

Weekly Market Recap

May 18, 2026

Index	Price	Price Returns	
	Close	Week	YTD
S&P 500® Index	7,409	0.1%	8.2%
Dow Jones Industrial Average	49,526	-0.2%	3.0%
NASDAQ	26,225	-0.1%	12.8%
Russell 2000® Index	2,793	-2.4%	12.5%
International Equities ¹	101.72	-1.1%	5.9%
Emerging Markets Equities ²	65.07	-2.3%	18.9%
Ten-Year Treasury Yield	4.59%	-1.1%	-1.0%
Oil WTI ³ (\$/bbl ⁴)	\$105.66	10.7%	84.0%
Bonds ⁵	\$98.02	-0.94%	-1.9%

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

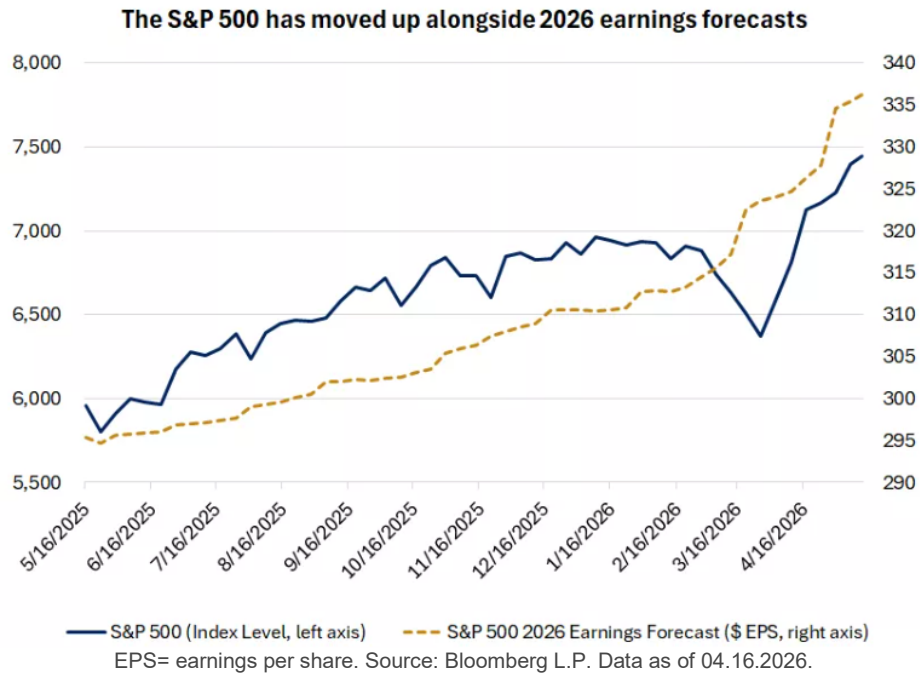
U.S. Equity Market

- U.S. large-cap equities (S&P 500 Index) had an up and down week with a risk-off tone on Friday. Positive drivers for the week continued to be robust demand for artificial intelligence (AI) compute, ongoing AI capital expenditure (capex) spending, healthy earnings growth, and the President Trump/President Xi of China's summit. Negative sentiment for U.S. stocks was linked to the uncertainty about Iran/Hormuz and ongoing concerns about high energy prices and the potential to crowd out consumer spending, along with risk of the Federal Reserve (Fed) potentially raising rates. Core data for April consumer price index (CPI) and producer price index (PPI) was above expectations, which contributed to the inflation and Fed concerns. The U.S. 10-year Treasury yield rose to 4.59% from 4.36%. The dollar was stronger, while gold fell -3.6%. Oil (WTI) rose +10.7% with stalling progress in the Middle East stalemate.
- S&P 500 Index Sector Returns:
 - Energy (+6.8%) rose, as the price of oil rallied 10.7%
 - Consumer staples (+1.3%), and healthcare (+1.0%) outperformed as investors tend to favor more defensive sectors.
 - Tech (+1.2%) rose, led by semiconductors and memory stocks.
 - Financials (-0.3%) fell, led lower by fin-tech and banks.
 - Communication services (-0.8%) fell, led lower by traditional media stocks.
 - Industrials (-1.2%) fell, led lower by airlines, and aerospace and defense stocks.
 - Utilities (-2.1%) fell, as interest rates rose.
 - Materials (-2.3%) fell, led lower by paint and chemical companies.
 - Real Estate (-2.6%) fell, led lower by office and cell towers.
 - Consumer discretionary (-3.1%) fell, led lower by Amazon and travel stocks.

