MONTHLY MARKET RECAP

May 4, 2026

Index	Asset Class	2026 Apr.	2026 YTD	2025
Equity Indexes		**Total Returns**		
NASDAQ 100	Mega Cap U.S. Growth Equity	15.7%	8.9%	21.0%
S&P 500	Large Cap U.S. Equity	10.5	5.7	17.9
S&P 400	Mid Cap U.S. Equity	7.9	10.6	7.5
S&P 600	Small Cap U.S. Equity	10.4	14.3	6.0
MSCI All Country World	Global Equity	10.2	6.8	22.9
MSCI All Country World (Ex U.S.)	International Equity	9.7	9.1	33.1
MSCI Europe, Asia & Far East (EAFE)	International Developed Market Equity	7.6	6.4	31.9
MSCI Emerging Markets (EM)	International Emerging Market Equity	14.7	14.6	34.4
Fixed Income Indexes				
Bloomberg U.S. Aggregate Bond	U.S. Investment Grade Bond	0.1	0.1	7.3
S&P National AMT-Free Municipal Bond	U.S. Investment Grade Muni Bond	1.1	0.9	3.8
S&P Municipal Bond High Yield	U.S. Muni Bonds (Below Investment Grade)	1.3	1.6	3.3
Bloomberg U.S. Corp. High Yield	U.S. Corp Bonds (Below Investment Grade)	1.7	1.2	8.6
Index Blends: Stock/Bond				
80%/20%: Global Equity (MSCI All Country World) / U.S. Investment Grade Bond (Bloomberg U.S. Agg)		8.2	5.5	19.8
60%/40%: Global Equity (MSCI All Country World) / U.S. Investment Grade Bond (Bloomberg U.S. Agg)		6.2	4.2	16.6
40%/60%: Global Equity (MSCI All Country World) / U.S. Investment Grade Bond (Bloomberg U.S. Agg)		4.2	2.9	13.5
20%/80%: Global Equity (MSCI All Country World) / U.S. Investment Grade Bond (Bloomberg U.S. Agg)		2.1	1.5	10.4
Data as of 4/30/2026. Source: Morningstar, and blended benchmark returns are based on monthly rebalancing.				

Please see important disclosures at end of this report.

Overview & Economy

Rhymes in Time. Mark Twain is among those credited for first saying “History doesn’t repeat itself, but it often rhymes.” There is so much going on right now around the world and within investment markets, but as students of history, we find two events that occurred in April to present particularly interesting rhymes of history:

1) **A Stand for Fed Independence:** In his closing comments at the press conference that followed last week’s FOMC meeting (which left the Fed Funds Rate unchanged), Chair Jerome Powell indicated that he will stay on as a Federal Reserve Governor after the expiration of his term as Fed Chair; his term as Governor ends in January 2028. He attributed his decision to the DOJ investigation, blaming him criminally for cost overruns related to the renovation of the Fed’s DC headquarters. While the DOJ recently closed that investigation, the DOJ also left open a path to restart it. Powell’s decision to stay on the Fed is consistent with his previous indications that he would not leave the Board until the “investigation is well and truly over, with transparency and finality.” In March, a U.S. Federal Judge blocked efforts by the DOJ to issue subpoenas to the Federal Reserve, citing “no evidence” to justify the attempts.[1] As background, President Trump has long been threatening to fire Chair Powell, citing his dissatisfaction with the pace and magnitude of Fed Fund Rate cuts. The significant sub-text to this all has been an ongoing threat to Fed independence.

