



# Week Ahead

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June 1, 2026

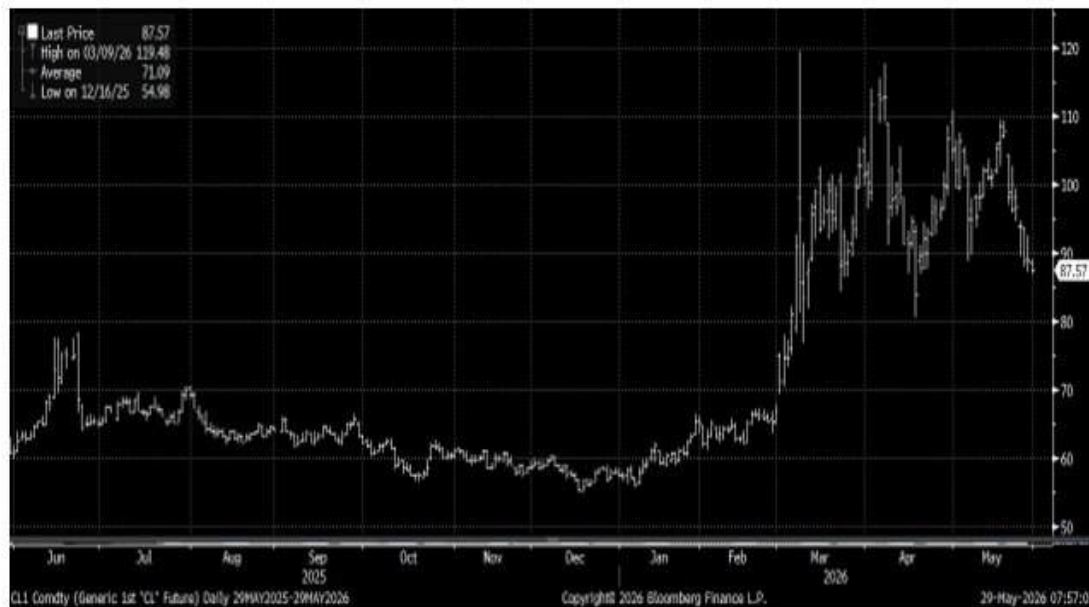
## Ceasefire In Question Creating Market Volatility

**This morning, the U.S.-Iran ceasefire appeared to be in question, creating volatility in the oil market.**

Reuters reported that Iran's Tasnim news agency said Iran's negotiating team is stopping message exchanges with the U.S. because of Israeli attacks on Lebanon. Last week, WTI crude fell 26% from its recent high, but now is trading above \$90 a barrel.

Interest rates have moved lower alongside energy prices, providing additional support for equities and helping propel major market indices to new record highs. Strong 2Q26 earnings have also reinforced the rally, delivering results well above expectations. Meanwhile, consumer spending remains resilient. Gasoline prices as a percentage of disposable income are very low, meaning consumers have the ability to afford higher gas prices. This is also allowing consumers the ability to keep spending, but they are becoming more price sensitive.

## WTI Crude Oil Remains Volatile

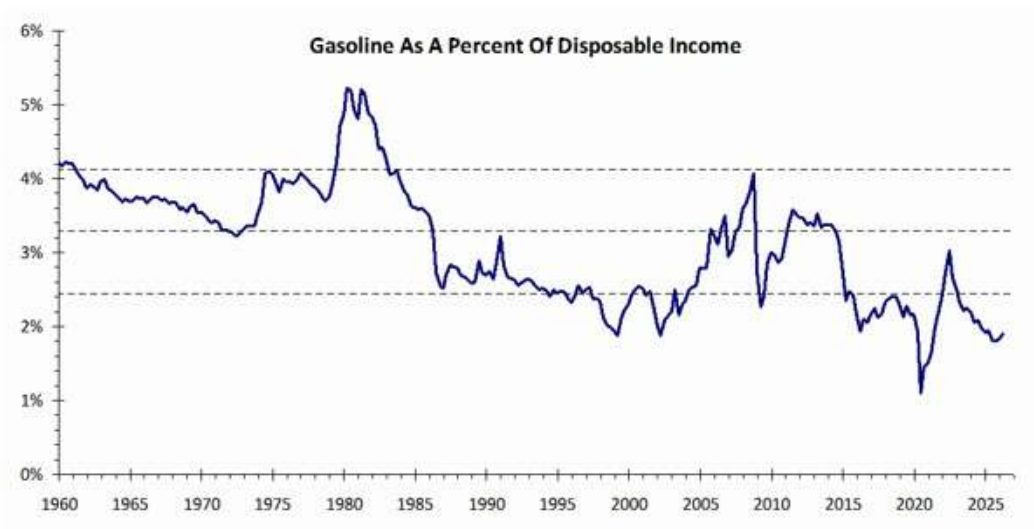


Source: Bloomberg, May 29, 2026



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## Why Are Consumers Still Spending? They Can Afford Higher Gas Prices



