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Weekly Charts

2026



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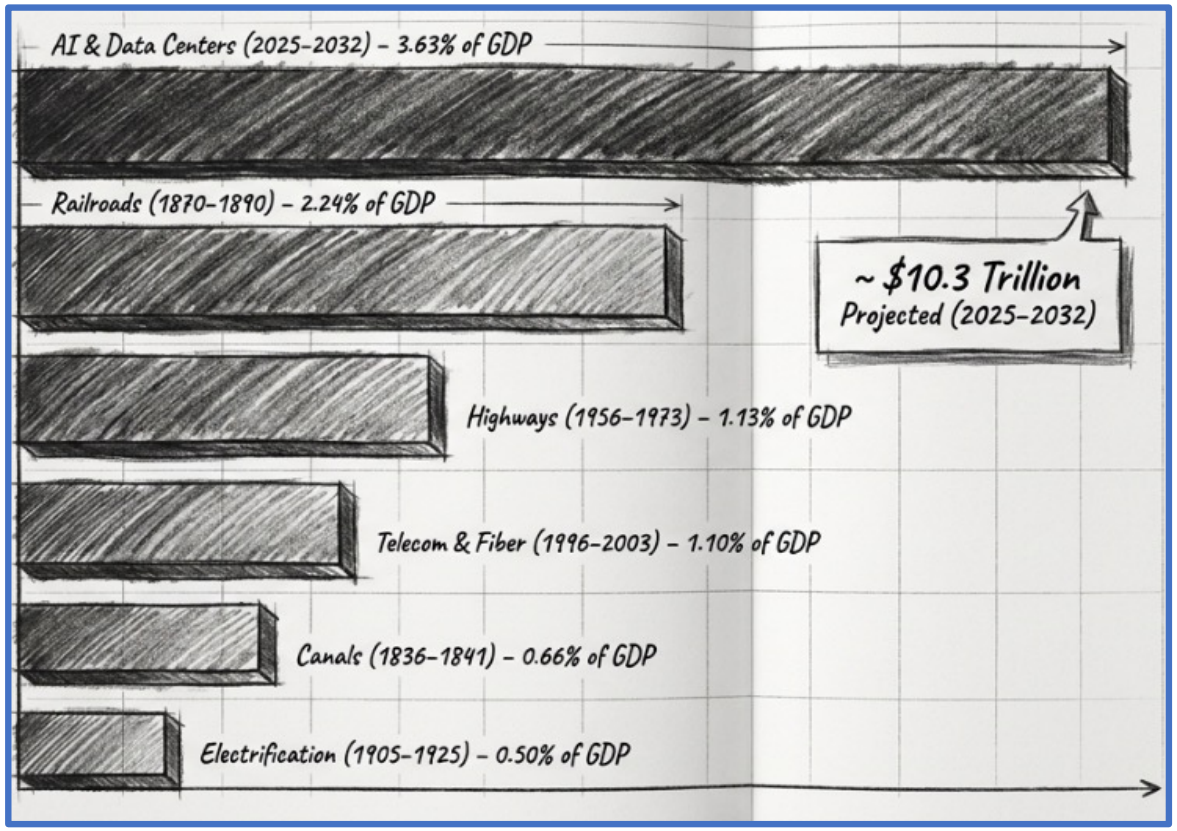
Source: Tradingview 9/27/26

While the AI boom continues to drive unprecedented growth, higher-for-longer interest rates are beginning to expose vulnerabilities among lower-quality borrowers. Each month that rates remain elevated, more companies with weak credit profiles face a refinancing wall, forcing them to roll over debt at borrowing costs far above those available during the 2021–2022 period.

CCC-rated high yield spreads have climbed back above 11%, while the broader investment-grade credit market remains relatively calm. The bill for the era of exceptionally cheap money, however, is likely coming due for the weakest balance sheets. Private-equity-backed companies in technology, healthcare, and consumer discretionary may be particularly vulnerable given their often-thin operating margins and the potential for AI-driven disruption. For businesses already operating with limited financial flexibility, absorbing significantly higher interest expense could prove increasingly difficult.

Monetary policy operates with a lag and does not affect every sector of the economy equally. Companies with strong balance sheets have generally been able to refinance earlier and lock in more favorable financing terms, leaving them less exposed to the current tightening cycle. The greater pressure is likely to emerge among more speculative borrowers, where higher refinancing costs and weaker operating performance could translate into rising defaults and restructuring activity.

