

# Weekly Market Recap

May 11, 2026

Index	Price	Price Returns	
	Close	Week	YTD
S&P 500 <sup>®</sup> Index	7,399	2.3%	8.1%
Dow Jones Industrial Average	49,609	0.2%	3.2%
NASDAQ	26,247	4.5%	12.9%
Russell 2000 <sup>®</sup> Index	2,861	1.7%	15.3%
International Equities <sup>1</sup>	103.96	1.8%	8.3%
Emerging Markets Equities <sup>2</sup>	67.94	6.0%	24.2%
Ten-Year Treasury Yield	4.36%	0.0%	-0.2%
Oil WTI <sup>3</sup> (\$/bbl <sup>4</sup> )	\$100.25	-7.1%	64.9%
Bonds <sup>5</sup>	\$99.18	0.28%	-0.70%

<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 +2.3% as the U.S. and Iran appeared to be nearing an agreement on a 14-point memorandum of understanding (MOU) that is under negotiation between President Trump and Iranian officials. The artificial intelligence (AI) demand and ongoing capital expenditure (capex) spending supported strong earnings from semiconductor stocks and boosted sentiment for AI-related companies. The blended earnings growth rate for S&P constituents topped 27%, well ahead of the 13.1% expected at the end of the quarter. Friday's April nonfarm payrolls was ahead of market expectations, and the unemployment rate ticked up slightly while average hourly earnings came in cooler than expected. The U.S. 10-year Treasury yield rose to 4.36% from 4.25%. The dollar was weaker, while gold rose +1.9%. Oil (WTI) fell -7.1% amid progress in resolving the Middle East stalemate.
- S&P 500 Index Sector Returns:
  - Tech (+7.0%) rose, led by semiconductors and memory stocks.
  - Communication services (+1.9%) rose, led by Alphabet, offset by streaming stocks.
  - Consumer discretionary (+1.8%) rose, led by Tesla, and Amazon.
  - Materials (+0.6%) rose, led by precious metals miners and chemical companies.
  - Industrials (+0.2%) rose, led by airlines, and aerospace and defense stocks.
  - Real Estate (+0.1%) rose, led by office and cell towers.
  - Consumer staples (-0.2%), healthcare (-1.2%), and utilities (-4.0%) underperformed, as investors tend to favor less defensive sectors.
  - Financials (-1.4%) fell, led lower by banks.
  - Energy (-5.7%) fell, as the price of oil declined 7.1%.

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- The Nasdaq and the S&P 500 Index have seen strong gains since the Iran conflict began, while international and emerging market (EM) equities experienced most of the gains before the start of the Iran conflict.



Year-to-date: 01.01.2026 through 05.08.2026. International developed-market stocks represented by the MSCI EAFE index. Emerging-market equity represented by the MSCI EM index. Source: Bloomberg L.P.

- S&P 500 Index is up more than 100% since the low in October of 2022.



All data is as of 05.08.2026 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.

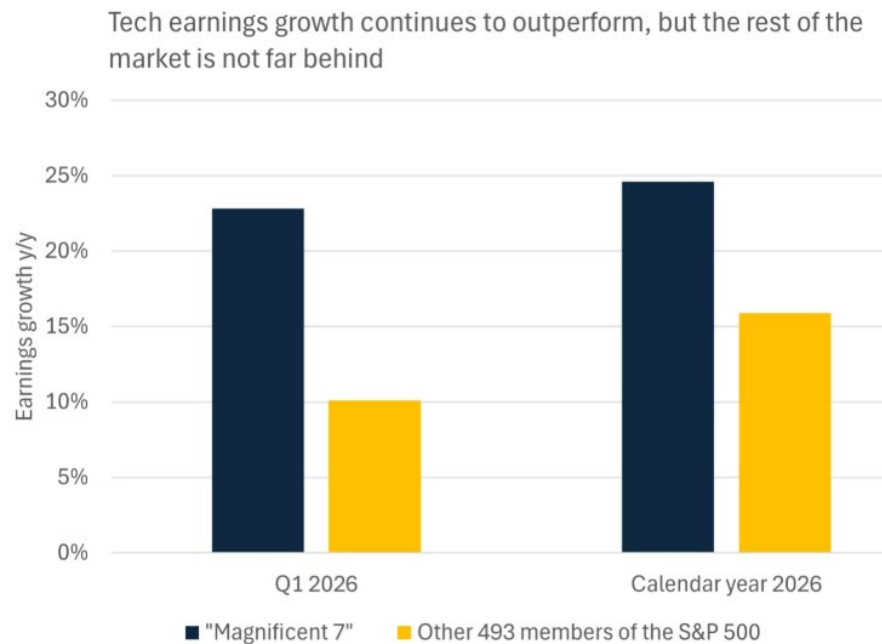
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- U.S. semiconductors and semi equipment percentage of total market cap for the global stock market has quadrupled since 2015 to over 16%.



