

WEEKLY MARKET COMMENTARY

May 11, 2026

WEEK IN REVIEW

Last week was a busy one for economic data, with key reports across labor, housing, and both business and consumer sentiment, adding important context and nuance to an increasingly complex economic backdrop.

Labor: Moving Toward Equilibrium

Labor market data pointed toward a more balanced state between supply and demand. The March Job Openings and Labor Turnover Survey (JOLTS) report came in largely in line with expectations and slightly below the prior month, while the quits rate held steady, suggesting worker mobility has stabilized rather than cooled materially.

Claims data reinforced this equilibrium narrative. Continuing claims have remained range bound between roughly 1.75 million and 1.85 million, indicating that while layoffs are occurring, displaced workers are still able to find employment without extended delays. Initial claims showed modest week-to-week volatility but remain contained overall.

Productivity and labor cost data added a constructive dimension. Nonfarm productivity rose modestly in the first quarter, while unit labor costs slowed meaningfully to 2.3 percent from the prior quarter. This suggests firms are becoming more efficient while facing less cost pressure, a dynamic consistent with easing inflation.

Friday's employment report surprised to the upside, with payrolls rising 115,000 versus a 55,000 consensus and unemployment holding at 4.3 percent. However, participation edged lower and U6 unemployment ticked higher, pointing to some softening at the margins despite solid headline gains.

Business Activity and Sentiment: Expansion Without Conviction

Business activity remained in expansion but continued to fall short of expectations. For example, month-over-month S&P Global Composite Purchasing Managers' Index (PMI) improved to 51.7 from 50.3, but the recovery in activity remains gradual rather than sharp.

The services sector echoed this trend. ISM Non-Manufacturing PMI declined modestly to 53.6, with softer new orders signaling some cooling in demand. Across PMI measures, activity is improving directionally, but expectations outpaced the pace of recovery.

Consumer sentiment diverged notably. The University of Michigan index fell to 48.2, near cyclical lows, reflecting continued pressure from elevated prices and weak purchasing power. The gap between stable business activity and cautious consumers remains a key risk to monitor.

Housing and Construction: Stabilization Emerging

Housing data pointed to gradual improvement. New home sales for February and March strengthened, indicating demand for large purchases remains intact despite higher rates.

Construction spending also rebounded, improving from negative 1.9 percent in January to positive 0.6 percent in March. While building permits softened, the broader trend suggests both private and public investment are stabilizing after early year weakness.

ECONOMIC AND CAPITAL MARKETS DASHBOARD

Broad Market Indices	1-week	1-month	3-month	YTD
Stock Market (Total Return)				
S&P 500	2.36%	9.16%	7.06%	8.52%
Dow Jones 30	0.25%	3.62%	-0.58%	3.75%
NASDAQ	4.52%	15.99%	14.15%	13.14%
Russell 1000 Growth	2.94%	11.58%	8.34%	4.62%
Russell 1000 Value	1.35%	5.42%	4.56%	11.72%
Russell 2000	1.73%	9.23%	7.48%	15.70%
Wilshire 5000	2.17%	8.70%	6.72%	8.64%
MSCI EAFE Index	1.01%	0.61%	1.88%	6.63%
MSCI Emerging Market Index	6.25%	11.01%	14.34%	22.99%
VIX	1.18%	-18.30%	-3.21%	14.98%
FTSE NAREIT All Equity REITs	0.57%	5.33%	7.96%	13.56%
S&P U.S. Aggregate Bond Index	0.24%	0.08%	0.15%	0.58%
Interest Rates	5/8/2026	5/1/2026	4/24/2026	4/17/2026
3-month T-bill Yield (%)	3.68	3.66	3.68	3.69
10-year Treasury Yield (%)	4.37	4.38	4.30	4.24
10Y-2Y Treasury Spread (%)	0.47	0.49	0.53	0.54
30-year Fixed Mortgage Rate (%)	6.44	6.36	6.36	6.41
Commodities				
WTI Crude (\$/bl)	94.89	105.38	98.42	85.91
Gold (\$/Troy Oz)	4,741.40	4,636.90	4,711.65	4,870.50
Bitcoin	80,159.97	78,283.89	77,503.55	77,221.01

Weekly Indicators	5/8/2026	5/1/2026	4/24/2026	4/17/2026
Employment				
Initial Unemployment Claims (000's)	-	200.00	190.00	215.00

