



April 13, 2026

Uncertainty Remains

The markets rebounded last week in hopes that hostilities in the Persian Gulf will soon cease and that the Strait of Hormuz would reopen to normal shipping traffic.

So far, shipping has not returned to normal, and the tentative ceasefire between the U.S. and Iran has been repeatedly violated. Talks seeking more permanent solutions began Saturday in Pakistan but failed to achieve a resolution. This prompted President Trump to announce yesterday that the U.S. will blockade ships entering or leaving the Strait of Hormuz. Axios reported that two U.S. Navy destroyers sailed into the Strait, setting the conditions for a mine-clearing operation. Against this backdrop, we expect continued market volatility, with crude oil being a main driver. This week also sees the official start of the earnings season with many of the major banks reporting.

Oil Prices Dominate The Economic Backdrop

Oil prices continue to dominate the economic backdrop, not only as a primary source of fuel, especially for transportation, but as feedstock for all manner of industrial and technological goods. Even after significant declines from recent highs, crude still trades near 20-year highs with resistance in the \$115-\$120 range. A sustained move above \$120 would signal a breakout, increasing the risk of a move toward \$150. Should crude breakout, we would not expect prices to remain at such elevated levels for an extended period.

Oil Prices Are Near 20-Year Highs Even After Backing Off

Weekly Chart Of WTI Crude Oil With MACD With Positive Momentum





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Volatility In Oil Prices Is Also High

Oil price volatility remains elevated. While well below the peak levels seen in 2020 – when the CBOE Crude Oil Volatility Index (OVX) spiked above 500 – it is still uncomfortably high by historical standards. Futures markets reflect this uncertainty, with pricing last week indicating expectations for crude to remain at \$80 per barrel or higher through at least September.

CBOE Crude Oil Volatility Index (OVX) Is Extended



Source: Bloomberg, Annotations by Sanctuary Wealth, April 12, 2026

The U.S. Economy Is Resilient In The Face Of Higher Oil Prices

Over the past decade, the U.S. has shifted from a major oil importer to an oil and gas exporting nation and is now the world's largest producer. As a result, rising oil prices – while uncomfortable and potentially beginning to influence consumer spending habits – have had a less pronounced impact than in other countries. Yet, this has so far not reversed the shift to non-U.S. stocks that we noted earlier this year.

Personal Spending Continues To Expand

The Bank of America Institute recently reported:

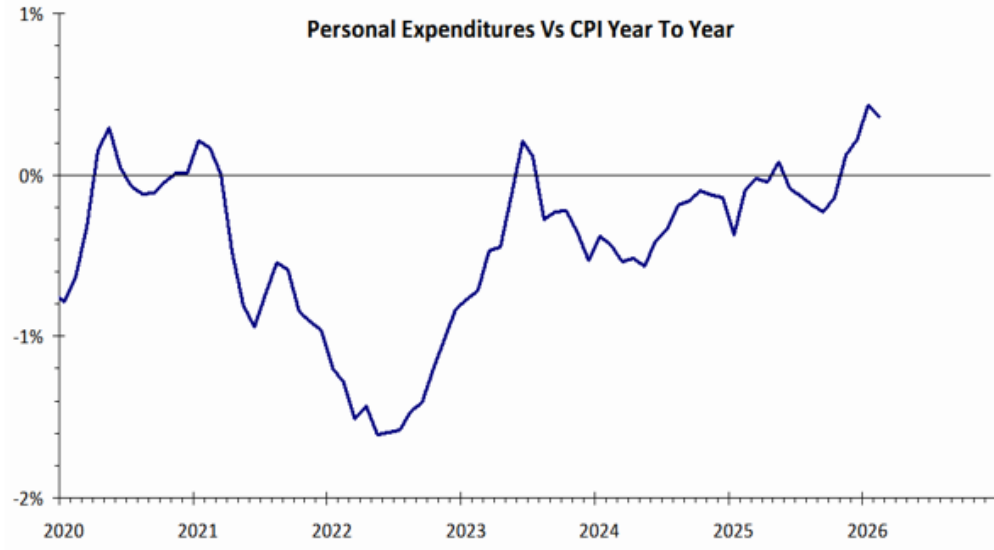
“Consumer spending showed broad-based strength in March, with solid gains beyond the gas surge across retail and services. They also said total credit and debit card spending per household rose 4.3% year-over-year (YoY), marking the strongest growth since early 2023, according to Bank of America internal data. Higher gasoline prices powered some of the increase, with spending at the pump surging 16.5% month-over-month (MoM). However, total card spending excluding gasoline still saw healthy growth at 3.6% YoY.”

