



# Weekly Market Recap

## The week in review

- FOMC kept rates unchanged at 3.75%
- PCE price index rose 3.5% y/y.
- Initial claims declined to 189k

## The week ahead

- Unemployment rate
- Nonfarm payrolls

## Thought of the week

Last week, five of the Magnificent 7 companies reported earnings, alongside the first estimate of 1Q26 GDP. Taken together, they showed how central the AI cycle has become to both markets and U.S. economic growth. For 1Q26, mega-cap tech stocks are projected to account for around two-thirds of year-over-year earnings growth, while AI-related capex contributed nearly half of the 2% annualized GDP growth.

Earnings reports also revealed that the hyperscaler spending train is showing no signs of slowing. After nearly tripling over the last two years, 2026 capex estimates have already been revised up more than 30% from four months ago. However, the race to build is running into the reality of constrained input supply. As hyperscalers push to add capacity, the inputs behind that buildout are becoming more expensive.

Companies report capex in nominal terms, so they do not typically disclose how much of the increase reflects higher prices versus real capacity gains. This is where the GDP data offers clues. As the chart of the week shows, nominal and real information-processing investment, which captures spending on servers, chips, computers and related equipment, moved largely together until early 2025. Since then, the gap has widened, suggesting a larger share of spending is being eaten up by higher input costs.

AI investment is still adding capacity and supporting near-term growth, but the bang for each capex buck is starting to fade — and the pressure is likely to build, ultimately raising the bar for monetization. For investors, sustained confidence will likely depend on seeing faster payoffs, not just bigger spending plans.

Please see important disclosures on next page.

## Weekly Data Center

Equities	Level	Index Returns (%)				
		1 week	QTD	YTD	1 year	3-yr. Cum.
S&P 500	7230	0.92	10.82	6.02	30.62	80.80
Dow Jones 30	49499	0.55	6.90	3.49	23.53	53.69
Russell 2000	6991	0.94	12.73	13.73	44.22	65.82
Russell 1000 Growth	3196	0.23	12.65	1.64	29.93	98.53
Russell 1000 Value	1402	1.38	7.97	10.24	29.21	58.95
MSCI EAFE	3049	1.00	7.92	6.72	26.63	56.47
MSCI EM	1601	-0.52	14.82	14.70	47.73	78.55
NASDAQ	25114	1.12	16.35	8.25	42.69	110.06

Fixed Income	Yield	Levels (%)				
		1 week	QTD	YTD	1 year	3-yr. Cum.
U.S. Aggregate	4.61	-0.39	0.22	0.18	4.52	11.95
U.S. Corporates	5.14	-0.45	0.60	0.06	5.83	15.96
Municipals (10yr)	3.43	-0.37	1.02	0.23	6.40	9.18
High Yield	7.24	0.05	1.83	1.33	8.77	29.29

Key Rates	Levels (%)					
	5/1/26	4/24/26	3/31/26	12/31/25	5/1/25	5/1/23
2-yr U.S. Treasuries	3.88	3.78	3.79	3.47	3.70	4.14
10-yr U.S. Treasuries	4.39	4.31	4.30	4.18	4.25	3.59
30-yr U.S. Treasuries	4.97	4.91	4.88	4.84	4.74	3.84
10-yr German Bund	3.03	3.01	3.02	2.86	2.45	2.31
SOFR	3.66	3.66	3.68	3.87	4.39	4.81
3-mo. EURIBOR	2.20	2.16	2.08	2.03	2.16	3.27
6-mo. CD rate	1.79	1.80	1.85	1.88	1.90	1.89
30-yr fixed mortgage	6.36	6.36	6.48	6.25	6.82	6.88
Prime Rate	6.75	6.75	6.75	6.75	7.50	8.00

