

May 11, 2026

**A Fragile Truce: Our Monthly Survey of the Economy, Interest Rates, and Stocks**

April is typically one of the strongest stock months of the year, but performance in April 2026 was off the charts. The 10% April rally in the S&P 500 and 15% rally in the Nasdaq Composite was fueled by the uneasy and fragile, yet still intact, truce between the U.S. and Iran and by the several-times-breached, but still standing, truce between Israel and Hezbollah in Lebanon.

Annual gains of 10% on the S&P 500 in a single month are not unheard of, as just since 1980, the S&P 500 recorded 10% plus gains in one month in 2011, 1991, 1987, 1984, and 1982. Going back to 1962, according to Argus' Chartered Market Technician Mark Arbeter, in periods when the index experienced such strong one-month gains and was at or near all-time highs, strong returns have tended to follow in the subsequent 12 months.

Twelve months seems like a long way off for a market that is whipsawing daily on news flow from the Iran war. The April rally, like the March sell-off, was headline-driven. But the war was not the only thing happening in April. In the background, U.S. GDP for the first quarter advanced at a solid 2% pace. An already strong earnings season was aided by several huge one-time gains that pushed annual EPS growth to the high-20% range, the strongest in more than five years. As well, the Fed stood pat at its FOMC meeting, while preparing for a momentous leadership shift.

**The Economy, Interest Rates, and Earnings**

The advance (first) GDP report for the first quarter of 2026 indicated annualized growth of 2.0%, up from 0.5% in the fourth quarter of 2025. GDP growth in 4Q25 was heavily impacted by the 43-day government shutdown. For the full 2025 year, gross domestic product expanded at a 2.1% rate, down from 2.8% growth in 2024.

Although some government functions were shut down or truncated in 1Q26 by the Department of Homeland Security (DHS) funding battle in Congress, the 1Q26 report is a much clearer indicator of the underlying economy than was the 4Q25 report. First-quarter 2026 GDP also captures the effects of one month of the U.S. and Israeli war with Iran.

First-quarter 2026 personal consumption expenditures (PCE) increased 1.6%, down from 1.9% in 4Q25. Total spending on goods dipped 0.1% in 1Q26, after rising 0.3% in 4Q25. Durable goods spending was unchanged in 1Q26 from 4Q25 levels, while non-durable goods spending surprised to the downside with a 0.2% decline. The quarter-over-quarter decline in consumer spending on goods reflects the K-shaped economy, in which lower-income consumers have focused spending on necessities. With rising gasoline costs cutting into scarce disposable income, spending on necessities is under further pressure. Services spending, the biggest part of GDP, rose by 2.4% in 1Q26, down from 2.7% in 4Q25.

Altogether, consumer spending contributed 1.08 points to 1Q26 GDP, after contributing 1.30 points in 4Q25. Consumer spending on services contributed 1.11 percentage points to 1Q26 GDP, while consumer spending on goods was a slight subtraction from GDP growth.

Non-residential fixed investment, the proxy for corporate capital spending, soared by 10.4% in 1Q26, jumping meaningfully from 2.3% growth in 4Q25. The AI boom drove a 17% surge in equipment spending and 13% growth in intellectual property products; corporate spending on structures declined 7%. Non-residential fixed investment contributed 1.39 points to total 1Q26 GDP report.

PCE and non-residential fixed investment normally constitute 80%-85% of GDP. These two categories contrib-

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uted 2.47 percentage points to 1Q26 GDP growth after contributing 1.70 points to 4Q25 GDP growth. Residential investment declined 8.0% in 1Q26, much worse than the 1.7% decline in 4Q25. Residential investment has declined for five consecutive quarters. With the Iran war inflation pushing up interest and mortgage rates, relief is not in sight for this category.

Net import-exports and private inventories were volatile in 2025, as companies sought to optimally position their overseas goods flows around the “Liberation Day” announcements in April and actual tariff implementation in August. For all of 2025, exports rose 1.6% and imports rose 2.7%. The net export-import contribution to 2025 GDP was a negative 22 basis points.

