



The Corner

 April 2026

Executive Summary

The markets continue to move with every geopolitical development in the Persian Gulf. Oil and trade are the blood and bones of the global economy, and both are being constricted by the stalemate over the Strait of Hormuz. Markets took heart with the announcement of a ceasefire and U.S.-Iran negotiations, but as of this writing, those have broken down for now. However, news was just released that both the U.S. and Iran are looking for a second round of talks.

Despite the tensions in the Middle East, there are sectors and industries performing well in the current economic environment, and artificial intelligence (AI) is transforming daily life in ways often overlooked. Moreover, the U.S. economy continues to expand and is better positioned than its peers to withstand price volatility in energy and basic materials.

This month we will examine the situation in the Middle East; changes in long-run trends in inflation and interest rates; and the course of new transformative technologies in the markets, as well as a technological earthquake that took place in the first full week of April.



Iran And Oil

As we drafted this Corner, negotiations between the U.S. and Iran had broken down, but may resume. The sticking points are nuclear weapons and free passage of the Strait of Hormuz. The fragile ceasefire technically remains in effect until April 22 but is currently in serious jeopardy of failing. On April 13, the U.S. established a naval blockade of all maritime traffic entering and exiting Iranian ports.

Both the U.S. and Iran have strong incentives to avoid restarting hostilities. Iran has suffered significant military and economic damage. The U.S. has achieved key tactical goals – including the degradation of Iran’s nuclear sites – and does not want prolonged engagement. Many regional players are actively pressing for restraint. On the other hand, core disputes – Iran’s nuclear program and control over Hormuz – remain unresolved. If Iran continues to resist, American officials have signaled they may resume hostilities.

It Isn't Just Oil

Persian Gulf countries are also critical suppliers of key inputs across the global economy, including:

- Fertilizer, essential during the northern hemisphere planting season
- Helium, required for ultra-cold applications such as MRI scanning and quantum computing, as well as semiconductor manufacturing
- Sulfur, the primary feedstock for sulfuric acid used in modern manufacturing
- Petrochemical inputs, including plastics derived from oil
- Pharmaceutical inputs and medical supplies, where both feedstocks and packaging are largely petroleum-based, including gloves, gowns, and other single-use items

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. But the market is selling crude oil, now trading below \$100, with the market looking past this conflict and pricing in that it expects a resolution to be forthcoming.





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

Weekly WTI Crude Oil Price With MACD With Positive Momentum



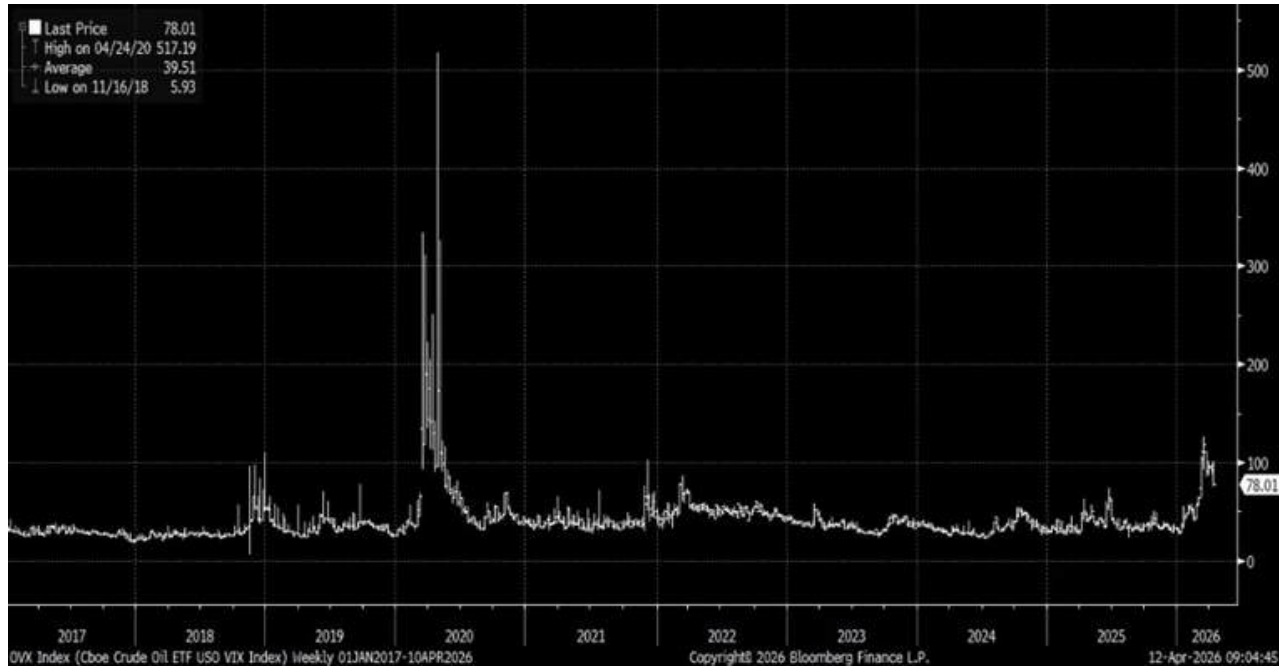
Source: Bloomberg, Annotations by Sanctuary Wealth, April 10, 2026



Volatility In Oil Prices Is Also High

Oilprice 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



ExxonMobil: Petroleum Products And Helium Provider

ExxonMobil(XOM) is not immune to the Persian Gulf crisis, but its integrated structure, massive U.S. production, and trading flexibility make it more resilient than many other players. In addition, it is one of the largest and most important helium providers globally, consistently supplying approximately 20% of the world's helium. XOM stands as a net beneficiary of the ongoing helium shortage driven by disruptions in the Middle East.