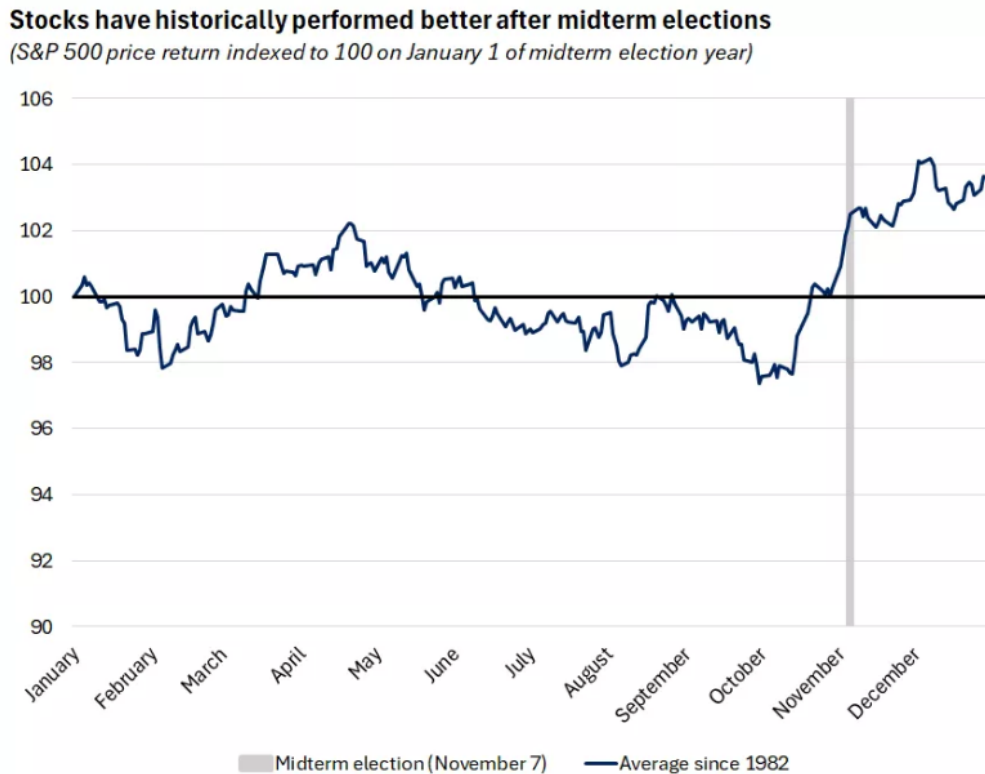
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Weekly Market Recap

- The S&P 500 Index has increased along with 2026 earnings expectations.



