

Beacon Weekly Investment Insights

The S&P 500 increased for the sixth consecutive week, which of course followed five weeks of losses. The S&P 500 and several other U.S. equity indexes closed the week at or near all-time highs. The S&P 500 rose 2.3% last week and is up a respectable 8.1% this year on a price return basis. The story of the decade and perhaps the century, artificial intelligence (AI), continued to garner investor attention. Specifically, hardware-oriented firms involved in the AI buildout continued to surge to astounding heights. Micron Technology, a firm largely unknown outside the business community that is best-known for making computer memory products, perhaps best exemplifies this trend. Micron increased almost 30% last week and more than 700% over the past year. Micron now sports a market capitalization of approximately \$840 billion, an amount surpassed by fewer than 20 companies in the entire world.

These exponential price moves do increase the risk of a pullback in the market and for AI stocks, but we remain optimistic, in aggregate, due to relatively strong fundamentals. The U.S., Israel, and Iran remain engaged in talks that would end the most recent military conflict that began on February 28th. The U.S. rejected Iran's proposed revisions to a recent peace proposal. Russian President Putin also indicated the conflict with Ukraine may be coming to an end in the relatively near future.

The Employment Report was perhaps the most closely followed economic release last week. The U.S. economy added approximately 115,000 jobs in April, significantly above expectations for roughly 55,000 jobs. The unemployment rate remained constant at 4.3%, allaying some fears that the spike in inflation and continued progress by AI firms would damage employment activities. Consumer sentiment continues to remain dour, according to the University of Michigan Consumer Sentiment Survey. The latest reading, released last week, fell to a record low of 48.2, demonstrating the fragility of U.S. consumer psyche.

Earnings season continues in full swing. Palantir, a software-oriented AI star, fell almost 6% last week despite strong earnings and a solid outlook. Some investors, such as Michael Burry, continue to question the valuation of the firm, which is trading at a price greater than 150 times its trailing earnings. Advanced Micro Devices (AMD), another hardware-oriented technology firm, increased 33% last week as its share price hit an all-time high. A similar pattern occurred with the oft-maligned Intel, which increased roughly 25% last week and hit an all-time high.

Outside of the technology realm, Disney increased almost 5% last week on better-than-expected earnings. The media icon was helped by strong theme park attendance, streaming subscriber growth, and improving profitability in its entertainment segment. Investors interpreted Disney's results as evidence that higher-income consumers continued to spend on travel and entertainment despite inflationary pressures and geopolitical tensions.

There are notable economic reports occurring on each day this week. The Existing Home Sales report will be released on Monday, providing a pulse on a housing market that has become unaffordable to many consumers. The Consumer Price Index (CPI) inflation report will be released on Tuesday, signaling how much the military conflict in Iran has impacted prices. The Producer Price Index (PPI), a measure of wholesale inflation, will provide on Wednesday a more direct estimate of commodity price inflation. The Retail Sales report will be released on Thursday, which will provide a reading on consumer spending despite the spike in oil prices. On Friday, the Industrial Production report will be released, which may provide some evidence of the manufacturing "renaissance" that is occurring to some extent in America. Last, but not least, an important summit is scheduled to take place this week between President Trump and President Xi of China in Beijing. The outcome of the summit may have important economic and political implications.

Market Scorecard:	5/8/2026	YTD Price Change
Dow Jones Industrial Average	\$49,609.16	3.22%
S&P 500 Index	\$7,398.93	8.08%
NASDAQ Composite	\$26,247.08	12.93%
Russell 1000 Growth Index	\$4,975.92	4.44%
Russell 1000 Value Index	\$2,299.91	11.02%
Russell 2000 Small Cap Index	\$2,861.21	15.28%
MSCI EAFE Index	\$3,076.29	6.35%
US 10 Year Treasury Yield	4.36%	20 basis points
WTI Crude Oil	\$95.42	64.92%
Gold \$/Oz.	\$4,730.70	9.04%

 **Beacon Trust** 163 Madison Avenue, Suite 600 | Morristown, NJ 07960 | 973.377.8090 | BeaconTrust.com

Important Information: Beacon Investment Advisory Services, Inc. ("BIAS") is an SEC registered investment adviser, under the name Beacon Trust, and is wholly owned by Beacon Trust Company ("BTC"), which is a subsidiary of Provident Bank. Provident Bank is a subsidiary of Provident Financial Services, Inc., a holding company whose common stock is traded on the New York Stock Exchange. Beacon Trust may only transact business in those states where they are notice filed or qualify for a corresponding exemption from notice filing requirements. BIAS may be engaged to manage a portion of BTC clients' assets either directly or as a manager of a Mutual Fund. Complete Investment Advisory and transaction fees schedules are available upon request. Additional information is contained in the respective Form ADV disclosure documents, the most recent versions of which are available on the SEC's Investment Adviser Public Disclosure website at <http://www.adviserinfo.sec.gov>.

SECURITIES AND INVESTMENT PRODUCTS: Not FDIC Insured | Not Bank Guaranteed | May Lose Value

This publication is limited to the dissemination of general information pertaining to the wealth management products and services offered by Beacon to U.S. residents of those states where not prohibited by applicable law. No portion is to be construed as a solicitation to effect transactions in securities or the provision of personalized investment, tax, or legal advice. Any discussion of tax matters contained within this communication should not be used for the purpose of avoiding U.S. tax related penalties or promoting, marketing, or recommending to another party any transaction or matter addressed herein. Beacon Trust does not provide legal advice. Certain information contained in this report is derived from sources that Beacon Trust believes to be reliable; however there is no guarantee as to the accuracy or completeness of such information. Opinions expressed are as of the date of publication, are subject to change, and should not be considered investment advice.

Investing involves risks which may lead to losses, including loss of principal. Different types of investments involve varying degrees of risk and there can be no assurance that any specific investment will be profitable.

Past performance is not a predictor of future results. It should not be assumed that any information discussed herein will prove to be profitable or that decisions in the future will be profitable or provide specific performance results. Beacon Trust does not make any representation that any of its investments on behalf of clients or any other investments will or are likely to achieve returns similar to those shown in the performance results presented.

Benchmark returns include reinvestment of capital gains and dividends, if any, but do not reflect any fees or expenses. Any reference to a market index is included for illustrative purposes only, as it is not possible to directly invest in an index. Indices are unmanaged vehicles that serve as market indicators and do not account for the deduction of management fees or transaction costs generally associated with investable products, which otherwise have the effect of reducing the performance of an actual investment portfolio. Calculation methodologies are available from BIAS upon request. 00286849