

TALKING POINTS

Data through April 2026

Climate

Geopolitics continued as a major contributor to April's overarching investment climate, with the war in Iran persisting into its tenth week. Oil price volatility remains elevated amidst the continued closure of the Strait of Hormuz. The price per barrel of WTI crude surged by 82.99% year-to-date from \$57.42 on 12/31/25 to \$105.07 on 4/30/26. In a surprise move, the United Arab Emirates (UAE) reported that it was cutting ties with OPEC+ effective 5/1/26. The decision allows the UAE, which was OPEC+'s fourth-largest oil producer, to have control over its crude oil output, which it estimates to be between 4.5 and 5.0 million barrels per day (bpd). Prior to the war in Iran, the UAE was producing just 3.3 million bpd. As expected, rising energy prices translated to higher inflationary pressures. The trailing 12-month rate of the consumer price index (CPI) increased from 2.4% in February 2026 to 3.3% in March 2026. Even so, consumers appear unfazed, with the most recent data revealing that spending increased across multiple categories (not just at the gas pump) during the month. Retail sales increased by 1.7% in March 2026, their largest increase in a year, according to Brian Wesbury, Chief Economist at First Trust Portfolios L.P. While energy prices contributed to retail sales growth, their impact was relatively muted. Core retail sales, which strip out volatile categories for autos, building materials, and gas stations, increased by 0.6% in March and were up 3.9% in Q1'26. An uptick in the pace of rising prices was not enough to spur the Federal Reserve ("Fed") into action, with the institution voting to keep its target policy rate unchanged in April. That said, rate cuts appear to be increasingly unlikely in 2026, with the federal funds target rate futures market implying a zero cuts for the year on 4/30/26, down from more than two cuts on 12/31/25.

Stock Market

The S&P 500 Index ("Index") closed at a record 7,209.01 on 4/30/26, representing an increase of 29.45% (price-only) year-over-year, according to data from Bloomberg. The Index now stands 44.68% above its most recent low of 4,982.77, which occurred on 4/8/25. The Index posted a total return of 10.49% in April 2026. Nine of the 11 major sectors that comprise the Index registered positive total returns for the month. Communication Services was the top performing sector, increasing by 18.54% over the period. Energy had the worst showing, declining by 3.46%. Equity gains were widespread during the month, as investors continued to broaden their allocations. The S&P MidCap 400 and S&P SmallCap 600 Indices increased by 7.86% and 10.41% (total returns), respectively in April 2026, adding to an already impressive showing so far in the year. The S&P MidCap 400 and S&P SmallCap 600 Indices registered total returns of 10.55% and 14.36% year-to-date (YTD) through 4/30/26. For comparison, YTD total returns for the S&P 500 and Bloomberg Magnificent 7 Indices were 5.69% and 1.05%, respectively, over the period. Earnings growth estimates signal continued improvement in corporate profitability. The Index's blended, year-over-year (y-o-y) Q1'26 earnings growth rate increased from 15.0% to 27.1% in the week ended 5/1/26, according to FactSet. Should this hold, it will mark the highest y-o-y earnings growth rate recorded by the Index since Q4'21. Surging earnings estimates have led to multiple compression despite the Index's record high price. The Index's forward 12-month price-to-earnings ratio came in at 20.7 on 4/30/26, down from 22.8 on 10/31/25. As noted above, the Index closed at a record 7,209.01 on 4/30/26, up from 6,840.20 on 10/31/25.

Bond Market

The yield on the benchmark 10-year Treasury note (T-note) stood at 4.37% at the close of trading on 4/30/26, an increase of 21 basis points (bps) from its 4.16% close on 4/30/25, according to data from Bloomberg. The 4.37% yield stood 160 bps above its 2.77% average for the 10-year period ending April 2026 and 62 bps below its most recent high of 4.99% set on 10/19/23. The yield on the 2-year T-note stood at 3.87% on 4/30/26, up 26 bps from when it stood at 3.61% on 4/30/25. Yields on U.S. government debt climbed since February 2026 reflecting investor's fading hope of near-term reductions to the Fed's benchmark rate. The 10-year and 2-year T-note yields increased by 43 bps and 50 bps, respectively, since the start of the Iranian war on 2/28/26. As revealed in the "Bloomberg Fixed Income Indices" table to the right, the broader fixed income markets appear to be stabilizing, with each of the indexes we track enjoying positive total returns in April 2026. That said, persistent geopolitical disruption could pose significant risks to global fixed income markets. Moody's reported that 13 of the global corporate bond issuers it covers defaulted in March 2026, up from six in February, putting its speculative grade global default rate at 4.2% during the month. Moody's baseline scenario (which assumes a quick cessation of the Middle East conflict and two Fed rate cuts totaling 50 bps) predicts that the global speculative grade default rate will decline to 2.8% by December 2026.

