GALT & TAGGART
CREATING OPPORTUNITIES

Global Capital Markets

Weekly Update

18 May 2026

Week ahead

Earnings season remains technology-heavy driven by AI, semiconductors, and internet platforms, led by - Nvidia (NVDA), Tencent (TCEHY) and Baidu (BIDU).

FOMC minutes – is scheduled for Wednesday and Initial Jobless claims are due Thursday.

*For exact dates please check page 5 of the document

Commentary

US equity markets ended the week mostly lower as gains in AI and large-cap technology were outweighed by concerns over rising inflation, higher Treasury yields, and elevated energy prices. The S&P 500 briefly reached a record high on Thursday before pulling back, finishing the week up 9.57 points to 7,408.50 (+8.22% YTD). The Dow Jones Industrial Average fell 82.99 points, while the Nasdaq Composite slipped 21.93 points. Energy was the best-performing sector, while consumer discretionary, real estate, and materials led declines.

Federal Reserve-related dynamics were driven by hotter inflation and tighter policy expectations. The CPI rose 0.6% m/m in April and 3.8% y/y, the fastest annual pace since May 2023, with core CPI up 0.4% m/m and 2.8% y/y. Producer prices increased 1.4% m/m and 6.0% y/y, the largest monthly gain since March 2022, reinforcing persistent inflation pressures. U.S. 10-year Treasury yields rose to around 4.59%, their highest level in over a year, as markets priced in the likelihood of the Federal Reserve keeping policy restrictive for longer. Retail sales rose 0.5% in April, while initial jobless claims increased to 211,000.

Europe ended lower as geopolitical uncertainty and inflation concerns weighed on sentiment despite solid earnings. The STOXX Europe 600 fell 0.85%. Germany's DAX declined 1.59%, France's CAC 40 dropped 1.97%, Italy's FTSE MIB fell 0.35%, and the UK's FTSE 100 slipped 0.37%. Concerns around stalled U.S.-Iran talks added to energy-price-driven inflation risks across the region.

W/W performance of US stocks by style, %

EQUITIES	Level	1W % change	1M % change	YTD % change
United States				
S&P 500	7,409	1.0	5.5	8.2
Nasdaq 100	29,125	2.0	11.1	15.3
Dow Jones 30	49,526	-0.1	2.2	3.0
Russell 2000	2,793	-1.6	2.9	12.5
Global				
S&P Europe	2,459	-1.5	-1.7	2.3
S&P China	5,705	-1.8	3.0	5.6
S&P Japan	3,619	0.5	2.5	38.5
S&P Global	5,336	0.0	4.0	8.8

FIXED INCOME	Yield (%)	1-week ago	1-month ago	1/1/2026
United States				
2y US Treasury	**4.09**	3.93	3.77	3.48
10y US Treasury	**4.61**	4.39	4.27	4.16
US IG Credit	**5.22**	5.06	4.99	4.79
US HY Credit	**7.49**	7.34	7.23	7.14
Europe				
2y German Bund	**2.74**	2.64	2.54	2.12
10y German Bund	**3.18**	3.03	3.04	2.85
Europe HY Credit	**5.39**	5.43	5.64	5.09

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Alternative assets

Energy commodities strengthened over the week, led by Brent crude, which rose 9.3% w/w to US$ 109.4/bbl, extending gains to +15.3% m/m and +79.7% YTD, reflecting renewed supply risk pricing and firmer demand expectations. European natural gas rose 7.0% w/w to EUR 59.7/MWh and 18.3% m/m and remains +81.2% YTD, indicating persistent structural tightness.

Precious metals were weaker. Gold declined 3.1% w/w to US$ 4,540.4/oz and -5.2% m/m, though still +5.0% YTD. Silver fell 3.3% w/w and 3.8% m/m, but remains +6.3% YTD, suggesting consolidation after earlier strength. Uranium was broadly stable, down 0.3% w/w but slightly positive m/m (+0.4%) and +5.3% YTD.

Crypto assets remained weak on a longer-term basis despite mixed short-term moves. Bitcoin fell 1.3% w/w but rose 5.4% m/m, remaining negative YTD (-9.7%). Ethereum declined 3.2% w/w and 6.5% m/m, with deeper YTD losses of -25.2%, underperforming Bitcoin.

Real estate softened. US REITs declined 2.1% w/w but remain +0.2% m/m and +9.5% YTD, while European REITs fell 3.7% w/w and 6.3% m/m, with YTD at -4.3%, reflecting weaker regional momentum.

ALTERNATIVES	Level	1W % change	1M % change	YTD % change
Commodities				
Brent, US$/barrel	109.4	9.3	15.3	79.7
Natural gas, EUR/MWh	59.7	7.0	18.3	81.2
Gold, US$/oz	4,540.4	-3.1	-5.2	5.0
Silver, US$/oz	76.0	-3.3	-3.8	6.3
Uranium, US$/lbs	86.0	-0.3	0.4	5.3
Crypto				
Bitcoin, index	10,545.2	-1.3	5.4	-9.7
Ethereum, index	19,771.8	-3.2	-6.5	-25.2
REITs				
US REITs	824.2	-2.1	0.2	9.5
Europe REITs	1,300.9	-3.7	-6.3	-4.3

Source: Bloomberg

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S&P 500 sector highlights

Amid prevailing uncertainty, analysts hold positive outlooks Health Care and Industrials;

Moderna, Inc. (MRNA) and Carrier Global Corporation (CARR) have been identified as the strongest performers among positively rated sectors.

