

# Weekly Market Recap

May 4, 2026

Index	Price	Price Returns	
	Close	Week	YTD
S&P 500® Index	7,230	0.9%	5.6%
Dow Jones Industrial Average	49,499	0.6%	3.0%
NASDAQ	25,114	1.1%	8.1%
Russell 2000® Index	2,813	0.9%	13.3%
International Equities <sup>1</sup>	102.10	0.3%	6.3%
Emerging Markets Equities <sup>2</sup>	64.13	0.6%	17.2%
Ten-Year Treasury Yield	4.25%	0.0%	0.3%
Oil WTI <sup>3</sup> (\$/bbl <sup>4</sup> )	\$102.50	8.6%	78.5%
Bonds <sup>5</sup>	\$98.90	-0.69%	-0.98%

<sup>1</sup>International Equities is represented by iShares Core MSCI ETF. <sup>2</sup>Emerging Markets Equities are represented by iShares MSCI Emerging Markets ETF. <sup>3</sup>WTI = West Texas Intermediate Oil. <sup>4</sup>bbl = Barrel. <sup>5</sup>Bonds are represented by the iShares U.S. Aggregate Bond ETF. Sources: Bloomberg L.P.; FactSet.

## U.S. Equity Market

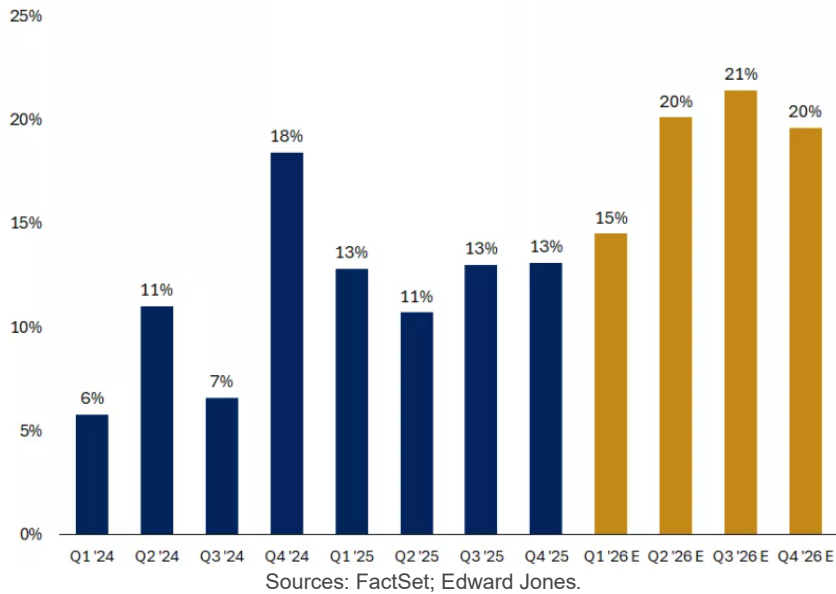
- U.S. large-cap equities (S&P 500 Index) rose +0.6% as the blended earnings growth rate for S&P constituents topped 27% and the percentage of companies beating earnings per share (EPS) expectations remains above historical averages. Big tech earnings (Google, Amazon, Microsoft, and Meta) were broadly supportive of the artificial intelligence (AI) narrative, with strong demand and elevated capital expenditure (capex), though ongoing concerns around the return on investment (ROI) for AI capex is still top of mind. The Federal Reserve (Fed) federal open market committee (FOMC) meeting ended with interest rates unchanged as analysts expected but had four internal dissents (highest number of dissents in a single meeting since 1992). Visa and Mastercard produced data that the U.S. consumer spending remains stable, while labor market data was also resilient. The U.S. 10-year Treasury yield was stable at 4.25%. The dollar was weaker, while gold fell -2.0%. Oil (WTI) rose +8.6% with no real progress in the Middle East stalemate.
- S&P 500 Index Sector Returns:
  - Communication services (+4.5%) rose, led by Alphabet on better-than-expected earnings and offset by weakness in Meta on a weaker than expected earnings report.
  - Energy (+3.2%) rose, as the price of oil increased +8.6%.
  - Consumer staples (+1.1%) rose, led by tobacco and soda stocks.
  - Real Estate (+1.0%) rose, led by apartments and cell towers.
  - Financials (+0.9%) rose, led by credit card companies and banks.
  - Utilities (+0.7%) and healthcare (+0.7%) underperformed as investors tend to favor less defensive sectors.
  - Consumer discretionary (+0.4%) rose, led by Tesla, travel stocks, and Amazon.
  - Industrials (+0.3%) rose, led by airlines, AI power infrastructure companies, and aerospace and defense stocks.
  - Tech (+0.1%) rose, led by Apple on healthy earnings and partially offset by decline in semiconductors.
  - Materials (-2.0%) fell, led lower by precious metals miners and paint companies.

