

MARKET VIEW WEEKLY

Philip Blancato, Chief Market Strategist, Osaic



ECONOMIC REVIEW¹

- U.S. pending home sales increased 1.4% month-over-month (MoM) in April, following an upwardly revised 1.7% gain in March and surpassing market expectations of 1%.
- U. S. building permits jumped 5.8% MoM to a seasonally adjusted annual rate of 1.442 million in April, rebounding from a seven-month low of 1.363 million in March and exceeding market expectations of 1.39 million.
 - Multi-family permits, including buildings with five or more units, surged 21.8% to 570,000, while single-family permits declined 2.6% to 872,000.
- U.S. housing starts were down 2.8% MoM to a seasonally adjusted annual rate of 1.465 million in April, compared to an upwardly revised 1.507 million in March, which was the highest level since December 2024 and above forecasts of 1.41 million.
 - Single-family starts were down 9% to 0.93 million, while multi-family starts rose 14.3% to 0.529 million.
- Initial jobless claims in the U.S. fell by 3,000 to 209,000 in the second week of May, which aligned with market expectations of 210,000.
 - Continuing jobless claims rose by 6,000 to 1,782,000, slightly below expectations of 1,790,000.
- The University of Michigan's Consumer Sentiment Index plunged to a record low of 44.8 in May, marking the third straight monthly decline, as disruptions in the Strait of Hormuz continued to push gasoline prices higher.
- Minutes from the April Federal Reserve (Fed) meeting showed most Fed officials have grown concerned with persistent inflation and believe additional rate hikes could be necessary if inflation remains meaningfully above the Fed's 2% target.
 - At the same time, several officials noted they would still support rate cuts if inflation resumes its previous decline or if the labor market begins to weaken meaningfully.

How does the most recent economic data impact you?

- Higher mortgage rates and continued economic uncertainty stemming from the Iran conflict have created a difficult environment for the housing market.
 - One key, ongoing issue is the lack of housing supply, which has kept prices elevated for the few homes that do come to market, decreasing overall affordability and ultimately demand.
- The labor market continues to show resilience, allowing the Fed some leeway to remain restrictive and focused on the other half of its dual mandate – inflation.



A LOOK FORWARD¹

- This week, investors will be monitoring inflation data from the PCE Price Index and economic growth estimates from the second revision of Q1 GDP.

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

- This week's data will provide insight into how the ongoing war in the Middle East has impacted inflation and GDP growth within the US.



MARKET UPDATE²

Market Index Returns as of 5/22/26	WTD	QTD	YTD	1 YR	3 YR	5 YR
S&P 500	0.91%	14.66%	9.69%	30.37%	23.37%	14.09%
NASDAQ	0.48%	22.12%	13.62%	41.46%	28.89%	15.20%
Dow Jones Industrial Average	2.18%	9.39%	5.89%	23.63%	17.35%	10.22%
Russell Mid-Cap	2.16%	8.94%	10.35%	22.49%	17.49%	8.22%
Russell 2000 (Small Cap)	2.75%	15.08%	16.10%	42.46%	18.72%	6.75%
MSCI EAFE (International)	2.17%	9.58%	8.22%	22.58%	16.30%	8.75%
MSCI Emerging Markets	1.11%	21.03%	20.83%	46.78%	22.72%	7.46%
Bloomberg US Agg Bond	0.26%	-0.40%	-0.45%	5.18%	3.85%	0.08%
Bloomberg High Yield Corp.	0.25%	1.63%	1.13%	7.77%	9.11%	4.35%
Bloomberg Global Agg	0.31%	0.58%	-0.50%	2.77%	3.31%	-1.69%



OBSERVATIONS

- Equity indices bounced back from broadly negative performance the week prior, primarily fueled by optimism around Artificial Intelligence (AI) and the potential that the U.S. could strike a deal with Iran.
 - The S&P 500 (+0.91%) posted its eighth weekly gain in a row, with the NASDAQ (+0.48%) also seeing gains, while the Dow (+2.18%) notched an all-time high.
- Small-Cap stocks (+2.75%) led the rally, with Mid-Cap stocks (+2.16%) not far behind.
- International developed markets (+2.17%) and emerging markets (+1.11%) also saw strong performance.
- Treasury yields continued to climb early in the week before reports that the U.S. was in the final stages of negotiations with Iran pushed yields off recent highs, though they remain elevated.
 - International bonds (+0.31%) led the week, with similar gains domestically (+0.26%) and across the credit spectrum (+0.25%).



