



Weekly market update: Stocks labor early but end the week on the upside.

The market and economy

- Major U.S. equity market indexes moved higher during the week ending May 8, despite periods of volatility. Stocks were buoyed by optimism amid signs of a possible breakthrough in the Middle East war, as well as a better-than-expected employment report. This offset a decline on Monday following a flare-up of tensions in the Mideast. Both the broad-market S&P 500 Index and the tech-heavy Nasdaq Composite Index established record highs for the second consecutive week.
- The ceasefire in the Middle East conflict appeared to be in jeopardy for much of the week, with both the U.S. and Iran accusing the other of violating the truce. Iran launched missile and drone attacks on U.S. warships and other targets in the Gulf region, triggering U.S. strikes on Iranian military sites. The United Arab Emirates intercepted numerous Iranian missiles and drones as Iran sought to retaliate against neighboring countries allying with the U.S. and Israel. The Strait of Hormuz, a major shipping channel between the Persian Gulf and the Gulf of Oman, essentially remained closed, continuing to disrupt oil exports in the region.
- Iran is reviewing a U.S.-backed peace proposal, while U.S. officials signaled that a deal is possible even amid continued military strikes launched by both sides. According to Reuters, a digital news outlet, the plan calls for initiating discussions to unblock shipping through the Strait of Hormuz, lift U.S. sanctions on Iran, and implement restrictions on Iran's nuclear program.
- In economic news, the Department of Labor announced that U.S. payrolls expanded by 115,000 jobs in April—exceeding expectations but coming in modestly lower than the 185,000 positions added in March, which represented an upward adjustment of 7,000 from the government's initial tally of an increase of 178,000 jobs. The unemployment rate was unchanged at 4.3%. The healthcare, transportation and warehousing, and retail trade sectors posted job gains of 37,000, 30,000, and 22,000, respectively, in April. Payrolls in the information sector and the federal government declined by corresponding totals of 13,000 and 9,000 during the month. Average hourly earnings increased 0.2% in April and 3.6% year-over-year.
- According to the Department of Labor's Job Openings and Labor Turnover Survey (JOLTS), open positions in the U.S. dipped by 56,000 (-0.8%) month-over-month in March (the most recent reporting period) to 6,866,000, and declined 86,000 (-1.2%) from the 6,952,000 job openings a year earlier. There were sizeable month-over-month downturns in open positions in professional and business services, and trade, transportation, and utilities in March. Conversely, there were upturns in job openings in finance and insurance, and retail trade. The number of hires surged by 655,000 (+13.4%) month-over-month to 5,554,000.
- The Department of Labor also reported that initial unemployment insurance claims, another barometer of the health of the labor market, increased by 10,000 to 200,000 for the week ending May 2, but were down 28,000 compared to the same week in 2025. The four-week moving average of initial claims declined 4,500 week-over-week to 203,250, and was sharply lower than the four-week average of 227,000 a year earlier.
- The Institute for Supply Management's (ISM) Manufacturing Purchasing Managers' Index (PMI) was unchanged at 52.7% in April, and indicated expansion in the U.S. manufacturing sector for the fourth straight month. (A PMI reading above 50% denotes an increase in manufacturing activity.) The Employment Index was down 2.3 percentage points to 46.4%, and remained in contraction territory. The New Orders Index advanced 0.6 percentage points to 54.1% in April, posting its fourth consecutive month of expansion. The ISM Services PMI ended the month at 53.6%, slightly lower than the 54.0% reading in March, but denoting expansion of activity in the services sector for the 22nd consecutive month. The Business Activity Index rose 2.0 percentage points to 55.9% in April, while the Employment Index increased 2.8 percentage points to 48.0%, but finished in expansion territory for the second month in a row.
- The University of Michigan's preliminary Index of Consumer Sentiment for May fell 1.6 points (-3.2%) to 48.2, and declined 4.0 points (-7.7%) year-over-year. Consumers' expectations for inflation over the next 12 months dipped 0.2 percentage point to 4.5% in May, while long-run inflation expectations edged down 0.1 percentage point to 3.4%.

Stocks

- Global equities garnered positive returns during the week. Emerging markets significantly outperformed developed markets.
- U.S. equities posted gains during the week. Information technology and communication services were the top-performing sectors, while energy and utilities were the primary market laggards.
- Growth stocks outperformed value stocks, while large caps surpassed small caps.

Bonds

- The 10-year U.S. Treasury note yield inched down to 4.37% during the week.
- The U.S. bond market was virtually flat for the week.
- Corporate bonds led the market, followed by high-yield bonds and government bonds.

As of May 8, 2026	1 Week	YTD	1 Year	Friday's Close
Global Equity Indexes				
MSCI ACWI (\$)	2.2%	8.7%	30.4%	1103.3
MSCI EAFE (\$)	1.7%	7.2%	23.2%	3100.6
MSCI Emerging Mkts (\$)	7.6%	22.8%	52.1%	1723.9
US & Canadian Equities				
Dow Jones Industrials (\$)	0.2%	3.2%	19.9%	49609.2
S&P 500 (\$)	2.3%	8.0%	30.6%	7396.5
NASDAQ (\$)	4.5%	12.9%	46.4%	26247.1
S&P/TSX Composite (C\$)	0.5%	7.4%	34.9%	34063.4
UK & European Equities				
FTSE All-Share (£)	-1.0%	2.9%	18.9%	5504.5
MSCI Europe ex UK (€)	1.3%	3.3%	13.1%	2121.2
Asian Equities				
Topix (¥)	2.7%	12.3%	41.9%	3829.5
Hong Kong Hang Seng (\$)	2.4%	3.0%	15.9%	26393.7
MSCI Asia Pac. Ex-Japan (\$)	7.8%	22.8%	49.6%	887.0
Latin American Equities				
MSCI EMF Latin America (\$)	0.1%	18.0%	44.5%	3197.1
Mexican Bolsa (peso)	2.8%	8.5%	22.7%	69779.3
Brazilian Bovespa (real)	-1.7%	14.3%	35.2%	184178.1
Commodities (\$)				
West Texas Intermediate Spot	-7.0%	65.1%	58.3%	94.8
90Gold Spot Price	1.6%	9.0%	42.4%	4712.5
Bond Indices (\$)				
Bloomberg U.S. Aggregate	0.1%	0.2%	5.3%	2354.2
Bloomberg Global Aggregate	0.3%	0.7%	4.0%	504.7
JPMorgan Emerging Mkt Bond	0.5%	2.1%	13.2%	1039.6
10-Year Yield Change (basis points*)				
US Treasury	-1	20	-1	4.37%
UK Gilt	-5	44	37	4.91%
German Bund	-3	15	47	3.00%
Japan Govt Bond	-3	42	115	2.48%
Canada Govt Bond	-6	4	27	3.47%
Currency Returns**				
US\$ per euro	0.5%	0.3%	4.9%	1.178
Yen per US\$	-0.2%	0.0%	7.4%	156.75
US\$ per £	0.3%	1.1%	2.9%	1.363
C\$ per US\$	0.7%	-0.3%	-1.7%	1.368

Source: Bloomberg. Equity-index returns are price only, others are total returns. *100 basis points = 1 percentage point. **Increases in U.S. dollars (USD) per euro or pound indicate a decline in the value of the USD; increases in yen or Canadian dollars per USD indicate an increase in the value of the USD.

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