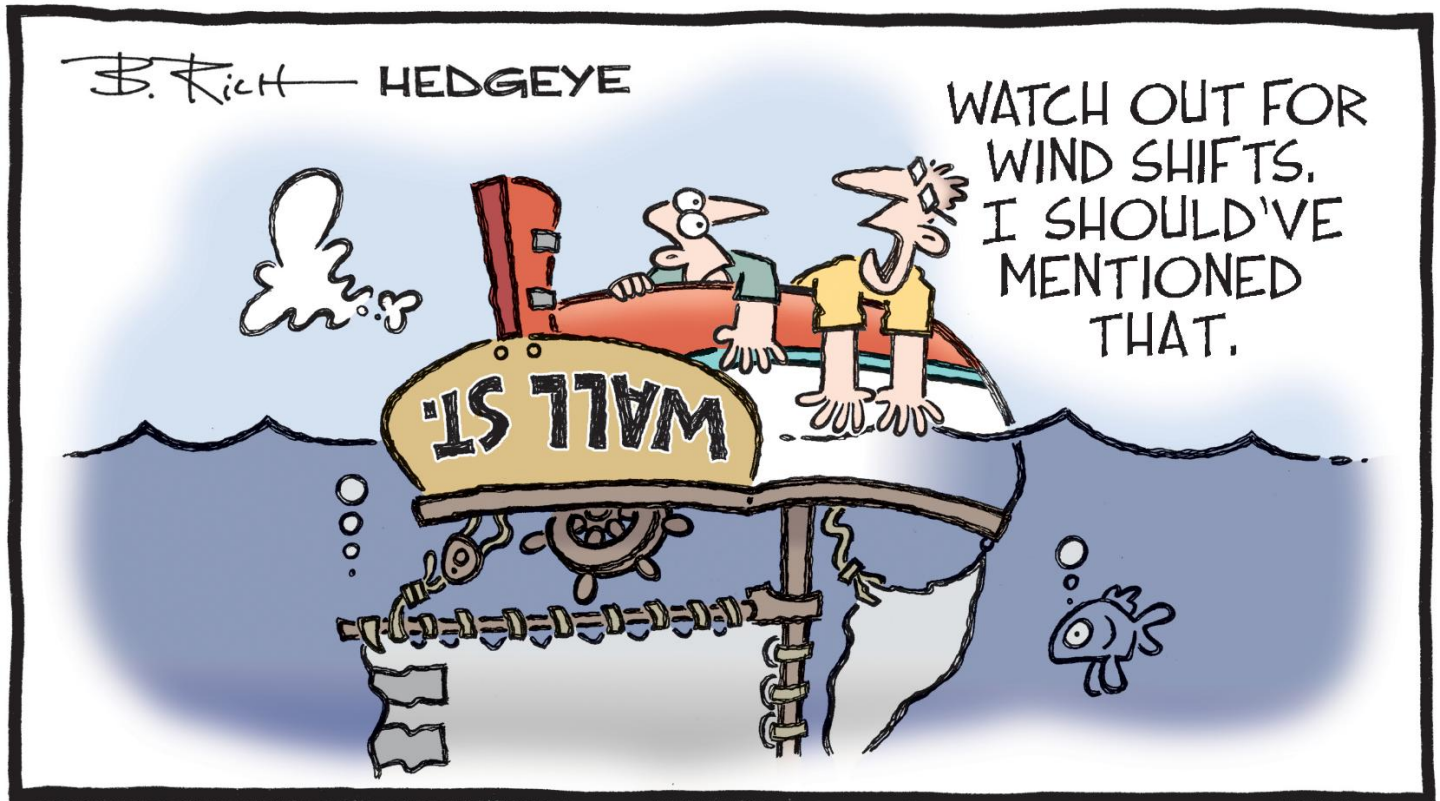
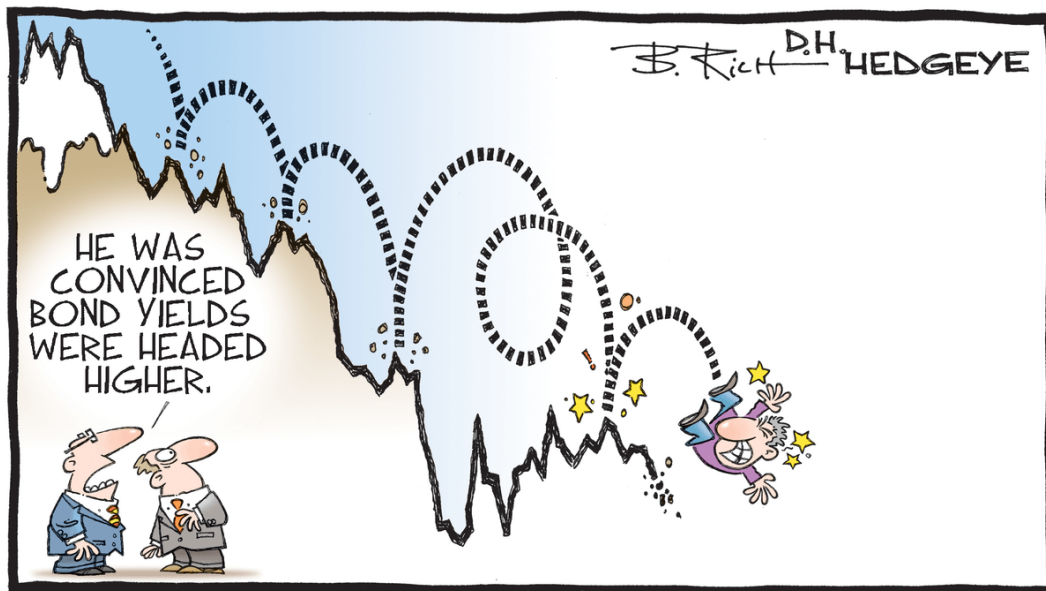


Youtube Channel 





Disclaimer: I am not a financial advisor, and do not make any recommendations on what to buy or sell.

The information offered here is for educational purposes only and does not constitute financial, legal or professional advice. NO ONE, including me, has any idea what the market will do.

Each person must determine their own risk profile, trading/investing style and take responsibility for any trades they make. Always do your own research and due diligence before making any investment decisions.

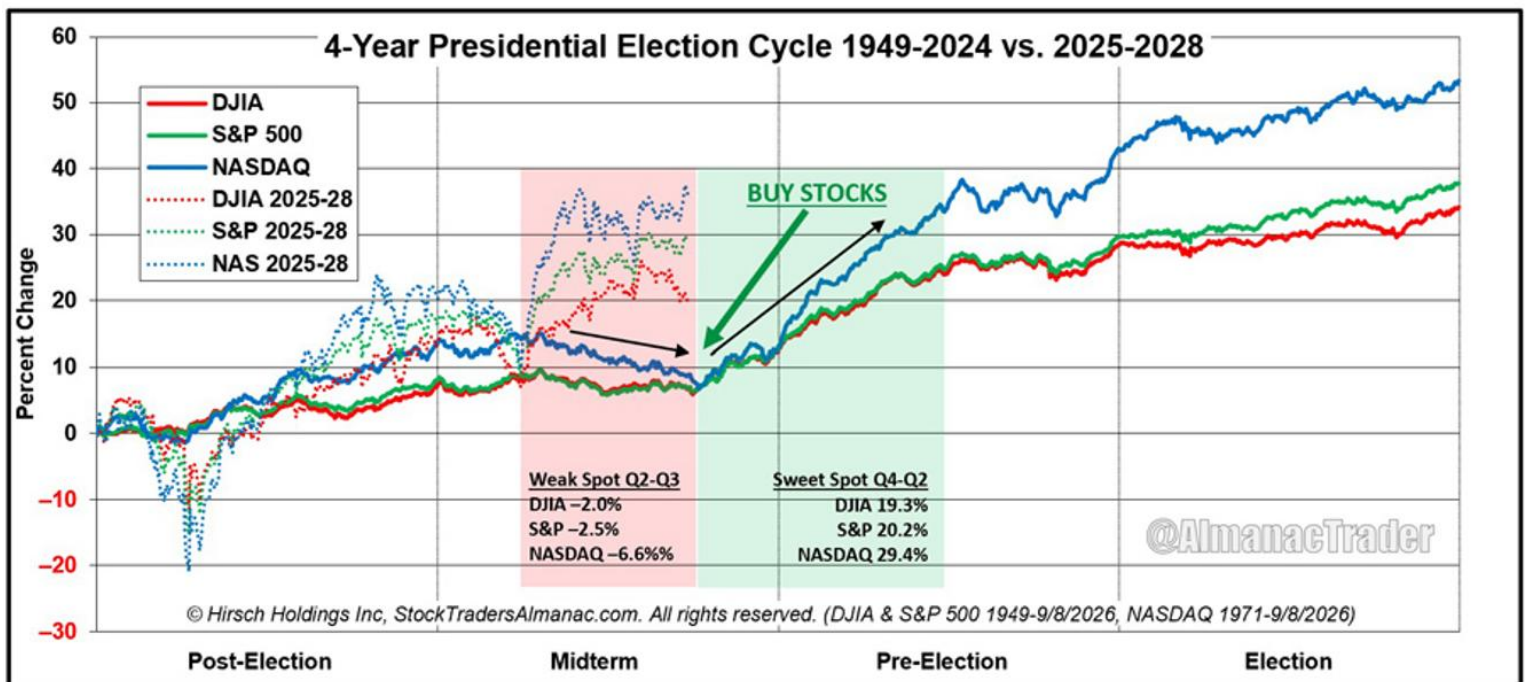
Past performance does not guarantee future results!

Most of the charts shown in this newsletter are courtesy of StockCharts.com and can be found on the website shown at the top of the page. Here is a link to the StockCharts.com pricing and if you sign up, I would appreciate if you used my email as a referral (danbyrd@comcast.net)

[Service Levels, Data Plans and Pricing | StockCharts.com](#)



Chart of the Week:



Economic Calendar for Last Week:

Tuesday, September 29, 2026

10:00	 US	CB Consumer Confidence (Sep)	★ ★ ★	81.9	89.2	88.6
10:00	 US	JOLTS Job Openings (Aug)	★ ★ ★	7.079M	7.230M	7.335M

Wednesday, September 30, 2026

08:15	 US	ADP Nonfarm Employment Change (Sep)	★ ★ ★	90K	73K	36K
08:30	 US	Core PCE Price Index (YoY) (Aug)	★ ★ ★	3.0%	3.3%	3.0%
08:30	 US	Core PCE Price Index (MoM) (Aug)	★ ★ ★	0.2%	0.3%	0.1%
08:30	 US	GDP (QoQ) (Q2)	★ ★ ★	2.2%	1.5%	2.1%
09:45	 US	Chicago PMI (Sep)	★ ★ ★	58.8	51.2	47.1
10:30	 US	Crude Oil Inventories	★ ★ ★	0.922M	-0.700M	2.969M
15:30	 US	U.S. President Trump Speaks 	★ ★ ★			

Thursday, October 1, 2026

08:30	 US	Initial Jobless Claims	★ ★ ★	197K	201K	198K
09:45	 US	S&P Global Manufacturing PMI (Sep)	★ ★ ★	55.9	57.0	53.9
10:00	 US	ISM Manufacturing PMI (Sep)	★ ★ ★	54.5	54.8	54.6
10:00	 US	ISM Manufacturing Prices (Sep)	★ ★ ★	77.9	72.9	71.1

Friday, October 2, 2026

08:30	 US	Nonfarm Payrolls (Sep)	★ ★ ★	29K	89K	133K
08:30	 US	Unemployment Rate (Sep)	★ ★ ★	4.2%	4.1%	4.1%
08:30	 US	Average Hourly Earnings (MoM) (Sep)	★ ★ ★	0.1%	0.3%	0.3%

Economic Calendar for Next Week:

Time	Cur.	Event	Imp.	Actual	Forecast	Previous
Monday, October 5, 2026						
09:45	US	S&P Global Services PMI (Sep)	★★★		58.7	58.7
10:00	US	ISM Non-Manufacturing Prices (Sep)	★★★			72.6
10:00	US	ISM Non-Manufacturing PMI (Sep)	★★★		55.7	55.4
Wednesday, October 7, 2026						
10:30	US	Crude Oil Inventories	★★★			0.922M
13:00	US	10-Year Note Auction	★★★			4.834%
14:00	US	FOMC Meeting Minutes	★★★			
Thursday, October 8, 2026						
08:30	US	Initial Jobless Claims	★★★		200K	197K
13:00	US	30-Year Bond Auction	★★★			5.308%

Looks like the next Fed Rate Hike is pushed to December:

	CME FEDWATCH TOOL - AGGREGATED MEETING PROBABILITIES				
MEETING DATE	375-400	400-425	425-450	450-475	475-500
10/28/2026	77.86 %	22.14 %	0.00 %	0.00 %	0.00 %
12/9/2026	0.00 %	96.89 %	3.11 %	0.00 %	0.00 %
1/27/2027	0.00 %	57.86 %	42.14 %	0.00 %	0.00 %
3/17/2027	0.00 %	0.00 %	84.57 %	15.43 %	0.00 %
4/28/2027	0.00 %	0.00 %	43.86 %	56.14 %	0.00 %
6/9/2027	0.00 %	0.00 %	0.00 %	97.57 %	2.43 %
7/28/2027	0.00 %	0.00 %	0.00 %	79.86 %	20.14 %
9/15/2027	0.00 %	0.00 %	0.00 %	62.45 %	37.55 %
10/27/2027	0.00 %	0.00 %	0.00 %	57.86 %	42.14 %
12/8/2027	0.00 %	0.00 %	0.00 %	65.94 %	34.06 %

As we start Q4 it is interesting to note that the worst month of the year (September) did not turn out so bad. In fact, as I have mentioned on my YouTube channel, it has just consolidated sideways since August. Technically this “usually” leads to an upside breakout. That would be the start of the best 3 months of the year, from mid-October until mid-January.

Here is the S&P:



And the NDX has just broken out:



Using the NDX and zooming in to the last 9 months, using Consolidation Theory the Measured Move implies a target of about 36,000, or a 17% move probability. The Expected Move to mid-January implies 34,000, or about 11%.

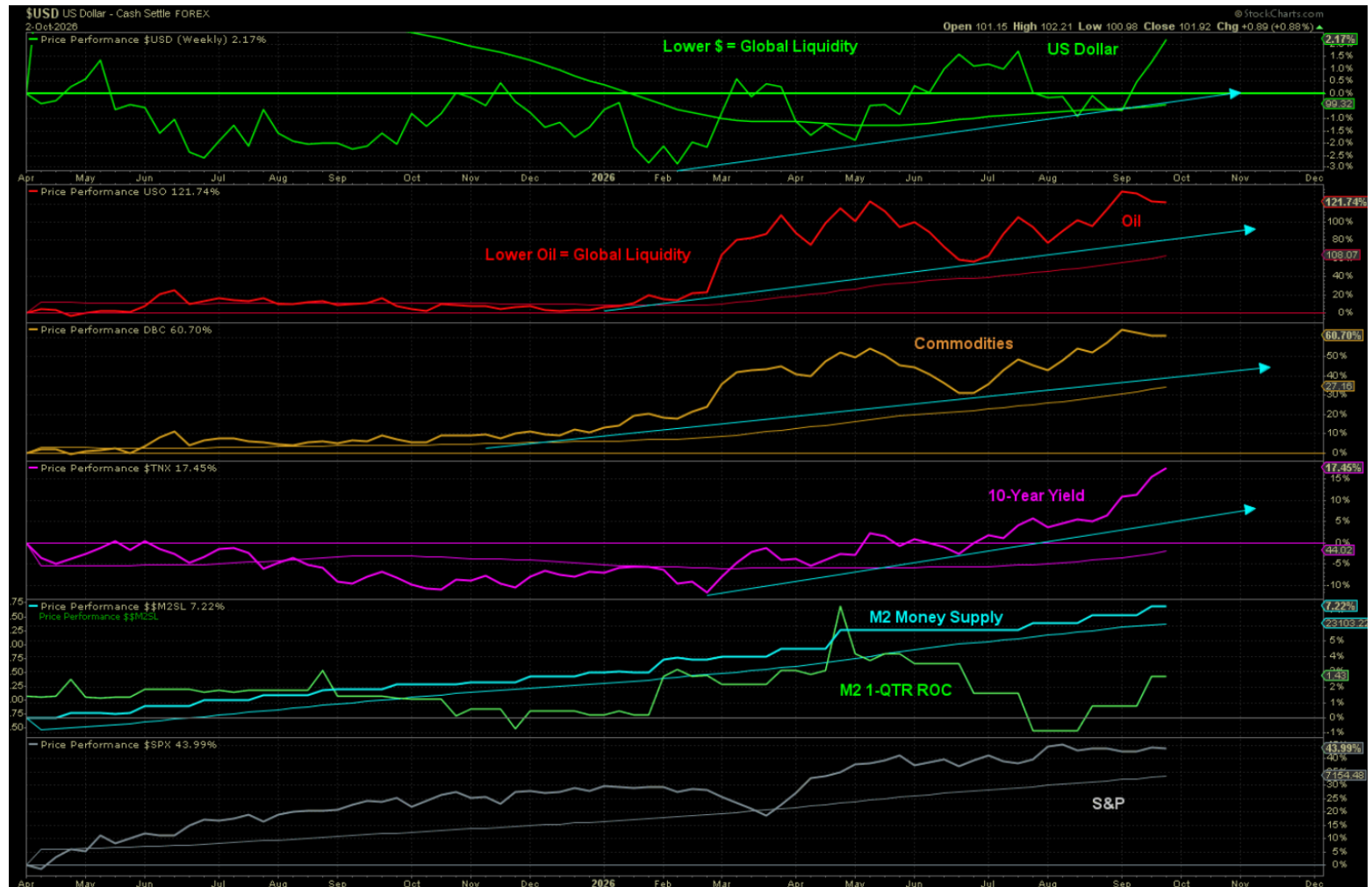


The Monthly chart for SPX still showing an upward channel



From a liquidity standpoint, except for Supply increasing, the other indicators usually take liquidity out of the market, especially the US Dollar, Oil and the 10-Year Yield.

