilities, Real Estate, & Financials led to the downside.[1]
  - The CBOE Volatility Index (VIX) reversed early week gains to end at 14.81.[1]

- US Treasury bond yields were mostly higher.
  - US 2yr +0.14% at 4.76%, 10yr +0.04% to 5.01%, 30yr -0.02% to 5.33%.[1]
  - The Fed was unanimous in its vote to raise interest rates +0.25%.

- Commodities as an aggregate asset class were higher last week.
  - WTI Crude rose +0.25%.[1]
  - Gold rose +0.68%.[1]
  - The US Dollar index gained +1.11%.[1]

- In our opinion, U.S. economic data was mixed last week.
  - Pending Home Sales ticked slightly higher.[1]
  - Building Permits, Home Builder Optimism, & New Construction all dropped.[1]
  - The Leading Economic Indicator Index moved lower last month.[1]

- An index of equities outside the US (FTSE All-World ex-US) declined -1.55%.[1]

[1] Source: Bloomberg –9/18/2026

Conclusion

- US equity markets were mostly lower last week as large cap tech was one of the lone areas of strength.
    - The Nasdaq was the only positive major domestic index.[1]
    - Market breadth deteriorated further beneath the surface.
        - The top 10 S&P 500 constituents now represent roughly 40% of the index.[1]
        - Only 24.4% of the 1,500 largest U.S. companies are trading above their 200-day moving average.[1]
        - Fewer than one-third of small caps remain above their 50-day moving average.[1]
- S&P 500 sectors were mostly lower last week.
    - Technology continued its recent outperformance as it finished positive on the week.
        - A classic "news failure" could be occurring with Tech as it finished positive despite negative catalysts: a Fed rate hike, rising real rates, and public commentary from frontier AI labs discussing slowing rollout paces.
        - Strong underlying balance sheets, heavy multi-year capex roadmaps (approaching $1T across hyperscalers), and deeply compressed multiples (Nvidia's forward P/E sitting near multi-year troughs[1]) seemed to help establish the firm demand.
    - Classic cyclical sectors most sensitive to interest rates led to the downside.
- Investor sentiment reached possible extreme bearish exhaustion levels.
    - The AAII Sentiment Survey showed 53% bears against just 29% bulls—the highest level of retail pessimism and lowest bullishness in over a year.[1]
    - Historically, this degree of broad pessimism against low hedge fund net leverage (near three-year lows per GS Prime) limits downside acceleration.
- US Treasury yields were mostly higher last week as the Fed hiked for the first time since '23.
    - According to Fed members forward expectations, 16 of 18 expect at least 1 more hike.
    - The 2 year Treasury rose the most while the 10 year closed above 5%.[1]
        - The 30yr declined slightly but remains elevated.
    - Yields globally rose creating additional pressure on bonds.
- Treasury supply presents a potential near-term hurdle as the U.S. Treasury prepares to auction over $700 billion in gross bill, note, and bond supply this week.
    - This is the 10th largest gross weekly slate on record.
    - A potential positive is that the fiscal impulse should slow through year-end and if so could moderate inflation pressures, but near-term digestion of the supply by the market is critical.
- Non-US equities were down last week as broad US Dollar strength weighed on the entire complex.
- From a near-term risk management perspective, here are some of the things we're watching:
    - Treasury Supply Absorption: How easily the market clears $700B+ in new debt.
    - Semiconductor Defense: Whether semis maintain support as 20% of the S&P 500 Index.
    - Oil: If crude's retreat from $100 relieves upward pressure on headline inflation.
    - Dollar Strength Follow-Through: Watching whether the USD holds its technical breakout above the 200-day moving average or triggers foreign FX intervention.

Justin Greenhill - Chief Investment Officer – justin@sollinda.com
Ryan A. Mumy, CFP® - CEO – ryan@sollinda.com
Phone: 844/662-1211