



RESEARCH

Insights

Monthly Market Metrics and Trends: Equities and Options, August 2026

Analyzing Volatility, Market Performance, and Equity and Options Volumes

Theme for the Month: Assessing the Level of Debt-Funded CapEx

Published: September 2026

Market Theme

- Recent increases in corporate debt—where issuance is up more than 26% YTD—have raised concerns about the sustainability of CapEx funded by external borrowing, particularly against the backdrop of rising Treasury yields.
- We examine debt ratios for the S&P 500 and its Information Technology sub-sector. Even with accelerating CapEx, free cash flow per share is rising at a faster pace for the Information Technology sector than for the S&P 500 as a whole, with higher returns on capital as well.
- While net debt to EBITDA has been rising for the Information Technology sector, this ratio is still well below the ratio for the entire S&P 500. Moreover, a median free cash flow coverage ratio of nearly 15x points to substantial capacity to meet interest obligations from internally-generated cash flow.

Market Metrics

- S&P 500 (Price Index): August close 7,686.1, +2.6% M/M, +12.3% YTD, +19.0% Y/Y
- S&P 500 Sector Total Return Performance:
 - Best = Energy +7.0% M/M / Energy +44.2% YTD / Energy +45.8% Y/Y
 - Worst = Utilities -4.8% M/M / Consumer Discretionary no change YTD / Utilities +3.0% Y/Y
- Volatility Index (VIX): Monthly average 15.2%; -1.9 pp M/M, -0.5 pp Y/Y
- Equity Average Daily Volume (ADV): Monthly average 16.4 billion shares; -6.1 % M/M, no change Y/Y
- Options ADV: Monthly average 65.7 million contracts; -2.4 % M/M, +12.6% Y/Y

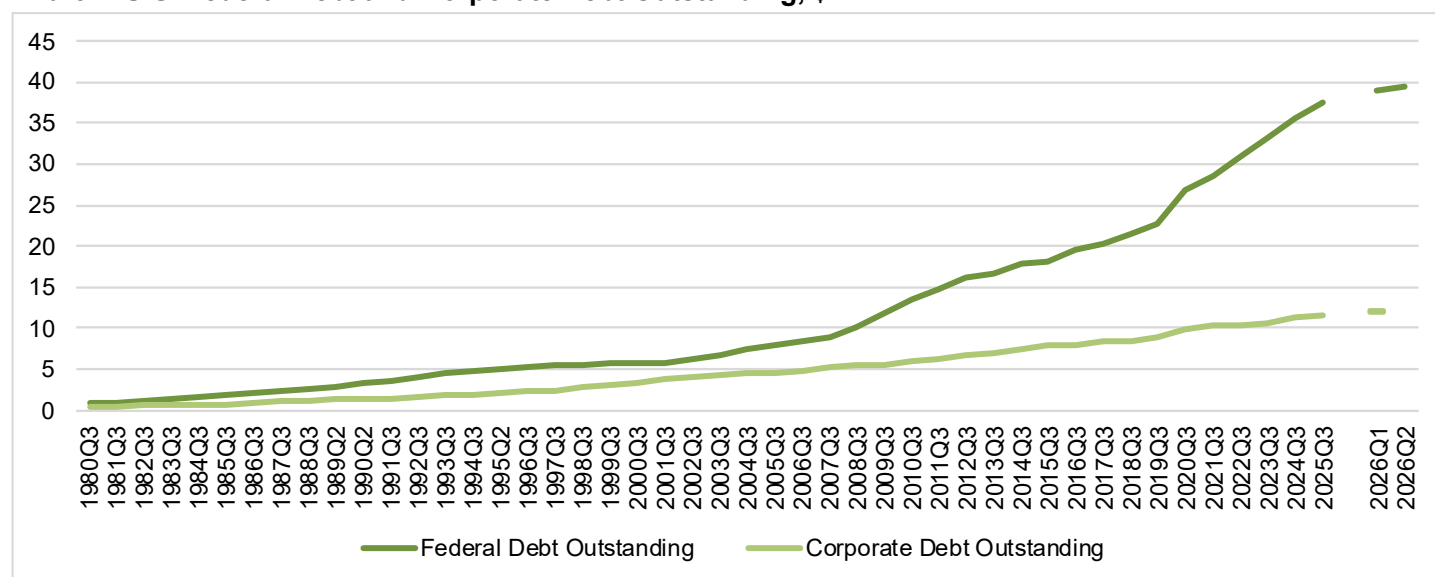
Market Theme

Assessing the Level of Debt-Funded CapEx

Much of the market news last month centered around a new record: In mid-August, gross federal debt outstanding reached \$40T, bringing the ratio of government debt to GDP to more than 125%—a post-World War II high. Despite corporate bond issuance that has accelerated by more than 26% (YTD through Aug vs. the same period in 2025), the absolute level of corporate debt outstanding in the US remains at just a fraction of the level of Federal debt outstanding (*Chart 1*).

