



Week Ahead

Robert Gilliland
Managing Director



May 18, 2026

AI Infrastructure Momentum Powers Record Week

U.S. stocks hit fresh record highs last week, with the S&P 500 closing above 7,500 for the first time and the Dow crossing 50,000.

The rally was powered by clear evidence of the massive AI infrastructure buildout. Cisco (CSCO) surged 15% (its biggest one-day gain since 2011) after blowing out its Q1 earnings and reporting that hyperscaler orders had reached \$9.0 billion, while continuing to redirect resources toward AI networking. Cerebras Systems (CBRS) soared nearly 70% in its IPO debut last week – the company builds massive AI supercomputers and specialized chips (each the size of a dinner plate) that are optimized for training giant AI models. The design of these Cerebras chips offers higher performance and efficiency than traditional GPU clusters. Grabbing headlines, Ford (F) jumped 21% in two days on growing demand for its energy storage systems for data centers. The rally’s message was straightforward: AI is driving real spending on chips, networking, power, and related infrastructure — and the market rewarded companies delivering on it.

It's not just about chips: It's about the entire supporting ecosystem, which continues to spread into the broader economy.

Cisco Systems (CSCO) (Top) With Stochastics (Bottom)





May 18, 2026

WSJ

Cerebras Shares Soar in Hotly Anticipated Year for AI Debuts

OpenAI and Anthropic are eyeing IPOs later this year, and SpaceX is aiming to go public in June

By Corrie Driebusch and Robbie Whelan

Updated May 14, 2026 4:49 pm ET

“Old Economy” Names Join The AI Story

Perhaps the most interesting development last week was Ford Motor (F) jumping roughly 21% over two days, its largest two-day gain since the 2020 pandemic lows. The move at the automaker was driven by its growing role in supplying high-margin energy storage and power solutions for data centers and hyperscalers. In other words, the AI buildout is creating enormous new demand for electricity infrastructure, a need that extends far beyond pure semiconductor or software names. This broadening (still narrow by historical standards) underscores how foundational the AI secular tailwind has become. It is not just about chips – it is about the entire supporting ecosystem: networking, power, cooling, and specialized hardware.

