Oppenheimer & Co. Inc.
Spencer Nurse
Managing Director - Investments
500 108th Ave. NE
Suite 2100
Bellevue, WA 98004
425-709-0540
800-531-3110
spencer.nurse@opco.com
https://www.oppenheimer.com/spencernurse/

Market Week: May 18, 2026

The Markets (as of market close May 15, 2026)

Two hotter-than-expected inflation reports and a lack of progress in negotiations to end the war in Iran created havoc in some corners of the financial markets last week. Oil prices surged again while the Strait of Hormuz remained effectively closed, disrupting the world's supply of essential crude. The S&P 500 reached record highs on Thursday before tumbling on Friday, but still managed to eke out its seventh straight week of gains. Energy was the top-performing market sector last week, followed by consumer staples, while consumer cyclicals and real estate were the laggards. The small caps of the Russell 2000 snapped their multi-week winning streak. Friday's global bond market sell-off propelled the yield on long bonds (30-year Treasuries) to its highest level since June of 2007 (5.16%). Yields above 5.0% have been somewhat of a danger zone for borrowing costs in the past. The benchmark 10-year Treasury ended the week at its highest level in more than a year.

Stock Market Indexes

Market/Index	2025 Close	Prior Week	As of 5/15	Weekly Change	YTD Change
DJIA	48,063.29	49,609.16	49,526.17	-0.17%	3.04%
NASDAQ	23,241.99	26,247.08	26,225.14	-0.08%	12.84%
S&P 500	6,845.50	7,398.93	7,408.50	0.13%	8.22%
Russell 2000	2,481.91	2,861.21	2,793.30	-2.37%	12.55%
Global Dow	6,169.34	6,781.49	6,725.35	-0.83%	9.01%
fed. funds target rate	3.50%-3.75%	3.50%-3.75%	3.50%-3.75%	0 bps	0 bps
10-year Treasuries	4.16%	4.36%	4.59%	23 bps	43 bps
US Dollar-DXY	98.26	97.86	99.31	1.48%	1.07%
Crude Oil-CL=F	$57.46	$94.84	$101.24	6.75%	76.19%
Gold-GC=F	$4,323.90	$4,726.60	$4,538.30	-3.98%	4.96%

Chart reflects price changes, not total return. Because it does not include dividends or splits, it should not be used to benchmark performance of specific investments.