Source: Bureau of Economic Analysis, Sanctuary Wealth, May 29, 2026

## 10-Year Treasury Yield Holds At 4.6% And Now Can Test 4.0%

Despite higher inflation rates, the 10-Year Treasury yield held resistance at 4.60% and now looks to test the lower end of the triangle pattern of 4.0%. Lower oil prices have been the key to lower rates. If oil prices stay low and inflation proves temporary, interest rates can remain stable or move lower.

Also important are inflation expectations, which the Federal Reserve (Fed) closely monitors. The 5-Year Breakeven Rate, a market-based measure of expected inflation, continues to decline – a positive development that is helping to temper concerns about a potential interest rate hike.

## 10-Year Treasury Yield Stays In Triangle Pattern

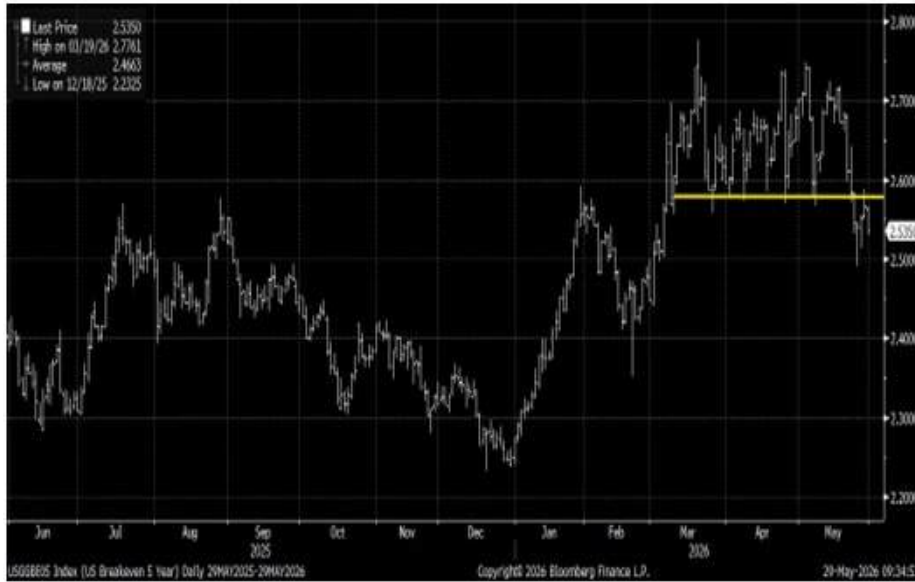


Source: Bloomberg, Annotations by Sanctuary Wealth, May 29, 2026



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## 5-Year Breakeven: Inflation Expectations Falling



Source: Bloomberg, Annotations by Sanctuary Wealth, May 29, 2026

## Where's the Skid? Oil Supplies Are Running Low

Despite falling crude prices, underlying supply conditions remain tight. Oil inventories are approaching historically low levels as tankers carrying crude remain stuck in the Strait of Hormuz. Industry executives have cautioned that if the Strait is not opened soon, supplies could plummet to levels that raise oil prices sharply.

### Concentrated Market Momentum in AI-Related Groups

U.S. equities continue to reach new highs, but gains remain concentrated in a handful of sectors, primarily Semiconductors, Technology Hardware, and Software. Many of these stocks have experienced parabolic advances. Historically, such sharp concentrated rallies often give way to periods of consolidation or rotation, allowing the broader market to catch up. While that outcome is not guaranteed, we believe investors should avoid chasing recent outperformers, even as Technology remains the market's leading sector and a core holding. The encouraging backdrop is that corporate fundamentals remain exceptionally strong. Earnings growth, profit margins, and management guidance continue to exceed expectations. Ultimately, stock prices move on earnings, and the earnings revision ratio has risen sharply from 0.77 to 1.80. Positive earnings revisions are also broadening globally, an important development because earnings revisions are one of the most reliable leading indicators of future stock performance.

