Charts of the Week

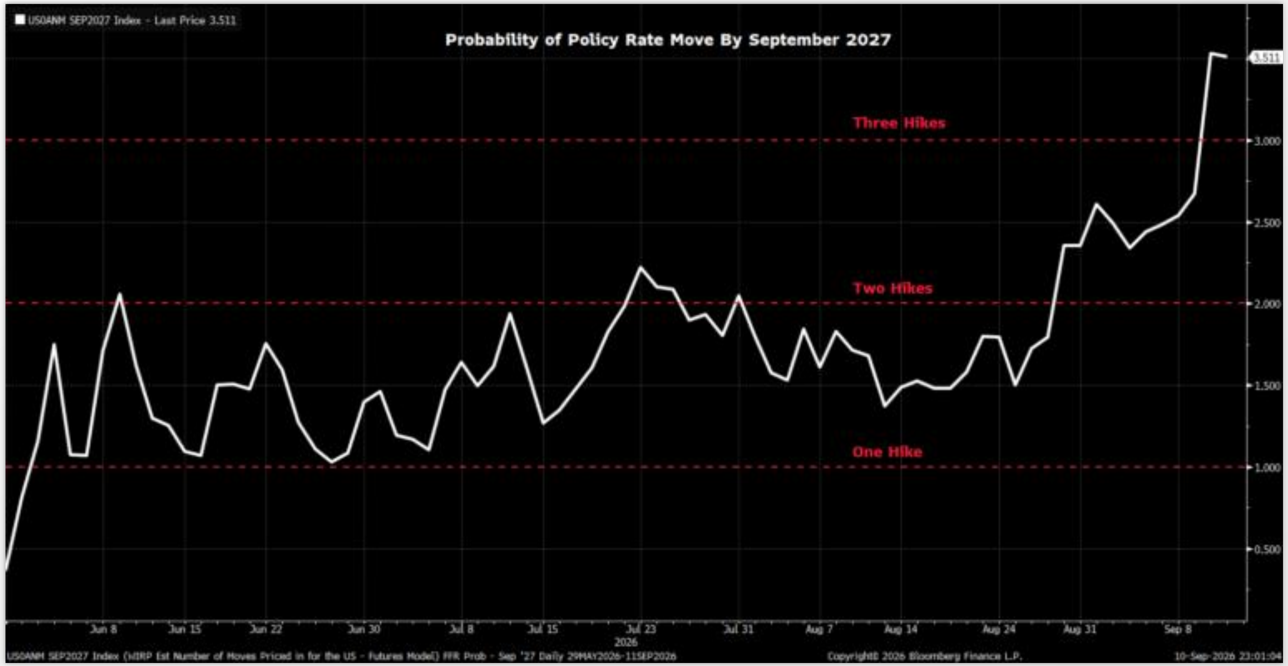
Carson Investment Research

September 8 - 11, 2026

Chart of the Week

Two Hikes Became Three and a Half

- The argument shifted this past week. It stopped being "does the Fed go on the 16th" and became “how much tightening is coming over the next year.”
- Against this pricing, a hold reads dovish and a hike reads like the opening move of a cycle, so the meeting is asymmetric in both directions.

