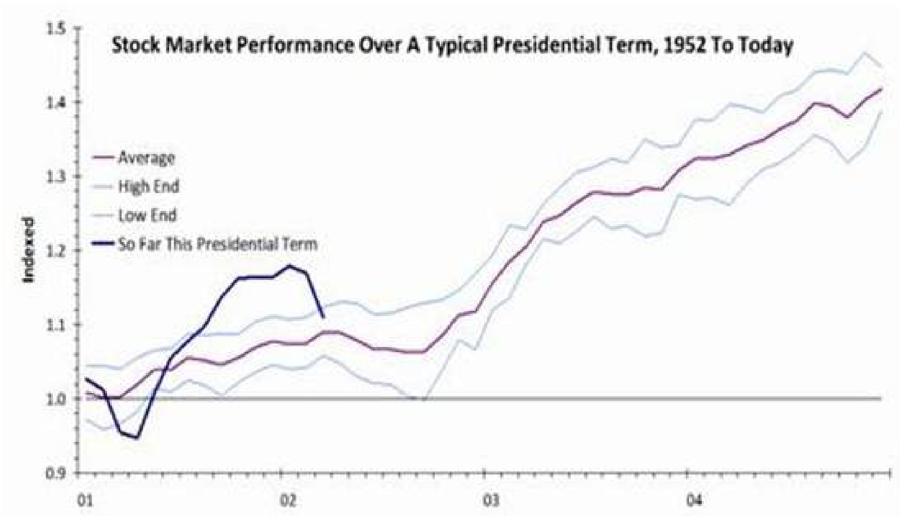
CONCENTURE WEALTH MANAGEMENT

April 6, 2026

April Showers Bring May Flowers

As the conflict in Iran continues, we are likely to see a fair amount of volatility during the month of April. Oil prices have surged and WTI crude oil is trading above $100. Considering how high crude prices are, the equity and bond markets have held up extremely well. But the longer the conflict continues and oil prices remain elevated, the more likely equities will stay in correction mode. April tends to be a down month both seasonally and during a mid-term election year. But we want to stress that, in our view, this is a correction within an ongoing secular bull market, which we expect to extend through the end of the decade. Our outlook for the S&P 500 is to reach 7500 by year-end and 10,000-13,000 by 2029-2030. *It's important for investors to remember their long-term goals and remain patient.*

S&P 500 Moving Into The Weak Seasonal Period For The Mid-Term



Source: Bloomberg with Annotations by Sanctuary Wealth, April 3, 2026

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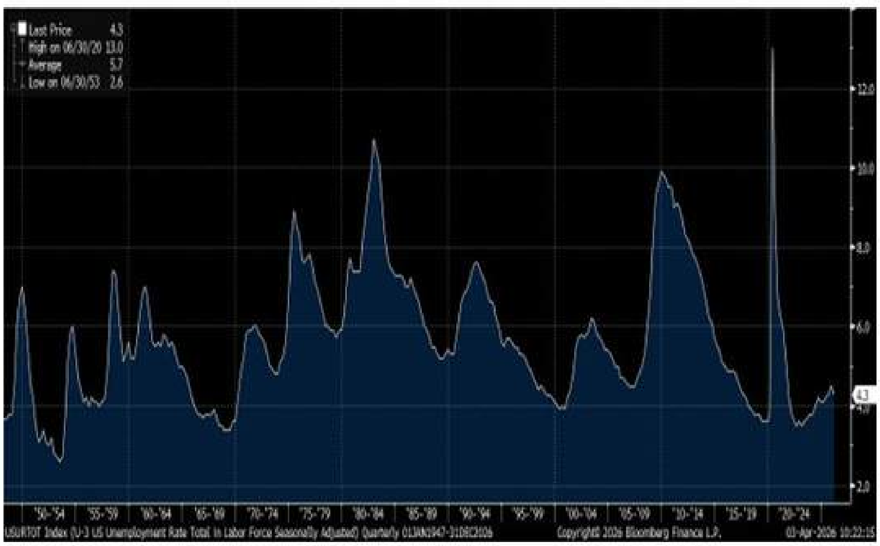
Some Good News: Strong March Employment Report

Last Friday, the March employment report showed strong job growth, while the unemployment rate declined to 4.3% from 4.4%. There were some downward revisions to job growth from the prior month's report, but, net-net, the labor market appears to be stabilizing overall. This could temper any expectations of the Federal Reserve (Fed) lowering interest rates any time soon.