Personal income and expenditures were released last week, along with Personal Consumption Expenditures (PCE) – the favorite inflation gauge of the Federal Reserve (Fed). PCE for February, before the war erupted in the Middle East, was reported at 2.8% YoY, in line with market expectations. Spending continues to outpace Consumer Price Index (CPI) increases, and while income growth was somewhat softer than expected, household demand remains intact. This suggests the consumer is still in solid shape.



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Personal Expenditures Are Growing Faster Than CPI

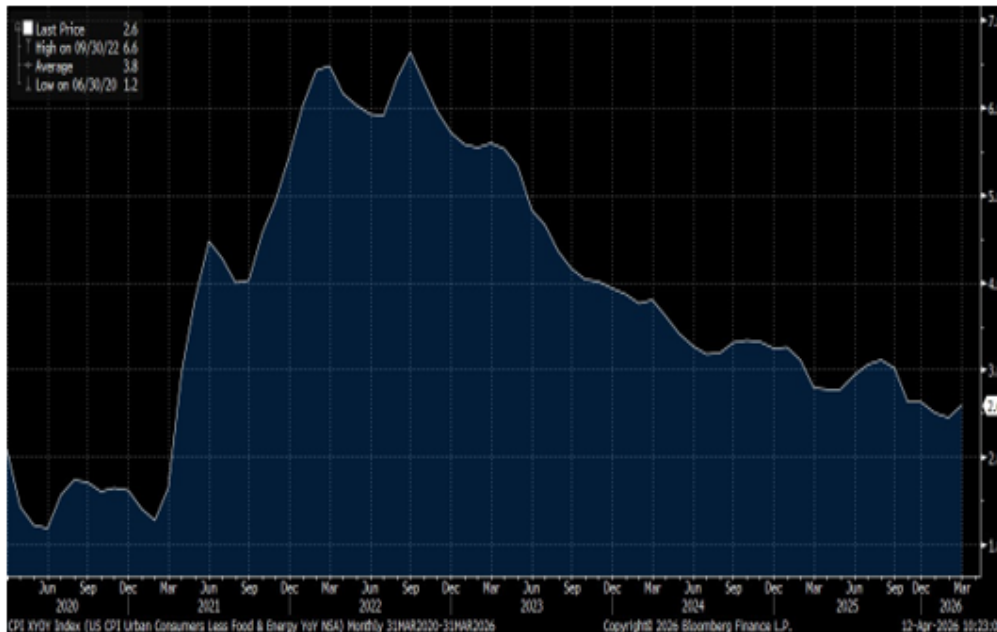


Source: Bureau of Economic Analysis, Bureau of Labor Statistics, Sanctuary Wealth, April 9, 2026

CPI Comes In High But As Expected

The Consumer Price Index (CPI) came in last week for the month of March at 0.9%, which is high compared to February's number of 0.3% - but the increase was expected, so the markets took it in stride. The year-over-year rate was still modest at 2.6%. As long as oil prices remain elevated, consumers should brace for a few more months of elevated pricing.

