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ECONOMIC REVIEW¹

- Investors received key insights into the labor market with the release of the monthly jobs report, which suggested nonfarm payrolls increased 115,000, nearly doubling the expected 62,000 jobs analysts had predicted.
 - This strength was in spite of a decline of -8,000 government jobs for the month.
- The unemployment rate remained at 4.3%, elevated from last year, but lower than historical averages.
 - The number of hours worked in a given week rose slightly to 34.3, up from 34.2.
- Total job openings fell to 6.866 million, which was about 56,000 jobs lower than the prior month.
 - The number of job quits rose by 130,000, suggesting people may be more comfortable with the prospect of finding a new job elsewhere.
- Labor productivity also rose by 0.8% versus last quarter, coupled with an already strong labor market, to suggest that work is being done more efficiently.
 - This increase in productivity could be partly attributed to the rise of artificial intelligence.
- The one blemish on an otherwise positive report was a tick up in the number of job cut announcements, which reached 83,000, surpassing that of last month as large employers in the tech space announced layoffs.
- In spite of the broadly strong labor market data, the University of Michigan Consumer Sentiment Index showed that sentiment among consumers fell to a new all-time low.
 - Concerns about inflation and high interest rates were big drivers of the report, which came in at 48.2.

How does the most recent economic data impact you?

- The strength of the labor market confirms that the economy is holding up well in spite of headwinds from geopolitical shocks.
- This likely limits the chance for an interest rate cut in the near term unless employment weakens or inflation picks up meaningfully.



A LOOK FORWARD¹

- This week, investors will be looking out for key inflation data, with both the Consumer Price Index and Producer Price Index slated to be released.
- Retail sales will also come out this week, offering a data point on how consumer spending has shifted this year.

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

- The war in Iran has led to higher energy prices, which are likely to be temporary if the conflict remains brief.
- The Federal Reserve (Fed) has already noted that it will look through inflation from energy shocks as temporary, so long as they do not see it flow through to other areas of the economy.
 - The longer the conflict ensues, the higher the likelihood inflation ticks up in areas besides energy.
- Retail sales will give investors a pulse of how consumers are feeling and tend to offer a more accurate gauge of the financial conditions of consumers than consumer sentiment does.



MARKET UPDATE²

Market Index Returns as of 5/8/26	WTD	QTD	YTD	1 YR	3 YR	5 YR
S&P 500	2.36%	13.43%	8.52%	32.34%	23.24%	13.45%
NASDAQ	4.52%	21.61%	13.14%	47.32%	30.08%	14.64%
Dow Jones Industrial Average	0.25%	7.17%	3.75%	22.31%	16.03%	9.43%
Russell Mid-Cap	0.98%	8.21%	9.61%	23.12%	17.15%	7.74%
Russell 2000 (Small Cap)	1.73%	14.68%	15.70%	43.25%	19.46%	6.16%
MSCI EAFE (International)	1.05%	8.95%	7.59%	24.63%	15.76%	8.57%
MSCI Emerging Markets	6.90%	22.72%	22.51%	53.30%	23.17%	7.48%
Bloomberg US Agg Bond	0.26%	0.49%	0.44%	5.45%	3.83%	0.20%
Bloomberg High Yield Corp.	0.05%	1.88%	1.37%	8.45%	9.12%	4.33%
Bloomberg Global Agg	0.36%	1.81%	0.72%	4.10%	3.17%	-1.48%



OBSERVATIONS

- The narrow tech-driven rally continued last week, as the ceasefire held, and tech stocks continued to beat expectations.
 - The Nasdaq led the advance for the week (+4.52%), followed by the S&P 500 (+2.36%), with the less tech-heavy Dow Jones also eking out a positive gain (+0.25%).
- Mid-cap and small-cap stocks finished the week up +0.98% and +1.73%, respectively, as the narrow rally was mainly contained to large-cap tech stocks.
- Developed international markets also finished positive (+1.05%), while emerging markets beat even tech stocks and continued their run as geopolitical tensions have fallen, rising +6.90%.
- Both domestic and international fixed income rose for the week as interest rates pulled back slightly. Domestic and international fixed income were up +0.26%, and +0.36% for the week.
 - High yields bonds were essentially flat for the week, gaining only +0.05%.



BY THE NUMBERS

Snow Finally Touches Down in the Rocky Mountains: Despite a dry winter for Colorado, a late-season snowstorm hit the state, dropping nearly half a foot of snow on the Denver-metro area, and over two feet in the mountains. Late season snow is not unusual, with the latest snow having fallen on June 2nd in 1951, and now in the mountain range having been reported through even the Fourth of July. This storm did not surpass the largest snowfall in May either, which was set back in 1978, when Denver got 12.4 inches in early May. This snow was much welcomed by Colorado residents, as the previously dry winter had led to increased risks of wildfires. Some areas of Colorado recorded their lowest level of snowfall on record this year, which could lead to an increase in water usage restrictions, and shortages.³

American Cruise Passengers Test Positive for Hantavirus: Seventeen Americans who were aboard the cruise ship at the center of the deadly hantavirus outbreak are expected to return to the United States early Monday, where they will first stop at an Air Force base in Nebraska before being transported to the National Quarantine Center. The U.S. passengers disembarked from the MV Hondius on May 10 after the ship was anchored near Tenerife, in Spain's Canary Islands. The Centers for Disease Control and Prevention said a team of epidemiologists and medical professionals was sent to Spain to conduct exposure risk assessments for each U.S. passenger and provide recommendations for the level of monitoring required.⁴

Economic Definitions

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

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.

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.

U-3 Unemployment Rate: The unemployment rate tracks the number of unemployed persons as a percentage of the labor force (the total number of employed plus unemployed). These figures generally come from a household labor force survey.

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Producer Prices - PPI (headline and core): Producer prices (output) are a measure of the change in the price of goods as they leave their place of production (i.e. prices received by domestic producers for their outputs either on the domestic or foreign market).

CPI (headline and core): Consumer prices (CPI) are a measure of prices paid by consumers for a market basket of consumer goods and services. The yearly (or monthly) growth rates represent the inflation rate.

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)

Retail Sales: Retail sales (also referred to as retail trade) tracks the resale of new and used goods to the general public, for personal or household consumption. This concept is based on the value of goods sold.

Challenger US Job Cuts Announcements: The Challenger US Job Cuts tracks the number of involuntary job separations announced by employers in the US.

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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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.

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¹ Data obtained from Bloomberg as of 5/8/2026.

² Data obtained from Morningstar as of 5/8/2026.

³ [Snow totals in Colorado: Over 2 feet from May storm in some spots](#)

⁴ [17 Americans from hantavirus-hit ship arrive in US., including 1 who tested positive](#)

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