



A WEEKLY NEWSLETTER PUBLICATION OF BECKER WEALTH MANAGEMENT LLC

## Encouraging earnings reports drive markets to new highs.

**M**arkets last week took in a busy calendar of earnings and economic reports, an FOMC meeting, and continuing questions surrounding the U.S.-Iran stalemate. The combined backdrop drove global equity markets to fresh record highs due primarily to very encouraging earnings reports. Conversely, bond yields and oil prices moved higher in concert with ongoing uncertainty in the Gulf as the conflict enters its tenth week. Oil prices have climbed back above \$100/bbl and bond yields are reflecting associated inflation pressures. The USD (-0.38%) and gold (-1.59%) both lost ground as well despite the prevalence of geopolitical and inflation tensions.

### Financial Market Highlights

- Equity markets continued to decouple from oil and rates thanks to the AI boom, the USD continued to unwind the March safe haven trade.
- Two thirds of the way through Q1 earnings reports and things look good with elevated beat rates of 84%, massive beat margins at 20.7% and top/bottom line blended growth of 11.1% and 27.1%.
- The AI buildout and related business capital expenditures, albeit limited to semiconductor and technology hardware areas, continue to bolster corporate earnings and growth dynamics.
- The situation in the Middle East remains fluid with a blockade, Iranian tolls, talks of talks, and threats of U.S. escalation together keeping the pressure on and oil prices elevated.



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### Economic Highlights

- Last week's economic calendar included in-line but elevated PCE inflation of 3.5%, resilient but fragile real consumption, and a modest 2% Q1 GDP growth.
- Apollo economist, Torsten Slok, notes early signs of wage growth may indicate a growth impulse and a tightening labor market, the latter due to the sharp decline in net immigration numbers.

### Policy Highlights

- The FOMC held rates steady for a third consecutive meeting at 3.5%-3.75%, with a slight shift in bias toward the hawkish side, but ultimately a wait and see approach.
- Senate voted to confirm Warsh as the next Fed chairman, assuming the role on May 16th.

### Bullish Asset Allocation Narratives

- Robust U.S. corporate fundamentals including strong earnings + revenue growth and positive forward revisions + guidance.

- AI infrastructure builds, earnings momentum (ROI), and productivity gains.
- Growth conducive policies across fiscal (elevated deficit spending) and regulatory landscapes.
- Resilient consumption with low unemployment and under levered consumer balance sheets.

### Bearish Asset Allocation Narratives

- Energy price shock and associated risks to inflation (bond yields) and growth (demand destruction).
- AI given current equity market concentration, the shift toward heavy asset/capex intensive business models, circular investment deals, increased debt financing, and disruptive forces on some business models and pockets of the labor market.
- Tariff (trade) policy uncertainty and impacts on business uncertainty, price levels, and supply chains.