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All data is as of 05.01.2026 unless otherwise noted. Past performance is not indicative of future results. Any type of investing involves risk and there are no guarantees that these methods will be successful. Please reference important disclosures on pages 6-7.

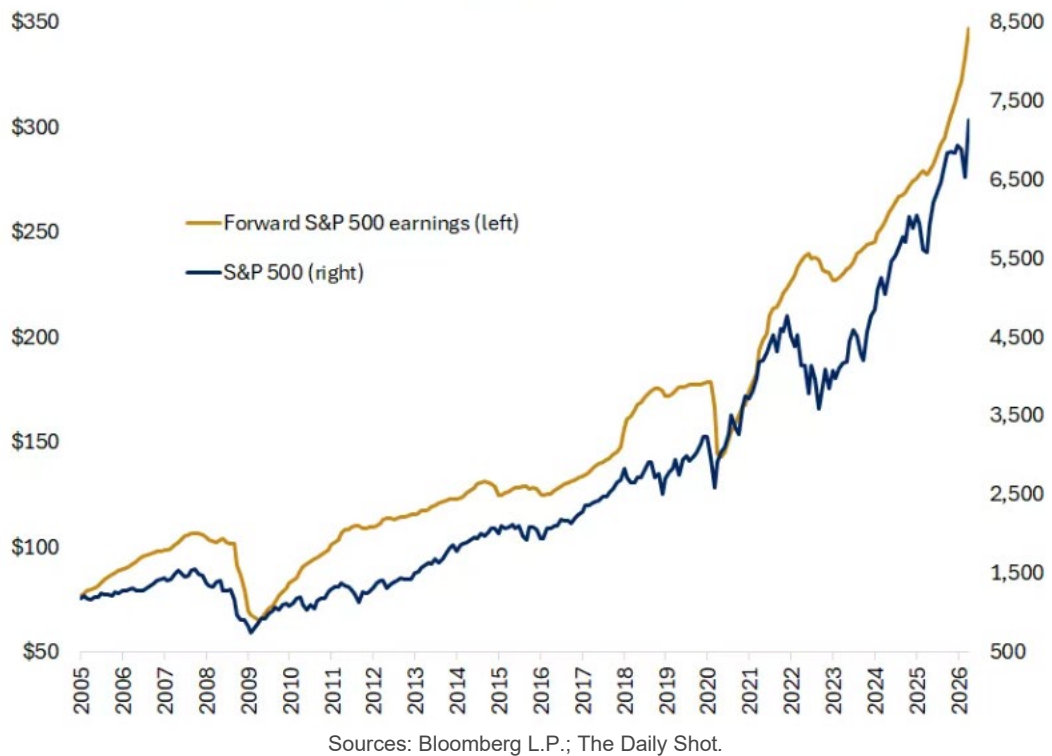
- The earnings growth for the S&P 500 Index is expected to reach 20% or greater for the remaining quarters of 2026.

