Monthly **Market Commentary** - September 2026

Global equity markets gained 0.9% in September, though the aggregate figure masked significant disparities. Technology gains were enough to offset losses elsewhere, as strong business sentiment and AI-related investment lifted growth expectations. Towards month-end, however, investors began to question how long big tech could go it alone.

UK large-cap equities fell 2.0% and Europe ex-UK dropped 2.8%, as tech firms' immense demand for capital raised borrowing costs for non-tech companies. US large-cap equities returned 1.7%, whilst US technology large-cap equities outperformed with a 4.0% gain on persistently strong earnings growth.

Japan advanced 3.6% and emerging markets rose 1.5%, though the latter's gain was concentrated in three semiconductor manufacturers: TSMC, Samsung and SK Hynix. China lagged, falling 2.6% amid persistently weak consumption, despite hints of further stimulus.

Global bonds fell 1.7%, whilst UK gilts lost 1.2%, as government bond yields rose to multi-decade highs, led by the yield on US 10-year Treasuries. The Federal Reserve raised rates, with markets expecting another hike in October. The European Central Bank and Bank of Japan also tightened, while the Bank of England signalled a hike at its next meeting.

Commodities rose 6.9%, led by Brent crude, up 10.6%. Oil briefly reached $108 per barrel amid escalation in the Red Sea and disruption in the Strait of Hormuz, before ending the month back below $100. Gold fell 7.1%, as higher bond yields and further rate-hike expectations increased the cost of holding the non-yielding metal. Global REITs fell 3.5% as rate-sensitive sectors underperformed.