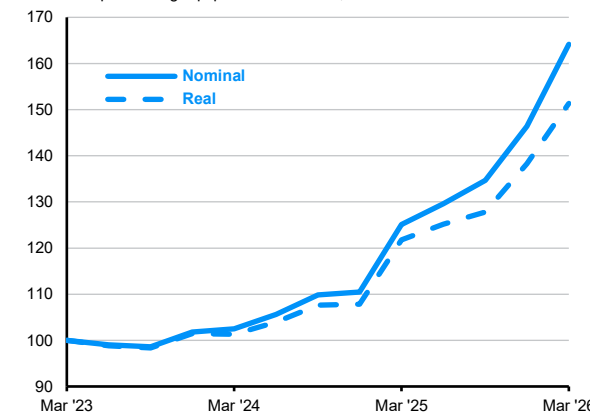
Index Characteristics			
NTM P/E	P/B	Div. Yld.	Mkt. Cap (bn)
20.84	5.17	1.07	61917
19.72	5.39	1.62	21724
25.26	2.19	1.04	3252
26.02	11.97	0.49	33138
16.91	3.10	1.68	32607
15.20	2.25	2.48	21495
11.58	2.30	1.73	11698
25.70	6.92	0.51	42623

Currencies	Levels		
	5/1/26	12/31/25	5/1/25
\$ per €	1.18	1.17	1.13
\$ per £	1.36	1.35	1.33
¥ per \$	156.66	156.75	145.37

Commod.	Levels		
	5/1/26	12/31/25	5/1/25
Oil (WTI)	105.15	57.26	60.59
Gasoline	4.12	2.81	3.13
Natural Gas	2.76	4.00	3.08
Gold	4637	4368	3215
Silver	73.14	71.99	32.13
Copper	12895	12504	9195
Corn	4.73	4.37	4.66
BBG Idx	357.46	276.25	247.12

## Chart of the Week

**AI capex is rising, but so is pricing pressure for inputs**  
Information processing equipment investment, indexed to March 2023 = 100



## Style Returns

	V	B	G
L	1.4	0.9	0.2
M	0.5	0.4	0.1
S	0.6	0.9	1.3
	V	B	G
L	10.2	6.0	1.6
M	11.3	8.5	-0.4
S	15.3	13.7	12.3

## S&P 500 Sector Returns

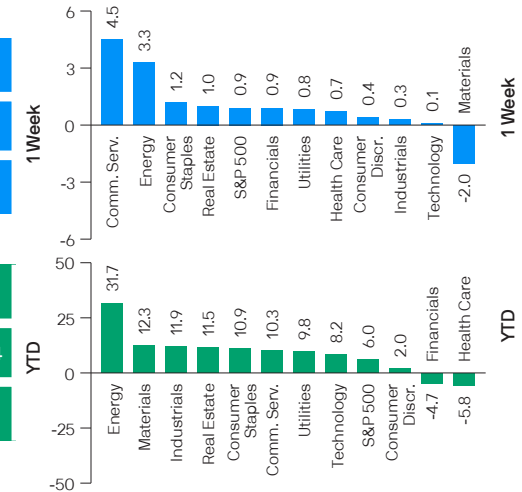




Chart of the Week: Source: BEA, J.P. Morgan Asset Management.  
Thought of the week: Source: BEA, J.P. Morgan Asset Management.

Abbreviations: Cons. Sent.: University of Michigan Consumer Sentiment Index; CPI: Consumer Price Index; EIA: Energy Information Agency; FHFA HPI: - Federal Housing Finance Authority House Price Index; FOMC: Federal Open Market Committee; GDP: gross domestic product; HPI: Home Price Index; HMI: Housing Market Index; ISM Mfg. Index: Institute for Supply Management Manufacturing Index; PCE: Personal consumption expenditures; Philly Fed Survey: Philadelphia Fed Business Outlook Survey; PMI: Purchasing Managers' Manufacturing Index; PPI: Producer Price Index; SAAR: Seasonally Adjusted Annual Rate

Equity Price Levels and Returns: All returns represent total return for stated period. Index: S&P 500; provided by: Standard & Poor's. Index: Dow Jones Industrial 30 (The Dow Jones is a price-weighted index composing of 30 widely-traded blue chip stocks.) ; provided by: S&P Dow Jones Indices LLC. Index: Russell 2000; provided by: Russell Investments. Index: Russell 1000 Growth; provided by: Russell Investments. Index: Russell 1000 Value; provided by: Russell Investments. Index: MSCI – EAFE; provided by: MSCI – gross official pricing. Index: MSCI – EM; provided by: MSCI – gross official pricing. Index: Nasdaq Composite; provided by: NASDAQ OMX Group.