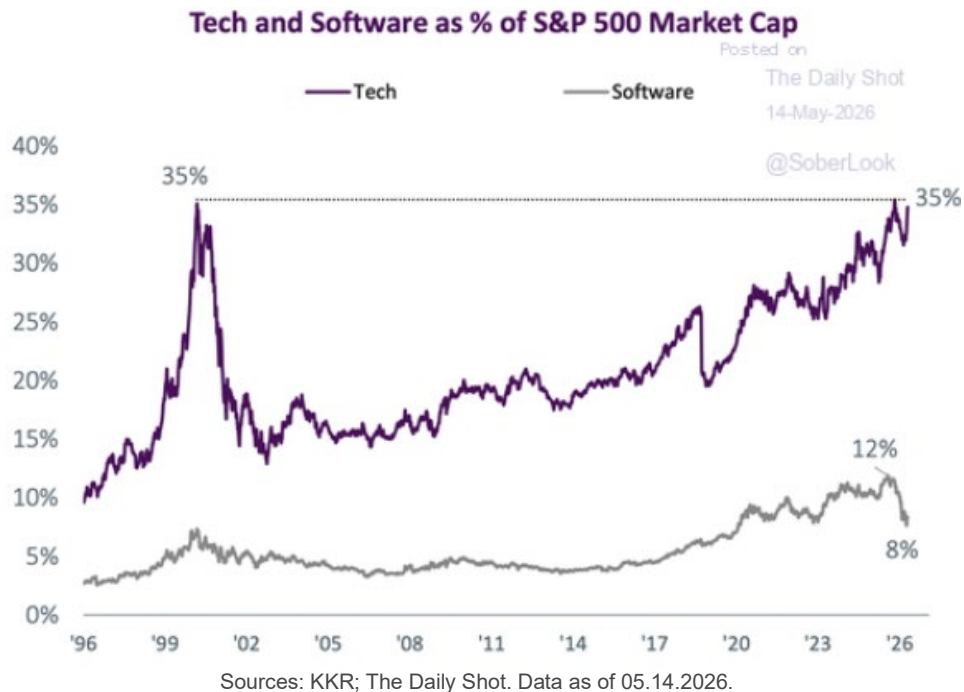
- Historically, U.S. stocks have performed better after the uncertainty of midterm elections is resolved.



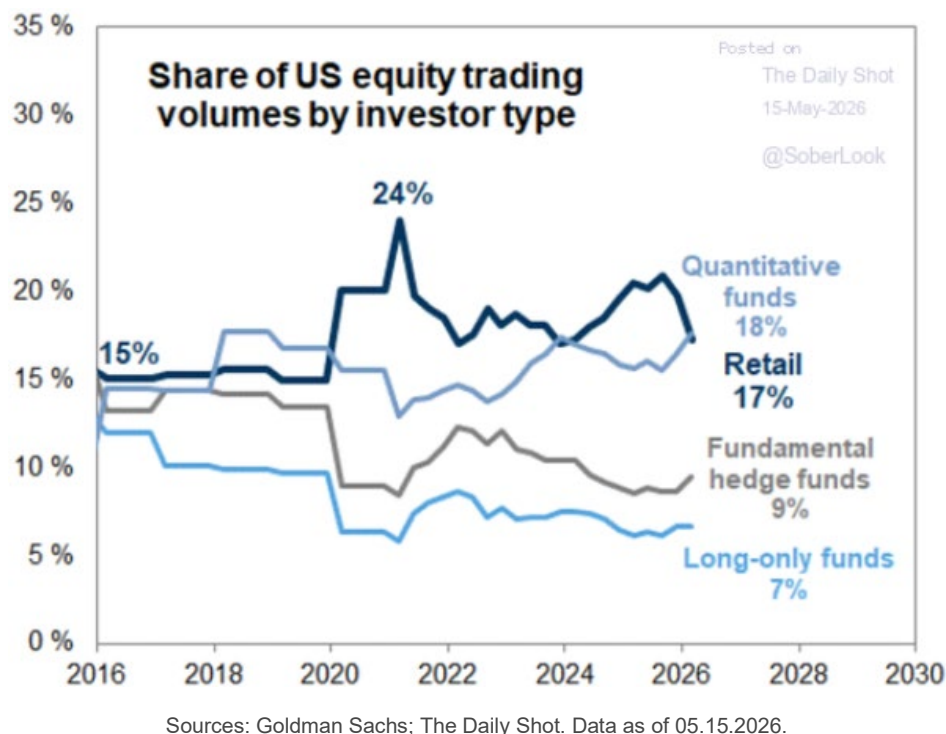
Sources: FactSet. Edward Jones. Data includes midterm election years from 1982 through 2022.

Weekly Market Recap

- The percentage of S&P 500 market cap for the tech sector has increased, driven by price appreciation in semi-conductors, while software's percentage of S&P 500 market cap has declined.