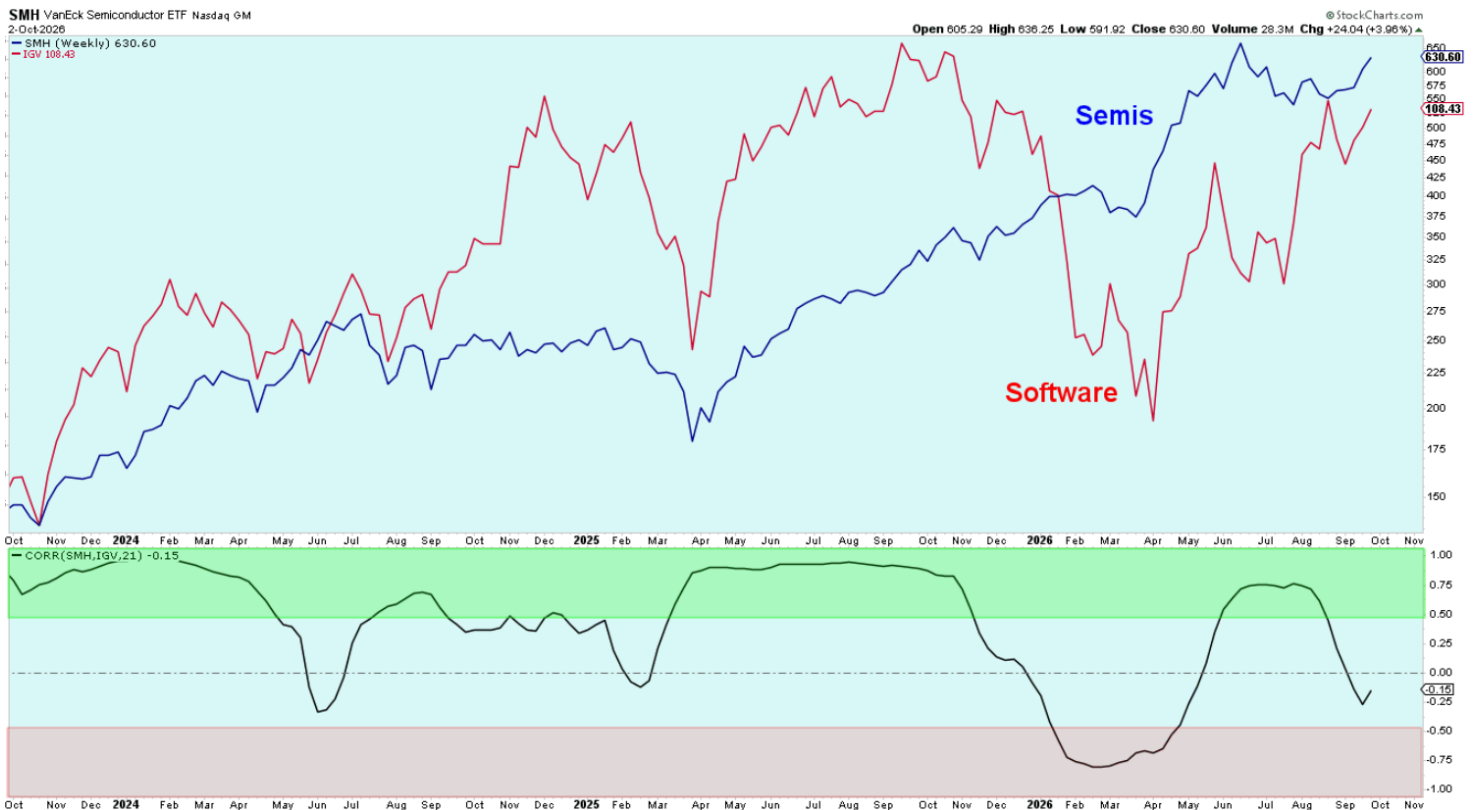
The fact that the market has hung in well during this period implies the economy is much stronger than expected.



As the Dollar and the 10-Year continue to climb (Panels 2 & 3 below), Gold and Gold Miners fall (Lower 2 panels).



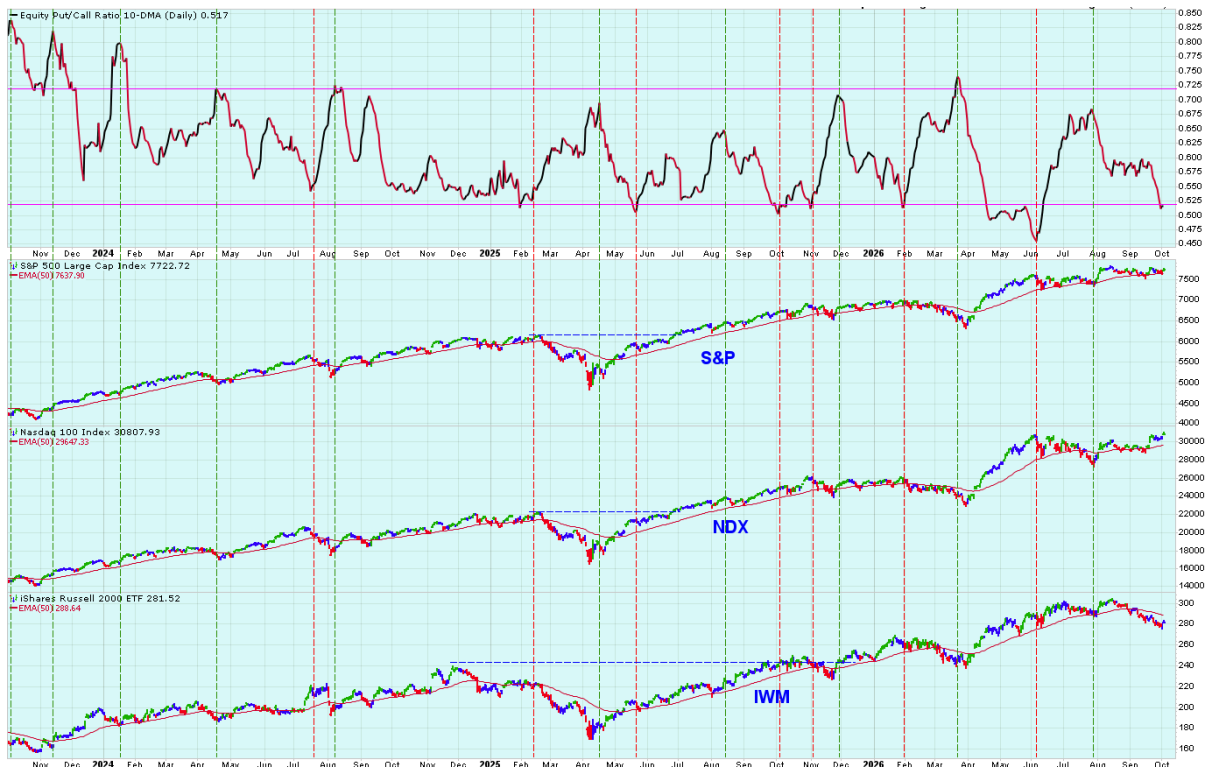
Semiconductors and Software are now moving together:



The VIX below 16 still implies low volatility and sets up for a bullish move.



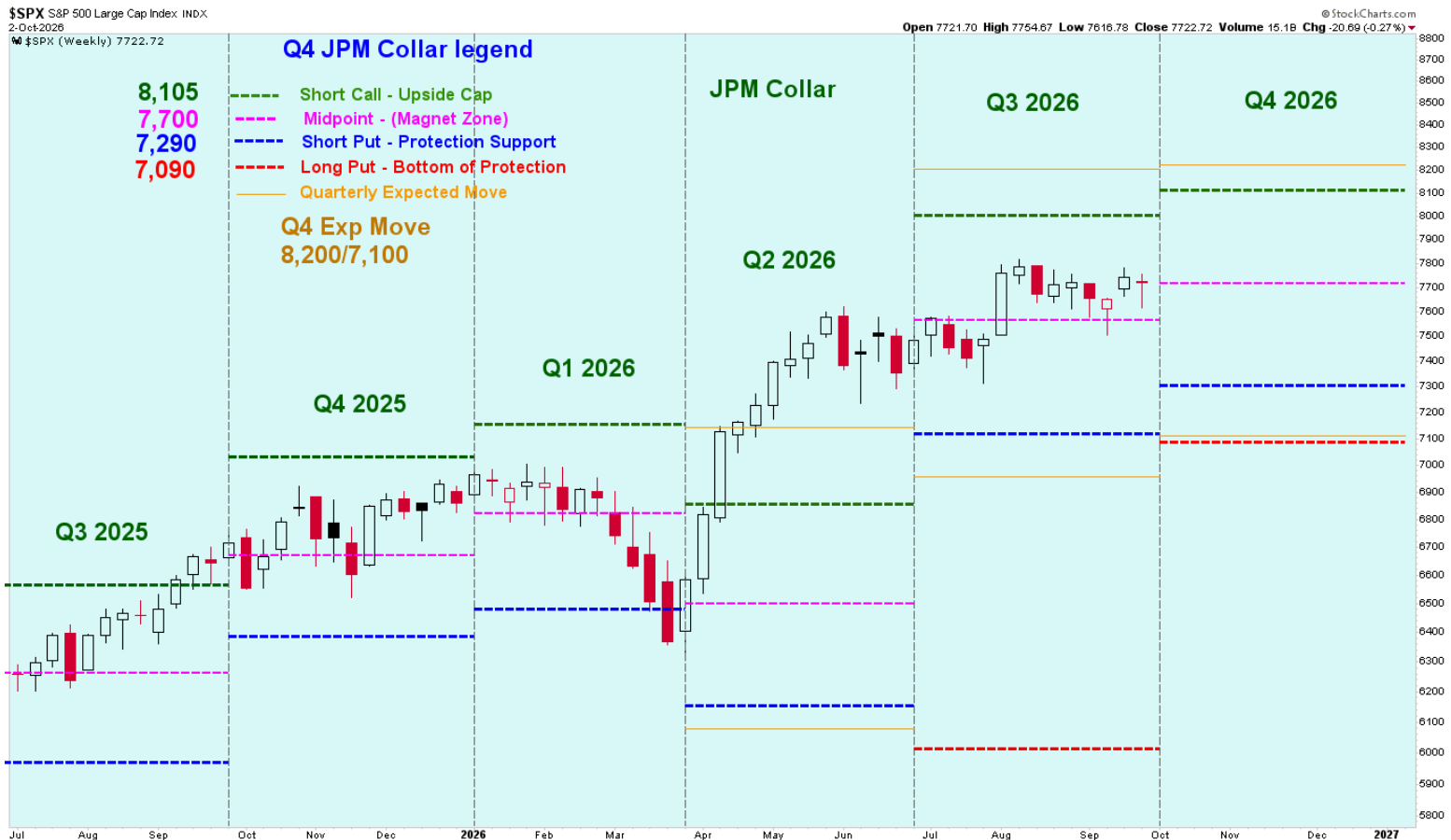
Although the Put/Call Ratio is getting to an area where Tops can form:



The JP Morgan Collar for Q4 has the ceiling at 8,105. At the beginning of this year I thought the S&P could get to 8,000. We're not that far away.

As you can see below, since every institution and hedge fund knows where these levels are at the beginning of each quarter, it often stays near the "Magnet Zone", or halfway between the upper and lower collars.

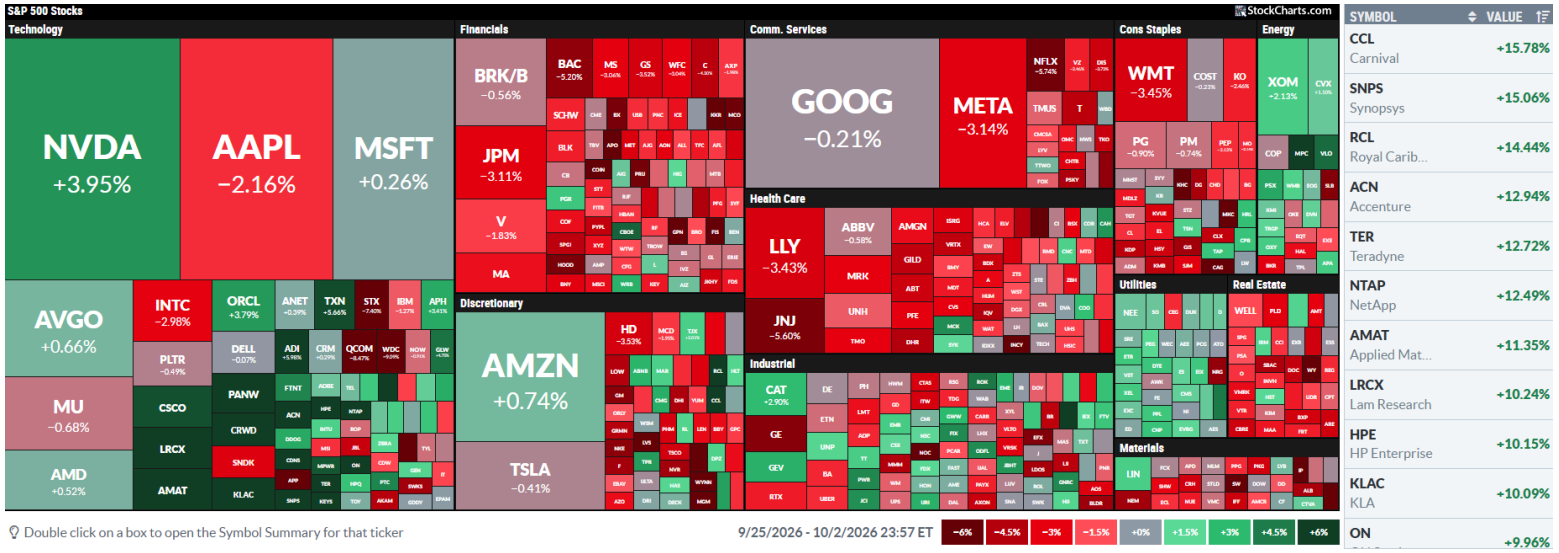
I think we'll be closer to the upper end of the range in Q4.



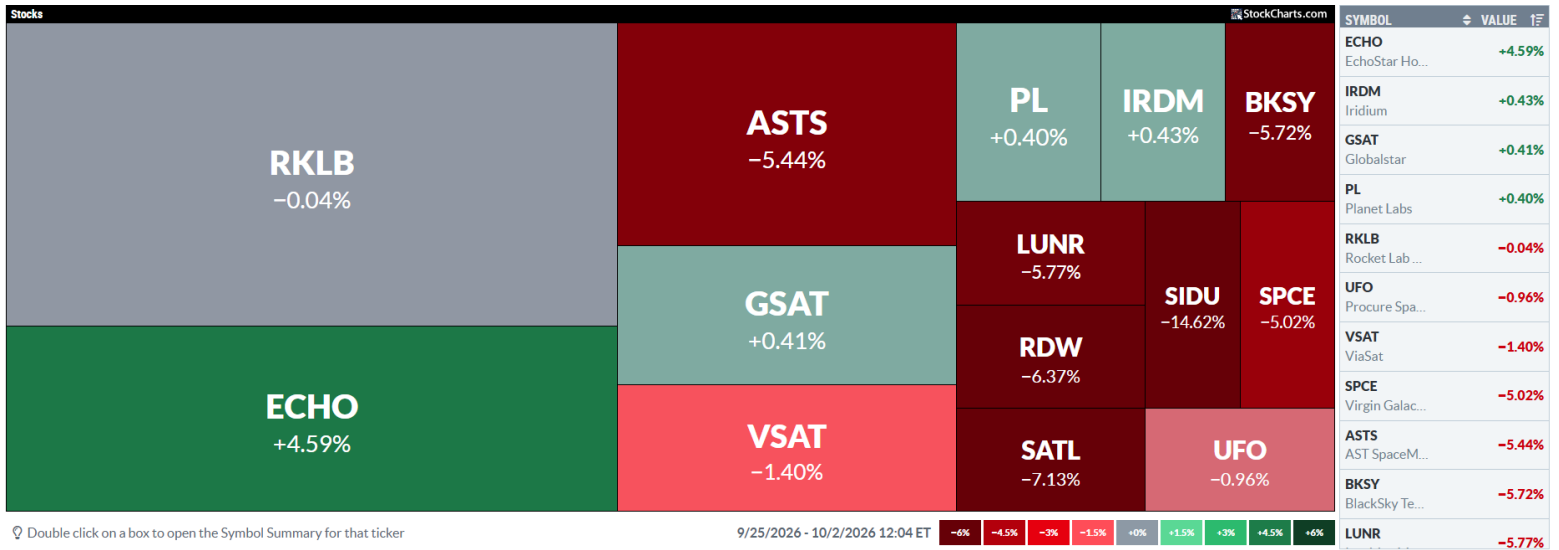
For those that want to understand the JP Morgan Collar better, there is a presentation on the website on the Charts Page next to the link for the JP Morgan Collar chart.

Weekly Performance:

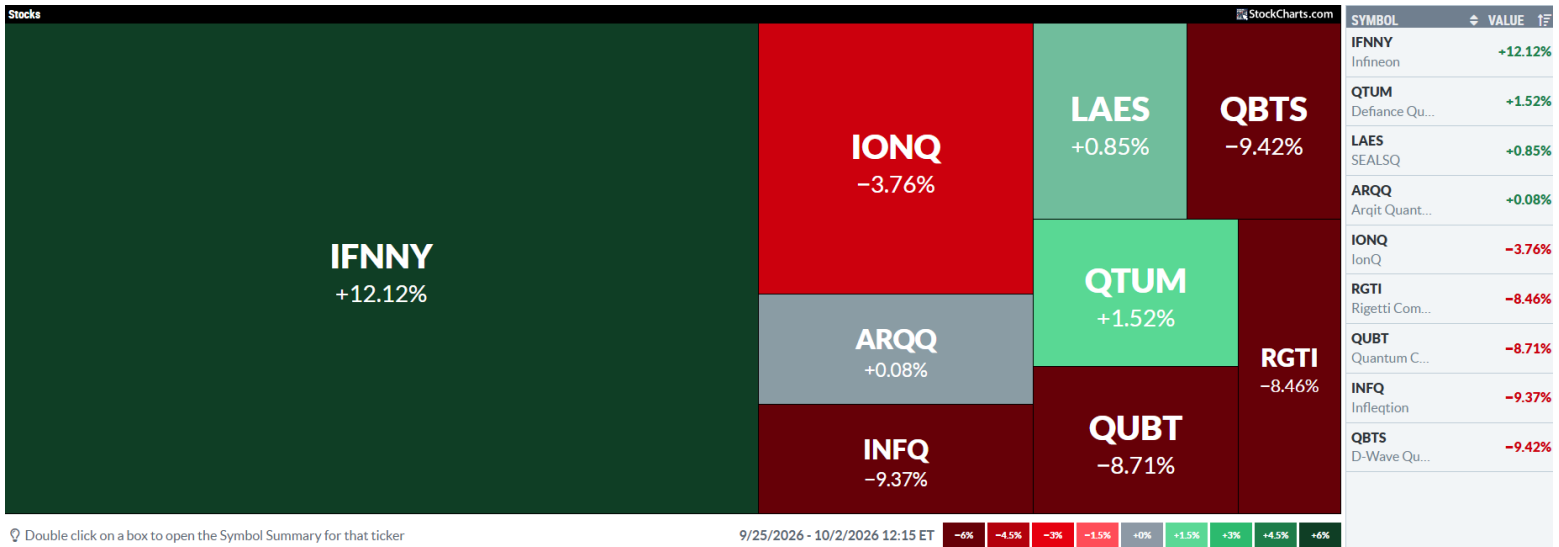
NAME	LAST	CHG	% CHG	+/-
SMH - VanEck Semiconductor ETF	630.60	+24.04	+3.96%	
\$VIX - Volatility Index - New Methodology	15.31	+0.44	+2.96%	
CHAT - Roundhill Generative AI & Technology ETF	95.23	+2.25	+2.42%	
IGV - iShares Expanded Tech-Software Sector ETF	108.43	+2.42	+2.28%	
XLK - Technology Select Sector SPDR Fund	199.81	+3.54	+1.80%	
\$TNX - CBOE 10-Year US Treasury Yield	52.77	+0.93	+1.79%	
VGT - Vanguard Information Technology ETF	128.32	+2.15	+1.70%	
MTUM - iShares MSCI USA Momentum Factor ETF	322.88	+4.38	+1.38%	
XLE - Energy Select Sector SPDR Fund	62.82	+0.78	+1.26%	
\$USD - US Dollar - Cash Settle	101.92	+0.89	+0.88%	
\$BTCUSD - Bitcoin to US Dollar	85,187.55	+732.63	+0.87%	
QQQ - Invesco QQQ Trust	749.58	+5.08	+0.68%	
\$MID - S&P 400 Mid Cap Index	3,668.01	+19.44	+0.53%	
XRT - SPDR S&P Retail ETF	82.63	+0.16	+0.19%	
\$SML - S&P 600 Small Cap Index	1,685.75	+2.49	+0.15%	
MAGS - Roundhill Big Tech ETF	72.59	-0.05	-0.07%	
IWM - iShares Russell 2000 ETF	281.52	-0.45	-0.16%	
SPY - SPDR S&P 500 ETF	769.64	-1.71	-0.22%	
DBC - Invesco DB Commodity Index Tracking Fund	32.54	-0.08	-0.25%	
\$OEX - S&P 100 Index	3,854.68	-13.50	-0.35%	
XBI - SPDR S&P Biotech ETF	154.43	-0.60	-0.39%	
DBA - Invesco DB Agriculture Fund	28.21	-0.33	-1.16%	
DIA - SPDR Dow Jones Industrial Average ETF	511.10	-6.39	-1.23%	
\$BRENT - Brent Crude Oil - Spot	102.64	-1.68	-1.61%	
XHB - SPDR S&P Homebuilders ETF	96.70	-1.62	-1.65%	
TLT - iShares 20+ Year Treasury Bond ETF	77.48	-1.52	-1.93%	
DTCR - Global X Data Center & Digital Infrastructure ETF	27.27	-0.57	-2.05%	
XLF - Financial Select Sector SPDR Fund	53.49	-1.35	-2.46%	
GLD - SPDR Gold Shares	380.14	-13.27	-3.37%	



