

## Economic Overview

Markets staged a powerful recovery in April, driven by a six-week AI-fueled technology rally that sent equity markets to fresh record highs even as oil prices and bond yields remained elevated. The S&P 500 rose 10.5% on the month, with robust earnings results and extraordinary demand for semiconductor and technology hardware leading the way. The equal-weighted S&P 500 gained a more modest 5.9%, underscoring the narrow, top-heavy nature of the advance — just five stocks accounted for roughly half of the index's year-to-date return. Outside the U.S., equity markets also recovered meaningfully with developed markets up 7.5% and emerging markets gaining 14.7%, the latter benefitting from AI-driven demand for semiconductors concentrated in South Korea and Taiwan. Bond markets reflected a bit more anxiety as yields edged slightly higher on the month. Both 2yr and 10yr treasury yields increased 0.10% as markets priced in more of a wait and see Fed given persistent inflation pressures and a stabilized labor market. Credit risk in corporate bond market fell sharply in lock step with the rally in the stock market as high yield credit spreads fell from 3.46% to 2.83% in April. The broad taxable bond market was up marginally at +0.11% while tax exempt municipal bonds posted a strong rally of 1.15%, rebounding from a challenging month of March where oversold conditions, heavy issuance, lack luster inflows all reversed quickly in April.

Economic data in April reflected a resilient but uneven growth backdrop under the shadow of

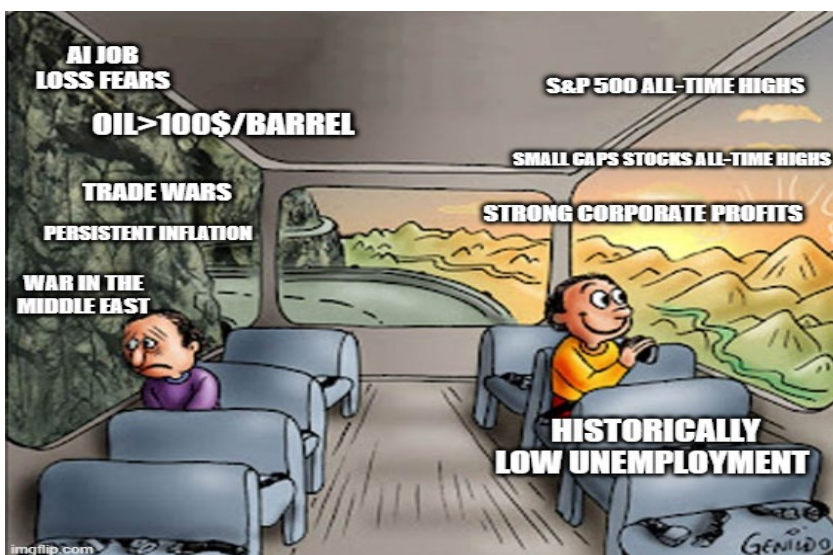
the Iran energy shock. First quarter GDP came in at 2.0%, a solid result, though real personal consumption growth (1.6%) continued to decelerate and real wages turned negative as energy-price shock and inflationary ripple effects overtook nominal wage gains. Headline and core PCE inflation increased to 3.5% and 3.2% on a year-over-year basis in what are the beginning indications of energy price pass-throughs, but broader inflationary impulse remained somewhat contained. The labor market stayed on track with April payrolls of 115,000 following strong results in March and a low unemployment rate of 4.3%. Consumer confidence readings remained extremely depressed relative to history capturing pressures of cumulative inflation are placing on middle and low income cohorts in the K-shaped income dynamic playing out across the economy.

Monetary and fiscal policy developments were relatively limited in April with the FOMC holding rates steady with a mildly hawkish narrative at 3.5%-3.75% as expected and the confirmation of new Fed Chair Kevin Warsh set to assume leadership in mid-May. Markets will be monitoring Fed activities closely under new leadership as more transparent voting member dissent, balance sheet activity policy changes, and continued political challenges to Fed independence loom large. Foreign policy continues to carry the largest market implications as the supply shock to oil and other vital materials due to the closure of the Strait of Hormuz persists.