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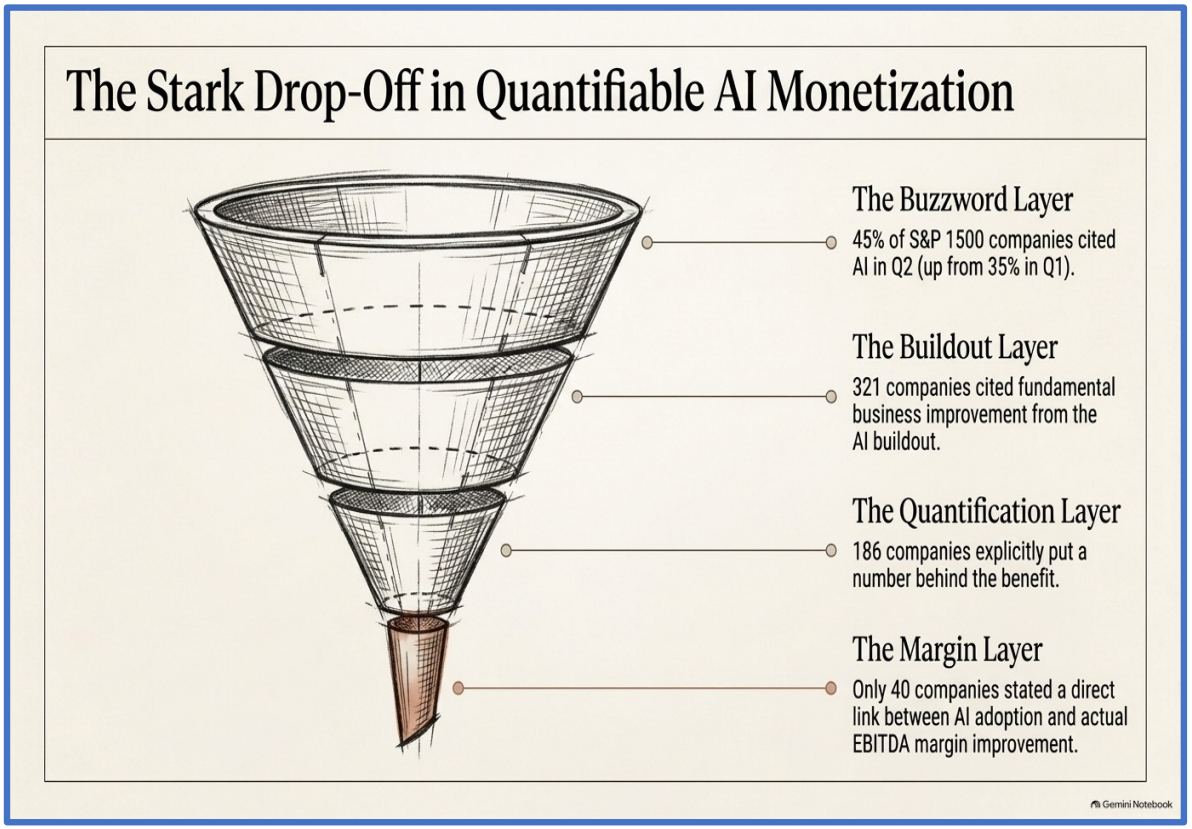
Source: WSJ 9/23/26

The Brookings Institution recently published fascinating data points on the scale of infrastructure investment throughout U.S. history. Artificial intelligence represents the latest major infrastructure buildout—and potentially the largest in history. In fact, projected spending on data centers and AI infrastructure is expected to exceed the combined investment associated with the canal, railroad, and electrification buildouts.

Of course, projections and realized investment are two very different things. Actual spending could ultimately fall substantially short of current expectations. Nevertheless, capital is pouring into the AI infrastructure buildout. Hyperscalers are expected to spend approximately $800 billion this year, equivalent to roughly 2.4% of GDP, followed by an estimated $1.4 trillion next year, or approximately 4% of GDP. At that level, hyperscalers capital expenditures alone would account for roughly 39% of nominal GDP growth.

That pace of investment is extraordinary—and unlikely to continue indefinitely without evidence of economic returns. As we move toward the end of the decade, investors will increasingly demand proof that the enormous capital being deployed into data centers, power generation, networking, and other AI infrastructure is generating attractive returns. The key question over the next few years, if not months, may therefore be less about whether the AI infrastructure buildout can continue, and more about whether the returns generated by that infrastructure justify another round of massive capital investment.

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Source: What Is Next For The Markets Podcast 9/27/26

