

CAPITAL MARKETS REPORT - MAY 11, 2026



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SERVICE BEYOND COMPARISON

- **Labor Market Holds On as Hiring Strength Offsets Emerging Weakness**
- **Consumer Sentiment Hits Record Low as Inflation Pressures Intensify**
- **Iran Tensions Keep Oil Volatile as Ceasefire Remains Fragile**
- **Temporary Russia-Ukraine Truce Highlights Ongoing Geopolitical Risks**

--> The U.S. labor market continues to show resilience, with payrolls rising 115,000 in April, while the unemployment rate held steady at 4.3%. Hiring was broad-based across sectors, suggesting underlying momentum despite elevated energy costs tied to the Iran conflict. However, softer participation rates and rising broader unemployment measures point to emerging pockets of weakness beneath the surface. For the Federal Reserve, the data supports a patient stance, as policymakers balance a stable labor backdrop against renewed inflation risks stemming from higher fuel and commodity prices.

--> Consumer sentiment deteriorated further, falling to a fresh record low as inflation concerns—particularly around gasoline prices—continue to weigh heavily on US households. The persistent decline in sentiment mirrors elevated inflation expectations, with average gas prices exceeding \$4.50 per gallon and up more than 50% since the start of the Iran war. While consumer spending has remained relatively resilient, the growing strain on household finances raises concerns about the sustainability of demand, which remains a key driver of economic growth.

--> Geopolitical uncertainty remains heightened after Iran's proposal to end the conflict was rejected over the weekend, while renewed clashes in the Strait of Hormuz threaten the questionable ceasefire. Oil prices have remained volatile—settling near \$101 per barrel—as markets weigh the reduced likelihood of a diplomatic resolution against the risk of further escalation. With the strait serving as a critical artery for global energy supply, any disruption continues to carry significant implications for inflation and global growth.

--> Separately, a temporary three-day ceasefire between Russia and Ukraine highlights ongoing efforts to de-escalate global conflicts, though progress toward a lasting resolution remains limited. While the agreement allows for short-term stability, broader diplomatic efforts have stalled, underscoring the persistence of geopolitical risks that continue to influence market sentiment and the global economic outlook.

Market Last Week

	5/1/2026	5/8/2026	Weekly Change In Bps
2 yr. Note	3.88%	3.89%	1
5 yr. Note	4.01%	4.01%	0
10 yr. Note	4.37%	4.36%	-1
30 yr. Bond	4.95%	4.94%	-1
SOFR Rate	3.64637%	3.63229%	-1.408

Data This Week

Date/Time (ET)	Economic Data	Market Estimate	Prior Report
5/11/2026 10:00 AM	Existing Home Sales (Apr)	2.00%	-3.60%
5/12/2026 6:00 AM	NFIB Small Business Optimism (Apr)	96.10	95.80
5/12/2026 8:15 AM	ADP Weekly Employment Change (Apr 25)	N/A	39.250k
5/12/2026 8:30 AM	CPI MoM (Apr)	0.60%	0.90%
5/12/2026 8:30 AM	Core CPI MoM (Apr)	0.30%	0.20%
5/13/2026 8:30 AM	PPI Final Demand MoM (Apr)	0.50%	0.50%
5/13/2026 8:30 AM	PPI Ex Food and Energy MoM (Apr)	0.30%	0.10%
5/14/2026 8:30 AM	Initial Jobless Claims (May 9)	205k	200k
5/14/2026 8:30 AM	Continuing Claims (May 2)	1785k	1766k
5/14/2026 8:30 AM	Retail Sales Advance MoM (Apr)	0.60%	1.70%
5/15/2026 8:30 AM	Empire Manufacturing (May)	7.50	11.00
5/15/2026 9:15 AM	Industrial Production MoM (Apr)	0.20%	-0.50%

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