Satellite Companies:



Quantum Computing:



TIMEFRAME

One Week

Columns



Send Daily Report



Send Weekly Report

Search Table

	NAME	LAST	CHG	% CHG	+/-	DATE
	Aggressive - 01 - XLK - Technology Select Sector SPDR Fund	199.81	+3.54	+1.80%		10-02, 16:00
	Defensive - 11 - XLE - Energy Select Sector SPDR Fund	62.82	+0.78	+1.26%		10-02, 16:00
	Defensive - 07 - XLU - Utilities Select Sector SPDR Fund	39.83	+0.32	+0.81%		10-02, 16:00
	z2 \$NDX - Nasdaq 100 Index	30,807.93	+199.80	+0.65%		10-02, 16:00
	z5 \$BTCUSD - Bitcoin to US Dollar	84,591.53	+171.78	+0.20%		10-03, 09:35
	z3 IWM - iShares Russell 2000 ETF	281.52	-0.45	-0.16%		10-02, 16:00
	z1 \$SPX - S&P 500 Large Cap Index	7,722.72	-20.69	-0.27%		10-02, 16:00
	Aggressive - 05 - XLI - Industrial Select Sector SPDR Fund	169.95	-0.48	-0.28%		10-02, 16:00
	Aggressive - 03 - XLY - Consumer Discretionary Select Sector SPDR Fund	110.04	-0.52	-0.47%		10-02, 16:00
	Defensive - 08 - XLRE - Real Estate Select Sector SPDR Fund	40.81	-0.75	-1.80%		10-02, 16:00
	Defensive - 06 - XLP - Consumer Staples Select Sector SPDR Fund	80.53	-1.53	-1.86%		10-02, 16:00
	Defensive - 10 - XLB - Materials Select Sector SPDR Fund	48.86	-0.94	-1.89%		10-02, 16:00
	Aggressive - 02 - XLC - Communication Services Select Sector SPDR Fund	110.32	-2.64	-2.34%		10-02, 16:00
	Aggressive - 04 - XLF - Financial Select Sector SPDR Fund	53.49	-1.35	-2.46%		10-02, 16:00
	Defensive - 09 - XLV - Health Care Select Sector SPDR Fund	166.18	-4.52	-2.65%		10-02, 16:00
	z4 GLD - SPDR Gold Shares	380.14	-13.27	-3.37%		10-02, 16:00

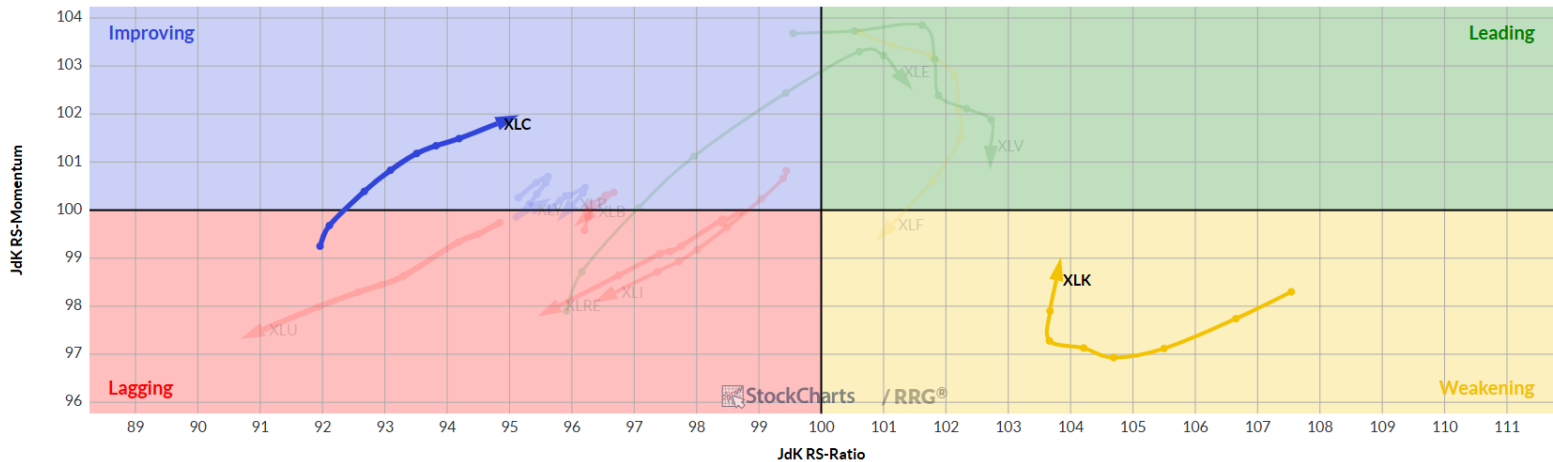
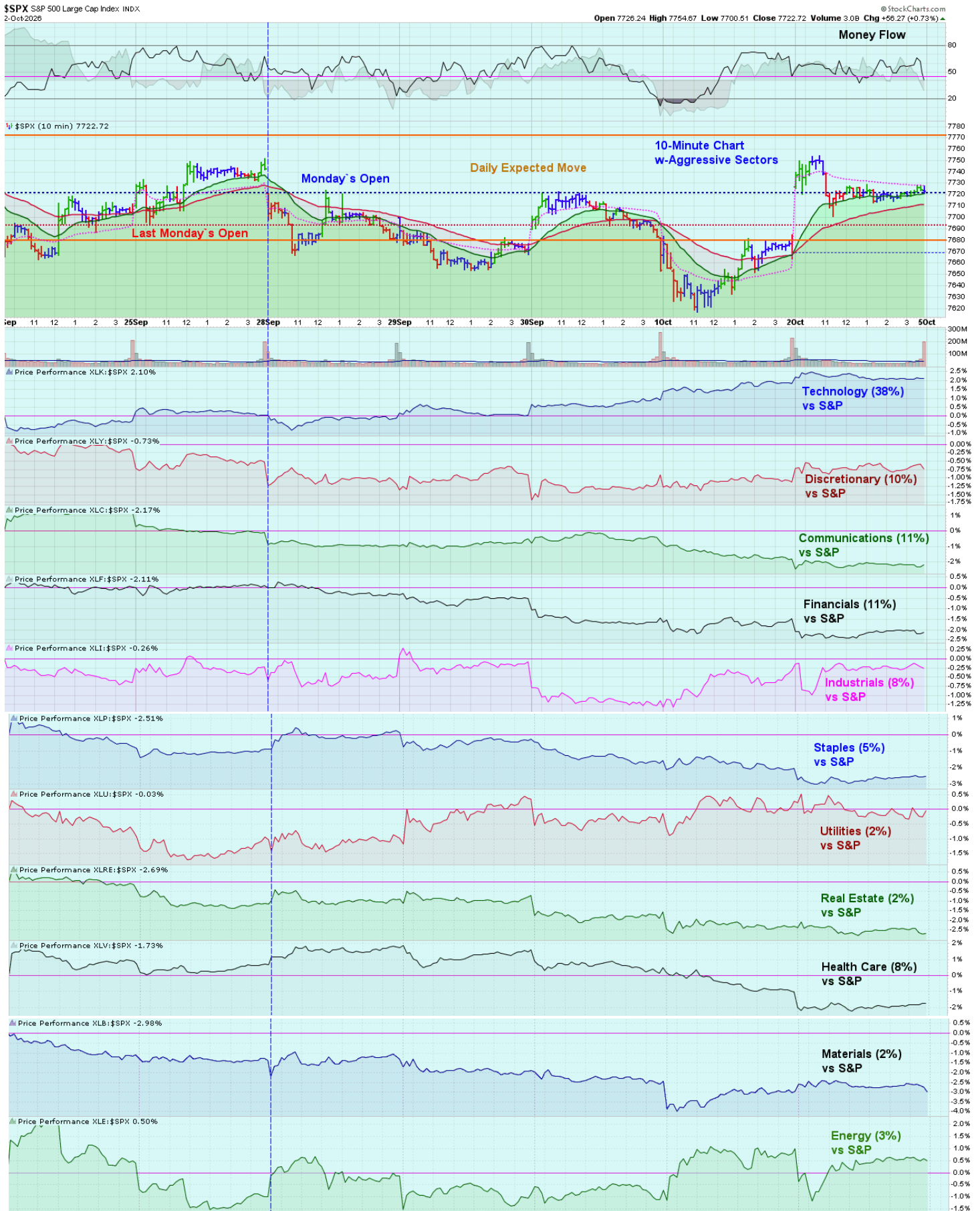


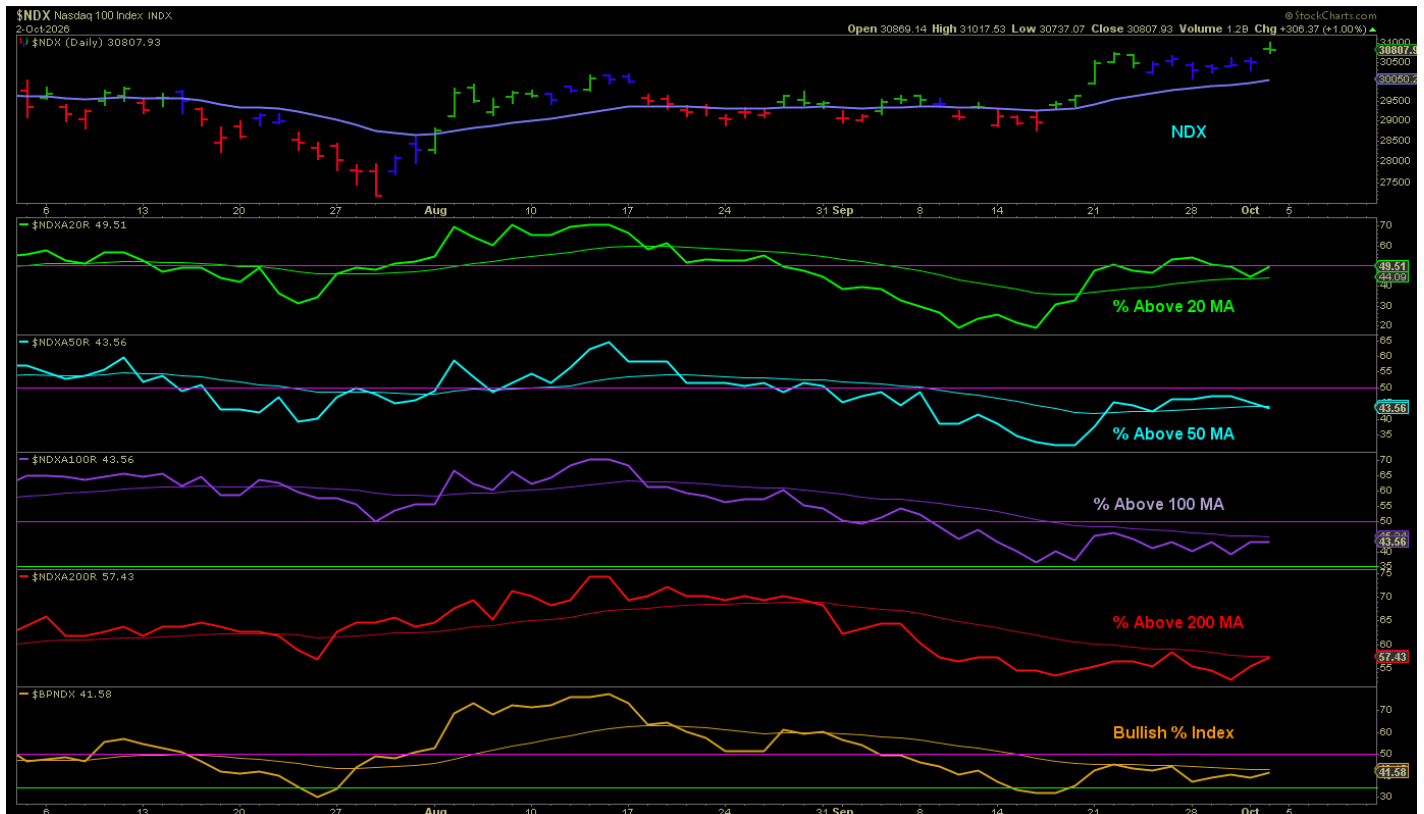
CHART	VISIBLE	TAIL	IF	SYMBOL	NAME	SECTOR	INDUSTRY	PRICE	% CHG
#	☒			XLE	Energy Select Sector SPDR Fund			\$62.82	+2.07%
#	☒			XLV	Health Care Select Sector SPDR Fund			\$166.18	-0.33%
#	☒			XLK	Technology Select Sector SPDR Fund			\$199.81	+5.28%
#	☒			XLF	Financial Select Sector SPDR Fund			\$53.49	-7.70%
#	☒			XLU	Utilities Select Sector SPDR Fund			\$39.83	-9.45%
#	☒			XLRE	Real Estate Select Sector SPDR Fund			\$40.81	-9.09%
#	☒			XLI	Industrial Select Sector SPDR Fund			\$169.95	-8.63%
#	☒			XLB	Materials Select Sector SPDR Fund			\$48.86	-6.58%
#	☒			XLC	Communication Services Select Sector SPDR Fund			\$110.32	-2.01%
#	☒			XLY	Consumer Discretionary Select Sector SPDR Fund			\$110.04	-6.70%
#	☒			XLP	Consumer Staples Select Sector SPDR Fund			\$80.53	-5.84%
#				SPY	SPDR S&P 500 ETF			\$769.64	-0.62%

10-Minute Charts for the Week:



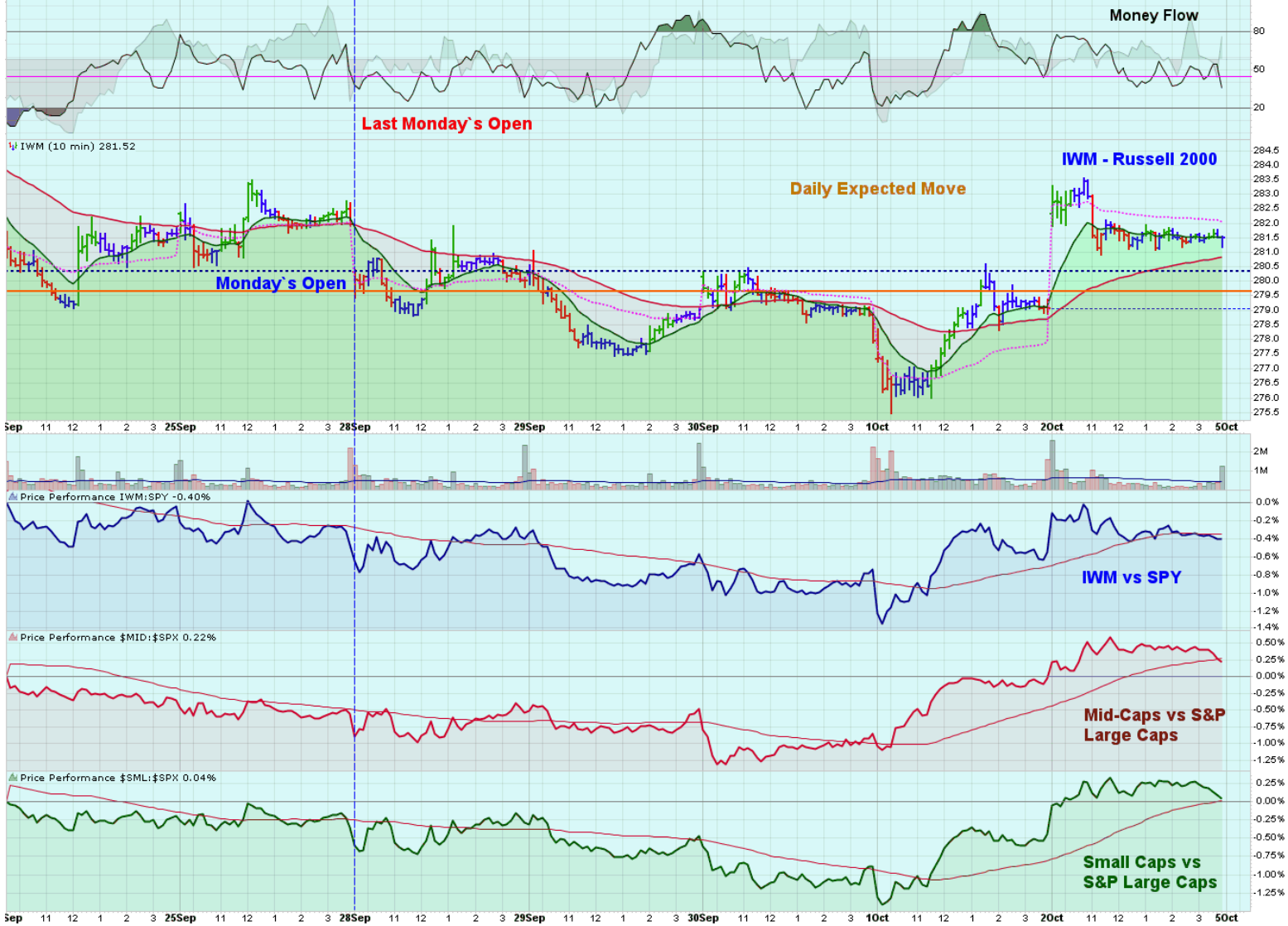
\$NDX Nasdaq 100 Index INDX
2-Oct-2020

Open 30869.14 High 31017.53 Low 30737.07 Close 30807.93 Volume 1.2B Chg +306.37 (+1.00%)



