SOLLINDA
CAPITAL MANAGEMENT

Market Down & Dirty

August 31, 2026

The Data

- Major equity indices were mostly higher last week.
  - S&P 500 +0.47% Dow +0.53% Russell 2000 -1.40%, Nasdaq +0.85%[1]
    - The All-Country World Index rose +0.15%.[1]
  - S&P 500 sub-sectors were mixed for the week.
    - Tech & Financials led to the upside.[1]
    - Energy & Real Estate led to the downside.[1]
  - The CBOE Volatility Index (VIX) declined -4.82% to close at 14.40.[1]

- US Treasury bond yields were mixed.
  - US 2yr +0.12% at 4.35%, 10yr +0.00% to 4.73%, 30yr -0.05% to 5.25%.[1]
  - The short-end shot higher on the back of hawkish comments from Fed Chair Warsh.

- Commodities as an aggregate asset class were lower last week.
  - WTI Crude declined -4.20%.[1]
  - Gold sank -3.25%.[1]
  - The US Dollar index rose +0.89%.[1]

- In our opinion, U.S. economic data was mixed last week.
  - New Home Sales sank -10.5% in July as the housing market continues to be soft.[1]
  - The PCE Price Index came in at +3.7% this month as inflation continues to stick around.[1]
  - Consumer Confidence & Sentiment both ticked lower last month.[1]

- An index of equities outside the US (FTSE All-World ex-US) declined -0.33%.[1]

---

[1] Source: Bloomberg – 8/28/2026

Conclusion

- US stocks mostly posted gains last week as major US indices continue to trade in a tight range.
  - The S&P 500, Dow, & Nasdaq all saw gains on the week of under 1%.[1]
  - The small-cap tracking Russell 2000 was the lone major index to see a decline.
    - Small-cap weakness most likely was a result of the higher interest rate environment we've seen for several weeks.
    - Smaller companies rely on financing much more than larger companies and as such, are more negatively impacted if the current interest rate regime is here to stay.
  - Throughout the month of August, major indices have traded in narrow ranges.
    - The S&P 500 has closed in a narrow 2.6% band, for instance. (SPX 7,600 - 7,800).
- The biggest market event last week was the widely anticipated speech by Fed Chair Kevin Warsh on Friday at the Jackson Hole Economic Symposium.
  - His speech was largely viewed as hawkish as he vowed to bring inflation down to the Federal Reserve's target level of 2%.
  - Following Warsh's remarks, markets projected a more than 50% chance of a hike at the Fed's Sept. 16 meeting.[1]
    - At least one such move by the end of the year is seen as virtually assured.
  - Also, 2-year Treasury yields shot up by 0.12% to 4.35% after his comments, the biggest jump since he struck a similarly hardline posture toward inflation in his first post-meeting press conference in June.[1]
  - Additionally, the US Dollar rallied and gold sold off on Friday, all following the price action of a market that's anticipating a hiking Fed.
  - Supporting all of this was the PCE Price Index which rose in June by 0.2% to bring the annual increase to +3.7%.[1]
    - This shows that inflation continues to stick around and further reinforces the Fed's possible rate hiking path at their next meeting.
- S&P 500 sectors were mixed last week.
  - Tech led to the upside as Nvidia earnings blew past estimates, helping the entire sector.
    - Despite NVDA's earnings, semiconductors and memory stocks are set to close flat for the month and down substantially from their June highs.
  - Energy led to the downside as it followed crude oil lower.
    - Weakness was also seen in Real Estate as interest rates weigh on activity.
- From a near-term risk management perspective, here are some of the things we're watching:
  - Seasonality…we're entering a few week period that historically is challenging for equities.
  - Key levels we're watching are prior highs on the S&P 500, recent lows on TLT (long US Treasuries) and last week's lows on semiconductors.
  - Strong relative performance between mega caps and small caps this week could be the start of a new relative trading regime.
  - This week will also be important to see if gold stabilizes and/or resume its uptrend…or did a bubble pop?

Justin Greenhill - Chief Investment Officer – justin@sollinda.com
Ryan A. Mumy, CFP® - CEO – ryan@sollinda.com
Phone: 844/662-1211