

Beacon Weekly Investment Insights

Though there was little macro data this past week, there were news events that have been supportive of strong market trends. Global equities - particularly in the US - extended their strong rebound, with growth and technology stocks continuing to lead. The S&P 500 and Nasdaq rose 0.5% and 1.5%, respectively, both reaching all-time highs while the Dow lagged, declining 0.4%. Small Caps also participated, rising 0.4%, and retaining their strong leadership year to date up more than 12% despite all indications that the probability of lower interest rates may not materialize given the current global headwinds, a primary catalyst for the group. Treasury yields moved slightly higher, reflecting persistent inflation concerns and strong growth expectations.

This all comes with the Iran conflict still in flux, with no meetings taking place between the parties, oil high but volatile and inflation forecasts expected to be elevated for some time. Clearly investors are focused on corporate earnings, the hope for an end to the war and a return to some level of normalcy resulting in a resumption of strong economic growth. Unfortunately, we still as yet do not have a handle on the extent of the damage the war will have on global growth and its impact on corporate earnings in the coming quarters.

The much-delayed hearing in the Senate on the candidacy of Kevin Warsh as the next Fed Chairman took place on Wednesday. Despite the usual grandstanding by members of the committee and Senator Tillis's commitment to not having the process move forward until all charges against current Chair Powell are dismissed, it was clear that bipartisanship support exists for Mr. Warsh. Coincidentally, on Friday afternoon the DOJ announced they were dropping their investigation and over the weekend the Senate scheduled a vote for the coming week. It remains unclear if this action completely exonerates Powell. Presumably Powell will be chairing his final meeting on Wednesday. In the subsequent press conference, one should expect a question on his intentions to remain at the Fed for all or a portion of his remaining term.

As mentioned, there were few economic releases but, with the exception of US Manufacturing and Services PMI's showing strength, others are worth watching. Despite retail sales confirming the resiliency of the consumer it should be pointed out that higher gas prices (up 24% in March), related increased service station receipts and tax refunds accounted for the improvement. Consumer sentiment fell to 49.8, below levels last seen during the COVID-19 pandemic and Russian invasion of Ukraine. Sentiment fell across all ages, income, education and political parties. Those polled see long-term inflation expectations climbing to 3.5% consistent with elevated gas prices. United Airlines on Friday announced price hikes of 20% confirming and adding to consumer angst.

Though early, corporate earnings are strong with 82% beating earnings expectations. The earnings growth rate ended the week at over 15% up from 12.6% at the start of the earnings season. In the coming week, approximately 1/3 of the S&P 500 will report including Coke, Visa, AbbVie, Alphabet, Meta, Amazon, Microsoft, Apple, CAT, Lilly, Mastercard, Merck, Chevron and Exxon for starters.

Market Scorecard:	4/24/2026	YTD Price Change
Dow Jones Industrial Average	\$49,230.71	2.93%
S&P 500 Index	\$7,165.08	5.05%
NASDAQ Composite	\$24,836.60	7.01%
Russell 1000 Growth Index	\$4,823.43	1.24%
Russell 1000 Value Index	\$2,239.55	8.11%
Russell 2000 Small Cap Index	\$2,787.00	12.29%
MSCI EAFE Index	\$3,101.50	5.51%
US 10 Year Treasury Yield	4.25%	8 basis points
WTI Crude Oil	\$95.76	91.44%
Gold \$/Oz.	\$4,694.08	9.32%

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