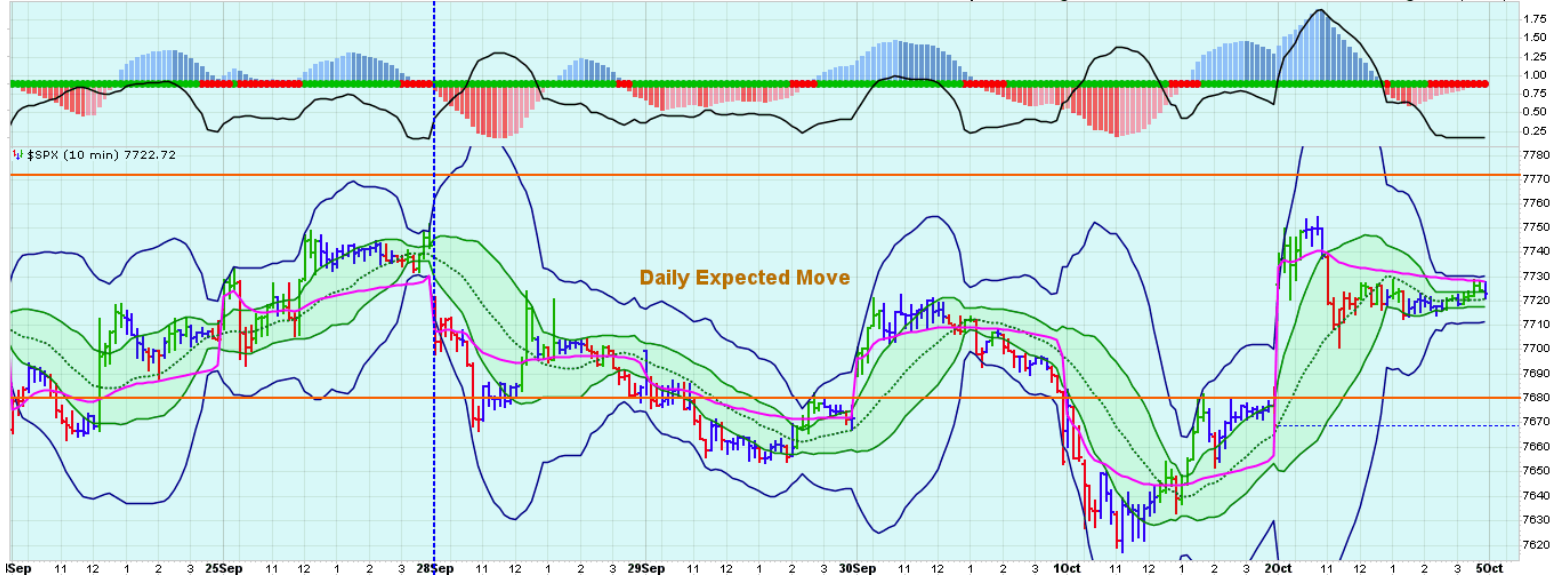
IWM iShares Russell 2000 ETF NYSE
2-Oct-2026

Open 282.33 High 283.57 Low 280.89 Close 281.52 Volume 29.8M Chg +2.50 (+0.90%) ▲



\$SPX S&P 500 Large Cap Index INDXX
2-Oct-2026

Open 7726.24 High 7754.67 Low 7700.51 Close 7722.72 Volume 3.0B Chg +56.27 (+0.73%) ▲



Top 10 Best & Worst Large Caps for the Week:

NAME	SECTOR	INDUSTRY	LAST	CHG	% CHG	+/-	SCTR	U
SNPS - Synopsys, Inc.	Technology	Software	489.90	+64.14	+15.06%		89.5	lrg
ACN - Accenture Ltd.	Technology	Software	198.90	+22.79	+12.94%		70.1	lrg
AMAT - Applied Materials, Inc.	Technology	Semiconductors	540.04	+55.04	+11.35%		93.9	lrg
LRCX - Lam Research Corp.	Technology	Semiconductors	347.49	+32.28	+10.24%		94.5	lrg
KLAC - KLA Corp.	Technology	Semiconductors	206.89	+18.97	+10.09%		91.0	lrg
ON - ON Semiconductor Corp.	Technology	Semiconductors	84.89	+7.69	+9.96%		88.7	lrg
CDNS - Cadence Design Systems, Inc.	Technology	Software	351.35	+25.22	+7.73%		86.4	lrg
PANW - Palo Alto Networks Inc.	Technology	Telecom Equipment	403.24	+28.50	+7.61%		98.4	lrg
CRWD - CrowdStrike Holdings, Inc.	Technology	Software	270.04	+17.91	+7.10%		99.2	lrg
ASML - ASML Holding NV	Technology	Semiconductors	1,867.31	+123.37	+7.07%		92.2	lrg
NAME	SECTOR	INDUSTRY	LAST	CHG	% CHG	+/-	SCTR	U
APP - Applovin Corp.	Technology	Software	268.22	-42.53	-13.69%		0.7	lrg
QCOM - QUALCOMM Inc.	Technology	Semiconductors	184.87	-17.10	-8.47%		89.9	lrg
LULU - Lululemon Athletica Inc.	Discretionary	Clothing & Accessories	94.46	-6.84	-6.75%		0.9	lrg
REGN - Regeneron Pharmaceuticals, Inc.	Health Care	Biotechnology	735.20	-52.84	-6.71%		37.5	lrg
KHC - Kraft Heinz Co.	Staples	Food Products	22.19	-1.44	-6.09%		24.8	lrg
AZN - Astrazeneca PLC	Health Care	Pharmaceuticals	156.90	-9.68	-5.81%		14.6	lrg
NFLX - Netflix, Inc.	Comm. Services	Internet	67.06	-4.08	-5.74%		4.0	lrg
JNJ - Johnson & Johnson	Health Care	Pharmaceuticals	256.03	-15.19	-5.60%		58.3	lrg
GE - GE Aerospace	Industrial	Diversified Industrials	309.56	-17.53	-5.36%		46.6	lrg
GM - General Motors Co.	Discretionary	Automobiles	78.27	-4.36	-5.28%		50.6	lrg

DAILY VIEW



DAILY VIEW



Top 10 Best & Worst Small/Mid-Caps for the Week:

NAME	SECTOR	INDUSTRY	LAST	CHG	% CHG	+/-	SCTR	U
THRM - Gentherm Inc.	Discretionary	Auto Parts	48.51	+11.79	+32.11%		95.3	sml
ACLS - Axcelis Technologies, Inc.	Technology	Semiconductors	147.77	+24.66	+20.03%		94.0	mid
RXO - RXO Inc.	Industrial	Transportation Services	23.38	+3.59	+18.14%		92.1	mid
SYNA - Synaptics, Inc.	Technology	Computer Hardware	121.10	+18.38	+17.89%		94.9	mid
MTRN - Materion Corp.	Materials	Nonferrous Metals	312.16	+47.20	+17.81%		98.9	mid
VSH - Vishay Intertech, Inc.	Technology	Electrical Components	38.18	+5.63	+17.30%		97.5	mid
ROG - Rogers Corp.	Technology	Electrical Components	160.00	+22.24	+16.14%		94.4	mid
VIAB - Viavi Solutions Inc.	Technology	Telecom Equipment	47.10	+6.42	+15.78%		93.6	lrg
VECO - Veeco Instruments, Inc.	Technology	Electronic Equipment	57.38	+7.71	+15.52%		95.7	mid
LITE - Lumentum Holdings Inc.	Technology	Telecom Equipment	1,085.42	+143.77	+15.27%		95.3	lrg

NAME	SECTOR	INDUSTRY	LAST	CHG	% CHG	+/-	SCTR	U
IART - Integra LifeSciences Holdings Corp.	Health Care	Medical Equipment	12.68	-3.44	-21.34%		50.3	sml
CABO - Cable One, Inc.	Comm. Services	Fixed Telecommunications	12.21	-2.44	-16.66%		1.9	sml
VRRM - Verra Mobility Corporation	Industrial	Diversified Industrials	2.81	-0.43	-13.27%		3.7	sml
STC - Stewart Information Services Corp.	Financial	Mortgage Finance	51.55	-7.64	-12.91%		23.7	sml
AIR - AAR Corp.	Industrial	Aerospace	102.51	-13.60	-11.71%		16.9	mid
NEOG - Neogen Corp.	Health Care	Medical Supplies	12.15	-1.61	-11.70%		84.2	sml
ABR - Arbor Realty Trust Inc.	Real Estate	Mortgage REITs	3.56	-0.47	-11.66%		9.7	sml
FMC - FMC Corp.	Materials	Specialty Chemicals	8.44	-1.06	-11.12%		0.8	mid
WD - Walker & Dunlop Inc.	Financial	Mortgage Finance	33.97	-4.01	-10.56%		19.5	sml
MARA - Marathon Digital Holdings Inc	Industrial	Business Support Services	11.23	-1.32	-10.52%		67.3	mid

DAILY VIEW



DAILY VIEW



Since we finished the month, here is the status of the Dividend Portfolios for September. Subscribers can find the lists of stock symbols on the Portfolios Page of the website.

(YTD as of 9/30/26 **INCLUDING** Dividends)

Dividend Aristocrats: + 16.25%

Last Month's Perf: + 24.07%

(YTD as of 9/30/26 **INCLUDING** Dividends)

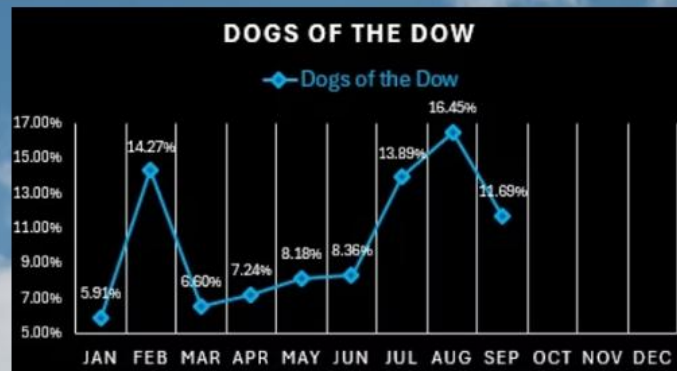
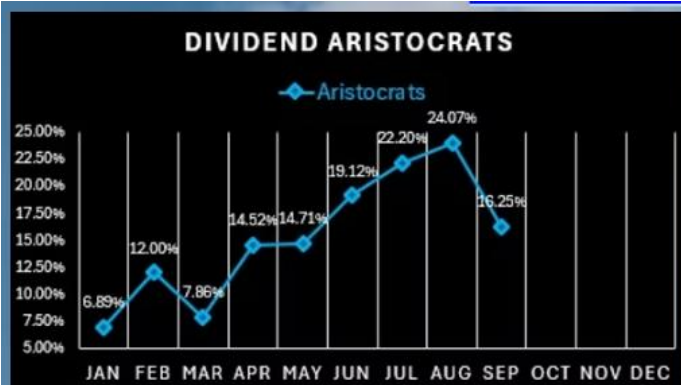
Vanguard High Yield: +15.00%

Last Month's Perf: +20.57%

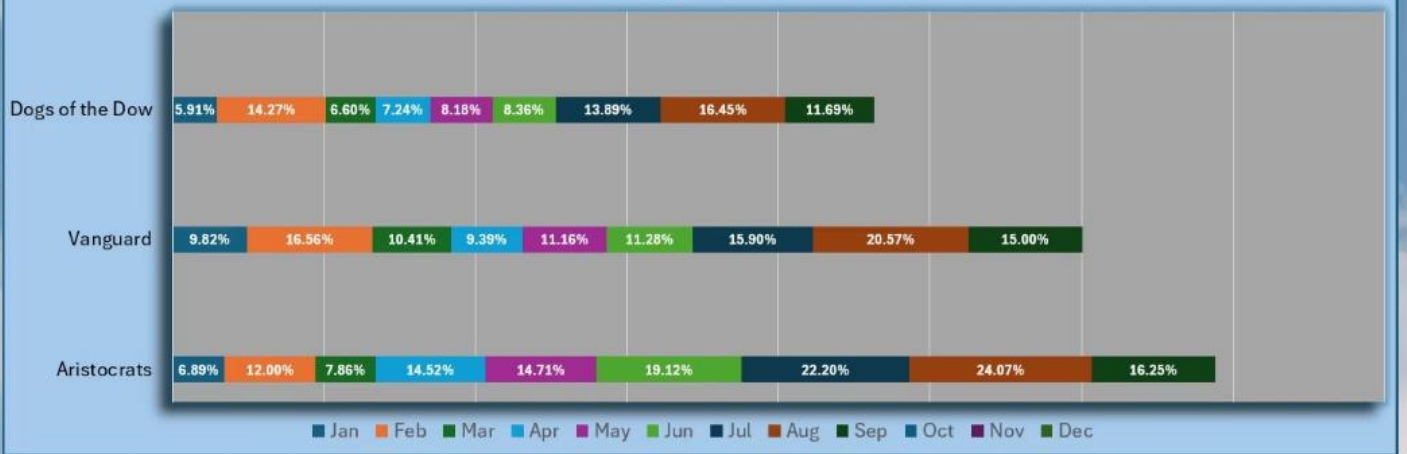
(YTD as of 9/30/26 **INCLUDING** Dividends)

Dogs of the Dow + 11.69%

Last Month's Perf: + 16.45%



Dividend Strategies Combined View



From Real Investment Advice:

Q4 Market Outlook: Strong Years Usually Finish Strong - RIA

Excerpt:

 Market Brief -Bond Yields Hit A 24-Year High

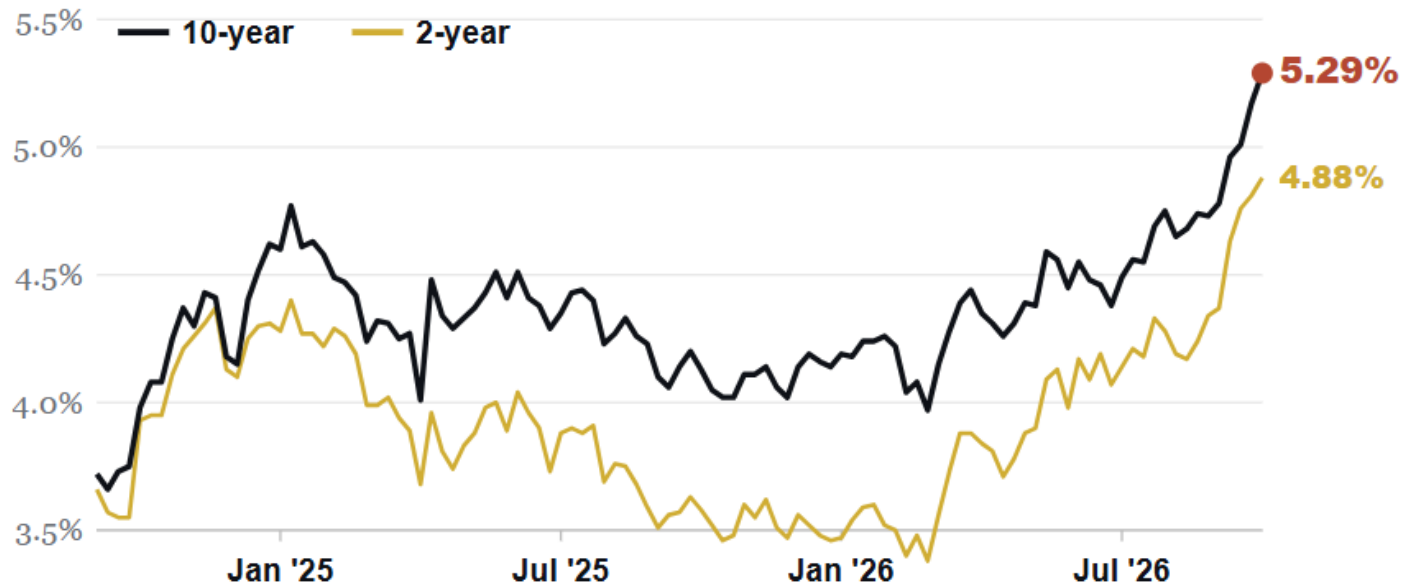
The bond market ran the show this week. On Thursday, the 10-year Treasury yield touched 5.34%, its highest level since April 2002. It eased back to roughly 5.28% by Friday. The 30-year yield pushed toward 5.67%. Stocks absorbed the shock better than you might expect. The S&P 500 slipped 0.3% to 7,722.72. Meanwhile, the Nasdaq-100 gained 0.7% as Nvidia set a record, topping \$5.7 trillion in market value. The Dow lagged, with banks and other rate-sensitive names taking the brunt.

Two weeks ago in ***“The Fed Rate Hike Won’t Fix The Inflation It Targets,”*** I argued that rate hikes can’t cure a supply shock. This week’s data made that case for me. The ***ISM manufacturing index*** held steady at 54.5, but its prices component jumped 6.8 points to 77.9. That’s the highest reading since the Iran war began, and not a single commodity reported a price decline. Brent crude finished near \$103 a barrel on reports of more U.S. military deployments to the Middle East, even after the G7 agreed to release strategic reserves.

Then Friday’s jobs report flipped the script. The economy added just 29,000 jobs in September against expectations closer to 85,000. Revisions erased another 60,000 jobs from the July and August totals. Unemployment rose to 4.2%, while wage growth slowed to 3.0%. Bad news became GOOD news as traders cut the odds of an October rate hike to roughly 18%. Subsequently, yields backed off their highs, and the S&P 500 rallied 0.7% on Friday on the bet that a cooling labor market will force the Fed to stop tightening, even as pipeline inflation keeps climbing.

10-YEAR YIELD AT A 24-YEAR HIGH

Weekly Treasury yields, September 2024 to September 30, 2026



Last point: Sept. 30 close. The 10-year touched 5.34% intraday on Oct. 1.

Source: U.S. Treasury daily par yields via Massive Market Data, weekly last close. Intraday high per Investrade and BBN Times. Chart: RIA Advisors.

Make no mistake, that combination has a name. Weaker hiring and hotter input prices are **two ingredients of “stagflation,”** the third is weak economic growth, which is not happening at the moment, with Q3 estimates north of 4%. That’s the risk of the Fed hiking into an oil shock, stalling economic growth. The yield itself is also a problem for stocks. **At more than 5%, the 10-year Treasury offers investors a risk-free return that equities haven’t offered since 2002.** That’s the **“there is no alternative”** trade running in reverse.

Leadership stayed narrow. Technology gained 1.8% and energy 1.5%. Health care (–2.7%), financials (–2.5%), and communication services (–2.3%) led the decline. The equal-weight S&P 500 fell 0.7%, trailing the cap-weighted index again. Gold dropped 3.4% as the dollar firmed.

The macro thread for next week is simple. If the 10-year holds above 5% through Wednesday’s auction and minutes, rate-sensitive stocks stay under pressure. A slide back below 5% would give the rest of the market room to breathe.

Q4 Market Outlook: History Rewards A Strong First Nine Months

Start with the statistic that matters most. Ryan Detrick at Carson Investment Research screened every year since 1950 when the S&P 500 entered Q4 up 10% to 20%. There are 21 of them. The fourth quarter finished higher in 18, an 85.7% hit rate. The average gain was 5.3%, with a median of 5.5%. For all years since 1950, Q4 averaged 4.2% and rose 80.3% of the time.

STRONG YEARS TEND TO FINISH STRONG

S&P 500 up 10% to 20% YTD at the end of September, 1950 to 2026

YEAR	YTD SEPT	Q4 RETURN	YEAR	YTD SEPT	Q4 RETURN
1950	15.8%	5.0%	1996	11.6%	7.8%
1951	13.9%	2.2%	2003	13.2%	11.6%
1961	14.8%	7.2%	2009	17.0%	5.5%
1963	13.6%	4.6%	2012	14.6%	-1.0%
1964	12.2%	0.7%	2013	17.9%	9.9%
1976	16.7%	2.1%	2017	12.5%	6.1%
1979	13.7%	-1.3%	2019	18.7%	8.5%
1980	16.2%	8.2%	2021	14.7%	10.6%
1983	18.1%	-0.7%	2023	11.7%	11.2%
1988	10.0%	2.1%	2025	13.7%	2.3%
1991	17.5%	7.5%	2026*	13.1%	?

5.3%

AVG Q4 GAIN

85.7%

Q4 HIGHER

18 OF 21

YEARS POSITIVE

All years since 1950: Q4 average 4.2%, median 5.2%, higher 80.3% of the time.

*Source: Carson Investment Research, FactSet, data as of 9/27/2026. *2026 YTD with three trading days left. Chart: RIA Advisors. Past performance is not indicative of future results.*

Q4 gained in 18 of the 21 “sweet spot” years. Only 1979, 1983, and 2012 finished lower, and none lost more than 1.3%.