## U.S. Earnings Revision Ratio Rose Sharply In May – Earnings Lead Stock Prices

**Table 1: Global Regions Earnings Revision Ratio**

World 3-month ERR moderated from 0.90 to 0.88

Regions	Mar-26	Apr-26	May-26	Last 3 Months
WORLD	0.98	0.76	0.91	0.88
USA	1.13	0.77	1.80	1.16
Europe	0.75	0.66	0.81	0.74
Japan	1.63	1.15	1.07	1.26
Asia Pac ex-Japan	0.90	0.69	0.68	0.75
Emerging Markets	0.85	0.70	0.69	0.74

Source : BofA Global Quantitative Strategy, MSCI, IBES

BofA GLOBAL RESEARCH

Source: Bank of America, May 20, 2026



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## Trading Indicator Signaling A Correction Warning

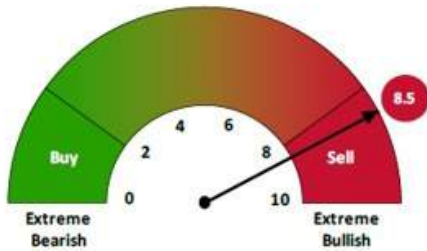
Bank of America's Bull & Bear Indicator, a widely followed tactical trading model, has moved into its sell zone, signaling an elevated risk of a market correction. That raises the question of whether this will be a year when the old "Sell in May and Go Away" adage proves accurate. Our view remains that it may be more appropriate to "Sell in May, But Come Back."

From a technical perspective, equities are very overbought, while market breadth and trading volume have not fully confirmed the recent record highs. Momentum indicators are also suggesting increased correction risk. Seasonally, markets often rally into the summer months and peak before experiencing a sharper pullback during the fall, frequently creating attractive buying opportunities in October. Taken together, these indicators suggest that volatility is likely to remain elevated in the months ahead, and investors should be forewarned and stay patient. The S&P 500 has already reached our year-end target of 7,500. This puts 7,800 in play. We don't want to chase the rally. We remain long-term Bulls and are buyers on pullbacks.

## BofA Tactical Trading Model Signals Risk Of A Correction

**Chart 1: BofA Bull & Bear Indicator**

Up to 8.5 from 8.0



**Source:** BofA Global Investment Strategy. The indicator identified above as the BofA Bull & Bear Indicator is intended to be an indicative metric only and may not be used for reference purposes or as a measure of performance for any financial instrument or contract, or otherwise relied upon by third parties for any other purpose, without the prior written consent of BofA Global Research. This indicator was not created to act as a benchmark.

BofA GLOBAL RESEARCH

Source: Bloomberg, Annotations by Sanctuary Wealth, May 29, 2026

Source: Bloomberg, Annotations by Sanctuary Wealth, May 25, 2026



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

Information Technology is in first place, followed by Energy and Communication Services. Financials are in last place, followed by Utilities. Energy has been among the top three sectors for 25 weeks, while Financials have been one of the two weakest sectors for 16 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 29	May 22	May 15	May 8	May 1	Apr 24	Apr 17	Apr 10
Consumer Discretionary	6	5	7	6	9	9	8	10
Consumer Staples	8	8	6	8	8	8	9	7
Energy	2	1	1	3	1	1	1	1
Financials	11	10	11	11	11	11	11	11
Healthcare	9	11	9	10	10	10	10	8
Industrials	4	4	4	5	5	5	3	3
Information Technology	1	2	2	2	3	4	5	9
Materials	5	7	5	4	4	3	4	2
Communication Services	3	3	3	1	2	2	2	4
Utilities	10	9	10	9	6	6	7	5
Real Estate	7	6	8	7	7	7	6	6

Source: Bloomberg, Sanctuary Wealth, May 29, 2026



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**OBOS List: Information Technology Is Overbought; Industrials, Healthcare, Materials, Consumer Staples, Financials, And Utilities Are Oversold; Real Estate Is Near Oversold.**

Information Technology remained overbought last week. Industrials, Healthcare, Materials, Consumer Staples, Financials, and Utilities were all oversold, while Real Estate was near oversold. We note that Industrials are unusually oversold. There is still considerable volatility in the movement of the sectors relative to one another, and there are an unusual number of sectors oversold. This most likely sets up a major sector rotation, causing volatility.

