

MARKET VIEW WEEKLY

Ladenburg Asset Management



ECONOMIC REVIEW¹

- March's Personal Consumption Expenditures (PCE) index, the Federal Reserve's preferred inflation gauge, increased 0.7% month-over-month (MoM) and 3.5% year-over-year (YoY).
 - Core PCE, which removes the volatile food and energy categories, rose at a more modest rate of 0.3% but remained elevated at 3.2% over the last year.
 - The increase was primarily driven by energy and related goods, as oil prices surged in March following the onset of the Iran conflict.
- The Employment Cost Index (ECI) rose 0.9% in the first quarter, slightly above expectations, and is up 3.4% over the past year.
 - Wage growth over the last year has been mostly consistent, signaling no indications of inflationary pressures coming from the labor market.
- The ISM Manufacturing PMI remained in expansion territory for a fourth consecutive month in April, holding steady at 52.7.
 - While the prices paid index moved higher and employment remained subdued, both activity and new orders continued to show resilience.
- The Federal Open Markets Committee (FOMC) left interest rates unchanged in the 3.50%-3.75% range.
 - The Fed remains in a wait-and-see approach as it assesses evolving inflationary pressures stemming from disruptions in the Strait of Hormuz and elevated energy prices.
- The initial estimate of first-quarter GDP growth came in at 2.0% annualized, slightly below expectations of 2.3%.
 - The reading marked a notable improvement from the 0.5% pace in Q4, which was impacted by the government shutdown.
 - Business investment on tech-related infrastructure was particularly strong, rising 10.4% on an annualized basis, while consumer spending remained intact and government spending normalized.

How does the most recent economic data impact you?

- Elevated energy prices stemming from the Iran war will keep the Fed on hold, with little urgency to ease policy given a labor market that has seen improvement in recent months. At the same time, Q1 economic growth remained broadly supportive, showing no clear signs of underlying weakness, despite higher gasoline prices for consumers.



A LOOK FORWARD¹

- This week, investors will be closely watching labor market reports, new home sales, and services sector data.

How does this week's slate of economic data impact you?

- Following last month's much stronger-than-expected labor market report, April data is anticipated to moderate but remain positive. Continued signs of stabilization after the weakness observed late last year and earlier this year is a welcome sign but could further delay expectations for when the Federal Reserve may begin cutting interest rates.



MARKET UPDATE²

Market Index Returns as of 5/1/26	WTD	QTD	YTD	1 YR	3 YR	5 YR
S&P 500	0.92%	10.82%	6.02%	28.72%	22.29%	13.21%
NASDAQ	1.12%	16.35%	8.25%	40.57%	28.53%	13.29%
Dow Jones Industrial Average	0.55%	6.90%	3.49%	21.84%	15.82%	9.97%
Russell Mid-Cap	0.40%	7.16%	8.55%	22.92%	16.79%	7.68%
Russell 2000 (Small Cap)	0.94%	12.73%	13.73%	41.01%	19.20%	5.85%
MSCI EAFE (International)	0.98%	7.81%	6.48%	23.24%	15.79%	8.90%
MSCI Emerging Markets	-0.52%	14.80%	14.61%	44.11%	20.82%	6.07%
Bloomberg US Agg Bond	-0.39%	0.22%	0.18%	5.00%	3.51%	0.20%
Bloomberg High Yield Corp.	0.05%	1.83%	1.33%	8.57%	9.03%	4.38%
Bloomberg Global Agg	0.07%	1.45%	0.36%	3.25%	2.98%	-1.43%



OBSERVATIONS

- Major U.S. large-cap indices finished the week higher on the back of strong tech earnings and the continued Iran ceasefire.
 - The Nasdaq led the advance for the week (+1.12%), followed by the S&P 500 (+0.92%), and the Dow Jones (+0.55%).
- Mid-cap stocks also finished the week in positive territory but trailed large caps, advancing +0.40%. Small-cap stocks were the second strongest performer and posted a gain of +0.94%.
- Developed international markets posted higher returns for the week (+0.98%), while emerging markets posted weaker returns (-0.52%) as investors weighed the impact of energy supply disruptions on their economic growth.
- Domestic and international fixed income indices were mixed on the week as interest rates rose. The U.S. Aggregate Bond Index dipped -0.39% as yields rose while high-yield corporate bonds were mostly unchanged (+0.05%).
 - International bonds experienced slightly positive returns for the week and finished up +0.07%.



