Week Ahead

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Managing Director

September 14, 2026

Markets Test Higher Oil, Higher Rates, And Strong AI Demand

Last week, stocks finished lower in a holiday-shortened week as higher oil prices, rising interest rates, and renewed inflation concerns pressured both equity and fixed income markets.

The S&P 500 Index fell 0.8%, while the Russell 2000 small cap index declined 2.4%, reflecting the pressure of higher long-term interest rates. West Texas Intermediate (WTI) crude oil settled near $100 a barrel as the war with Iran tightened global oil supply. Diesel prices hit a record at $6.20. The 10-year Treasury yield closed near 5%, the highest since October 2023. That move followed Friday's Consumer Price Index (CPI) report, which came in slightly higher than expected, pushing the probability of a 25-basis-point rate hike at this Wednesday's Federal Open Market Committee (FOMC) meeting to 88%. We believe the markets will view a rate hike by the Federal Reserve (Fed) as a positive and give the Fed greater credibility in its commitment to fighting inflation. At the same time, Oracle Corporation's (ORCL) earnings report showed that demand for artificial intelligence (AI) infrastructure remains very strong.

The S&P 500 has been oversold on a daily basis. This could be a sign that equities can rally on good news and would be counter to the historical decline that takes place in September — the 5-year average is a decline of 2.68%.

S&P 500 (Top) With Daily Stochastic (Bottom) Nearing Oversold

Source: Bloomberg, Annotations by Sanctuary Wealth, September 12, 2026

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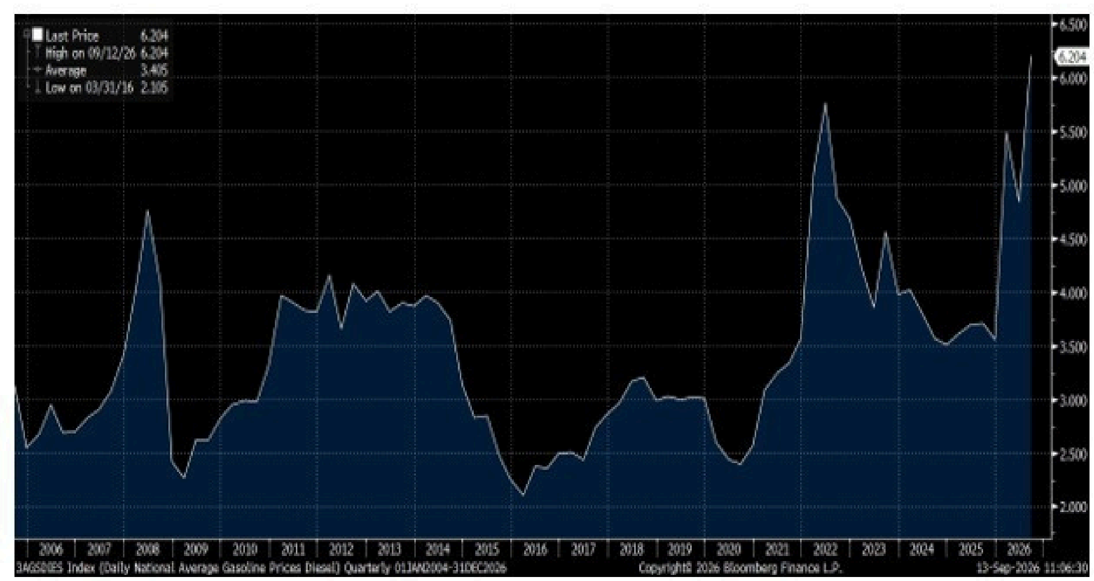
Russell 2000 (Top) With Daily Stochastic (Bottom) Nearing Oversold

Source:Bloomberg,AnnotationsbySanctuary Wealth, September 12, 2026

Record High Diesel Prices



Source: Bloomberg, Annotations by Sanctuary Wealth, September 12, 2026

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Markets Have Already Priced In A Fed Hike

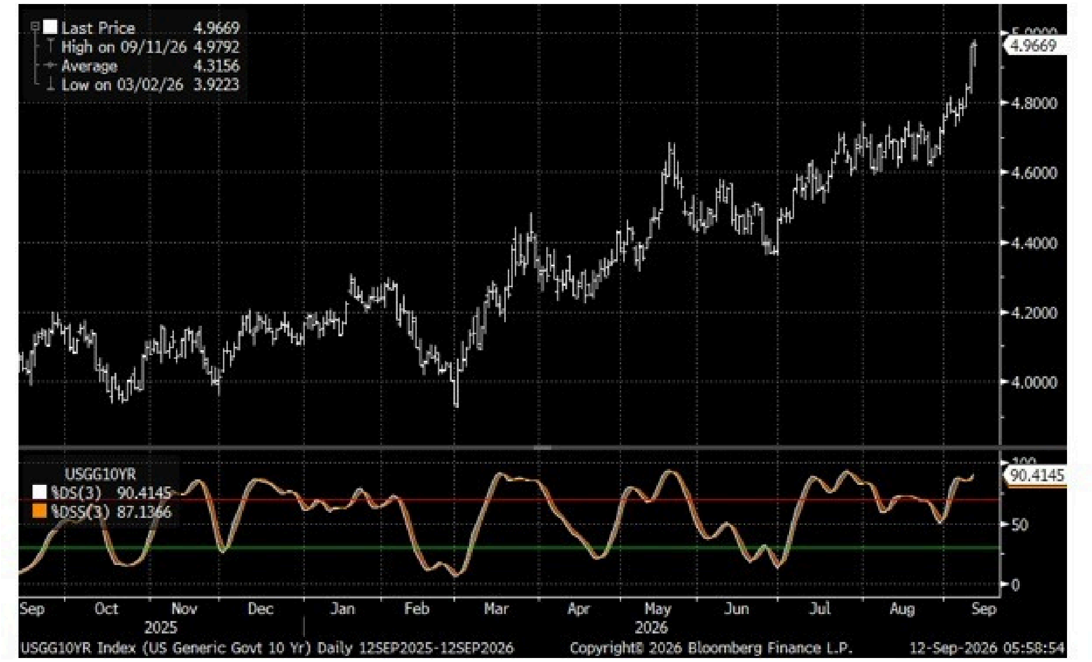
The FOMC announces its interest rate decision Wednesday afternoon. It will publish a Summary of Economic Projections (SEP), the FOMC members' expectations of interest rates, inflation, and economic conditions, and Fed Chair Kevin Warsh will be holding a news conference. At last Friday's close, the Fed funds futures market priced an 88% chance of a 25 basis point hike, from a 3.50%–3.75% target to 3.75%–4.00%. If the FOMC holds rates steady, the market will be surprised and the move will likely be taken as a negative.