The Supreme Court struck down the use of IEEPA for tariffs, and President Trump implemented Section 202 for blanket 10% tariffs. The situation remains confusing for business planners. Exports rose 12.9% in 1Q26 after declining 3.2% in 4Q25. At least some of that growth was in oil exports after the Strait of Hormuz was closed by Iran. But imports jumped an even heartier 21.4% in 1Q26 after contracting 1.0% in 4Q25. The net of exports and imports subtracted 1.30 percentage points from 1Q26 GDP, much higher than the 0.22 points subtracted from 4Q25 GDP growth.

Government spending bounced back by 4.4% in 1Q26 from a shutdown-impacted 4Q25, when spending contracted by 5.6%. The recovery in government spending added 0.73 points to 1Q26 GDP growth after subtracting 0.99 points in 4Q25.

In broad strokes, the 1Q26 GDP report shows a consumer economy that is struggling with existing and new inflation, but still spending; and a commercial and industrial economy that is all-in on investing in artificial intelligence (AI). Despite the year-long implementation of tariffs at the highest level in decades, imports soared in 1Q26 and were meaningfully subtractive to GDP growth. Argus Chief Economist Chris Graja, CFA, is forecasting 2026 GDP growth of 2.3%. The Argus preliminary GDP forecast for 2027 is for growth of 2.0%.

Outside the GDP accounts, the picture is mixed. After multiple years of strength, the U.S. employment economy showed signs of slowing in the third and fourth quarters of 2025. Employment has been better than expected, but erratic, in 2026 to date, with non-farm payrolls missing consensus expectations both to the upside and downside in alternating months.

March 2026 non-farm payrolls surprised with a 178,000 gain, or 118,000 ahead of consensus. Altogether, non-farm payrolls averaged a monthly gain of 68,000 for January-March, compared with an average gain of 6,000 for the December-February period. The unemployment rate eased to 4.3% in March from 4.4% in February. Average

hourly earnings grew 3.5% annually for March, easing from January (3.7%) and February (3.8%) annual growth.

Although artificial intelligence was in development for years and even decades, the AI era in the U.S. economy and stock market started in November 2022 with the general availability of OpenAI’s ChatGPT. This first phase of generative AI, beyond the fascination of asking ChatGPT questions, was characterized by training of large language models (LLMs) by hyperscalers building AI data centers with GPU clusters. The next phase of inference-enabling agentic AI is even more compute-intensive and coincides with AI rolling out to enterprise and sovereign customers. No part of the economy is untouched by these development, and the U.S. Industrial sector is helping to build the necessary infrastructure to support this transition.

Industrial production fell 0.5% month over month in March after a 0.7% gain in February. Manufacturing ticked down 0.1%. Utilities were down in the 2% range as weather moderated after a bitterly cold January-February period, and mining fell as the war in Iran slowed demand. Industrial production increased 2.4% over the past 12 months, however, including 3.0% annual growth for 1Q26. Capacity utilization receded to a 75.7% rate in March from 76.1% in February. Capacity utilization is more than three percentage points below its long-run (1975-2025) average.

Based on pre-war sentiment surveys and diffusion indices, the business community appeared guardedly optimistic while consumers remained worried about affordability and the availability of new jobs. The ISM’s manufacturing purchasing managers’ index (PMI) remained at 52.7% in April after reaching that level in March. Even with energy prices continuing to climb, April marked four consecutive months for the manufacturing PMI in expansion territory (above 50.0%). ISM’s services PMI slipped to 54.0% for March from 56.1% for February, which was the second-highest reading since October 2024.

The Conference Board’s Consumer Confidence Index moved up to 91.8% in March 2026 from 91.2% in February. The University of Michigan consumer sentiment survey reading was 53.3% in March, down from 55.5% in February and 57.0% in March 2025. Both are down from pre-tariff levels.

