

September 2026 quarter end review update

The table details the quarterly data for the FTSE All-Share Index.

Quarter	Open	Close	High	Low	Return year to date
January – March	5350	5430	5851	5298	1.50%
April - June	5430	5635	5720	5477	5.33%
July - September	5635	5728	5876	5629	7.07%

The quarter saw broadly a 4% return on the back of which was a very good second quarter. However, as we enter the final quarter of the year tension in the Middle East remains high, resulting in oil prices being volatile. If prices remain high for a prolonged period, inflation is expected to rise. The European Central Bank, the US Federal Reserve and the Bank of Japan announced interest rate increases of 0.25% at their September meetings, while the Bank of England elected to keep interest rates unchanged.

The USA continues to perform well, based on good corporate earnings. However, some of the most profitable companies in the AI (artificial intelligence) sector are also raising funds in the private sector to finance further development, which has raised concerns over when the companies will generate the expected returns. The risk is that the returns will disappoint market expectations.

Despite the geopolitical issues and the dominance of AI, there are signs that investment returns are becoming broader based both in terms of sectors and regions, as witnessed by the growth in financials, some cyclical stocks, minerals and those companies which are providing the infrastructure for AI development.

There are a number of companies whose valuations have been punished by the markets based on an assessment of the impact of AI on their businesses. This is now proving to have been overstated and therefore there are opportunities in certain undervalued stocks.

There is no doubt that markets are susceptible to the direction and sentiment for interest rates, but the underlying corporate earnings remain robust, which underpins valuations. Given the decision by both the US Federal Reserve and the European Central Bank to increase interest rates at their latest meetings, all eyes will be on the UK inflation numbers and on the Bank of England and their decision on interest rates at their meeting in November.



1st October 2026