Headline CPI rose 0.4% in August and 3.4% from a year earlier. Core CPI, which strips out food and energy, rose 0.3% on the month, slightly above expectations of 0.2%.

Last Thursday's Producer Price Index (PPI) report came in hotter than expected, led by higher energy prices. Other economic data also pointed to continued strength: private domestic final purchases were solid, jobless claims remained near 60-year lows, unemployment held at 4.1%—consistent with full employment—and August payrolls rose much more than expected.

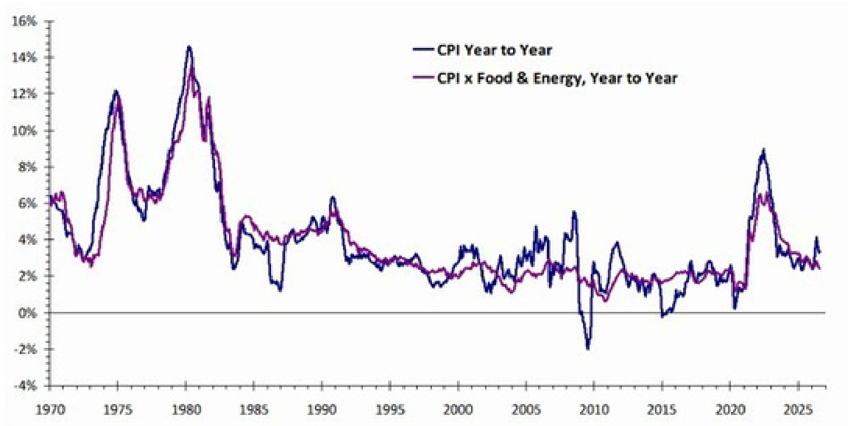
With inflation running hotter and the economy remaining resilient, the 10-year Treasury yield climbed to just shy of 5%, while WTI crude oil rallied to nearly $100 per barrel. Together, these developments are adding pressure on the Fed to raise interest rates.

10-Year Treasury Yield (Top) With Daily Stochastics (Bottom)