≡ Bloomberg

Ford Soars 21% in Two Days as AI Hype Spreads to Old Economy

By Jordan Fitzgerald and Keith Naughton

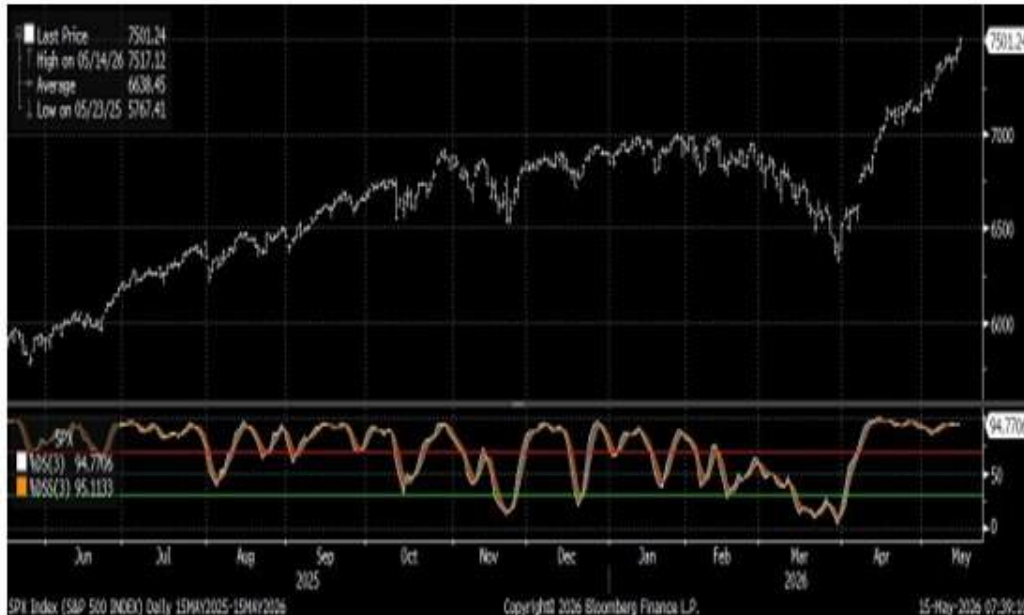
May 14, 2026 at 9:31 AM CDT

Updated on May 14, 2026 at 3:28 PM CDT

Sell In May... But Come Back

There is an old Wall Street adage, “Sell In May and Go Away,” but this has not worked well in recent market history. The market typically rallies into the summer, reaches a peak, and then corrects in the fall, often creating a major low and attractive buying opportunity in October. Today the equity market is very overbought, and the S&P 500 has hit our year-end target of 7,500. But our breadth and volume models are not confirming the new highs at this time. This tells us there is risk of a pullback of 5%-10%, with a deeper correction hitting the Technology sector. Should the market pull back, however, we do have strong earnings growth with earnings estimates continuing to rise. This leads us to expect 7,500 would be tested again. Should the S&P 500 break and hold 7,500, the next level we would target is 7,800.

S&P 500 With 14-Day Stochastic With A Very Overbought Reading





May 18, 2026

Bloomberg Cumulative Advance-Decline Line Not Confirming New Highs



Source: Bloomberg, May 15, 2026

Volume Model Is Tactically Negative

Our volume model, which measures the difference between advancing and declining volume, has turned negative. Trading volume is an important indicator of market direction. Stronger buying volume tends to support higher stock prices, while heavier selling volume can put pressure on stock prices. This model is also pointing to the risk of a correction within the market.

Consolidated Volume Model Does Not Support New Highs



Source: Bloomberg, Sanctuary Wealth, May 14, 2026



 **May 18, 2026**

Interest Rates Rising – Watch The 10-Year Treasury Yield

Interest rates are gradually ticking up. We are closely watching the 10-Year U.S. Treasury yield, which is testing a significant downtrend line. A decisive breakout above this level would signal that longer-term interest rates should continue to rise, putting pressure on equities, in our view. The key level to watch is 4.6%. If the yield breaks above 4.6% and holds, the risk is a breakout that would target a longer-term move toward 5.75%.

Weekly Chart of 10-Year Treasury Yield Testing Downtrend Line



Source: Bloomberg, Annotations by Sanctuary Wealth, May 15, 2026

30 Year Treasury Yields (Top) With MACD (Bottom)



Source: Bloomberg, Annotations by Sanctuary Wealth, May 15, 2026

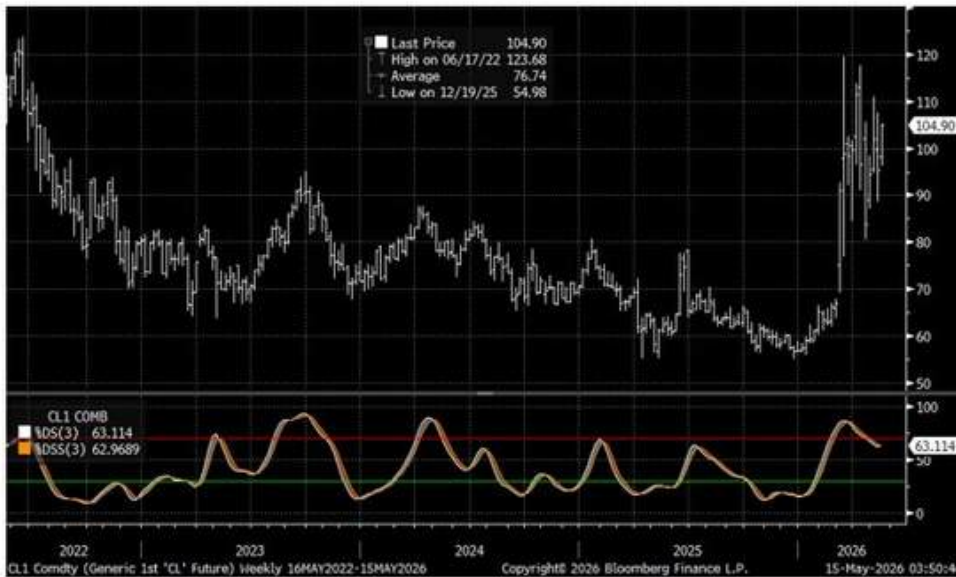


May 18, 2026

Middle East Tensions Kept Oil Elevated

The U.S.-Iran conflict remained a major market risk last week. President Trump rejected Iran's latest peace proposal as "totally unacceptable," reigniting fears of renewed fighting and a continued blockade of the Strait of Hormuz. Late in the week, the Trump-Xi summit in Beijing brought modest relief to the markets as both leaders signaled they want the Strait kept open. Oil pulled back slightly but remained elevated with a clear "war premium" still in place. This development supported Energy stocks even as the broader market focused on AI. The Middle East situation remains fluid: *any escalation could quickly push oil prices and inflation expectations higher.*