**Double-digit S&P 500 earnings growth looks set to continue**



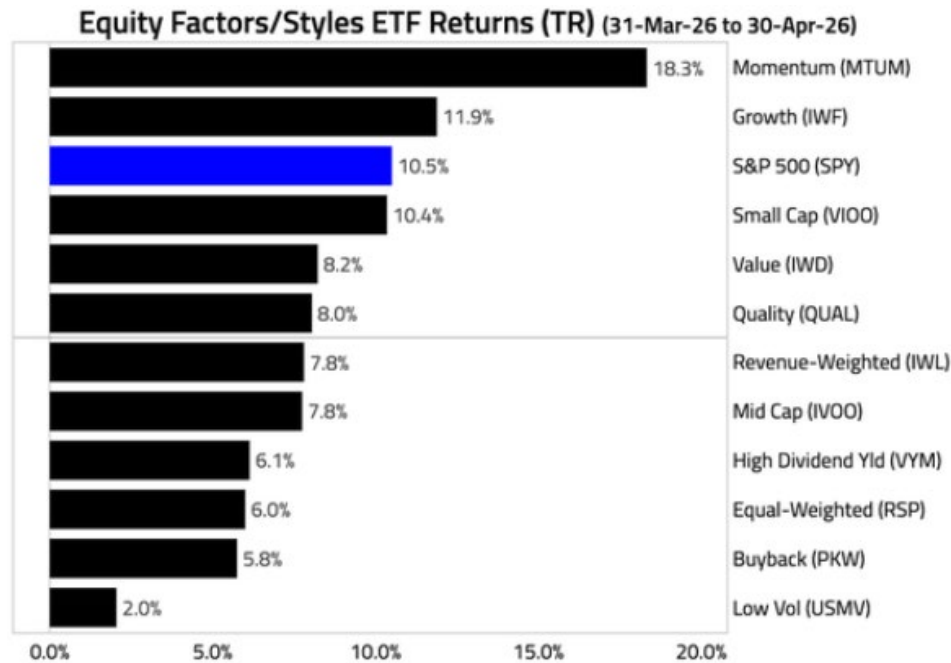
- Forward earnings projections for S&P 500 Index have been correlated to the returns of the same index.

**As earnings go, so goes the market**



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- Momentum and growth outperformed all other major style factors for the S&P 500 Index in the month of April, while low volatility, buyback, equal-weighted and high dividend yield factors underperformed.

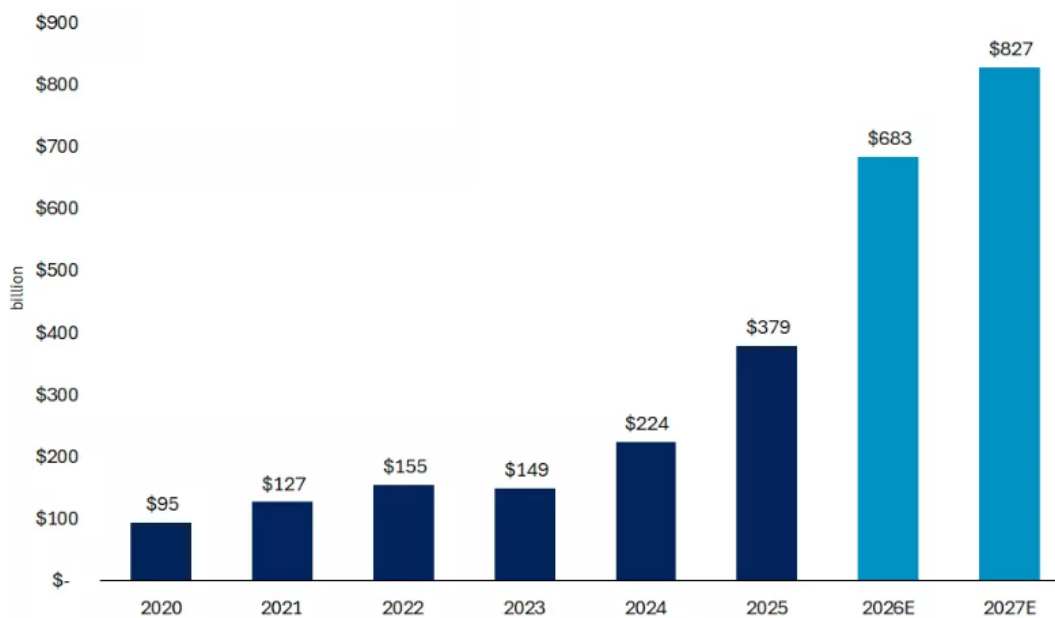


ETF = exchange-traded fund. TR = total return. Sources: Bespoke; The Daily Shot. Data as of 04.30.2026.

- Big tech is expected to have record capex spending on AI infrastructure in 2026 and 2027.