Source: Bloomberg, Annotations by Sanctuary Wealth, September 12, 2026

CPI And Core CPI Year To Year Falling But Still Above 2% Fed Target



Source: Bureau of Labor Statistics, Sanctuary Wealth, September 11, 2026

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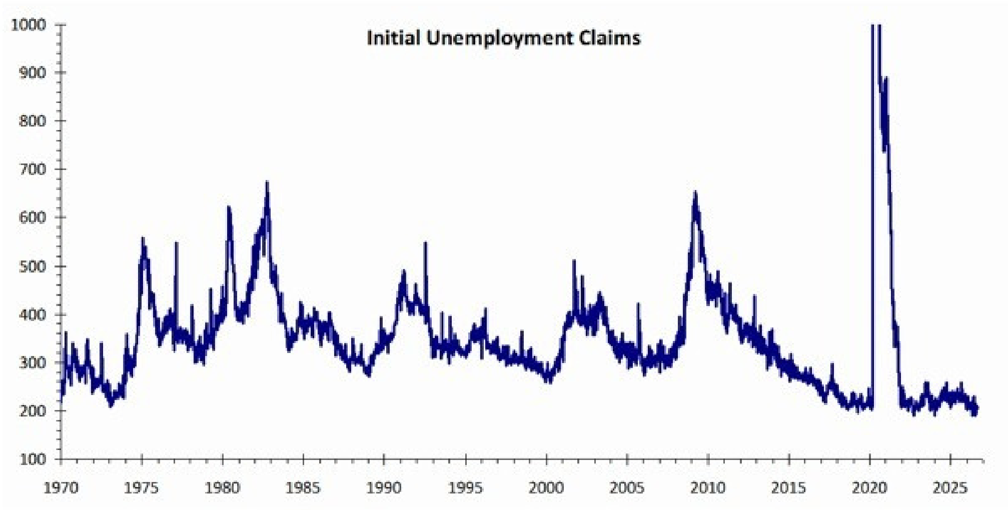
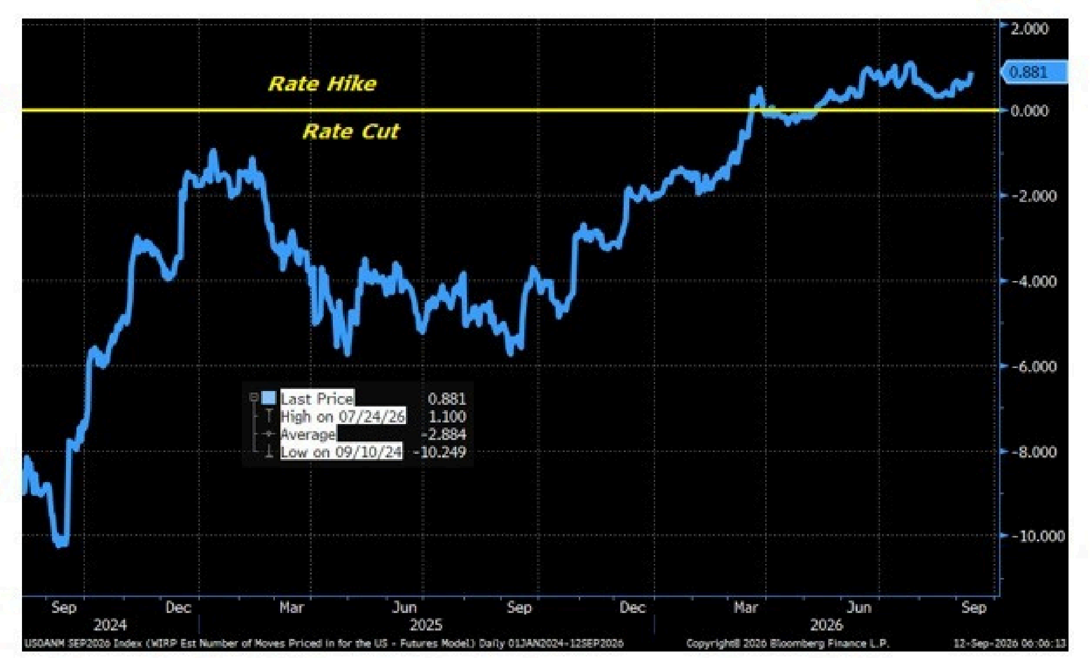
Initial Jobless Claims Remain Low



Source: Bureau of Labor Statistics, Sanctuary Wealth, September 10, 2026

Market Expectations For A September Rate Hike



Source: Bloomberg, Annotations by Sanctuary Wealth, September 12, 2026

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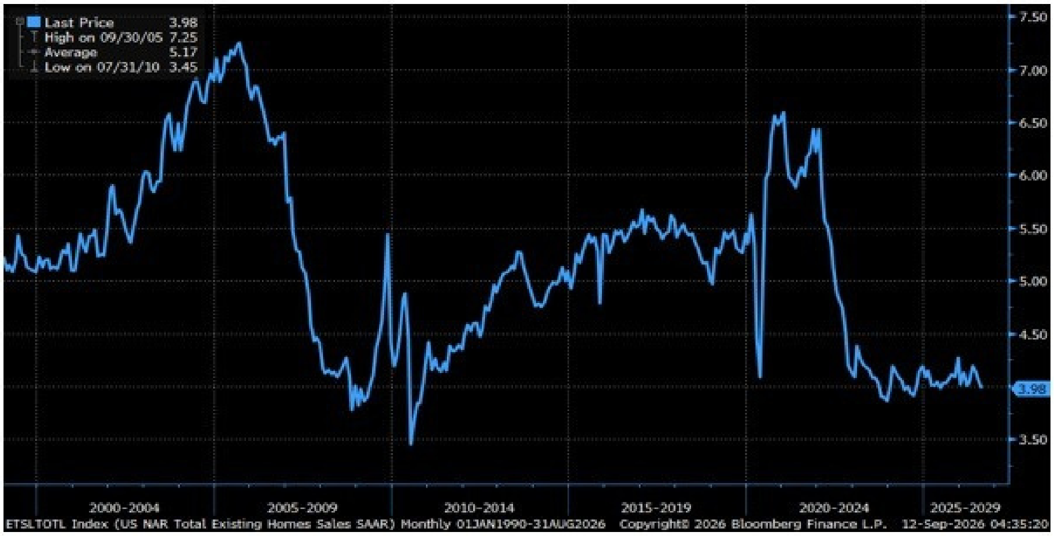
10-Year Treasury Yields Near 5% Doing The Fed's Work

The 10-year Treasury yield rose to 4.98% and finished last week at 4.97%. The 30-year yield was the highest since 2007, near 5.40%. Higher long yields lift mortgages, auto loans, and the discount rate on long-duration stocks. Existing home sales in August remained depressed at under 4 million at an annual rate. We expect the 5% level to hold, and the yield could come down if the Fed raises interest rates, giving the market confidence in its commitment to fighting inflation.