Key Dates/Data Releases
5/19: Housing starts

Last Week's Economic News

- The Consumer Price Index rose 0.6% in April after rising 0.9% in the previous month. Over the last 12 months, consumer prices have increased 3.8%. Prices excluding food and energy increased 0.4% in April and were up 2.8% over the past 12 months. In April, prices for energy rose 3.8%, accounting for over 40.0% of the overall monthly increase. Shelter prices also increased in April, rising 0.6%. Prices for food rose 0.5% last month.
- Prices at the wholesale level accelerated at the fastest pace since March 2022 after rising 1.4% in April, double the increase from the prior month. Since April 2025, the Producer Price Index has advanced 6.0%, the highest rate since December 2022. In April, prices less food and energy (core prices) rose 1.0%, up from a 0.2% increase in March. Core prices have risen 5.2% since April 2025. Energy price growth, which climbed 10.1% in March, slowed to 7.8% in April. Food prices, which had contracted 0.6% in March, increased 0.2% in April. Nearly 60% of the April increase in producer prices was attributed to a 1.2% advance in prices for services. Prices for goods moved up 2.0%.
- Retail sales advanced 0.5% in April and rose 4.9% over the last 12 months. Retail trade sales were up 0.5% from March 2026 and increased 5.2% from a year ago. Nonstore (online) retailer sales were up 11.1% from last year, while food services and drinking places sales advanced 2.7% from April 2025.
- U.S. import prices increased 1.9% in April following a 0.9% rise in March. Prices for U.S. imports increased 4.2% from April 2025. The 12-month rise in U.S. import prices was the largest one-year advance since the year ended October 2022, when prices increased 4.2%. Import prices for fuels and lubricants increased 16.3% in April, which was the largest monthly advance since March 2022, when prices rose 17.8%. Import prices excluding fuel increased 0.8% in April. Prices for U.S. exports advanced 3.3% in April after rising 1.5% the previous month. Export prices rose 8.8% over the 12-month period ended April 2026, which was the largest 12-month rise in export prices since the year ended September 2022, when export prices rose 9.8%.
- Industrial production increased 0.7% in April after decreasing 0.3% in March. In April, manufacturing output rose 0.6%, mining ticked down 0.1%, and utilities moved up 1.9%. Total industrial production in April was 1.4% above its year-earlier level.
- The federal government had a surplus of $215 billion in April, which saw large individual tax deposits resulting in budget receipts of $837 billion. April expenditures totaled $622 billion. Through the first seven months of the fiscal year, the government deficit sits at $954 billion. Over the same period last fiscal year, the deficit was $1,049 billion.
- Sales of existing homes rose 0.2% in April and were unchanged from April 2025. Inventory of existing homes for sale in April represented a supply of 4.4 months, up from 4.2 months in March and slightly ahead of the 4.3-month supply from one year ago. The median existing-home price, at $417,700, increased 2.1% from the March figure ($409,100) and was up 0.9% from one year ago ($414,000). There was no change in the sales of existing single-family homes in April. However, sales were down 0.3% from a year ago. The median sales price for existing single-family homes was $422,300, 2.1% higher than the March estimate ($413,300) and 1.0% above the April 2025 price of $418,000.
- For the week ended May 9, there were 211,000 new claims for unemployment insurance, an increase of 12,000 from the previous week's level, which was revised down by 1,000. According to the Department of Labor, the advance rate for insured unemployment claims for the week ended May 2 was 1.2%, an increase of 0.1 percentage point from the previous week's revised rate, which was revised down by 0.1 percentage point. The advance number of those receiving unemployment insurance benefits during the week ended May 2 was 1,782,000, an increase of 24,000 from the previous week's level, which was revised down by 8,000. States and territories with the highest insured unemployment rates for the week ended April 25 were Rhode Island (2.3%), Massachusetts (2.2%), New Jersey (2.2%), Washington (2.1%), California (2.0%), Oregon (1.8%), New York (1.7%), Illinois (1.6%), Nevada (1.6%), Minnesota (1.5%), and Puerto Rico (1.5%). The largest increases in initial claims for unemployment insurance for the week ended May 2 were in California (+2,144), Michigan (+1,696), Texas (+682), New Hampshire (+546), and New Jersey (+438), while the largest decreases were in Rhode Island (-1,831), New York (-776), Connecticut (-643), Arizona (-602), and Vermont (-404).
- The national average retail price for regular gasoline was $4.500 per gallon on May 11, $0.048 per gallon above the prior week's price and $1.380 per gallon higher than a year ago. Also, as of May 11, the East Coast price increased $0.085 to $4.336 per gallon; the Midwest price rose $0.006 to $4.405 per gallon; the Gulf Coast price advanced $0.051 to $3.953 per gallon; the Rocky Mountain price increased $0.013 to $4.372 per gallon; and the West Coast price increased $0.030 to $5.613 per gallon.

Eye on the Week Ahead

The primary economic release of note this week focuses on housing starts and permits.

Data sources: Economic: Based on data from U.S. Bureau of Labor Statistics (unemployment, inflation); U.S. Department of Commerce (GDP, corporate profits, retail sales, housing); S&P/Case-Shiller 20-City Composite Index (home prices); Institute for Supply Management (manufacturing/services). Performance: Based on data reported in WSJ Market Data Center (indexes); U.S. Treasury (Treasury yields); U.S. Energy Information Administration/Bloomberg.com Market Data (oil spot price, WTI, Cushing, OK); www.goldprice.org (spot gold/silver); Oanda/FX Street (currency exchange rates).

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