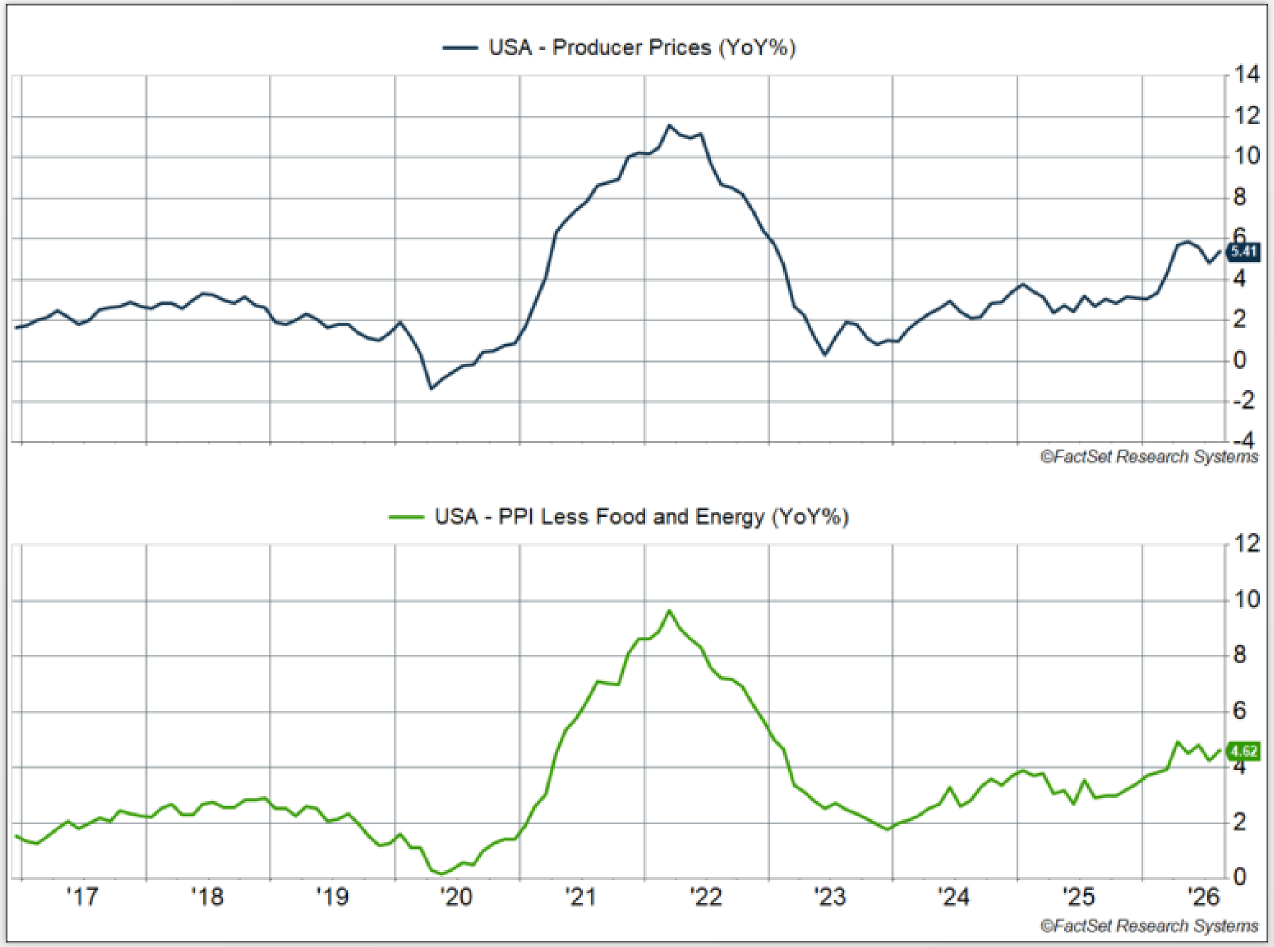


Source: Carson Investment Research, Bloomberg 9/10/26

Macro

PPI Isn't Being Nice…

- PPI prints this week, and the trend heading in isn't friendly. Headline has broken cleanly out of the 2023–2025 range with core grinding higher behind it.
- This is the series that reflects what the AI buildout is doing to input costs. Producer prices tend to set up the conversation CPI ends up having.
- It's also the Fed's dilemma in one chart: prices accelerating with no wage story behind them, which makes "look through it" a harder position to hold.