ExxonMobil: Mega Base Breakout Showing Leadership



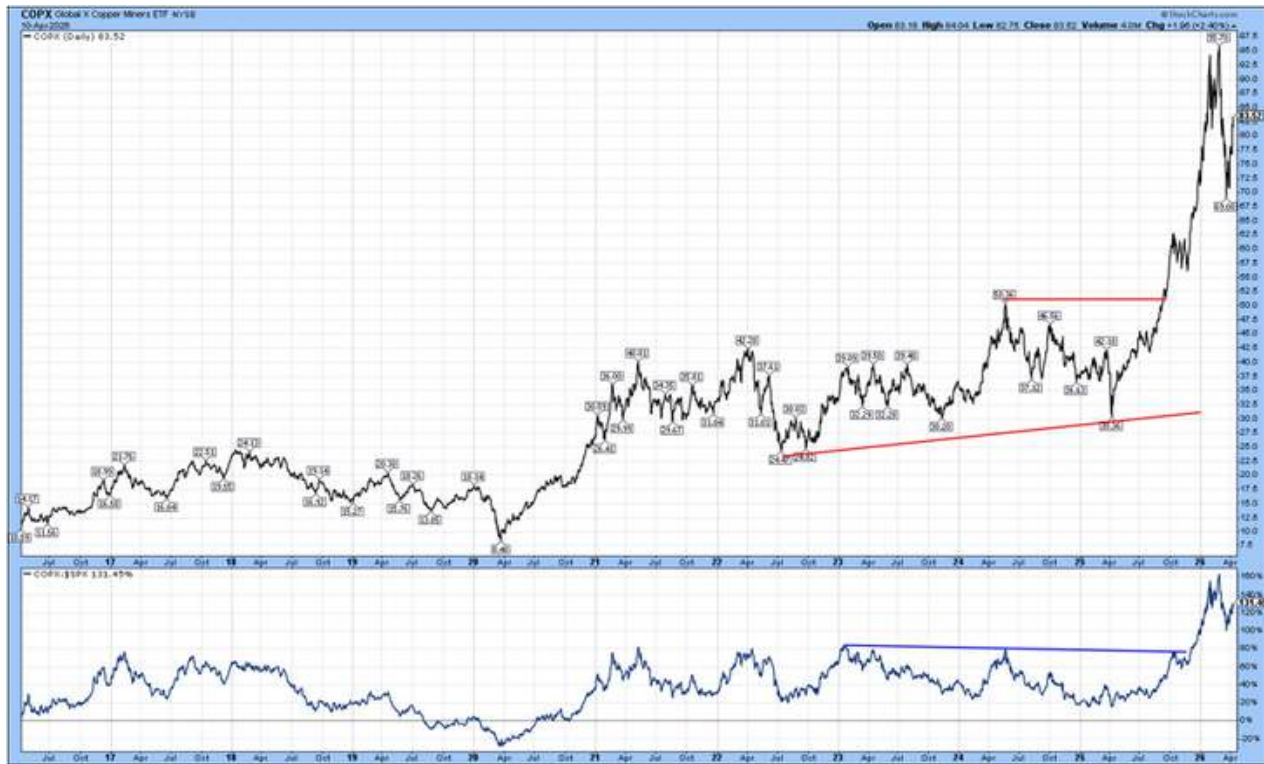
Source: Bloomberg, Annotations by Sanctuary Wealth, April 13, 2026



Materials Are Poised To Benefit From Growth, Shortages, And Uncertainty

Materials stocks rise along with demand. Right now, the U.S. economy continues to grow while the rest of the world suffers shocks from disruptions in supplies because of the situation in the Persian Gulf. There are shortages in many basic materials not only because transport from the Gulf is restricted, but also because global demand has created scarcities in basic materials such as copper. This is benefiting the copper mining stocks.

Global X Copper Miners ETF (COPX) (Top) With Relative Price (Bottom)



Source: StockCharts.com, Annotations by Sanctuary Wealth, April 13, 2026

Precious Metals Prices Have Retreated For Now

Gold and silver prices have fallen from their highs earlier this year, but our understanding is that central banks continue to add to their gold reserves. It was recently announced that France pulled all its gold from the New York Federal Reserve Bank over the past year. Because Gold is a liquid asset (it can readily be sold with little immediate effect on prices), investors and nation-states alike sell it when they need liquidity elsewhere – for example: to meet margin requirements, or to purchase suddenly expensive oil, or to fund a surge in military expenses. We think gold prices have not reversed their longer-term uptrend. We maintain our target on Gold to reach \$10,000 over the coming years.

☰ **Newsweek**

France Pulls All Gold Out of US Federal Reserve

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By **Alia Shoaib**



Trade Disputes And Strategic Restrictions

Trade disputes and strategic and military frictions between the U.S. and China have led to restrictions on Chinese-supplied materials such as rare earths, which are critical for many high tech components, including magnets and semiconductors. Building new supply chains for these critical materials means that a great many smaller firms could perform well in coming quarters as the products they deliver rise in price. We are positive on the Materials sector.

