



April 20, 2026

## Middle East Hostilities Are Ongoing

**As of last Friday, the situation in the Middle East showed tentative signs of de-escalation, with Iran announcing that the Strait of Hormuz was “completely open” to commercial shipping for the remainder of the current ceasefire, set to expire around April 22.**

However, developments over the weekend have reversed much of that progress. The Islamic Revolutionary Guard Corps (IRGC) reimposed strict control over the Strait, citing the ongoing U.S. naval blockade of Iranian ports and coastal areas. Iranian gunboats fired on at least one Indian-flagged tanker (and forced others to turn back) despite prior assurances of safe passage. Meanwhile, internal regime divisions—particularly between IRGC hardliners and more pragmatic political/diplomatic factions—have contributed to the mixed signals and abrupt policy shifts. The U.S. has maintained its full blockade and signaled plans to board or seize Iran-linked vessels anywhere in the world in the coming days. And that's exactly what the U.S. Navy did yesterday (Sunday), taking control of an Iranian cargo ship that tried to run its blockade in the Strait.

Probability markets (primarily Polymarket and Kalshi) now reflect heightened caution amid the renewed Hormuz disruptions. Traders assign roughly 63%-71% odds that the ceasefire will be extended beyond April 22 (with April 21 as the leading short-term date), while the chance of a U.S. blockade lift by April 30 has fallen sharply. Markets price only a modest 40% likelihood of Strait traffic returning to normal by end of May, rising to around 69%-82% by end of June. A full, near-term permanent peace agreement remains low-probability (20-40% by late April/early May windows), with traders favoring a longer timeline (June 30 at ~68%) as talks resume in Pakistan.

## Oil Sold Off Sharply On The Opening Of the Strait of Hormuz, But...

With the announcement that the Strait of Hormuz was open, crude oil prices fell sharply (down 11%), but over the weekend Iran blocked the Strait once more, putting upward pressure on oil again.

Technically there is good support for WTI crude oil near \$80 and resistance is \$90. The futures market is pricing in that oil prices will fall to the low \$70s by November. Expect continued oil price volatility until the Strait of Hormuz is truly fully reopened.

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## Crude Oil Prices Have Declined Sharply: Support Near \$80



Source: Bloomberg, Annotations by Sanctuary Wealth, April 17, 2026

## Earnings Season Opens With Banks With Strong Results

We are in the early stages of the Q1 2026 earnings season, with major U.S. banks reporting generally strong results. Most institutions beat consensus estimates on both revenue and earnings, supported by robust trading activity and a rebound in investment banking fees. However, stock reactions have been muted, as cautious forward guidance - particularly around net interest income (NII) and expenses - fell short of expectations. As a result, sentiment remains mixed to cautiously positive: fundamentals appear resilient, but a tempered outlook and ongoing macro and geopolitical uncertainty have limited a more bullish response so far.

Looking ahead, several tailwinds could support the sector. A strengthening IPO pipeline - including potential offerings from companies such as SpaceX, Anthropic, and OpenAI - would provide a meaningful boost to advisory and underwriting revenues. In addition, a steepening yield curve could further support bank profitability as the economy expands. *From a technical perspective, the weekly stochastic has generated a buy signal, reinforcing the view that strong bank performance remains closely tied to broader economic strength.*

## Weekly SPDR S&P Bank ETF (KBE) (Top) With Stochastics (Bottom)



Source: Bloomberg, Annotations by Sanctuary Wealth, April 17, 2026



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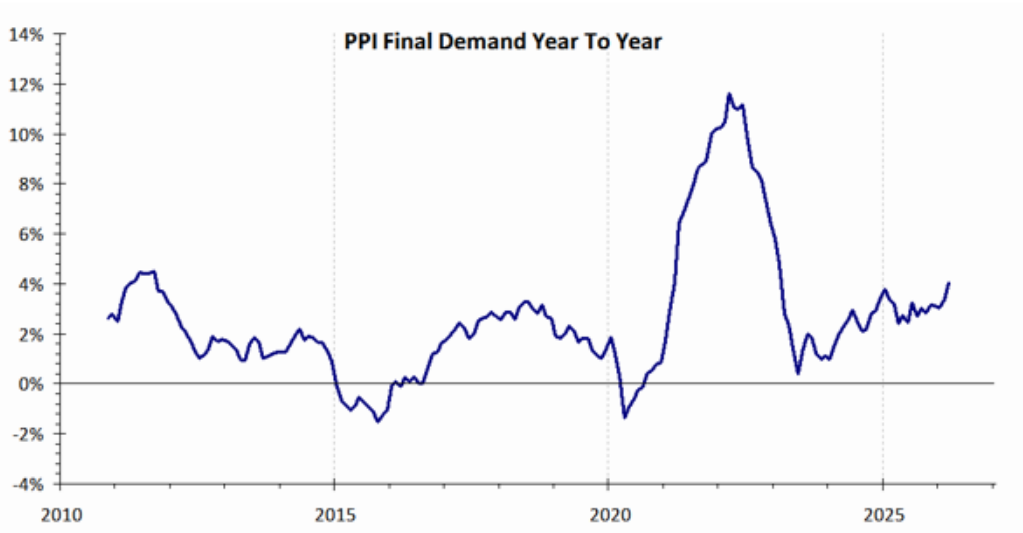
## Key Metrics For First Quarter Earnings For April 17 Provided By FactSet