Year-Over-Year Consumer Price Index At 2.6%



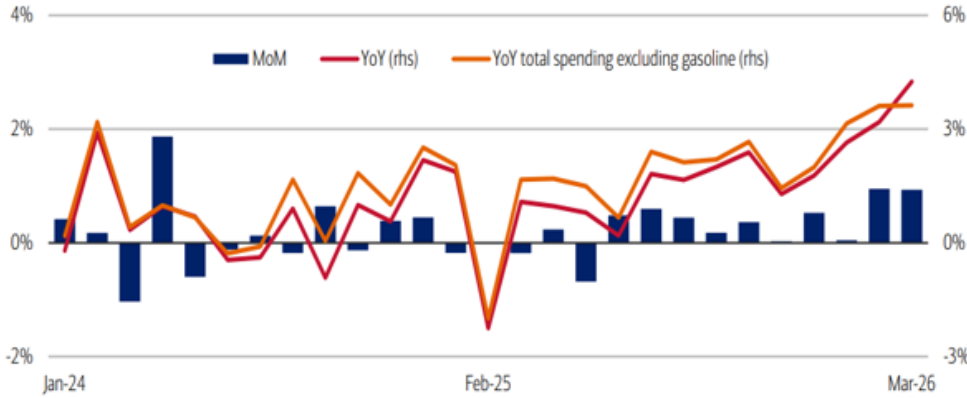
Source: Bloomberg, April 12, 2026

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Consumer Spending Remained Robust During March Madness

Exhibit 1: Spending growth strengthened even without the impact of higher gas prices

Total card spending growth per household, based on Bank of America aggregated credit and debit card data (monthly, MoM%, SA) and (monthly, YoY%, non-SA, right-hand side (rhs))



Source: Bank of America internal data

BANK OF AMERICA INSTITUTE

Source: Bank of America Institute, April 2026

Defense Spending Is Expanding - Support For The U.S. Economy

Spending on national defense is expanding in the U.S. in light of rising global tensions and improvements in artificial intelligence (AI) and especially in drone warfare. This should be reflected in stronger economic growth.

Orders For Military Goods Are Strong And Rising



Source: Bureau of Economic Analysis, Sanctuary Wealth, April 9, 2026

≡ Bloomberg

Trump Says Defense Firms to Quadruple Output of Some Weapons

By Julie Johnsson and Catherine Lucey

March 6, 2026 at 9:42 AM CST

Updated on March 6, 2026 at 4:40 PM CST

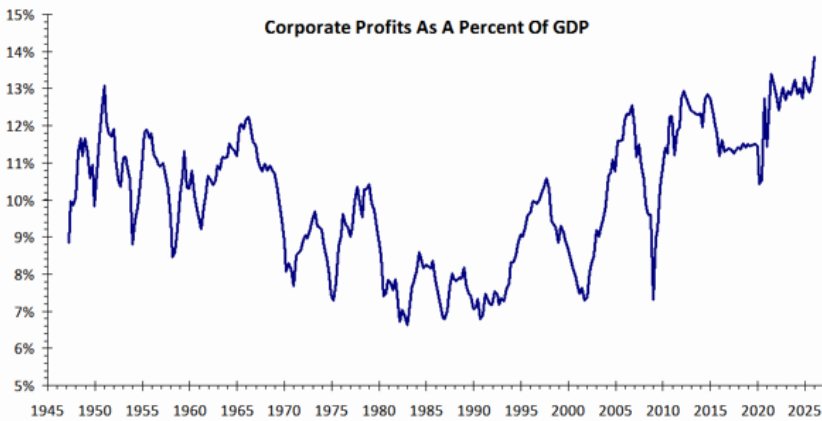


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GDP Growth Downgraded On Final Report But Corporate Profits At Record Levels

The Bureau of Economic Analysis releases three estimates of Gross Domestic Product (GDP), the broadest measure of economic activity: an initial estimate, about one month after quarter-end, a second the following month, and a third and final estimate the next month. That final estimate, released last Thursday, was revised down to 0.5% from an expected 0.7%. Nevertheless, corporate profits grew as a percentage of GDP to 13.9%, the highest level on record. This should bode well for equity prices over time.

Corporate Profits Are Nearly 14% Of GDP



Source: Bureau of Economic Analysis, Sanctuary Wealth, April 9, 2026

Materials Are Performing Well In Face Of Trade Disruption And Economic Expansion

One sector flourishing in this environment is Materials. Strategic shortages—driven by trade tensions among major partners such as the U.S. and China, as well as disruptions to shipping through the Persian Gulf—are tightening supply. At the same time, an expanding global economy is supporting demand, particularly in the U.S., where data center buildouts, expanded electric power generation, and rising defense spending are providing additional tailwinds.

S&P Materials Select Sector (Top) With Relative Price Vs. S&P 500 (Bottom)



Source: StockCharts.com, Annotations by Sanctuary Wealth, April 12, 2026



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Sector Readings: Energy Strongest, Followed By Materials and Industrials; Financials Weakest, Followed By Consumer Discretionary; Tech Still Correcting

Energy was strongest once again last week, followed by Materials and Industrials. Financials are back in last place, followed by Consumer Discretionary. Energy has been strongest for 9 weeks. Financials and Consumer Discretionary have been weakest for 9 weeks.