### QUOTE OF THE MONTH

*"The stock market is a device for transferring money from the impatient to the patient"*  
-Warren Buffet

## CARTOON OF THE MONTH



INDEX RETURNS (%)		CONSUMER METRICS			ECONOMIC TRENDS				
Municipal	0.03	Levels	4/30/26	1/31/26	4/30/25	Macro Metrics	4/30/26	1/31/26	4/30/25
High Yield	6.34	Fed Funds	3.64	3.64	4.33	US Real GDP (QoQ)	2.00	0.50	-0.60
US Aggregate	-0.04	10 Year Treasury	4.40	4.26	4.17	Core PCE	3.20	3.08	2.61
MSCI EAFE	8.71	30 Year Mortgage	6.30	6.10	6.81	Unemployment Rate	4.30	4.30	4.20
Russell 2000	1.08	Gasoline	4.26	2.98	3.26	Oil (WTI)	108.64	64.50	59.55
Dow Jones	25.22	Used Cars and Trucks*	179.83	181.27	184.80	Gold	4,723.9	4,744.5	3,207.5
NASDAQ	7.46					Dollar Index	97.9	97.1	99.69
S&P 500	4.19								
	Legend: 3 Mo (Green), 1 Yr (Blue)					Trailing Returns	1 Mo	3 Mo	1 Yr
						Oil (WTI)	5.62	68.43	82.43
						S&P GSCI Gold Spot	-1.05	-2.43	39.48
						Dollar Index	-1.91	1.10	-1.42

