

On The Margin

10.01.2026 | MONTHLY MARKET UPDATE

CBIZ.COM/INSIGHTS

September 2026 Recap

Joe Nitting, Director of Research, Retirement & Investment Solutions

PRELUDE

"Do you remember the 21st night of September" is the opening lyric to Earth, Wind & Fire's hit song, "September." At their core, the song's lyrics are about nostalgia, happiness, and embracing the concept of living in the moment. The day investors will likely remember from this past September is September 16th, the day the Federal Reserve raised interest rates for the first time since 2023. Ahead of the decision, global markets moved broadly lower amid concerns about sticky inflation and a potentially prolonged higher interest rate environment. However, after the rate hike, investors temporarily found their own forms of happiness and markets rallied briefly following the announcement. At month's end though, global asset classes still finished with mostly negative results. U.S. large cap growth stocks moved higher but most other asset classes generated negative results for the full month.

GLOBAL EQUITY

Following broadly positive results in August, U.S. equities largely reversed course in September. While some widely followed market indexes again reached new all-time highs, others moved lower by September's end. Through the first half of the month, a combination of renewed inflation concerns and a potentially prolonged higher interest rate environment drove U.S. equities broadly lower, culminating with the Federal Reserve hiking interest rates on September 16th. However, certain portions of the U.S. equity market rallied in the weeks following the rate decision. Large cap growth

TABLE 1: GLOBAL EQUITY	SEP	QTD	YTD	1 YR
Dow Jones Industrial Average	-4.12	-2.34	7.19	11.50
S&P 500 Index	-0.35	2.30	12.75	15.74
Russell 2000	-5.25	-7.23	13.71	16.20
Russell 1000 Growth	2.16	0.92	6.30	7.50
Russell 1000 Value	-3.13	2.61	19.27	23.81
MSCI ACWI USD	-1.11	1.60	13.03	16.75
MSCI EAFE USD	-3.05	0.81	10.33	15.69
MSCI EM USD	-0.56	-0.37	23.38	29.22
MSCI ACWI ex US USD	-2.38	0.48	14.22	20.00

Source: Morningstar, as of 9/30/2026. Past performance does not guarantee future returns.



stocks finished September as the best performers within the U.S. equity landscape, as the Russell 1000 Growth Index returned +2.2%. The rally was especially narrow though, as just five companies, led by Meta, accounted for nearly all of those positive results at the broader index level. Small cap stocks were the worst performers within the U.S. stock market during September, as the Russell 2000 Index fell -5.3%. As a reminder, small cap companies tend to have more domestically focused businesses and often carry more floating rate debt on their balance sheets versus their large cap counterparts. Consequently, concerns about a higher-for-longer interest rate environment disproportionately hurt small cap stocks during the month.

International markets also generated mostly negative returns in September amid a generally strengthening U.S. dollar vs. several other major currencies during the month. Developed international markets, as represented by the MSCI EAFE Index, returned -3.1% for the month. European equities were among the worst laggards in September partly due to a weakening euro vs. the U.S. dollar. Despite the ECB also raising interest rates during the month, the euro weakened as capital flowed toward dollar-denominated assets ahead of and following the Federal Reserve's interest rate hike. Emerging markets also moved lower during September, as the MSCI EM Index returned -0.6%. Despite a strengthening U.S. dollar, four artificial intelligence-related companies, highlighted by Taiwan Semiconductor Manufacturing Company, rallied and buoyed emerging market results relative to their international developed market counterparts.

FIXED INCOME

U.S. fixed income markets reversed course and moved broadly lower during September, as the Bloomberg Aggregate returned -2.6%. Rising oil prices early in the month, driven by ongoing Middle East tensions, increased inflation expectations and reinforced investors' views that monetary policy could remain restrictive for longer. Longer-duration bonds struggled relatively more as investors repriced the outlook for future interest rates and inflation. Treasury yields also rose ahead of and following the Federal Reserve's first interest rate hike in three years due to continuing concerns that inflation remains above target. Finally, strong economic data and resilient corporate earnings further reduced demand for traditional safe-haven assets during September,

TABLE 2: FIXED INCOME	SEP	QTD	YTD	1 YR
Bloomberg US Aggregate	-2.61	-3.51	-2.91	-1.84
Bloomberg 1-3 Yr Gov/Credit	-0.58	-0.18	0.59	1.75
Bloomberg Treasury 5-7 Yr	-2.57	-3.31	-3.47	-2.35
Bloomberg Investment Grade Corp	-2.68	-3.83	-3.01	-2.17
Bloomberg High Yield Corp	-2.52	-1.82	0.10	1.41
JPMorgan EMBI Global Diversified	-2.91	-3.46	-1.51	0.86

Source: Morningstar, as of 9/30/2026. Past performance does not guarantee future returns.

putting additional upward pressure on yields. As we look ahead, the Federal Reserve remains the key focus for fixed income investors. We believe the Federal Reserve will take a measured approach on policy rate adjustments as it receives more data, but investors are pricing in a roughly 63% chance of another rate hike before year end.

POSTLUDE

As we have done in prior iterations of On The Margin, we are again sharing a list of content our investment team is reading, watching, and listening to (both for work and for fun) with our audience. Below is our updated list for your potential exploration if of interest.

*We are reading: **The Man Who Solved The Market***

Author Gregory Zuckerman's biography of Jim Simons, a world-class mathematician and former Cold War code breaker who left academia to launch Renaissance Technologies, home of one of the most successful hedge funds in history.

*We are watching: **Reacher***

A fictional show based on a series of novels British author Jim Grant wrote (under the pen name Lee Child). The series chronicles the adventures of Jack Reacher, a former major in the U.S. Army Military Police Corps turned drifter. Reacher roams the country taking odd jobs and investigating suspicious and dangerous situations.

*We are listening to: **Invest Like The Best***

Patrick O'Shaughnessy has deep-dive conversations with world-class investors, founders, and business leaders to explore their methods, ideas, and stories.

We hope you had an amazing summer and look forward to connecting with you throughout the fall season.



Joe Nitting serves as the Director of Research for the centralized investment research function of the Retirement & Investment Solutions practice at CBIZ, Inc. Joe conducts investment research in both traditional and alternative asset classes, and he assists in the portfolio construction process for the firm's centralized investment research function. Joe has a B.S. in both Finance and Accounting from the University of Dayton. He began his career in investments at a boutique registered investment advisory firm in the greater Chicago area, focusing on traditional investments. He also served as an analyst for a registered investment advisory firm in the Cleveland area, where he specialized in alternative investments. Joe plays an important role in fostering a culture of collaboration and creativity within CBIZ while offering unique insights based on his experience across a wide spectrum of investment types.

The information included in this update is provided for informational purposes only and should not be construed as investment advice. The views expressed are those of the author based on the data available when this update was written and are subject to change based on market conditions or other factors. CBIZ Investment Advisory Services disclaims any liability for any direct or incidental loss incurred by applying information supplied in this update.

Investment advisory services provided through CBIZ Investment Advisory Services, LLC, a registered investment adviser and a wholly owned subsidiary of CBIZ, Inc.