Even so, the increase in corporate bond issuance, in conjunction with rising Treasury yields—which, without an offsetting reduction in credit spreads, increases the cost of borrowing for corporate bond issuers—has garnered increased attention, particularly against the recent backdrop of sizable corporate issuance by hyperscalers (*Table 1*), who have already raised almost \$160B in the first eight months of the year.

Chart 1: U.S. Federal Debt and Corporate Debt Outstanding, \$T



Source: <https://fiscaldata.treasury.gov/> and SIFMA. Corporate debt includes financial and non-financial US corporate issuance.

Table 1: Corporate Issuance by Hyperscalers, 2025 and YTD 2026, \$B

Issuer	2025	2026 YTD*
Alphabet	22.5	45.0
Amazon	15.0	62.0
Meta Platforms	30.0	25.0
Oracle	25.8	25.0
TOTAL	93.3	157.0

Source: Bloomberg L.P. Includes all maturities greater than 13 months at issuance.

*YTD issuance is through August 29, 2026.

Companies issue debt for a host of reasons: to supplement cash shortfalls during periods of sluggish growth, to finance acquisition activity and as recent headlines note, to fund the surge in artificial intelligence-driven infrastructure spending. (A large part of recent issuance also reflects rollovers of maturing debt—one reason the increase in corporate debt outstanding has been less than the increase in corporate debt issuance). While debt issuance by technology companies has increased in absolute terms, the sector's share of overall corporate debt issuance has remained relatively stable, suggesting that the increase in issuance reflects a broader rise in borrowing across all sectors, rather than a disproportionate shift toward debt financing by technology firms (*Table 2*).

Table 2: Corporate Bond Issuance by Sector, Share of Total

Sector	2025	2026 YTD
Financials	45.1%	44.1%
Energy and Power	13.5%	13.4%
High Technology	9.3%	13.5%
Healthcare	6.0%	6.0%
Industrials	5.7%	4.9%
Consumer Products and Services	4.6%	2.2%
Consumer Staples	3.7%	1.4%
Materials	3.3%	2.2%
Telecommunications	2.6%	4.1%
Retail	2.5%	4.7%
Real Estate	2.1%	1.5%
Media and Entertainment	1.5%	2.1%
Other	0.0%	0.1%

Source: Refinitiv. Includes all nonconvertible corporate USD debt, including dollar-denominated debt issued outside the US. 2025 figures are for the full calendar year.

Corporate debt is only one form of leverage (private credit debt and vendor financing also contribute to firms' indebtedness, with sale/leaseback and off-take agreements becoming a potential source of concern¹), and debt-funded investment can be particularly attractive when a company has a strong balance sheet. As shown on the following page, the aggregate level of leverage for companies in the S&P 500 is low relative to both assets and equity; total debt has been falling as a percentage of enterprise value while net debt to EBITDA has been declining similarly (*Charts 2 – 4*). Not surprisingly, CapEx has been rising more rapidly than depreciation expenses, suggesting an acceleration in investment (*Chart 5*). However, the ultimate question remains: will the expected return on incremental investment—a figure that cannot be known until the future—exceed companies' cost of financing and ability to service debt costs, ultimately rewarding shareholders for firms' increased financial risk?

¹ Most sale/leaseback agreements are now required to appear on-balance sheet, which is not necessarily the case for off-take agreements, which are legally binding contract between a producer and a buyer to purchase goods or resources before production actually begins, regardless if the needs of either party change in the future.