## Big tech's AI push is driving record spending

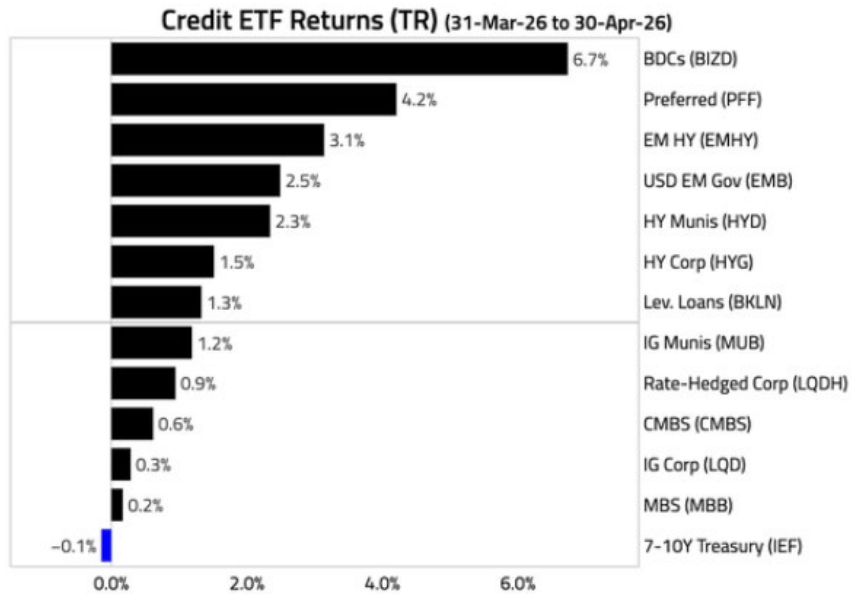
Capex of Alphabet, Amazon, Meta, Microsoft, Oracle



Sources: FactSet; Edward Jones.

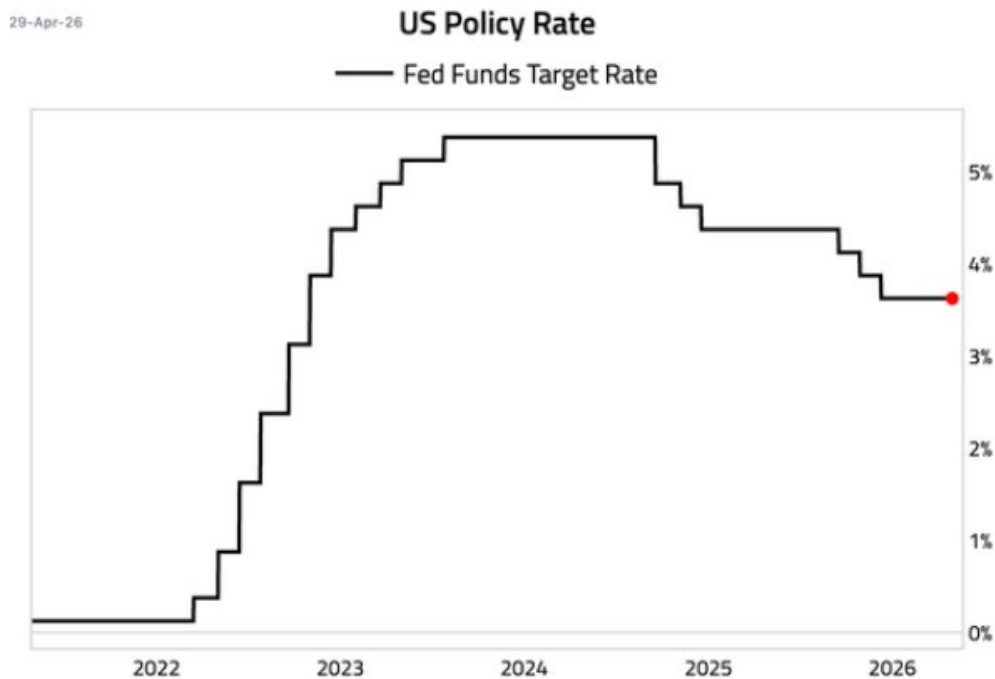
## Fixed Income Markets

- Higher risk fixed income including business development companies (BDCs), preferred bonds, and emerging market high yield bonds outperformed in the “risk-on” month of April.