- **Earnings Scorecard:** For Q1 2026 (with 10% of S&P 500 companies reporting actual results), 88% of S&P 500 companies reported a positive EPS surprise and 84% of S&P 500 companies have reported a positive revenue surprise.
- **Earnings Growth:** For Q1 2026, the blended (year-over-year) earnings growth rate for the S&P 500 is 13.2%. If 13.2% is the actual growth rate for the quarter, it will mark the sixth-straight quarter of double-digit (year-over-year) earnings growth reported by the index.
- **Earnings Revisions:** On March 31, the estimated (year-over-year) earnings growth rate for the S&P 500 for Q1 2026 was also 13.2%. Five sectors are reporting higher earnings today (compared to March 31) due to positive EPS surprises and upward revisions to EPS estimates.
- **Earnings Guidance:** For Q2 2026, 4 S&P 500 companies have issued negative EPS guidance, and 3 S&P 500 companies have issued positive EPS guidance.
- **Valuation:** The forward 12-month P/E ratio for the S&P 500 is 20.9. This P/E ratio is above the 5-year average (19.9) and above the 10-year average (18.9).

## Producer Prices Not As High As Feared

Producer prices came in notably cooler than feared in March, providing a measure of relief to markets amid geopolitical tensions and energy volatility. The Producer Price Index (PPI) for final demand rose just 0.5% month-over-month, well below the consensus forecast of 1.1%, while the year-over-year increase reached 4.0%, the highest level since early 2023 but still softer than many had anticipated. Core PPI (excluding food and energy) advanced a modest 0.2%, with services prices remaining flat, signaling that underlying pipeline pressures are not spiraling out of control. This tempered reading helped ease inflation worries and contributed to a positive market reaction.

## PPI Year To Year Higher, But Not Too High



Source: Bureau of Labor Statistics, Sanctuary Wealth, April 14, 2026



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### S&P 500 Triggers Weekly Buy Signal with Fibonacci Target at 7500

The weekly stochastic for the S&P 500 generated a buy signal, with key Fibonacci levels pointing toward a potential upside target near 7,500, our year-end target. This bullish setup aligns with expectations for a strong Q1 earnings season, cooling producer price pressures, and an expanding economy, suggesting further upside if the index holds above recent support levels. Support sits near the 200-day moving average at 6,680 and the 50-day moving average at 6,770. Our longer-term target remains unchanged, with the S&P 500 reaching 10,000-13,000 by the end of the decade.

### S&P 500 With Weekly Stochastic On A Buy Signal



### S&P 500 With Weekly Fibonacci Levels: Breakout Points To A Move To 7500





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## Technology Stocks Reassert Themselves

The Technology sector has been in a correction with many of the stocks correcting 20%, creating a very oversold condition as we enter earnings season. The pullback lowered forward price-to-earnings (P/E) ratios after a sharp de-risking phase early in the Iran conflict. We believe the sector has bottomed and the rally has been led by semiconductors with the industry group hitting record highs. The Tech sector continues to demonstrate long-term leadership in this AI-driven secular bull market, supported by expectations of robust earnings growth. While reported results have generally been solid, forward guidance is expected to serve as the primary catalyst for further upside, particularly any positive commentary about AI spending, revenue, and margins. As a reminder, this sector also has superior return on equity (ROE) of 30% versus the S&P 500 at 20%.

The iShares Technology ETF (IYW) has a weekly stochastic buy signal.