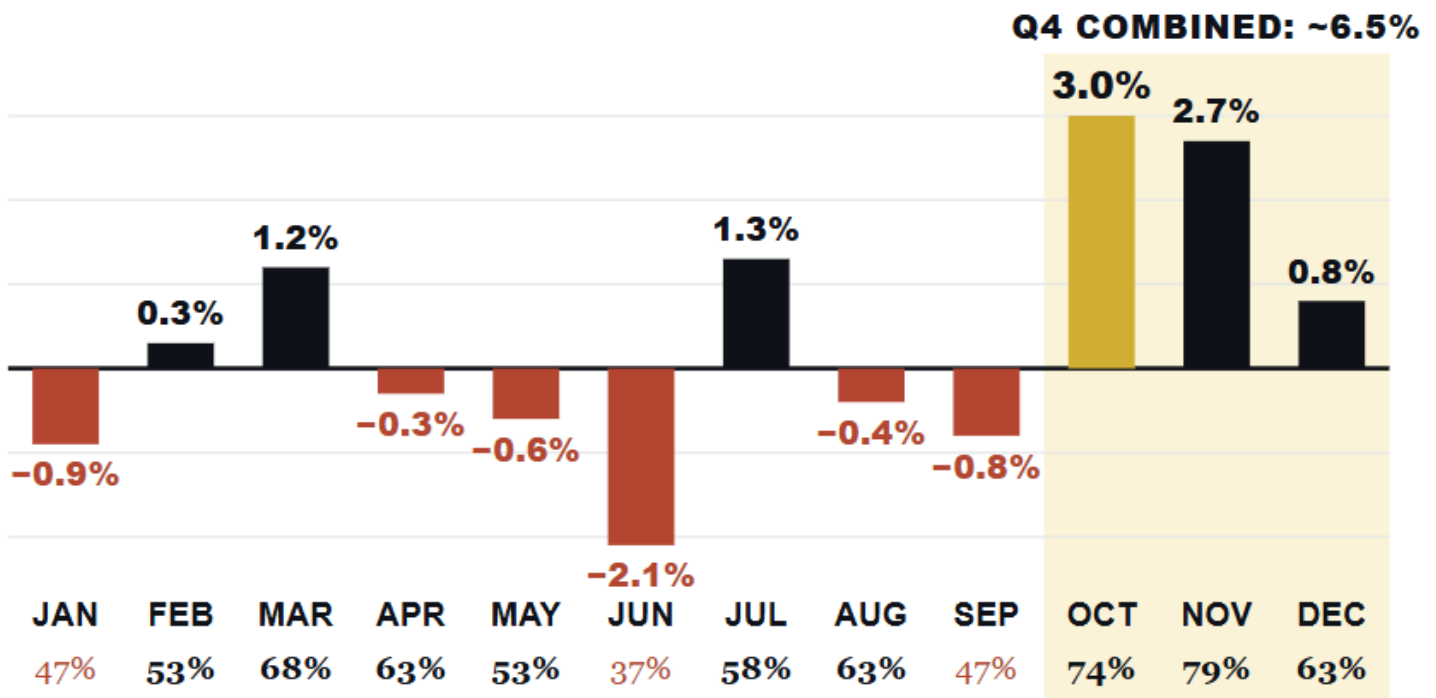
As of September 27, the S&P 500 was up 13.1% with three trading days left, which puts 2026 squarely in that group. The losing years are worth a look. They were shallow. Across 21 observations, the worst fourth quarter was a 1.3% decline in 1979, while the best was an 11.6% gain in 2003, and eight of the 21 years delivered 7.5% or more. **The asymmetry in this sample is the real story, because the misses were small and the hits were large.** I rebuilt the table using Carson’s figures and got an average of 5.24% rather than 5.3%. That rounding difference changes nothing.

The Midterm Calendar Adds A Second Tailwind

The second layer is political. As I noted in **Tuesday’s Daily Market Commentary**, October is the best month of midterm years since 1950. It averages a 3.0% gain and finishes higher 73.7% of the time. November isn’t far behind at 2.7%, and it’s the most consistent month on the midterm calendar, closing higher 78.9% of the time. Add the three fourth-quarter averages together, and you get roughly 6.5%.

OCTOBER IS THE BEST MONTH IN A MIDTERM YEAR

S&P 500 average monthly return, 19 midterm years, 1950 to 2025



Bottom row: share of midterm years the month finished higher.

*Source: Carson Investment Research, FactSet (data as of 9/20/2026). Chart: RIA Advisors.
Past performance is not indicative of future results.*

October (3.0%) and November (2.7%) are the two best months of the midterm calendar. June's 2.1% average decline is the worst.

Such is the typical rhythm of a midterm year. Markets dislike uncertainty, and the months before a midterm vote are full of it. Once the ballots are counted, even a gridlocked result removes a variable, and money that sat out the summer tends to come back. One more detail makes this more useful than it looks. Only one year, 1950, appears in both the strong-year and midterm samples. These are two largely independent tailwinds, not one signal counted twice. Seasonality is a tailwind, NOT a guarantee.

Earnings Estimates Are Rising, Which Rarely Happens

The fundamental case is where this quarter gets interesting. According to **FactSet's September 18 Earnings Insight**, analysts expect Q3 earnings growth of 28.9% on revenue growth of 11.9%. On June 30, that estimate was 26.7%. Over the past five years, estimates have fallen by an average of 2.2% per quarter. This time, they climbed, and 72 companies issued positive guidance against 43 negative.

The track record argues for upside surprises. Q1 earnings grew 20% against an 11% consensus, and Q2 delivered 32% against 22%. The forward multiple has also compressed to 19x, roughly 15% below its 2026 high, as earnings outran price.

THE BAR WENT UP, NOT DOWN

S&P 500 earnings expectations heading into Q3 reporting season

28.9%

Q3 EPS GROWTH EST.

+2.2 PTS

Q3 EST. SINCE JUNE 30

26.5%

Q4 EPS GROWTH EST.

72 VS 43

POSITIVE VS NEGATIVE GUIDES

Five-year norm: estimates fall 2.2% during a quarter. Source: FactSet Earnings Insight, 9/18/2026.

Chart: RIA Advisors.

Q3 growth expectations rose from 26.7% to 28.9% during the quarter. Analysts see 26.5% growth in Q4.

We discussed the scale of this earnings run in **our look at earnings and price breaking 90-year trends**. The upshot for Q4 is simple. **Rising estimates into the reporting season give companies room to beat, and beats are what restart the buyback machine.** The trade-off is that the bar is higher, not lower. Rising expectations leave less room for the usual “beat by a penny” rally. Guidance will matter more than the headline print.

Buybacks, Liquidity, and Sentiment Are Turning Together

One thing missing over the last month has been corporate buybacks, which are the largest single buyers of U.S. stocks. **Our prior analysis** found the blackout period cuts corporate purchases by roughly 35%. That window reopens company by company as each one reports, starting with the banks in mid-October. The dry powder is there, too. According to Citadel Securities, U.S. companies authorized \$1.3 trillion in buybacks through September 29, the most on record at this point in the year. Windows reopen around October 15, and execution has historically picked up into November.

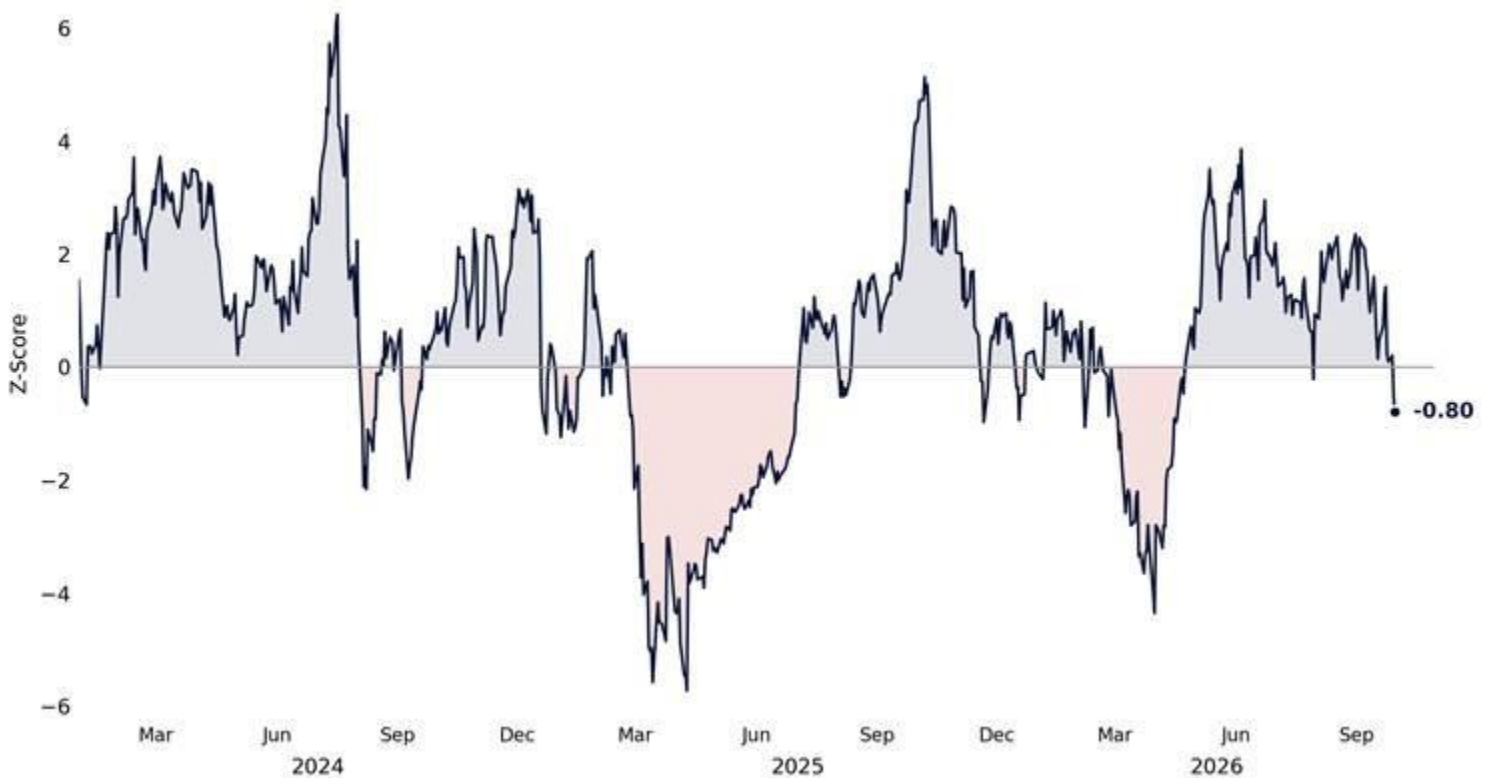
Last week, an astute reader wrote to ask how I can remain constructive as the Fed hikes rates. It’s a perfectly logical question. To answer that question, let’s analyze the most crucial thing to markets: ***liquidity***.

This past month, the Fed raised the Fed funds rate on September 16. This was the first increase since 2023, which increased the cost of money. Crucially, while the “**cost**” of money went up, the “**quantity**” of money isn’t shrinking. **The Fed ended quantitative tightening** on December 1, 2025. Then, the Fed bought roughly \$160 billion in Treasury bills for reserve management in the first half of 2026, and bank reserves stood near \$3 trillion in August. **In other words, the price of liquidity rose while its supply held steady.**

Reading	Latest	What it says
Buyback authorizations, 2026 YTD	\$1.3 trillion (thru 9/29)	Blackout ends as Q3 reports roll in, returning the market’s biggest buyer
Bank reserves	~\$3.0 trillion (August)	QT is over, and the Fed judges reserves ample
Fed funds rate	3.75% to 4.00% (hiked 9/16)	The one real headwind, pressuring rate-sensitive sectors
AII bearish reading	48.1% (week of 9/23), from 53.3%	Pessimism is extreme but starting to reverse
AII bull-bear spread	-15.4 pts (9/23), from -24.5	Below the 6.5-point historical average for ten straight weeks

Then there's sentiment, and it may be the most powerful fuel of all. In the week of September 18, AAll bears hit 53.3% with bulls at just 28.8%, the weakest reading in 16 months, even with the index only 2% from its high. One week later, bears slipped to 48.1%.

Professional money de-risked even faster. Citadel Securities estimates CTA equity positioning swung from +2.35 standard deviations at the end of August to -0.80 today, a three-sigma reversal in one month. Retail cash trading also fell to its lowest level of 2026 in September.



Meanwhile, as noted in Tuesday's commentary, inflows to money-market ETFs reached levels that have coincided with market lows since 2018. Bob Farrell's Rule #9 reminds us that when all the experts and forecasts agree, something else is going to happen. Right now, the consensus is bearish. Bearish investors hold cash, and that cash becomes a buyer when the mood turns.

The best setups for a strong fourth quarter are the ones nobody believes in. This looks like one of them.

OCTOBER: This is one of the peculiarly dangerous months to speculate in stocks. The others are July, January, September, April, November, May, March, June, December, August, and February.

– Mark Twain

“October has long been a time for reaping—but also for sowing.

Yes, in 1987 the stock market crashed on Oct. 19, falling more than 20% in a single day. Over the five days ended Oct. 10, 2008, as the global financial crisis intensified, U.S. stocks lost 18%, the worst week then on record. The panic of 1907, which devastated the U.S. banking system, also erupted in October. Some researchers have even argued for a “Halloween indicator,” which steers clear of stocks until after Oct. 31.

And many investors, in my experience, worry that October is cursed by the market gods.

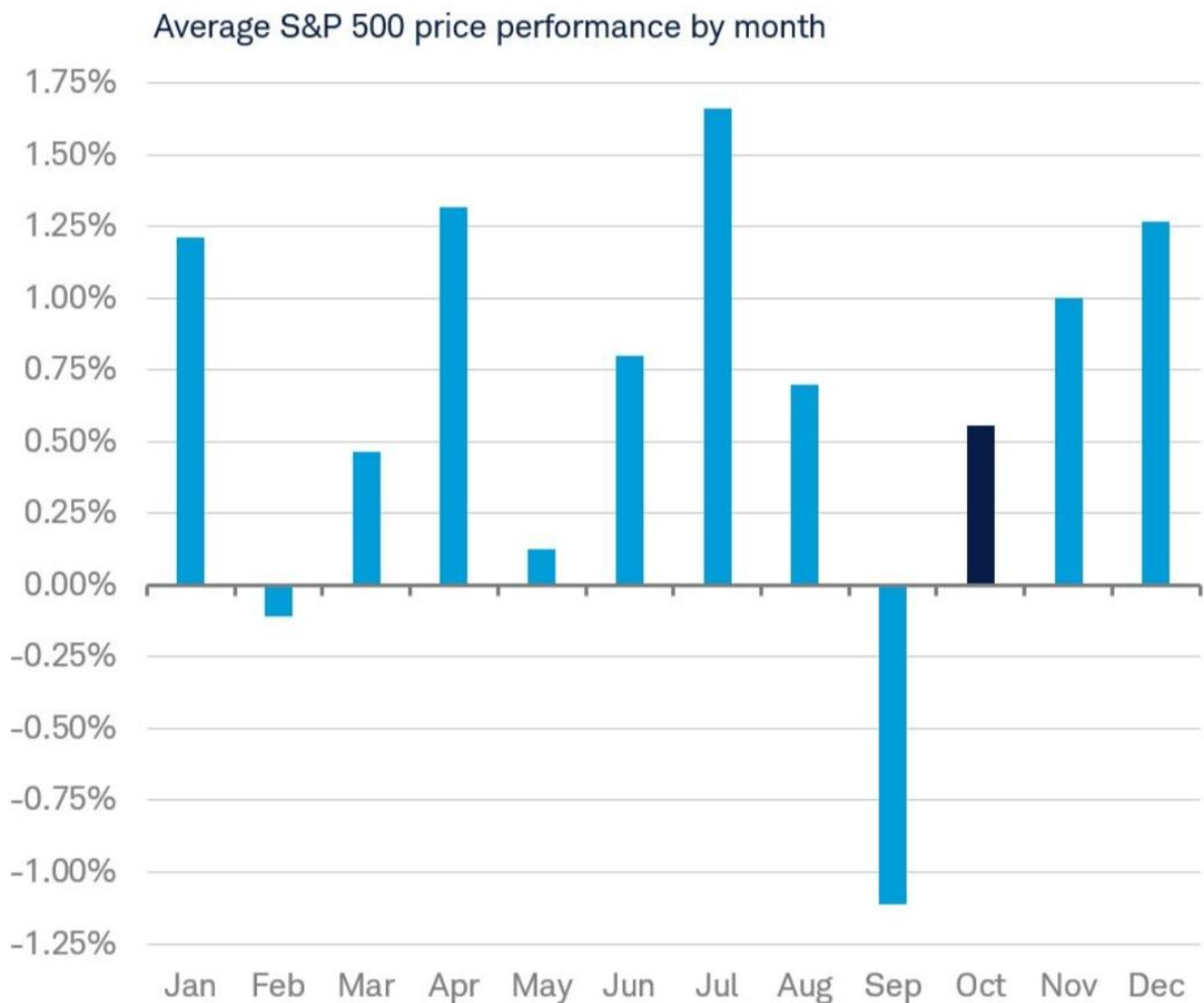
Well, then, so is January, when the horrific bear market of 1973-74 began, initiating a 48% wipeout. So is February, when the 22% swoon of 1966 started—and the pandemic panic of 2020. So is March, which kicked off the beginning of the disastrous bear market of 2000-02, when tech stocks fell by about 80%—and the second-worst market downdraft on record, from 1937 to 1942, when the stock market lost 60%. So is April, which in 2011 was the start of a 19% drop that ended at the beginning of October.”

Editor's Note:

In the last 50 years, 8 of the last 15 market declines have ENDED in October.

Good luck trading...