The Unemployment Rate Remains Historically Very Low



Source: Bloomberg, April 3, 2026

Valuations Tricky

We believe that assessing price-earnings valuations at this time can be tricky because we do expect some negative impact on earnings due to higher oil prices. But what that impact is, is not yet known. Analysts are most likely waiting to adjust their estimates, especially as we head into first quarter earnings season. We do see risk to analysts lowering their earnings forecasts.

Forward P/E multiples have fallen sharply, but our valuation models have not moved much. So, the market looks cheap on a forward earnings basis, but if estimates get revised downward, then the market is not as cheap as it looks.

Forward Price-To-Earnings (P/E) Have Fallen Sharply...

Source: Bloomberg with Annotations by Sanctuary Wealth, April 3, 2026

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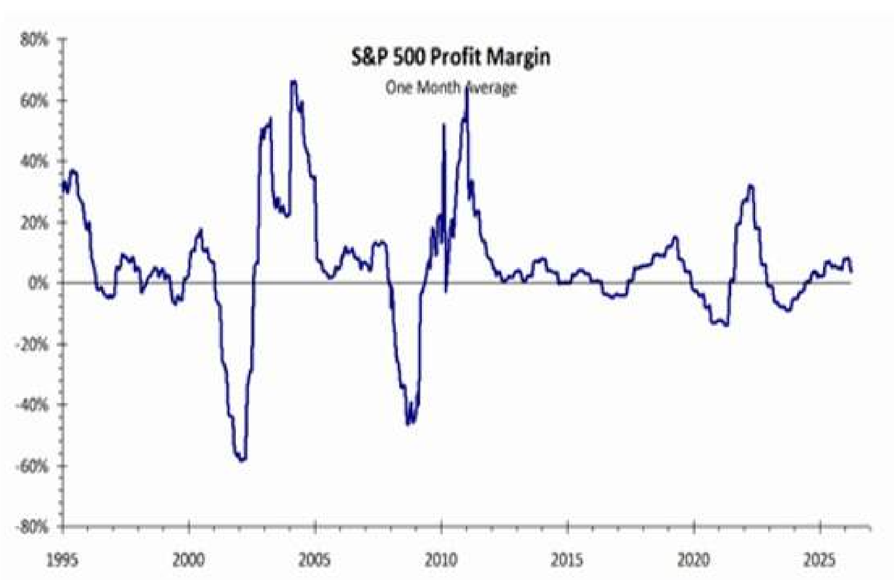
…But Our Price-To-Earnings (P/E) Model Remains Elevated

Source: Bloomberg with Annotations by Sanctuary Wealth, April 3, 2026

The Big Question: How Does Higher Oil Prices Impact Profit Margins?

The risk heading into first-quarter earnings season is that companies signal higher oil prices will have a negative impact on corporate earnings – which could lead to misses on earnings and/or margins, prompting analysts to lower their forecasts. That said, we expect only modest revisions, with earnings still growing this year.



Source: Bloomberg with Annotations by Sanctuary Wealth, April 3, 2026

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S&P 500 At Risk Of Still Correcting

The S&P 500 has broken support near 6500 and its 200-day moving average. Last week, the index rallied to test that level. If the 200-day moving average holds as resistance, it would signal the market remains in a correction. A sustained move back above it, however, would suggest the correction may be coming to an end. In our view, the market remains in a correction. The support range is 6000-5720 or a 14%-18% correction from the high of 7000 on January 28.

S&P 500 With 200-Day Moving Average With Support Zone

Source: Bloomberg with Annotations by Sanctuary Wealth, April 3, 2026

Risk Is The 2-Year Treasury Yield Hits 4%

With oil prices remaining elevated and the employment report showing strong job growth, the risk is that the 2-Year Treasury yield continues to rise to the 4% level. We would view such a move within a broader downtrend and would be buyers at that level, expecting interest rates to decline over time.

