

WEEKLY MARKET COMMENTS – MAY 11, 2026 – EXTERNAL

In another incredible week that just ended, the market once again did what it has been doing for the past several, namely making new incredible highs to all-time records led by the S&P and Nasdaq closing at their best ever levels.

The S&P gained 2.3% to 7306, while the Nasdaq reached 4.5% to 26,247 while the Dow advanced by 0.2% to 49,603. Gold also gained to \$4,720 an ounce while crude oil declined to \$96.42 a barrel on hopes that the Strait of Hormuz will once again see additional openings that will get the price lower as the further crude oil contracts trade below the nearer ones.

Nearly 90% of S&P firms have reported first-quarter results so far, with 85% surpassing earnings per share estimates and 80% beating sales expectations. The average growth in earnings from last year is close to 30%, which is about double what the early projections were to begin.

Four of the top five contributors to earnings growth in the S&P have come from the Mag 7 cohort of tech companies and include GOOG, NVDA, AMZN and META. The former reported earnings that were double the amount that was predicted.

The tremendous advances have been led by, to no one's surprise, to a gain of 784% with SNDK, WDC, STX, MU, INTC, LRCX, AMD, WBD, MRVL and AMAT being the current leaders. The first one alone has risen by 3,960% to be the current outstanding leader by itself.

These are companies that include AI infrastructure memory, data centers, storage, bitcoin and physical aspects of compute.

I had mentioned during last week's conference all the following three stocks that Barron's magazine would do well this week and they were the following – MU, SMDK and STX, which for the record gained this amount – 204, 275 and 55 points during those days, not a bad week's performance.

One does not have to be an "expert" whose appearances on financial programs indicated to do well, as my 14 year

old grandson is ahead by 76% on his \$1,000 account that he began a couple of years ago with the firm's permission, as his positions include the major indices, gold, NVDA and so on.

Also helping was the April jobs report, as businesses shrugged off uncertainty brought on by higher energy prices resulting from the war in Iran.

Employers added 115,00 jobs, which were better than economist expectations and provided a note of cautious optimism that the jobs market was emerging at last from the low hire, low fire concept over the past two years. The unemployment rate remained steady at 4.3%.

April was the second consecutive month of solid jobs growth, and follows the 185,000 added in March. But after February negative total of negative 92,000 positions, the last three months have added only 48,000 jobs on average. The labor force shrunk in April and the number of unemployed workers rose. Wage growth ticked up slightly but has been trending down.

The jobs tally was taken in mid-April as employers were still evaluating the impact from the Iran war. If higher gas

prices persist and consumers pull back more broadly to compensate, this could dampen job creation and lift the unemployment rate.

Earnings are finishing up for the first-quarter with this week the following – today – Constellation Energy; Wednesday – Dow component CSCO; Thursday – AMAT.

Economic reports will show: Tuesday – April C.P.I. which is supposed to gain 3.7% and core rate up by 2.7%. The headline rate would be the highest since September 2023; Thursday – April retail sales projected at 0.6% and excluding autos and gas are said to be up by 0.4%.

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