Our sector model analyzes S&P 500 GICS sector classifications, using a weighted measure of price momentum across three time periods. We rank each sector from best to worst based upon the average of its 40-, 26-, and 13-week relative price performances. We rank each sector from 1 to 11, with 1 being the strongest and 11 the weakest.

Sector Rankings By 40-, 26-, And 13-Week Average Relative Price Performance

	Apr 10	Apr 3	Mar 27	Mar 20	Mar 13	Mar 6	Feb 27	Feb 20
Consumer Discretionary	10	11	10	10	10	10	10	10
Consumer Staples	7	5	5	5	5	7	7	6
Energy	1	1	1	1	1	1	1	1
Financials	11	10	11	11	11	11	11	11
Healthcare	8	8	6	7	7	6	4	5
Industrials	3	4	4	2	3	2	3	3
Information Technology	9	9	9	9	9	9	9	8
Materials	2	2	2	6	4	4	2	2
Communication Services	4	6	8	4	6	5	6	4
Utilities	5	3	3	3	2	3	5	7
Real Estate	6	7	7	8	8	8	8	9

Source: Bloomberg, Sanctuary Wealth, April 10, 2026



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OBOS List: Energy, Industrials, Utilities, Materials, Real Estate, And Consumer Staples Overbought; Consumer Discretionary And Financials Oversold; Healthcare Near Oversold. Expect Continued Sector Rotation!

Energy, Industrials, Utilities, Materials, Real Estate, and Consumer Staples were all overbought last week. Consumer Discretionary and Financials are oversold, while Healthcare is near oversold. While the market exhibits stretched performance between heavily favored and rejected sectors, the extent of that stretch has lessened a bit. Many of the favored sectors have low weights in the S&P 500 in comparison to other sectors. Energy, still extended in relative price, once again reduced this extension last week. This positioning can lead to continued sector rotation and is vulnerable to sudden reversals in relative price.

Our tactical sector rotation model uses the S&P 500 GICS sector classifications. We apply a 13-week rate of change methodology that normalizes the rankings from overbought (OB) to oversold (OS). An industry group is overbought when it has risen too far too fast, relative to the rest of the market, based upon its normal movement. Conversely, it's oversold when it has lost too much too fast, relative to the rest of the market, based upon its normal movement. Over time, a sector tends to move back toward its normal rate of change, relative to the rest of the market. Overbought sectors tend to slow their pace of gains in relative price, while oversold sectors tend to improve in relative price until they reach their average performance again.

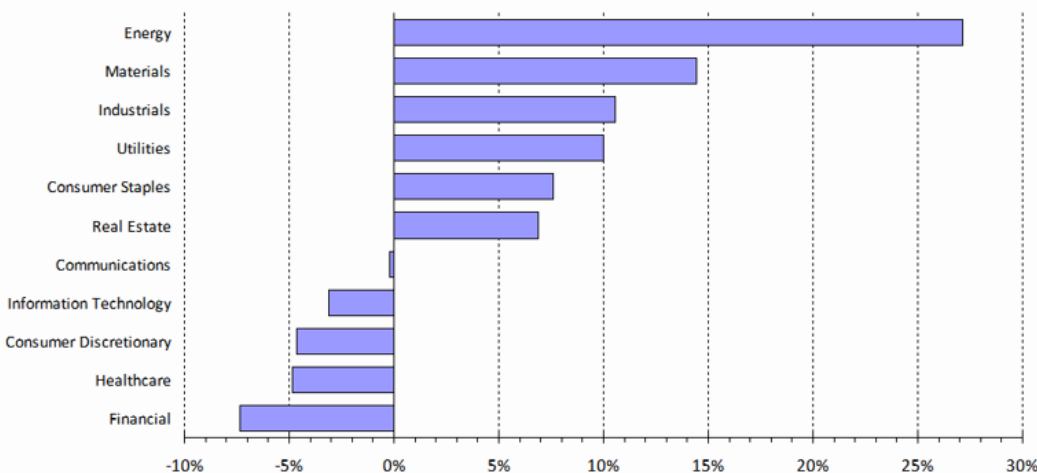
Here's our methodology: the overbought-oversold table of sectors measures the 13-week rate of change in the relative price of each sector. We then average (i.e., smooth) this over 3 weeks and normalize the results. Normalized oscillator values over 1.0 are considered overbought, while those between 0.6 and 1.0 are considered near overbought. Normalized oscillator values below -1.0 are considered oversold, while those between -0.6 and -1.0 are considered near oversold.