# INSIGHT

## SUMMARY OF ECONOMIC REPORTS

Economic Report	Release	Period	Prior	Estimate Range	Consensus	Actual
PCE YoY (Headline/Core)	4/30/26	Mar	2.8% / 3.0%	2.9% to 3.5%	3.5% / 3.2%	3.5% / 3.2%
PCE MoM (Headline/Core)	4/30/26	Mar	0.4% / 0.4%	0.3% to 0.8%	0.7% / 0.3%	0.7% / 0.3%
Personal Income / PCE (MoM)	4/30/26	Mar	-0.1% / 0.5%	0.2% to 1.0%	0.3% / 0.9%	0.6% / 0.9%
Personal Consumption (QoQ AR)	4/30/26	Q1	1.9%	1.0% to 1.6%	1.5%	1.6%
U.S. GDP (QoQ AR)	4/30/26	Q1	0.5%	1.0% to 2.8%	2.1%	2.0%
Employment Cost Index (QoQ/YoY)	4/30/26	Q1	0.7% / 3.4%	0.7% to 0.9%	0.8% / N/A	0.9% / 3.4%
ISM Manufacturing	5/1/26	April	52.7	51.9 to 56.0	53.0	52.7
Durable Goods Orders (Orders)	4/29/26	Mar	-1.4%	0.3% to 1.2%	0.5%	0.8%
Consumer Confidence	4/28/26	April	92.2	87.0 to 90.4	89.4	92.8
Case-Shiller HPI (YoY)	4/28/26	Feb	1.2%	N/A	N/A	0.9%
Housing Starts & Permits (M)	4/29/26	Mar	1.36M / 1.54M	1.32M to 1.44M	1.40M / 1.40M	1.50M / 1.37M
PMI Services	4/23/26	April	49.8	N/A	50.0	51.3
PMI Manufacturing	4/23/26	April	52.3	52.1 to 53.5	52.5	54.5
UofM Consumer Sentiment	4/24/26	April	47.6	47.6 to 49.8	48.0	49.8
Retail Sales (Headline/Core)	4/21/26	Mar	0.7% / 0.6%	0.2% to 2.2%	1.4% / 0.2%	1.7% / 0.6%
Pending Home Sales (MoM)	4/21/26	Mar	1.8%	-0.5% to 1.0%	0.9%	1.5%
NFIB Small Biz Optimism	4/14/26	Mar	98.8	96.3 to 98.5	97.5	95.8
Industrial Production (MoM)	4/16/26	Mar	0.2%	-0.3% to 0.5%	0.1%	-0.5%
Housing Market Index (MoM)	4/15/26	Apr	38	36 to 38	37	34
Existing Home Sales	4/13/26	Mar	4.09M	3.95M to 4.18M	4.08M	3.98M
CPI (Headline/Core YoY)	4/10/26	Mar	2.4% / 2.5%	2.6% to 3.8%	3.4% / 2.7%	3.3% / 2.6%
CPI (Headline/Core MoM)	4/10/26	Mar	0.3% / 0.2%	0.2% to 1.3%	0.9% / 0.3%	0.9% / 0.2%
ISM Services	4/6/26	Mar	56.1	52.0 to 54.2	53.6	56.1
Payrolls (MoM)	4/3/26	Mar	-92,000	-25,000 to 75,000	51,000	178,000
Unemployment Rate	4/3/26	Mar	4.4%	4.4% to 4.5%	4.4%	4.3%
JOLTS	3/31/26	Feb	7.240M	N/A	N/A	6.882M
New Home Sales (AR)	3/19/26	Jan	712k	710k to 800k	728k	587k



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# INSIGHT

## MARKET ANALYSIS

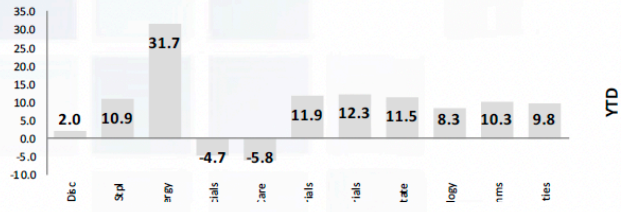
Equity	Level	1 Wk	1 Mo	3 Mo	YTD	1 Yr	Commodities	Current	3/31/26	12/31/25	9/30/25
Dow Jones	49499	0.55	6.39	1.66	3.49	23.53	Oil (WTI)	99.89	102.86	57.26	63.17
NASDAQ	25114	1.12	15.01	7.21	8.25	42.69	Gold (Mo-End)	5019.53	5019.53	4289.48	3665.20
S&P 500	7230	0.92	10.03	4.50	6.02	30.62					
Russell 1000 Growth		0.23	11.67	3.19	1.64	29.93	Currencies	Current	3/31/26	12/31/25	9/30/25
Russell 1000 Value		1.38	7.39	5.43	10.24	29.21	USD/Euro (\$/€)	1.17	1.15	1.18	1.17
Russell 2000		0.94	12.01	7.95	13.73	44.22	USD/GBP (\$/£)	1.35	1.35	1.34	1.34
Russell 3000		0.80	9.73	4.51	6.13	30.58	Yen/USD (¥/\$)	159.35	159.35	156.80	147.97
MSCI EAFE		1.00	3.97	1.42	6.72	26.63					
MSCI Emg Mkts		(0.52)	10.06	5.36	14.70	47.73	Treasury Rates	Current	3/31/26	12/31/25	9/30/25
Fixed Income	Δ Yield	1 Wk	1 Mo	3 Mo	YTD	1 Yr	3 Month	3.68	3.70	3.67	4.02
US Aggregate	3.96	0.04	0.01	0.08	0.07	0.17	2 Year	3.88	3.79	3.47	3.60
High Yield	6.61	0.03	(0.07)	0.11	0.07	(0.12)	5 Year	4.02	3.92	3.73	3.74
Municipal	3.47	0.05	0.02	0.17	0.15	0.31	10 Year	4.39	4.30	4.18	4.16
Treasury	3.56	0.14	0.10	0.26	0.24	0.40	30 Year	4.97	4.88	4.84	4.73

**Style Returns**

	V	B	G	
L	-0.17	0.27	0.67	MTD
M	-0.18	-0.16	-0.11	
S	0.15	0.46	0.76	



	V	B	G	
L	10.24	5.78	1.64	YTD
M	11.34	8.55	-0.40	
S	15.26	13.73	12.32	



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