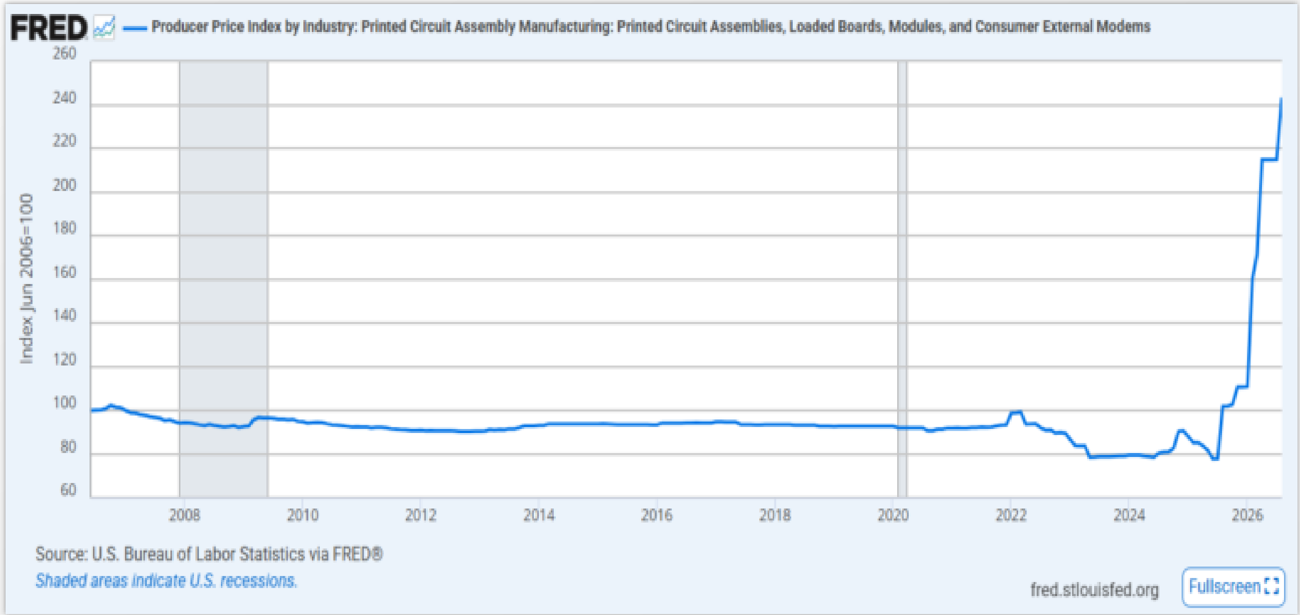


Source: Carson Investment Research, FactSet 9/10/26

Macro

What a Real Supply Shock Looks Like

- Printed circuit board prices sat flat for roughly two decades and then went nearly vertical.
- These are inputs, not necessarily end prices. Boards go into servers, cars, appliances and industrial equipment, so the cost shows up later and in more places than people expect.
- The semiconductor PPI on the same page is the same story; four decades of falling chip prices have reversed for the first time.



Source: Carson Investment Research, FRED 9/13/26

Macro

Energy Is Doing the Fed's Job in Reverse

- Both benchmarks are up roughly 50% from the June lows, with Brent back above $100.
- It also flows straight into headline inflation and Q3 earnings estimates at the same time, which is a strange combination for the Fed to weigh.

