

WEEKLY PORTFOLIO POSTURE

Saturday, September 12, 2026 | Portfolio-independent | 2-4 week horizon

EXECUTIVE POSTURE One step more defensive, not broadly bearish. Oil above \$100, diesel above \$6, hotter PPI/CPI and a 10-year Treasury near 5% raise the valuation and duration hurdle. Growth has not broken: labor, credit, logistics and AI capital formation remain resilient. Favor liquidity, quality and shorter duration while keeping diversified equity and selective AI/infrastructure exposure.

Portfolio posture

Category	Posture	Why / change
Cash / money markets	CONSIDER INCREASING	Higher short rates pay investors to wait; preserves flexibility around the Sept. 16 Fed decision.
Short-duration high-quality bonds	CONSIDER INCREASING	Attractive income without the full price risk of long-duration bonds.
Broad diversified U.S. equities	MAINTAIN / HOLD	Labor and earnings still argue against recession; higher discount rates cap multiple expansion.
High-growth / expensive technology	REDUCE IF OVERWEIGHT	AI fundamentals remain strong, but rate sensitivity and concentration risk have risen.
AI infrastructure / semiconductors	MAINTAIN SELECTIVELY	Physical demand remains strong across memory, servers, networking and data-center buildout.
Industrials / electrical / grid	MAINTAIN / ADD ON WEAKNESS	Secular demand remains attractive; financing, fuel and tariff costs reduce near-term margin of safety.
Small caps / rate-sensitive equities	WATCH / UNDERWEIGHT BIAS	Russell 2000 fell 2.4% this week; financing costs remain a disproportionate headwind.
Long-duration bonds	REDUCE IF OVERWEIGHT	10-year Treasury near 5% creates clear downside risk if yields break higher.
Energy	MAINTAIN / DO NOT CHASE	Useful inflation hedge, but oil rose sharply this week and remains geopolitically driven.
Gold / defensive alternatives	MAINTAIN MODEST	Diversification remains useful; high real yields can still create volatility.

What changed this week

The key shift is from "high rates are a constraint" to "5% Treasury yields are an immediate regime test." The Sept. 11 brief moved the 2-4 week outlook from Base 50% / Bull 15% / Bear 35% to Base 45% / Bull 15% / Bear 40% after oil, diesel, PPI/CPI and long yields worsened together. Friday brought a rebound, but the week still ended S&P 500 -0.8%, Nasdaq -0.7%, Dow -1.6% and Russell 2000 -2.4%.

Institutional view

BlackRock remains tactically overweight U.S. equities on a 6-12 month horizon, citing strong earnings and AI buildout. J.P. Morgan remains positive on equities but has trimmed exposure modestly and raised cash. Morningstar is more cautious, describing a risky stage in which broad-market valuation is near fair value outside a small group of AI-linked mega-caps. The useful synthesis is selective participation - not wholesale risk-off.

Recommendation history and scorecard

Area	Prior	Current	Result	Performance read
Cash / short duration	Increase	Same	Working	Yields rose; liquidity optionality improved.
Broad equities	Hold	Same	Working	Volatility rose without recession confirmation.
Expensive growth	Reduce if overweight	Same	Working	Higher yields repeatedly pressured valuations.
Small caps	Watch / underweight	Same	Validated	Russell -2.4% this week.
Long duration	Caution	Reduce if overweight	Validated	10-year moved to roughly 5%.
Energy	Maintain / watch	Maintain / do not chase	Validated / mature	Energy hedged the shock; recent move is extended.
Industrials / power	Increase	Maintain / selective add	Mixed / thesis intact	Structural demand strong; cost-of-capital headwind rose.

Bottom line

Consider Increasing: cash/money markets and short-duration high-quality fixed income. Maintain/Hold: diversified U.S. equities, selective AI infrastructure, existing energy exposure and modest defensive diversification. Reduce if Overweight: long-duration bonds, concentrated high-valuation growth and highly leveraged/rate-sensitive exposure. Watch: 10-year Treasury at/above 5%, Brent persistence above \$100, Sept. 16 Fed decision, credit spreads, diesel/freight surcharges and small-cap breadth.

Preferred posture: preserve core equities -> keep more liquidity than normal -> favor short over long duration -> retain selective AI/physical-infrastructure exposure -> do not chase the energy spike -> restrain small-cap and leveraged exposure until rates and oil break lower.

Sources / institutional cross-check

- Market Intelligence Briefs, Sept. 7-11, 2026; Weekly Portfolio Posture baseline, Aug. 28, 2026.
- AP, Sept. 11, 2026: major U.S. indexes and weekly performance.
- BlackRock Investment Institute, Weekly Market Commentary, Sept. 2026.
- J.P. Morgan Personal Investing, Investor Update, Sept. 4, 2026.
- Morningstar, September Stock Market Outlook, Sept. 3, 2026.

General market intelligence only - not individualized financial advice.