April 2026

NEWSLETTER

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3 BIG THINGS

1. Funny how quickly markets can change. Last month I wrote about staying calm given the volatility due to the Iran conflict, and one month later markets are back to all time highs. April proved to be one of the strongest months in equity market history, 27th best going back to 1928*. Those strong returns helped reverse what was nearly a 10% correction for the S&P 500 at the depths of the drawdown in March and left market participants feeling the sunshine and blooms of Spring!

2. While equity markets were quick to shake off concerns around the conflict, the same cannot be said for the bond market as well as oil markets. Rates moved higher across the curve throughout April. The 30-year treasury reached 5.03% during the month which was its highest level since late 2023. Oil saw some price reprieve in the middle of the month, but by the end of April crude was back trading above $100. The pressures of higher rates and higher oil prices may prove to be a headwind as we move through the rest of the year if they remain persistently high.

3. When we look past headlines and focus on what drives markets over the long run, company earnings, we continue to see a very positive backdrop. April kicked off first quarter earnings reports and there has been a very strong beat rate of analyst expectations from both an earnings and a revenue standpoint. We believe there continues to be a demand for compute power that can't be met by supply, and this continues to drive elevated capital expenditure levels. The hyperscalers of AI have increased their anticipated 2026 spend by $100 billion bringing the total to over $700 billion.^

Quote of the month: "The daily pursuit of excellence must be never-ending. By focusing on customers, efficiency, and continuous improvement, we create value over the long term." - Greg Abel (Berkshire Hathaway's new CEO)

*Bespoke Investment Group 4/30/2026
^ FactSet Monthly Summary 4/30/2026

MARKET QUICKTAKES

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EQUITY

Risk was back on in April as growth stocks[1], and tech stocks[2] in particular, bounced back in a big way. Emerging markets[3] and small caps[4] also posted strong months underscoring what we would call a "high beta" trade. This is when the riskiest areas of the market perform the best. Despite the extremely strong April, up nearly 12%, growth stocks are essentially flat so far in 2026, up less than 1%. This leaves them trailing many other areas of equities markets including emerging markets up 17%, small caps up 13%, and value[5] up 10% so far this year.

FIXED INCOME

The risk on trade was seen in fixed income as well as high yield[6] and emerging market bonds[7] were the best markets posting 1.5% and 2.5% returns in April respectively. Despite rates moving slightly higher across the board, the broad aggregate bond index[8] still eked out a small gain. I point this out as it is an important point of today's environment in comparison to 2022 where we saw massive losses in fixed income. Because the yield we are paid today on our bonds is so much higher, we are able to see interest rates move higher and still have positive bond returns. This has a limit, but bonds provide a buffer today that they didn't in 2022.

COMMODITIES

Commodities kept on chugging along with the Bloomberg broad basket index gaining 4% in April. Gold and silver saw slight losses, but oil remains the top story in the space as tensions in the Middle East persist. Brent Crude reached as high as $113 in April and remained above $100 to finish the month. This is translating to pain at the pump for consumers as the national average gas price held above $4 for the entirety of April.