ETF= exchange-traded fund. TR = total return. EM= emerging market. IG= investment grade. CMBS= commercial mortgage-backed securities. MBS= mortgage-backed securities. HY= high yield. Source: Morningstar Indexes. Data as of 04.30.2026.  
Municipal bonds' tax exemption should be considered when comparing yield level.

- The Fed kept interest rates steady as expected, but there was the highest number of dissents in a single meeting since 1992.



Sources: Bloomberg L.P.; The Daily Shot.

## International Markets Summary

- European markets (STOXX 600 Index) rose +0.1% as healthy corporate earnings were positive for equity sentiment, but the Strait of Hormuz remained closed and ongoing stalled negotiations between the U.S. and Iran weighed on sentiment.
- The Chinese stock market (Shanghai Composite A share) rose +0.8% as rating agency Moody's revised China's credit outlook to "stable" from "negative" while affirming its A1 rating, citing resilience in growth and fiscal capacity despite domestic and external headwinds.
- Japanese equities (Nikkei 225 Index) fell -0.3% as the Japanese Yen rebound was widely attributed to suspected official intervention, and the Bank of Japan held rates steady, but signaled further tightening.

## This Week:

- The volume of corporate earnings reports will be moderate this week.
- Economic data:
  - Monday: Factory Orders;
  - Tuesday: Trade Balance, Purchasing Managers Index Services Final, Job Offer and Labor Turnover Survey, New Home Sales, Institute of Supply Management Non-Manufacturing Index, American Petroleum Institute Crude Inventories, Redbook Chain Store;
  - Wednesday: Mortgage Bankers Association Mortgage Purchase Applications, Automatic Data Processing Employment Report, Department of Energy Crude Inventories;
  - Thursday: Weekly Jobless Claims, Challenger Job Cuts, Unit Labor Costs (preliminary), Productivity (preliminary), Construction Spending, Consumer Credit, EIA Natural Gas Inventories;
  - Friday: Nonfarm Payrolls, Unemployment Rate, Average Weekly Hours, Average Hourly Earnings, Michigan Consumer Sentiment (Preliminary), Wholesale Inventories (Final).

As always, thank you very much for your interest in our thoughts and support of our services.

Whitney Stewart, CFA®  
Executive Director

Griffith Jones, Jr.  
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## Index Definitions

Performance is compared to an index, however, the volatility of an index varies greatly. Indices are unmanaged and investments cannot be made directly in an index.

The **S&P 500® Index** is a readily available, carefully constructed, market-value-weighted benchmark of common stock performance. Currently, the S&P 500 Composite includes 500 of the largest stocks (in terms of stock market value) in the United States and covers approximately 80% of available market capitalization.

The **Russell 2000® Index** measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000® Index is a subset of the Russell 3000® Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2,000 of the smallest securities based on a combination of their market cap and current index membership. The Russell 2000® is constructed to provide a comprehensive and unbiased small-cap barometer and is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set.

The **Dow Jones Industrial Average (DJIA)** is an index that tracks 30 large, publicly-owned blue chip companies trading on the New York Stock Exchange (NYSE) and the NASDAQ.

The **NASDAQ Composite Index** is the market capitalization-weighted index of over 2,500 common equities listed on the NASDAQ stock exchange. The types of securities in the index include American depository receipts, common stocks, real estate investment trusts (REITs) and tracking stocks, as well as limited partnership interests. The index includes all Nasdaq-listed stocks that are not derivatives, preferred shares, funds, exchange-traded funds (ETFs) or debenture securities.

The **MSCI EAFE Index** is an equity index which captures large and mid-cap representation across 21 Developed Markets countries around the world, excluding the U.S. and Canada. With 900 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

The **STOXX Europe 600 Index** is derived from the STOXX Europe Total Market Index (TMI) and is a subset of the STOXX Global 1800 Index. With a fixed number of 600 components, the STOXX Europe 600 Index represents large, mid and small capitalization companies across 17 countries of the European region: Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Norway, Poland, Portugal, Spain, Sweden, Switzerland and the United Kingdom.

The **Nikkei 225** is a price-weighted index composed of Japan's top 225 blue-chip companies traded on the Tokyo Stock Exchange.

The **Shanghai Stock Exchange Composite Index** is a capitalization-weighted index. The index tracks the daily price performance of all A-shares and B-shares listed on the Shanghai Stock Exchange.