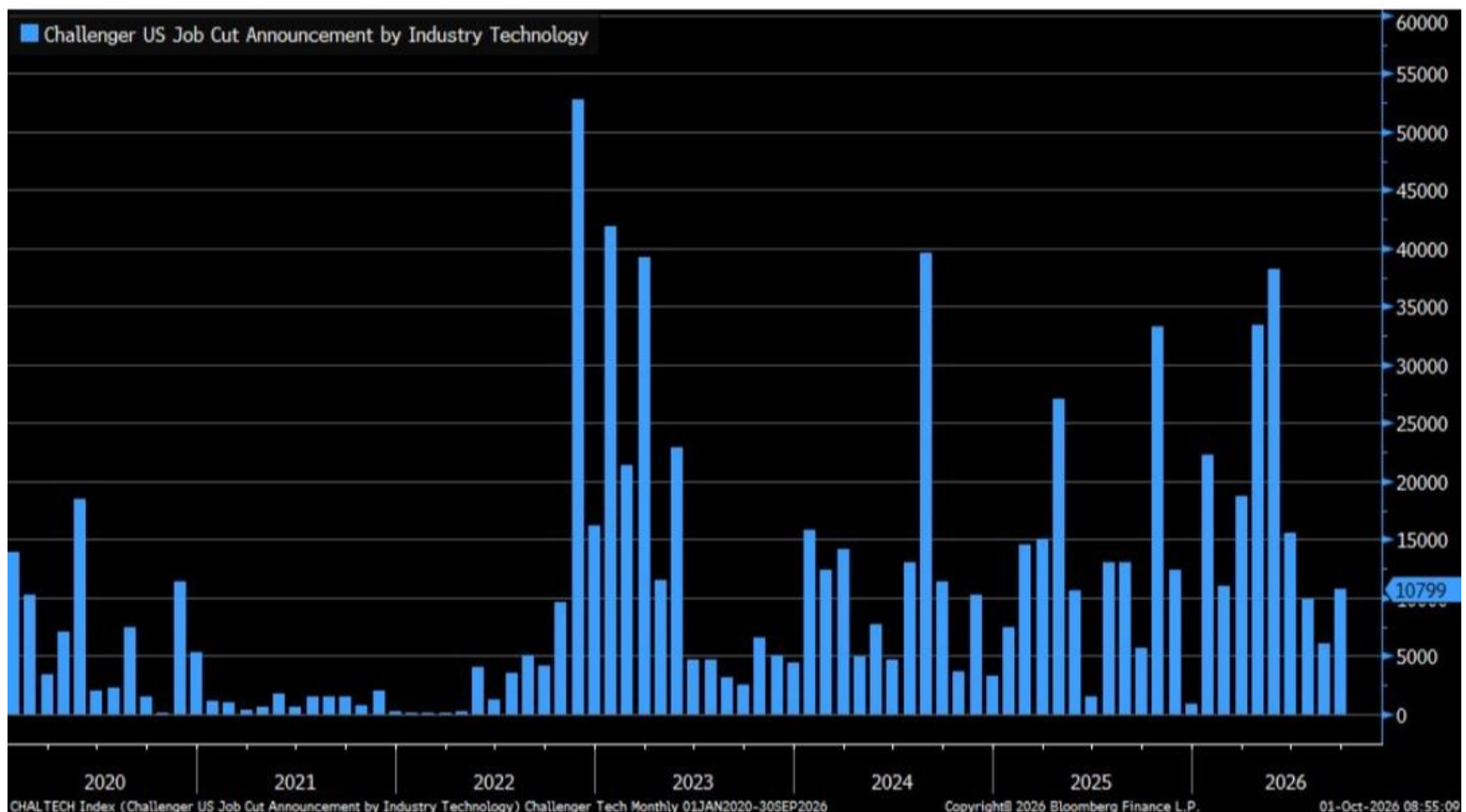
Since 1928, the S&P 500 has posted an average return of +0.6% in October... gains were recorded 58% of the time...best October +16.3% and worst October -21.8%



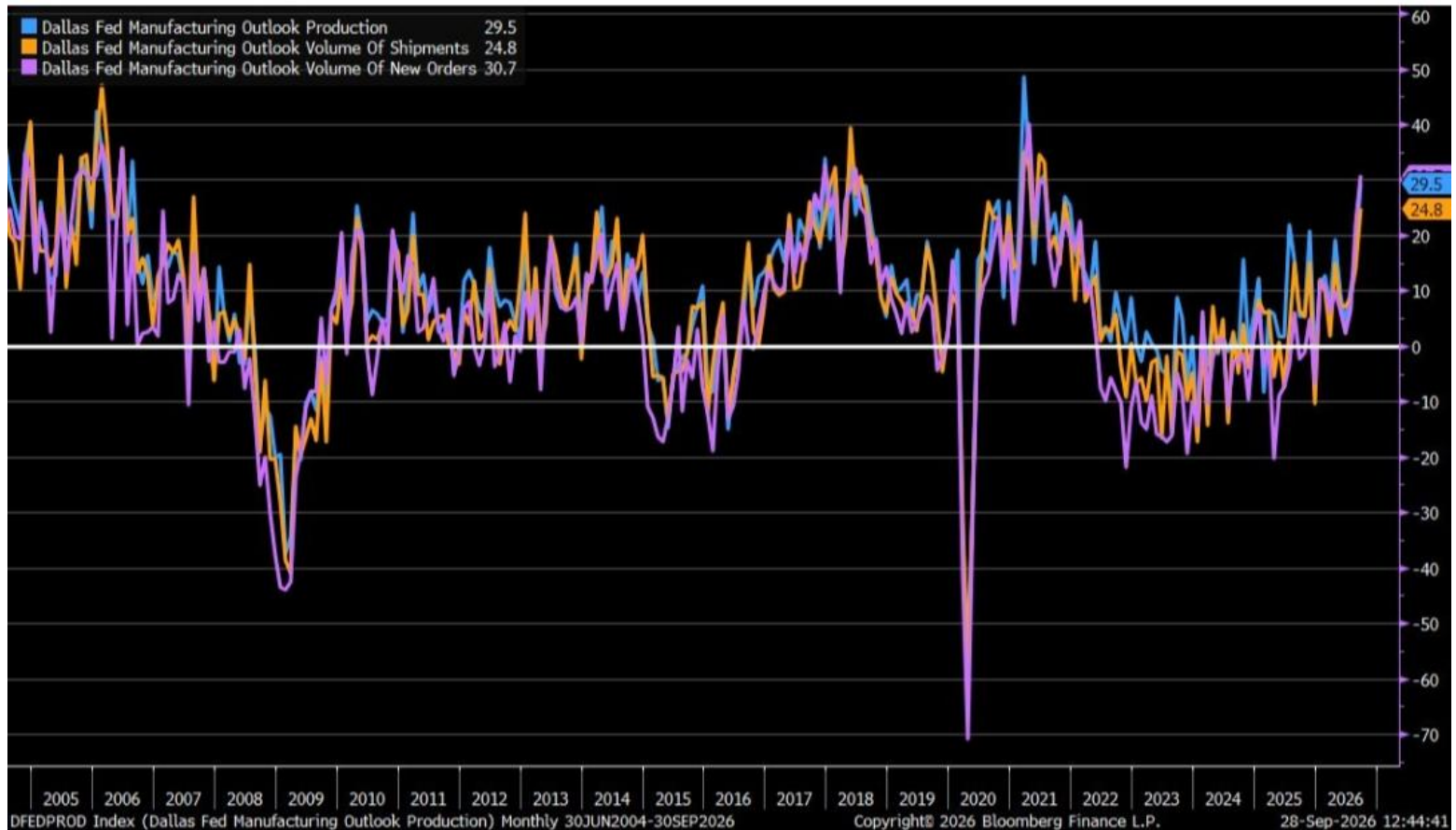
Source: Charles Schwab, Bloomberg. 1928-9/30/2026. Indexes are unmanaged, do not incur management fees, costs and expenses and cannot be invested in directly. **Past performance is no guarantee of future results.**

Tech announced 10,799 job cuts in September and 165,925 year to date, representing 29% of all job-cut announcements in 2026—the highest share of any sector

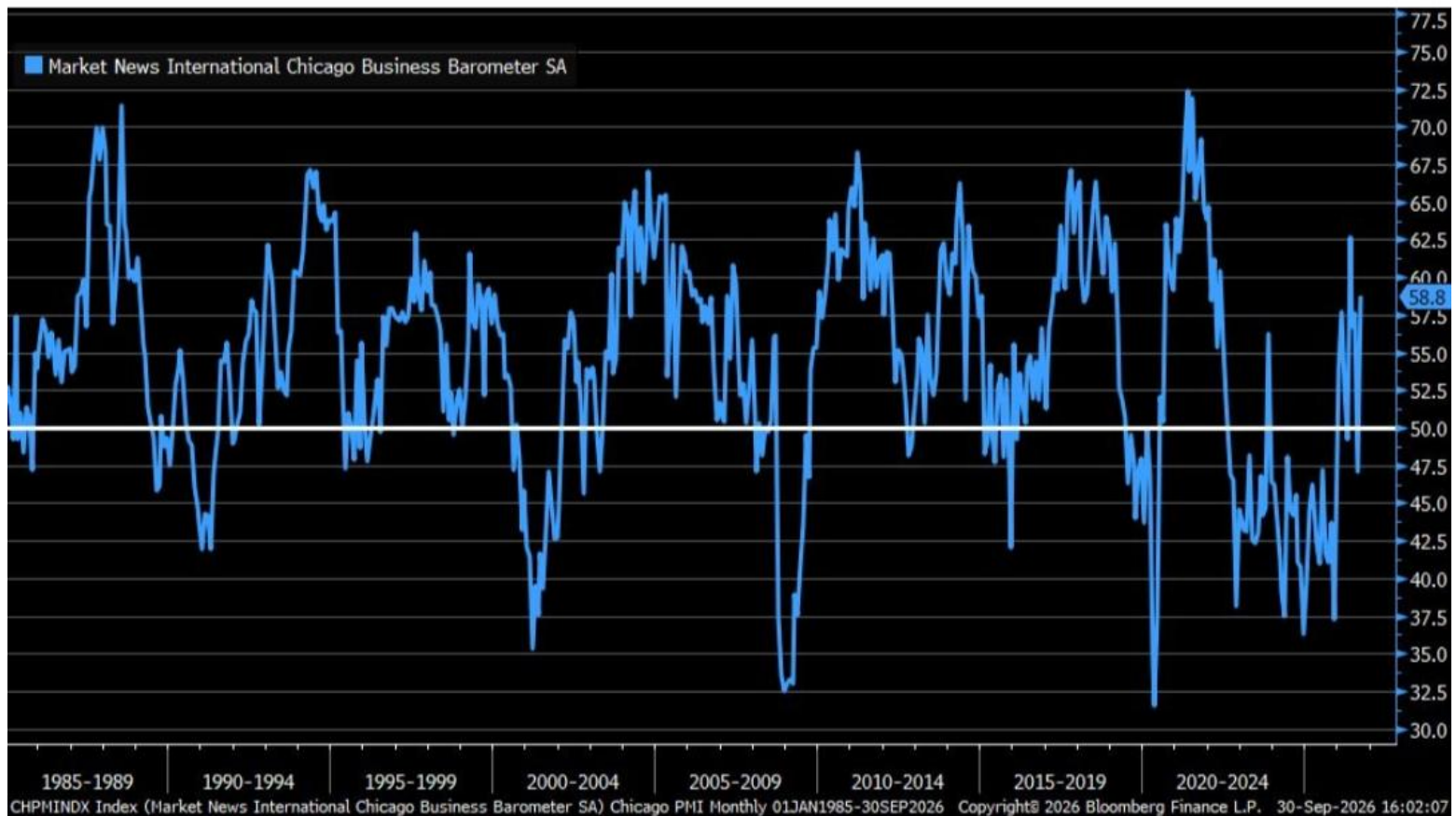
Challenger, Gray & Christmas, Inc.



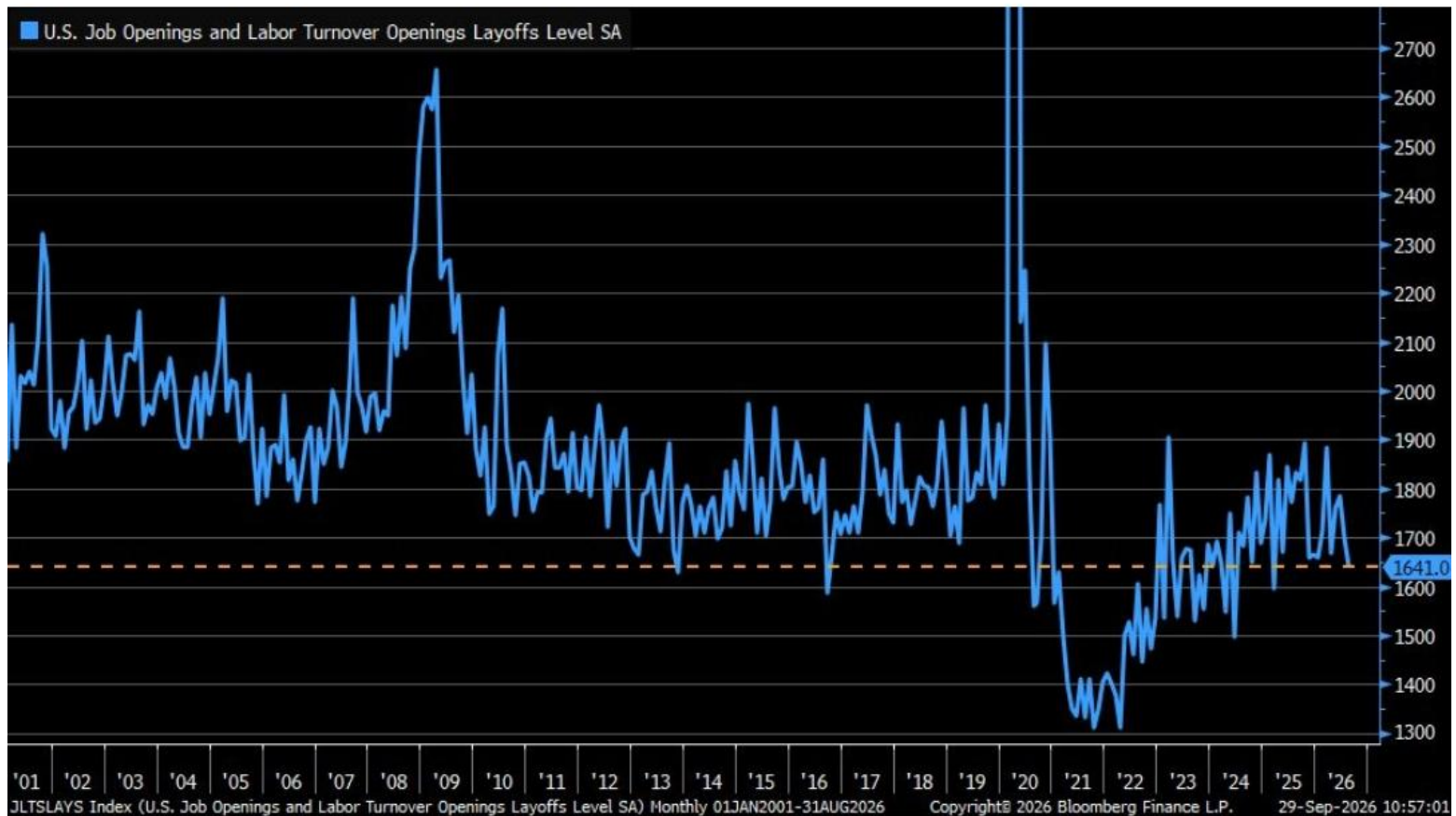
Production, shipments and new orders components of **Federal Reserve Bank of Dallas** Manufacturing Index rose sharply in September and sit at multi-year highs



September Chicago PMI jumped to 58.8 vs. 47.1 prior, marking its fastest increase in four months and a return to expansion territory



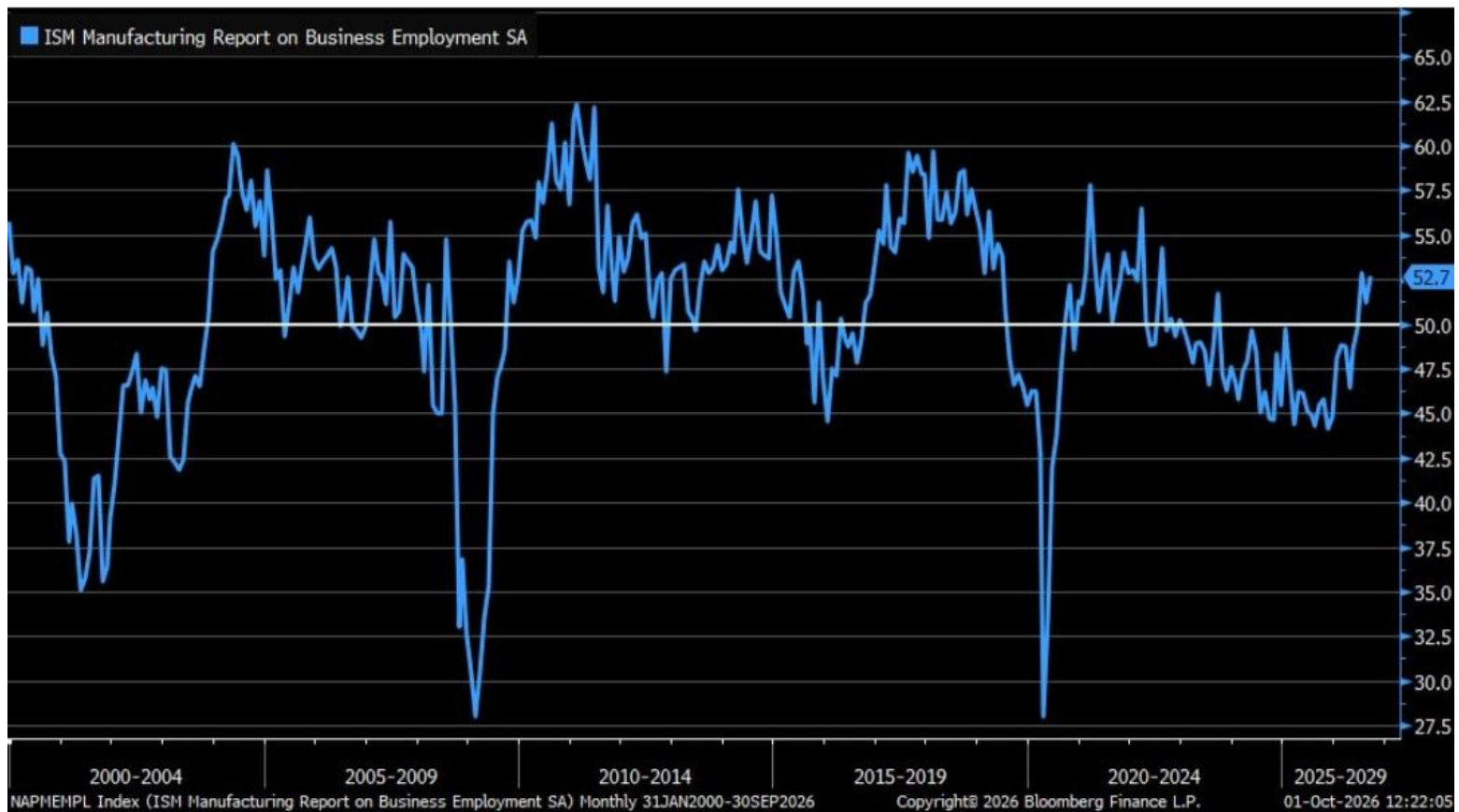
August layoffs fell to their lowest level since March 2025, supporting the labor market's low-hire, low-fire environment



Number of job vacancies per unemployed persons slipped to 1.01 in August, down from 1.06 a month earlier



Ahead of this morning's jobs report, ISM manufacturing employment rose to 52.7 in September, extending its expansion streak to three consecutive months