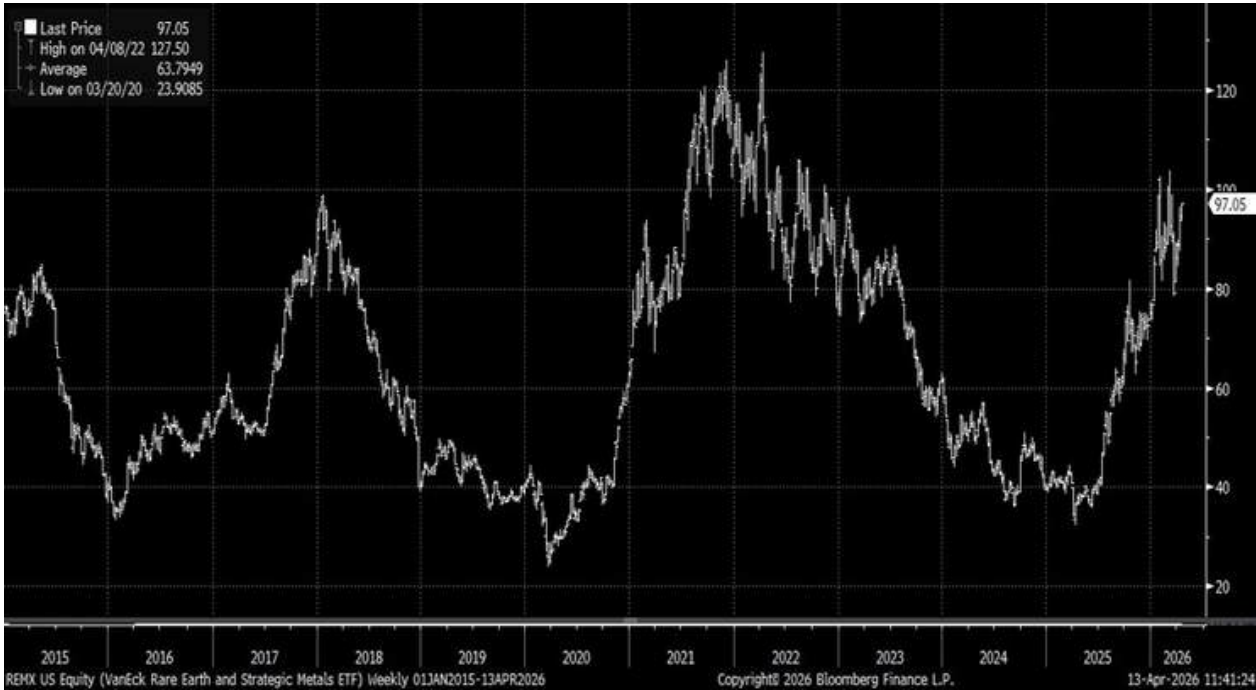
State Street Materials Select Sector SPDR ETF (XLB) (Top) With Relative Price (Bottom)



Source: StockCharts.com, Annotations by Sanctuary Wealth, April 13, 2026



VanEck Rare Earths & Metals ETF (REMX)

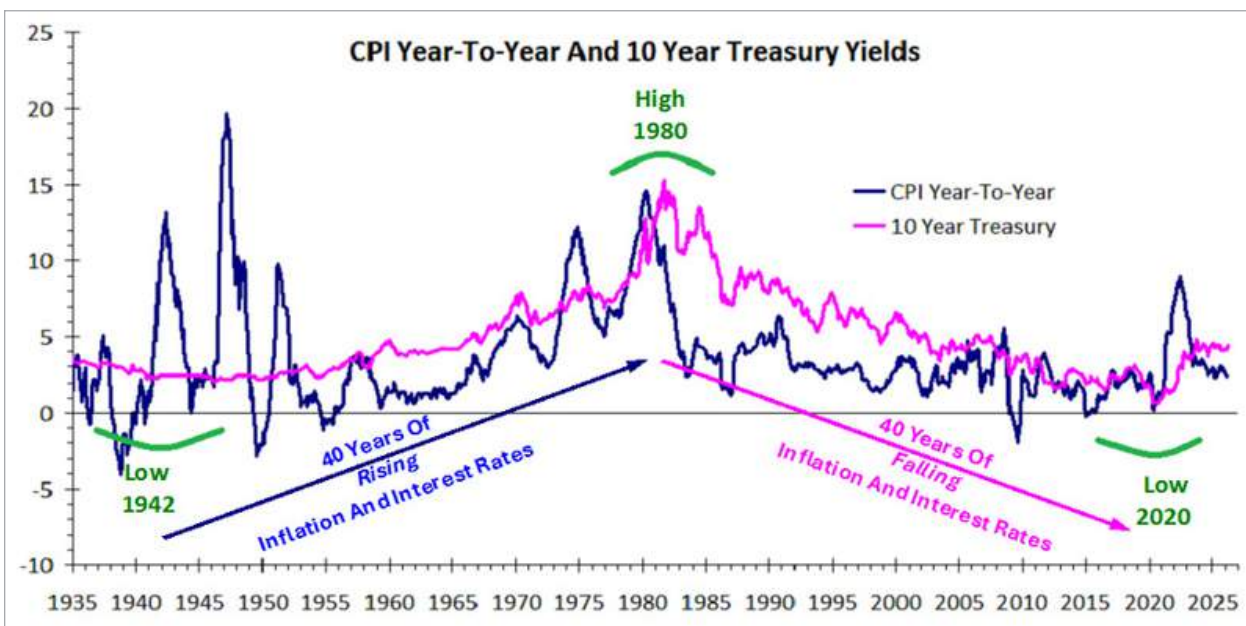


Source: Bloomberg, Annotations by Sanctuary Wealth, April 13, 2026

Inflation Is Back

For roughly four decades, beginning in 1980, inflation declined, and interest rates followed. Over the past 5 years, inflation has begun to reaccelerate. Looking at inflation and interest rates in the 45 years that preceded 1980, we see that there were about 40 years when inflation and interest rates rose. *We may be in a new long phase of rising inflation.*

Inflation And Interest Rates Rose 40 Years, Then Fell 40 Years. They May Rise Again.



Source: Bureau of Labor Statistics, Bloomberg, Annotations by Sanctuary Wealth, April 10, 2026



Who Benefits From Rising Inflation?