Sector Rankings By 40-, 26-, And 13-Week Average Relative Price Performance

Sector Overbought / Oversold List as of 10 April 2026		
rank	S&P Sector	normalized Oscillator
1	Energy	2.6824
2	Industrials	2.1076
3	Utilities	1.8804
4	Materials	1.6746
5	Real Estate	1.3256
6	Consumer Staples	1.2580 <i>Overbought</i>
7	Communication Services	0.0837 <i>Neutral</i>
8	Information Technology	-0.2945 <i>Neutral</i>
9	Healthcare	-0.7800 <i>Near Oversold</i>
10	Financials	-1.0749 <i>Oversold</i>
11	Consumer Discretionary	-1.4389

Source: Bloomberg, Sanctuary Wealth, April 10, 2026

Year-To-Date Performance Of The S&P 500 Sectors



Source: Bloomberg, Sanctuary Wealth, April 10, 2026



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Market Performance: Energy Remains Best Performing Asset Year-To-Date, Followed By Materials; Bitcoin Still The Worst Year-To-Date

	Last 4/10/2026	Month End 3/31/2026	Month to Date	Quarter End 3/31/2026	Quarter to Date	Year End 12/31/2025	Year to Date	Year Ago 4/10/2025	Year To Year
S&P 500	6816.89	6528.52	4.4%	6528.52	4.4%	6845.50	-0.4%	5268.05	29.4%
NASDAQ Composite	22902.89	21590.63	6.1%	21590.63	6.1%	23241.99	-1.5%	16387.31	39.8%
NASDAQ 100	611.07	577.18	5.9%	577.18	5.9%	614.31	-0.5%	446.18	37.0%
Russell 2000	2630.59	2496.37	5.4%	2496.37	5.4%	2481.91	6.0%	1831.40	43.6%
S&P Consumer Discretionary Sector	1838.98	1748.22	5.2%	1748.22	5.2%	1928.43	-4.6%	1503.22	22.3%
S&P Consumer Staples Sector	930.66	925.56	0.6%	925.56	0.6%	864.89	7.6%	874.34	6.4%
S&P Energy Sector	873.75	943.30	-7.4%	943.30	-7.4%	687.34	27.1%	591.14	47.8%
S&P Financial Sector	844.74	822.22	2.7%	822.22	2.7%	911.60	-7.3%	763.68	10.6%
S&P Healthcare Sector	1718.55	1710.39	0.5%	1710.39	0.5%	1805.89	-4.8%	1574.10	9.2%
S&P Industrials Sector	1451.90	1369.67	6.0%	1369.67	6.0%	1313.14	10.6%	1045.93	38.8%
S&P Information Technology Sector	5507.34	5158.06	6.8%	5158.06	6.8%	5684.00	-3.1%	3807.10	44.7%
S&P Materials Sector	657.35	627.82	4.7%	627.82	4.7%	574.41	14.4%	494.76	32.9%
S&P Real Estate Sector	272.56	259.98	4.8%	259.98	4.8%	255.03	6.9%	241.16	13.0%
S&P Communications Sector	451.37	420.28	7.4%	420.28	7.4%	452.39	-0.2%	307.34	46.9%
S&P Utilities Sector	477.11	466.42	2.3%	466.42	2.3%	433.81	10.0%	383.44	24.4%
S&P 500 Total Return	15209.38	14560.75	4.5%	14560.75	4.5%	15220.46	-0.1%	11608.22	31.0%
3 month Treasury Bill Price	99.08	99.08	0.0%	99.08	0.0%	99.09	0.0%	98.92	0.2%
3 month Treasury Bill Total Return	270.72	270.38	0.1%	270.38	0.1%	268.01	1.0%	259.96	4.1%
10 Year Treasury Bond Future	111.09	111.05	0.0%	111.05	0.0%	112.44	-1.2%	110.59	0.5%
10 Year Treasury Note Total Return	316.16	315.71	0.1%	315.71	0.1%	316.61	-0.1%	302.38	4.6%
iShares 20+ Year Treasury Bond ETF	86.49	86.69	-0.2%	86.69	-0.2%	87.16	-0.8%	86.42	0.1%
S&P Municipal Bond Total Return	292.37	289.48	1.0%	289.48	1.0%	290.00	0.8%	273.60	6.9%
iShares S&P National Municipal Bond NAV	106.86	106.04	0.8%	106.04	0.8%	106.85	0.0%	103.52	3.2%
S&P 500 Investment Grade Corporate Bond Total Return	500.54	496.96	0.7%	496.96	0.7%	499.46	0.2%	465.43	7.5%
S&P Investment Grade Corporate Bond	91.82	91.32	0.5%	91.32	0.5%	92.75	-1.0%	89.36	2.8%
S&P Investment Grade Corporate Bond Total Return	534.35	530.81	0.7%	530.81	0.7%	532.99	0.3%	496.95	7.5%
SPDR Bloomberg High Yield Bond ETF	96.24	95.72	0.5%	95.72	0.5%	97.21	-1.0%	92.17	4.4%
iShares iBoxx High Yield Corporate Bond ETF	79.96	79.56	0.5%	79.56	0.5%	80.63	-0.8%	76.51	4.5%
Gold	4749.75	4668.06	1.7%	4668.06	1.7%	4319.37	10.0%	3176.23	49.5%
Bitcoin	73388.29	68193.95	7.6%	68193.95	7.6%	87647.54	-16.3%	79879.18	-8.1%
Silver	75.88	75.17	0.9%	75.17	0.9%	71.66	5.9%	31.22	143.0%