Existing Home Sales Are Weak

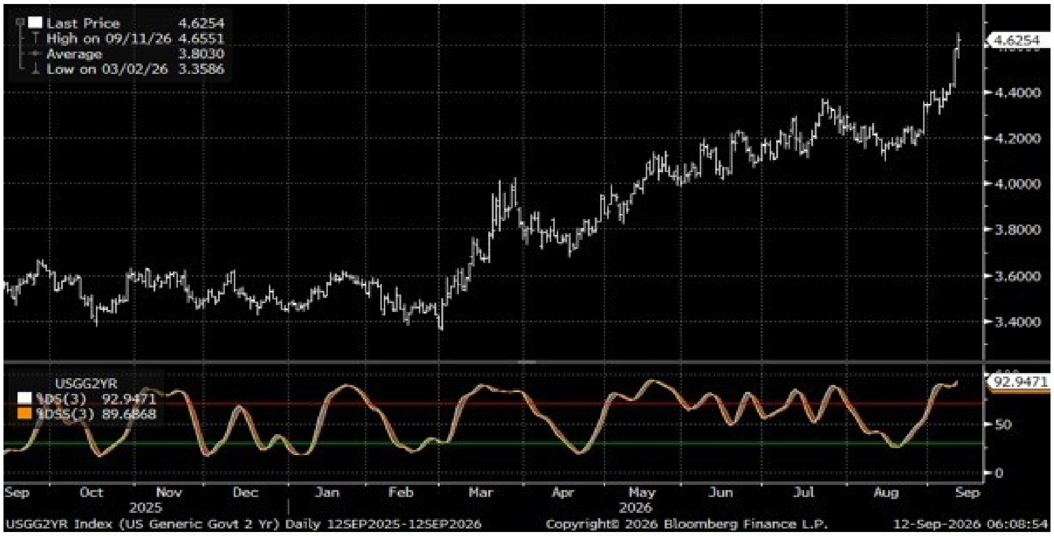


Source: Bloomberg, Annotations by Sanctuary Wealth, September 12, 2026

2-Year Treasury Yield Shows The Market Pricing A Fed Hike

The 2-Year Treasury yield is the leading indicator of expected Fed policy. If it continues higher after the FOMC statement, the market is signaling that investors expect more tightening beyond September. If it reverses lower, it would suggest the Fed may be closer to the end of this rate-hiking cycle.

2-Year Treasury Yield (Top) With Daily Stochastics (Bottom)



Source: Bloomberg, Annotations by Sanctuary Wealth, September 12, 2026

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Oil Above $100 Is An Inflation Problem

WTI settled Friday near $100.05 after briefly exceeding $104 Friday morning. The war with Iran continues to reduce the global oil supply. Iran fired on U.S. Navy ships with missiles; the U.S. destroyed Iranian tankers in response. The Houthis, Iranian allies in Yemen, seized ground at the Bab al-Mandeb Strait, the southern gate of the Red Sea, Saudi Arabia shut its East-West pipeline, the main bypass around the Strait of Hormuz, after drones struck the line. Lost flow is estimated at 2-3 million barrels a day. Saudi output reported for August was 6.24 million barrels a day, so 2-3 million barrels is a substantial decrease.

WTI oil prices broke above resistance at $97, pointing to the potential for oil to rally toward $110-$120. Higher oil prices are benefiting the Energy sector, which we are overweight. Energy is the best-performing sector this year, up nearly 45%.

West Texas Intermediate Crude (CL) (Top) With Daily Stochastics (Bottom)

Source: Bloomberg, Annotations by Sanctuary Wealth, September 12, 2026

Energy Select Sector SPDR ETF (XLE) (Top) With Daily Stochastics (Bottom)

Source: Bloomberg, Annotations by Sanctuary Wealth, September 12, 2026

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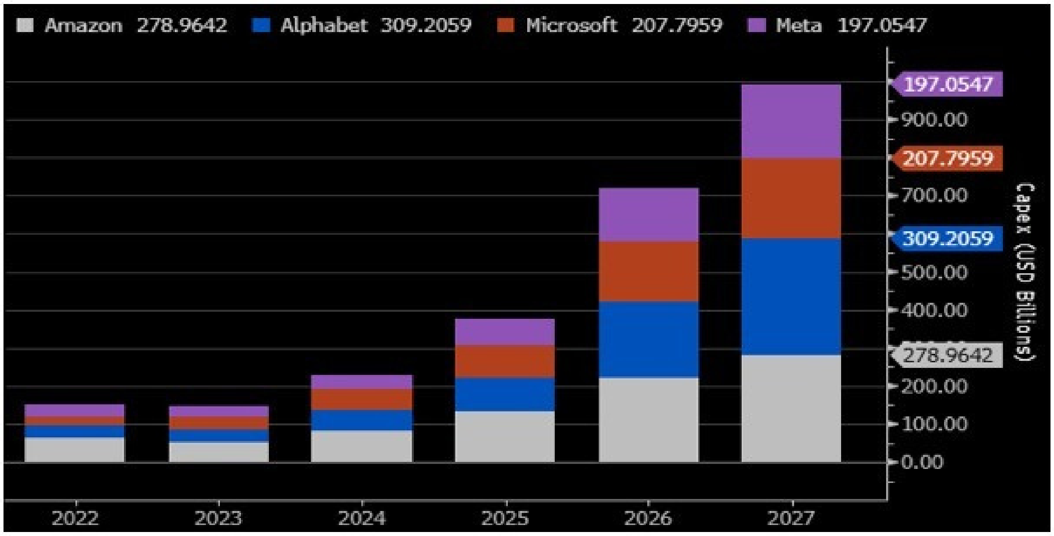
AI Demand RemainsStrong.TheConstraint IsMemoryAnd Money, Not Orders.

