

July and August were positive months for most investors. Looking ahead, September can be a problematic month- although that has not historically always been the case.

In the short-term,

- The stock market seems to be experiencing a see-saw battle between the market positive impact of Artificial Intelligence (both its build-out and the expected productivity gains) and the market negative impact of increasing market interest rates.
- The Middle East conflict is having much less of an impact on the stock market than it did back in March.
- The upcoming US mid-term elections - being held on November 3rd - will get more attention over the next few weeks.

Re: the US mid-term elections

Negative headlines should be anticipated over the next two months. From what I have read, the impact of US mid-term elections on the stock market is negligible once we approach the actual election date. Opinion polls currently indicate the Democrats can regain control of the US House of Representatives, while the Republicans would retain control of the Senate. A divided Congress has historically been better for stocks (source: [A split Congress under Trump: What the record actually shows](#), Jack Sorensen, Sept 5, 2026, Equity Insider).

Overall, I am constructive on the stock market for the medium-and-long-term because I believe corporate profits will continue to be strong. I am however keeping a close eye on the U.S. 10 year Treasury Yield as it seems to be creeping up from 4.00% earlier this year to a recent 4.78%. Reaching and then staying above 5.00% could be a negative catalyst leading to a short-term market downturn. We cannot predict the markets, but we can prepare.

For a copy of our most recent Monthly Global Insight , please send us a request at wade.brown@rbc.com or Patrick.freel@rbc.com

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