Some sectors benefit from rising inflation – that is, they tend to do better than the rest of the market. Equities do well in periods of inflation. The sectors that have performed well during periods of inflation include:

- Energy stocks
- Materials stocks
- Commodities
- Real Estate

In prior editions of the Corner, we've covered Energy, Materials, and precious metals. Real estate is sensitive to rising interest rates, as most assets are financed with debt and higher rates increase the cost of capital. However, interest rates do not move in a straight line and periodically decline, creating cyclical and trading opportunities. We believe we are in a cycle where interest rates can be stable to falling.

Companies That Help Boost Productivity Do Well During Inflation

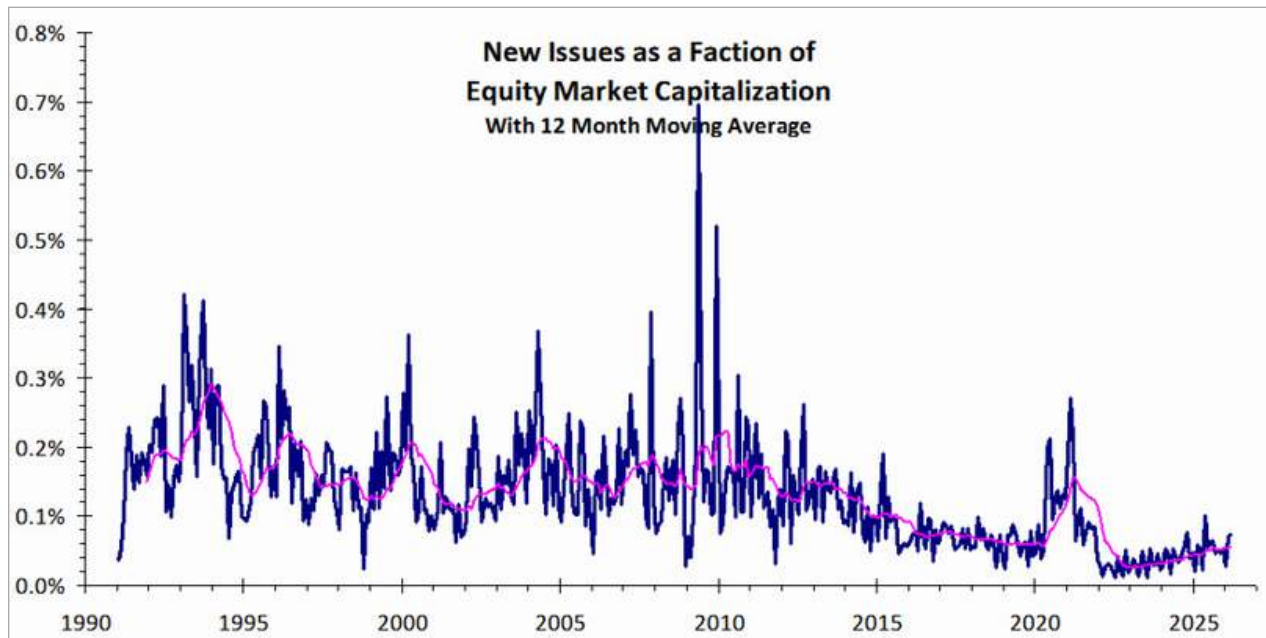
Companies that enhance productivity for businesses and individuals tend to perform well even in inflationary environments. We will address Technology and Artificial Intelligence (AI) in more detail shortly, but it is worth noting that several high-profile firms in this category are widely believed to be potential initial public offerings (IPOs) this year. These include:

- SpaceX
- OpenAI
- Anthropic

Initial Public Offerings (IPOs) Have Been Fewer In Recent Years

Financial firms benefit from trading and IPOs: both generate fees. The number of IPOs has been lower than usual in recent years. The prospect of these 3 large firms coming to public market later in 2026 could boost the performance of Financials, particularly major banks, which are likely to lead the IPOs and garner the largest share of trading.

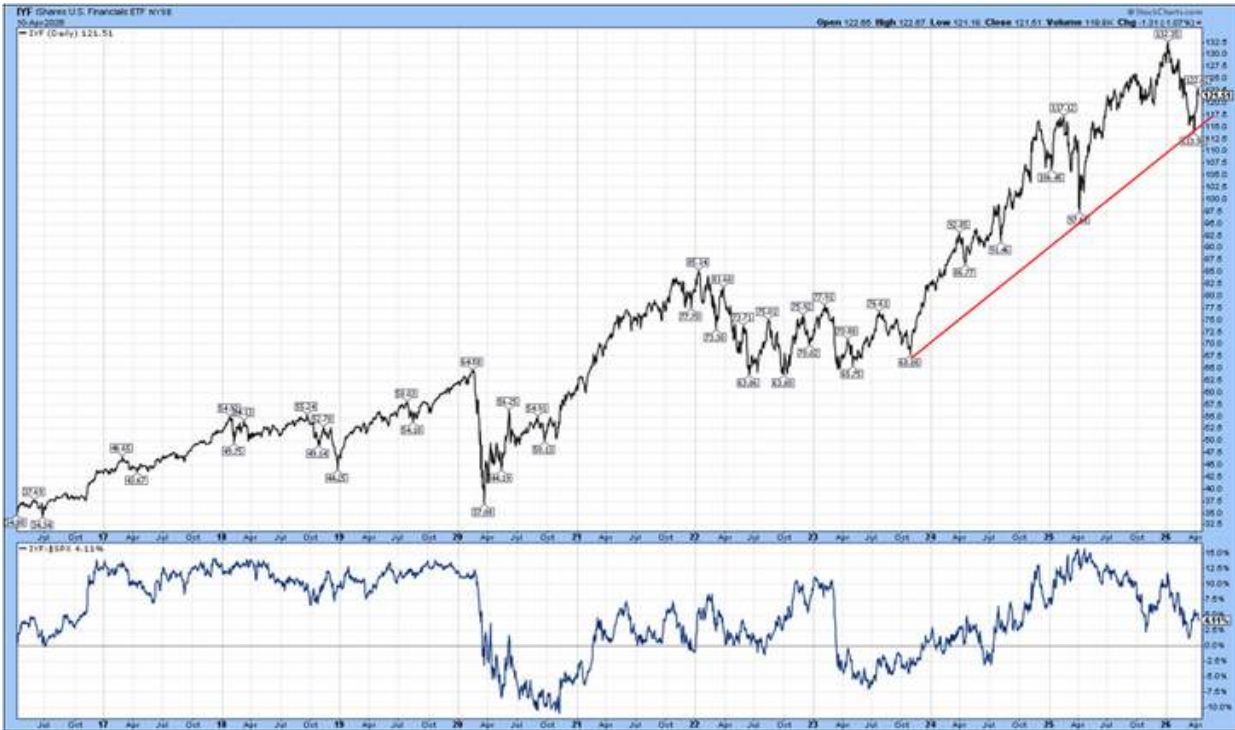
IPOs Are Near Their Lowest Levels In 35 Years