Takeaway

The S&P 500 Index surged by 10.49% (total return) in April 2026 as investors largely shrugged off energy price shocks resultant from the war in Iran. Total assets held in U.S.-listed ETFs totaled \$14.7 trillion at month's end, up from \$13.3 trillion in March 2026, according to FactSet. Artificial intelligence continues to impact markets in unexpected ways. One such development is the current global memory shortage. Nikkei Asia reported that memory chip shortages are expected to persist through 2027, with top U.S. and South Korean suppliers increasing production at a pace that will cover just 60% of estimated demand over the period. Estimates of U.S. company profitability are surging, with the Index's estimated 2026 calendar year earnings per share increasing from 320.34 in March 2026 to a record 332.08 in April. Notably, April's estimate puts the 2026 y-o-y earnings growth rate at a staggering 21.0%. While the Index's earnings performance is informative, perhaps more compelling is the efficiency with which companies are deploying their capital. FactSet reported that the blended net profit margin of Index companies stood at 14.7% on 5/1/26 (with 63% of Index companies reporting results), well above the previous record of 13.2% (set in Q4'25) and the metric's 5-year average of 12.3%.

Sources: Bloomberg, FactSet, and Investment Company Institute

Past performance is no guarantee of future results. Historical performance figures for the indices are for illustrative purposes only and not indicative of any actual investment. Indices are unmanaged and an investor cannot invest directly in an index. There can be no assurance past trends will continue or estimates will be realized.

| Open-End Net Fund Flows (\$) | 3/26 | 2/26 | YTD (March) |
|------------------------------|--------|--------|-------------|
| Equity | -50.5B | -64.1B | -198.7B |
| Taxable Bond | -12.7B | 24.8B | 48.8B |
| Municipal Bond | 1.1B | 9.0B | 14.9B |
| Hybrid | -11.0B | -3.2B | -20.0B |
| Taxable Money Market | -31.9B | 44.8B | -11.4B |

| Key Interest Rates/Yields | 4/30/26 | 3/31/26 | 4/30/25 |
|---------------------------|---------|---------|---------|
| Federal Funds Target Rate | 3.75% | 3.75% | 4.50% |
| 2-Year T-Note | 3.87% | 3.80% | 3.61% |
| 5-Year T-Note | 4.01% | 3.94% | 3.73% |
| 10-Year T-Note | 4.37% | 4.32% | 4.16% |
| Bond Buyer 40 | 4.62% | 4.72% | 4.78% |

| Commodities/U.S. Dollar | 4/26 | YTD | 12 Mo. |
|--------------------------------|--------|---------|---------|
| U.S. Dollar Index (DXY) | -1.91% | -0.27% | -1.42% |
| FTSE/CC CRB Excess Ret. | 6.09% | 32.24% | 36.83% |
| Crude Oil/WTI (per Barrel) | 3.64% | 82.99% | 80.50% |
| Natural Gas (per million BTUs) | -4.06% | -24.93% | -16.81% |
| Gold Bullion (Ounce) | -1.08% | 6.91% | 40.42% |

| S&P 500 Full-Year Earnings Estimates | 2026 | 2027 |
|--------------------------------------|--------|--------|
| 4/30/26 | 332.08 | 379.37 |
| 3/31/26 | 320.34 | 372.79 |

Total Return Performance

| U.S. Stock Indices | 4/26 | YTD | 12 Mo. |
|--------------------|--------|--------|--------|
| S&P 500 | 10.49% | 5.69% | 31.02% |
| DJIA | 7.24% | 3.81% | 24.17% |
| Nasdaq 100 | 15.66% | 8.93% | 41.22% |
| S&P MidCap 400 | 7.86% | 10.55% | 29.47% |
| Russell 2000 | 12.29% | 13.32% | 44.55% |
| Russell 3000 | 10.21% | 5.83% | 30.98% |

| U.S. Styles/Market Caps | 4/26 | YTD | 12 Mo. |
|-------------------------|--------|--------|--------|
| S&P 500 Growth | 14.79% | 5.47% | 37.68% |
| S&P 500 Value | 5.87% | 5.88% | 23.94% |
| S&P MidCap 400 Growth | 8.11% | 12.34% | 31.93% |
| S&P MidCap 400 Value | 7.60% | 8.67% | 26.93% |
| Russell 2000 Growth | 14.78% | 11.55% | 42.73% |
| Russell 2000 Value | 9.72% | 15.25% | 46.52% |

