Snapshot

September 20, 2026

# Stocks End Week Largely Flat After Fed Hike

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The Federal Reserve raising interest rates for the first time since 2023 and indicating further hikes to come **further dragged away stocks from their records**, even though the move was largely priced in.

The S&P 500 notched a tiny 0.09% decline this week, despite eight out of the 11 sectors ending in the red. Only **health care, technology, and communication services were in the green**. The broad-based index is now off 2.1% from its all-time highs. The tech-heavy Nasdaq composite fared slightly better, up 0.72% this week, but there wasn't any specific news behind why that was so. **Bullish options bets in AI names, possibly by just one buyer,** could be providing a boost.

Fundstrat Head of Research Tom Lee still stands by his view that this will be a "Sup"-tember, and **he continues to expect the rally to be a face-ripper.** That's because fundamentals remain solid, investor sentiment remains cautious, and a waterfall decline, such as the one seen this past week, is usually followed by a rally. More importantly, incremental data, in his view, will be dovish, **which could further culminate in gains.** Currently, the index is down 0.46% this month.

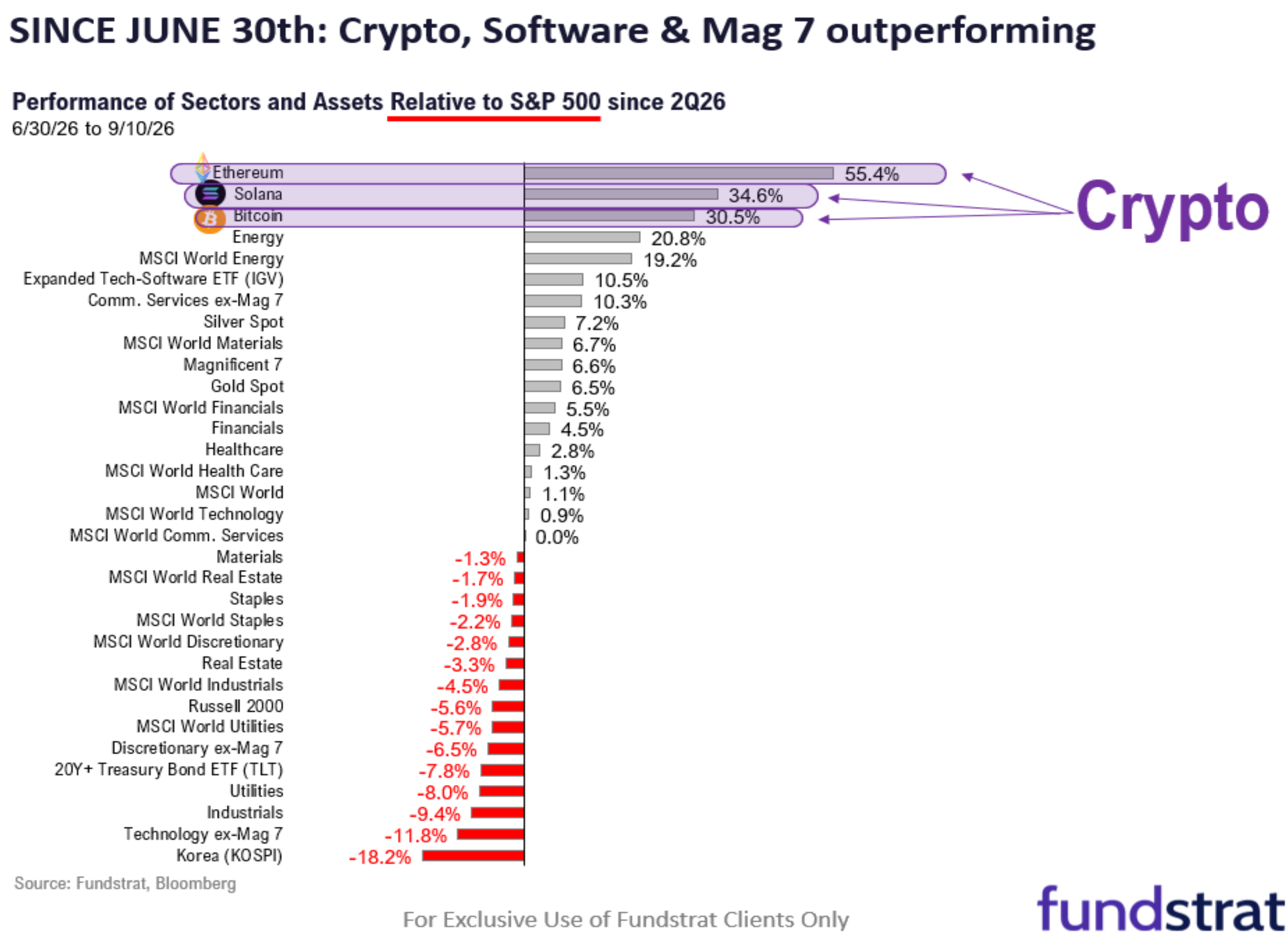
Most of the pain this week came on Wednesday, after the Federal Open Market Committee voted **unanimously for a 25 basis-point hike** to take rates in the range of 3.75%-4%. As it turns out, it's also not a one-and-done deal because the **Fed penciled in at least another hike later this year.**