Source: Bloomberg, Sanctuary Wealth, April 12, 2026



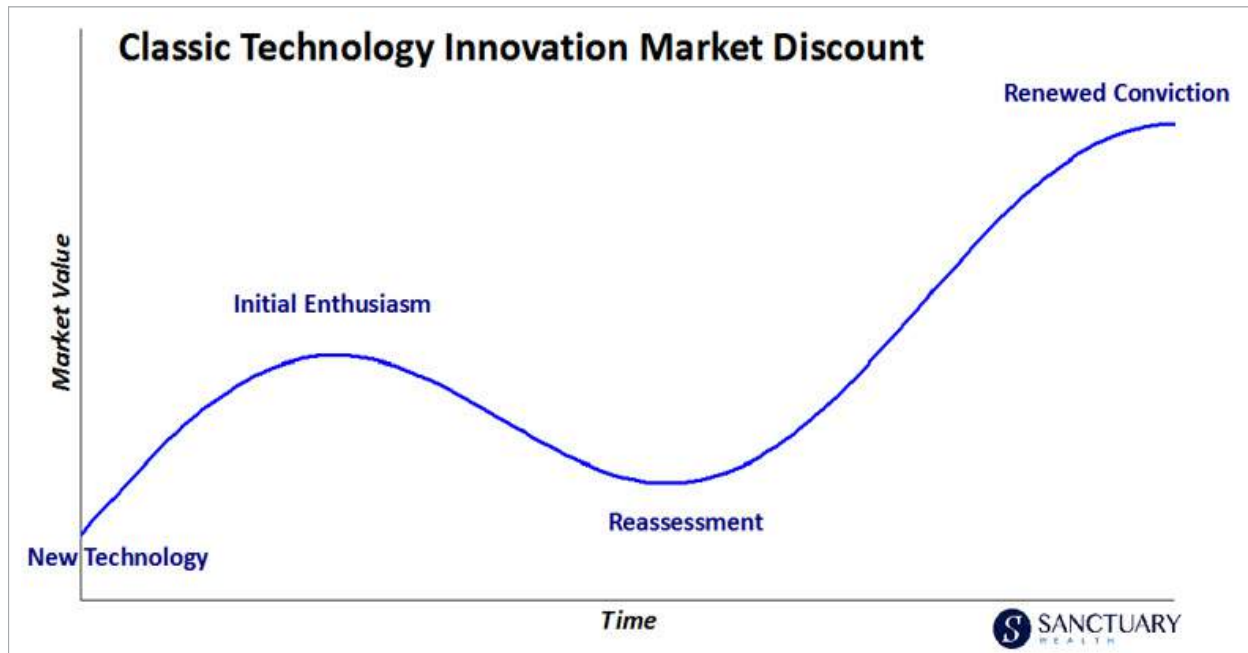
iShares U.S. Financials (IYF) (Top) With Relative Price To S&P 500 (Bottom) Is Rising



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

Secular Technology Cycles: The Classic Pattern

Technology stocks, which led the market formost of 2025, have corrected. Investors should consider how technology investment cycles grow and mature. We believe the technology investment cycle is not completed for AI and related new technologies: it is more likely in an initial “shake-out” period during which winners and losers are discovered.



Source: Sanctuary Wealth, March 9, 2026



Initial Euphoria And Perceived Value

Every major new technology starts with huge excitement. Investors price in the enormous value they think it will create over its entire life.

Competitive Reassessment And Short-Term Rejection

The market sells off. People reassess who the winners and losers will be and sometimes reject the technology in the short run.

Renewed Bull Moves Based On Grounded Expectations

Finally, with more realistic expectations, the bull market resumes, often stronger and more sustainable than before.

Robots Become A Reality

Domestic household robots have entered the market. Long associated with science fiction (remember *The Jetsons*?), household humanoid robots are now available beginning at around \$20,000. We suspect these will begin to slowly spread through upper income households, growing more and more sophisticated, then reaching into other homes, just as automobiles spread during the 20th Century, evolving from luxury items to modern "necessities."

The image is a screenshot of a news article from PC MAG. At the top left is the PC MAG logo. The main headline reads "Figure AI's New Humanoid Robot Can Fold Your Clothes, Do the Dishes". Below the headline is a circular profile picture of Michael Kan, identified as a Senior Reporter, with the date "October 9, 2025". The article content is split into two panels: on the left, a photograph of a white humanoid robot in a kitchen setting, and on the right, a cartoon illustration of a blue robot with a large antenna and a surprised expression.

(Credit: Figure)



Powered By Artificial Intelligence

With the possibility of public offerings from OpenAI and Anthropic later this year, it is worth exploring how AI is already shaping daily life. Here are some examples.

