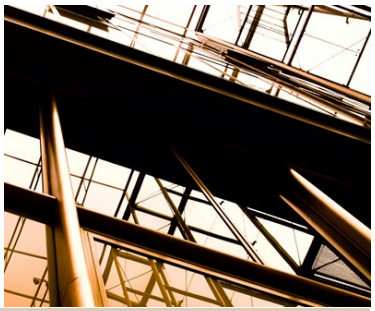
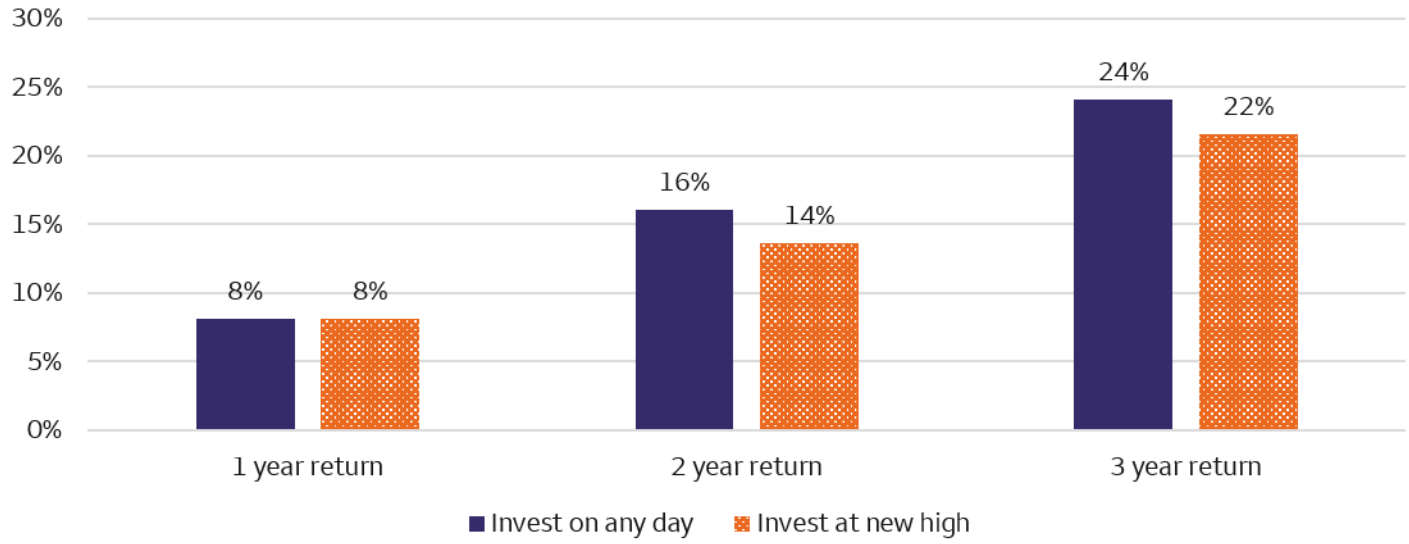
WELLS FARGO
Investment Institute

Chart of the Week



Weekly analysis of key themes in markets **September 9, 2026**

Should investors fear record highs?



Sources: Bloomberg and Wells Fargo Investment Institute. Data from January 1, 1928 – August 24, 2026. Measured by the S&P 500 Index. An index is unmanaged and not available for direct investment. **Past performance is no guarantee of future results.**

History suggests record highs are not reasons to wait

With most major U.S. equity indexes near record levels and the S&P 500 Index sitting just below its all-time high, investors often question whether new highs signal an unfavorable entry point. However, historical evidence suggests that investing at record highs has produced outcomes remarkably similar to investing on any other trading day.

New market highs are not unusual events. Since 1928, the S&P 500 Index has recorded record highs 6% of trading days. The chart shows that average one-year price returns for the S&P 500 Index after a new high match those of investing on any day at roughly 8%. Looking further out, price returns remained competitive, with three-year returns averaging 22% after a new high versus 24% when investing on any trading day.

What it may mean for investors

In our view, investors should not rush into stocks simply because markets are near record highs. History suggests that all-time highs, on their own, have not been reliable signals to delay investing. Markets often reach successive highs during extended bull markets as economic growth and corporate earnings expand. In our view, for long-term investors, record highs should be viewed as a normal part of the wealth-building journey rather than a cause for concern.

Alex Sagal, *Global Equity Analyst*

Excerpted from Investment Strategy Report (August 31)

Investment and Insurance Products: ➤ NOT FDIC Insured ➤ NO Bank Guarantee ➤ MAY Lose Value

© 2026 Wells Fargo Investment Institute. All rights reserved.

Risk Considerations

Each asset class has its own risk and return characteristics. The level of risk associated with a particular investment or asset class generally correlates with the level of return the investment or asset class might achieve. **Stock markets**, especially foreign markets, are volatile. Stock values may fluctuate in response to general economic and market conditions, the prospects of individual companies, and industry sectors.

Definitions

S&P 500 Index is a market capitalization-weighted index composed of 500 widely held common stocks that is generally considered representative of the US stock market.

An index is unmanaged and not available for direct investment.

General Disclosures

Global Investment Strategy (GIS) is a division of Wells Fargo Investment Institute, Inc. (WFII). WFII is a registered investment adviser and wholly owned subsidiary of Wells Fargo Bank, N.A., a bank affiliate of Wells Fargo & Company.

The information in this report was prepared by Global Investment Strategy. Opinions represent GIS' opinion as of the date of this report and are for general information purposes only and are not intended to predict or guarantee the future performance of any individual security, market sector or the markets generally. GIS does not undertake to advise you of any change in its opinions or the information contained in this report. Wells Fargo & Company affiliates may issue reports or have opinions that are inconsistent with, and reach different conclusions from, this report.

The information contained herein constitutes general information and is not directed to, designed for, or individually tailored to, any particular investor or potential investor. This report is not intended to be a client-specific suitability or best interest analysis or recommendation, an offer to participate in any investment, or a recommendation to buy, hold or sell securities. Do not use this report as the sole basis for investment decisions. Do not select an asset class or investment product based on performance alone. Consider all relevant information, including your existing portfolio, investment objectives, risk tolerance, liquidity needs and investment time horizon. The material contained herein has been prepared from sources and data we believe to be reliable but we make no guarantee to its accuracy or completeness.

Wells Fargo Advisors is registered with the U.S. Securities and Exchange Commission and the Financial Industry Regulatory Authority, but is not licensed or registered with any financial services regulatory authority outside of the U.S. Non-U.S. residents who maintain U.S.-based financial services account(s) with Wells Fargo Advisors may not be afforded certain protections conferred by legislation and regulations in their country of residence in respect of any investments, investment transactions or communications made with Wells Fargo Advisors.

Wells Fargo Advisors is a trade name used by Wells Fargo Clearing Services, LLC and Wells Fargo Advisors Financial Network, LLC, Members SIPC, separate registered broker-dealers and non-bank affiliates of Wells Fargo & Company. PM-03042028-5899910

© 2026 Wells Fargo Investment Institute. All rights reserved.