Oracle (ORCL) reported last Thursday that its cloud infrastructure revenue rose 121%, and Dell (DELL) also recently reported strong earnings results, reflecting continued demand for AI. This confirms that the AI buildout remains strong, with demand rising rapidly. Dell booked $60.9 billion of AI server orders in one quarter, up from $24 billion, and ended with a $95 billion backlog. Large U.S. cloud companies are lifting capital spending from the mid-$400 billions in 2025 toward the mid-$700 billions to high-$800 billions this year. Next year, 2027, is still higher in dollars.

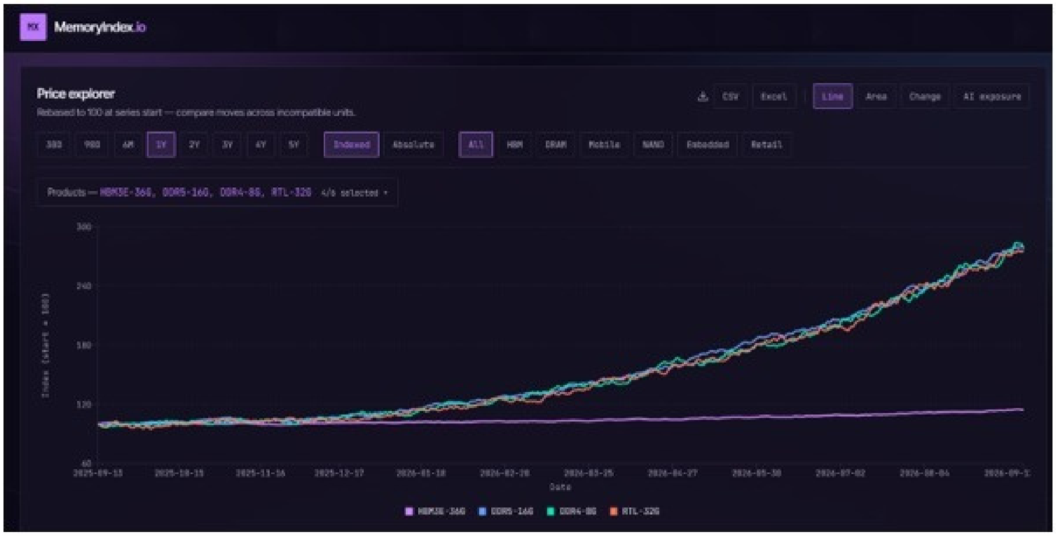
High-bandwidth memory (HBM), the stacked chips on AI accelerators, is sold out for 2026 at SK Hynix, Samsung Electronics, and Micron Technology (MU). Much of projected 2027 production is already allocated, creating a shortage. New semiconductor plants, called fabs, do not add real volume until mid-2027 or later. That puts a limit on how fast orders can become shipments.

Hyperscaler AI CapEx, 2022 – 2027 (Estimated)



Source: Bloomberg, September 12, 2026

High Bandwidth Memory Prices



Price explorer

Rebased to 100 at series start — compare moves across incompatible units.

Source: memoryindex.io

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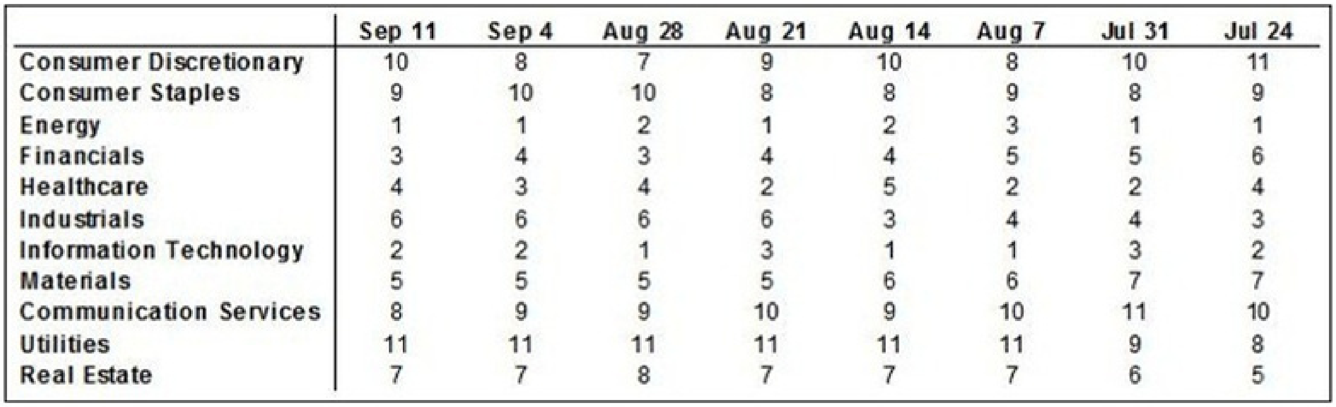
Sector Readings: Energy At The Top, Followed By Information Technology And Financials; Utilities Still Last, Then Consumer Discretionary And Consumer Staples

Energy continued to lead the market last week, followed by Information Technology, then Financials. Utilities remained the market laggard for the sixth consecutive week; Consumer Discretionary was next, followed by Consumer Staples.

Our sector model analyzes S&P 500 GICS sector classifications, using a weighted measure of price momentum across three time periods. We rank each sector from best to worst based upon the average of its 40-, 26-, and 13-week relative price performances. We rank each sector from 1 to 11, with 1 being the strongest and 11 the weakest.