On Sept. 30, the core personal-consumption expenditures report will be published under the new methodology, which hopefully **gets rid of the distortion from higher memory and storage prices.** Lee said that the Summary of Economic Projections **doesn't seem to have incorporated these well** telegraphed changes in the core PCE inflation projection of 3.4% this year.

To him, **“equity and bond investors are arguably over-reacting.”** But still, as Lee has noted in recent weeks, there’s methodological reasons for the difference between the CPI and PCE, and if the latter converges to CPI in coming months, then **“tightening today is a mistake.”**

Head of Technical Strategy Mark Newton says on a technical basis **U.S. stocks remain in “good shape”** despite the dual threat of higher interest rates and oil prices in recent days. **Long-term breadth also remains decent, with the Russell 3000’s percentage of stocks** above their 200-day moving average—a widely followed technical indicator— above 50%. (He added that most of the breadth damage is concentrated in defensive sectors like utilities, real estate, along with industrials and consumer discretionary.)


## *Chart of the Week*




*Fundstrat Head of Research Tom Lee believes that in the coming week, Fed governors will walk back on the "max hawkish" words of Warsh. He likes crypto, highlighting that ethereum remains the best performing major macro asset in the third quarter, as our Chart of the Week shows.*

## *Recent* ⚡ Flash *Insights*

**Mark L. Newton, CMT** AC

Head of Technical Strategy

If what I'm thinking is correct, this first bounce off the lows could face resistance into late today/early Monday before some "Backing and filling" which takes place during next week which is widely known to be the most seasonally bearish week of September. i do feel that this week marked a low to this pullback from mid-August, but given the choppy nature of the recent rotation coupled with ongoing weakness in Treasuries ( ^TNX ▲1.03% is back to levels near where Scott Bessent announced the bond buyback) i suspect some choppiness should be expected. Near-term, QQQ ▲0.70% showed a minor breakout as of last night's close and could extend to 721, while the larger "line in the sand" lies near 728 of this entire triangle consolidation. Thereafter, some minor consolidation could be possible ahead of my expectations of a big push up into mid-to-late October for US indices. For many who aren't short-term focused, being long and simply buying dips makes sense. Overall, a good technical move this week in many US indices, but potentially next week might not be the ideal week for the upside acceleration, if seasonality is any guide.


Sep 18 • 10:08 AM

**Mark L. Newton, CMT** AC
Head of Technical Strategy

Following the 25 bp hike for BOJ last night, in a nod to Scott Bessent, PM Ueda said "Stage for Policy Conduct has changed" However, given the 2 dissenting votes on the rate hike, **USDJPY** turned back sharply higher and the chances for an October hike have decreased to just 20%. The JGB yield curve is steepening, unlike what's been happening across the globe as US 10's-2's curve fell to 19 month lows. My thinking is that additional gains in both **USDJPY** along with **DXY** are likely into October before resuming a decline. Technically speaking, while some minor resistance looks likely near 159, pullbacks could prove short-lived at the moment before even more Yen weakness which might take this higher to 160 vs. the US Dollar. Thereafter, it's right to expect another retest of this month's lows, which might happen if US steps in to help with intervention efforts. Overall, i don't suspect USDJPY will get much under 150 before beginning another leg higher in Q4 as the preference for gradualism looks clear.


Sep 18 • 10:07 AM

**Mark L. Newton, CMT** AC
Head of Technical Strategy

The selloff in WTI Crude has continued this week, with continuous Crude contracts lower by another 4%, but largely based on reduction in geopolitical risk premium than any real normalization in the supply/demand picture, but given the Saudi resumption of more Oil in the Hormuz Strait along with the reopening of the East-West Pipeline, WTI Crude has fallen a bit more than 10% in the last three trading sessions. Technically speaking, prices are nearing initial support, and my view is the likely trajectory calls for some stabilization in price along with a mild bounce followed by a resumption of the decline in the near-term into October which should see Crude fall to the high $80's/Low $90's before a rally in October. Bottom line, this looks to be a short-term correction only, not the start of a more meaningful decline. Thereafter, i expect Crude pushes back to new highs for 2026, which means any larger peace resolution still might prove premature to expect.


