Market Down & Dirty

May 11, 2026

The Data

- Equity indices closed in positive territory last week.
  - S&P 500 +2.35% Dow +0.22% Russell 2000 +1.75%, Nasdaq +4.51%.[1]
    - The All-Country World Index rose +2.41%.[1]
  - S&P 500 sub-sectors were mixed last week.
    - Tech led to the upside with a gain of over 6%.[1]
    - Energy & Utilities led to the downside with losses of -6% and -4%.[1]
  - The CBOE Volatility Index (VIX) rose slightly to close at 17.18.[1]

- US Treasury bond yields ended slightly lower in volatile trading last week.
  - US 2yr flat at 3.89%, 10yr -0.01% to 4.37%, 30yr -0.02% to 4.95%.[1]
  - Yields briefly touched 10-month highs early in the week before ending lower.

- Commodities as an aggregate asset class were lower last week.
  - WTI Crude sank -7.17%.[1]
  - Gold rose +2.18%.[1]
  - The US Dollar index declined -0.33%.[1]

- In our opinion, U.S. economic data was mixed last week.
  - The ISM Services PMI Index ticked lower to 53.6% but remained expansionary.[1]
  - Jobs data surprised to the upside on job creation as the unemployment rate held steady.[1]
  - Consumer sentiment dropped to a new all-time low at 48.2.[1]

- An index of equities outside the US (FTSE All-World ex-US) gained +2.99%.[1]

[1] Source: Bloomberg – 5/8
/2026

Conclusion

- Equities ended the week higher as solid unemployment data and the US-Iran ceasefire holding seemed to turn attention to fundamentals.
  - The Nasdaq led to the upside by a wide margin with a gain of 4.51%.[1]
    - The S&P 500 gained for the 6th straight week. [1]
    - Semiconductor stocks led major large-cap indices higher as they continued their recent massive move higher.
- With the appearance of peace in the Middle East, all eyes have turned to the remarkable earnings results this reporting season.
  - With 89% of S&P 500 companies having reported earnings, results are showing the strongest earnings since the Covid pandemic's 4th quarter of 2021.[1]
  - 84% of S&P companies have reported an earnings beat while 80% have reported a positive revenue surprise.[1]
  - The blended growth rate is currently at +27.7%, far outpacing expectations from analysts which came into this earnings season at a gain of +13.1%.[1]
- S&P 500 subsectors saw mixed performance last week.
  - Tech and Energy diverged as we've been discussing.
    - Tech was higher by over 6% while Energy dropped over 6%.[1]
  - Helping domestic equities was the largest plan to buyback shares ever to begin a year.
    - S&P 500 companies announced $665 billion worth of share purchased for the months January through April.[1]
    - At this pace, share buybacks would eclipse last year's record amount.
- Non-US equities outperformed domestic shares as the US Dollar index declined.
  - Emerging market names have been the best performers, led by Korea.
  - EM equities have no outperformed US stocks for 5 consecutive quarters.[1]
  - Despite their performance, the index tracking emerging country companies continues to screen as cheaper from a valuation standpoint than the S&P 500 index.[1]
- Commodities as a broad asset class moved lower last week.
  - Oil sank over 7% while metals gains.
- US Treasury yields ended a volatile week slightly lower across the curve.
  - Earlier in the week, yields moved to their highest levels in almost a year.
    - The 30yr US Treasury yield hit 5.03% on Monday and traded above 5% through Tuesday before ending Friday at 4.95%.[1]
  - This is a significant psychological and technical level that has a wide-reaching impact on the global economy and markets.
- Labor market data surprised to the upside with a higher-than-expected job gain last month while March's report was revised upward.
  - Additionally, the unemployment rate held steady at 4.3%.
  - Consumer sentiment hit an all-time-low as energy prices weighed on respondents.

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