



Monthly Market Update | August 2026

An August Recap: Stocks rise amidst global bond chaos



CTS FINANCIAL GROUP

CONVERSATION | TEAMWORK | SOLUTIONS

MONTHLY MARKET SUMMARY

- Throughout August, the large-cap heavy [S&P 500 index moved 2.6% higher](#) while the [S&P500 Equal Weight Index gained 1.91%](#). [Five of the eleven sectors saw positive returns during the month](#). The energy sector outperformed once again, climbing 6.48%. Information technology and materials also performed well, up 6.19% and 5.82%, respectively. Underperforming were real estate (-2.00%), industrials (-2.69%), and utilities (-5.18%).
- Small and mid-cap stocks, as represented by the [Russell 2000, rose 0.86% in August](#). The [Dow Jones Industrial Average \(DJIA\), made up of blue-chip stocks, gained 1.3%, while the technology-dominated NASDAQ was higher by 3.9%](#).
- The 10-year Treasury rose slightly throughout August, closing the month with a [yield of 4.758%](#). At the end of July, one month earlier, the [note was yielding 4.718%](#).

ALL-TIME HIGHS AND ANOTHER WINNING MONTH FOR STOCKS

Following a losing July, stocks gained in August. Despite [reaching new records early in the month](#), it wasn't all smooth sailing. The equity market reached its peak just before mid-month, with the [S&P500 hitting an all-time high on August 13](#) as reports of easing inflation calmed investor nerves about a rate hike. But that was short-lived. Just a couple of weeks later at Jackson Hole, Federal Reserve President Kevin Warsh claimed ["we have work to do"](#) on taming inflation. After the speech, investors placed the odds of an interest rate hike in September at 60%. It sent stocks lower, where they remained relatively range-bound until the end of the month.

During the [final trading day of August, equities declined](#) again as American troops attacked Iran, sending oil prices higher. It further increased the odds of an expected interest rate hike in September, with traders betting the Federal Reserve would need to act soon. For August, the [S&P500 gained 2.6%](#), outperformed by the [technology-heavy NASDAQ, which was up 3.9% during that same period](#).

A VOLATILE JULY FOR TREASURIES

Treasury yields rose in July and continued climbing in August. While the 10-year rose by only 4 basis points throughout the month, August was shrouded in volatility in the bond market, specifically at the long end of the yield curve.

The month began with the [30-year Treasury yielding 5.23%](#), then spiking up to 5.327% during mid-month [amongst widespread selling activity](#). The selloff, Reuters reports, was due to ["stalled talks to end the U.S.-Iran war" and spiking oil prices](#), which could lead to greater inflation. It was enough to send the long-term yield to a level last seen in 2007.

Later in the month, with increasing odds of an interest rate hike, Treasuries rose. All maturity lengths experienced higher yields due to comments from the Federal Reserve Chairman (see above) and the impact on interest rate expectations. They spiked again on the final trading day of August amidst renewed tension with Iran. The [10-year Treasury reached an intraday high last observed in January 2025](#). [By the end of the month, the note had a yield of 4.758%, while the 30-year closed out August trading at 5.243%](#).

This Month in Numbers

FIGURE 1

U.S. STYLE RETURNS (AUGUST 2026 IN %)

	Value	Blend	Growth
Large	1.77%	2.72%	2.19%
Medium	-1.62%	0.11%	-0.19%
Small	-0.65%	-0.65%	-2.91%

<https://www.morningstar.com>. Month end trailing returns for 1-month.

FIGURE 2

U.S. STYLE RETURNS (YTD IN %)-

	Value	Blend	Growth
Large	12.04%	13.12%	12.33%
Medium	11.28%	14.72%	15.52%
Small	19.47%	20.81%	19.15%

<https://www.morningstar.com>. YTD, Total Return % NAV.

Style Returns represent the average returns on the investments of fund managers who use specific styles in managing their funds.

Large Cap Value - IVE: iShares S&P 500 Value ETF. This ETF focuses on the value segment of the S&P 500, targeting companies that are considered undervalued compared to their fundamentals. Value investing looks for stocks that are believed to be priced below their intrinsic value.

Mid Cap Value - IJJ: iShares S&P Mid-Cap 400 Value ETF. This targets mid-cap companies that exhibit value characteristics within the S&P MidCap 400 index. Mid-cap refers to companies with a market capitalization typically between \$2 billion and \$10 billion.

Small Cap Value - IJS: iShares S&P Small-Cap 600 Value ETF. This ETF aims at small-cap companies with value characteristics in the S&P SmallCap 600 index. Small-cap companies are typically those with a market capitalization of between \$300 million and \$2 billion.

Large Cap Blend - IVV: iShares Core S&P 500 ETF. This ETF tracks the performance of the S&P 500 Index, representing large-cap companies. Large-cap refers to companies with a market capitalization of more focusing on mid-cap companies that offer a balance between the fast growth of small-cap companies and the stability of large-cap companies.

Mid Cap Blend - IJH: iShares Core S&P Mid-Cap ETF. It mirrors the performance of the S&P MidCap 400 Index, focusing on mid-cap companies that offer a balance between the fast growth of small-cap companies and the stability of large-cap companies.

