

Global Perspectives Weekly: Oil, Warsh, and the Ghost of Gatsby Walk into a Bear Steepener

For the week ended May 15, 2026

Commentary

Markets last week: Powell handed Warsh the keys to the Fed, two inflation surprises, and a bond market in full tantrum mode. Welcome, Kevin.

- **U.S. large cap stocks held up this week like someone in a horror movie who hasn't checked the basement yet.** Energy was the star of the show, surging 7% (oil ended the week at \$105+ a barrel) followed by technology and consumer staples.
- **Everything else: not great, not terrible.** Small and mid caps fell and consumer discretionary, real estate, and materials struggled. Growth beat value, a full reversal from the prior week. International stocks edged ahead of U.S. stocks. Japan, emerging markets, and Europe all had a more composed week than we did.
- **Bonds had a significantly worse week than the equity numbers suggest.** The 10-year U.S. Treasury yield jumped by 25 basis points to 4.60%, while the 2-year rose by 19 basis points to 4.08%. This is called a *bear steepener*. It's like a ski trail that just keeps getting steeper, and at the bottom there's no lodge, just a guy with a clipboard asking about your inflation expectations. When long-term yields rise faster than short-term ones, the market isn't just repricing what the Fed does next month; it's repricing what inflation looks like in ten years.
- **The U.S. dollar strengthened against major currencies.** Gold fell by 2.5% to \$4,536, its first meaningful pullback in a while. That's either a healthy correction or a warning sign, depending on who you ask and how much gold they own.
- **Jerome Powell's term as Fed Chair ended Friday.** The Senate confirmed Kevin Warsh as his successor—a man whose inbox on Day 1 included both CPI and PPI surprises plus the worst consumer sentiment since the Eisenhower administration. The next FOMC meeting is in June. Warsh will have read the manual by then. Hopefully.
- **Consumer prices rose by 0.6% in April and by 3.8% year over year, with energy driving more than 40% of the monthly increase.** Core prices—the one economists invented so they could sleep at night by pretending food and energy don't exist, which is a level of denial that would impress even Jay Gatsby—came in at 0.4%, above the 0.3% expectation. So, even the version of inflation that's supposed to make us feel better didn't.
- **Producer prices rose by 1.4% in April, the largest monthly gain since March 2022.** They're now up by 6% over the past year, the biggest annual increase since December 2022. Which, if you recall, was not exactly the Renaissance. Price pressure isn't just at the register. It's in the pipeline, the loading dock, and has apparently been cc'd on every invoice in America.
- **Initial jobless claims rose to 211,000 for the week ending May 9,** slightly above consensus and up from 199,000 the prior week. Two weeks ago, it was at 189,000—the lowest since 1969. The labor market remains strong but has started to look over its shoulder.

Earnings

- **1Q26 earnings season is nearly over.** 91% of S&P 500 companies have reported. Earnings are up 28.6%, 83% beat estimates, and tech—with 53% growth and a 98% beat rate—is less a sector at this point than the part of the movie where the robots stop pretending they need us.

Market data

Index prices (\$)	05/15/2026	12/31/2025
Dow Jones Industrial Average	49,526	48,063
S&P 500	7,409	6,846

Returns (%)	1wk	QTD	YTD	3mo
Equities				
S&P 500	0.13	13.62	8.70	8.70
S&P Mid Cap 400	-2.43	7.03	9.71	1.65
S&P Small Cap 600	-3.21	7.82	11.61	2.45
Russell 1000	-0.04	12.82	8.10	7.97
Russell MidCap	-1.51	6.63	8.01	2.19
Russell 2000	-2.37	12.00	12.99	5.87
Dow Jones Industrial Average	-0.17	7.05	3.63	0.47
NASDAQ Composite	-0.08	21.54	13.07	16.51

Fixed income				
Bloomberg U.S. Aggregate	-1.14	-0.66	-0.71	-1.97
Bloomberg Global Aggregate	-1.52	0.27	-0.81	-2.50
Bloomberg High Yield Bond	-0.49	1.38	0.88	0.14
S&P / LSTA Senior Loan	0.12	1.64	0.86	1.59
JPM EMBI+ Emerging Markets Bond	-0.97	2.52	1.96	-0.44