Sector Rankings By 40-, 26-, And 13-Week Average Relative Price Performance



	Sep 11	Sep 4	Aug 28	Aug 21	Aug 14	Aug 7	Jul 31	Jul 24
Consumer Discretionary	10	8	7	9	10	8	10	11
Consumer Staples	9	10	10	8	8	9	8	9
Energy	1	1	2	1	2	3	1	1
Financials	3	4	3	4	4	5	5	6
Healthcare	4	3	4	2	5	2	2	4
Industrials	6	6	6	6	3	4	4	3
Information Technology	2	2	1	3	1	1	3	2
Materials	5	5	5	5	6	6	7	7
Communication Services	8	9	9	10	9	10	11	10
Utilities	11	11	11	11	11	11	9	8
Real Estate	7	7	8	7	7	7	6	5

Source: Bloomberg, Sanctuary Wealth, September 11, 2026

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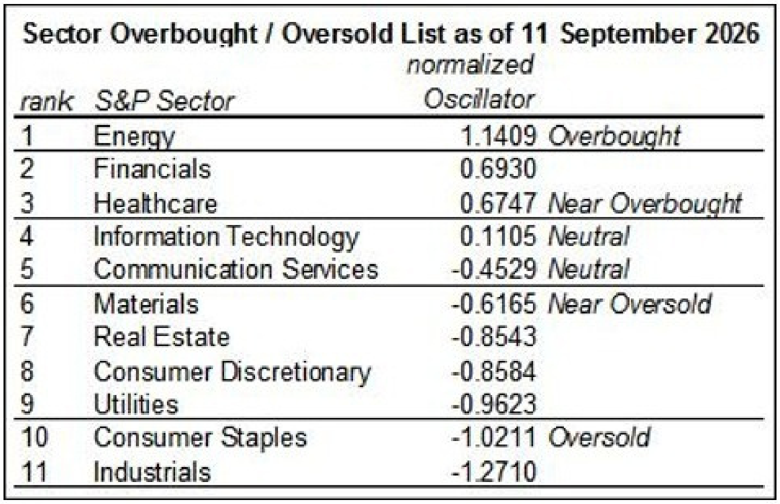
OBOS List: Energy Overbought; Financials And Healthcare Near Overbought. Industrials And Consumer Staples Oversold; Utilities, Consumer Discretionary, Real Estate, And Materials Near Oversold

Energy was overbought last week. Financials and Healthcare were near overbought. Industrials and Consumer Staples were oversold; Utilities, Consumer Discretionary, Real Estate, and Materials were all near oversold.

Our tactical sector rotation model uses the S&P 500 GICS sector classifications. We apply a 13-week rate of change methodology that normalizes the rankings from overbought (OB) to oversold (OS). An industry group is overbought when it has risen too far too fast, relative to the rest of the market, based upon its normal movement. Conversely, it's oversold when it has lost too much too fast, relative to the rest of the market, based upon its normal movement. Over time, a sector tends to move back toward its normal rate of change, relative to the rest of the market. Overbought sectors tend to slow their pace of gains in relative price, while oversold sectors tend to improve in relative price until they reach their average performance again.

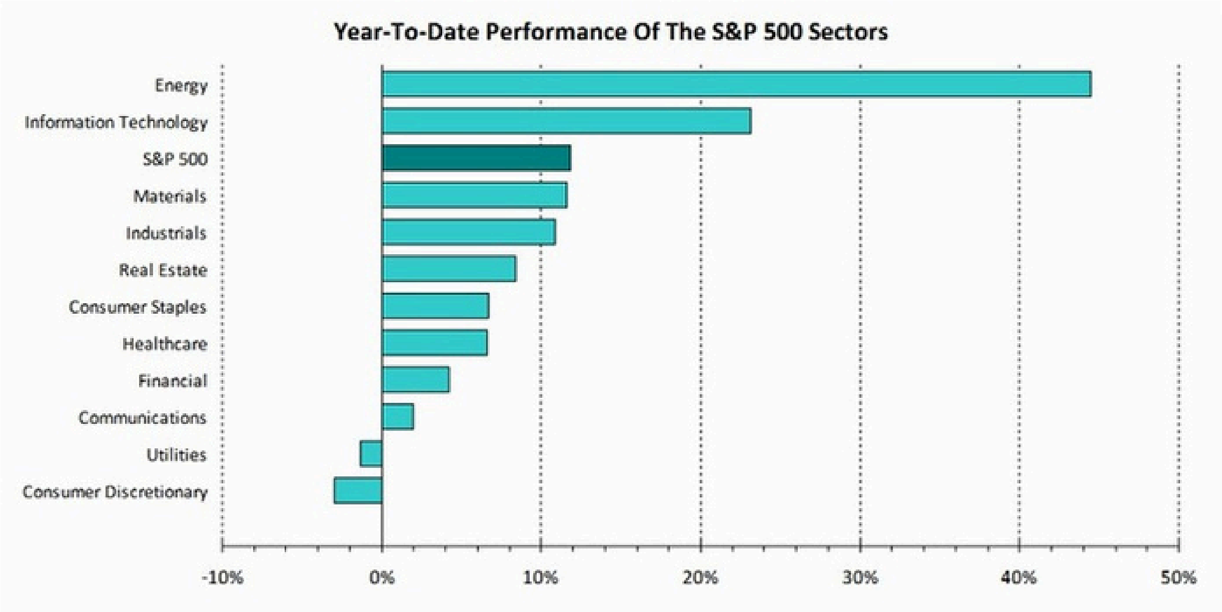
Here's our methodology: the overbought-oversold table of sectors measures the 13-week rate of change in the relative price of each sector. We then average (i.e., smooth) this over 3 weeks and normalize the results. Normalized oscillator values over 1.0 are considered overbought, while those between 0.6 and 1.0 are considered near overbought. Normalized oscillator values below -1.0 are considered oversold, while those between -0.6 and -1.0 are considered near oversold.