### iShares U.S. Technology ETF (IYW) (Top) With Stochastics (Bottom)

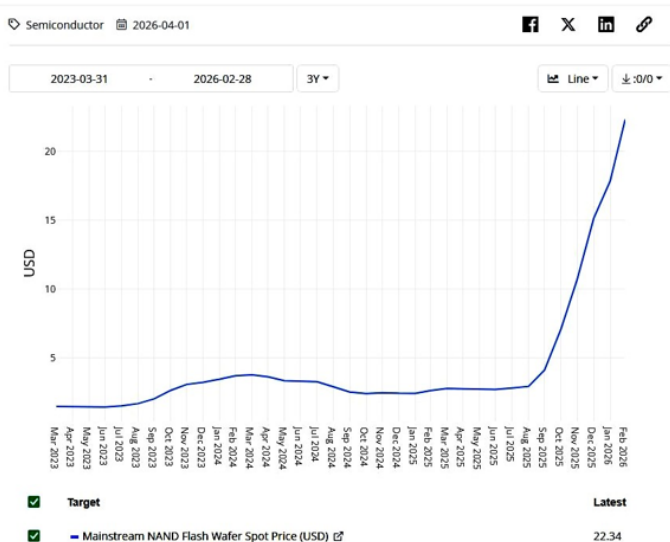


Source: Bloomberg, Annotations by Sanctuary Wealth, April 17, 2026

## Compute Crunch

The "AI compute crunch" reflects a capacity shortage at frontier labs – most notably highlighted by Anthropic – leading to throttling and performance constraints as demand for inference and agentic AI outpaces supply. This dynamic is reinforcing strong returns on AI capital expenditure, with scarcity across critical inputs driving pricing power. Even 2022-era H100 GPUs are once again commanding premium rental rates amid surging demand for inference and agentic workloads.

### Silicon Wafer Flash Memory Spot Prices



Source: TrendForce.com, retrieved April 17, 2026



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The constraint extends beyond compute. Acute shortages in high-bandwidth memory (HBM), general memory capacity, and especially electricity and power infrastructure are creating a multi-dimensional supply bottleneck. This is validating heavy AI investments and widening the competitive moat for those with secured access to these scarce resources.

AI-driven productivity gains continue to support a broader investment case, with hyperscalers, data centers, and related industrials positioned as key beneficiaries – still underappreciated amid lingering skepticism.

### Memory Chip Stocks Surge on Worsening High-Performance Memory Shortage

Memory semiconductor chip stocks are rallying sharply as a severe shortage of high-performance memory chips (the kind used in everything from laptops to servers to thumb drives) intensifies. Spot prices for silicon wafers and flash memory have continued to climb, reflecting sustained supply-demand imbalance tied to AI workloads. With wafer capacity increasingly allocated to high-margin AI applications, leading producers are benefiting from higher average selling prices and expanding margins, setting up for continued earnings growth through 2026.

Micron Technology (MU) and Sandisk (SNDK) are clear beneficiaries of this imbalance. *And this reinforces Semiconductors as the industry leader of this current secular bull market.*

### Weekly Micron Technology (MU) (Top) With Stochastics (Bottom)



Source: Bloomberg, Annotations by Sanctuary Wealth, April 18, 2026

### Sandisk (SNDK) (Top) With Stochastics (Bottom)



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

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## Mythos Crisis

The Anthropic Claude Mythos cybersecurity crisis has revealed critical zero-day vulnerabilities in virtually every major operating system and web browser. (These are security flaws bad actors can exploit before software makers even know they exist.) Security researchers and industry experts warn that the software underpinning every operating system, browser, modem, router, and firewall will need to be substantially rewritten or patched to address these newly exposed flaws. Given the severity and scale of the discoveries, this remediation work must be completed on an accelerated timeline, preferably within the next 3-12 months, creating an enormous and urgent challenge for the global technology and cybersecurity community. *This new upgrade in software – a universal imperative! – should help support select software and cybersecurity companies.*

☰ Bloomberg

## AI Is Finding More Bugs Than Open-Source Teams Can Fight Off

Anthropic's Mythos and similar AI tools can identify threats and vulnerabilities faster than small teams can fix them, putting the internet at risk.

By [Chris Stokel-Walker](#)

April 17, 2026 at 2:30 AM CDT

## Software Stocks Appear To Be In A Bottoming Process

The iShares Extended Tech Software ETF (IGV) appears to be in a bottoming process. The monthly stochastic is oversold – a strong sign the stocks should be nearing a buying level.