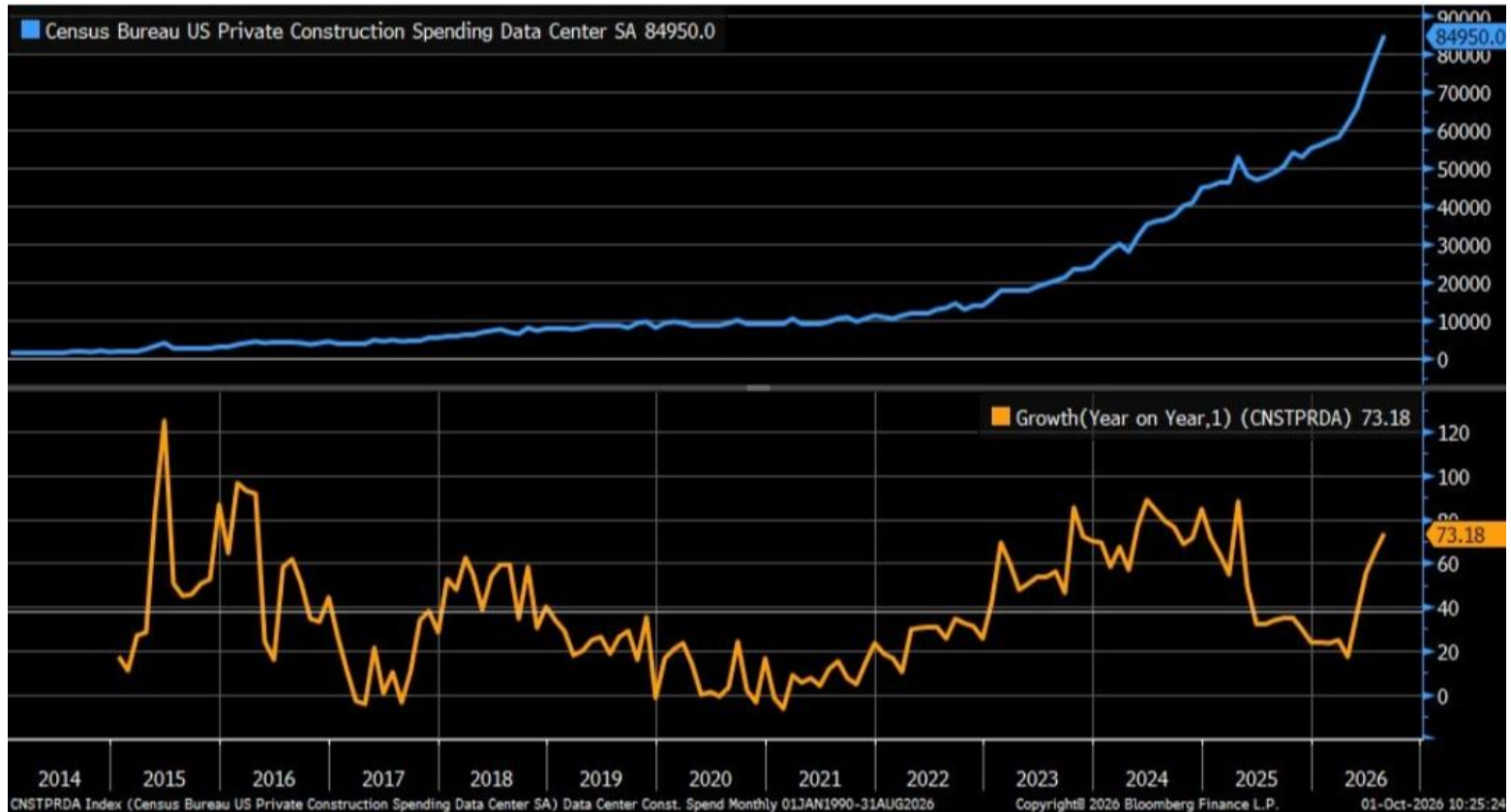
The dual shock for households and consumers: mortgage rates above 7% and the national average gas price at \$4.434



Consumers' average and median 12-month inflation expectations rose to 6.1% and 5.1%, respectively, in September **The Conference Board** survey



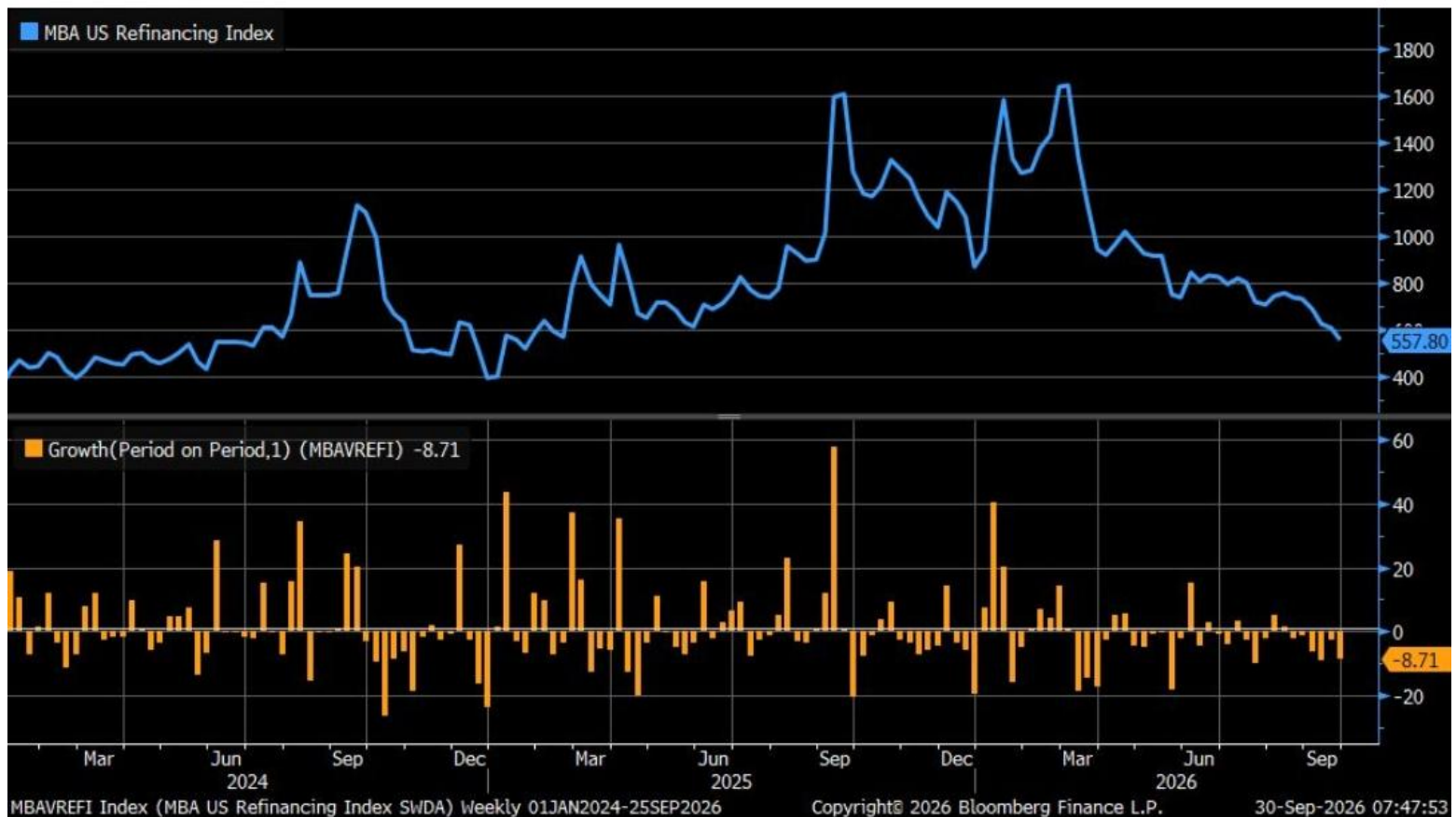
Spending on data center construction rose nearly 75% y/y in September



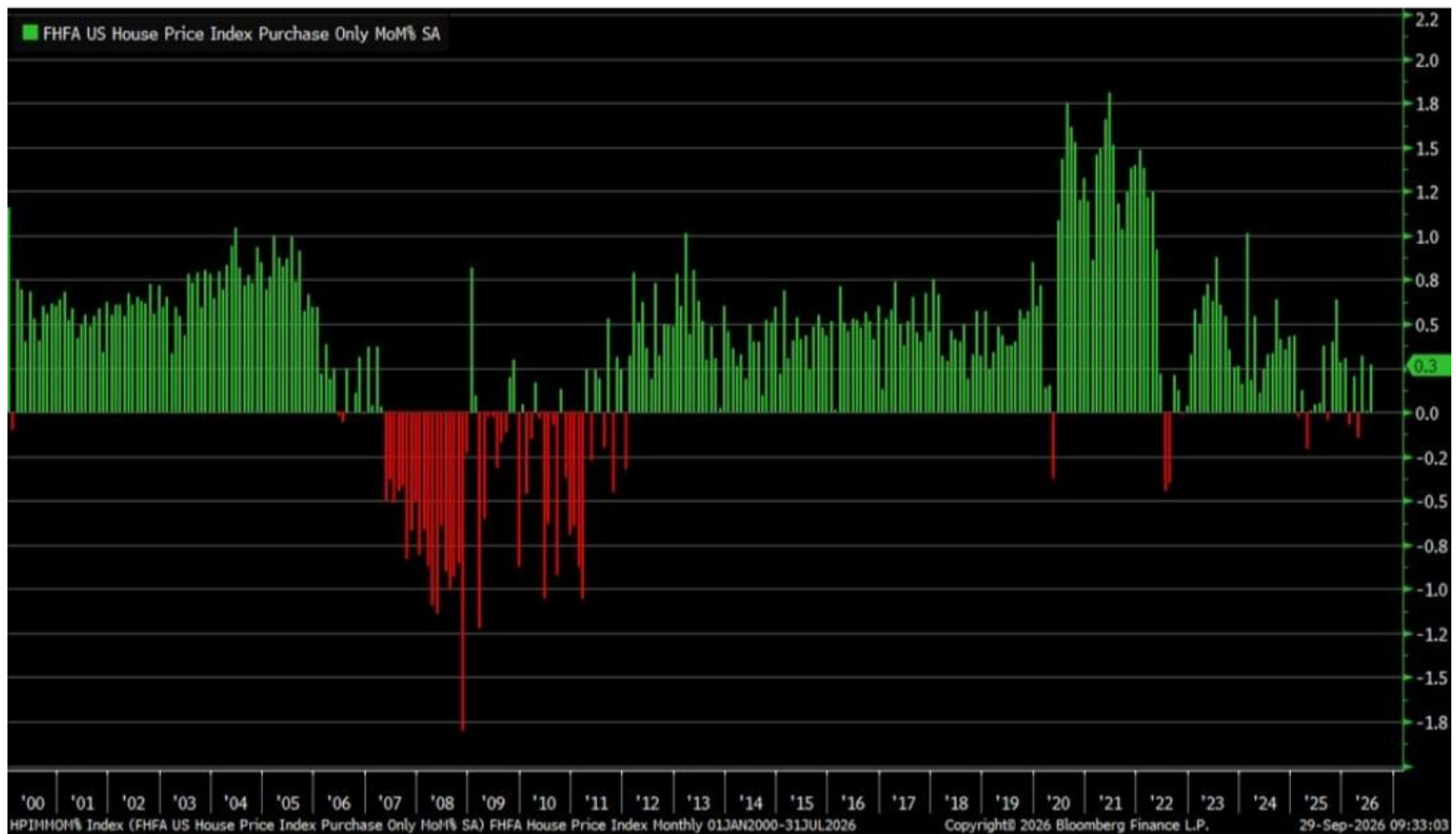
In year/year terms, continuing jobless claims remain firmly in negative territory and sit at their lowest level in four years



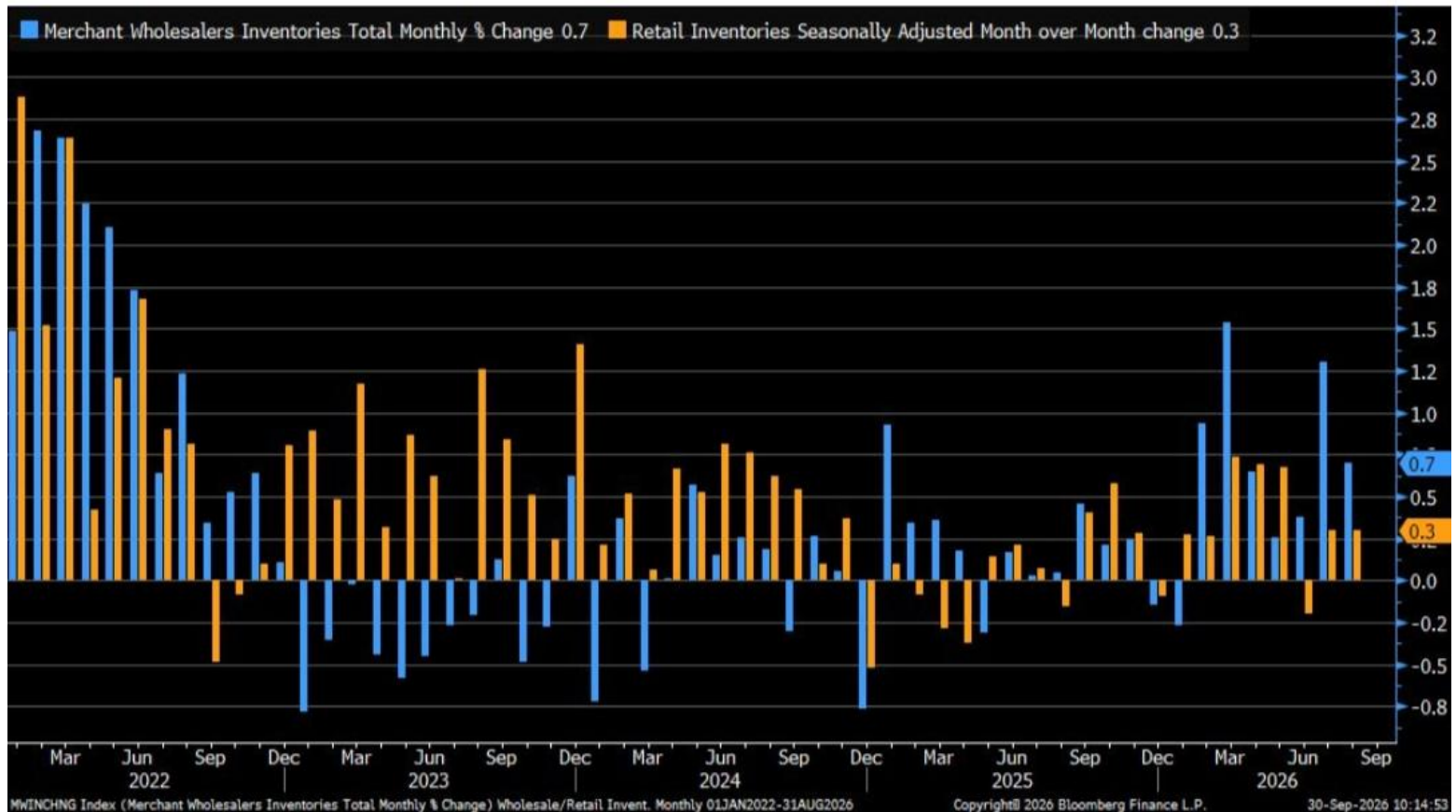
MBA refinance applications fell 8.7% last week, reaching their slowest pace in over a year



July **Federal Housing Finance Agency** House Price Index rose for a third consecutive month, up +0.3% m/m...prices were up +2.6% y/y



August wholesale inventories (blue) rose +0.7% m/m vs. +1.3% prior...retail inventories up +0.3% m/m vs. +0.8% prior

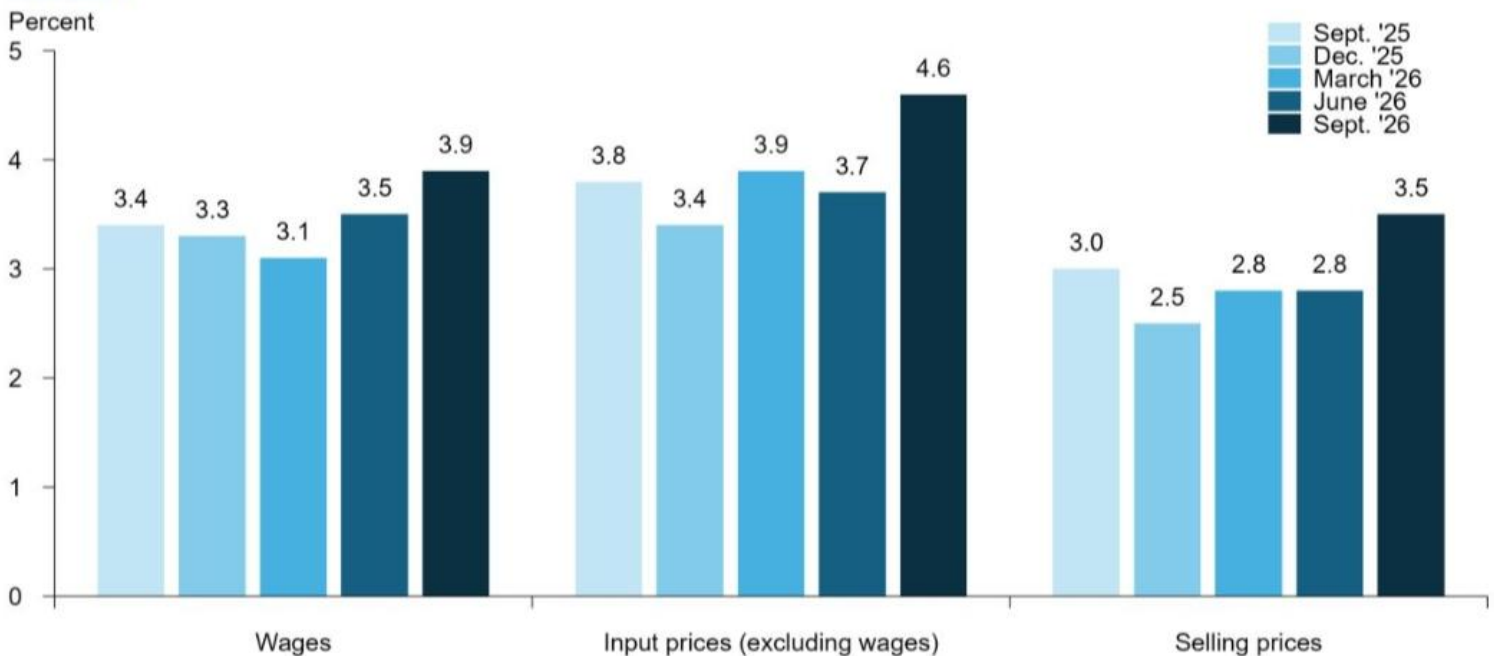


**S&P 500 rose by 2% in the third quarter, its smallest gain since 3Q21...Russell 2000 fell 7.5%, its first quarterly decline since 1Q25
[Past performance doesn't guarantee future results]**



According to latest **Federal Reserve Bank of Dallas** survey's supplemental question, Texas manufacturers expect input prices to rise 4.6% over the 12 months...selling prices are anticipated to increase 3.5%, strongest pace in more than two years

What percent change in wages, input prices and selling prices does your firm expect over the next 12 months?



NOTES: Executives from 267 Texas businesses answered this question during the survey collection period, September 15-23, 2026. Shown are averages, calculated as trimmed means with the lowest and highest 5 percent of responses omitted.

SOURCE: Federal Reserve Bank of Dallas Texas Business Outlook Surveys.

Federal Reserve Bank of Dallas



THIS DAY IN HISTORY...

SEPTEMBER

28

1941

**TED WILLIAMS
BECOMES LAST MLB
PLAYER TO HIT .400**



THIS DAY IN HISTORY...

SEPTEMBER

30

1955

**JAMES DEAN DIES IN
CAR ACCIDENT**



THIS DAY IN HISTORY...

OCTOBER

1

1962

**JOHNNY CARSON
MAKES DEBUT AS
“TONIGHT SHOW”
HOST**



THIS DAY IN HISTORY...