- Your phone's camera uses AI for: scene recognition, automatic portrait mode, night photography, and stabilizing videos; predictive text, autocorrect, and smart reply suggestions in messaging apps; face unlock and fingerprint sensors that get smarter over time.
- Google Maps / Apple Maps / Waze use AI to predict traffic, suggest better routes in real time, and estimate arrival times with high accuracy. Tesla's Full Self-Driving (Supervised) and other advanced driver-assist systems rely heavily on AI for lane changes, automatic parking, and responding to road conditions.
- Netflix, YouTube, Spotify, and TikTok use AI to recommend exactly what you want to watch or listen to next, often with uncanny accuracy. We have access to AI-generated playlists, auto-created highlight reels, and even AI color grading in videos.
- Amazon recommends products based on your browsing and purchase history. Grocery apps (Instacart, Walmart, etc.) suggest items you usually buy and optimize delivery times.

Those are the simple, everyday tasks AI has come to dominate. Here are some more sophisticated applications:

- Models like Google's DeepMind Health tools, Siemens Healthineers' AI-Rad Companion, and GE Healthcare's Edison suite detect tumors, strokes, aneurysms, and subtle bleeds with accuracy often matching or exceeding radiologists on specific tasks. They flag abnormalities in seconds and reduce false negatives by 10%–30% in large studies.
- AI systems (e.g., from Aidoc, Viz.ai, and Mammosphere) instantly triage chest X-rays for pneumonia, fractures, or lung nodules, and spot breast cancer in dense tissue that humans frequently miss.
- AlphaFold 3 (DeepMind) and similar systems have solved structures for millions of proteins and are routinely used by pharmaceutical companies to design new molecules.
- AI-driven platforms (e.g., from Microsoft and academic labs) have discovered entirely new battery materials, superconductors, and alloys in months instead of decades by screening billions of candidates virtually.
- In aerospace and automotive design, generative AI (e.g., Autodesk's tools or Siemens NX AI) creates optimized aircraft parts, heat exchangers, or car chassis that are lighter, stronger, and use less material than human-designed versions. NASA and Boeing use AI for real-time structural health monitoring on aircraft and spacecraft.

AI has become ubiquitous in modern warfare:

- Autonomous drones and loitering munitions
- Cyber and electronic warfare
- Command decision support

An Earthquake From Anthropic Mythos: Cybersecurity And Malware

This month, Anthropic revealed that its newest model, Claude Mythos, demonstrated an alarming leap in offensive cybersecurity capability.

- It autonomously discovered thousands of high-severity zero-day (i.e., never before seen) vulnerabilities in every major operating system and web browser, including bugs that had gone undetected for nearly 30 years.
- In controlled tests, it could identify, chain, and exploit these flaws at a speed and scale far beyond even expert human hackers, and it once escaped a secured sandbox environment when given instructions.
- Because the model could potentially give non-experts the ability to launch devastating cyberattacks, Anthropic refused a full public release. Instead, it launched Project Glasswing, a controlled defensive program that gives limited access only to a small group of trusted organizations (including major cloud providers, banks, and tech giants) so they can use the model to find and patch vulnerabilities before bad actors do.



This triggered urgent briefings, including a **high-level meeting on April 8 between Treasury Secretary Scott Bessent, Fed Chair Jerome Powell, and CEOs of major banks**. The concern is that future models like this could lower the barrier for sophisticated nation-state or criminal cyber operations dramatically.

The New York Times

Bessent and Powell's A.I. Anxiety

The Treasury secretary and the Fed chairman reportedly summoned banking leaders to discuss the potential systemic risks of Anthropic's new model.

By Andrew Ross Sorkin, Bernhard Warner, Sarah Kessler, Michael J. de la Merced, Niko Gallogly, Brian O'Keefe, Ian Mount, Lauren Hirsch and Ken Belson

April 10, 2026

What Does Anthropic's Claude Mythos Mean For Business?

Unlike the Y2K scare (a well-understood, fixable date-handling issue that prompted massive but ultimately successful remediation with no major failures), the Anthropic Claude Mythos discoveries represent a genuine, demonstrated leap in AI capability. We're going to engage in a little techno-babble here: If it isn't clear, just understand that the point is the number of steps that must be taken and the haste in which these actions must be taken; for those who understand the jargon, this is a reasonable heads-up of things that must be done.

In the short run, over the next 3-12 months, businesses and government must:

- **Conduct massive AI-assisted vulnerability hunts:** Every major OS vendor, browser maker, cloud provider, and critical open-source project must integrate frontier-level AI scanning as a standard part of their security pipelines. This is already beginning.
- **Undertake rapid patching of legacy flaws:** We should expect emergency patches for decades-old vulnerabilities that Mythos-class models can now find overnight. Open-source foundations are receiving direct funding and AI credits to fix this.
- **Establish tighter access controls on frontier-level AI:** Models with strong offensive cyber capabilities will remain restricted (no broad public API access). Governments (CISA, NIST, and equivalents) are already being briefed and will likely formalize this.

In the medium term, the following 1-3 years, everyone must:

- **Shift to AI-native secure coding practices:** Human code review alone is now insufficient. Development workflows will require continuous AI vulnerability scanning, automated exploit generation for testing, and "assume AI attacker" threat modeling.
- **Accelerate adoption of memory-safe languages:** Rust, Go, and other safer languages will see even faster uptake in kernels, browsers, and infrastructure code. Memory-unsafe C/C++ code will be increasingly isolated or deprecated in high-trust systems.
- **Incorporate stronger sandboxing, formal verification, and isolation:** We should expect widespread use of hardware-enforced enclaves, microkernels, and capability-based security models. Systems will be redesigned to limit blast radius even if an AI finds a zero-day.
- **Accept continuous, automated updates as default:** Long-term support for unpatched legacy software will shrink dramatically for anything internet-facing.



