SOLLINDA
CAPITAL MANAGEMENT

Market Down & Dirty

May 4, 2026

The Data

- Equity indices moved higher last week.
  - S&P 500 +0.94% Dow +0.55% Russell 2000 +0.95%, Nasdaq +1.12%.[1]
    - The All-Country World Index rose +0.51%.[1]
  - S&P 500 sub-sectors were mostly higher last week.
    - Tech & Energy led to the upside once again.[1]
    - Healthcare & Materials were the lone negative sectors.[1]
  - The CBOE Volatility Index (VIX) declined -9.41% to end at 16.95.[1]

- US Treasury bond yields moved higher last week.
  - US 2yr +0.11% at 3.89%, 10yr +0.08% to 4.38%, 30yr +0.06% to 4.97%.[1]
  - Yields have recently moved to the upper end of their range since the Iran conflict began.

- Commodities as an aggregate asset class were higher last week.
  - WTI Crude rose +8.38%.[1]
  - Gold declined -2.04%.[1]
  - The US Dollar index declined -0.33%.[1]

- In our opinion, U.S. economic data was mixed last week.
  - Consumer confidence ticked higher in April.[1]
  - Manufacturing data remained level but in expansion territory.[1]
  - The PCE measure of inflation jumped in March as the yearly change rose to +3.5%.[1]

- An index of equities outside the US (FTSE All-World ex-US) gained +0.49%.[1]

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[1] Source: Bloomberg – 5/1/2026

Conclusion

- Equities moved higher last week to close out a remarkable month of April.
  - The Nasdaq led to the upside with a gain of 1.12%.[1]
    - The S&P 500 gained for the 5th straight week.
    - The Dow reversed course from the previous week and logged a +0.55% gain.[1]
  - Indices have largely shrugged off what led them to declines in the first 3 months of 2026 despite these same factor still largely being present.
- Earnings season has thus far been a major reason for the investor optimism recently.
  - As of last week, with 63% of S&P 500 constituents reporting results, earnings have grown at a +27.1% pace, far outpacing the expected +15% forecast. [1]
  - The proportion of US equities missing analysts' estimates is hovering at the lowest level since 2021. [1]
  - It's not just blowout Tech company earnings as companies outside the tech sector have been posting the sharpest positive earnings surprises since the 4th quarter of 2024. [1]
  - Of note is that over 70% of earnings reports mention "Iran: or "oil" which is twice the number that mentioned "tariffs". [1]
    - This could be read as caution creeping in to forward guidance…even from the largest energy & oil companies.
- S&P 500 subsectors were mostly higher last week.
  - Tech and Energy once again led the way higher.
    - Tech was boosted by blowout earnings and Energy from the continued supply disruption in the Middle East.
- US Treasury yields were slightly higher last week.
  - Yields are near the upper end of their recent range, with crude oil prices not far from a four-year peak and economic data pointing to a resilient US economy.
  - With the Middle East conflict keeping energy costs elevated and sparking inflation concerns, the bond market has essentially priced out interest-rate cuts for this year, and options traders have even begun to lean toward potential tightening in 2027.
- The AI growth engine was on full display in the first quarter, powering the US economy through fresh headwinds from a war-driven surge in inflation.
  - The conflict in the Middle East has sent oil prices soaring, disrupted global supply chains and injected uncertainty into the outlook.
  - Even so, weary consumers — who have historically served as the primary engine of economic growth — have continued to spend. Tax refunds have helped, as have limited layoffs across the economy.
  - But Americans are increasingly saving less to keep up with the high cost of living.
  - With gasoline prices already at the highest since 2022, and still rising, consumers are vulnerable.
  - The question remains whether or not the AI corporate spending boom can continue to pick up the slack.

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