Small Cap Blend - IJR: iShares Core S&P Small-Cap ETF. This follows the S&P SmallCap 600 Index, concentrating on small-cap companies. These companies often offer higher growth potential but with greater volatility and risk compared to mid- and large-cap stocks.

Large Cap Growth - IVW: iShares S&P 500 Growth ETF. This ETF targets the growth segment of the S&P 500, focusing on companies expected to grow at an above-average rate compared to the market. Growth investing involves buying stocks of companies that are anticipated to grow at a significantly faster rate than the overall market.

Mid Cap Growth - IJK: iShares S&P Mid-Cap 400 Growth ETF. It aims at mid-cap companies with growth characteristics within the S&P MidCap 400 index. Growth companies are those expected to grow sales and earnings at a faster rate than the average company in their industry or the market.

Small Cap Growth - IJT: iShares S&P Small-Cap 600 Growth ETF. This focuses on small-cap companies within the S&P SmallCap 600 index that exhibit growth characteristics. Growth stocks are often more volatile than value stocks but offer the potential for higher returns.

FIGURE 3

U.S. SECTOR RETURNS (AUGUST 31, 2026 IN %)

GICS Sector	August 31, 2026 in %	YTD in % (as of 8.31.26)
Real Estate	-1.9%	12.2%
Utilities	-4.8%	0.3%
Financials	1.3%	6.2%
Industrials	-2.6%	13.5%
Basic Materials	5.9%	16.7%
Healthcare	4.9%	11.1%
Energy	7.0%	44.2%
Staples	0.7%	9.5%
Consumer Discretionary	0.0%	0.0%
Information Technology	6.2%	22.9%
Communication Services	-1.2%	0.1%

<https://www.nasdaq.com/articles/august-2026-review-and-outlook>

FIGURE 4

U.S. SECTOR RETURNS (AUGUST 31, 2026 IN %)

		Level	Month Return	QTD Return	YTD Return
Equities	S&P 500	7,686	2.7%	2.7%	13.1%
	Nasdaq	26,371	4.0%	0.7%	13.9%
	Dow Jones	53,186	1.5%	1.9%	11.8%
	Russell 1000 Value	2,521	2.0%	5.9%	23.1%
	Russell 1000 Growth	4,940	3.7%	-1.2%	4.1%
	Russell 2000 Value	3,312	0.4%	0.4%	23.7%
	Russell 2000 Growth	1,925	1.6%	-4.3%	17.0%
	MSCI EAFE	3,233	2.0%	4.0%	14.3%
	MSCI EM	1,719	3.4%	0.3%	24.3%

		Yield	Month Return	QTD Return	YTD Return
Fixed Income	US Treasurys	4.61%	0.3%	-0.8%	-0.5%
	US IG Corporates	5.49%	0.4%	-1.2%	-0.4%
	US HY Corporates	7.27%	1.0%	0.7%	2.7%

		Level	Month Return	QTD Return	YTD Return
Commodities	Oil (\$/barrel)	\$86	1.3%	23.4%	49.4%
	Gold (\$/oz)	\$4,437	9.7%	10.7%	2.7%
	Copper (\$/mt)	\$14,294	4.4%	8.2%	16.0%

		Level	Prior Month	Prior Quarter	Prior Year
Currencies	EUR (\$/€)	\$1.16	\$1.15	\$1.14	\$1.17
	JPY (\$/¥)	¥160	¥157	¥163	¥157
	GBP (\$/£)	\$1.35	\$1.35	\$1.33	\$1.35

<https://www.sofi.com/article/investment-strategy/august-2026-market-lookback/x>

Disclosures

CTS Financial Planning, Inc. ("CTS") is an SEC registered investment adviser with its principal place of business in the State of Illinois. Registration does not imply a certain level of skill or training. For information pertaining to the registration of CTS, please contact CTS or refer to the Investment Adviser Public Disclosure web site (www.adviserinfo.sec.gov). For additional information about CTS, including its fees and services, please send us a written request for our disclosure brochure. This newsletter is provided for informational purposes only. The information contained herein should not be construed as the provision of personalized investment advice. Information contained herein is subject to change without notice and should not be considered as a solicitation to buy or sell any security. Past performance is no guarantee of future results. Investing in the stock market involves the risk of loss, including loss of principal invested, and may not be suitable for all investors.

An index is a portfolio of specific securities whose performance is often used as a benchmark in measuring the performance of a specific asset class. Any references to a benchmark index are included for informational purposes only as it is not possible to directly invest in an index. The historical performance results of each index do not reflect the deduction of transaction and custodial charges, nor the deduction of an investment management fee, the incurrence of which would have the effect of decreasing indicated historical performance results. It should not be assumed that your account performance or the volatility of any securities held in your account will correspond directly to any comparative benchmark index.

This content contains certain forward-looking statements which indicate future possibilities. Actual results may differ materially from the expectations portrayed in such forward-looking statements. As such, there is no guarantee that any views and opinions expressed in this letter will come to pass. Additionally, this letter contains information derived from third party sources. Although we believe these sources to be reliable, we make no representations as to the accuracy of any information prepared by any unaffiliated third party incorporated herein, and take no responsibility therefore. For information about your particular account holdings, please review the statements you receive directly from the custodian of your accounts or contact us. All expressions of opinion reflect the judgment of the authors as of the date of publication and are subject to change without prior notice.