The MSCI USA Semiconductors and Semiconductor Equipment Index is designed to capture the large and mid-cap stocks of the U.S. equity market. All securities in the index are classified in the Semiconductors and Semiconductor Equipment Industry Group (within the Information Technology sector) according to the Global Industry Classification Standard (GICS®). Data is as of 05.07.2026. Sources: MSCI; The Daily Shot.

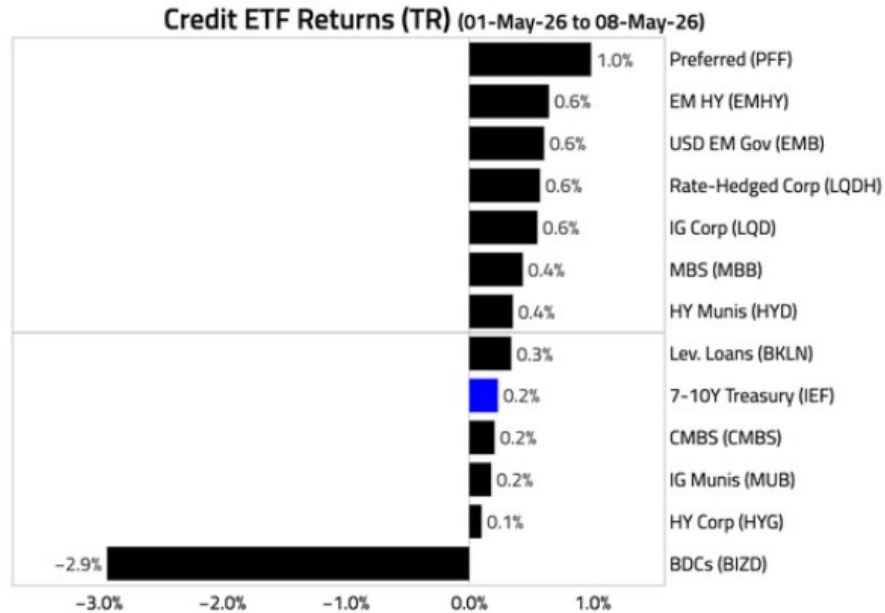
- “Magnificent Seven” (Mag-7) earnings continue to outpace the S&P 493, however, the S&P 493 earnings growth appears to be accelerating at a faster rate than the Mag-7.



Other 493 members of the S&P 500: 493 of the largest stocks (in terms of stock market value). Y/Y: year-over-year. Sources: FactSet; Edward Jones.

## Fixed Income Markets

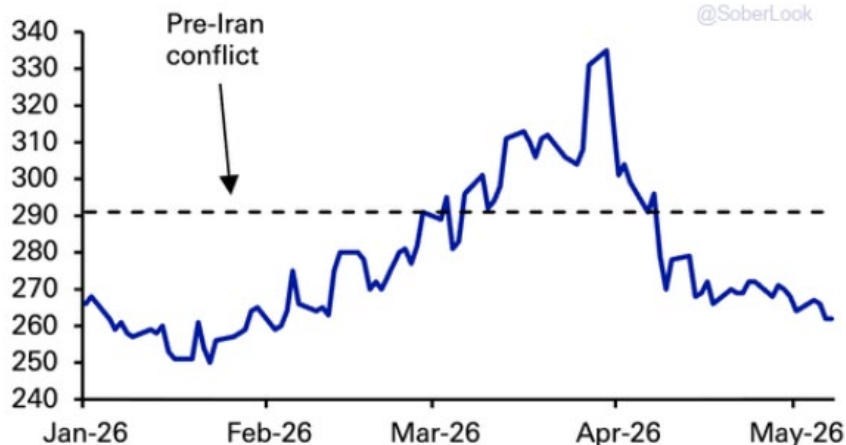
- Thus far in May, preferred bonds, emerging market high yield and investment grade corporate bonds are among the stronger performing sectors.