S&P 500 sectors				
Technology	1.21	29.02	17.24	23.28
Materials	-2.21	0.66	10.45	-5.31
Consumer discretionary	-3.04	10.80	0.62	5.85
Health care	1.06	-1.03	-5.86	-7.60
Utilities	-1.93	-4.40	3.49	-5.05
Consumer staples	1.30	4.17	12.16	-3.17
Energy	7.03	-3.44	33.50	9.62
Financials	-0.28	3.52	-6.16	-0.54
Industrials	-1.10	5.95	10.84	-1.35
Communication services	-0.84	19.71	11.40	14.13
Real Estate	-2.55	5.79	8.72	0.21

Equity style performance				
Large cap value	-0.81	8.59	10.87	4.18
Large cap growth	0.63	16.73	5.31	11.38
Mid cap value	-1.66	6.72	10.66	2.41
Mid cap growth	-0.96	6.29	-0.46	1.43
Small cap value	-2.83	8.57	13.95	3.39
Small cap growth	-1.96	15.33	12.10	8.24

International equities				
MSCI EAFE	-1.53	7.43	6.23	-1.48
MSCI U.K.	-2.06	1.77	3.83	-2.75
MSCI Europe ex-U.K.	-1.69	7.47	3.14	-1.66
MSCI Japan	-0.82	11.48	13.16	-1.55
MSCI AC Asia ex-Japan	-1.91	22.83	21.45	10.42
MSCI Emerging Markets	-2.45	19.74	19.61	7.93
MSCI ACWI	-0.54	12.60	9.10	6.04

Source: FactSet.

Upcoming U.S. economic releases

Date	Event
5/18/2026	Housing Market Index (May)
5/19/2026	Pending Home Sales (April)
5/20/2026	FOMC Meeting Minutes
5/21/2026	Jobless Claims, Housing Starts (April)
5/22/2026	Consumer Sentiment (May revised), Leading Indicators (April)

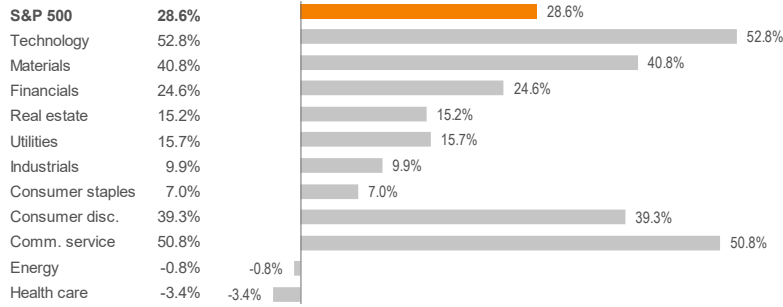
Market data, cont'd

As of:	Last close	Prior week	Year end	3 mos ago
U.S. bond rates (%)				
U.S. federal funds target rate	3.75	3.75	3.75	3.75
U.S. 2yr Treasury	4.08	3.95	3.48	3.41
U.S. 10yr Treasury	4.60	4.41	4.18	4.05
U.S. 20yr Treasury	5.14	4.97	4.79	4.64
U.S. 30yr Treasury	5.12	4.98	4.86	4.70
High yield (Merrill U.S. Corporates)	6.71	6.59	6.42	6.35
Consumer rates (%)				
30yr mortgage rate	6.46	6.43	6.25	6.18
Prime rate	6.75	6.75	6.75	6.75
Commodities				
Gold (USD/oz)	\$4,561	\$4,728	\$4,341	\$5,046
Crude oil (USD/bbl)	\$105.42	\$98.07	\$57.42	\$62.89
Copper (LME \$/mt)	\$13,553	\$13,673	\$12,504	\$12,719
Gasoline (USD/gal)	\$4.81	\$4.76	\$3.10	\$3.18
Exchange rates				
\$ per €	1.16	1.18	1.17	1.18
\$ per £	1.33	1.36	1.35	1.36
¥ per \$	158.60	157.01	156.75	153.13
U.S. Dollar Index	99.28	97.96	98.32	96.92

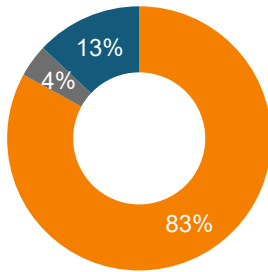
Source: FactSet.