   Marriner Eccles also stayed on as a Fed Governor after his term as Fed Chair ended in 1948, serving until 1951. During World War II, to support government borrowing, the Federal Reserve committed to keep interest rates very low (0.375% on short-erm Treasury bills, and 2.5% on long-term Treasury bonds). However, after the war ended in 1945, CPI rose sharply to over 17% in 1946/1947. President Truman chose to not reappoint Eccles for a second term as Fed Chair because Eccles opposed the low fixed rate policy. This was ultimately resolved by the “1951 Accord” which represented an agreement between the U.S. Department of the Treasury and the Federal Reserve restoring Fed independence.[2]

2) **A Parabolic Rise in Tech Stocks:** In April we experienced a strong rise in global equities, only the first part of which was a bounce back from declines in March due to concerns related to the Iran War. Since the lows of that pull-back on March 30, and through April 30, the S&P 500 gained 13.7%, the NASDAQ 100 gained 19.6%, the S&P Tech Sector was up 25% [as measured by the SPDR Tech ETF (XLK)], and Semiconductor stocks (a subset of the Tech Sector) were up 49% [as measured by the iShares Semiconductor ETF (SOXX)]. Punctuating the Semi stock leadership in April were Advanced Micro Devices (AMD) up 72% and Intel Corp. (INTC) up 107% -- in April alone, mind you! All this was driven by growing optimism for the continuing surge in capital investments towards AI infrastructure (i.e., data centers filled with computer processors, memory/storage and networking gear).

   Not meant as a forecast but merely an observation, April’s parabolic rise in Tech stocks brings back memories of the Dot-Com Bubble which culminated in 2000. That bubble was fueled by investor enthusiasm for the significant growth prospects for online retail and entertainment, and relatedly for potential revenue growth for telecom equipment and services companies. The tail end of that Tech-led rally ended with a parabolic phase that lasted about 5 months (from mid-October 1999 to late-March 2000) during which time the NASDAQ 100 gained 99% and Cisco Systems (CSCO), a leader in that rally, gained 141%. Those gains were within the context of the S&P 500 gaining 23% over that time.

A couple of observations on these rhymes… First, regarding the Fed, the significant importance of its independence from political influence must not be underestimated, and we certainly hope that Governor Powell’s ongoing presence will contribute positively in that regard. Second, regarding steep Tech stock rallies, we note: (a) there is precedent for such steep rally’s to continue for a number of months, although last time that happened it didn’t end well, and (b) while the internet did profoundly impact virtually all aspects of commerce, it did take longer than initially expected for the broader economic shifts and corporate benefits to be realized. Also, many of the leading stocks which drove the Dot-Com exuberance actually failed and ceased operations in the years following that bubble’s burst in 2000.

Equity Markets

Global equity indexes bounced back sharply in April from the pull back in March, which was due to concerns regarding the Iran War in general, and the rise in oil prices and threats of higher inflation in particular. Interestingly, oil prices at the end of April were little changed from the end of March, but the focus of equity investors moved back to the excitement of AI – possibly due to new headlines around the potential IPOs later this year of both OpenAI and Anthropic. Within April’s broad rally, Tech, and particularly AI-related stocks, led, which was reflected in the leadership exhibited by the NASDAQ 100 and also the Tech-heavy MSCI Emerging Markets Index.

Fixed Income Markets

Reflecting the risk-on nature of investor sentiment in April, High Yield Bond indexes outpaced Investment Grade Indexes. Within Investment Grade, it was nice to see Muni bonds continue to regain ground on taxable bonds following their underperformance in 2025.

Reference(s):

1) BBC, “Judge says ‘no evidence’ to justify Federal Reserve probe”, March 13, 2026 – *Link*
2) Federal Reserve History, “The Treasury-Fed Accord”, March 1951 – *Link*

Traverse Private Wealth is a registered investment advisor in the State of Pennsylvania. This publication is reprinted with permission from Genesia Investments LLC, an SEC registered investment adviser. Genesia Investments LLC and Traverse are unaffiliated entities. This publication is in no way a solicitation or offer to sell securities or investment advisory services. Statistical information, quotes, charts, references to articles or any other quoted statement or statements regarding market or other financial information is obtained from sources which we believe reliable, but we do not warrant or guarantee the timeliness or accuracy of this information.

Reference to market index information is included for illustrative purposes only, as it is not possible to directly invest in an index. Indexes are unmanaged, hypothetical vehicles that serve as market indicators. Index total return performance data reflects the assumptions of the reinvestment of interest and dividends but does not include the deduction of fees or transaction costs which otherwise reduce performance of an actual portfolio. The blended indexes are shown for informational purposes only and are not representative of any particular investment or plan.