Chart 2: S&P 500 Total Debt to Total Assets, in %

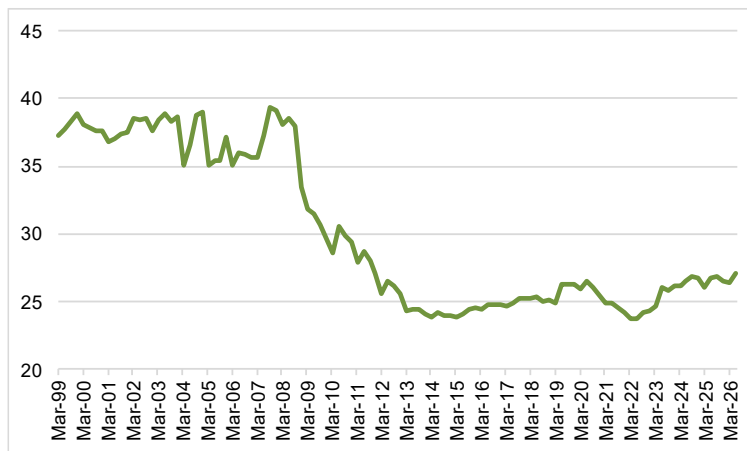


Chart 3: S&P 500 Total Debt to Total Equity, in %

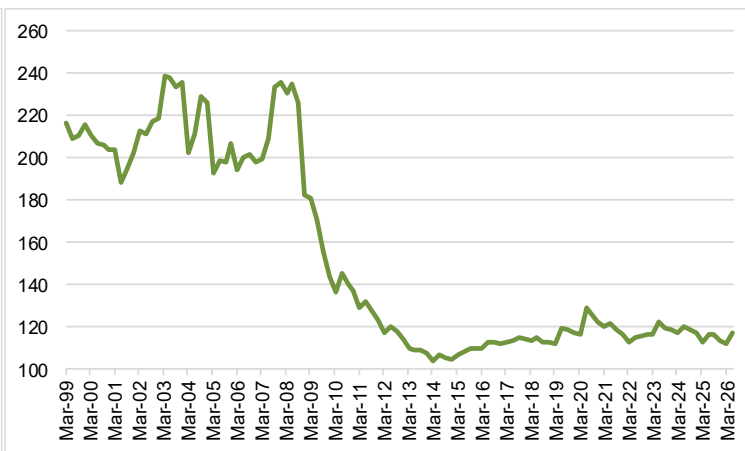


Chart 4: S&P 500 Total Debt/Enterprise Value, in %

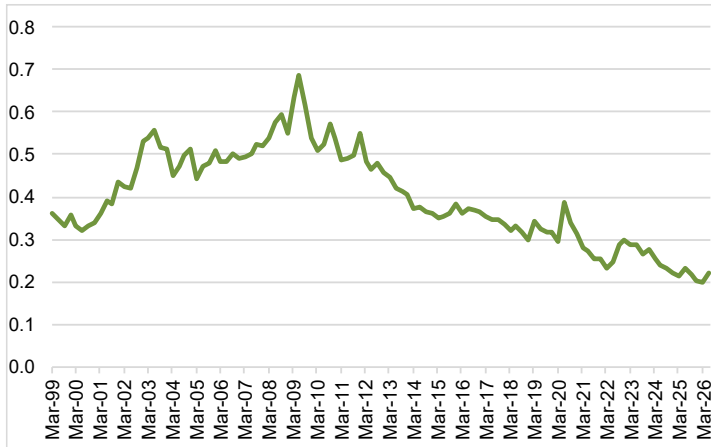


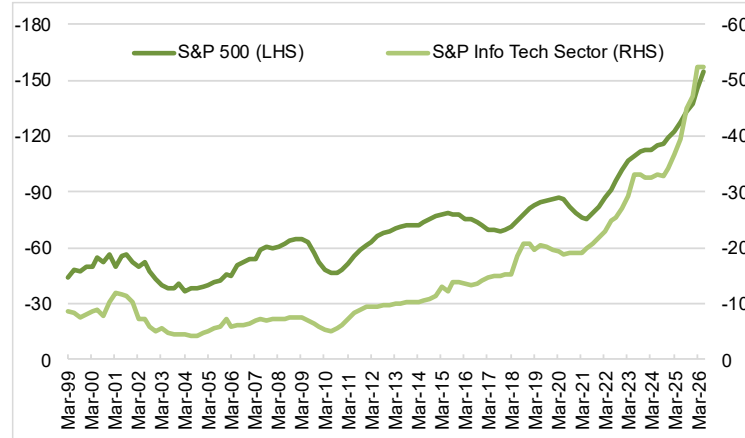
Chart 5: S&P 500 CapEx/Depreciation Expense Ratio



Source: Bloomberg L.P.