BY THE NUMBERS

Spirit Airlines Shuts Down After Government Bailout Plan Fails: Spirit grounded what remained of its bright-yellow fleet at 3 a.m. on Saturday and closed its call centers, leaving travelers to search for flights on its competitors. After struggling financially for years and failing in its effort several years ago to merge with rival JetBlue, Spirit said the skyrocketing costs of jet fuel because of the war in Iran proved to be too much. Spirit’s roughly 17,000 employees and contractors, including more than 2,000 pilots and 5,500 flight attendants, were in line to lose their jobs. The Trump administration had been floating a \$500 million rescue plan that would have given the government a hefty ownership stake in the budget airline. Though it was often skewered for its bare-bones service, Spirit’s corresponding dirt-cheap fares opened air travel to people who otherwise may not have been able to afford it.³

Trump says the U.S. Will Guide Stranded Ships from the Strait of Hormuz: The United States will launch an effort on Monday to “guide” stranded ships from the Iran-gripped Strait of Hormuz, President Donald Trump said, as two ships around the strait reported attacks. “Project Freedom” would begin on Monday morning in the Middle East, Trump said, adding that his representatives are having discussions with Iran that could lead to something “very positive for all.” U.S. Central Command said the initiative would involve guided-missile destroyers, more than 100 aircraft and 15,000 service members. The Pentagon did not immediately answer questions about how they would be deployed.⁴

Economic Definitions

Employment Cost Index (ECI): ECI measures the change in the hourly labor cost to employers over time. The ECI uses a fixed “basket” of labor to produce a pure cost change, free from the effects of workers moving between occupations and industries and includes both the cost of wages and salaries and the cost of benefits.

Federal Reserve (Fed): The Federal Reserve System is the central banking system of the United States of America.

GDP: Gross domestic product (GDP) measures the final market value of all goods and services produced within a country. It is the most frequently used indicator of economic activity. The GDP by expenditure approach measures total final expenditures (at purchasers' prices), including exports less imports. This concept is adjusted for inflation.

Job Openings and Labor Turnover Survey – JOLTS: This concept tracks the number of specific job openings in an economy. Job vacancies generally include either newly created or unoccupied positions (or those that are about to become vacant) where an employer is taking specific actions to fill these positions.

ISM Manufacturing Index: The Manufacturing ISM Report On Business is based on data compiled from purchasing and supply executives nationwide. Survey responses reflect the change, if any, in the current month compared to the previous month. For each of the indicators measured (New Orders, Backlog of Orders, New Export Orders, Imports, Production, Supplier Deliveries, Inventories, Customers' Inventories, Employment and Prices), the report shows the percentage reporting each response, the net difference between the number of responses in the positive economic direction and the negative economic direction, and the diffusion index. A PMI reading above 50 percent indicates that the manufacturing economy is generally expanding; below 50 percent indicates that it is generally declining.

ISM Services Index: The Services ISM Report On Business® is based on data compiled from purchasing and supply executives nationwide. Survey responses reflect the change, if any, in the current month compared to the previous month. For each of the indicators measured (Business Activity, New Orders, Backlog of Orders, New Export Orders, Inventory Change, Inventory Sentiment, Imports, Prices, Employment and Supplier Deliveries) this report shows the percentage reporting each response, and the diffusion index. An index reading above 50 percent indicates that the non-manufacturing economy in that index is generally expanding; below 50 percent indicates that it is generally declining. Orders to the service producers make up about 90 percent of the US economy.

New Home Sales: This concept tracks sales of newly constructed homes during the reference period. The Implicit US index is computed by taking the number of houses sold in the US and dividing it by the seasonally adjusted number of houses sold in the US.

Nonfarm Payrolls: This indicator measures the number of employees on business payrolls. It is also sometimes referred to as establishment survey employment to distinguish it from the household survey measure of employment.

PCE (headline and core): PCE deflators (or personal consumption expenditure deflators) track overall price changes for goods and services purchased by consumers. Deflators are calculated by dividing the appropriate nominal series by the corresponding real series and multiplying by 100.

Index Definitions

S&P 500: The S&P 500® is widely regarded as the best single gauge of large-cap U.S. equities and serves as the foundation for a wide range of investment products. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization.

NASDAQ: The NASDAQ Composite Index is a broad-based capitalization-weighted index of stocks in all three NASDAQ tiers: Global Select, Global Market and Capital Market. The index was developed with a base level of 100 as of February 5, 1971.

Dow Jones Industrial Average: The Dow Jones Industrial Average is a price-weighted average of 30 blue-chip stocks that are generally the leaders in their industry. It has been a widely followed indicator of the stock market since October 1, 1928.