MSCI EAFE is a Morgan Stanley Capital International Index that is designed to measure the performance of the developed stock markets of Europe, Australasia, and the Far East.

Bond Returns: All returns represent total return. Index: Bloomberg US Aggregate; provided by: Bloomberg Capital. Index: Bloomberg Investment Grade Credit; provided by: Bloomberg Capital. Index: Bloomberg Municipal Bond 10 Yr; provided by: Bloomberg Capital. Index: Bloomberg Capital High Yield Index; provided by: Bloomberg Capital.

Key Interest Rates: 2 Year Treasury, FactSet; 10 Year Treasury, FactSet; 30 Year Treasury, FactSet; 10 Year German Bund, FactSet. 3 Month LIBOR, British Bankers' Association; 3 Month EURIBOR, European Banking Federation; 6 Month CD, Federal Reserve; 30 Year Mortgage, Mortgage Bankers Association (MBA); Prime Rate: Federal Reserve.

Commodities: Gold, FactSet; Crude Oil (WTI), FactSet; Gasoline, FactSet; Natural Gas, FactSet; Silver, FactSet; Copper, FactSet; Corn, FactSet. Bloomberg Commodity Index (BBG Idx), Bloomberg Finance L.P.

Currency: Dollar per Pound, FactSet; Dollar per Euro, FactSet; Yen per Dollar, FactSet.

S&P Index Characteristics: Dividend yield provided by FactSet Pricing database. Fwd. P/E is a bottom-up weighted harmonic average using First Call Mean estimates for the "Next 12 Months" (NTM) period. Market cap is a bottom-up weighted average based on share information from Compustat and price information from FactSet's Pricing database as provided by Standard & Poor's.

MSCI Index Characteristics: Dividend yield provided by FactSet Pricing database. Fwd. P/E is a bottom-up weighted harmonic average for the "Next 12 Months" (NTM) period. Market cap is a bottom-up weighted average based on share information from MSCI and Price information from FactSet's Pricing database as provided by MSCI.

Russell 1000 Value Index, Russell 1000 Growth Index, and Russell 2000 Index Characteristics: Trailing P/E is provided directly by Russell. Fwd. P/E is a bottom-up weighted harmonic average using First Call Mean estimates for the "Next 12 Months" (NTM) period. Market cap is a bottom-up weighted average based on share

information from Compustat and price information from FactSet's Pricing database as provided by Russell.

Sector Returns: Sectors are based on the GICS methodology. Return data are calculated by FactSet using constituents and weights as provided by Standard & Poor's. Returns are cumulative total return for stated period, including reinvestment of dividends.

Style Returns: Style box returns based on Russell Indexes with the exception of the Large-Cap Blend box, which reflects the S&P 500 Index. All values are cumulative total return for stated period including the reinvestment of dividends. The Index used from L to R, top to bottom are: Russell 1000 Value Index (Measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values), S&P 500 Index (Index represents the 500 Large Cap portion of the stock market, and is comprised of 500 stocks as selected by the S&P Index Committee), Russell 1000 Growth Index (Measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values), Russell Mid Cap Value Index (Measures the performance of those Russell Mid Cap companies with lower price-to-book ratios and lower forecasted growth values), Russell Mid Cap Index (The Russell Midcap Index includes the smallest 800 securities in the Russell 1000), Russell Mid Cap Growth Index (Measures the performance of those Russell Mid Cap companies with higher price-to-book ratios and higher forecasted growth values), Russell 2000 Value Index (Measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values), Russell 2000 Index (The Russell 2000 includes the smallest 2000 securities in the Russell 3000), Russell 2000 Growth Index (Measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values).

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**Diversification does not guarantee investment returns and does not eliminate the risk of loss.**

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