WEST SHORE BANK

WEEKLY RECAP - September 8, 2026

Economic & Market Commentary

Stocks eked out modest gains last week as investors weighed encouraging economic data against rising interest rates and geopolitical concerns. Economic reports generally reinforced the view that growth remains intact, with ISM Manufacturing, ISM Services, and the August employment report all posting solid numbers. ISM survey respondents cited healthy demand, solid order activity, and ongoing business expansion despite continued pressure from higher input costs, energy prices, and supply chain challenges. The August employment report similarly pointed to a resilient labor market, with payrolls increasing by 162,000 versus expectations for 65,000 while unemployment remained historically low. Together, the reports suggested economic activity remains on solid footing even as businesses continue to navigate an environment of elevated rates and costs. The Federal Reserve's Beige Book characterized economic activity as expanding at a moderate pace across most districts, supporting the narrative of continued economic resilience. While the economic backdrop remained constructive, stronger growth expectations and lingering inflation concerns pushed interest rates higher, creating a headwind for financial markets. Global bond yields moved higher amid ongoing concerns surrounding the Iran conflict, elevated oil prices, and growing sovereign debt burdens. Early last week the benchmark 10-year Treasury yield climbed to 4.82%, its highest level since November 2023, reflecting both firmer growth expectations and persistent inflation concerns. Federal Reserve commentary provided some reassurance to investors. Several officials expressed support for maintaining current policy settings at the September meeting, reinforcing expectations that the Fed may remain on hold as policymakers assess the cumulative effects of prior tightening. The prospect of rate stabilization helped offset some of the pressure created by higher long-term yields. Ultimately, markets balanced encouraging signs of economic growth against the challenges posed by rising rates and geopolitical uncertainty, allowing equities to finish the week with modest gains.

Index Total Returns - September 4, 2026

	1-Wk	YTD	1-Yr
MSCI-Emerging	0.26	24.61	39.47
Russell 2000	0.15	20.83	26.60
S&P 400	0.18	15.50	16.97
NASDAQ	0.42	14.51	22.85
MSCI-Developed	-0.16	14.08	22.87
S&P 500	0.13	13.65	20.11
Dow Jones	-0.16	12.39	18.99
Barclay's U.S. Bond Index			
High Yield	-0.15	2.57	4.65
5-year Muni	-0.37	0.45	1.28
Municipal	-0.81	-0.33	3.25
Int. Gov. Credit	-0.11	0.07	1.44
Aggregate	-0.18	-0.40	1.34

ISM Report on Manufacturing and Service Activity



U.S. Treasury Yields

Treasury Yields	Latest Close	Week Ago	1-Year Ago
U.S. 1-Yr	4.13	4.13	3.75
U.S. 2-Yr	4.37	4.35	3.59
U.S. 3-Yr	4.44	4.41	3.55
U.S. 5-Yr	4.54	4.49	3.64
U.S. 10-Yr	4.78	4.73	4.16
U.S. 30-Yr	5.24	5.21	4.86

Municipal Yields - Bloomberg/Barclays Index

Issue Type	Latest Close	Week Ago	1-Year Ago
U.S. AAA	3.96	3.82	3.68
U.S. AA	3.96	3.82	3.72
U.S. A	4.27	4.14	4.10
U.S. Baa	4.79	4.68	4.76
U.S. Municipal	4.07	3.93	3.86
Michigan	4.16	4.02	3.99

S&P 500 Sector Total Returns - September 4, 2026

Sector	1-Wk	YTD	1-Yr
Energy	2.28	44.45	48.19
Info Tech	1.10	23.86	34.18
Materials	-1.42	15.99	15.74
Industrials	-1.04	13.66	17.27
Health Care	0.17	11.80	27.04
Real Estate	-1.21	11.68	10.44
Consumer Staples	-0.79	9.04	7.14
Financials	0.02	7.09	9.26
Utilities	0.82	2.29	5.82
Comm. Services	-0.42	1.37	9.88
Con. Discretion	-2.05	-1.34	0.75

Index Characteristics	P/E NTM	P/E NTM 10yr-Avg.	Dividend Yield
S&P 500 - Large Cap	19.60	19.48	1.02
S&P 400 - Mid Cap	15.80	16.66	1.19
S&P 600 - Small Cap	14.93	16.53	1.43

Sources: FactSet, Federal Reserve, U.S. Bureau of Labor Statistics, ISM