Sector Overbought / Oversold List as of 11 September 2026

rank	*S&P Sector*	*normalized Oscillator*	
1	Energy	1.1409	*Overbought*
2	Financials	0.6930	
3	Healthcare	0.6747	*Near Overbought*
4	Information Technology	0.1105	*Neutral*
5	Communication Services	-0.4529	*Neutral*
6	Materials	-0.6165	*Near Oversold*
7	Real Estate	-0.8543	
8	Consumer Discretionary	-0.8584	
9	Utilities	-0.9623	
10	Consumer Staples	-1.0211	*Oversold*
11	Industrials	-1.2710	

Source: Bloomberg, Sanctuary Wealth, September 11, 2026



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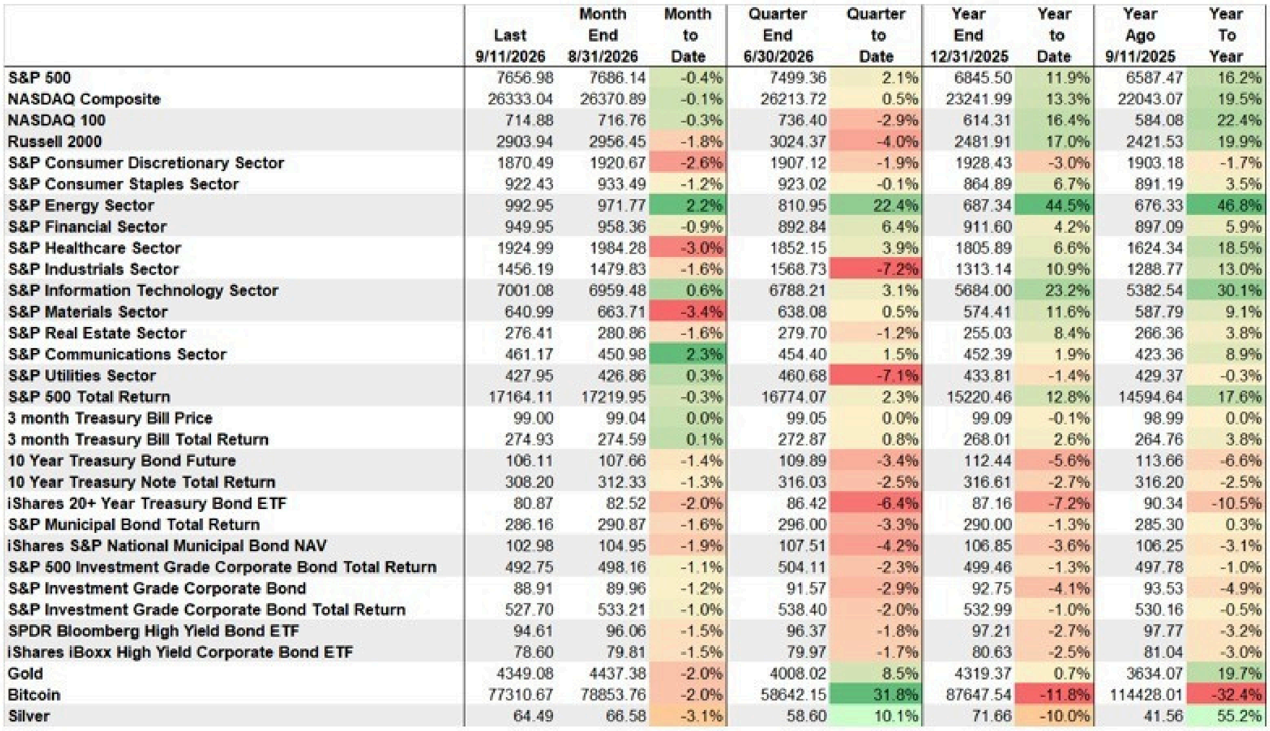
Market Performance: Energy The Standout Best Performing Asset. Bitcoin Still Weakest Year To Date, Followed By Silver