2-Year Treasury Yield With 200-Day Moving Average

Source: Bloomberg with Annotations by Sanctuary Wealth, April 3, 2026

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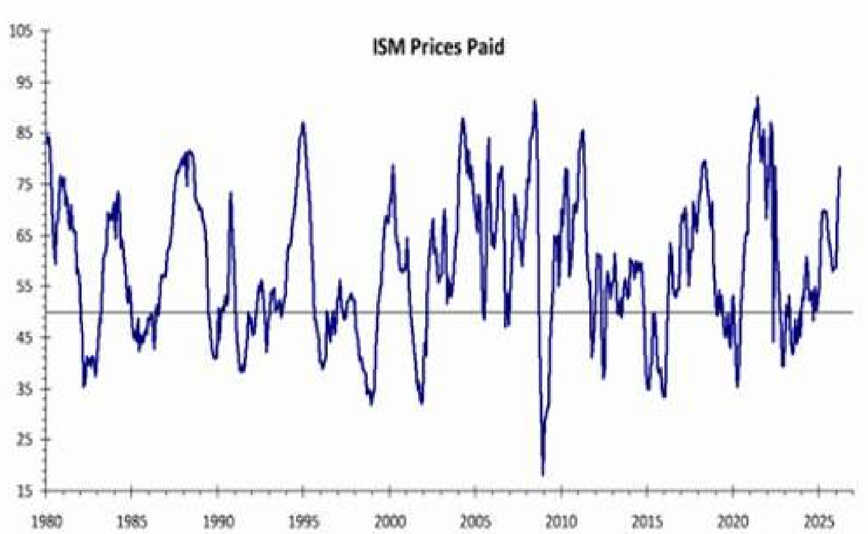
Higher Prices For ISM Manufacturing

Last week, the ISM Manufacturing report showed a sharp rise in prices, suggesting higher Producer Price Index (PPI) readings are beginning to impact manufacturing prices. This points to firming inflation. There is both good and bad inflation: when higher prices are supported by growing revenues and earnings, it is constructive (“good inflation”). The risk is that inflation expectations get too high, which would be bad for the economy. For now, we are not seeing that happen, so what we currently have is good inflation.

ISM Manufacturing Prices Paid Rises Sharply



Source: Institute for Supply Management (ISM), Sanctuary Wealth, April 1, 2026

What We Are Watching: Breakeven Market That Estimates Inflation Expectations

Breakevens are one of the cleanest real-time measures of what Wall Street thinks inflation will do. It’s calculated by taking a regular Treasury bond yield and subtracting the yield on a TIPS bond (the inflation-protected version) with the same maturity. What is left is what the market is pricing in for inflation. There has been modest pricing in of higher inflation. Fed Chair Jerome Powell mentioned in his comments recently that inflation at this time remains anchored. This translates into the Fed not being very concerned about near-term inflation.

CPI Year-To-Year (Left) And 5 Year Treasury Breakeven (Right)

Source: Bloomberg, Annotations by Sanctuary Wealth, April 3, 2026

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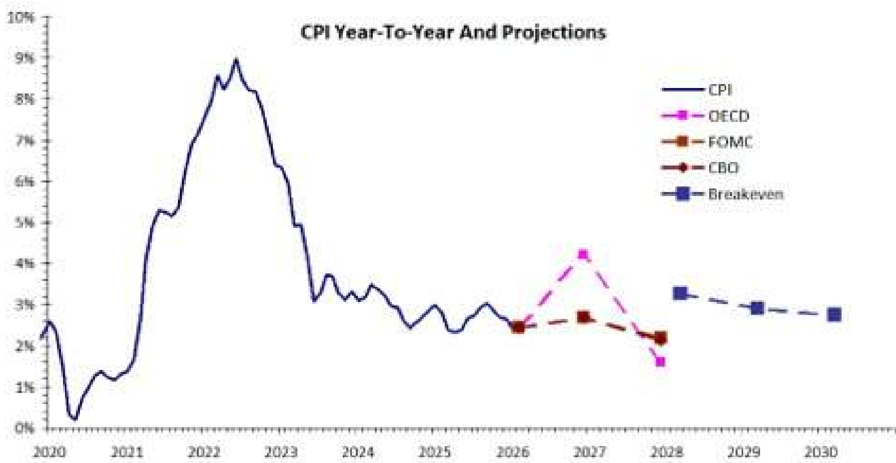
CPI Estimates Are Lower Than Breakevens

So far, estimates for the Consumer Price Index (CPI) are lower than breakevens for early 2027. We will be watching closely how consumer prices move along with breakevens.

Consumer Price Index (CPI) Year-To-Year And Projections



Source: Bureau of Labor Statistics, OECD, FOMC, CBO, Bloomberg, Sanctuary Wealth, March 27, 2026

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Sector Readings: Energy Strongest, Followed By Materials, Then Utilities; Consumer Discretionary Remains Weakest, Followed By Financials; Tech Still Correcting

Energy was strongest once more last week, followed once more by Materials and Utilities. Consumer Discretionary is now in last place, followed by Financials. Energy has been strongest for 8 weeks. Financials and Consumer Discretionary have been weakest for 8 weeks. *Financials improved last week, indicating they may be nearing a bottom.*

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

Source: Bloomberg, Sanctuary Wealth, April 3, 2026

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OBOS List: Energy, Industrials, Materials, Utilities, Consumer Staples, and Real Estate Overbought; Consumer Discretionary is Oversold; Information Technology and Financials Are Near Oversold. Expect Continued Sector Rotation!