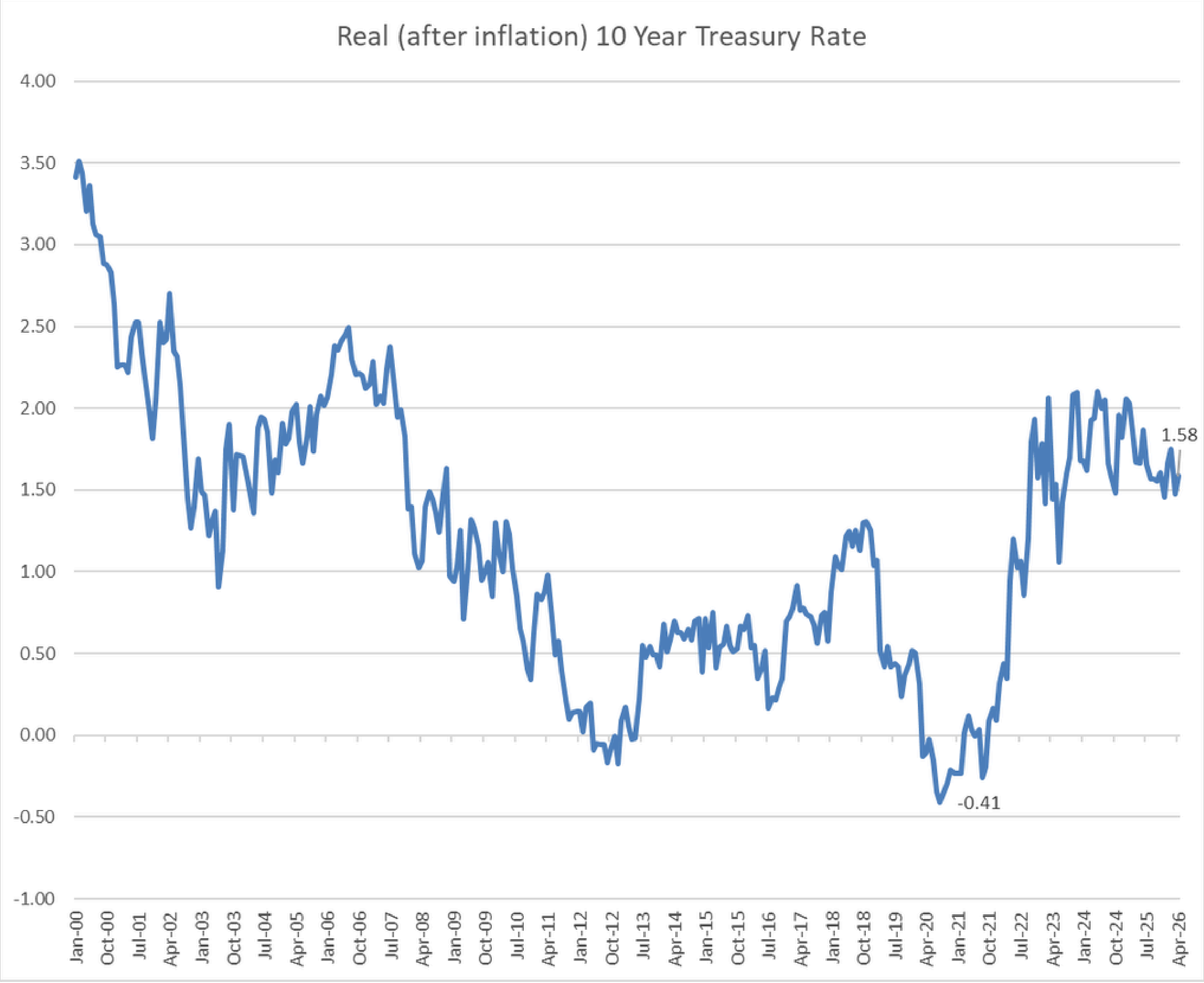
ECONOMIC INSIGHTS IN A NUTSHELL

April reflected a resilient macroeconomic backdrop. Nonfarm payrolls rebounded by 60k following the weakness seen in February's data. Initial jobless claims dropped as well pointing to a healthier labor market than many feared. Retail sales beat expectations and ISM manufacturing showed an expansion for the third consecutive month. ISM Services did show a decline but sits well in expansionary territory. The housing market continues to be an area of weakness with existing home sales dropping by 3.5% month over month and home builder confidence falling to a six month low. Inflation had its largest monthly jump since April of 2021 and this would be before the shocks we've seen to oil markets. This data along with the resilience seen in other areas is expected to have the market pricing in 0 rate cuts for the remainder of 2026.

1 - Russell 1000 Growth 2 - Technology Select Sector Index 3 - MSCI Emerging Markets Index 4 - Russell 2000 5 - Russell 1000 Value 6 - Markit iBoxx® USD Liquid High Yield Index 7 - J.P. Morgan EMBI® Global Core Index 8 - Bloomberg US Aggregate Bond Index

VIEWS FROM MARKET STRATEGISTS

With all of the excitement around equity returns it can be easy to forget about fixed income. While the last three years have been tremendous for stocks, bonds are still recovering after the historically bad 2022. Quietly though they may be turning the corner. The Bloomberg Aggregate Bond Index returned 7.3% in 2025. As of the end of April that index was yielding 4.6%, slightly higher than the 10 year treasury yielding 4.4%. The chart below maps out that 10 year treasury yield after inflation (real rate). At the end of April this sat at 1.58%. That may not seem significant but this is much more attractive than what we have seen for the vast majority of the period following the Great Financial Crisis in 2008. Since the difficult 2022 where we saw rates rise substantially, we've seen real rates north of 1.5% and even as high as 2%. We had a period leading into 2022 where real rates were actually negative bottoming at -0.41%. This meant that owning these bonds you were losing spending power to inflation based on the interest paid. All this is to say that bonds now look much more attractive and as attractive as they have in nearly 20 years. So while we still like the outlook of the stock market and will allow that to be our growth engine, our ballast in client portfolios, those much less volatile positions, are paying off as well.