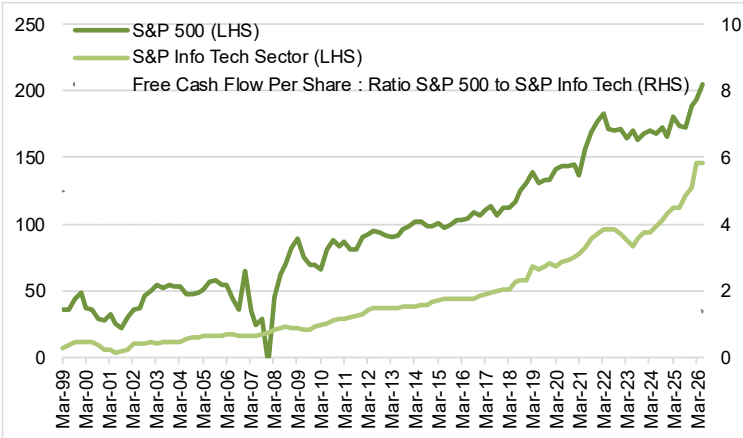
A review of the Information Technology sector of the S&P 500 (which comprises the 74 companies shown in the Appendix) suggests that despite rapidly accelerating CapEx (*Chart 6*), free cash flow per share has been rising more quickly than that for the S&P 500 as a whole (*Chart 7*), all while return on capital has been growing, remaining firmly above the return on capital for the broader index (*Chart 8*). While the level of net debt to EBITDA has been rising for the sector (*Chart 9*), the ratio is substantially below that of the entire S&P 500.

**Chart 6: Trailing 12M CapEx Per Share:
S&P 500 and S&P Information Technology Sector**

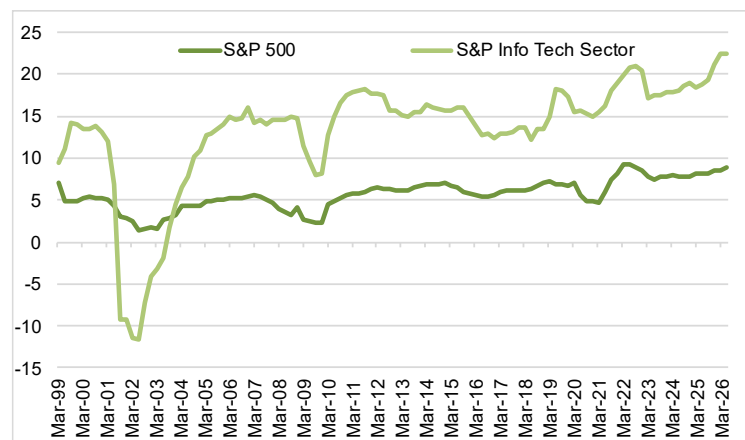


Note: Units are on an index-level, divisor-normalized per share value.
Source: Bloomberg L.P.

**Chart 7: Free Cash Flow Per Share:
S&P 500 and S&P Information Technology Sector**

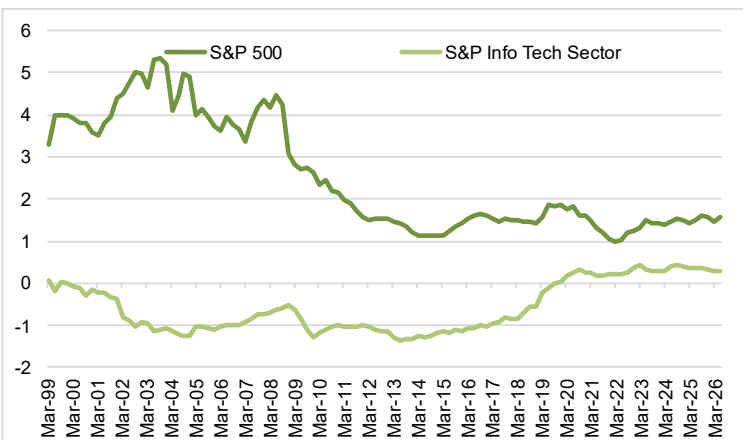


**Chart 8: Return on Capital, %:
S&P 500 and S&P Information Technology Sector**



Source: Bloomberg L.P.