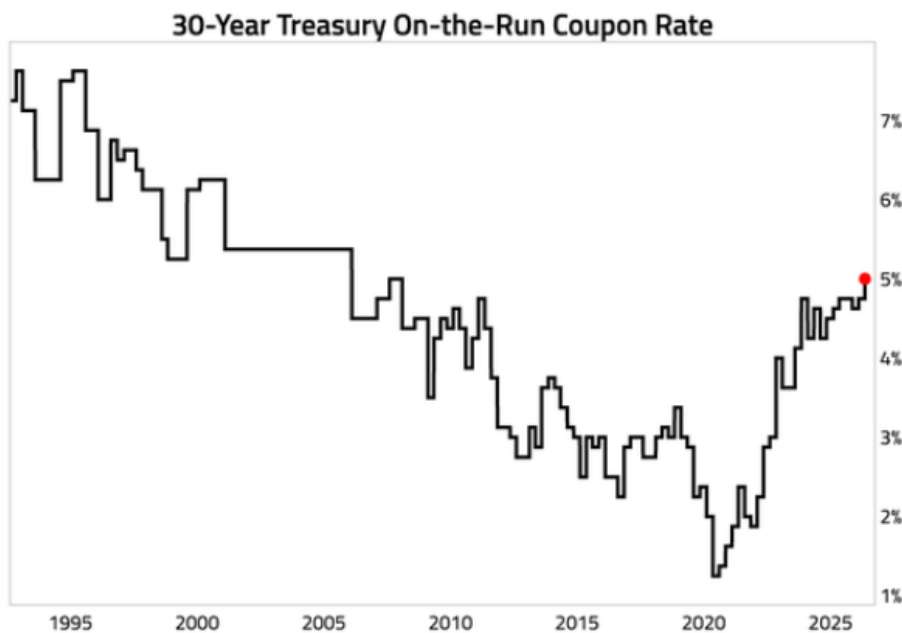


- Equity trading volume has been led by quantitative funds and retail investors.



Fixed Income Markets

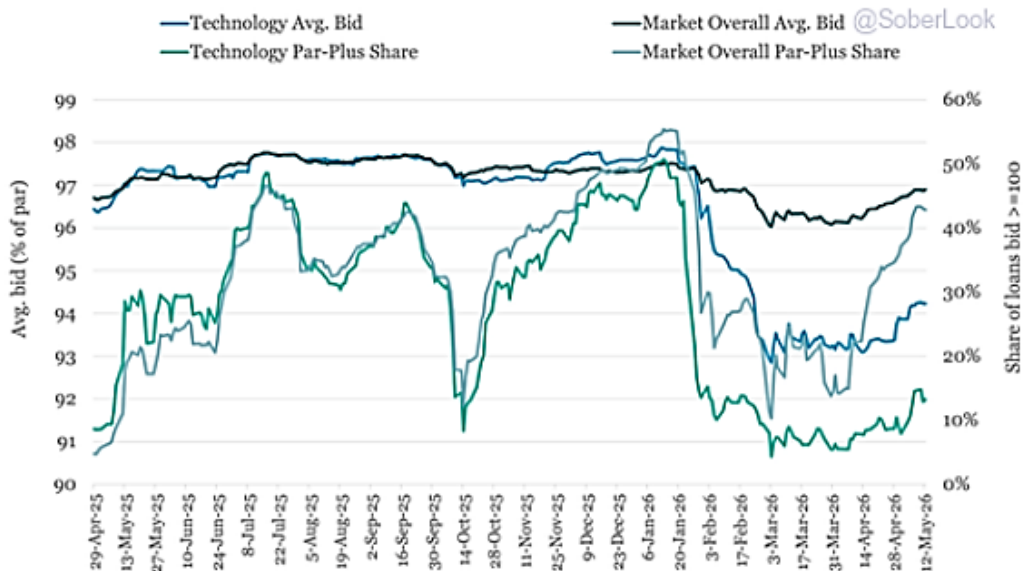
- The Treasury auctioned a 30-year bond with a 5% coupon for the first time since 2007.



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

- Technology loans continue to trade at a discount to the broader secondary market of loans.