Russell Mid-Cap: Russell Midcap Index measures the performance of the 800 smallest companies in the Russell 1000 Index, which represent approximately 25% of the total market capitalization of the Russell 1000 Index.

Russell 2000: The Russell 2000 Index is comprised of the smallest 2000 companies in the Russell 3000 Index, representing approximately 8% of the Russell 3000 total market capitalization. The real-time value is calculated with a base value of 135.00 as of December 31, 1986. The end-of-day value is calculated with a base value of 100.00 as of December 29, 1978.

MSCI EAFE: The MSCI EAFE Index is a free-float weighted equity index. The index was developed with a base value of 100 as of December 31, 1969. The MSCI EAFE region covers DM countries in Europe, Australasia, Israel, and the Far East.

MSCI EM: The MSCI EM (Emerging Markets) Index is a free-float weighted equity index that captures large and mid-cap representation across Emerging Markets (EM) countries. The index covers approximately 85% of the free float-adjusted market capitalization in each country.

Bloomberg US Agg Bond: The Bloomberg US Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate pass-throughs), ABS and CMBS (agency and non-agency).

Bloomberg High Yield Corp: The Bloomberg US Corporate High Yield Bond Index measures the USD-denominated, high yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below. Bonds from issuers with an emerging markets country of risk, based on Bloomberg's EM country definition, are excluded.

Bloomberg Global Agg: The Bloomberg Global Aggregate Index is a flagship measure of global investment grade debt from twenty-four local currency markets. This multi-currency benchmark includes treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers.

Bloomberg Municipal Bond Index: The Bloomberg U.S. Municipal Index covers the USD-denominated long-term tax-exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds and prerefunded bonds.

Disclosures

The statements provided herein are based solely on the opinions of the Ladenburg Thalmann Asset Management (Ladenburg) Research Team and are being provided for general information purposes only. Neither the information nor any opinion expressed constitutes an offer or a solicitation to buy or sell any securities or other financial instruments. Any opinions provided herein should not be relied upon for investment decisions.

Certain information may be based on information received from sources the Ladenburg Research Team considers reliable; however, the accuracy and completeness of such information cannot be guaranteed. Certain statements contained herein may constitute "projections," "forecasts" and other "forward-looking statements" which do not reflect actual results and are based primarily upon applying retroactively a hypothetical set of assumptions to certain historical financial information. Any opinions, projections, forecasts and forward-looking statements presented herein reflect the judgment of the Ladenburg Research Team only as of the date of this document and are subject to change without notice. Ladenburg has no obligation to provide updates or changes to these opinions, projections, forecasts and forward-looking statements. Ladenburg is not soliciting or recommending any action based on any information in this document.

Investing involves risk, including the potential loss of principal. No investment strategy can guarantee a profit or protect against loss. In general, the bond market is volatile; bond prices rise when interest rates fall and vice versa. This effect is usually pronounced for longer-term securities. Any fixed-income security sold or redeemed prior to maturity may be subject to a substantial gain or loss. Vehicles that invest in lower-rated debt securities (commonly referred to as junk bonds or high-yield bonds) involve additional risks because of the lower credit quality of the securities in the portfolio. International investing involves special risks not present with U.S. investments due to factors such as increased volatility, currency fluctuation, and differences in auditing and other financial standards. These risks can be accentuated in emerging markets.

Index performance does not reflect the deduction of any fees and expenses, and if deducted, performance would be reduced. Indexes are unmanaged and investors are not able to invest directly into any index. Past performance cannot guarantee future results.

Ladenburg is an SEC Registered Investment Adviser under the Investment Advisers Act. Registration does not imply a certain level of skill or training. Ladenburg provides investment advisory services and may serve as a sub-adviser for accounts managed by third-party advisers or may be included in advisory platforms sponsored or administered by affiliates or third parties. Ladenburg does not provide tax or legal advice. Please consult your tax advisor or attorney. For additional information, please see the Program Disclosure Brochure or ADV Part II for full details, which are available upon request or please visit

https://adviserinfo.sec.gov/firm/summary/108604_8909448

¹ Data obtained from Bloomberg as of 5/1/26.

² Data obtained from Morningstar as of 5/1/26.

³ [Spirit Airlines, low-cost innovator, shuts down after Trump bailout plan fails](#)

⁴ [Trump says US will start to 'guide' stranded ships out of Strait of Hormuz | AP News](#)