Source: Bloomberg, Sanctuary Wealth, April 10, 2026

Broader Focus Takes In Inflation and Earnings

This week, oil prices will continue to drive the conversation but pay attention to signals from inflation data and first wave earnings.

Data is relatively light this week, but we will get another key read on inflation with Tuesday's release of the Producer Price Index (PPI). Earnings season also begins, led by the major banks reporting first-quarter results. Their outlooks on the economy and the path of interest rates will be closely watched.

Throughout earnings season, any commentary on elevated oil prices and the potential impact on margins and earnings will be of particular importance to markets and investors.

Finally, this marks the last week Federal Reserve officials are scheduled to speak publicly ahead of the next Federal Open Market Committee (FOMC) meeting, which concludes Wednesday, April 29.



Calendar

Mon.

10:00 am Existing home sales
6:20 pm Fed governor Stephen Miran speaks

Tue.

6:00 am NFIB optimism index
8:30 am Producer price index
8:30 am Core PPI
8:30 am PPI year over year
8:30 am Core PPI year over year
5:50 pm Fed governor Michael Barr speaks
1:00 pm Boston Fed President Susan Collins, Richmond Fed President Tom Barkin and Philadelphia Fed President Anna Paulson on a panel about rural economy
Earnings JPMorgan Chase*

Wed.

8:30 am Import price index
8:30 am Import price index minus fuel
8:30 am Empire State manufacturing survey
8:30 am Fed governor Michael Barr speaks
10:00 am Home builder confidence index
1:45 pm Fed Vice Chair for Supervision Michelle Bowman speaks
2:00 pm Fed Beige Book
Earnings Bank of America, Morgan Stanley

Thu.

8:30 am Initial jobless claims
8:30 am Philadelphia Fed manufacturing survey
8:35 pm New York Fed President John Williams speaks
9:15 am Industrial production
9:15 am Capacity utilization
10:35 am Fed governor Stephen Miran speaks
Earnings PepsiCo, Taiwan Semiconductor Manufacturing, Netflix

Fri.

11:30 am San Francisco Fed President Mary Daly speaks
12:15 pm Richmond Fed president Tom Barkin speaks
2:00 pm Fed governor Christopher Waller speaks
Earnings State Street

Source: MarketWatch/CNBC/Kiplinger's
* Earnings reflect highlights

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