Source: Carson Investment Research, Bloomberg 9/4/26

Macro

The Long End Won’t Cooperate

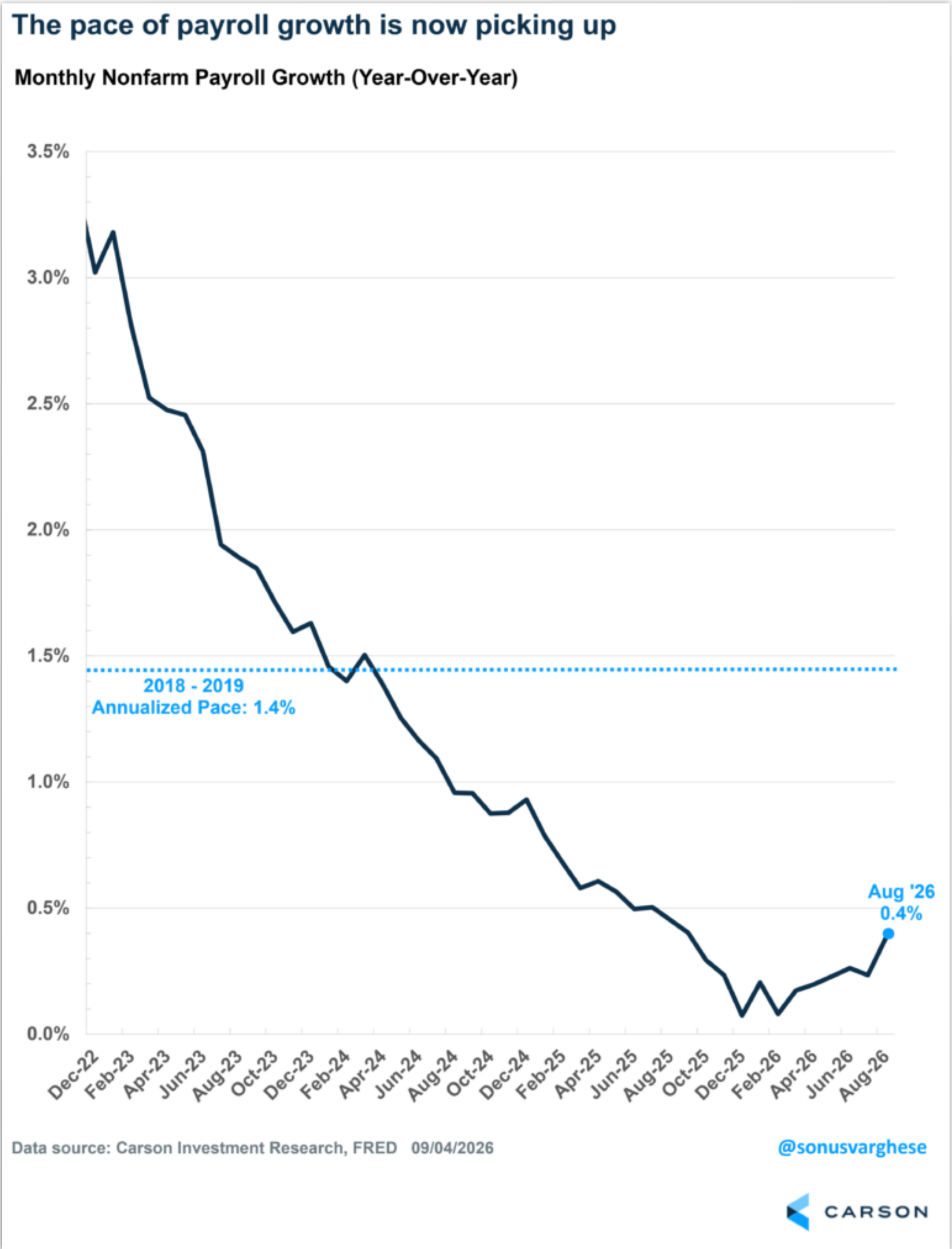
- The 30-year is back at the top of its post-2007 range. Investors aren't asking for less compensation just because growth looks fine.
- The long end isn't really about September 16. It's about inflation expectations, deficits, and how much term premium buyers want for locking up money for thirty years.
- Mortgage rates and housing stay under pressure regardless of what the Fed does at the front end.