## Technical Terms:

**Purchasing Managers' Index (PMI)** is a monthly economic indicator that measures the health of the manufacturing or services sectors, acting as a leading indicator of overall economic activity. **Consumer credit** is the personal debt, such as credit cards, auto loans, or personal loans, extended by financial institutions to individuals to finance the purchase of goods, services, or to cover personal expenses. **Return on Investment (ROI)** is a key financial metric used to evaluate the profitability or efficiency of an investment relative to its cost. **Capital expenditure (CapEx)** represents funds a company uses to acquire, upgrade, or maintain physical, long-term assets—such as property, plants, buildings, technology, or equipment—to grow or maintain its business. **The earnings growth rate** measures the percentage increase in a company's net income or earnings per share (EPS) over a specific period, typically year-over-year. **Forward earnings** are projected company earnings that investors use to gauge future performance, usually through the fiscal year's end. The **Michigan Consumer Sentiment Index (MCSI)** is a monthly survey of consumer confidence levels in the United States conducted by the University of Michigan. The survey is based on telephone interviews that gather information on consumer expectations for the economy. **Earnings per Share (EPS)** is a common measure of profitability per share of a company's common stock. (Technical definitions are sourced from Corporate Finance Institute.) The **Job Openings and Labor Turnover Survey (JOLTS)** is a monthly program by the U.S. Bureau of Labor Statistics (BLS) that collects data on labor demand and turnover from roughly 21,000 U.S. business establishments. The **ISM Non-Manufacturing Index** is an index that measures the economic condition and performance of service-based companies. The **federal funds rate** is the target interest rate set by the Fed at which commercial banks borrow and lend their extra reserves to one another overnight. **Credit ETFs** are exchange-traded funds that invest in bonds or bond-like instruments where investor return depends on a borrower's ability to repay (i.e., credit risk). **Business development companies (BDCs)** lend to or invest in small and mid-sized private companies, often at higher interest rates. **Preferred stock (PPF)** is a hybrid security with bond-like income (fixed dividends) and equity-like features. **Emerging market high yield corporate debt (EMHY)** invests in high-yield corporate bonds issued in emerging markets. **U.S. dollar emerging market government bonds (EMB)** is sovereign debt issued by emerging market governments denominated in U.S. dollars. **High yield municipal bonds (HYD)** focuses on tax-advantaged income but with elevated default risk. **High yield corporate bonds (HYG)** are corporate bonds rated below investment grade that are sensitive to economic growth and default cycles. **Leveraged loans (BKLN)** are floating rate loans made to highly indebted companies. **Investment-grade municipal bonds (MUB)** emphasize capital preservation and tax-exempt income. **Interest rate hedged investment grade corporate bonds (LQDH)** holds investment-grade corporate bonds while hedging interest-rate risk using derivatives. **Commercial mortgage-backed securities (CMBS)** are bonds backed by commercial real estate loans (offices, malls, hotels). **Investment grade corporate bonds (LQD)** are corporate bonds rated BBB- or higher. **Mortgage-backed securities (MBB)** are bonds backed by residential mortgages, often agency-guaranteed. **Intermediate-term U.S. treasuries (IEF)** are U.S. government bonds with maturities between 7 and 10 years. **Total return** includes both price appreciation and reinvested dividends. **Momentum (MTUM)** is a factor that invests in stocks that have performed well recently, based on the tendency of trends to persist. **Growth (IWF)** tracks U.S. large-cap growth stocks. **S&P 500 (SPY)** is the most widely used ETF tracking the S&P 500. **Small cap (VIOO)** tracks U.S. small-cap stocks. **Value (IWD)** tracks U.S. large-cap value stocks. **Quality (QUAL)** tracks high-quality U.S. stocks. **Revenue weighted (IWL)** uses revenue weighting within large-cap U.S. stocks. **Mid cap (IVOO)** tracks U.S. mid-cap stocks. **High dividend yield (VYM)** focuses on companies with above-average dividend yields. **Equal-weighted (RSP)** equally weights S&P constituents. **Buyback (PKW)** targets companies that return capital by repurchasing their own shares. **Low volatility (USMV)** tracks low-volatility U.S. equities.

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