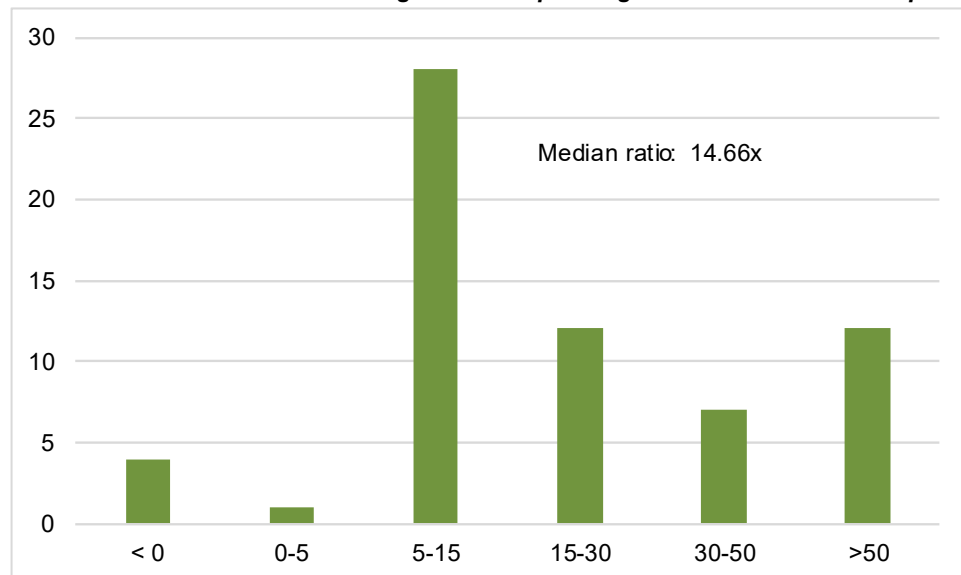
**Chart 9: Net Debt/EBITDA
S&P 500 and S&P Information Technology Sector**



Rising levels of indebtedness should not be ignored, but at least for now, the majority of Information Technology companies can support interest on debt incurred to fund their CapEx with existing operating cash flow (*Chart 10*), with a median free cash flow to interest coverage ratio of 14.7x.

Chart 10: Distribution of Free Cash Flow to Interest Coverage Ratio, S&P 500 Information Technology Members
Count of companies by ratio, June 2026

Free Cash Flow to Interest Coverage Ratio = Operating Cash Flow + Interest Expense - CapEx divided by Interest Expense



Source: Bloomberg L.P.

Note: Calculations use "total interest expense" if "cash paid for interest on debt" figures are not available. Calculations are available for 64 of 74 members of the Information Technology sector as of June 30, 2026.

Although companies are borrowing more to support an increasingly capital-intensive investment cycle, the available evidence does not yet suggest that higher borrowing has translated into excessive leverage or strained debt-servicing capacity. Rather, strong cash flows, relatively low leverage and robust returns on capital are providing a meaningful cushion against higher financing costs.

Market Metrics

S&P 500 and Volatility Index (VIX)

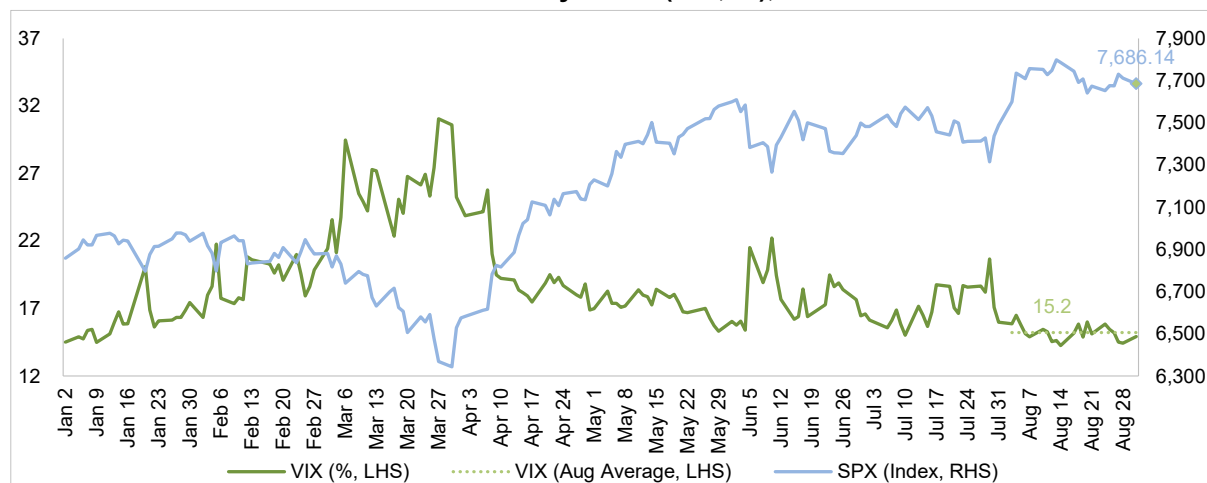
Table 2: S&P 500 Index Price and Volatility Index (VIX, %), August 2026

	Value	M/M Change	YTD Change	Y/Y Change	Monthly Peak	Monthly Trough
S&P 500 (Close Price)	7,686.14	+2.6%	+12.3%	+19.0%	7,798.99	7,600.50
VIX (Monthly Average)	15.2%	-1.9 pp	-	-0.5 pp	16.5%	14.3%

Source: Bloomberg L.P., SIFMA estimates

Note: Figures shown for S&P 500 are price changes; total returns on a M/M, YTD, and Y/Y basis are +2.7%, +13.1% and +20.3%, respectively. Total returns assume dividends are reinvested into the index.