The weakest performance among negatively rated sectors (Real Estate and Consumer Discretionary) is expected from Prologis, Inc. (PLD) and Tesla (TSLA).

Sector	ETF Ticker	Price, $	W/W return, %	YTD, %	52-week low, $	52-week high, $	12 month outlook
S&P 500	**SPY**	**689.2**	-0.4	**1.1**	**481.8**	**696.1**	**Positive**
Energy	XLE	59.4	6.2	32.9	40.4	63.5	Neutral
Technology	XLK	176.3	3.9	22.4	112.6	180.2	Neutral
Staples	XLP	84.6	0.8	9.0	75.2	90.1	Less favored
Health Care	XLV	145.1	0.3	-6.3	127.4	160.6	Most favored
Financials	XLF	51.1	-0.9	-6.7	47.7	56.5	Neutral
Communications	XLC	116.1	-1.1	-1.4	99.6	120.4	More favored
Industrials	XLI	171.4	-1.5	10.5	139.6	179.3	More favored
Materials	XLB	50.3	-2.1	10.9	42.0	54.1	More favored
Real Estate	XLRE	43.2	-2.6	7.1	39.7	44.9	Least Favored
Utilities	XLU	43.9	-2.8	2.8	39.6	47.8	Neutral
Discretionary	XLY	116.5	-2.8	-2.4	103.9	125.0	Least Favored

Global equities

Last week's strongest performers in S&P 500

#	Ticker	Name	Price, $	W/W, %	M/M, %	YTD, %	52-week low, $	52-week high, $	12M price target, $*	12M upside potential, %
1	AKAM	Akamai Technologies, Inc.	150.9	29.3	66.9	72.9	69.8	165.5	157.8	4.6
2	CSCO	Cisco Systems, Inc.	118.2	28.3	43.5	53.5	62.3	119.4	121.5	2.8
3	PANW	Palo Alto Networks, Inc.	242.8	23.6	48.0	31.8	139.6	245.8	210.8	-13.2
4	HUM	Humana Inc.	305.1	23.5	53.8	19.1	163.1	315.3	249.7	-18.2
5	CRWD	CrowdStrike Holdings, Inc.	594.1	17.5	44.5	26.7	342.7	598.3	497.5	-16.2

Last week's weakest performers in S&P 500

#	Ticker	Name	Price, $	W/W, %	M/M, %	YTD, %	52-week low, $	52-week high, $	12M price target, $*	12M upside potential, %
1	MTD	Mettler-Toledo International Inc.	1,031.6	-21.8	-21.6	-26.0	1,023.1	1,525.2	1,344.5	30.3
2	CRL	Charles River Laboratories International, Inc.	150.9	-17.0	-16.5	-24.4	132.6	228.9	208.8	38.4
3	ZTS	Zoetis Inc.	74.2	-15.0	-38.5	-41.0	72.4	172.2	128.2	72.7
4	TECH	Bio-Techne Corporation	43.3	-14.9	-26.0	-26.4	43.2	72.2	61.4	41.8
5	LKQ	LKQ Corporation	24.6	-14.3	-18.9	-18.5	24.5	42.7	40.8	65.8

Last week's 10 most traded stocks globally

#	Ticker	Name	Price, $	W/W, %	M/M, %	YTD, %	52-week low, $	52-week high, $	12M price target, $*	12M upside potential, %
1	NVDA	NVIDIA Corporation	225.3	6.5	13.3	20.8	129.2	236.5	272.9	21.1
2	INTC	Intel Corporation	108.8	-0.8	67.5	194.8	19.0	132.8	85.0	-21.8
3	AAPL	Apple Inc.	300.2	4.4	12.7	10.4	193.5	303.2	308.1	2.6
4	TSLA	Tesla, Inc.	422.2	2.5	7.7	-6.1	273.2	498.8	411.9	-2.5
5	MSFT	Microsoft Corporation	421.9	0.3	2.6	-12.8	356.3	555.5	560.6	32.9
6	MU	Micron Technology, Inc.	724.7	12.1	58.8	153.9	90.9	818.7	584.2	-19.4
7	BAC	Bank of America Corporation	49.8	-5.6	-8.4	-9.5	42.4	57.6	63.0	26.5
8	AMZN	Amazon.com, Inc.	264.1	-2.6	6.3	14.4	196.0	278.6	311.6	17.9
9	CSCO	Cisco Systems, Inc.	118.2	28.3	43.5	53.5	62.3	119.4	121.5	2.8
10	NOW	ServiceNow, Inc.	95.1	1.6	0.9	-37.9	81.2	211.5	143.1	50.5