Source: Carson Investment Research, Bloomberg 9/10/26

Markets

The Labor Market Stopped Sliding

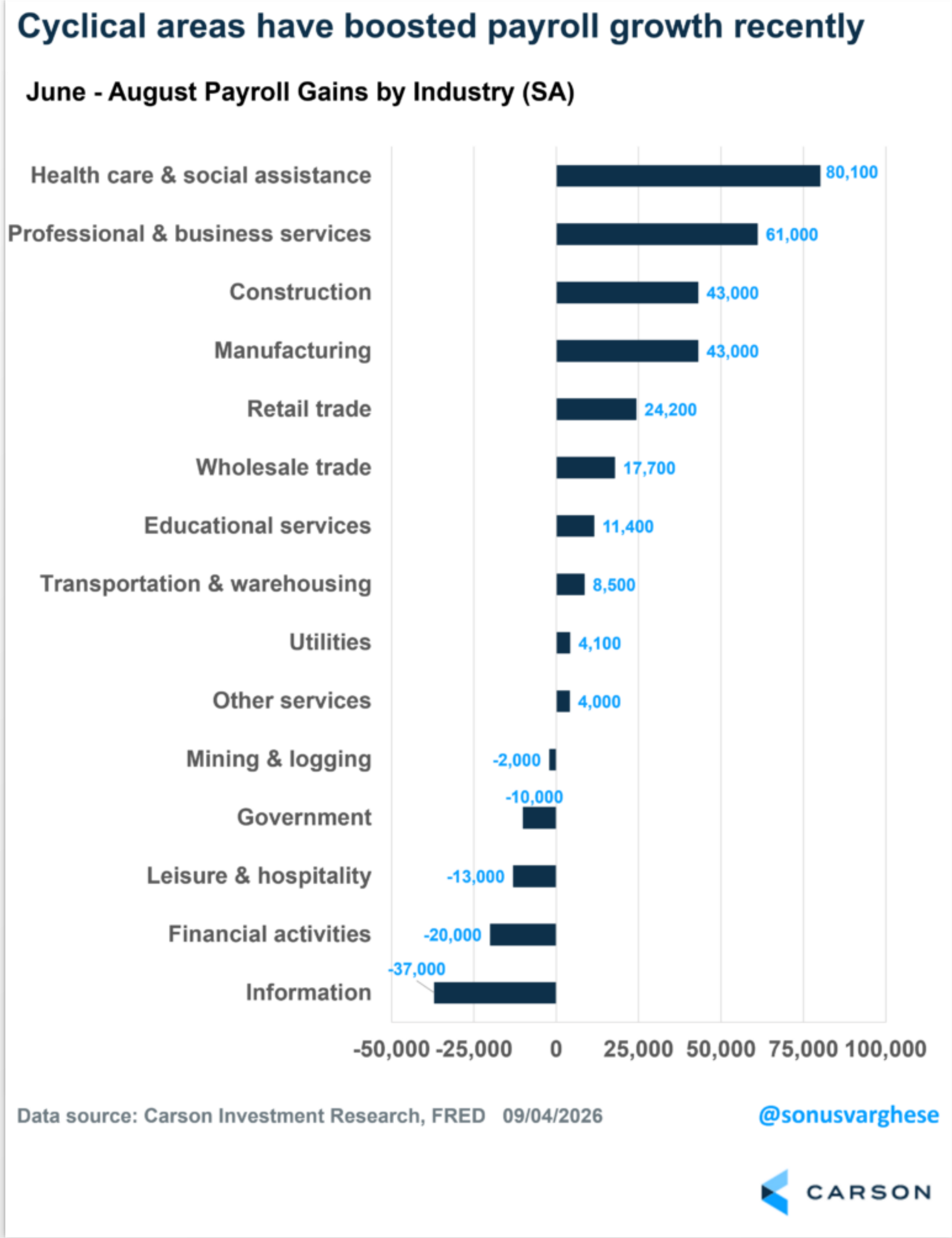
- The revisions did the heavy lifting. July flipped from -23,000 to +21,000, and the three-month average went from a worrying 20,000 to 71,000.
- -39,000 a month in Q4, then 73,000, 81,000, and 92,000. The direction matters more than any single print.
- At 0.4% year over year, it's still well below the 1.4% pace of 2018–2019, but with immigration stalled the economy needs far fewer jobs to keep pace with the population.