## PERIODIC TABLE OF INVESTMENTS – APRIL 30, 2026

### Asset Class Key

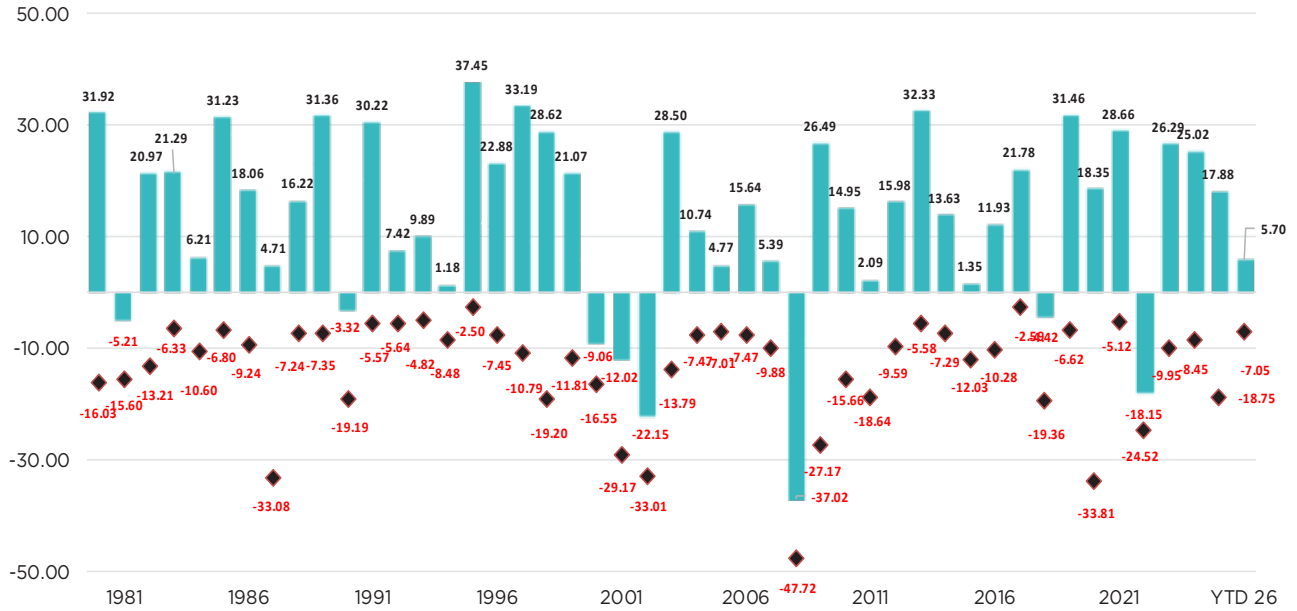
Hedge Funds		Mid Cap	Bank Loans	Private Equity	EM Debt	International Stocks	Small Cap			
Fixed Income		Commodities	Private Credit	High Yield	Global Stocks	Emerging Markets	Large Cap			
Private Real Estate										
2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	YTD
21.31	37.75	11.88	31.49	27.48	43.78	16.09	26.29	25.02	-	-
17.49	25.62	8.35	30.54	19.96	28.71	7.46	22.81	18.02	-	-
13.80	24.62	5.63	27.30	18.69	27.11	5.08	18.85	15.34	34.36	-
13.49	21.83	0.35	25.52	18.40	22.58	-0.38	17.23	11.54	31.89	29.65
11.96	18.96	0.01	22.66	17.10	22.18	-1.25	16.93	9.1	22.87	8.72
11.77	18.52	-2.26	18.90	16.82	19.04	-5.3	13.46	8.80	17.88	13.21
11.60	14.65	-2.46	17.33	10.9	17.68	-11.22	13.02	8.39	15.77	0.7
10.14	11.68	-4.0	14.41	8.28	14.82	-13.01	12.33	8.20	12.81	0.07
9.88	8.17	-4.38	13.11	7.51	11.78	-14.01	10.27	8.05	11.11	14.61
9.02	7.8	-8.93	8.72	6.52	6.2	-15.26	10.00	7.19	10.60	1.14
8.76	7.61	-9.06	8.40	6.17	5.36	-17.32	9.09	6.58	10.4	0.54
8.48	7.48	-11.01	8.4	6.04	5.14	-17.96	6.1	5.38	8.50	6.36
2.65	3.54	-11.25	7.87	2.26	-1.54	-18.11	5.53	4.35	7.30	0.74
1.51	3.29	-13.36	7.69	1.18	-1.65	-19.74	-7.91	1.25	5.03	6.79
0.5	1.70	-14.25	5.34	-3.12	-2.22	-20.44	-12.02	-1.44	3.77	5.70