Source: https://fred.stlouisfed.org/series/REAINTRATREARAT10Y

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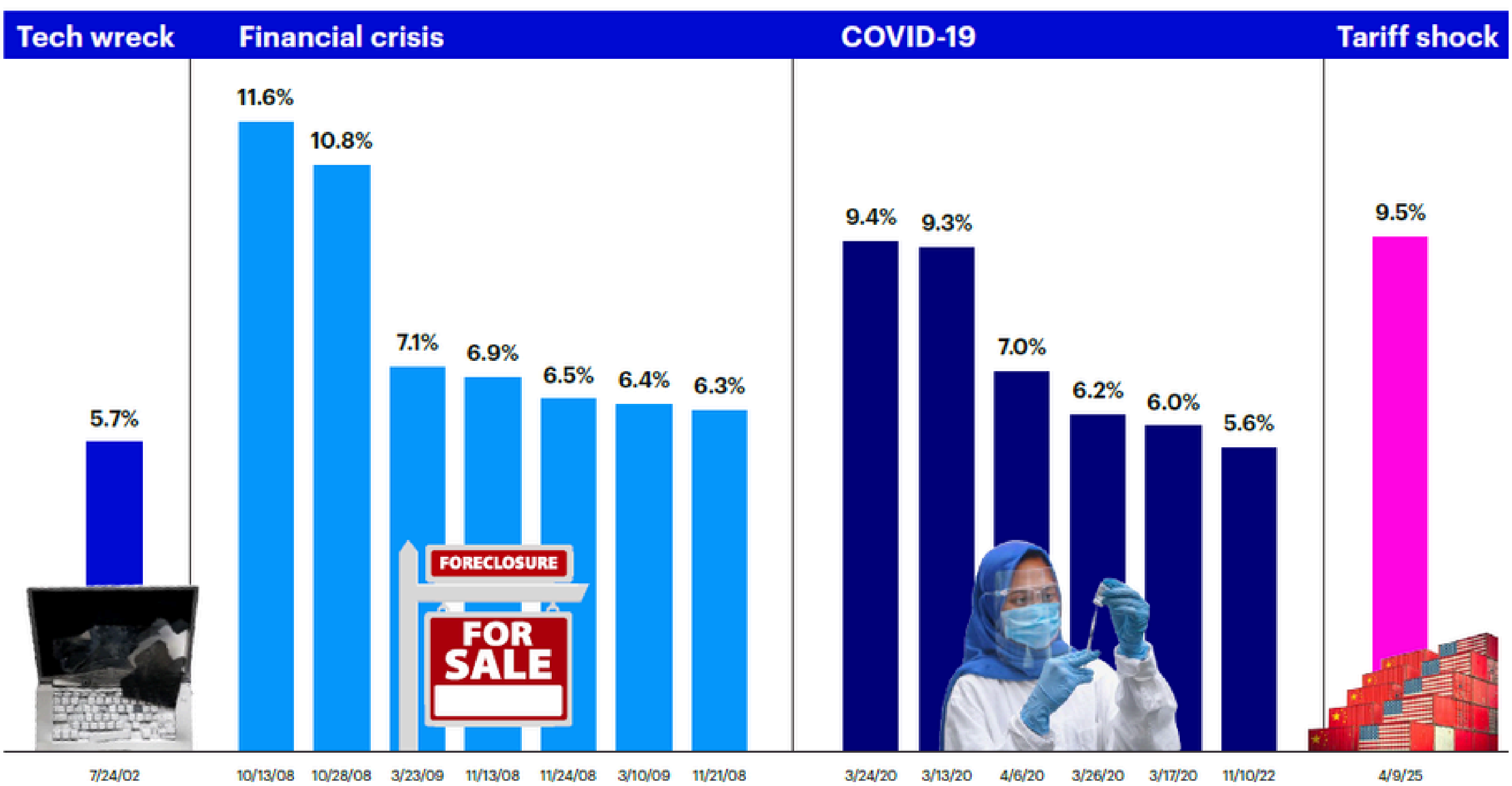
EVERGREEN REMINDERS

An often shown chart is one that depicts if you miss the five best days in the market how much your return can be impacted. While the numbers are shocking, you'd be hard-pressed to only pull out of the market on the best days. At least that is the criticism with that chart. Now it would still be very difficult (or extreme bad luck) to have that happen, it may not be as far-fetched as people think because the best days often occur during the most difficult market environments. If you take the last 30 years of markets the best 15 days are below. 1 during the tech bubble, 7 during the Great Financial Crisis, 6 during the COVID epidemic, and 1 last year during the tariff shock. None of those were exactly smooth sailing times where being invested felt good. Last month proved another one of those times. While there were no absolute stand out days, there was a lot of volatility around the Iranian conflict and yet the S&P 500 returned over 10% on the month. Just a further reminder that even when times feel very difficult it can pay off in a big way to stay invested.

S&P 500 Index: 15 best days of the past 30 years (1995–2025)



Source: Bloomberg L.P., 12/31/95–12/31/25. For illustrative purposes only and is not intended as investment advice. The chart is a hypothetical example which is shown for illustrative purposes only and does not predict or depict the performance of any investment. An investment cannot be made directly into an index. Past performance does not guarantee future results.

LIFESTYLE HACK

Lifestyle hack for the last minute planners like myself. A great guide for Mother's Day gifts! And for the ladies reading maybe something on the list will give you an idea to nudge the family to get something good this year!

https://chrislovesjulia.com/the-2026-mothers-day-guide-elevated-curated-gift-ideas/

PLANNING CORNER

Now that tax season has wound down, there may be more time available to focus on things from a wealth planning standpoint outside of taxes. One idea for this month is to create (or update) an inventory of your home and personal property for insurance or estate planning purposes. Use your phone to record a video of your valuable possessions, then store the video in a secure, remote location! Something you hope you never will have to use, but could be invaluable if disaster strikes.

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Disclosures

The S&P 500 Index consists of 500 stocks chosen for market size, liquidity, and industry group representation. It is a market value weighted index with each stock's weight in the Index proportionate to its market value.
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