

(Approximately 3 min. read)

While we aim to share educational and interesting topics related to the financial markets and economics whenever we send something to your inbox, we also like to share occasional educational topics that might have broader appeal. This month, we wanted to offer a simple reminder: our team is here to support you—and anyone important to you.

With the uncertainty we've seen so far this year, many have asked whether we can be a resource for friends, family, and colleagues. Absolutely. Those who matter to you matter to us.

We're happy to help with questions and topics such as:

- **Goals & priorities:** legacy planning, retirement lifestyle, supporting family and causes
- **Financial planning & organization:** coaching, building a plan, and getting everything in order
- **Strategy:** tax considerations, income/withdrawal approaches, college savings, cash flow/budgeting, estate planning, insurance reviews
- **Investments:** asset allocation, risk tolerance, investment selection, goal prioritization, and disciplined rebalancing

If someone in your life knows what they want to tackle—or isn't sure where to start—we offer a complimentary 20-minute "Ask Anything" conversation focused entirely on their questions and learning what matters most to them.

If you'd like to introduce someone, simply **reply all**, and we'll take it from there. We'd be honored to help, and we truly appreciate your trust.

Allen Feest Kjellberg Wealth Management Group at Morgan Stanley Team Updates

If you know anyone who would benefit from the information in this newsletter, please feel free to connect them with us and/or forward it to them.

Erik will be out of the office 4/30 – 5/8 and will not have access to email or voicemail. He is tagging along on a work trip for his wife, Jessica, to Paris.

The rest of the team will be available so please feel welcome to reach out to them.

Please enjoy this week's commentaries and links to reports below. To read the full report of any of the excerpts below, feel free to reach out to us and request a copy of the full report.

April 29th, 2026

Global Investment Committee (GIC) Weekly "Meeting and Beating" Versus Revisions

While Washington awaits a more formal end to the war in Iran, US equities have moved on, refocusing on the 2026 bull case. Having climbed a wall of worry, markets have resumed their pre-Halloween emphasis on momentum, cyclicity and tech. Furthermore, with richly valued stocks again hitting all-time highs, attention has turned to earnings, where solid first quarter results and positive consensus forecast revisions have become the anchor for further price gains. Although we continue to believe that 2026 earnings, exhibiting 12%–13% growth, will drive a fourth year of S&P 500 gains, we remain cautious about ebullient 17%–20% profit-gain forecasts. Markets can “look through” some fundamental factors as transitory but corporate earnings cannot. Investors relying on positive revision trends thus might take care, given decoupling from key indicators like GDP growth. Revisions, often based on unsustainable semiconductor and energy pricing, are also very concentrated. Finally, while analyst revisions can be important, their predictive power for market returns is only middling. It’s time to closely examine what companies are doing and delivering, not what they’re promising. **Consider** focusing on active equity strategies to balance passive index exposure. Happily for active managers, some stocks are “on sale” in tech, software, health care, consumer sectors and financials. We are reducing positions in overbought semiconductors. In EM, focus on Latin America over Asia. Hedge funds, gold, REITs, secondaries, venture capital/growth equity and infrastructure remain key allocations.

Fixed Income Insight

Watching Long-Run Inflation Expectations Drift Higher

Equity investors appear to have moved on from the Iran war’s lingering economic effects, despite the absence of a final negotiated peace, preferring to “look through” inflation impacts as short-lived and transitory. While that might end up being the case, the bond market is starting to take a more cautious view, which may be worth watching. Beyond the increase in one- and two-year inflation swaps, longer-term inflation expectations, captured by five-year “breakevens,” are starting to rise more sharply, suggesting a premium to 10-year inflation around 30 basis points, the highest since 2022’s post COVID spike prompted Federal Reserve rate hikes. This validates our call for an investing regime where higher for-longer rates challenge stock/bond diversification. Investors seeking potential inflation-protected income and diversification from equities may need to explore options among real assets and alternatives like hedge funds.

Source: Morgan Stanley – Global Investment Committee, The GIC Weekly, April 27, 2026

First Trust’s Monday Morning Outlook

GDP: Mediocre Top-Line, Weaker Details

Please use this link to read a special edition of First Trust’s Economic Research Report:

[GDP: mediocre top-line, weaker details](#)

Source: First Trust, Economic Research Report, April 27, 2026

J.P. Morgan’s U.S. Weekly Market Recap

This week in review

- U.S. retail sales rose by 1.7% m/m
- S&P Manf./Svcs. PMIs were 54.0/51.3

This week ahead

- GDP
- Consumer confidence

When the U.S. launched its initial strikes on Iran on February 28, markets sold off broadly. Equities, fixed income and gold fell, while oil rose on fears of supply disruptions and weaker growth. Investors are now looking past the war, but the rebound has been uneven. Risk assets have recovered as growth risks appear manageable, AI remains a tailwind and earnings have held up. Rate-sensitive assets have lagged and oil has pulled back from its peaks but remains above pre-conflict levels, keeping inflation concerns alive and reinforcing expectations for a Fed on pause.

U.S. equities have led since bottoming on March 30, returning to net positive territory as investors see the conflict as unlikely to derail economic and earnings growth. The AI theme is back as a primary driver, with tech, communication services and consumer discretionary leading gains. Notably, these sectors also drove much of the initial drawdown due to previously elevated valuations. Emerging market equities have also turned net positive with AI-linked strength in Asia, while developed ex-U.S. equities remain net negative amid concerns around energy sensitivity.