Markets

Hiring Has Moved to the Cyclical Side

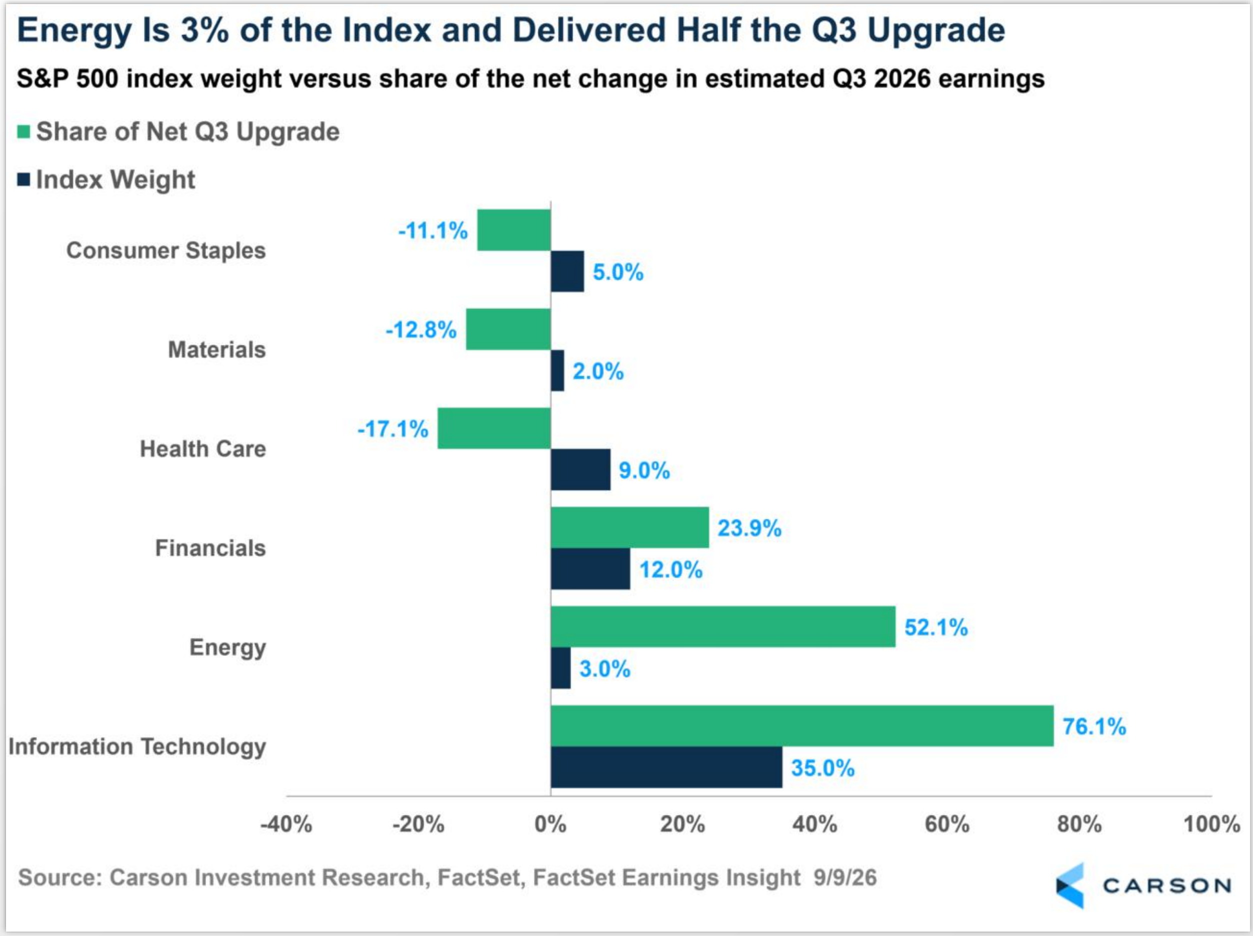
- Professional services, construction, manufacturing and trade made up the bulk of job growth over the past three months. Construction and durable goods are the data-center buildout showing up in payroll data.
- Health care still led at roughly 37% of the gain, but it's decelerating and its wage growth has effectively stopped, which is what's dragging the aggregate wage number down.



Markets

Q3 Estimates Have an Oil Problem

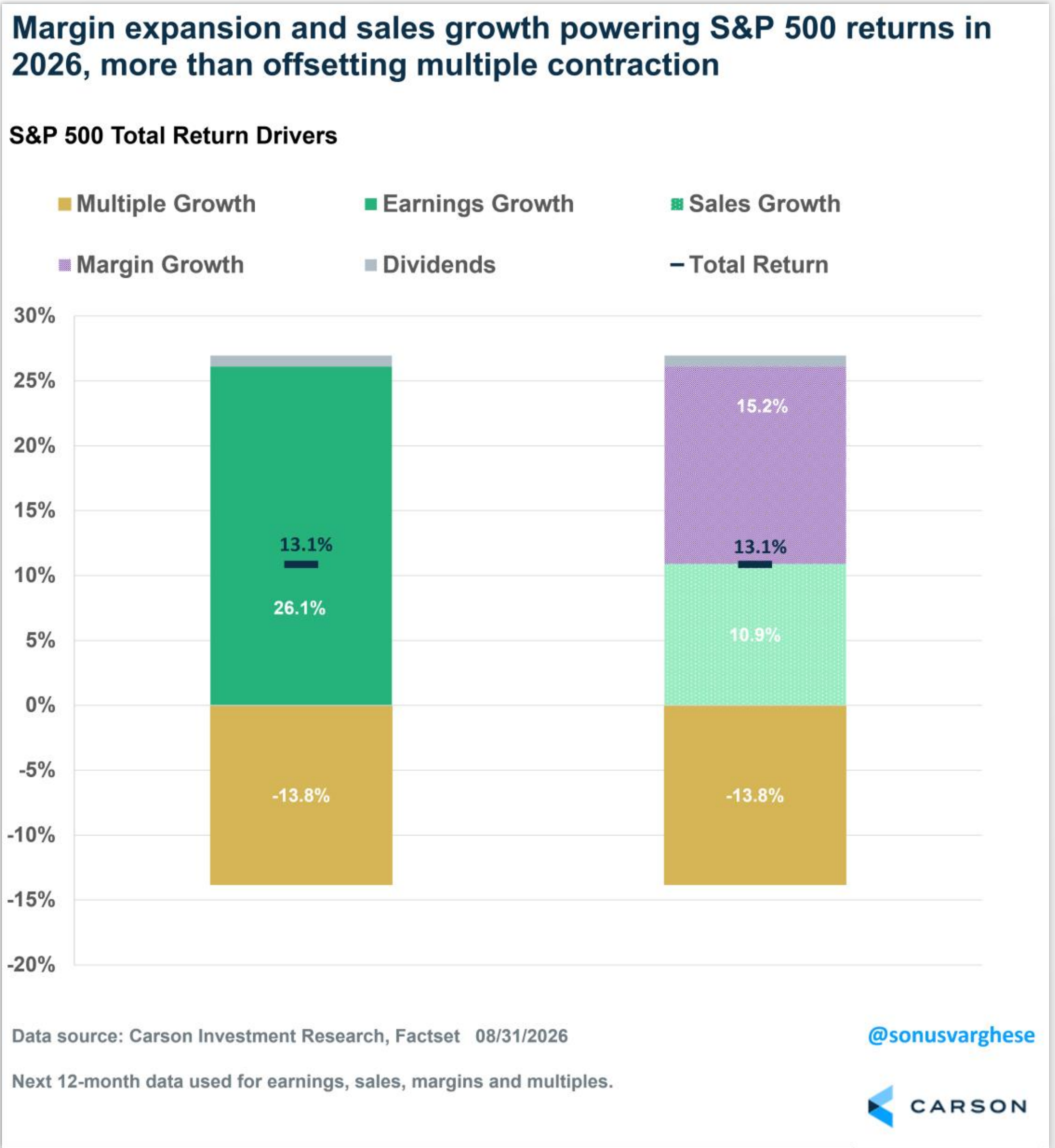
- A 3% sector delivered more than half the net increase in Q3 S&P 500 earnings estimates since June 30. Strip out energy and tech and the rest of the index went backward.
- FactSet built that math on crude around $91, and it's higher than that now, so the figure may understate where Q3 lands.
- The catch is that it's a price story. Analysts already assume it unwinds, in which they have energy earnings falling in 2027.