	Last 9/11/2026	Month End 8/31/2026	Month to Date	Quarter End 6/30/2026	Quarter to Date	Year End 12/31/2025	Year to Date	Year Ago 9/11/2025	Year To Year
S&P 500	7656.98	7686.14	-0.4%	7499.36	2.1%	6845.50	11.9%	6587.47	16.2%
NASDAQ Composite	26333.04	26370.89	-0.1%	26213.72	0.5%	23241.99	13.3%	22043.07	19.5%
NASDAQ 100	714.88	716.76	-0.3%	736.40	-2.9%	614.31	16.4%	584.08	22.4%
Russell 2000	2903.94	2956.45	-1.8%	3024.37	-4.0%	2481.91	17.0%	2421.53	19.9%
S&P Consumer Discretionary Sector	1870.49	1920.67	-2.6%	1907.12	-1.9%	1928.43	-3.0%	1903.18	-1.7%
S&P Consumer Staples Sector	922.43	933.49	-1.2%	923.02	-0.1%	864.89	6.7%	891.19	3.5%
S&P Energy Sector	992.95	971.77	2.2%	810.95	22.4%	687.34	44.5%	676.33	46.8%
S&P Financial Sector	949.95	958.36	-0.9%	892.84	6.4%	911.60	4.2%	897.09	5.9%
S&P Healthcare Sector	1924.99	1984.28	-3.0%	1852.15	3.9%	1805.89	6.6%	1624.34	18.5%
S&P Industrials Sector	1456.19	1479.83	-1.6%	1568.73	-7.2%	1313.14	10.9%	1288.77	13.0%
S&P Information Technology Sector	7001.08	6959.48	0.6%	6788.21	3.1%	5684.00	23.2%	5382.54	30.1%
S&P Materials Sector	640.99	663.71	-3.4%	638.08	0.5%	574.41	11.6%	587.79	9.1%
S&P Real Estate Sector	276.41	280.86	-1.6%	279.70	-1.2%	255.03	8.4%	266.36	3.8%
S&P Communications Sector	461.17	450.98	2.3%	454.40	1.5%	452.39	1.9%	423.36	8.9%
S&P Utilities Sector	427.95	426.86	0.3%	460.68	-7.1%	433.81	-1.4%	429.37	-0.3%
S&P 500 Total Return	17164.11	17219.95	-0.3%	16774.07	2.3%	15220.46	12.8%	14594.64	17.6%
3 month Treasury Bill Price	99.00	99.04	0.0%	99.05	0.0%	99.09	-0.1%	98.99	0.0%
3 month Treasury Bill Total Return	274.93	274.59	0.1%	272.87	0.8%	268.01	2.6%	264.76	3.8%
10 Year Treasury Bond Future	106.11	107.66	-1.4%	109.89	-3.4%	112.44	-5.6%	113.66	-6.6%
10 Year Treasury Note Total Return	308.20	312.33	-1.3%	316.03	-2.5%	316.61	-2.7%	316.20	-2.5%
iShares 20+ Year Treasury Bond ETF	80.87	82.52	-2.0%	86.42	-6.4%	87.16	-7.2%	90.34	-10.5%
S&P Municipal Bond Total Return	286.16	290.87	-1.6%	296.00	-3.3%	290.00	-1.3%	285.30	0.3%
iShares S&P National Municipal Bond NAV	102.98	104.95	-1.9%	107.51	-4.2%	106.85	-3.6%	106.25	-3.1%
S&P 500 Investment Grade Corporate Bond Total Return	492.75	498.16	-1.1%	504.11	-2.3%	499.46	-1.3%	497.78	-1.0%
S&P Investment Grade Corporate Bond	88.91	89.96	-1.2%	91.57	-2.9%	92.75	-4.1%	93.53	-4.9%
S&P Investment Grade Corporate Bond Total Return	527.70	533.21	-1.0%	538.40	-2.0%	532.99	-1.0%	530.16	-0.5%
SPDR Bloomberg High Yield Bond ETF	94.61	96.06	-1.5%	96.37	-1.8%	97.21	-2.7%	97.77	-3.2%
iShares iBoxx High Yield Corporate Bond ETF	78.60	79.81	-1.5%	79.97	-1.7%	80.63	-2.5%	81.04	-3.0%
Gold	4349.08	4437.38	-2.0%	4008.02	8.5%	4319.37	0.7%	3634.07	19.7%
Bitcoin	77310.67	78853.76	-2.0%	58642.15	31.8%	87647.54	-11.8%	114428.01	-32.4%
Silver	64.49	66.58	-3.1%	58.60	10.1%	71.66	-10.0%	41.56	55.2%

Source: Bloomberg, Sanctuary Wealth, September 11, 2026

All Eyes On The Fed

This week's actions by the FOMC and global central banks, plus housing data and "triple witching," could keep volatility elevated.

The most important event this week is the FOMC announcement on interest rates Wednesday afternoon. The Bank of England and the Bank of Japan hold meetings after the FOMC rate decision. The Bank of England is expected to hold, but the Bank of Japan could raise rates, which should lift the yen and squeeze dollar-funded trades. Housing starts are reported on Thursday, industrial production on Friday. Quarterly options and futures expiration will also take place Friday, an event often called "triple witching," which can create volatility and generate much higher-than-normal trading volume.

Calendar

Mon.	No events scheduled Earnings: Dave & Buster's*
Tue.	8:30 AM Empire State Manufacturing Survey TBA U.S. Federal Open Market Committee meeting
Wed.	8:30 AM Retail Sales 8:30 AM Import Prices 10:00 AM Manufacturing & Trade: Inventories 10:00 AM NAHB Housing Market Index 2:00 PM Federal Reserve economic projections 2:00 PM U.S. interest rate decision Earnings: Lennar
Thu.	8:30 AM Housing Starts 8:30 AM Philadelphia Fed Business Outlook Survey 8:30 AM Weekly Jobless Claims 10:00 AM Pending Home Sales
Fri.	9:15 AM Industrial Production, M/M% 9:15 AM Capacity Utilization % 10:00 AM Leading Indicators

*Earnings reflect highlights

Sources: MarketWatch/Kiplinger's

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