1Q26 S&P 500 earnings dashboard

Growth rates

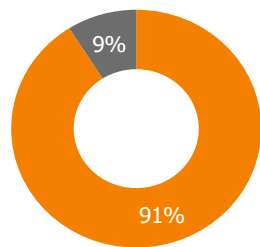


■ Above ■ Match ■ Below



	Above	Match	Below
S&P 500	83%	4%	13%
Consumer disc.	73%	5%	22%
Consumer staples	88%	4%	8%
Energy	81%	5%	14%
Financials	84%	1%	15%
Health care	89%	0%	11%
Industrials	84%	7%	9%
Materials	81%	8%	12%
Real estate	67%	10%	23%
Technology	98%	0%	2%
Comm. service	63%	0%	37%
Utilities	77%	6%	16%

■ Reported ■ Remaining



	Reported	Remaining
S&P 500	452	47
Comm. service	19	1
Consumer disc.	37	11
Consumer staples	26	10
Energy	21	0
Financials	75	1
Health care	55	4
Industrials	76	3
Materials	26	0
Real estate	30	1
Technology	56	16
Utilities	31	0

As of 05/15/26. Source: London Stock Exchange Group, Institutional Brokers' Estimate System. Above, Match and Below are showing the percentage of constituents that beat, matched or missed analyst expectations on the day of reporting.

Principal Risks

All investing involves risks of fluctuating prices and the uncertainties of rates of return and yield. **Asset Allocation:** The success of the model depends on the Adviser's or Sub-Adviser's skill in allocating model assets between the asset classes and in choosing investments within those categories. There is a risk that the model may allocate assets to an asset class that underperforms other asset classes. **Investment Model:** The model invests based on a proprietary model managed by the manager. The manager's proprietary model may not adequately address existing or unforeseen market factors or the interplay between such factors. **Other Investment Companies:** The main risk of investing in other investment companies, including exchange-traded funds, is the risk that the value of the securities underlying an investment company might decrease. Because the model or an underlying fund may invest in other investment companies, you will pay a proportionate share of the expenses of those other investment companies (including management fees, administration fees, and custodial fees) in addition to the expenses of the model and a proportionate share of the expenses of each underlying fund. **Interest Rate:** With bonds and other fixed-rate debt instruments, a rise in interest rates generally causes values to fall; conversely, values generally rise as interest rates fall. The higher the credit quality of the instrument, and the longer its maturity or duration, the more sensitive it is likely to be to interest rate risk. **Foreign Investments / Developing and Emerging Markets:** Investing in foreign (non-U.S.) securities may result in the model or the underlying funds experiencing more rapid and extreme changes in value than a model that invests exclusively in securities of U.S. companies due to smaller markets different reporting, accounting and auditing standards; nationalization, expropriation, or confiscatory taxation; foreign currency fluctuations, currency blockage or replacement; potential for default on sovereign debt; or political changes or diplomatic developments. Other risks of the model include but are not limited to **Credit, High-Yield Securities Investments, Call, Company, Currency, Liquidity, Market, Market Capitalization, Real Estate Companies and Real Estate Investment Trusts, U.S. Government Securities and Obligations.** An investment in the model is not a bank deposit and is not insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board or any other government agency.

Voya Global Perspectives Market Models positioning

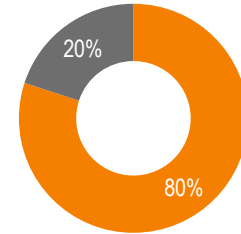
Current positioning

The models remain in base posture since rebalancing in early April following positive earnings growth for S&P 500 companies in 4Q25.

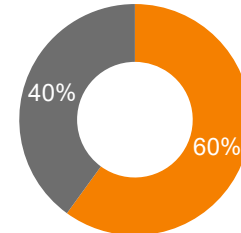
Base positioning

■ Equity ■ Fixed Income

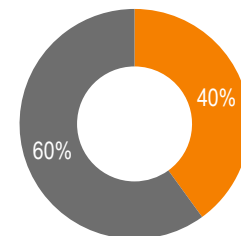
Global Aggressive Growth



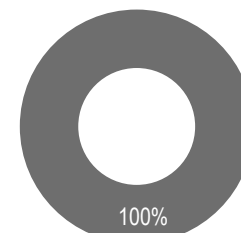
Global Moderate Growth



Global Conservative Growth



Global Income



Source: Voya IM.

Index definitions

Bloomberg Global Aggregate Bond Index measures a wide range of global government, government-related, corporate and securitized fixed-income investments, all with maturities greater than one year.

Bloomberg High Yield Bond Index tracks the performance of below investment grade U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market.

Bloomberg U.S. Aggregate Index is a bond market index composed of U.S. securities in Treasury, Government-Related, Corporate, and Securitized sectors that are of investment-grade quality or better, have at least one year to maturity, and have an outstanding par value of at least \$250 million.