Source: Bloomberg

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Week ahead calendar

Day	MACROECONOMIC RELEASES			COMPANY EARNINGS		
	Time (GMT +4)	Country	Event	Company	Ticker	Time
Monday 18 May	24h	EU	G7 Meeting	Baidu	BIDU	Premarket
				Niu tech	NIU	Premarket
				Gossamer Bio	GOSS	Premarket
Tuesday 19 May	16:15	US	ADP Employment change 4week av.	Home depot	HD	Premarket
	18:00	US	Pending home sales (MoM) (Apr)	Oxford Lane Capital	OXLC	Premarket
				Vaxart	VXRT	After market
Wednesday 20 May	24h	EU	Non-monetary policy ECB meeting	Tencent Holdings	TCEHY	Premarket
	13:00	EU	Harmonized index of consumer prices	Medtronic	MDT	Premarket
	22:00	US	FOMC minutes	Nvidia	NVDA	After market
				Synopsys	SNPS	After market
Thursday 21 May	12:00	EU	HCOB manufacturing PMI (May)	Nio	Nio	Premarket
	16:30	US	Housing starts (MoM) (Apr)	Walmart	WMT	Premarket
	16:30	US	Initial jobless claims (15 May)	Deere	DE	Premarket
	17:45	US	S&P Global manufacturing PMI (May)	Take-two	TTWO	After market
Friday 22 May	24h	EU	Eurogroup meeting	Canaan	CAN	Premarket
	18:00	US	Michigan consumer sentiment index	Booz Allen	BAH	Premarket
				Global Ship Lease	GSL	Premarket
				PDD Holdings	PDD	N/A

Global Capital Markets

Description of key sectors

COMMUNICATIONS

Includes companies that produce communication technologies and services. Major industries are internet content & information, telecom services, entertainment, electronic gaming & multimedia, advertising agencies, broadcasting, and publishing. Examples of leading companies in this sector are Alphabet, Meta Platforms, Netflix, T-Mobile, and Walt Disney

TECHNOLOGY

Includes companies that produce technological goods or services. Major industries are software, semiconductors, consumer electronics, IT services, computer hardware, electronic components, and scientific & technical instruments. Examples of leading companies in this sector are Apple, Microsoft, NVIDIA, Cisco, and IBM.

DISCRETIONARY

Includes companies that produce non-essential or luxury goods and services (aka Consumer Discretionary or Consumer Cyclical). Major industries are general and internet retail, auto manufacturing & dealership, apparel, restaurants, travel services & resorts, and gambling. Examples of leading companies in this sector are Amazon, Tesla, Nike, Alibaba, and McDonald's.

STAPLES

Includes companies that produce goods essential to life (aka Consumer Staples or Consumer Defensive). Major industries are discount stores, household & personal products, beverages, tobacco, packaged foods, confectioneries, farm products, and grocery stores. Examples of leading companies in this sector are Walmart, Procter & Gamble, Coca-Cola, Philip Morris, and Costco.

HEALTH CARE

Includes companies that produce health-related products and services. Major industries are drug manufacturing, biotechnology, healthcare plans, medical devices, instruments & supplies, diagnostics & research, and medical care facilities. Examples of leading companies in this sector are Eli Lilly, UnitedHealth Group, Johnson & Johnson, AstraZeneca, and Pfizer.

FINANCIALS

Includes companies related to finance and investing. Major industries are banks, insurance, credit services, asset management, capital markets, and financial data & stock exchanges. Examples of leading companies in this sector are Berkshire Hathaway, Visa, JPMorgan, Bank of America, and Goldman Sachs.

INDUSTRIALS

Includes companies that mainly produce capital goods for manufacturing and construction. Major industries are aerospace & defense, industrial machinery, railroads, farm & heavy construction machinery, freight & logistics, and building products & equipment. Examples of leading companies in this sector are Union Pacific, United Parcel Services, FedEx, General Electric, and Boeing.

MATERIALS

Includes companies that produce raw materials mostly for manufacturing purposes. Major industries are chemicals, industrial metals & mining, precious metals & mining, building materials, agricultural inputs, paper & paper products, and lumber & wood products. Examples of leading companies in this sector are Linde, BHP Group, Rio Tinto, and Dow.

ENERGY

Includes companies relating to oil, gas, and consumable fuels. Major industries of the sector are oil & gas: exploration & production, midstream, equipment & services, refining & marketing, drilling, uranium, and thermal coal. Examples of leading companies in this sector are Exxon Mobil, Chevron, Shell, Occidental Petroleum, and BP.

UTILITIES

Includes companies that provide basic utilities, such as gas, water, and electricity. Major industries include regulated electric, renewables, regulated gas, regulated water, and independent power producers. Examples of leading companies in this sector are NextEra Energy, Southern Company, and Duke Energy.

REAL ESTATE

Mainly includes Real Estate Investment Trusts (REITs). Major industries are REIT: specialty, industrial, residential, retail, healthcare facilities, diversified, mortgage, hotel & motel, and real estate services. Examples of leading companies in this sector are Prologis, American Tower, and Equinix.

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