September 2026

It’s back to school season and more importantly the start of football season. Go Pack Go and may the odds be in your Fantasy Team’s favor!

This past month, market news was largely focused on inflation, the treasury market and US debt along with a continued focus on AI (Artificial Intelligence).

While August brought heatwaves across the country, we did see some cooling as it relates to inflation. The Labor Department reported that inflation was at 3.4% in July which was lower than June’s 3.5%; core prices rose by 2.5% over the past 12 months which was also down from the 2.6% on a rolling 12-month basis in June.

During Fed Chair Kevin Warsh’s first speech at Jackson Hole, he said, “while this summer’s inflation readings were better than expected, they do not tell me that underlying trends have meaningfully improved.” He then went on to hint that interest rates could move higher if more progress is not made on easing price pressures (source: CNBC). Currently, the bond market has priced in almost two Fed rate hikes over the next year, although we expect policy rates to remain on hold, because of easing inflation pressures and trend-like economic growth (source: Invesco). The unknowns on inflation continue to be the closure of the Strait of Hormuz and now the potential trade war with Canada.

Near the end of August, it was reported that the US national debt crossed $40 Trillion. While concerning, the net interest is now back above 3% of GDP, like what we saw in the 1980’s-1990’s (source: First Trust). Since the last Federal Reserve meeting in July, interest rates have climbed to their highest levels since 2007 (source: WSJ). Treasury Secretary, Scott Bassent, said the Treasury will start buying around $2b to $4b long dated bonds in an effort to bring down long term interest rates. This could run contrary to the Federal Reserves’ efforts to tame inflation (source: WSJ)

As mentioned in past newsletters, the biggest question for economists is will the spending for AI translate to revenue and if it doesn’t, what happens next. We also saw this in recent comments from Kristalina Georgieva, the managing director of the International Monetary Fund as she noted the spreading gains from AI, saying the technology’s rollout and its economic effects are still uncertain. She mentioned financial stability risks, alluding to what many investors and analysts see as a bubble in AI-related firms’ soaring stocks and expanding borrowing (Source: WSJ). For now, AI continues to drive growth and dominate headlines.

We are now headed into my favorite time of the year, with lower humidity and cooler temperatures. As always if you need anything, don’t hesitate to call the team.

James M. Koehler, Senior Vice President
Financial Advisor
Senior Portfolio Manager

NMLS# 1316586

303 Lippincott Drive, Suite 300, Marlton, NJ 08053   856-489-2474