BY THE NUMBERS

Summer Jobs Become Harder to Land for Teens: This summer’s teen job market is shaping up to be one of the toughest in decades, with some data suggesting potentially the weakest summer hiring season for teens since government tracking began in 1948. Teen unemployment is currently sitting at 14.4%, far above the national unemployment rate of 4.3%, while labor force participation for 16–19-year-olds has fallen to 35.8%, down from a post-pandemic peak of 38%. Inflation and rising fuel costs are pressuring the small businesses that traditionally hire teens, including restaurants, retailers, amusement parks, and summer camps. Adding to the weakness, employers in the entertainment and leisure sector, a major source of jobs for young workers, are expected to fill 70% fewer roles than last year. Still, there are a few bright spots, particularly in retail hiring, which has shown growth.³

Knicks End NBA Finals Drought after Demolishing Cavaliers to Complete Sweep: The New York Knicks are headed to the NBA Finals for the first time since 1999 after demolishing the Cleveland Cavaliers 130-93 to complete a stunning four-game sweep. Led by Jalen Brunson and Karl-Anthony Towns, the Knicks overwhelmed Cleveland with dominant defense, rebounding, and three-point shooting, extending their playoff winning streak to 11 games. The victory sparked massive celebrations across New York City as fans and celebrities flooded the streets to celebrate the franchise’s first Finals appearance in 27 years.⁴

Economic Definitions

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

University of Michigan Consumer Sentiment Index: Consumer confidence tracks sentiment among households or consumers. The results are based on surveys conducted among a random sample of households. Target Audience: representative sample of US households (excluding Alaska and Hawaii). Surveys of Consumers collects data on consumer attitudes and expectations summarized in the Consumer Sentiment, in order to determine the changes in consumers' willingness to buy and to predict their subsequent discretionary expenditures. This Index is comprised of measures of attitudes toward personal finances, general business conditions, and market conditions or prices. Components of the Index of Consumer Sentiment are included in the Leading Indicator Composite Index. Unit: Index (Q1 1966=100)

Building Permits: This concept tracks the number of permits that have been issued for new construction, additions to pre-existing structures or major renovations. These statistics are based on the number of construction permits approved.

Housing Starts: Housing (or building) starts track the number of new housing units (or buildings) that have been started during the reference period.

Existing Home Sales: This concept tracks the sales of previously owned homes during the reference period. Total existing home sales include single-family homes, townhomes, condominiums and co-ops. All sales are based on closings from Multiple Listing Services. Foreclosed homes are only counted in the inventory if the bank is working with a realtor. Foreclosed homes that sell via auction (or other closings outside of the Multiple Listing Services) are not included.

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.

Pending Home Sales: This concept tracks signed real estate contracts for existing single-family homes, condos and co-ops that have not yet closed. As such it is a leading indicator for existing home sales.

Initial Jobless Claims: Initial unemployment claims track the number of people who have filed jobless claims for the first time during the specified period with the appropriate government labor office. This number represents an inflow of people receiving unemployment benefits.

Continuing Jobless Claims: Continuing claims are the number of people filing for unemployment benefits who have already filed an initial claim. To be included in continuing claims, the person must be covered by unemployment insurance and must be currently receiving benefits. They must have been unemployed for at least a week after filing the initial claim, per Department of Labor (DoL) specifications.

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.

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.

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.

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¹ Data obtained from Bloomberg as of 5/22/26.

² Data obtained from Morningstar as of 5/22/26.

³ <https://www.msn.com/en-us/money/markets/this-summer-s-teen-job-market-is-the-toughest-in-decades/ar-AA23Xz6F>

⁴ <https://nypost.com/2026/05/25/sports/knicks-end-nba-finals-drought-after-demolishing-cavaliers-to-complete-sweep/>