Energy, Industrials, Materials, Utilities, Consumer Staples, and Real Estate were all overbought last week. Consumer Discretionary is oversold, while Information Technology and Financials are near oversold, just as they were last week. The market continues to stretch performance between heavily favored and rejected sectors. Many of the favored sectors have low weights in the S&P 500 in comparison to other sectors. Although still extremely extended in relative price, Energy reduced this extension last week. This positioning can cause 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.

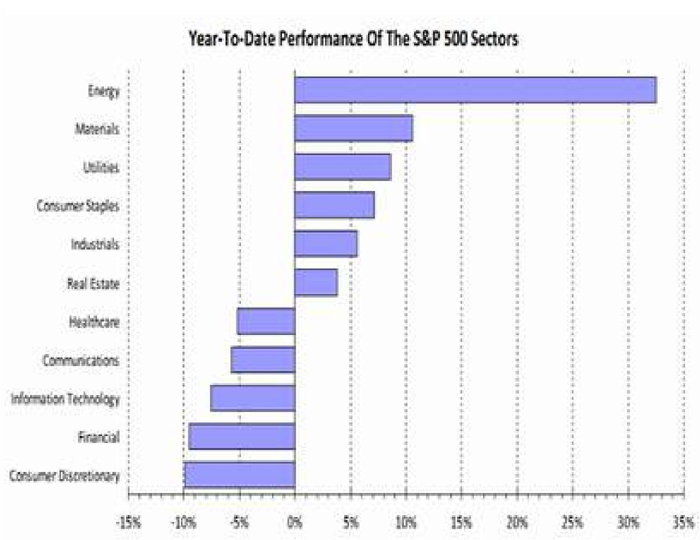
Here's our methodology: the overbought-oversold table of sectors measures the 13-week rate of change in the relative price of each sector. We then average (i.e., smooth) this over 3 weeks and normalize the results. Normalized oscillator values over 1.0 are considered overbought, while those between 0.6 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 3 April 2026

rank	*S&P Sector*	*normalized Oscillator*	
1	Energy	4.1359	
2	Industrials	2.5313	
3	Materials	2.5041	
4	Utilities	1.8917	
5	Consumer Staples	1.8360	
6	Real Estate	1.2149	*Overbought*
7	Communication Services	-0.1966	*Neutral*
8	Healthcare	-0.2981	*Neutral*
9	Information Technology	-0.7062	*Near Oversold*
10	Financials	-0.9349	
11	Consumer Discretionary	-1.3297	*Oversold*

