

Week In Review

OLLI-GMU Investment Forum

Sep 16, 2026

Today: Fed announcement on interest rates later today – 90% chance of a raise

AI apocalypse scares the market

US-Iran war is expanding into a large war

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Disclaimer: I am not a certified financial analyst.

Any trading decisions you make are your responsibility

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Economic commentary

We have a strong economy amid considerable uncertainty

- US economy continues strong; recession risk is low
- US “little war” becoming a big war – a turning point
 - Saudi land pipeline cut off by Yemen
 - Yemen driving to control Red Sea access
- August CPI rises to 3.4% YoY vs. est 3.4%
 - Fed likely to raise interest rates today
- Canada seeks EU “Associate Member” status
- Gas prices hit \$4.32/gal; diesel hit \$10/gal in CA
 - Costco is rationing motor oil
- ISM Services PMI 54.1%; impressive expansion
- ISM Manufacturing PMI 54.6; impressive expansion

Market Commentary

Stocks steady
Bonds wary

- AI stocks sell off on apocalyptic fears
 - And rising interest rates
- 10-year Treasury bonds hit 5%
 - Highest since 2007; market is whining
 - Hedge funds are buying Treasuries again (WSJ)
- CNN fear gauge: 29; fell sharply to fearful
- VIX: rising slightly to 17; neutral
- Put/call ratio rising to 0.8; fearful
- AAI Investor survey: 38% bullish; 39% bearish
- https://www.nytimes.com/2026/09/11/business/bond-market-interest-rates.html?unlocked_article_code=1.AVE.Cj1f.QahRWQIOvee7&smid=nytcore-ios-share

Now what?

- US economy is strong amid significant uncertainty:
 - War with Iran, oil prices, inflation; retail sales slipping, consumer confidence slipping
- Fed interest rate increase for today is likely (90% chance)
- Bond market is very concerned with yields rising
- Stock market is being held up by strong earnings; they will eat the higher interest rates
- Protect yourself through diversification, stop loss orders and put options

Quote of the day

“You don’t diversify to get rich. You diversify to stay rich.” Seth Bernstein, CEO, AB Bernstein
Podcast of note: Sep 11; Masters in Business, host Barry Ritholtz

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