Quarterly Data	3/31/2026	12/31/2025	9/30/2025	6/30/2025
Output				
Real GDP Growth (%q/q, saar)	2.00	0.50	4.40	3.80
Private Consumption (%q/q, saar)	1.60	1.90	3.50	2.50

Monthly Indicators	4/30/2026	3/31/2026	2/27/2026	1/30/2026
Consumption				
Consumer Expenditures (%m/m, sa)	-	0.90	0.65	0.37
Retail Sales (%m/m, sa)	-	1.90	0.75	0.02
Personal Savings Rate (%)	-	3.60	3.90	4.50
Labor				
Civilian Unemployment Rate (%)	4.30	4.30	4.40	4.30
Nonfarm Employment (Chg, 000's)	115	185	-156	160
Real Average Hourly Earnings (%y/y)	-	0.26	1.29	1.34
JOLTS Job Openings (000's)	-	6866	6922	7240
Inflation				
Consumer Price Index (CPI) (%m/m, sa)	-	0.87	0.27	0.17
Core CPI (%m/m, sa)	-	0.20	0.22	0.30
Producer Price Index (PPI) (%m/m, sa)	-	0.51	0.50	0.55
Core PPI (%m/m, sa)	-	0.25	0.32	0.70
Personal Consumption Expenditures (PCE) (%m/m, sa)	-	0.66	0.38	0.33
Core PCE (%m/m, sa)	-	0.29	0.37	0.42
Output and Capacity				
Industrial Production (%m/m, sa)	-	-0.54	0.74	-0.02
Mfg New Orders (%m/m, sa)	-	1.47	0.32	0.03
Durable New Orders (%m/m, sa)	-	0.85	-1.17	-0.43
Durable Inventories (%m/m, sa)	-	0.27	0.08	0.25
Survey Data and Composite Indicators				
Consumer Confidence (CB, 1985=100)	92.80	92.20	91.00	89.00
ISM Manufacturing Report (%)	52.70	52.70	52.40	52.60
ISM Non-Manufacturing Report (%)	53.60	54.00	56.10	53.80
Leading Economic Index (%m/m)	-	-0.61	0.31	0.00
Housing and Construction				
Building Permits (Mil. of Units, saar)	-	1.36	1.54	1.39
Housing Starts (Mil. of Units, saar)	-	1.50	1.36	1.40
New Home Sales (Mil. of Units, saar)	-	0.68	0.64	0.58

WEEK AHEAD

The week ahead will bring another full slate of economic data, with key reports on inflation, consumer spending, and housing expected to provide further clarity on price pressures and the durability of underlying demand.

Inflation, Demand, and Energy Signals

The upcoming week will center on inflation dynamics and the durability of consumer demand, with several key reports offering incremental insight into both price pressures and growth.

The primary focus will be Core Consumer Price Index (CPI), where markets will look beyond the headline numbers to assess the breadth and persistence of underlying inflation. Particular attention will be paid to whether higher energy prices are beginning to feed into core components, especially services, and how large the divergence remains between headline and core measures.

Core retail sales will provide a timely read on the consumer. Following weak sentiment data, markets will be watching closely for signs that spending is beginning to soften, or whether consumption remains resilient despite continued pressure on purchasing power.

In housing, existing home sales will act as a confirmation signal for the recent strength in new home sales, helping determine whether demand is broadening across the market or remains concentrated in new construction.

Finally, the IEA and OPEC monthly reports will take on added importance given ongoing geopolitical tensions. These releases will provide critical context on global supply constraints, production outlooks, and inventory trends, all of which feed directly into energy prices and, by extension, the near-term inflation outlook.

DISCLOSURES AND DEFINITIONS

Economic Indicators:

1. CPI: Consumer Price Index measures the average change in prices paid by consumers for goods and services over time. Source: Bureau of Labor Statistics.
2. Core CPI: Core Consumer Price Index excludes food and energy prices to provide a clearer picture of long-term inflation trends. Source: Bureau of Labor Statistics.
3. PPI: Producer Price Index measures the average change in selling prices received by domestic producers for their output. Source: Bureau of Labor Statistics.
4. Core PPI: Core Producer Price Index excludes food and energy prices to provide a clearer picture of long-term inflation trends. Source: Bureau of Labor Statistics.
5. PCE: Personal Consumption Expenditures measure the average change in prices paid by consumers for goods and services. Source: Bureau of Economic Analysis.
6. Core PCE: Core Personal Consumption Expenditures exclude food and energy prices to provide a clearer picture of long-term inflation trends. Source: Bureau of Economic Analysis.
7. Industrial Production: Measures the output of the industrial sector, including manufacturing, mining, and utilities. Source: Federal Reserve.
8. Mfg New Orders: Measures the value of new orders placed with manufacturers for durable and non-durable goods. Source: Census Bureau.
9. Durable New Orders: Measures the value of new orders placed with manufacturers of durable goods. Source: Census Bureau.
10. Durable Inventories: Measures the value of inventories held by manufacturers for durable goods. Source: Census Bureau.
11. Consumer Confidence (CB, 1985=100): Measures the degree of optimism that consumers feel about the overall state of the economy and their personal financial situation. Source: Conference Board.
12. ISM Manufacturing Report: Measures the economic health of the manufacturing sector based on surveys of purchasing managers. Source: Institute for Supply Management.
13. ISM Non-Manufacturing Report: Measures the economic health of the non-manufacturing sector based on surveys of purchasing managers. Source: Institute for Supply Management.
14. Leading Economic Index: Measures overall economic activity and predicts future economic trends. Source: Conference Board.
15. Building Permits (Mil. of Units, saar): Measures the number of new residential building permits issued. Source: Census Bureau.
16. Housing Starts (Mil. of Units, saar): Measures the number of new residential construction projects that have begun. Source: Census Bureau.
17. New Home Sales (Mil. of Units, saar): Measures the number of newly constructed homes sold. Source: Census Bureau.
18. SA: Seasonally adjusted.
19. SAAR: Seasonally adjusted annual rate.

Market Indices & Indicators:

1. S&P 500: A market-capitalization-weighted index of 500 leading publicly traded companies in the U.S., widely regarded as one of the best gauges of large U.S. stocks and the stock market overall.
2. Dow Jones 30: Also known as the Dow Jones Industrial Average, it tracks the share price performance of 30 large, publicly traded U.S. companies, serving as a barometer of the stock market and economy.
3. NASDAQ: The world's first electronic stock exchange, primarily listing technology giants and operating 29 markets globally.
4. Russell 1000 Growth: Measures the performance of large-cap growth segment of the U.S. equity universe, including companies with higher price-to-book ratios and growth metrics.
5. Russell 1000 Value: Measures the performance of large-cap value segment of the U.S. equity universe, including companies with lower price-to-book ratios and growth metrics.
6. Russell 2000: A market index composed of 2,000 small-cap companies, widely used as a benchmark for small-cap mutual funds.
7. Wilshire 5000: A market-capitalization-weighted index capturing the performance of all American stocks actively traded in the U.S., representing the broadest measure of the U.S. stock market.
8. MSCI EAFE Index: An equity index capturing large and mid-cap representation across developed markets countries around the world, excluding the U.S. and Canada.
9. MSCI Emerging Market Index: Captures large and mid-cap representation across emerging markets countries, covering approximately 85% of the free float-adjusted market capitalization in each country.
10. VIX: The CBOE Volatility Index measures the market's expectations for volatility over the coming 30 days,

often referred to as the «fear gauge.»

11. FTSE NAREIT All Equity REITs: Measures the performance of all publicly traded equity real estate investment trusts (REITs) listed in the U.S., excluding mortgage REITs.
12. S&P U.S. Aggregate Bond Index: Represents the performance of the U.S. investment-grade bond market, including government, corporate, mortgage-backed, and asset-backed securities.
13. 3-Month T-bill Yield (%): The yield on U.S. Treasury bills with a maturity of three months, reflecting short-term interest rates.
14. 10-Year Treasury Yield (%): The yield on U.S. Treasury bonds with a maturity of ten years, reflecting long-term interest rates.
15. 10Y-2Y Treasury Spread (%): The difference between the yields on 10-year and 2-year U.S. Treasury bonds, often used as an indicator of economic expectations.
16. WTI Crude (\$/bbl): The price per barrel of West Texas Intermediate crude oil, a benchmark for U.S. oil prices.
17. Gold (\$/Troy Oz): The price per troy ounce of gold, a standard measure for gold prices.
18. Bitcoin: A decentralized digital currency without a central bank or single administrator, which can be sent from user to user on the peer-to-peer bitcoin network.

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The Dow Jones Industrial Average (DJIA) is a price-weighted index composed of 30 widely traded blue-chip U.S. common stocks. The S&P 500 is a market-cap weighted index composed of the common stocks of 500 leading companies in leading industries of the U.S. economy. The NASDAQ Composite Index is a market-value weighted index of all common stocks listed on the NASDAQ stock exchange.

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