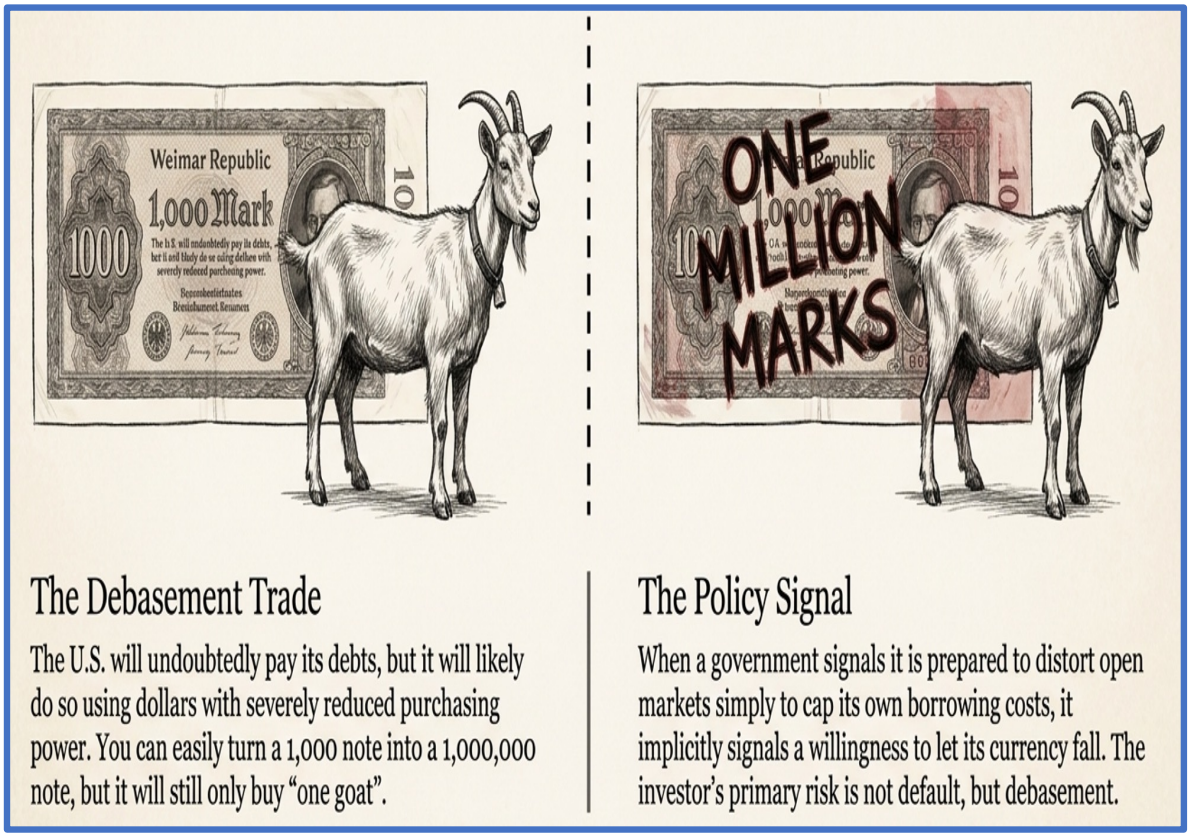
Piper Sandler sought to determine how much of the economy's current strength is genuinely broad-based versus simply the result of an AI-driven investment boom. To address the question, the firm analyzed earnings-call transcripts from S&P 1500 companies reporting second-quarter results. The findings provide some interesting perspective on how broadly (or not) AI is affecting corporate America.

AI is becoming more prominent in corporate commentary, but its impact on earnings remains limited. 45% of the companies cited AI in their call, up from 35% in Q1. in other words, over half the universe does not seem to make it a point of emphasis. 21% of companies cited fundamental business improvement from the AI buildout. 40 companies, or just 2.6%, stated a direct link between AI adoption and actual earnings improvement. In other words, AI's impact on companies' earnings is nowhere near it will need to get to justify the current pace of spending.

One of the reasons the broader market has not experienced a significant pullback is because earnings growth has been strong. If you strip out the MAG 7 and look at the remaining 1493 companies, you see that 89% of the companies saw earnings growth in Q2.

Finally, inflationary pressures remain elevated, but so does corporate pricing power, albeit in a very bifurcated way. Pricing power remains relatively strong in technology, real estate and energy sectors where companies are better positioned to absorb or pass through higher costs.. Conversely, the consumer appears to be tapped out, leaving staples companies caught between rising input costs and limited ability to pass those costs through to customers.

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Source: The Memo by Howard Marks Sept. 2026

The sheer scale of U.S. government debt—now approximately $40.2 trillion and counting—naturally raises an important question: *Will the United States default on its debt?* The short answer is a conventional, nominal default is unlikely.

Because U.S. government debt is denominated in dollars, the same currency issued by the U.S. government, the Treasury and Federal Reserve can create the dollars necessary to meet nominal obligations. The greater risk, therefore, may not be outright default, but currency debasement. If persistent fiscal deficits are ultimately financed through the creation of large quantities of new currency, the purchasing power of each individual dollar can decline relative to scarce or tangible assets.

Consider a simple example. A $100 bill could theoretically become a $1,000 bill—or even a $1 million bill—through changes in the currency's denomination. But if the price of everything else rises proportionally, that larger number does not necessarily make you wealthier. If a goat costs $100 today and $1 million in a future environment of extreme currency debasement, your $1 million still buys only one goat. The number of dollars has changed; the real purchasing power has not. That is the essence of currency debasement.

This distinction is important for investors. The objective is not simply to own more dollars, but to own assets that can potentially preserve purchasing power when the value of the currency is declining. Hard assets such as gold, commodities, real assets, and other scarce resources can provide exposure to assets whose value is tied less directly to the purchasing power of fiat currency.

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