Actual and diffusion (sentiment) data have started to capture the wartime period. Generally, consumers and companies are wary, but mainly are continuing to go about their business. The situation in Iran has settled into a “no war, no peace, no oil” phase, with both sides seemingly willing to wait the other side out. If the logjam in the Strait of Hormuz is not resolved, consumers and businesses may feel differently this summer.

Even before the war with Iran started, the Fed was in a tough spot trying to honor its dual mandate of keeping the work force fully employed while also holding inflation

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near its 2% target range. Despite the Fed's nearly four-year battle with inflation, the double-digit shock in energy prices resulting from the war and closure of the Strait of Hormuz has sent market rates of interest higher on fears (now actualized) of renewed inflation.

One-third of global fertilizer and predecessor chemicals normally traverse the Strait of Hormuz, and fertilizer is spiking in price. Diesel fuel costs will impact prices for many goods shipped across the U.S. Energy inflation is fully revived, and transport and food inflation are likely soon to follow.

West Texas Intermediate (WTI) and Brent crude-oil benchmarks, along with gasoline, diesel fuel, and aviation fuel, all moved 40%-50% higher in the first month of the war. Crude and refined product prices have since bobbed above and below peak levels, based on the market's assessment of the chances for a lasting settlement or even an end to the war. Stasis in which the Strait remains closed is not a healthy condition, given that global stocks of petroleum products are working steadily lower.

The Fed recently conducted its April FOMC meeting, and as expected held rates in place. The meeting was far from drama-free, however. Although this was the final meeting for Jerome Powell as Fed chairman, he vowed to stay on as a Fed governor in order to fight what he sees as politically motivated allegations of waste and fraud that he believes are designed to undermine Fed independence. While the Fed held rates steady, the final vote was 8 to 4. That marked a level of dissent not seen in years. One governor (Steven Miron) argued for an immediate rate cut, while three governors sought to remove language stating that further easing was appropriate.

Within the 1Q26 GDP report, the PCE price index was 4.5% in the first quarter, up from 2.9% in 4Q25. Even though the core PCE price index strips out energy along with food, core PCE prices rose 4.3% in 1Q26 after rising 2.7% in 4Q25. This metric is monitored by the Fed as part of its rate-setting deliberations, and the 1Q26 rise likely contributed to the dissents on the Fed's messaging at the April FOMC meeting.

Signs of inflation are percolating across consumer and business economies. The March all-items consumer price index (CPI) rose by 0.9% on a month-over-month basis and 3.3% on an annual basis. Core CPI for March, excluding food and energy, rose 0.2% monthly and 2.6% annually. The producer price index for March 2026 showed a 0.5% increase from February and a 4.0% increase on an annual basis -- the largest 12-month advance since February 2023. For PPI excluding food, energy and trade services, the 12-month change through March 2026 was 3.6%, a tick higher than 3.5% as of the end of February.

With inflation flaring, interest rates jumped in March and remained elevated in April. The 10-year Treasury

yield was 4.39% as of the end of April 2026, compared with 4.30% as of the end of March and 4.14% at year-end 2025. The two-year Treasury yield was 3.88% as of the end of April 2026, versus 3.79% as of the end of March and 3.45% as of year-end 2025.

The two's-10's slope in the yield curve tightened to 51 basis points at the end of April 2026 from 69 basis points at year-end 2025. The year-end 2025 two's-10's slope was the steepest since 2021, before the Fed started its fight against inflation.

The Department of Justice has halted its attempt to charge Jerome Powell for cost overruns incurred in updating the Federal Reserve building, and, as such, North Carolina Senator Tillis withdrew his previous threat to block the transition process. Proposed new Fed Chairman Kevin Warsh appears to be moving closer to appointment.

Argus Fixed Income Strategist Kevin Heal continues to model one quarter-point rate cut in the second half of 2026 and one in 2027, but growing inflation might begin to erode that forecast. We are cognizant that the war has created a dynamic situation in which expectations for monetary policy can change rapidly. Conversely, we see a low possibility of a rate hike.