Markets

Investors Paid Less, Companies Delivered More

- The index returned 13.1% through August for the year while the multiple subtracted nearly 14 points. Earnings growth contributed roughly double the index's actual return.
- Margin expansion did more work than sales growth, which is pricing power. The flip side of the inflation everyone's complaining about.
- The forward P/E has fallen from 22.2x to 19.6x this year. Valuation isn't doing the lifting, which means earnings have to keep showing up.



Markets

The First Hike Tends to Sting Early

- Across the five recent cycles that opened with a quarter point, stocks were lower a month later every time and higher twelve months later every time.
- The outlier started at half a point in March 2022 and was down double digits a year out. Size has mattered more than the existence of a hike.

Not All First Hikes Are A Bad Thing, But Size Does Matter

S&P 500 Performance After The First Fed Rate Hike (1990 - Current)

			S&P 500 Forward Returns			
Date of First Hike	Size of First Hike	Length Between Hikes (Years)	One Month	Three Months	Six Months	Twelve Months
2/4/1994	0.25%	4.9	-0.8%	-5.9%	-2.5%	2.6%
3/25/1997	0.25%	2.1	-2.3%	13.6%	20.6%	39.6%
6/30/1999	0.25%	2.3	-3.2%	-7.6%	6.6%	6.0%
6/30/2004	0.25%	4.1	-3.4%	-2.3%	6.4%	5.2%
12/16/2015	0.25%	9.5	-9.2%	-1.1%	-0.1%	9.1%
3/16/2022	0.50%	3.2	0.8%	-13.0%	-10.5%	-10.1%
9/16/2026*	?	3.1	?	?	?	?
Average		4.4	-3.0%	-2.7%	3.4%	8.7%
Median		3.7	-2.7%	-4.1%	3.1%	5.6%
% Higher			16.7%	16.7%	50.0%	83.3%
If The First Hike Is 0.25%						
Average			-3.8%	-0.7%	6.2%	12.5%
Median			-3.2%	-2.3%	6.4%	6.0%
% Higher			0.0%	20.0%	60.0%	100.0%

Source: Carson Investment Research, FactSet 09/03/2026

@ryandetrick

* This assumes a hike in two weeks, but as of now, that isn't our base case

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