| Foreign Stock Indices (USD) | 4/26 | YTD | 12 Mo. |
|-----------------------------|--------|--------|--------|
| MSCI World NET (Ex-U.S.) | 7.39% | 6.39% | 26.33% |
| MSCI Emerging Markets NET | 14.71% | 14.52% | 46.68% |
| MSCI Europe NET | 7.09% | 4.08% | 22.22% |
| MSCI BRIC NET | 5.29% | -4.55% | 7.88% |
| MSCI EM Latin America NET | 3.12% | 18.16% | 51.81% |
| Nikkei 225 | 17.86% | 18.48% | 52.51% |

| Bloomberg Fixed Income Indices | 4/26 | YTD | 12 Mo. |
|--------------------------------|-------|-------|--------|
| U.S. Treasury: Intermediate | 0.08% | 0.14% | 2.96% |
| GNMA 30 Year | 0.17% | 0.80% | 5.60% |
| Municipal Bond (22+) | 1.83% | 1.60% | 6.47% |
| U.S. Aggregate | 0.11% | 0.07% | 4.06% |
| Intermediate Corporate | 0.47% | 0.25% | 5.20% |
| U.S. Corporate High Yield | 1.69% | 1.19% | 8.84% |
| Global Aggregate | 1.25% | 0.16% | 2.54% |
| EM Hard Currency Aggregate | 2.28% | 0.63% | 9.24% |