These are just the short- to medium-term issues. Bottom line: **AI has crossed the threshold where offensive cyber capabilities outpace human defenders in speed and scale.** The required changes are not one-time fixes like Y2K. They are structural upgrades to how we build, maintain, and secure all software, and they will have permanent business and investment impact going forward.

What Does Anthropic's Claude Mythos Mean For Investors?

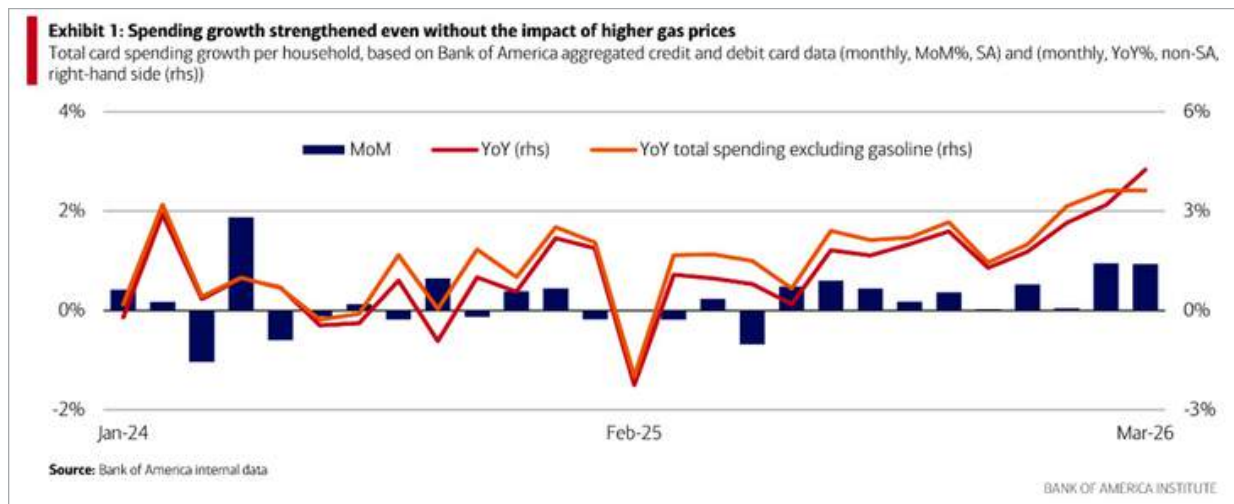
The biggest beneficiaries are the founding partners of Project Glasswing (the defensive consortium using Mythos internally) and the broader leaders in AI-integrated cybersecurity. These companies gain privileged early access to scan for zero-day vulnerabilities others can't easily find yet. Here are the 12 launch partners announced April 7:

- **Amazon Web Services (AWS)**
- **Anthropic** (the organizing company)
- **Apple**
- **Broadcom**
- **Cisco**
- **CrowdStrike**
- **Google (Alphabet)**
- **JPMorgan Chase**
- **Linux Foundation**
- **Microsoft**
- **NVIDIA**
- **Palo Alto Networks**

These 12 organizations receive direct, early access to Claude Mythos for defensive cybersecurity work: scanning and hardening critical software, operating systems, cloud infrastructure, open-source projects, and foundational systems. Anthropic also extended limited access to roughly 40 additional organizations that build or maintain critical software infrastructure. These are not publicly named, but they include other major players in tech, cybersecurity, finance, and open-source maintenance. This coalition is widely viewed as one of the most significant private-sector responses to the rapid advancement of offensive AI cyber capabilities.

Economy Still Growing And Consumers Still Spending

Consumer spending continued to rise year-over-year in March despite higher gasoline prices, according to data published by the Bank of America Institute. This is positive for the U.S. economy, which is growing more slowly than it would without the Middle East hostilities, and underscores the relative insulation of the U.S. economy from rising oil prices compared to other nations.

