

Primary Market Drivers

Earnings & Economic Data

To say earnings are going well would be a massive understatement. With 63% of S&P 500 companies reporting, the blended EPS growth rate for Q1 currently stands at 27.1%, far exceeding expectations for 13.2%. This will be the sixth straight quarter of double digit earnings growth and the growth continues to accelerate Q/Q. This week, 126 S&P 500 companies will report earnings (25.2% of the index), making for another busy week with significant implications. We will see results from Palantir (PLTR 5/4), Marathon Petroleum (MPC 5/5), Pfizer (PFE 5/5), Advanced Micro Devices (AMD 5/5), Super Micro Computer (SMCI 5/5), Cencora (COR 5/6), CVS Health (CVS 5/6), Uber Technologies (UBER 5/6), Walt Disney (DIS 5/6), McDonald's (MCD 5/7), Airbnb (ABNB 5/7), Coinbase (COIN 5/7), McKesson (MCK 5/7), and Block Inc (XYZ 5/7), among many others. Expect earnings to continue to be the market's primary focus this week. On the economic data front, we will see plenty of employment data this week with JOLTS (5/5), ADP Employment (5/6), Challenger Job Cuts (5/7), and Nonfarm Payrolls & Unemployment (5/8) all on tap. Other major releases include PMI Services (5/5), ISM Non-Manufacturing (5/5), New Home Sales (5/5), Unit Labor Costs & Productivity (5/7), Construction Spending (5/7), Consumer Credit (5/7), Wholesale Inventories (5/8), and Michigan Consumer Sentiment (5/8). It should be another busy week for earnings and economic data.

Fed Policy

The Fed kept interest rates steady last week, as expected, in Jerome Powell's farewell as Fed Chair. While Kevin Warsh is not a known commodity in his new role yet, expectations for his first policy decision on 6/17 appear to be. CME's FedWatch Tool indicates a 94.8% probability of "no change," so don't expect any major surprises next month. Warsh's first press conference, on the other hand, should be filled with questions regarding his viewpoints, philosophy, and plans as Fed Chair. We will be watching that closely as it will be the first real glimpse into who and what we can come to expect over the next four years.

Iran Conflict

Iran has submitted a new 14-point peace proposal to end the war within 30 days. Trump reviewed it but called it "unacceptable," and so the tenuous diplomacy continues to stall as we enter the third month of the conflict. The Trump administration recently announced "Project Freedom," an operation in which the US will escort neutral ships through the Strait of Hormuz starting this week. Iran warns that this violates the ceasefire, though pundits point out that an open Strait of Hormuz was the most vital component of the original ceasefire agreement. Oil remains elevated (\$101 at the time of this writing) as it doesn't seem like much real progress toward a meaningful resolution has been made recently. As always, we will continue to update this section with the latest.

All referenced market information, statistics, and economic data were gathered from StreetAccount, a paid subscription data service provided by FactSet Research Systems Inc.

Market Returns 5/1/2026

Category	Ticker	YTD%
Domestic Equity		
S&P 500	SPY	5.97%
Dow Jones	DIA	3.44%
Large-Cap Growth	QQQ	9.88%
Large-Cap Value	IVE	5.78%
Mid Caps	MDY	10.40%
Small Caps	IWM	13.66%
International Equity		
Developed Intl	EFA	6.32%
Emerging Markets	EEM	17.22%
Fixed Income		
Core Bonds	AGG	0.33%
Corporate Bonds	LQD	0.06%
High Yield Bonds	HYG	1.28%
ST Treasuries	IEI	-0.02%
LT Treasuries	TLT	-0.31%
International Bonds	BNDX	0.18%



Performance data and stock chart were gathered from eSignal, a paid market screening application provided by Intercontinental Exchange, Inc.

Current Environment Summary

What's Working	What's Not	What's Next
Historically Strong Earnings Growth	Rate Cut Expectations Diminished	126 S&P 500 Companies Reporting (25.2%)
AI & Tech Revolution Long-Term Theme	Iran Conflict	PLTR, AMD, SMCI, MPC, UBER, DIS, MCD
Fed Easing Cycle	Crude Oil Prices Elevated	Nonfarm Payrolls & Unemployment (5/8)
Stable Labor Market	Inflation Expectations	Bevy of Labor Market Data
Stocks Trading at All-Time-Highs	Diplomatic Solutions Stalled in Iran	Iran Conflict Headlines
		Earnings Continue to Dominate

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