

Investing with Confidence: Managing Emotions in Uncertain Markets

October 1, 2026

Third Quarter Recap

Despite a challenging backdrop of political and economic headlines, economic growth has remained resilient throughout the third quarter. There has been no shortage of concerns, including persistent inflation, the economic impact of the continued conflict in the Middle East, and heightened volatility in both short and long-term interest rates. Mix in the economic uncertainty and evolving public sentiment surrounding the AI build-out and you would not be surprised if equity markets were down. However, news alone doesn't drive markets. Instead, corporate profits have been exceptionally strong, providing support for global equity valuations.

Key global equity indices achieved slightly positive returns, as did key commodities like precious metals and energy. In fixed income, investor concerns around inflation, budget deficit financing and corporate debt issuance (in support of AI-related growth) have contributed to a decline in bond prices. Interest rates and prices are inversely related, meaning recent rate increases have also negatively impacted bond performance. On the currency front, the US dollar has continued to gradually strengthen as investors anticipate more hawkish Federal Reserve policies related to inflationary pressures.

What's Next

The backdrop of challenges and tailwinds in the third quarter will likely continue for the remainder of 2026, but the direction of longer-term interest rates may be the most important indicator to monitor. Higher long-term rates can affect borrowing costs, business investment, housing activity, and equity valuations. Regarding short-term interest rates, markets largely expect the Federal Reserve to continue raising as they attempt to manage their 2% long-term inflation target. For investors, this makes portfolio diversification and risk management increasingly important.

Our Recommendations

Successful investing does not come from correctly predicting the future or perfectly timing investment decisions. It comes from managing emotions during uncertain markets and building an investment strategy that is financially unbreakable.

Having a plan and accepting there will be deviations to that plan are equally as important. While short-term volatility, whether upside or downside, may not mathematically impact a long-term financial plan, the impact from emotional reaction can be significant. Investors will inevitably experience challenging periods, such as the bursting of the technology bubble in the early 2000s and the global financial crisis that followed. At the same time, strong markets may cause investors to become overly optimistic and encourage excessive risk-taking. In both environments, emotions can become an investor's greatest challenge.



Those who build thoughtful plans and remain disciplined through periods of fear and excitement are more likely to benefit from the power of compounding and the extraordinary long-term growth that has rewarded patient investors over time.

News & Announcements

We are excited to announce two new team members joining Trillium Wealth. Michael DiPretoro has joined the team as a Financial Advisor in Training and Ryleigh Manown has joined the staff part time. Please welcome them to the team!

Please contact our office if you have any questions or would like to schedule a review. We look forward to hearing from you!

Our Team of Advisors



Suken Jogani

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