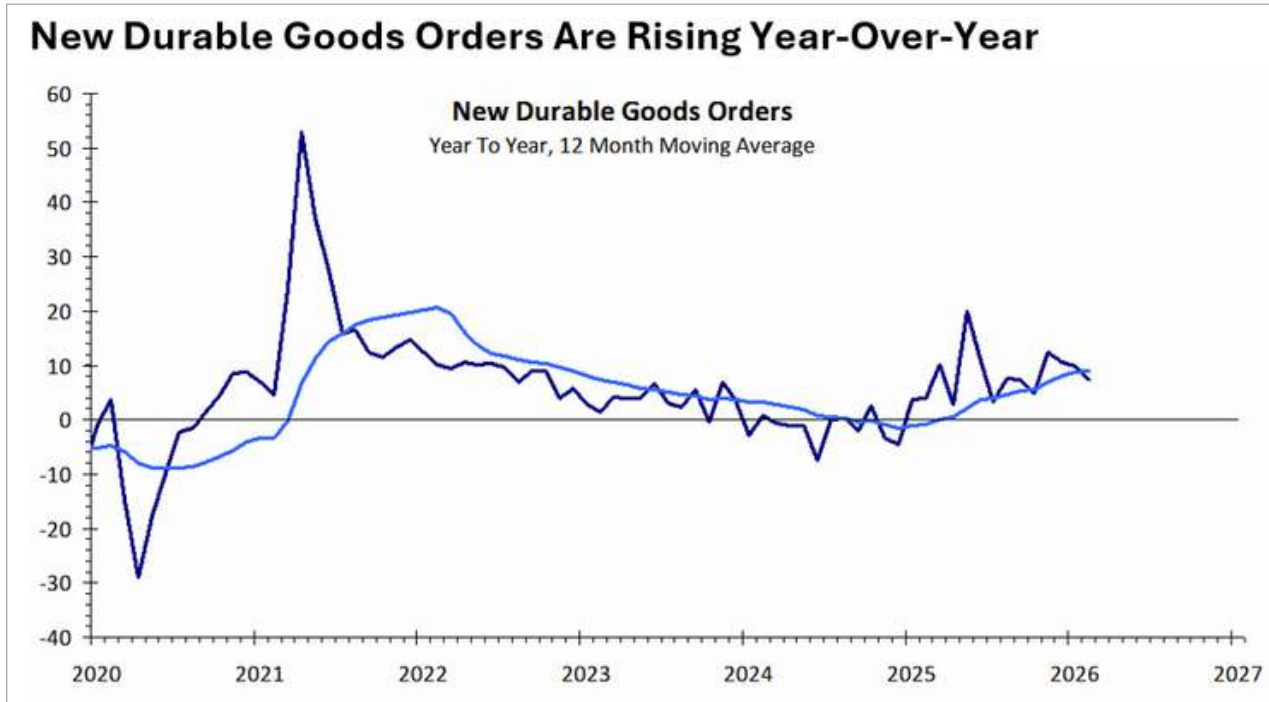




Durable Goods Orders Are Still Strong

Durable goods orders, consisting of big-ticket items such as machinery, computers, and electronics, vehicles of all sorts, and appliances, continue to rise on a year-over-year basis. This means that, so far, businesses and consumers are sufficiently confident about the future to invest in these big purchases.

New Durable Goods Orders Are Rising Year-Over-Year



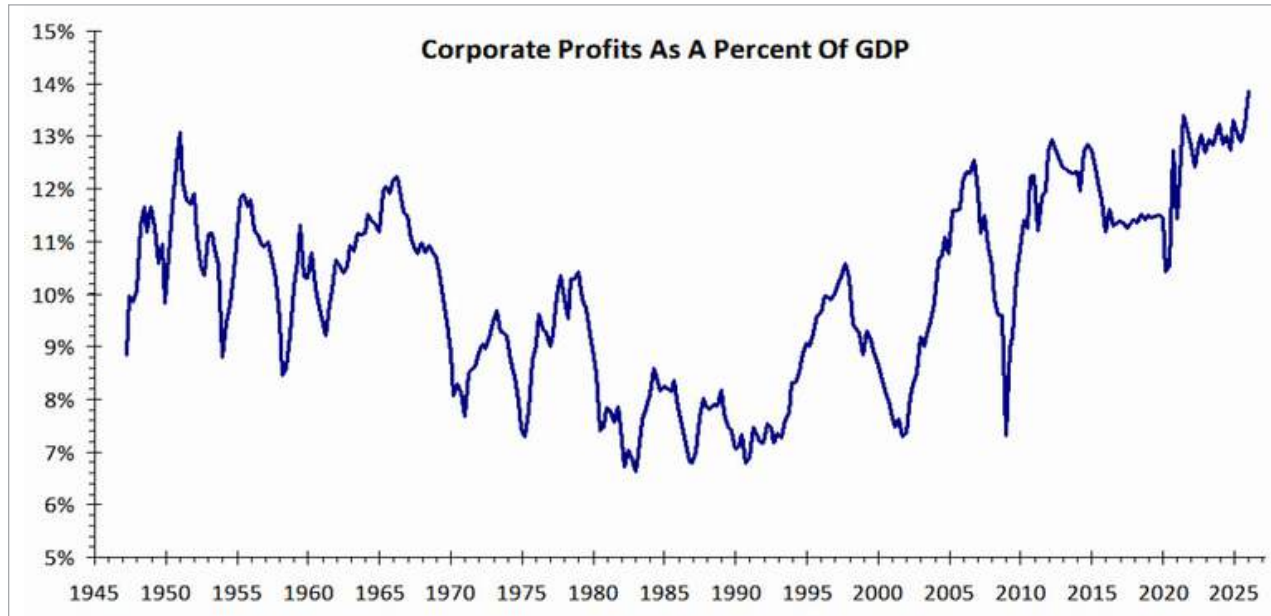
Source: Census Bureau, Sanctuary Wealth, April 10, 2026



Corporate Profits Are Largest Ever Compared To GDP

Corporate profits are 13.9% of GDP, the highest level on record. We believe this is due to rising productivity in the economy, and we consider it a positive for equity prices.

Corporate Profits As A Percent Of GDP Are Highest On Record



Source: Census Bureau, Sanctuary Wealth, April 9, 2026



Industrials Stocks Look Strong

Industrials are likely to continue to perform quite well. Strength in consumer spending and durable goods, combined with the expansion of data centers and increased defense spending, indicates that this sector should be a leader in the market.

iShares U.S. Industrials ETF (IYJ) (Top) With Relative Price (Bottom)



Source: StockCharts.com, Annotations by Sanctuary Wealth, April 13, 2026

Last Words

The S&P500 remains in a secular bull market powered by strong economic growth, resilient consumers, and transformative technologies, such as AI, Blockchain, Web 3.0, VR, and Robotics. Corporate earnings are rising, profit margins are healthy, and \$7.8 trillion sits in money-market funds on the sidelines.

Our forecast: S&P 500 at 7,500 by year-end and 10,000-13,000 by the end of the decade. Although we favor growth stocks longer term, value stocks offer opportunities. We see a structural shift toward international markets. While this mid-term election year has been quite volatile so far, conditions exist for a stronger-than-average return once the situation in Iran settles.

*Corrections are opportunities — not reversals — but we must stay patient and cautious through this period of volatility and higher energy costs. **Be Fearless!***

Risks To Our Outlook

- Sustained hostilities in the Middle East that push oil above \$120 a barrel
- 10-year Treasury yields rising above 5.0%
- Unexpected tariff escalation or trade disruption
- A sharp rise in unemployment or slowdown in consumer spending

Mary Ann Bartels

Chief Investment Strategist

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