First-quarter 2026 earnings have been extraordinary, and we mean that in every sense of the word: 1Q earnings have been exceptionally strong, and we are unlikely to see similarly spectacular growth in any upcoming quarter. Three companies -- Amazon, Alphabet, and Meta Platforms -- experienced huge one-time gains totaling \$65 billion in pre-tax income. Many companies also issue and trade on non-GAAP (continuing-operations) results, but these three companies only offer GAAP results. Their huge one-time gains, along with tariff refunds and assorted one-time gains at other firms, contributed in 1Q26 to the strongest annual EPS growth in at least five years.

With about two-thirds of companies having reported results for calendar 1Q26, S&P 500 earnings are up 27%-28% year over year, according to the average of the three compiling agencies (Bloomberg, FactSet, and Refinitiv). A week earlier, EPS growth was tracking at an already healthy 15% on a blended basis; the forecast at the end of March was 13%. The blended basis captures both actual numbers for companies that have reported as well as estimates for companies yet to report. Given that consensus estimates reflect conservative guidance from CFOs, actual earnings when fully collected tend to run a few percentage points higher than the blended average at the beginning of EPS season.

Of the companies reporting positive earnings growth for the quarter, nearly 85% have reported results that were above consensus expectations. That is meaningfully higher than the long-term range of 75%-80%. The biggest outlier in this earnings season may be the magnitude of the beat

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against expectations. The 80%-plus of companies that have beaten EPS expectations are on average reporting earnings that are 20% above consensus estimates. The historical beat against expectations is in the 5%-7% range. While those huge one-time gains have contributed to the record EPS surprise, the magnitude of the EPS beat excluding those three big companies was in the 10%-12% range prior to reports from Amazon, Alphabet, and Meta.

At the sector level, the best performance is coming from Communication Services. But if you exclude huge one-time gains from various sectors, the best performance is coming from Information Technology. The IT sector overall has below-average fixed costs and higher-than-average revenue per employee, leading to higher-than-average gross and operating margins. Below the operating line, tech companies have relatively lower debt burdens and more globally dispersed (lower) tax bases, meaning more operating income drops to the net income line. These are enduring advantages in any quarter.

Including one-time gains from Amazon and Ford, Consumer Discretionary has the third-best EPS growth for the first quarter. Other sectors with strong earnings growth in 1Q26 are benefiting from cyclical forces. Materials earnings are benefiting from weak dollar, which is favorable for commodity pricing, along with strong metals and chemicals demand driven by global data-center buildout. Financial sector earnings are benefiting from higher capital markets activity and favorable net interest margins.

According to our model, earnings have grown on a year-over-year basis since mid-2023, typically at a high-single-digit to low-double-digit pace. What has been keeping earnings growing so steadily through geopolitical and macro-economic turbulence? The two-prong answer is revenue growth and margin expansion. From a mid-single-digit rate in recent years, annual revenue growth has accelerated, and for the 1Q26 EPS season sales growth has been averaging just under 10%.

Net profit margin is running at least a point above the long-term average of 12.0%-12.5%. Margin expansion partly reflects the best earnings growth coming from high-margined sectors such as Information Technology. All companies across all sectors have been through a lot in recent years: the COVID-19 pandemic, the supply-chain crisis, inflation that at 40-year highs, tariffs, and war and energy shocks. Along the way, companies have learned how to run leaner, source raw materials optimally, and -- wherever possible -- turn fixed costs into variable costs

Currently, our forecasts for S&P 500 continuing operations earnings are \$315 per share for 2026 and \$363 per share for 2027. We have not adjusted our 2026 EPS forecasts to account for those extraordinary one-time gains discussed above. We also have not yet adjusted estimates based on the war with Iran, given the fluid situation in which

risks of escalation are balanced by reports of third-party negotiations, or for the surge in AI-related sales and income. Consensus estimates are also fairly stable so far, as investors assess the latest developments. We will be updating our forecasts after the smoke clears on an eventful and extraordinary first-quarter 2026 earnings season.

### Domestic and Global Markets

The performance discussed herein captures the market status as of end of April 2026.