Weekly Crude Oil Prices (CL) (Top) With Stochastics (Bottom)



Source: NYMEX, Bloomberg, Annotations by Sanctuary Wealth, May 15, 2026



May 18, 2026

Sector Readings: Energy Strongest, Followed By Information Technology And Communication Services; Financials Weakest, Followed By Utilities

Energy is back in first place. Information Technology and Communication Services are in second and third place, respectively. Financials remain in last place, followed by Utilities, which have considerable exposure to rising rates. Financials have now been among the two weakest sectors for 14 weeks.

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

	May 15	May 8	May 1	Apr 24	Apr 17	Apr 10	Apr 3	Mar 27
Consumer Discretionary	7	6	9	9	8	10	11	10
Consumer Staples	6	8	8	8	9	7	5	5
Energy	1	3	1	1	1	1	1	1
Financials	11	11	11	11	11	11	10	11
Healthcare	9	10	10	10	10	8	8	6
Industrials	4	5	5	5	3	3	4	4
Information Technology	2	2	3	4	5	9	9	9
Materials	5	4	4	3	4	2	2	2
Communication Services	3	1	2	2	2	4	6	8
Utilities	10	9	6	6	7	5	3	3
Real Estate	8	7	7	7	6	6	7	7

Source: Bloomberg, Sanctuary Wealth, May 15, 2026



May 18, 2026

OBOS List: Information Technology Is Overbought, Communication Services Near Overbought; Healthcare, Industrials, Materials, Consumer Staples, Utilities, Financials, And Real Estate Are Oversold. Expect Continued Sector Rotation.

Information Technology remained overbought last week, with Communication Services again near overbought. Healthcare, Industrials, Materials, Consumer Staples, Utilities, Financials, and Real Estate were all oversold. We note that both Healthcare and Industrials are unusually oversold. We also note the considerable volatility in the movement of the sectors relative to one another.

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.

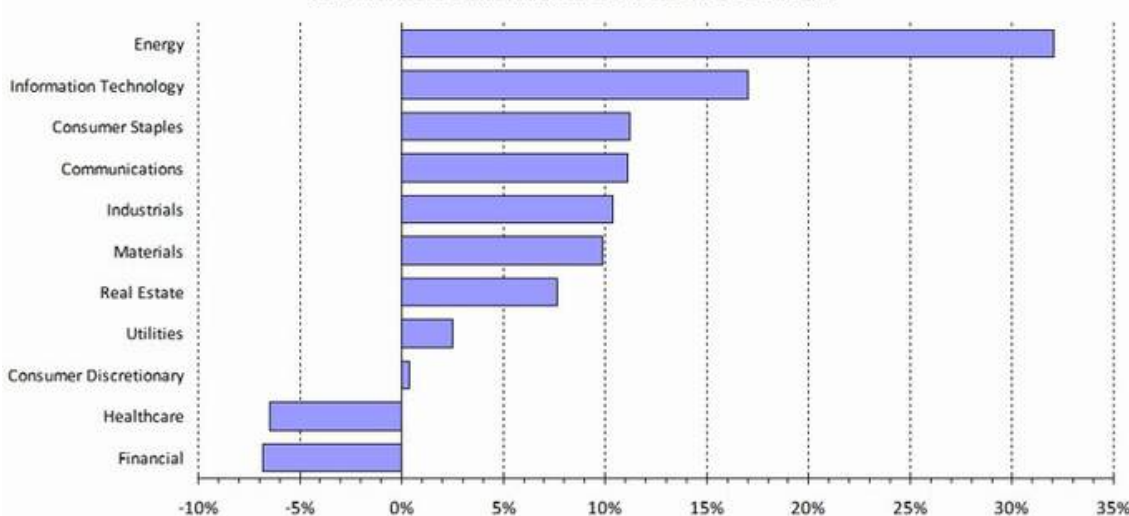
Here's our methodology: the overbought-oversold table of sectors measures the 13-week rate of change in the relative price of each sector. We then average (i.e., smooth) this over 3 weeks and normalize the results. Normalized oscillator values over 1.0 are considered overbought, while those between 0.6 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 15 May 2026		
rank	S&P Sector	normalized Oscillator
1	Information Technology	1.8546 <i>Overbought</i>
2	Communication Services	0.8419 <i>Near Overbought</i>
3	Energy	0.0482 <i>Neutral</i>
4	Consumer Discretionary	-0.5394 <i>Neutral</i>
5	Real Estate	-1.1148 <i>Near Oversold</i>
6	Financials	-1.3673
7	Utilities	-1.7157
8	Consumer Staples	-1.8613
9	Materials	-2.0441
10	Industrials	-2.3537
11	Healthcare	-2.5870