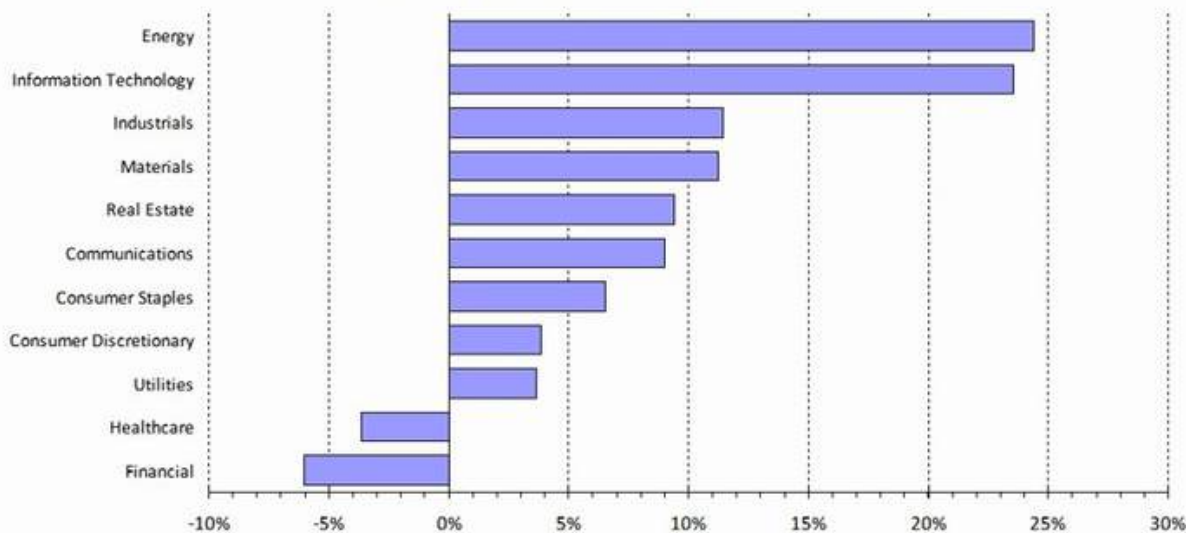
Our tactical sector rotation model uses the S&P 500 GICS sector classifications. We apply a 13-week rate of change methodology that normalizes the rankings from overbought (OB) to oversold (OS). An industry group is overbought when it has risen too far too fast, relative to the rest of the market, based 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 Overbought / Oversold List as of 29 May 2026		
rank	S&P Sector	normalized Oscillator
1	Information Technology	1.7944 <i>Overbought</i>
2	Communication Services	0.2396 <i>Neutral</i>
3	Energy	-0.0285
4	Consumer Discretionary	-0.4599 <i>Neutral</i>
5	Real Estate	-0.6915 <i>Near Oversold</i>
6	Utilities	-1.2295 <i>Oversold</i>
7	Financials	-1.3336
8	Consumer Staples	-1.6333
9	Materials	-1.9618
10	Healthcare	-1.9995
11	Industrials	-2.6522

Source: Bloomberg, Sanctuary Wealth, May 29, 2026

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



Source: Bloomberg, Sanctuary Wealth, May 29, 2026



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## Market Performance: Energy Remains Best Performing Asset Year-To-Date, Followed Closely By Information Technology, Then Nasdaq 100; Bitcoin Is Still Weakest Year-To-Date