The major indices shifted away from growth and toward defensive, cyclical and rate-sensitive in the second half of 2025. That trend intensified in 1Q26 even as the broad market declined across all sectors. But April was another story, as stocks roared back and growth leadership reasserted itself. The S&P 500 rose 10.4% for the month, and the Nasdaq Composite ripped 15.3% higher. One-month 10%-plus gains for the S&P 500 are not unheard of, but they are not common.

As of the end of April 2026, the major indices were all up for the year to date in another stunning V-shaped recovery, after all being down for the year at the end of March. The S&P 500 was up 6.0% year to date on a total-return basis including dividends. The Dow Jones Industrial Average was up 3.5% including dividends. The Nasdaq, which in mid-March was on the edge of correction territory, ended April up 8.2%, for an 18-percentage-point one-month swing.

Through 2026 to date, value has been beating growth -- but the delta has tightened to about 300 basis points. Small-caps continue to relatively outperform, and the Russell 2000 was up 13.8% at the end of April (the only index up in double-digit percentages). Stock performance has been headline-driven and benefited in April from the truce with Iran. The market may require a lasting end to hostilities before it can really trade on fundamentals.

Prices for crude oil, natural gas, and derivatives such as gasoline and aviation fuel soared in March. Although the Strait of Hormuz is still shut down, energy prices have stabilized as the world awaits a settlement in Iran. The Energy sector is still out in front of the broad market and all other sectors, with a 31% gain year to date. But it pulled back nearly 10% in April.

Despite the unsettled situation in the Middle East and even with inflation alarm bells ringing, every sector reversed higher in April and all but two finished the month in positive territory. The leader board behind Energy now includes six sectors with double-digit year-to-date gains. In descending order, these are Materials, Industrials, Real Estate, Consumer Staples, Communication Services, and Utilities.

Single-digit gainers for the year to date include Information Technology and Consumer Discretionary. Informa-

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tion Technology had the biggest one-month swing, rising just under 20% across April as tech companies reported dazzling AI-infused results. AI growth fundamentals appear to be real and solid, unlike the internet bubble in 2001 or the housing bubble in 2008. Many of the leaders in the AI trade are still substantially more favorably valued than they were a year ago. Consumer Discretionary is getting an overdue bounce from Amazon, but is still up just 2% for the year. Healthcare and Financial are both down in mid-single-digits for 2026 to date.

We have always believed that occasional rotation away from growth and toward more diversity in sector leadership is positive for sustaining the health and length of the bull market; but even rotation beneficiaries failed in March. The sharp rotation back to growth in April has helped get a shaky bull steady on its hooves. It also reshaped the sector-weight map.

For nine months through 1Q26, rotation away from traditional growth leadership and toward defensive, cyclical, inflation-hedge, and rate-sensitive sectors caused some notable shifts in sector weight. The surge in Information Technology and Communication Services stocks in April 2026 has unwound some but not all of those sector gains. A look at the sector map at the end of April 2026 compared with one year earlier shows the growth leaders coming back bigger than ever.

As of the end of April 2026, Information Technology had a 35.0% sector weighting, up 470 basis points from April 2025. The relative shift out of IT actually began in January 2025, when imported semiconductors appeared at risk from triple-digit tariffs (which never materialized). The other big year-over-year gainer is Communication Services, up 170 basis points to 11.0% weight as of the end of April 2026. The income stocks in this sector (VZ, T) finally have rallied, and in April they were joined by the social media giants (META, GOOGL).

For all its importance in the current wartime economy, Energy is not a big sector in the U.S. In the past year, Energy has gained 30 basis points (bps) to bring its weighting to 3.5% (below its long-run average in the 4%-10% range).

Given that IT and Communication Services together added more than six points of S&P sector weight, most sectors lost weight in the past year. The Financial sector lost 250 basis points in the past year to bring its weighting to 12.0%, and Healthcare lost 230 bps in the past year to bring its weighting to 8.5%. While Financial is within its

historical range of 10%-15%, Healthcare is now below its range, also 10%-15%. Consumer Staples lost 130 bps and now clocks in at 4.9%, below its 6%-12% historical range. The “Little Three” (Utilities, Materials, Real Estate) all lost 10-30 bps in the past year.

