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 **SHOCKING GROWTH.** With most companies reporting, **S&P 500 earnings are projected to grow 28.2% in Q1 compared to a year ago, marking the strongest growth since Q4 2021.** Companies that are AI beneficiaries have seen Q1 earnings increase by 50%, according to Deutsche Bank. (Source: Reuters)


 **BIG BETS FROM BIG TECH.** The four US companies spending the most on capex this year — Alphabet, Amazon, Microsoft, and Meta — **now plan to spend over \$700 billion in 2026, nearly double 2025's total and \$100 billion more than they projected before their Q1 earnings reports.** (Source: Sherwood News)

 **SKY-HIGH SEMIS.** The **SOX rallied to 56% above its 200-day moving average last week for the first time since March 2000.** Just over a year ago last April, semis stocks in the SOX made up only about 6% of S&P 500 market cap. That number has ballooned to 22% today. (Source: Bloomberg)


 **DEFYING THE PLAYBOOK.** **Despite WTI crude oil rallying 36% since the start of the Iran War at the end of February, as of midday on 5/7, the S&P 500 Energy sector was actually down 0.5% over this period.** Meanwhile, consumer discretionary, a sector typically hurt by higher energy prices, has rallied 8.2%, outperforming the S&P 500's gain of 7.1%. (Source: Bespoke)


 **GOING UP.** In April's PMI surveys covering manufacturing and services, **respondents reported price increases across 62 commodities, the most since May 2022,** early in the Russia — Ukraine war. The number of commodities in short supply, however, is significantly lower at 11 versus an average of 31 in 2022. (Source: ISM)

 **CONSUMERS HANGING IN.** In the April Survey of Consumer Expectations, the mean probability of missing a debt payment in the next three months fell to 11.4%, the lowest since August 2023. **The biggest improvement came among consumers with a high school education or less, where the probability dropped from 14.3% to 11.5%, the lowest since February 2022.** (Source: New York Fed)


 **TECH LAYOFFS JUMP.** Possibly due to the rise of AI and over-hiring coming out of COVID, layoffs in the tech sector jumped to 66,000 **in the latest monthly Job Openings and Labor Turnover Survey (JOLTS).** The only times monthly tech sector layoffs have been higher outside of COVID were in 2001 and 2002. (Source: BLS)

 **PASSIVE MONEY MACHINE.** The three largest S&P 500-tracking ETFs (VOO, IVV, SPY) saw combined assets under management (AUM) eclipse \$2.5 trillion for the first time on May 6. **AUM for these three ETFs are up 44% year-over-year and 290% since the start of 2020, when they totaled just \$646 billion.** (Source: Bloomberg)

 **NOT AS MUCH AS YOU THINK.** **The average college senior expects to make \$80,000 in their first year out of college, or nearly 30% more than the actual average starting salary of \$56,000.** The gap only widens over time as seniors predict they'll earn around \$145,000 per year a decade into their careers, while the actual figure sits closer to \$95,000. (Source: Clever)

 **WILLING, NOT READY.** Nearly three-quarters (70%) of teenagers say they're eager to learn about investing, and 73% of parents say the subject is very important for teens to understand. Despite the subject's importance for both teens and their parents, **only 14% of teens say they know a lot about investing.** (Source: Charles Schwab)

 **POSTSEASON DOMINANCE.** The New York Knicks won a string of three playoff wins against the Atlanta Hawks and Philadelphia 76ers by at least 29 points. **The combined 119-point margin of victory was the largest over a three-game span in NBA playoff history and the first time a team has ever won three straight postseason games by at least 25 points.** (Source: WSJ)

 **WALKING WE WILL GO.** In a 17-7 loss to the Pirates on May 2, **Reds pitchers walked a record-tying seven straight batters in the second inning for just the third time in MLB history.** The previous instance came in May 1983 when the Braves accomplished the same feat (also against the Pirates). Before that, the White Sox walked seven straight Washington Senators in August 1909. (Source: AP)

The **S&P 500** is a stock market index that tracks the performance of 500 large, publicly traded US companies across multiple industries and is widely used as a benchmark for the overall US equity market.

The **Philadelphia Semiconductor Index (SOX)** is a stock market index that measures the performance of 30 major semiconductor companies listed in the United States, serving as a key benchmark for the chip industry.

The **WTI (West Texas Intermediate)** is a US benchmark grade of crude oil known for its light and sweet characteristics, widely used in global oil pricing.

The **Purchasing Manager' Index (PMI) Survey** is a monthly survey of business purchasing managers that measures economic activity in manufacturing or services, with readings above 50 indicating expansion and below 50 indicating contraction.

The **Survey of Consumer Expectations** is a monthly survey conducted by the Federal Reserve Bank of New York that tracks households' expectations for inflation, income, employment, and spending.

The **Vanguard S&P 500 ETF (VOO)** is an exchange-traded fund designed to track the performance of the S&P 500 Index, offering low-cost exposure to large-cap US stocks.

The **iShares Core S&P 500 ETF (IVV)** is an exchange-traded fund that seeks to replicate the performance of the S&P 500 Index, providing broad exposure to large US companies.

The **SPDR S&P 500 ETF (SPY)** is one of the most widely traded ETFs and aims to track the performance of the S&P 500 Index, offering investors diversified exposure to large-cap US equities.

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