WEEKLY MARKET COMMENTS – SEPTEMBER 8, 2026 – EXTERNAL

The market ended the week mainly nominally lower on Friday but did manage to finish with small gains of .09% for the S&P to 7718 and .40% for the Nasdaq to 26,506. This was its fifth advance in the past six weeks, so things are sort of going nowhere recently in the major averages, although there has been much volatility in individual equity names and groups. The Dow finished with a small decline down to 53,414 for its third loss in the past four weeks.

The market presently expects the Fed to raise interest rates before the year ends in an effort to cool down inflation, which has been running hot due to rising oil prices amid the U.S. war with Iran and remains well above 3 percent. The Fed's goal is to cool inflation to a target of 2%.

The surprise increase in hiring in August could allow the Fed to raise the rate to fight inflation at their next policy meeting. On the other hand, this potential increase is not a forgone conclusion.

Hiring last month exceeded the 65,000 that was predicted, to 162,000 and there were upward revisions of 55,000 in June and July, as the unemployment rate stayed the same at 4.1%.

The stronger jobs market could complicate matters for the Fed, whose job it is to support jobs growth as it deals with inflationary pressures. Increasing rates can help deal with inflation but at the same time it can also slow economic growth as borrowing costs go higher for businesses and individual households.

Currently the expectations for a rate increase later this month went to 60.4%, higher than the 49.4% the day before. The report was stronger in the sense that the number of people looking for work rose slightly to 61.6%, which was the first gain in 11 months in the participation rate. Meantime, the underemployment rate dropped to 7.7%, which was the lowest since June 2025.

One person not happy with this was the President who said "We just got GREAT numbers on jobs, and the market should go UP, because out credit and economy are better but, as always for the past 25 years, the stock market goes DOWN because we're living under False Reality that if things are good, you've got to KILL IT because of a "fear of Inflation."

The jobs report lowered the bar for an interest rate hike, which now puts even greater focus on the P.P.I. released on Thursday, September 10th and even more importantly on the C.P.I. on Friday, September 11th.

Inflation data for June and July showed price growth weakening, and this followed a gain in May due to higher gasoline prices due to the war with Iran. If August shows a month of cooler inflation data, the Fed could hold rates steady at the present time.

Economists expect the PPI to indicate to show that wholesale prices rose by 0.4% in August, and this compares to no change in July prices. This projected gain could raise wholesale inflation up to 5.4% in 2026, higher than July's 4.7% annual rise.

A gain in inflation would be due to higher energy costs, especially those for diesel. Absent food and energy costs, so-called PPI must have gained 0.3% in August, compared to 0.2% in July.

A gain in wholesale inflation is not projected to enter into the CPI index as the latter is expected to have gained 0.4% last month, up from July's 0.1% gain. This means that inflation should have slowed to 3.3% from July's rate of 3.4%.

Core CPI is projected to show even less growth, with gains of 0.2% which is the same as those in July. The projection is for core CPI to gain 2.3% which would indicate the slowest core rate in five years, and less than that of July's 2.5%.

One should keep their eyes on this latest statistic and this will probably decide whether the Fed does anything at its next meeting on September 16th.

Earnings this week include: today – Casey's General Stores; Thursday – ADBE, ORCL and M; Friday – KRG.

Economic reports will have: Thursday and Friday – August PPI and CPI as mentioned above, September U. of Michigan Consumer Sentiment Survey.

One stock of interest this week could be AAPL, which is refreshing its Mac minis and Mac studio models on Wednesday. It will also introduce some new products like iPhones, watches and Air Pods.

Even though the market is scheduled to open lower this morning, the stock is retaining a nominal higher bid to begin.

WEEKLY MARKET COMMENTS – SEPTEMBER 8, 2026 – EXTERNAL – DONALD M. SELKIN – CHIEF MARKET STRATEGIST