OCTOBER

2

1959

**“THE TWILIGHT ZONE”
PREMIERES ON TV**

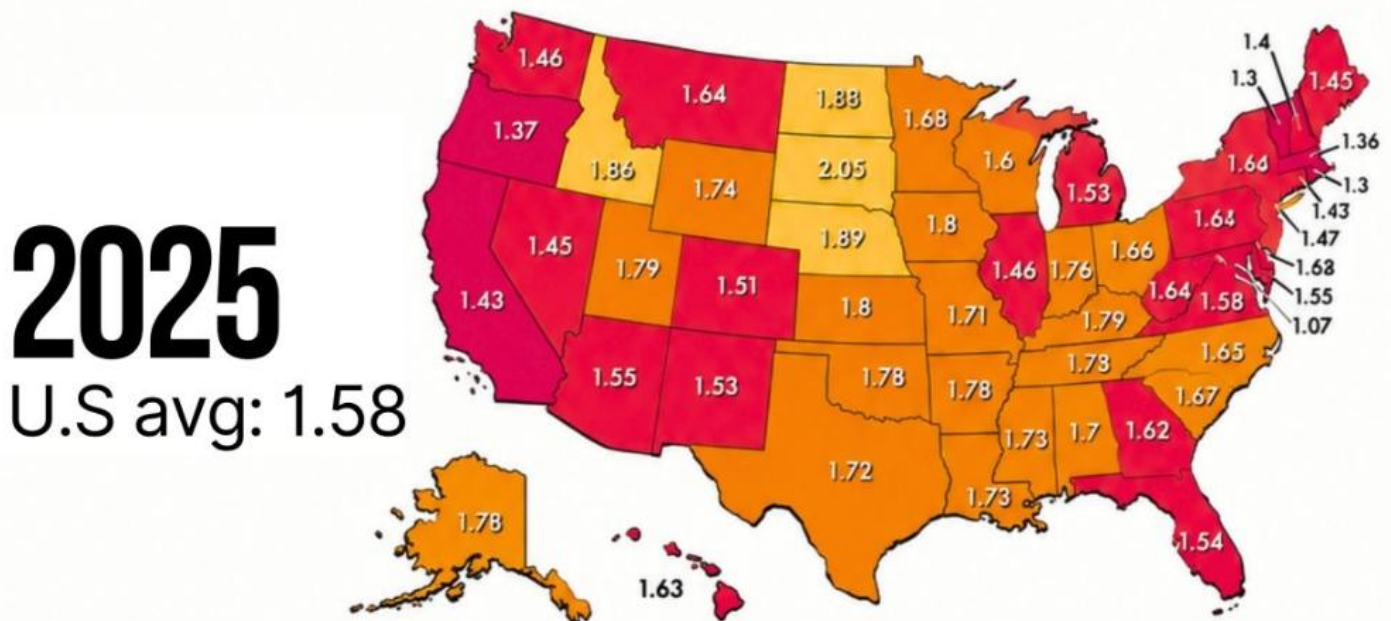
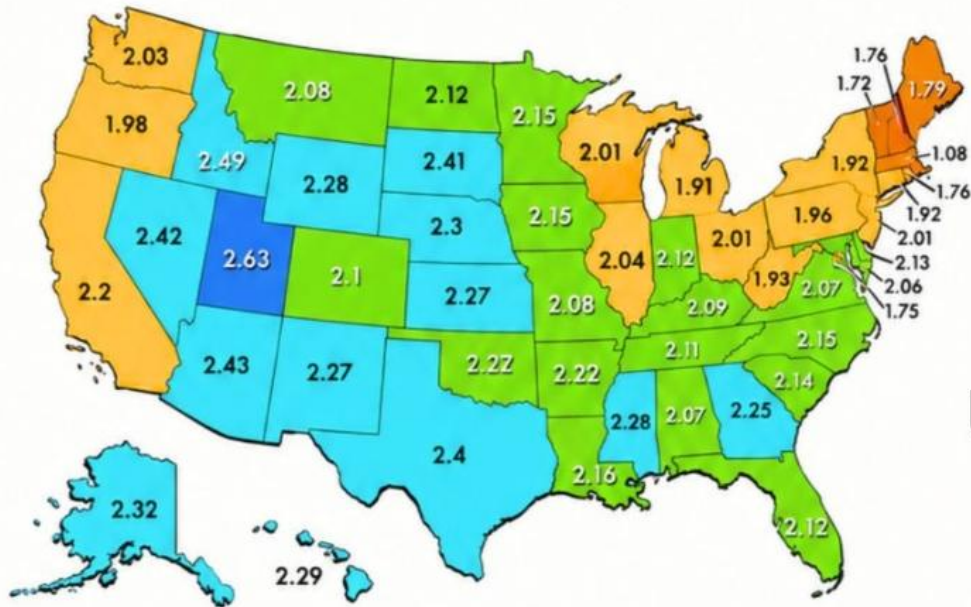
**ON THIS DAY IN AUTOMOTIVE
HISTORY...**



THE CAMARO DEBUTS...9/29/1966

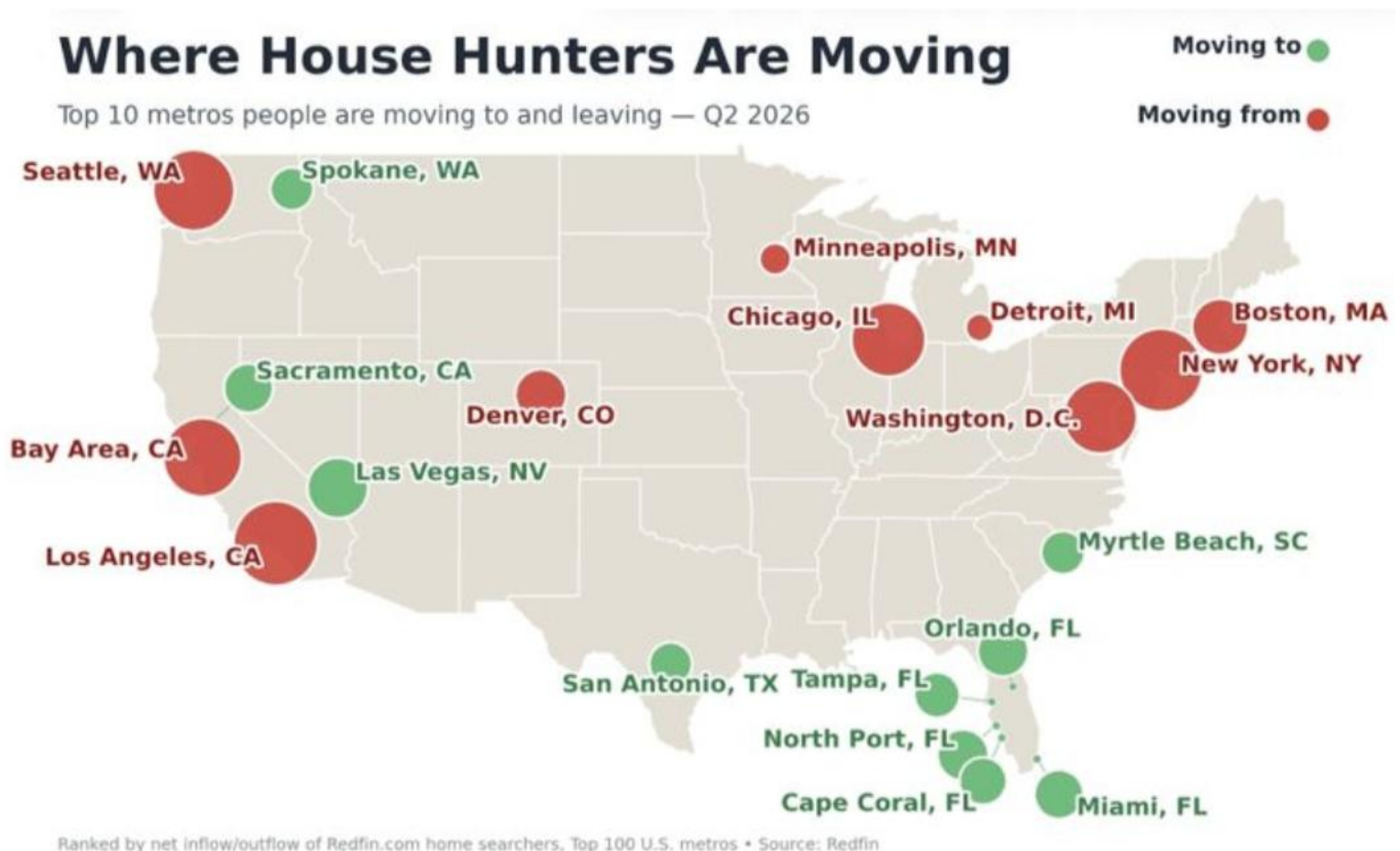
U.S. FERTILITY RATES BY STATE: 2007 VS. 2025

1.25 2.01 2.75



Source: U.S. Centers for Disease Control and Prevention (CDC), National Center for Health Statistics

House hunters bet on Las Vegas as it topped the list of cities for relocators, per **Redfin** 2Q26 data, while Los Angeles saw the largest net outflow (more residents looking to move out than move in)...at the state level, Florida was the hottest destination





NFL REALIGNMENT



PACIFIC



MOUNTAIN WEST



CENTRAL



SOUTH



NORTH



SOUTHEAST



NORTHEAST



MID-ATLANTIC



EVOLUTION OF AUSTRALIA



1788



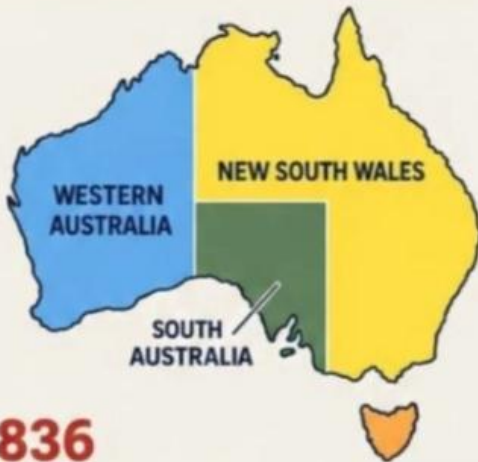
1851



1825



1859



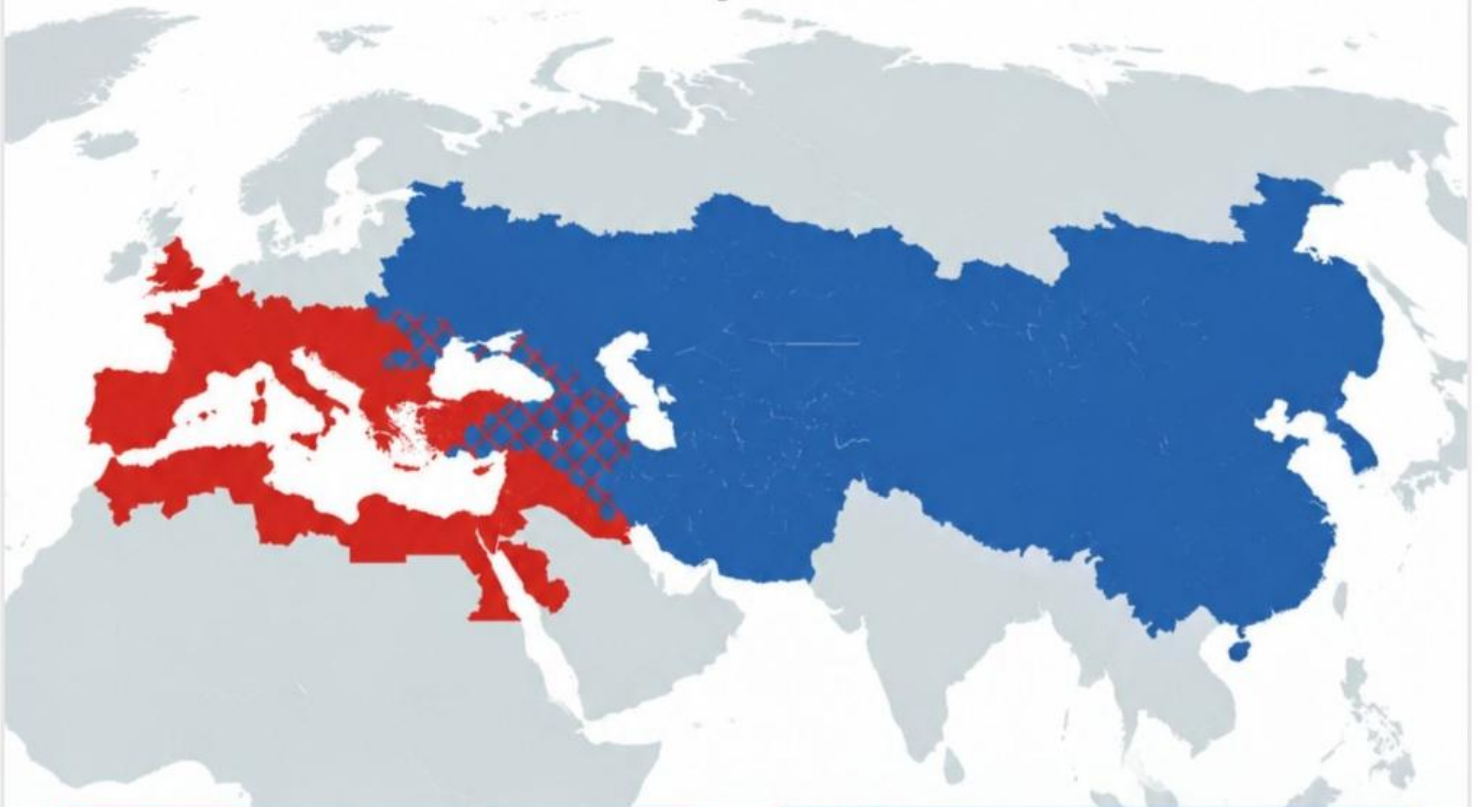
1836



after 1911

The Roman Empire vs. The Mongol Empire

At Their Respective Peaks



ROMAN EMPIRE

At its peak (117 AD)



Area

5.0 million km²



Population

~56–68 million



Capital

Rome



MONGOL EMPIRE

At its peak (c. 1270)



Area

24.0 million km²



Population

~110–120 million

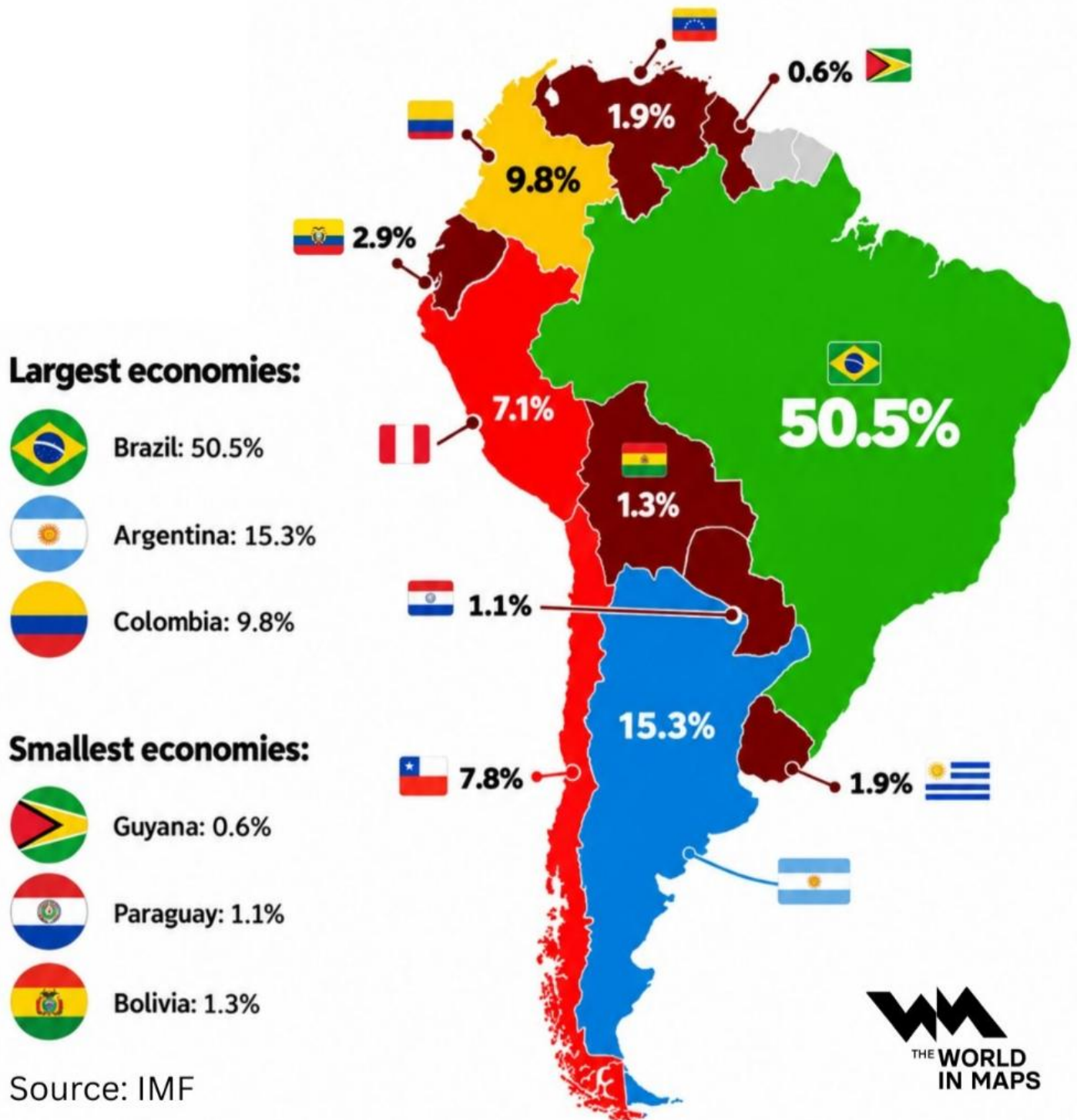


Capital

Karakorum

Sources: Guinness World Records;
Cambridge History

50% of South America's GDP comes from Brazil



Best Asset Classes

Data from NYU. Annualized returns. (Stocks = S&P 500, Cash = 3-month T-bills, Bonds = 10 year Treasuries, Real Estate = Case-Shiller Index, Gold = Year-End Price per oz, Inflation = CPI)

BY DECADE!

	 Stocks	 Cash	 Bonds	 Real Estate	 Gold	 Inflation
1930s	-0.9%	1.0%	4.0%	-1.2%	5.3%	-2.0%
1940s	8.5%	0.5%	2.5%	8.1%	-0.8%	5.4%
1950s	19.5%	2.0%	0.8%	3.0%	1.0%	2.2%
1960s	7.7%	4.0%	2.4%	2.2%	1.6%	2.5%
1970s	5.9%	6.3%	5.4%	8.7%	28.6%	7.4%
1980s	17.3%	8.8%	12.0%	5.9%	-2.5%	5.1%
1990s	18.0%	4.8%	7.4%	2.7%	-3.1%	2.9%
2000s	-1.0%	2.7%	6.3%	4.0%	14.1%	2.6%
2010s	13.4%	0.6%	4.1%	3.8%	3.4%	1.8%
2020s	11.9%	1.9%	-2.4%	10.2%	8.0%	4.5%
Average	10.3%	3.3%	4.3%	4.7%	5.6%	3.2%

S&P 500

Annual Returns (1900-2025)

	Up Years	Down Years
Years (of total)	86 (68.3%)	40 (31.7%)
Avg. Return	18.10%	-14.88%



EAT WHATEVER YOU LIKE BECAUSE...😂

1 The treadmill inventor **died** at 54.



2 The gymnastics inventor **died** at 57.



3 The world bodybuilding champion **died** at 41.



4 Diego Maradona **died** at 60.



5 But the KFC inventor **died** at 94.



6 The Nutella inventor **died** at 88.



7 The Hennessy inventor **died** at 98.



8 Nobody truly knows the secret to a long life.



9 The rabbit jumps all day and **lives** 2 years.



10 The turtle does nothing and **lives** 200 years.



Eat, drink and enjoy life.😂



READ > THINK > BECOME



This is humor only —
exercise and diet do impact health.