HIGH/LOW SNAPSHOT

Data through April 2026

| Index | 10-Yr. High Value | | 10-Yr. Low Value | | Month-End Value | % Off High Value | YTD Return (USD) | Month-End Yield |
|--------------------------------------|-------------------|------------|------------------|------------|-----------------|------------------|------------------|-----------------|
| | High Value | Date | Low Value | Date | | | | |
| S&P 500 | 7209.01 | 4/30/2026 | 2000.54 | 6/27/2016 | 7209.01 | 0.00% | 5.69% | 1.11% |
| S&P 500 Growth | 5259.88 | 4/27/2026 | 1119.47 | 6/27/2016 | 5234.53 | -0.48% | 5.47% | 0.52% |
| S&P 500 Value | 2203.64 | 4/30/2026 | 814.98 | 3/23/2020 | 2203.64 | 0.00% | 5.88% | 1.79% |
| S&P MidCap 400 | 3668.67 | 4/20/2026 | 1218.55 | 3/23/2020 | 3639.81 | -0.79% | 10.55% | 1.33% |
| S&P MidCap 400 Growth | 1789.72 | 4/20/2026 | 610.53 | 3/23/2020 | 1762.20 | -1.54% | 12.34% | 0.72% |
| S&P MidCap 400 Value | 1152.01 | 2/6/2026 | 373.28 | 3/23/2020 | 1139.99 | -1.04% | 8.67% | 1.97% |
| S&P 100 | 3552.47 | 4/30/2026 | 887.38 | 6/27/2016 | 3552.47 | 0.00% | 3.85% | 0.97% |
| DJIA | 50188.14 | 2/10/2026 | 17140.24 | 6/27/2016 | 49652.14 | -1.07% | 3.81% | 1.57% |
| Nasdaq 100 | 27452.12 | 4/30/2026 | 4201.06 | 6/27/2016 | 27452.12 | 0.00% | 8.93% | 0.60% |
| Russell 2000 | 2799.91 | 4/30/2026 | 991.16 | 3/18/2020 | 2799.91 | 0.00% | 13.32% | 1.23% |
| Russell 2000 Growth | 1838.51 | 4/30/2026 | 655.13 | 6/27/2016 | 1838.51 | 0.00% | 11.55% | 0.59% |
| Russell 2000 Value | 3110.09 | 4/30/2026 | 1067.63 | 3/23/2020 | 3110.09 | 0.00% | 15.25% | 1.92% |
| Russell 3000 | 4094.31 | 4/30/2026 | 1177.35 | 6/27/2016 | 4094.31 | 0.00% | 5.83% | 1.13% |
| MSCI World Net (ex U.S.) (USD) | 11923.38 | 2/27/2026 | 4246.27 | 3/23/2020 | 11557.77 | -3.07% | 6.39% | 2.70% |
| MSCI Emerging Markets Net (USD) | 894.06 | 4/27/2026 | 338.21 | 5/19/2016 | 877.83 | -1.82% | 14.52% | 2.11% |
| Bovespa/Brazil (USD) | 39888.63 | 4/14/2026 | 12513.21 | 3/23/2020 | 37551.40 | -5.86% | 28.23% | 5.81% |
| RTS/Russia (USD) | 1919.58 | 10/25/2021 | 742.91 | 2/24/2022 | N/A | N/A | N/A | N/A |
| S&P BSE 500/India (USD) | 461.76 | 9/26/2024 | 129.66 | 3/23/2020 | 374.14 | -18.97% | -9.92% | 1.19% |
| Shanghai Composite/China (USD) | 606.67 | 2/27/2026 | 358.39 | 10/18/2018 | 602.17 | -0.74% | 6.21% | 2.26% |
| KOSPI/South Korea (USD) | 4.51 | 4/28/2026 | 1.16 | 3/19/2020 | 4.47 | -0.97% | 53.56% | 1.02% |
| Hang Seng (USD) | 4241.01 | 1/26/2018 | 1871.10 | 10/31/2022 | 3290.42 | -22.41% | 0.32% | 2.95% |
| MSCI Euro (USD) | 2363.34 | 2/25/2026 | 865.50 | 3/18/2020 | 2252.26 | -4.70% | 3.38% | 2.78% |
| S&P 500 Consumer Discretionary | 2017.26 | 1/12/2026 | 594.49 | 6/27/2016 | 1953.03 | -3.18% | 1.47% | 0.62% |
| S&P 500 Consumer Staples | 1003.08 | 2/27/2026 | 500.59 | 12/24/2018 | 952.85 | -5.01% | 11.01% | 2.34% |
| S&P 500 Energy | 962.27 | 3/27/2026 | 179.94 | 3/18/2020 | 910.23 | -5.41% | 33.46% | 2.60% |
| S&P 500 Utilities | 482.91 | 2/27/2026 | 227.75 | 3/23/2020 | 475.96 | -1.44% | 10.52% | 2.61% |
| S&P 500 Financials | 937.48 | 1/6/2026 | 289.62 | 6/27/2016 | 866.90 | -7.53% | -4.43% | 1.59% |
| S&P 500 Banks | 640.17 | 1/6/2026 | 191.12 | 6/27/2016 | 607.14 | -5.16% | -0.41% | 2.25% |
| FTSE NAREIT All Equity REITs | 980.08 | 12/31/2021 | 483.48 | 3/23/2020 | 842.15 | -14.07% | 13.24% | 3.74% |
| S&P 500 Health Care | 1864.30 | 2/27/2026 | 763.33 | 11/3/2016 | 1700.55 | -8.78% | -5.31% | 1.79% |
| S&P 500 Pharmaceuticals | 1406.43 | 2/27/2026 | 551.81 | 11/3/2016 | 1278.89 | -9.07% | -0.67% | 2.20% |
| NYSE Arca Biotechnology | 7711.58 | 1/22/2026 | 2818.70 | 6/27/2016 | 7119.85 | -7.67% | -0.39% | 0.22% |
| S&P 500 Information Technology | 6164.83 | 4/27/2026 | 680.23 | 6/27/2016 | 6057.71 | -1.74% | 6.74% | 0.48% |
| Philadelphia Semiconductor | 10513.66 | 4/24/2026 | 630.78 | 5/12/2016 | 10503.70 | -0.09% | 48.56% | 0.49% |
| S&P 500 Communication Services | 497.72 | 4/30/2026 | 130.86 | 12/24/2018 | 497.72 | 0.00% | 10.32% | 0.63% |
| S&P 500 Industrials | 1512.33 | 3/2/2026 | 412.06 | 3/23/2020 | 1477.85 | -2.28% | 12.91% | 1.20% |
| S&P 500 Materials | 675.69 | 2/27/2026 | 241.67 | 3/23/2020 | 644.42 | -4.63% | 12.69% | 1.62% |
| Philadelphia Gold & Silver | 470.37 | 2/27/2026 | 61.84 | 11/13/2018 | 358.21 | -23.85% | 5.13% | 1.05% |
| FTSE/CC CRB Excess Return | 395.11 | 4/30/2026 | 106.29 | 4/21/2020 | 395.11 | 0.00% | 32.24% | N/A |
| ICE BofA Perpetual Preferred | 345.64 | 2/19/2026 | 224.97 | 3/23/2020 | 341.74 | -1.13% | 0.79% | 6.76% |
| ICE BofA U.S. High Yield Constrained | 626.27 | 4/17/2026 | 351.89 | 5/9/2016 | 624.35 | -0.31% | 1.14% | 7.32% |

Source: Bloomberg

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