Growth is back in vogue, for now, and rotation into defensive, rate-sensitive, cyclical, and inflation-hedge sectors is on hiatus. Given that the new trend could persist as AI earnings continue to amaze, we could see further sector weight shifts on a go-forward basis.

Global stocks mainly did better than the U.S. market in 2025. The war in Iran has juggled performance to some extent, and the U.S. is in the upper half of our group of international bourses. The U.S. is mainly energy-independent. The same cannot be said for most of the world, including much of Asia and Europe. But most global markets rallied in April amid the fragile truce. At the end of April, seven of nine global bourses in our tally were positive for 2026, with only China and India negative.

In terms of our themes, Resources economies are up about 10% year to date. Americas markets are up about 9% in 2026, aided by relative outperformance in Brazil and Canada. Mature economies are up 8.4% year to date. Despite heavy oil dependency, Asian markets are up 1.5% in 2026 to date, while BRICs-minus-Russia countries are up less than 1%.

### Conclusion

Investors have not decided if the April rally represented a meaningful change in direction and sentiment from the March selloff, or a sugar rush soon to be followed by a May headache. The truce appears to be at risk from both sides, given that it is resolving nothing and instead seemingly winding the spring for inevitable future confrontation. Europe and Asia are running out of fuel stocks and are desperate to get the Strait of Hormuz re-opened. Iran is unable to export oil and is running out of places to put it. The U.S. is generating record oil exports, but consumer sentiment is sinking and the midterm elections are approaching.

Although stocks were in positive territory exiting April, the U.S. stock market would likely struggle in 2026 if the Strait of Hormuz remains closed, oil prices keep rising, and prices for goods and services move ever higher. We continue to model a positive year for stocks in 2026, while monitoring an ever-more-complex set of circumstances.

Jim Kelleher, CFA,  
Director of Research

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# KEY ECONOMIC FORECASTS

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- The \$31 trillion U.S. economy remains on course for productive long term growth, powered by corporate investments in AI and outsized spending by wealthy households. Nvidia CEO Jensen Huang estimated, in November, that \$3 - \$4 trillion will be spent on AI infrastructure in the next 5 years.
- Real Potential GDP – the sustainable speed limit of the US economy is poised to increase to 2.1%, on average, through 2030 according to the Congressional Budget Office. AI is likely to raise productivity, offsetting slower growth in the labor force from an aging population and reduced immigration.
- The war in Iran is affecting millions of lives. Oil supply disruptions are a risk to affordability. We recently raised our 2026 oil price forecast to \$75 per barrel from \$60.
- The U.S. economy has become more resilient, more diversified and less oil dependent, but it is managing additional supply headwinds from tariffs and reduced immigration. This triumvirate could raise inflation, slow growth, and complicate Fed policy. Tax benefits and AI have helped the economy.
- A simple rule of thumb: National gasoline prices above \$4.00 begin to hurt consumer spending.
- We are monitoring financial conditions and high-frequency indicators including Nowcasts and weekly jobless claims. We recently reduced our 2026 forecast for GDP growth to 2.1% from 2.3%.
- Argus expects S&P 500 EPS to rise almost 16% to \$315 in 2026 and increase about 15% to \$363 in 2027. EPS is helped by an increase in operating margins to about 18.8% this year, well above 13.9% in pre-pandemic 2019. Growing tech giants such as MSFT and NVDA have operating margins of 47% and 60% respectively while Dow stalwarts Walmart and Caterpillar earn 4% and 17%, respectively.
- Argus Fixed Income Strategist Kevin Heal expects the Fed to reduce the funds rate by 25 basis points in 2026 and by another 25 basis points in 2027 taking the target range to 3%-3.25%. We expect the dollar to be slightly stronger in 2026 driven by foreign demand for shares of innovative U.S. companies and economic resilience.
- Gold is likely to remain at elevated levels. The ancient safe-haven asset recently reached a record above \$5,000 an ounce. We expect gold to trade in a range of \$4,000 - \$6,000 in 2026.
- Despite economic-and-policy “uncertainty,” the Misery Index, which is the Consumer Price Index (CPI) inflation rate plus the unemployment rate, is well below the average of 9.2% since 1949. Unemployment is low but an energy-driven jump in the March CPI to 3.3% raised the Index to 7.6%.
- What could go right? Big tax refunds, spending by wealthy consumers, strong S&P earnings, capital investment, productivity gains, inflation expectations remaining anchored, and ongoing innovation.
- Risks: Elevated Inflation, high fuel prices, weak housing market, low income consumers are struggling, spending by affluent may depend on stock market gains, AI may reduce entry-level hiring.