Chart 3: S&P 500 Index Price and Volatility Index (VIX, %), Year to Date 2026



Source: Bloomberg L.P., SIFMA estimates

S&P 500 Index: Sector Breakout

Looking at market performance by sector, we highlight the following:

- Best-performing sectors:
 - Month = Energy at +7.0% followed by Information Technology at +6.2%
 - YTD = Energy at +44.2% followed by Information Technology at +22.9%
 - Y/Y = Energy at +45.8% followed by Information Technology at +33.7%
- Worst performing sectors:
 - Month = Utilities at -4.8% followed by Industrials at -2.6%
 - YTD = Consumer Discretionary at 0% followed by Communication Services at +0.1%
 - Y/Y = Utilities at +3.0% followed by Consumer Discretionary at +3.9%

Table 3: S&P 500 Sector Indices Total Returns, August 2026

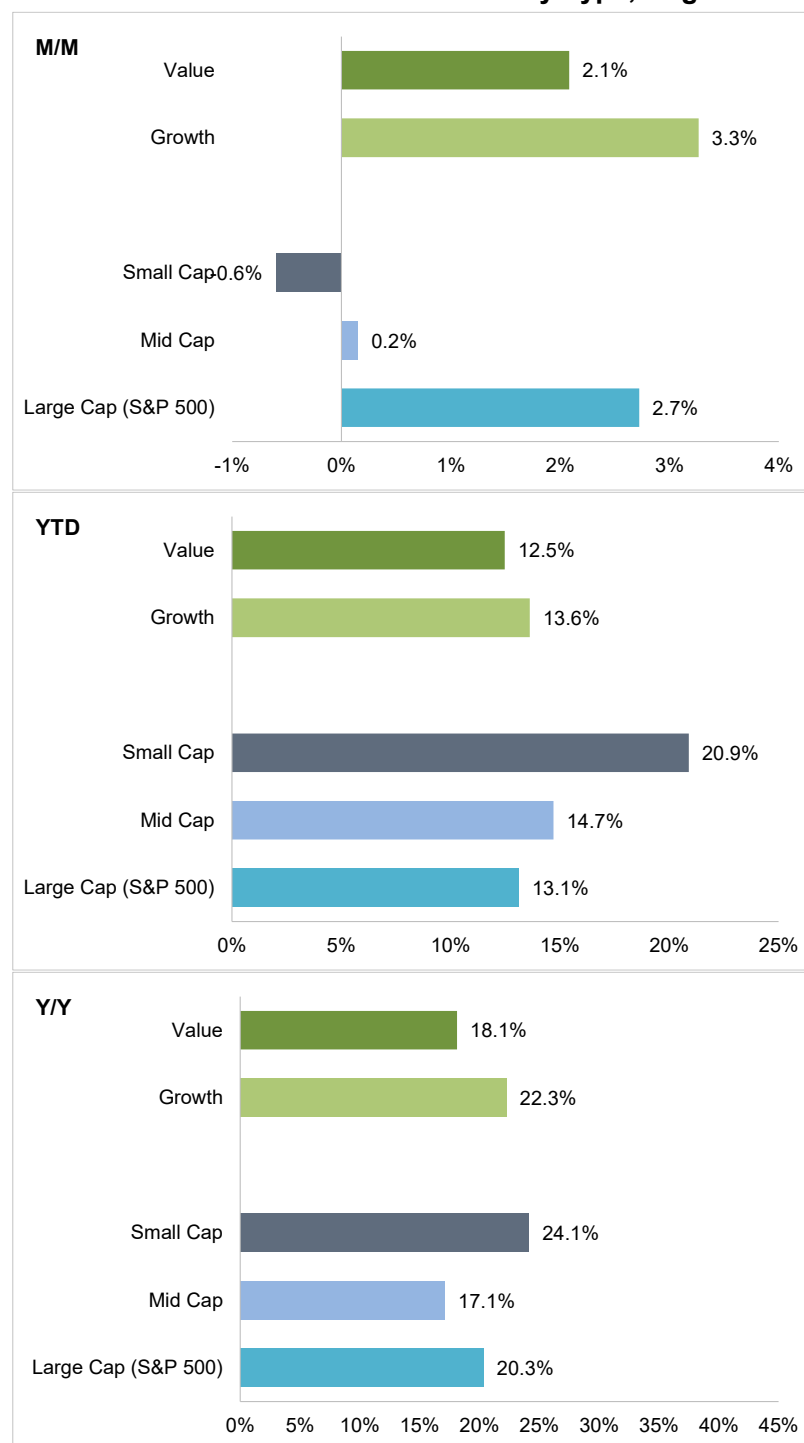
Sector (Weight)	Total Return (%)		
	M/M	YTD	Y/Y
SPX	2.7	13.1	20.3
Information Technology (37.9%)	6.2	22.9	33.7
Financials (12.3%)	1.3	6.2	8.5
Communication Services (9.5%)	-1.2	0.1	13.4
Health Care (9.3%)	4.9	11.1	26.3
Consumer Discretionary (9.1%)	0.0	0.0	3.9
Industrials (8.3%)	-2.6	13.6	16.6
Consumer Staples (4.5%)	-0.7	9.6	7.9
Energy (3.5%)	7.0	44.2	45.8
Utilities (2.0%)	-4.8	0.3	3.0
Materials (1.8%)	6.0	16.7	15.5
Real Estate (1.8%)	-1.9	12.2	9.5