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. BDCs: business development companies. Municipal bonds' tax exemption should be considered when comparing yield level. Sources: Bloomberg L.P.; Deutsche Bank; The Daily Shot.

- U.S. high-yield spreads are currently tighter than levels prior to the Iran conflict.

**Figure 5: US HY spreads (bps) are now tighter than they were prior to the Iran conflict...**



Bps: basis points. Sources: Bloomberg L.P.; Deutsche Bank; The Daily Shot.

## International Markets Summary

- European markets (STOXX 600 Index) had modest gains as sentiment appeared to improve on easing geopolitical tensions in the Middle East.
- The Chinese stock market (Shanghai Composite A share) rose +1.7%, led by technology and select consumer-related stocks.
- Japanese equities (Nikkei 225 Index) rallied 5.4% in a shortened trading week as technology and semiconductor stocks led Japanese markets on continued enthusiasm for AI-related demand and optimism.

## This Week:

- The volume of corporate earnings reports will be moderate this week.
- Economic data:
  - Monday: Existing Home Sales;
  - Tuesday: National Federation of Independent Business (NFIB) Small Business Index, Consumer Price Index (CPI), Treasury Monthly Budget, American Petroleum Institute (API) Crude Inventories, Automatic Data Processing (ADP) Weekly Employment Change, Hourly Earnings/Average Workweek;
  - Wednesday: Mortgage Bankers Association (MBA) Mortgage Purchase Applications, Producer Price Index (PPI), Department of Energy (DOE) Crude Inventories;
  - Thursday: Weekly Jobless Claims, Import/Export Prices, Retail Sales, Business Inventories, Energy Information Administration (EIA) Natural Gas Inventories; N.Y. Federal Reserve President John Williams speaking engagement;
  - Friday: Empire Manufacturing, Capacity Utilization, Industrial Production.

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.  
Executive Director

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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 **S&P 493 Index** refers to the S&P 500 index excluding the seven largest technology-related companies (Apple, Microsoft, Alphabet, Amazon, Nvidia, Meta, and Tesla).

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 **MSCI Emerging Markets Index** is a premier benchmark tracking large and mid-cap equities across 24 developing countries, covering about 85% of each country's free float-adjusted market capitalization. It is widely used to measure performance in high-growth economies.

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:

The **Consumer Price Index (CPI)** measures the monthly change in prices paid by U.S. consumers. The Bureau of Labor Statistics (BLS) calculates the CPI as a weighted average of prices for a basket of goods and services representative of aggregate U.S. consumer spending. The **Producer Price Index (PPI)** is a measure of inflation at the wholesale level. It's compiled from thousands of indexes that measure producer prices by industry and product category. The index is published monthly by the U.S. Bureau of Labor Statistics (BLS). The **Magnificent Seven (Mag-7)** stocks are a group of high-performing and influential companies in the U.S. stock market: Alphabet, Amazon, Apple, Tesla, Meta Platforms, Microsoft, and Nvidia. The **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. The **National Federation of Independent Business (NFIB)** Small Business Optimism Index is a monthly report that assesses the sentiment of small business owners across the United States. The **Empire Manufacturing Index** is a monthly survey of CEOs & executives from manufacturing companies conducted by the Federal Reserve Bank of New York; highlighting the state of manufacturing the New York region. A **preferred bond**, more commonly referred to as preferred stock or preferred securities, is a hybrid investment that combines characteristics of both stocks and bonds. **Emerging market high yield corporate debt (EMHYH)** 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. **Business development companies (BDCs)** are specialized, closed-end funds designed to fuel economic growth by investing in small- to medium-sized enterprises and financially distressed businesses. These organizations not only provide the necessary capital to help emerging firms in their early phases but also assist struggling companies in restoring fiscal health. **Total return** includes both price appreciation and reinvested dividends. **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.)

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