Dow Jones Industrial Average is a price-weighted average computed from the stock prices of 30 of the largest and most widely held public companies in the U.S., adjusted to reflect stock splits and stock dividends.

FTSE EPRA / NAREIT Global Real Estate Index represents general performance trends of the equity securities of real estate companies involved in the ownership, disposition and development of income-producing properties worldwide.

JPMorgan Emerging Markets Bond Index Plus (EMBI+) tracks total returns for traded foreign currency denominated debt instruments in the emerging markets which meet minimum criteria for face value outstanding and market trading liquidity.

MSCI ACWI Index is a free float-adjusted market capitalization weighted index designed to provide a broad measure of equity-market performance throughout the world, capturing large and mid cap representation across 23 Developed Markets (DM) and 26 Emerging Markets (EM) countries.

MSCI EAFE Index is a free float-adjusted market capitalization weighted index designed to measure developed markets' equity performance, excluding the U.S. & Canada, for 21 countries.

MSCI Europe ex-U.K. Index is a free float-adjusted market capitalization weighted index designed to measure equity performance of the 15 developed European markets except the U.K..

MSCI U.K. Index is a free float-adjusted market capitalization weighted index designed to measure equity performance of listed common stocks in the U.K..

MSCI Asia ex-Japan Index is a free float-adjusted market capitalization weighted index designed to measure equity performance of the 15 developed Asian markets except Japan.

MSCI Japan Index is a free float-adjusted market capitalization weighted index designed to measure equity performance of listed common stocks in Japan.

MSCI Emerging Markets Index is a free float-adjusted market capitalization index that measures emerging market equity performance of 23 countries.

Municipal Bond Index is a bond index that includes investment-grade, tax-exempt fixed-rate bonds with long-term maturities (greater than two years) selected from issues larger than \$50 million.

NASDAQ Composite Index is a market capitalization weighted index of the performance of domestic and international common stocks listed on the Nasdaq Stock Market including over 2,800 securities.

Large Growth: Russell 1000 Growth Index measures the large-cap growth segment of the U.S. equity market including Russell 1000 companies with higher price-to-book ratios and forecasted growth.

Large Value: Russell 1000 Value Index measures the large-cap value segment of the U.S. equity market including Russell 1000 companies with lower price-to-book ratios and lower expected growth.

Midcap Growth: Russell MidCap Growth Index measures the performance of the mid-cap growth segment of the U.S. equity market including Russell Midcap Index companies with higher price-to-book ratios and forecasted growth.

Midcap Value: Russell MidCap Value Index measures the performance of the mid-cap growth segment of the U.S. equity market including Russell Midcap Index companies with lower price-to-book ratios and forecasted growth.

Small Cap Growth: Russell 2000 Growth Index measures the performance of small-cap growth stocks in the U.S. equity market including Russell 2000 companies with higher price-to-value ratios and forecasted growth.

Small Cap Value: Russell 2000 Value Index measures the performance of small-cap growth stocks in the U.S. equity market including Russell 2000 companies with lower price-to-value ratios and forecasted growth.

S&P 500 Index is a widely regarded as the best single gauge of the U.S. equities market, including 500 leading companies in major industries of the U.S. economy.

S&P 500 Sectors are defined as the GICS (Global Industry Classification Standard) sectors which provide standardized industry definitions consisting of 10 sectors, 24 industry groups, and 67 industries.

The S&P MidCap 400 includes 400 companies and represents almost 6% of the U.S. markets. To be eligible for inclusion in the index, a company should be a U.S. company, have a market cap between USD 3.3 billion to USD 11.8 billion, maintain a public float of at least 10% of its shares outstanding, and its most recent quarter's earnings and the sum of its trailing four consecutive quarters' earnings must be positive. The index implements changes on an as-needed basis.

The S&P SmallCap 600 includes 600 companies and represents almost 3% of the U.S. market. To be eligible for inclusion in the index, a company should be a U.S. company, have a market cap between USD 750 million to USD 3.3 billion, maintain a public float of at least 10% of its shares outstanding, and its most recent quarter's earnings and the sum of its trailing four consecutive quarters' earnings must be positive. The index implements changes on an as-needed basis.

The Russell 1000 Index measures the performance of the large-cap segment of the U.S. equity market and includes approximately 1,000 of the largest securities based on market capitalization and representing approximately 92% of the U.S. market.

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