Source: Bloomberg L.P., SIFMA estimates

Note: Sectors are ordered by their respective weights in the SPX Index at the end of the month, which are indicated in parenthesis. Total returns assume dividends are reinvested into the index.

S&P 500 Index: Strategy Breakout

Chart 4: S&P 500 Total Return Indices by Type, August 2026 (M/M, YTD, and Y/Y)



Source: Bloomberg L.P., SIFMA estimates

Note: Total returns assume dividends are reinvested into the index.

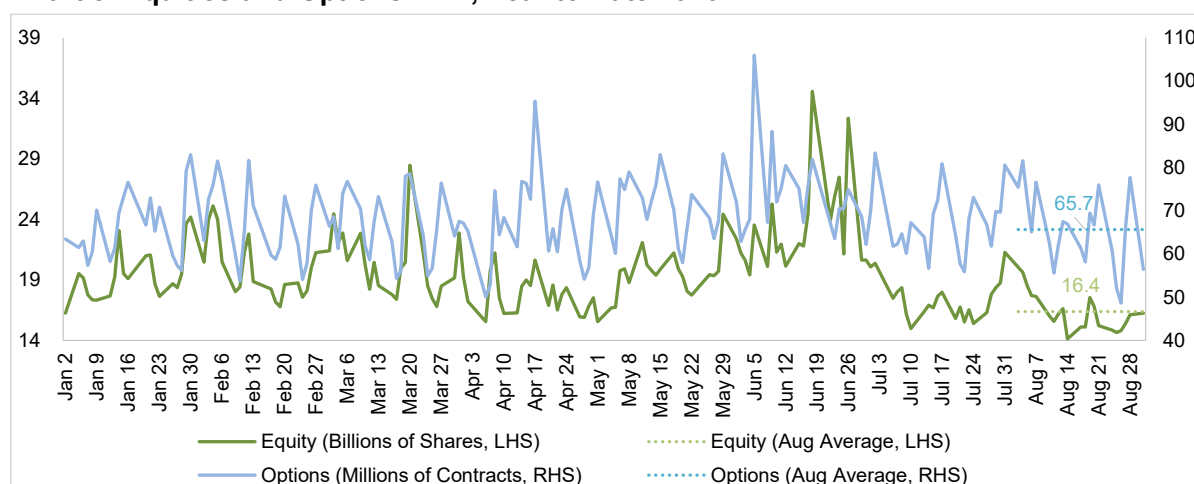
Equity and Options Volumes (ADV)

Table 4: Equities and Options Average Daily Trading Volumes, August 2026

	Monthly Average	M/M Change	Y/Y Change	Monthly Peak	Monthly Trough
Equities ADV (Bil. Shares)	16.4	-6.1%	-0.0%	20.1	14.1
Off-Exchange	50.5%	+0.4 pp	-0.1 pp	-	-
Options ADV (Mil. Contracts)	65.7	-2.4%	+12.6%	81.6	48.6
Equity Options	60.1	-2.2%	+12.5%	-	-
Index Options	5.6	-3.9%	+13.2%	-	-

Source: Cboe Global Markets, SIFMA estimates. Equity trading volumes include ETF trading volumes.

Chart 5: Equities and Options ADV, Year to Date 2026



Source: Cboe Global Markets, SIFMA estimates

Note: Equity and options values reflect average daily volumes across all US equity and options exchanges.