"-" indicates data not yet available

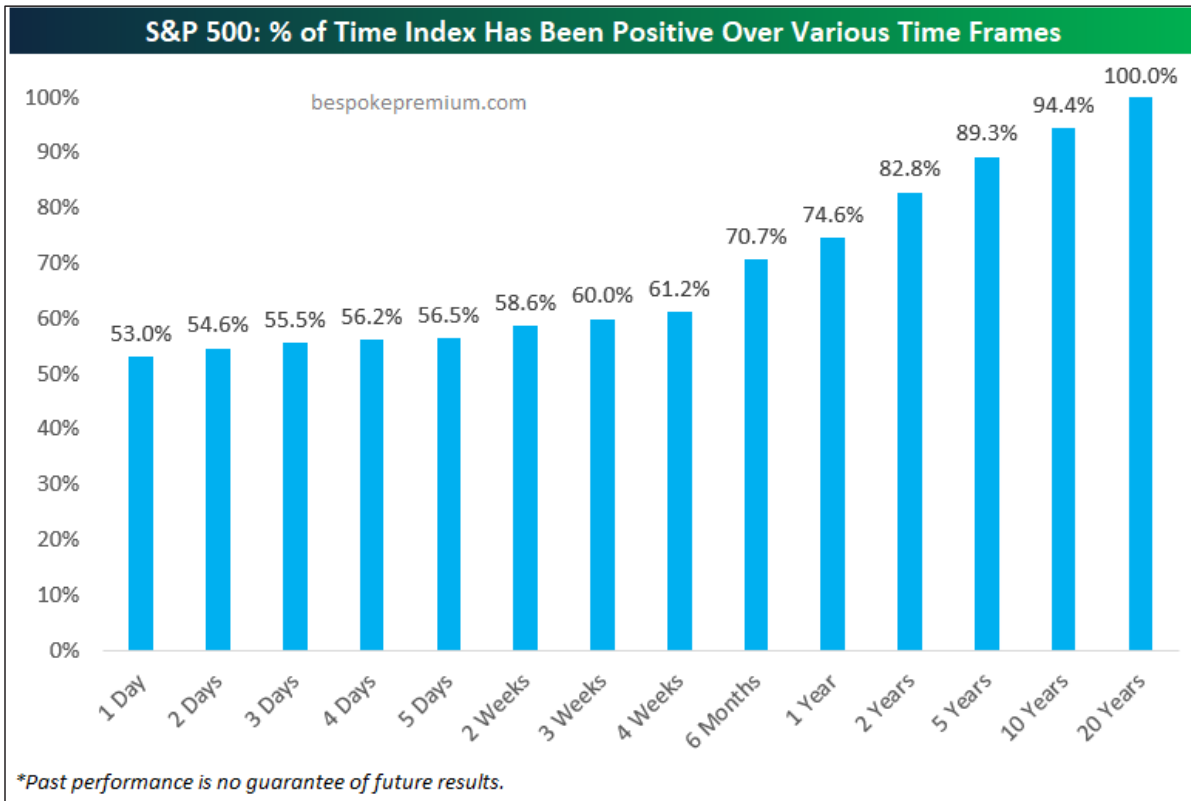
# STOCK MARKETS CAN TRADE LOWER IN THE SHORT-RUN

## Intra-year S&P 500 Drawdowns with Annual Returns

Market volatility is normal and can be difficult to time. History shows that staying the course has been a successful investing strategy.



# STOCK MARKETS TRADE HIGHER IN THE LONG-RUN



Source: Bespoke

## Economic expansions do not die of old age, they are murdered - Rudi Dornbusch

Post WW2 Recessions and Their Triggers

Stock Market Peak	Recession Start	Stock Peak Before Recession	Recession End	"Murder Weapon"
May 28, 1946	Feb 1945	-454	Oct 1945	Dramatic Drop in Military Spending (End of WW2)
Jun 18, 1948	Nov 1948	165	Oct 1949	Demobilization of the WW2 Economy
Jan 09, 1953	Jul 1953	203	May 1954	Dramatic Drop in Military Spending (End of Korean War)
Apr 06, 1956	Aug 1957	511	Apr 1958	Suez Crisis/Sputnik
Jan 08, 1960	Apr 1960	113	Feb 1961	Tight Monetary Policy
Dec 06, 1968	Dec 1969	390	Nov 1970	Vietnam War
Jan 12, 1973	Nov 1973	322	Mar 1975	Arab Oil Embargo
Sep 15, 1978	Jan 1980	503	Jul 1980	Highest Inflation of the Century
May 01, 1981	Jul 1981	91	Nov 1982	Punishing Interest Rates (15% 10-year)
Jul 20, 1990	Jul 1990	11	Mar 1991	Iraq Invades Kuwait (~200% rise in Crude Oil)
Jan 14, 2000	Mar 2001	442	Nov 2001	Tech Bubble Popping/September 11
Oct 09, 2007	Dec 2007	83	Jun 2009	Housing Crash/\$145 Crude (July 2008)
Feb 12, 2020	Feb 2020	17	Apr 2020	COVID-19
<b>Average</b>		<b>184</b>		

Source: Bianco Research



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Opal Wealth Advisors / 2 Jericho Plaza / Suite 208 / Jericho, NY 11753 / t. 516.388.7980 / f. 516.388.7968 / [opalwealthadvisors.com](http://opalwealthadvisors.com)