Cantor Fitzgerald Asset Management

STRATEGY & OUTLOOK

Market Update

September 2026

Phil Byrne, *Chief Investment Officer*

Although equities were strong for the month of August with the S&P up over 2% and Emerging markets up over 3, their returns paled in comparison to those on offer in commodities.

Ongoing disruption to the strait of Hormuz saw oil up 6% and European gas up close to 20%. For similar reasons but also aided by concerns over el nino, agricultural goods were up 15 to 20%. These price increases drove up inflation concerns thereby increasing focus on the fiscal sustainability and monetary policy credibility of western governments and central banks policies. The rise in precious metals over the course of the month was indicative of concerns over both of these aspects. Global yields, especially at the long end of the curve increased to multi year highs with many on the verge of multi year breakouts and levels associated with historic turbulence in equity markets.

The funds continue to have a low level of risk on as we enter into September. We are at the lower end of our investment ranges, with an overweight in commodities, especially energy and agricultural. As concerns mounted over global fiscal issues we added Gold to the portfolio at what proved to be a timely level. We are underweight equities. The equities we do own are low beta and largely uncorrelated with AI theme. We are overweight Banks, Energy and Mining stocks which combined offer good value, solid earnings and traditionally fair well in this higher rate environment. We continue to be underweight technology and those equities more correlated with the AI theme. Our fixed income holdings are weighted towards the shorter end as bonds and equities show a worrying level of correlation currently. We have removed our overweight dollar position on concerns around fiscal and monetary policy credibility post recent inconsistent remarks by Treasury secretary Bessent and Fed Chair Warsh. It would appear to us there is a toxic combination developing for equity markets as global yields, tensions and leverage rise as growth slows and investors begin to question the sustainability and wisdom of the AI led capex cycle, without which global growth and equity market returns would appear to be at risk. For a more detailed review into our current thoughts and positioning I would point you to our H2 outlook piece on our website CFAM H2 Market Review and Outlook | Cantor Fitzgerald Ireland

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