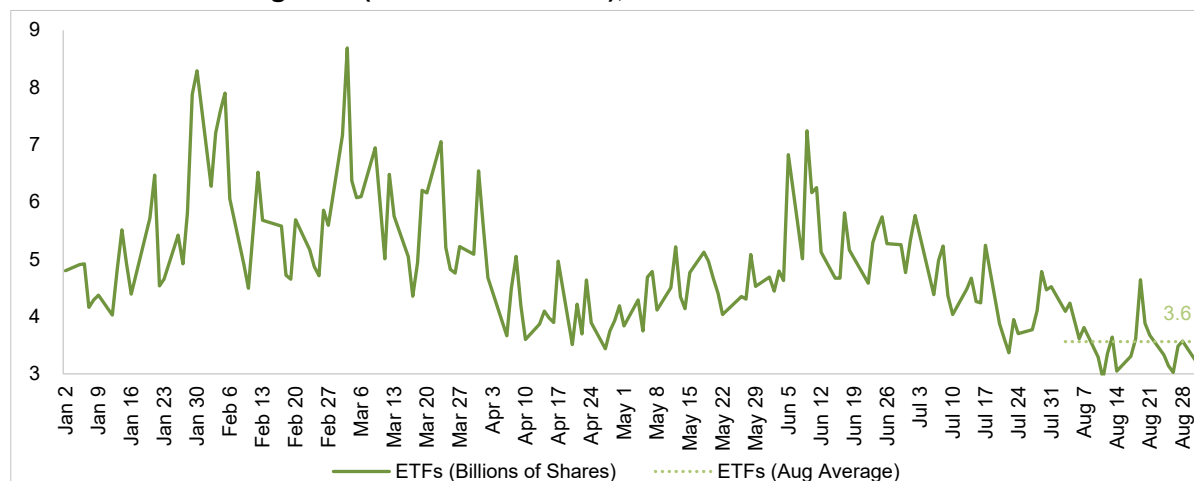
ETF Trading Volumes (ADV)

Table 5: ETF Average Daily Trading Volumes, August 2026

	Monthly Average	M/M Change	Y/Y Change	Monthly Peak	Monthly Trough
ETF Trading (Bil. Shares)	3.6	-19.3%	+7.0%	4.6	2.9
% of Equity Trading	21.7%	-3.6 pp	+1.4 pp	-	-

Source: Cboe Global Markets, SIFMA estimates

Chart 6: ETF Trading ADV (Billions of Shares), Year to Date 2026



Source: Cboe Global Markets, SIFMA estimates

Note: Equity and options values reflect average daily volumes across all US equity and options exchanges.

Appendix

List of companies within the S&P 500 Information Technology sector, as of June 2026

Apple Inc	Keysight Technologies Inc
Accenture PLC	KLA Corp
Adobe Inc	Lumentum Holdings Inc
Analog Devices Inc	Lam Research Corp
Autodesk Inc	Microchip Technology Inc
Akamai Technologies Inc	Monolithic Power Systems Inc
Applied Materials Inc	Marvell Technology Inc
Advanced Micro Devices Inc	Microsoft Corp
Arista Networks Inc	Motorola Solutions Inc
Amphenol Corp	Micron Technology Inc
AppLovin Corp	ServiceNow Inc
Broadcom Inc	NetApp Inc
Cadence Design Systems Inc	NVIDIA Corp
CDW Corp/DE	NXP Semiconductors NV
Ciena Corp	ON Semiconductor Corp
Coherent Corp	Oracle Corp
Salesforce Inc	Palo Alto Networks Inc
CrowdStrike Holdings Inc	Palantir Technologies Inc
Cisco Systems Inc	PTC Inc
Cognizant Technology Solutions	Qnity Electronics Inc
Datadog Inc	QUALCOMM Inc
Dell Technologies Inc	Roper Technologies Inc
F5 Inc	Super Micro Computer Inc
Fair Isaac Corp	Sandisk Corp
Flex Ltd	Synopsys Inc
First Solar Inc	Seagate Technology Holdings PL
Fortinet Inc	Skyworks Solutions Inc
GoDaddy Inc	Teledyne Technologies Inc
Gen Digital Inc	TE Connectivity PLC
Corning Inc	Teradyne Inc
Hewlett Packard Enterprise Co	Trimble Inc
HP Inc	Texas Instruments Inc
International Business Machine	Tyler Technologies Inc
Intel Corp	VeriSign Inc
Intuit Inc	Workday Inc
Gartner Inc	Western Digital Corp
Jabil Inc	Zebra Technologies Corp

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