Rate-sensitive assets, such as Treasuries and investment grade credit, have been slower to heal. Growth fears have faded, but inflation remains top of investors' minds given elevated oil prices, causing reluctance to reprice toward Fed rate cuts. Gold also remains well below pre-conflict levels after starting the period with elevated pricing, reinforcing the need for multiple portfolio diversifiers.

President Trump extended the ceasefire with Iran last Tuesday, and additional headlines may keep markets choppy. Still, the cross-asset recovery made one thing clear: The investors who fared best were not the ones with perfect geopolitical insight, but the ones who stayed invested in diversified assets through uncertainty.

Source: J.P. Morgan Asset Management, Weekly Market Recap, April 27, 2026

[Weekly Market Recap \(jpmorgan.com\)](https://www.jpmorgan.com/weekly-market-recap)

BlackRock's Global Weekly Commentary

Persistent inflation constrains policy

Key Points

- Inflation pressures predate the Middle East supply shock, leaving central banks constrained on policy. We prefer equities over government bonds.
- The S&P 500 crawled to a record even as oil prices rose on more Middle East disruptions. It shows skepticism over the AI buildout's payoff is dissipating.
- We expect the Fed and other key central banks to leave policy rates unchanged this week as they face a tough trade-off between growth and inflation.

Supply disruptions emanating from the Middle East conflict have piled onto inflation pressures that were already bubbling under the surface. This week's central bank run lays bare the bind policymakers face between reining in inflation and supporting growth and jobs. We think higher yields are here to stay – and that long-term government bonds are no longer effective diversifiers against equity declines. We stay overweight U.S. and EM equities on the rapid AI buildout.

Markets projected U.S. rate cuts before the Iran war erupted – and ignored signs that inflation’s downward trend had already stalled as core services inflation remained stubbornly high. See the chart’s inset on the right. The reason: An aging population and immigration curbs make for a tight labor market. Add the AI-led capex boom and tariff-driven goods inflation, and it becomes clear why broader core inflation is running above central bank targets. Markets flipfopped when the Middle East supply disruptions caused price spikes in energy and base chemicals. They are now pricing out U.S. rate cuts this year and expect the European Central Bank to hike instead of staying put. This shift reflects a recognition that inflation is running above pre-pandemic levels – a trend we see persisting for now.

The big picture is that we are in a [world shaped by supply](#). The Middle East conflict has supercharged existing supply constraints and intensified [mega forces](#) – structural changes such as the energy transition, geopolitical fragmentation and AI disruption. Supply disruptions of energy, chemicals and other industrial materials are increasing inflation pressures, albeit with [disparate effects](#) across regions. Europe and parts of Asia are feeling the brunt given their dependence on imported energy. The U.S. is more shielded as a net energy exporter. The conflict is reinforcing the resolve of governments around the world to invest in energy security and defense, adding to towering debt loads and putting upward pressure on inflation.

A stark trade-off for central banks

At the same time, an accelerating AI buildout is creating outsized demand for energy, data centers and specialized labor. This is bumping into worsening capacity and political constraints that are increasing costs. Prices of key AI inputs such as semiconductors are rising as capacity struggles to keep pace with demand. We think AI’s productivity gains could quickly offset such “chipflation” and other price pressures – and push down inflation. But this hasn’t happened yet.

Such is the backdrop for the Fed and other major central banks as they meet this week. They face a stark trade-off between trying to bring down inflation or supporting economic growth and jobs. No change in policy rates is expected, and the key is to watch for signs whether policymakers are growing concerned about persistent inflation, even if they look through price pressures caused by Middle East supply disruptions.

We stay risk-on in this environment. We are overweight U.S. and EM equities as major AI firms are now showing they can monetize their tools. We stay underweight long-term government bonds. They struggled to offset equity declines throughout the Iran war. This underscores the “diversification mirage” outlined in the Q2 update to our 2026 Global Outlook: This is a structural feature of the post-pandemic environment as the term premium – the extra compensation investors demand for holding long-term bonds – rises on concerns over high debt loads. We prefer short-dated credit and Treasuries for quality income instead, and EM hard-currency debt as it leans toward commodity exporters benefiting from supply disruptions.

Bottom line: We prefer stocks over bonds as we see inflation pressures keeping interest rates higher for longer. We also eye thematic opportunities across power and infrastructure on AI demand and a scramble for energy security.

Market backdrop

The S&P 500 notched a fresh record even as oil prices rose as shipping traffic in the Strait of Hormuz almost crawled to a halt. This shows the AI mega force is shaping up even stronger than we envisaged in

our 2026 Global Outlook. Previous market skepticism over AI — that major players were spending heavily but not making money — is dissipating and turning into belief. AI adoption is rising and revenue growth is accelerating.

We focus on a packed week of central bank decisions. We expect the Fed, ECB, BoE and BoJ to hold rates steady – though the latter is more finely balanced. Even if the BoJ stays on hold, we expect policymakers to signal more hikes are on the table this year. We watch the ECB and BoE decisions to see if they will look through energy-driven inflation rather than respond to the risk of it spreading into wider price pressures.

Source: BlackRock Investment Institute, April 27, 2026

[Click here for entire commentary including important disclosures](#)

Thank you,

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“Helping our clients and their families to and through retirement since 1995”

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Named to the 2025 [Forbes Best-In-State Wealth Management Teams](#) Ranking

Source: Forbes.com (Awarded Jan 2025) Data compiled by SHOOK Research LLC based for the period from 3/31/23–3/31/24. [Awards Disclosures](#)

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