Source: Bloomberg, Sanctuary Wealth, May 15, 2026

Year-To-Date Performance Of The S&P 500 Sectors



Source: Bloomberg, Sanctuary Wealth, May 15, 2026



May 18, 2026

Market Performance: Energy Remains Best Performing Asset Year-To-Date, Followed By NASDAQ 100, Then Information Technology; Bitcoin Still Weakest Year-To-Date, Followed By Healthcare

	Last 5/8/2026	Month End 4/30/2026	Month to Date	Quarter End 3/31/2026	Quarter to Date	Year End 12/31/2025	Year to Date	Year Ago 5/8/2025	Year To Year
S&P 500	7398.93	7209.01	2.6%	6528.52	13.3%	6845.50	8.1%	5663.94	30.6%
NASDAQ Composite	26247.08	24892.31	5.4%	21590.63	21.6%	23241.99	12.9%	17928.14	46.4%
NASDAQ 100	711.23	667.74	6.5%	577.18	23.2%	614.31	15.8%	488.29	45.7%
Russell 2000	2861.21	2799.91	2.2%	2496.37	14.8%	2481.91	15.3%	2026.42	41.2%
S&P Consumer Discretionary Sector	1997.38	1953.03	2.3%	1748.22	14.3%	1928.43	3.6%	1607.45	24.3%
S&P Consumer Staples Sector	949.81	952.85	-0.3%	925.56	2.6%	864.89	9.8%	896.69	5.9%
S&P Energy Sector	850.03	910.23	-6.6%	943.30	-9.9%	687.34	23.7%	624.41	36.1%
S&P Financial Sector	851.94	866.90	-1.7%	822.22	3.6%	911.60	-6.5%	828.30	2.9%
S&P Healthcare Sector	1672.11	1700.55	-1.7%	1710.39	-2.2%	1805.89	-7.4%	1562.24	7.0%
S&P Industrials Sector	1466.54	1477.85	-0.8%	1369.67	7.1%	1313.14	11.7%	1150.27	27.5%
S&P Information Technology Sector	6573.22	6057.71	8.5%	5158.06	27.4%	5684.00	15.6%	4233.88	55.3%
S&P Materials Sector	645.92	644.42	0.2%	627.82	2.9%	574.41	12.4%	532.60	21.3%
S&P Real Estate Sector	281.85	282.37	-0.2%	259.98	8.4%	255.03	10.5%	259.34	8.7%
S&P Communications Sector	506.88	497.72	1.8%	420.28	20.6%	452.39	12.0%	328.18	54.5%
S&P Utilities Sector	453.94	475.96	-4.6%	466.42	-2.7%	433.81	4.6%	406.51	11.7%
S&P 500 Total Return	16516.80	16088.56	2.7%	14560.75	13.4%	15220.46	8.5%	12487.00	32.3%
3 month Treasury Bill Price	99.08	99.08	0.0%	99.08	0.0%	99.09	0.0%	98.92	0.2%
3 month Treasury Bill Total Return	271.49	271.21	0.1%	270.38	0.4%	268.01	1.3%	260.81	4.1%
10 Year Treasury Bond Future	110.75	110.59	0.1%	111.05	-0.3%	112.44	-1.5%	110.80	0.0%
10 Year Treasury Note Total Return	316.07	315.37	0.2%	315.71	0.1%	316.61	-0.2%	303.93	4.0%
iShares 20+ Year Treasury Bond ETF	86.08	85.62	0.5%	86.69	-0.7%	87.16	-1.2%	86.92	-1.0%
S&P Municipal Bond Total Return	293.08	292.56	0.2%	289.48	1.2%	290.00	1.1%	276.26	6.1%
iShares S&P National Municipal Bond NAV	106.78	106.90	-0.1%	106.04	0.7%	106.85	-0.1%	104.24	2.4%
S&P 500 Investment Grade Corporate Bond Total Return	501.98	499.56	0.5%	496.96	1.0%	499.46	0.5%	471.72	6.4%
S&P Investment Grade Corporate Bond	91.79	91.48	0.3%	91.32	0.5%	92.75	-1.0%	90.18	1.8%
S&P Investment Grade Corporate Bond Total Return	536.07	533.72	0.4%	530.81	1.0%	532.99	0.6%	503.27	6.5%
SPDR Bloomberg High Yield Bond ETF	96.52	96.83	-0.3%	95.72	0.8%	97.21	-0.7%	94.53	2.1%
iShares iBoxx High Yield Corporate Bond ETF	80.14	80.38	-0.3%	79.56	0.7%	80.63	-0.6%	78.50	2.1%
Gold	4715.25	4617.85	2.1%	4668.06	1.0%	4319.37	9.2%	3305.72	42.6%
Bitcoin	80123.95	76466.34	4.8%	68193.95	17.5%	87647.54	-8.6%	102616.61	-21.9%
Silver	80.34	73.75	8.9%	75.17	6.9%	71.66	12.1%	32.46	147.5%

