WEST SHORE BANK

WEEKLY RECAP - September 14, 2026

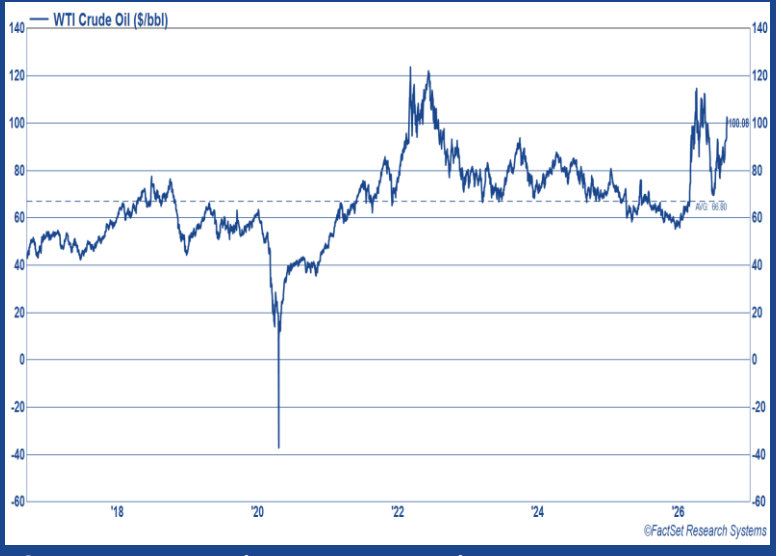
Economic & Market Commentary

Stocks finished lower last week as rising interest rates and renewed geopolitical tensions weighed on investor sentiment. Treasury yields moved sharply higher as the 10-year Treasury yield rose 20 basis points to 4.97%, its highest level since October 2023 and the largest weekly rise since May. The 2-year Treasury rose 25 basis points from 4.36% to 4.61%. The main catalyst was the escalation and spread of the Iran war, which pushed oil prices sharply higher and revived fears that energy costs could add renewed inflationary pressure. Crude oil rose from approximately $92 per barrel at the start of the week to roughly $102 by week's end. Inflation concerns were reinforced by a slightly hotter-than-expected core August Consumer Price Index report (+0.30% vs +0.20%), suggesting price pressures remain more persistent than many investors had anticipated. Another factor that pressured interest rates was the underwhelming Treasury buyback program. The disappointment added to broader concerns about increasing sovereign debt issuance globally and the market's capacity to absorb that supply. The Treasury Department's latest bond buyback operation failed to generate the level of demand some market participants had hoped for, adding to concerns about the private market's ability to absorb ongoing debt issuance. With foreign governments buying less U.S. debt and the Federal Reserve no longer a net buyer, private buyers such as pension funds, mutual funds, insurance companies, banks, and hedge funds are needed to take more of the new supply. As yields climbed, expectations for monetary policy shifted, with investors increasing the probability that the Federal Reserve could raise rates again at its September meeting. Rate hike odds for the September 16 FOMC meeting rose from roughly 50-60% at the start of the week to 70% by Thursday and nearly 90% following the CPI report. Two rate hikes by year-end are now fully priced. These rising rate hike odds pressured the policy sensitive 2-year Treasury. The combination of higher bond yields, rising energy prices, and a more hawkish Fed outlook weighed on equity valuations throughout the week.

Index Total Returns - September 11, 2026

	1-Wk	YTD	1-Yr
MSCI-Emerging	-0.23	24.32	33.90
Russell 2000	-2.38	17.95	21.41
NASDAQ	-0.64	13.78	20.19
S&P 400	-1.85	13.36	13.45
S&P 500	-0.78	12.77	17.61
MSCI-Developed	-1.38	12.51	18.59
Dow Jones	-1.56	10.64	15.88
Barclay's U.S. Bond Index			
High Yield	-0.54	2.01	3.54
5-year Muni	-0.84	-0.40	-0.37
Int. Gov. Credit	-0.75	-0.69	0.26
Aggregate	-1.04	-1.43	-0.73
Municipal	-1.23	-1.55	-0.04

Crude Oil Prices



U.S. Treasury Yields

Treasury Yields	Latest Close	Week Ago	1-Year Ago
U.S. 1-Yr	4.32	4.13	3.63
U.S. 2-Yr	4.63	4.37	3.54
U.S. 3-Yr	4.72	4.44	3.50
U.S. 5-Yr	4.79	4.54	3.59
U.S. 10-Yr	4.97	4.78	4.02
U.S. 30-Yr	5.35	5.24	4.65

Municipal Yields - Bloomberg/Barclays Index

Issue Type	Latest Close	Week Ago	1-Year Ago
U.S. AAA	4.16	3.96	3.40
U.S. AA	4.18	3.96	3.45
U.S. A	4.48	4.27	3.83
U.S. Baa	4.95	4.79	4.50
U.S. Municipal	4.28	4.07	3.58
Michigan	4.36	4.16	3.73

S&P 500 Sector Total Returns - September 11, 2026

Sector	1-Wk	YTD	1-Yr
Energy	2.06	47.43	51.19
Info Tech	-0.17	23.65	30.78
Materials	-2.70	12.86	10.88
Industrials	-1.64	11.80	14.36
Real Estate	-1.03	10.53	7.30
Consumer Staples	-0.62	8.36	6.10
Health Care	-3.54	7.84	20.58
Financials	-1.50	5.48	7.62
Comm. Services	1.06	2.45	9.71
Utilities	-1.60	0.66	2.52
Con. Discretion	-1.21	-2.53	-1.06

Index Characteristics	P/E NTM	P/E NTM 10yr-Avg.	Dividend Yield
S&P 500 - Large Cap	19.37	19.49	1.02
S&P 400 - Mid Cap	15.43	16.66	1.22
S&P 600 - Small Cap	14.54	16.53	1.47

Sources: FactSet