Technology loans move higher but continue to trade at a discount to the broader secondary market



Sources: LSTA/LSEG LPC; The Daily Shot. Data as of 05.12.2026. "Par plus share" describes a financial settlement where an investor receives the original principal back in cash plus additional value paid out in company stock

All data is as of 05.15.2026 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.

International Markets Summary

- European markets (STOXX 600 Index) fell -0.9% as U.S. and Iran peace talks showed signs of stalling, raising analyst fears that higher energy prices could lead to inflationary pressures and higher interest rates.
- The Chinese stock market (Shanghai Composite A share) fell -0.3% despite gains earlier in the week tied to Trump-Xi summit as both sides signaled support for stable relations.
- Japanese equities (Nikkei 225 Index) fell -2.1% as semi-conductor and AI-related stocks declined, likely on profit taking from investors that experienced strong gains recently.

This Week:

- The volume of corporate earnings reports will be moderate this week.
- Economic data:
 - Monday: National Association of Home Builders Housing Market Index, Treasury International Capital Flows;
 - Tuesday: Automatic Data Processing Weekly Employment change, Redbook year-over-year, Pending Home Sales;
 - Wednesday: Mortgage Bankers Association Mortgage Purchase Applications, Cushing Oklahoma Crude, Federal Open Market Committee Minutes, Ethanol Inventory, Ethanol Production;
 - Thursday: Building Permits, Housing Starts, Philadelphia Fed Index, Purchasing Managers Index (PMI) Manufacturing Preliminary, PMI Services Preliminary;
 - Friday: Leading Indicators, Michigan Consumer Sentiment (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.
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 **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 depositary 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:

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 **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. 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). A monthly **Purchasing Managers Index (PMI)** highlighting the manufacturing sector is made available by the Institute for Supply Management (ISM), a nonprofit supply management organization. The **Services PMI** (Purchasing Managers' Index) is a key economic indicator that measures business activity in the services sector. It provides a forward-looking perspective on the health of the economy, specifically within the service industry. **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 **Federal Open Market Committee (FOMC)** is the primary monetary policymaking body of the Federal Reserve. **FOMC minutes** are a detailed record of the Federal Open Market Committee (FOMC) meetings and are released three weeks after every meeting. **TIC Flows** (Treasury International Capital flows) refer to the monthly and quarterly statistical reports issued by the U.S. Department of the Treasury. The **NAHB/Wells Fargo Housing Market Index (HMI)** is designed to gauge and track the pulse of the single-family housing market. The **coupon rate** is the yield paid by a fixed-income security, calculated by dividing the total value of coupon payments by the face value of the bond. A **bid** is an offer made by an investor, trader, or dealer to buy a security that stipulates the price and the quantity the buyer is willing to purchase. **Par value** is the stated or face value of a financial instrument, primarily bonds and stocks. The par value is typically required at the time it is issued. A **quantitative fund** (or "quant fund") is an investment vehicle that uses mathematical models, statistical analysis, and computer algorithms to make trading decisions. A **fundamental hedge fund** is an actively managed private investment vehicle that bases its trades on in-depth, qualitative and quantitative research of underlying businesses rather than purely mathematical or algorithmic models. A **long-only fund** is an investment portfolio that strictly buys and holds assets (like stocks or bonds) expecting their value to rise. **Price return** (or capital return) measures the percentage change in an investment's price or market value over a specific period, ignoring any income generated, such as dividends or interest. An **earnings forecast** is a projection of a company's future financial performance over a specific period, typically focusing on net income or earnings per share (EPS). **Capital expenditures (CapEx)** are funds a business uses to acquire, upgrade, or maintain long-term physical assets—like property, buildings, equipment, or technology—to expand its operational capacity. The **Philadelphia Fed Index** (formally known as the Manufacturing Business Outlook Survey) is a monthly economic indicator from the Federal Reserve Bank of Philadelphia. It tracks the health of the manufacturing sector in the Third Federal Reserve District—covering Delaware, southern New Jersey, and eastern Pennsylvania.

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