	Last 5/29/2026	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 5/29/2025	Year To Year
S&P 500	7580.06	7209.01	5.1%	6528.52	16.1%	6845.50	10.7%	5912.17	28.2%
NASDAQ Composite	26972.62	24892.31	8.4%	21590.63	24.9%	23241.99	16.1%	19175.87	40.7%
NASDAQ 100	738.31	667.74	10.6%	577.18	27.9%	614.31	20.2%	519.93	42.0%
Russell 2000	2919.34	2799.91	4.3%	2496.37	16.9%	2481.91	17.6%	2074.78	40.7%
S&P Consumer Discretionary Sector	2002.94	1953.03	2.6%	1748.22	14.6%	1928.43	3.9%	1727.33	16.0%
S&P Consumer Staples Sector	921.47	952.85	-3.3%	925.56	-0.4%	864.89	6.5%	906.85	1.6%
S&P Energy Sector	854.93	910.23	-6.1%	943.30	-9.4%	687.34	24.4%	623.57	37.1%
S&P Financial Sector	856.67	866.90	-1.2%	822.22	4.2%	911.60	-6.0%	844.22	1.5%
S&P Healthcare Sector	1739.78	1700.55	2.3%	1710.39	1.7%	1805.89	-3.7%	1539.53	13.0%
S&P Industrials Sector	1463.53	1477.85	-1.0%	1369.67	6.9%	1313.14	11.5%	1206.01	21.4%
S&P Information Technology Sector	7021.77	6057.71	15.9%	5158.06	36.1%	5684.00	23.5%	4543.82	54.5%
S&P Materials Sector	638.95	644.42	-0.8%	627.82	1.8%	574.41	11.2%	544.05	17.4%
S&P Real Estate Sector	279.06	282.37	-1.2%	259.98	7.3%	255.03	9.4%	261.22	6.8%
S&P Communications Sector	493.15	497.72	-0.9%	420.28	17.3%	452.39	9.0%	350.88	40.5%
S&P Utilities Sector	449.71	475.96	-5.5%	466.42	-3.6%	433.81	3.7%	410.04	9.7%
S&P 500 Total Return	16935.35	16088.56	5.3%	14560.75	16.3%	15220.46	11.3%	13049.01	29.8%
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	272.05	271.21	0.3%	270.38	0.6%	268.01	1.5%	261.45	4.1%
10 Year Treasury Bond Future	109.83	110.59	-0.7%	111.05	-1.1%	112.44	-2.3%	110.89	-0.8%
10 Year Treasury Note Total Return	314.82	315.37	-0.2%	315.71	-0.3%	316.61	-0.6%	304.26	3.5%
iShares 20+ Year Treasury Bond ETF	85.76	85.62	0.2%	86.69	-1.1%	87.16	-1.6%	86.15	-0.5%
S&P Municipal Bond Total Return	293.82	292.56	0.4%	289.48	1.5%	290.00	1.3%	275.83	6.5%
iShares S&P National Municipal Bond NAV	106.78	106.90	-0.1%	106.04	0.7%	106.85	-0.1%	103.96	2.7%
S&P 500 Investment Grade Corporate Bond Total Return	503.58	499.56	0.8%	496.96	1.3%	499.46	0.8%	474.16	6.2%
S&P Investment Grade Corporate Bond	91.77	91.48	0.3%	91.32	0.5%	92.75	-1.1%	90.42	1.5%
S&P Investment Grade Corporate Bond Total Return	537.57	533.72	0.7%	530.81	1.3%	532.99	0.9%	505.99	6.2%
SPDR Bloomberg High Yield Bond ETF	96.77	96.83	-0.1%	95.72	1.1%	97.21	-0.5%	95.80	1.0%
iShares iBoxx High Yield Corporate Bond ETF	80.31	80.38	-0.1%	79.56	0.9%	80.63	-0.4%	79.50	1.0%
Gold	4540.26	4617.85	-1.7%	4668.06	-2.7%	4319.37	5.1%	3317.94	36.8%
Bitcoin	73581.98	76466.34	-3.8%	68193.95	7.9%	87647.54	-16.0%	106179.22	-30.7%
Silver	75.30	73.75	2.1%	75.17	0.2%	71.66	5.1%	33.32	126.0%

Source: Bloomberg, Sanctuary Wealth, May 29, 2026

### Key Catalysts This Week

**This week economic data and earnings might speak louder than global news headlines – but markets know lower oil prices keep the machine moving smoothly.**

Investors face a busy week of economic data, highlighted by Friday's May employment report from the Bureau of Labor Statistics (BLS). Other key releases include ISM Manufacturing and Services data, ADP employment figures, and earnings reports from important names, including Broadcom (AVGO) and CrowdStrike (CRWD) – both on Wednesday. Of course, geopolitical developments involving Iran remain an additional source of potential market volatility.

After this week, the Federal Reserve will move into its pre-meeting communications blackout period, leaving markets to interpret incoming economic data without further guidance from policymakers. Investor attention is already shifting toward the June 16-17 Federal Open Market Committee (FOMC) meeting, the first under new Fed Chair Kevin Warsh, which could provide important signals regarding the path of interest rates during the second half of the year.



# Calendar

## Mon.

9:45 am S&P final U.S. manufacturing PMI  
10:00 am ISM manufacturing  
10:00 am Construction spending  
11:50 pm Minneapolis Fed President Neel Kashkari speech in South Korea  
TBA Auto sales

## Tue.

8:55 am Cleveland Fed President Beth Hammack speech  
10:00 am Job openings  
Earnings Dollar General\*

## Wed.

8:15 am ADP employment  
9:00 am Federal Reserve governor Michael Barr speech  
9:45 am S&P final U.S. services PMI  
10:00 am Factory orders  
10:00 am ISM services  
2:00 pm Fed Beige Book  
Earnings Broadcom, CrowdStrike

## Thu.

8:30 am Initial jobless claims  
8:30 am U.S. productivity  
8:30 am Richmond Fed President Tom Barkin speech

## Fri.

8:30 am U.S. employment report  
8:30 am U.S. unemployment rate  
8:30 am U.S. hourly wages  
8:30 am Hourly wages year over year  
3:00 pm Consumer credit

## Sat.

12:00 pm Federal Reserve governor Michael Barr speech

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