Source: Bloomberg, Sanctuary Wealth, April 3, 2026



Source: Bloomberg, Sanctuary Wealth, April 3, 2026

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

	Last 3/27/2026	Month End 2/27/2026	Month to Date	Quarter End 12/31/2025	Quarter to Date	Year End 12/31/2025	Year to Date	Year Ago 3/27/2025	Year To Year
S&P 500	6368.85	6878.88	-7.4%	6845.50	-7.0%	6845.50	-7.0%	5693.31	11.9%
NASDAQ Composite	20948.36	22668.21	-7.6%	23241.99	-9.9%	23241.99	-9.9%	17804.03	17.7%
NASDAQ 100	562.58	607.29	-7.4%	614.31	-8.4%	614.31	-8.4%	481.62	16.8%
Russell 2000	2449.70	2632.36	-6.9%	2481.91	-1.3%	2481.91	-1.3%	2065.70	18.6%
S&P Consumer Discretionary Sector	1691.83	1854.80	-8.8%	1928.43	-12.3%	1928.43	-12.3%	1631.56	3.7%
S&P Consumer Staples Sector	920.11	1003.08	-8.3%	864.89	6.4%	864.89	6.4%	882.48	4.3%
S&P Energy Sector	962.27	855.10	12.5%	687.34	40.0%	687.34	40.0%	711.28	35.3%
S&P Financial Sector	796.34	853.79	-6.7%	911.60	-12.6%	911.60	-12.6%	835.39	-4.7%
S&P Healthcare Sector	1671.80	1864.30	-10.3%	1805.89	-7.4%	1805.89	-7.4%	1691.74	-1.2%
S&P Industrials Sector	1348.45	1497.59	-10.0%	1313.14	2.7%	1313.14	2.7%	1125.61	19.8%
S&P Information Technology Sector	5023.34	5365.45	-6.4%	5684.00	-11.6%	5684.00	-11.6%	4118.84	22.0%
S&P Materials Sector	614.25	675.69	-9.1%	574.41	6.9%	574.41	6.9%	545.73	12.6%
S&P Real Estate Sector	255.19	278.35	-8.3%	255.03	0.1%	255.03	0.1%	260.64	-2.1%
S&P Communications Sector	400.99	453.56	-11.6%	452.39	-11.4%	452.39	-11.4%	331.63	20.9%
S&P Utilities Sector	463.77	482.91	-4.0%	433.81	6.9%	433.81	6.9%	393.60	17.8%
S&P 500 Total Return	14203.24	15323.80	-7.3%	15220.46	-6.7%	15220.46	-6.7%	12537.93	13.3%
3 month Treasury Bill Price	99.08	99.08	0.0%	99.09	0.0%	99.09	0.0%	98.93	0.2%
3 month Treasury Bill Total Return	270.33	269.57	0.3%	268.01	0.9%	268.01	0.9%	259.54	4.2%
10 Year Treasury Bond Future	110.16	113.81	-3.2%	112.44	-2.0%	112.44	-2.0%	110.42	-0.2%
10 Year Treasury Note Total Return	313.05	322.53	-2.9%	316.61	-1.1%	316.61	-1.1%	301.41	3.9%
iShares 20+ Year Treasury Bond ETF	85.64	90.82	-5.7%	87.16	-1.7%	87.16	-1.7%	88.91	-3.7%
S&P Municipal Bond Total Return	288.17	295.63	-2.5%	290.00	-0.6%	290.00	-0.6%	275.91	4.4%
iShares S&P National Municipal Bond NAV	105.58	108.68	-2.8%	106.85	-1.2%	106.85	-1.2%	104.62	0.9%
S&P 500 Investment Grade Corporate Bond Total Return	493.50	507.01	-2.7%	499.46	-1.2%	499.46	-1.2%	472.26	4.5%
S&P Investment Grade Corporate Bond	90.79	93.48	-2.9%	92.75	-2.1%	92.75	-2.1%	90.74	0.1%
S&P Investment Grade Corporate Bond Total Return	527.42	541.07	-2.5%	532.99	-1.0%	532.99	-1.0%	503.79	4.7%
SPDR Bloomberg High Yield Bond ETF	94.66	97.25	-2.7%	97.21	-2.6%	97.21	-2.6%	95.39	-0.8%
iShares iBoxx High Yield Corporate Bond ETF	78.72	80.72	-2.5%	80.63	-2.4%	80.63	-2.4%	78.94	-0.3%
Gold	4494.09	5278.93	-14.9%	4319.37	4.0%	4319.37	4.0%	3057.29	47.0%
Bitcoin	65970.39	65527.34	0.7%	87647.54	-24.7%	87647.54	-24.7%	87309.14	-24.4%
Silver	69.76	93.79	-25.6%	71.66	-2.7%	71.66	-2.7%	34.41	102.7%

Source: Bloomberg, Sanctuary Wealth, April 3, 2026

Oil Prices Watch Party

This week, we'll again see Iran and oil prices dominating the headlines while economic data points are scrutinized for directional trends.

Oil will remain a daily driver as markets continue to assess developments in the Middle East. It's also a data-heavy week, with a particular focus on the Fed's preferred inflation gauge: Core Personal Consumption Expenditures (PCE). Plus, we'll get the minutes from the March meeting of the Federal Open Market Committee (FOMC) – which might shed light on their thinking about rates against the backdrop of the Iran conflict, which has only worsened since that meeting.

Calendar

Mon.	None scheduled
Tue.	8:30 am Durable-goods orders 8:30 am Durable-goods minus transportation 12:35 pm Chicago Fed President Austan Goolsbee speaks 3:00 pm Consumer credit
Wed.	2:00 pm Minutes of Fed's May FOMC meeting Earnings Delta Air Lines*
Thu.	8:30 am Personal income 8:30 am Personal spending 8:30 am PCE index 8:30 am PCE (year-over-year) 8:30 am Core PCE index 8:30 am Core PCE (year-over-year) 8:30 am GDP (second revision) 8:30 am Initial jobless claims 10:00 am Wholesale inventories
Fri.	8:30 am Consumer price index 8:30 am CPI year over year 8:30 am Core CPI 8:30 am Core CPI year over year 10:00 am Factory orders 10:00 am Consumer sentiment (prelim)

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

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