# CURRENT ECONOMIC RELEASES

## Current Economic Releases

Date	Release	Month	Previous Report	Argus Estimate	Street Estimate	Actual
30-Apr	GDP Annualized QoQ	1Q "Advance"	0.5%	2.0%	2.3%	<b>2.0%</b>
	GDP Price Index	1Q "Advance"	3.7%	3.9%	NA	<b>3.6%</b>
	PCE Deflator	March	2.8%	3.6%	3.5%	<b>3.5%</b>
	PCE Core Deflator	March	3.0%	3.1%	3.2%	<b>3.2%</b>
	Personal Income	March	<b>3.9%</b>	3.4%	NA	<b>3.7%</b>
	Personal Spending	March	<b>5.6%</b>	5.2%	NA	<b>5.7%</b>
	Leading Index	March	<b>0.3%</b>	-0.2%	-0.1%	<b>-0.6%</b>
	1-May	ISM Manufacturing	April	52.7	52.5	52.9
	ISM New Orders	April	53.5	53.2	NA	<b>54.1</b>
4-May	Factory Orders	March	<b>4.0%</b>	2.2%	NA	<b>2.1%</b>
	Total Vehicle Sales	April	<b>16.2 Mln.</b>	16.0 Mln.	NA	<b>15.9 Mln.</b>
5-May	ISM Services Index	April	54.0	53.0	54.0	<b>53.6</b>
	Trade Balance	March	<b>-\$57.8 Bln.</b>	-\$60.4 Bln.	NA	<b>-\$60.3 Bln.</b>
	New Home Sales	March	<b>635K</b>	600K	NA	<b>682K</b>
7-May	Nonfarm Productivity	1Q	1.8%	2.0%	NA	NA
	Unit Labor Costs	1Q	4.4%	3.5%	NA	NA
	Construction Spending	March	1.0%	0.8%	NA	NA
8-May	Nonfarm Payrolls	April	178K	125K	73K	NA
	Unemployment Rate	April	4.3%	4.3%	4.3%	NA
	Average Weekly Hours	April	34.2	34.2	34.2	NA
	Average Hourly Earnings	April	3.5%	3.6%	3.8%	NA
	Wholesale Inventories	March	1.8%	1.4%	1.5%	NA
	U. Michigan Sentiment	April	49.8	50.0	49.40	NA
11-May	Existing Home Sales	April	3.98 Mln.	4.10 Mln.	NA	NA
12-May	Consumer Price Index	April	3.3%	3.6%	NA	NA
	CPI ex-Food & Energy	April	2.6%	2.6%	2.7%	NA
13-May	PPI Final Demand	April	4.0%	3.9%	NA	NA
	PPI ex-Food & Energy	April	3.8%	3.5%	NA	NA
14-May	Retail Sales	April	4.0%	4.2%	NA	NA
	Retail Sales ex-autos	April	5.5%	5.6%	NA	NA
	Import Price Index	April	2.10%	2.40%	NA	NA
	Business Inventories	March	1.30%	1.20%	NA	NA
15-May	Industrial Production	April	0.7%	0.9%	NA	NA
	Capacity Utilization	April	75.7%	75.8%	NA	NA

## Disclaimer

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