Source: Bloomberg, Sanctuary Wealth, May 15, 2026

Eyes On NVDA But Ears On Warsh

This week marks the start of the Warsh era at the Fed, as markets – ironically – brace for the possibility of rate hikes by year-end.

While there are no major economic releases this week, we do get housing and sentiment data. The big news that investors will be watching is the Q1 earnings report and guidance from Nvidia (NVDA), due after the market close on Wednesday. The company's commentary may serve as a referendum on the broader AI trade.

Kevin Warsh will be sworn in as Federal Reserve Chair early this week. His first official comments, along with the release of the minutes from the April Federal Open Market Committee (FOMC) meeting on Wednesday, will be closely scrutinized by policymakers, investors, the financial media, and everyone in between. With markets already pricing in higher yields and the possibility of rate hikes in 2026, any hawkish signals from Warsh could push yields and volatility higher. The key question is whether he will reinforce those concerns or strike a softer tone that helps calm interest rate expectations.



Calendar

Mon.

8:30am Atlanta Fed First Vice President Cheryl Venable welcoming remarks

Tue.

10:00 am Pending home sales
7:00 pm Philadelphia Fed President Anna Paulson speech
7:45 pm Atlanta Fed First Vice President Cheryl Venable closing remarks

Wed.

2:00 pm Minutes of Fed's April FOMC meeting
Earnings Nvidia*

Thu.

8:30 am Initial jobless claims
8:30 am Housing starts
8:30 am Building permits
8:30 am Philadelphia Fed manufacturing survey
9:45 am S&P flash U.S. services PMI
9:45 am S&P flash U.S. manufacturing PMI
Earnings Walmart

Fri.

10:00 am Consumer sentiment (final)
10:00 am U.S. leading economic indicators

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

Sanctuary makes no representation as to the accuracy or completeness of information contained herein. Any forward-looking statements are based on assumptions, may not materialize, and are subject to change without notice. The information is based upon data available to the public and is not an offer to sell or solicitation of offers to buy any securities mentioned herein. Any investment discussed may not be suitable for all investors. Investors must make their own decisions based on their specific investment objectives and financial circumstances. Investments are subject to risk, including but not limited to market and interest rate fluctuations. Any performance data represents past performance which is no guarantee of future results. Prices/ yields/figures mentioned herein are as of the date noted unless indicated otherwise. All figures subject to market fluctuation and change. Additional information available upon request.

Comments regarding cryptocurrencies or cryptocurrency-based securities are for informational purposes only and do not constitute investment advice or a solicitation to buy or sell any cryptocurrency-related product. These products involve significant risks, including high price volatility, evolving regulations, limited market liquidity, and vulnerability to fraud and cyberattacks.

Securities offered through Sanctuary Securities, Inc., member FINRA/SIPC. Advisory Services offered through the SEC registered investment advisers Sanctuary Advisors, LLC and tru Independence. Sanctuary Wealth consists of the wholly owned subsidiaries: Sanctuary Advisors LLC, Sanctuary Securities, Inc., and tru Independence, as well as Sanctuary Alternative Holdings, Sanctuary Asset Management, Sanctuary Insurance Solutions, Sanctuary Global, and Sanctuary Global Family Office.



1450 Brickell Avenue, Suite 2610
Miami, FL 33131