Sep 18 • 9:28 AM

## *Fundstrat Direct Video: Weekly Highlight*

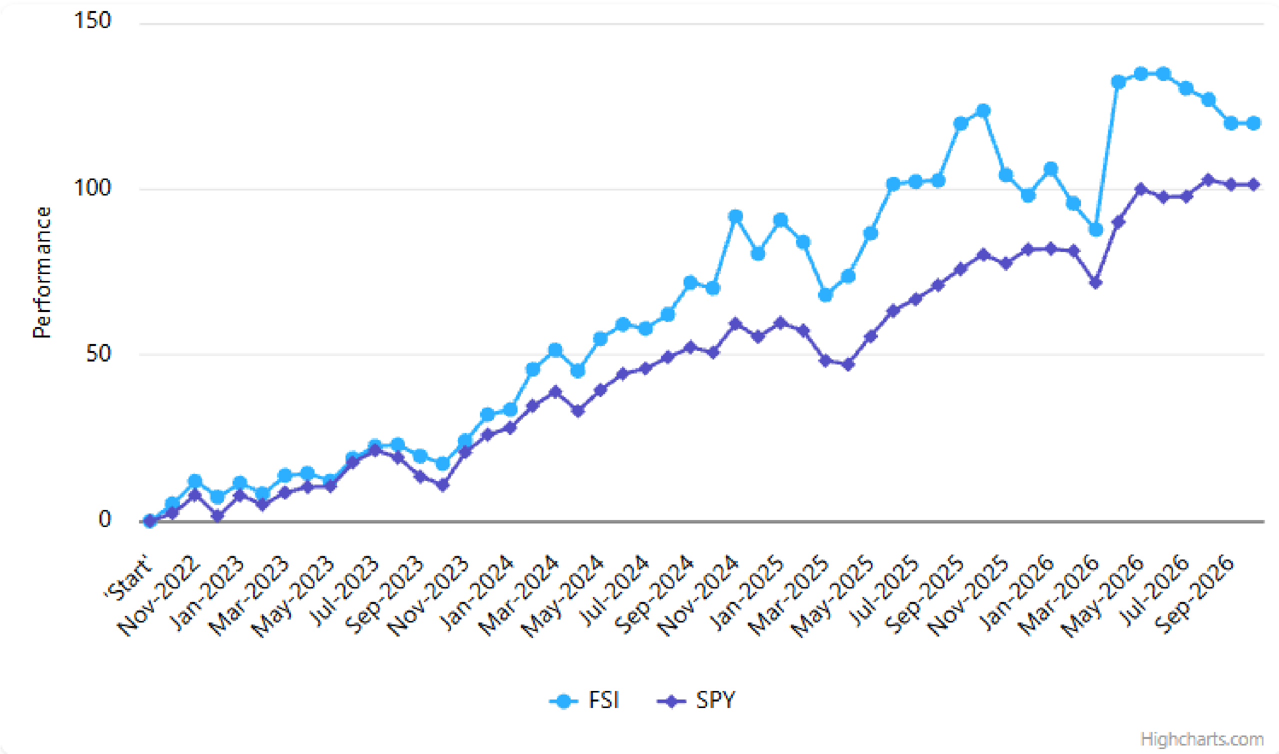

## *Key incoming data*

- ~~9/15 8:30 AM ET: Sep Empire Manufacturing Survey~~ **Tame**
- ~~9/16 8:30 AM ET: Aug Retail Sales Data~~ **Tame**
- ~~9/16 10:00 AM ET: Sep NAHB Housing Market Index~~ **Tame**
- ~~9/16 2:00 PM ET: Sep FOMC Decision~~ **Hawkish**
- ~~9/16 4:00 PM ET: Jul Net TIC Flows~~ **Tame**
- ~~9/17 8:30 AM ET: Sep Philly Fed Business Outlook~~ **Tame**
- 9/21 8:30 AM ET: Aug Chicago Fed Nat Activity Index
- 9/22 10:00 AM ET: Sep Richmond Fed Manufacturing Survey

- 9/23 9:45 AM ET: Sep P S&P Global Services PMI
- 9/23 9:45 AM ET: Sep P S&P Global Manufacturing PMI
- 9/24 10:00 AM ET: Aug New Home Sales
- 9/24 11:00 AM ET: Sep Kansas City Fed Manufacturing Survey
- 9/25 8:30 AM ET: Aug P Durable Goods Orders
- 9/25 10:00 AM ET: Sep F U. Mich. Sentiment and Inflation Expectation


## *Stock List Performance*

## Upticks vs SPY ( Inception to Date )




Performance period: October 5, 2022 through September 18, 2026

## *In the News*

It's 'really difficult' to be bearish right now: AlphaSpace analysis of bitcoin & gold

Aug 25, 2026

Stocks Rise As Bitcoin Surges

Aug 21, 2026

Bitcoin is overdue for moves of 30% or more, Fundstrat says

Aug 17, 2026

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