### Monthly iShares Extended Tech-Software ETF (IGV) (Top) With Stochastic (Bottom)



Source: Bloomberg. Annotations by Sanctuary Wealth, April 19, 2026

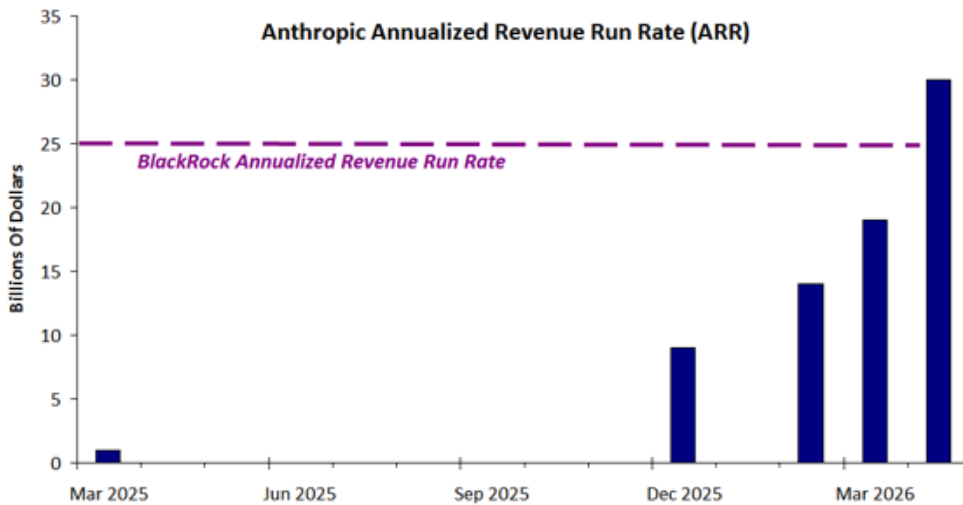


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## AI Resurgence

In a conference call last week, BlackRock noted a clear shift in sentiment around AI capital expenditure: initial skepticism is rapidly giving way to conviction as model scaling delivers transformative results. Examples cited include the Claude 4.6 AI model enabling non-coders at BlackRock to build high-quality applications in under two hours, and a shift toward data scientists primarily testing rather than manually reviewing machine-generated code. This acceleration is reflected in extraordinary revenue scaling at the frontier labs (Anthropic, OpenAI, Google DeepMind, xAI, Meta AI). Anthropic’s annualized revenue run-rate surged from approximately \$19 billion at the end of March 2026 to \$30 billion in early April, an \$11 billion increase in roughly one month, a pace that effectively replicates BlackRock’s entire annual revenue base in about two months, a pace of growth never before seen in financial history.

## Anthropic Annualized Revenue Run Rate (ARR) Accelerating At Phenomenal Pace



Source: Bloomberg, Annotations by Sanctuary Wealth, April 18, 2026

## IMF Warns On The Concern Of Rising Issuance Of U.S. Treasuries

In its April 2026 Fiscal Monitor, the IMF warns that the sharp rise in U.S. Treasury supply is eroding the traditional safety and liquidity premium that Treasuries have long enjoyed, pushing up borrowing costs globally. Former Treasury Secretaries Timothy Geithner and Henry Paulson echoed these concerns, cautioning that the current fiscal trajectory is unsustainable and that the U.S. risks a sudden loss of confidence in Treasuries, potentially leading to a sharp rise in yields or even a “vicious” market reaction if decisive action is not taken. If the bond market chooses to focus on this issue, long interest rates could rise. At this time, the market is not focusing on this issue.



### IMF Says Treasuries Losing Premium, Warns on Debt Management

By [Enda Curran](#)

April 15, 2026 at 8:00 AM CDT

Updated on April 15, 2026 at 3:52 PM CDT

The International Monetary Fund warned Wednesday that the escalating scale of US debt issuance is undermining the premium Treasuries have commanded from investors, with implications for government securities across the globe.

“The increase in the US Treasury security supply is compressing the safety premium that US Treasuries have traditionally commanded – an erosion that pushes up borrowing costs globally,” the Washington-based fund said in its latest Fiscal Monitor [report](#).



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## Sector Readings: Energy Strongest, Followed By Communications Services and Industrials; Financials Weakest, Followed By Healthcare; Tech Correction May Have Ended

Energy was strongest again last week, followed by Communications Services, then Industrials. Financials have fallen to last place, followed by Healthcare. Technology had a significant improvement, which could be signaling a bottom is in place. Energy has been strongest for 10 weeks, and Financials have been among the two weakest sectors for 10 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

	Apr 17	Apr 10	Apr 3	Mar 27	Mar 20	Mar 13	Mar 6	Feb 27
Consumer Discretionary	8	10	11	10	10	10	10	10
Consumer Staples	9	7	5	5	5	5	7	7
Energy	1	1	1	1	1	1	1	1
Financials	11	11	10	11	11	11	11	11
Healthcare	10	8	8	6	7	7	6	4
Industrials	3	3	4	4	2	3	2	3
Information Technology	5	9	9	9	9	9	9	9
Materials	4	2	2	2	6	4	4	2
Communication Services	2	4	6	8	4	6	5	6
Utilities	7	5	3	3	3	2	3	5
Real Estate	6	6	7	7	8	8	8	8

Source: Bloomberg, Sanctuary Wealth, March 29, 2026



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### OBOS List: Energy is Overbought, Materials Near Overbought; Healthcare Oversold, Financials and Consumer Discretionary are Near Oversold. Expect continued sector rotation!

Energy alone was overbought last week, with Materials near overbought. Healthcare was oversold, while Financials were near oversold. The market's stretched performance between favored and rejected sectors has been largely relieved as the situation in the Middle East appears to clarify. As we opined last week, extreme overbought/oversold positioning led to sector rotation and sudden reversals in relative price.

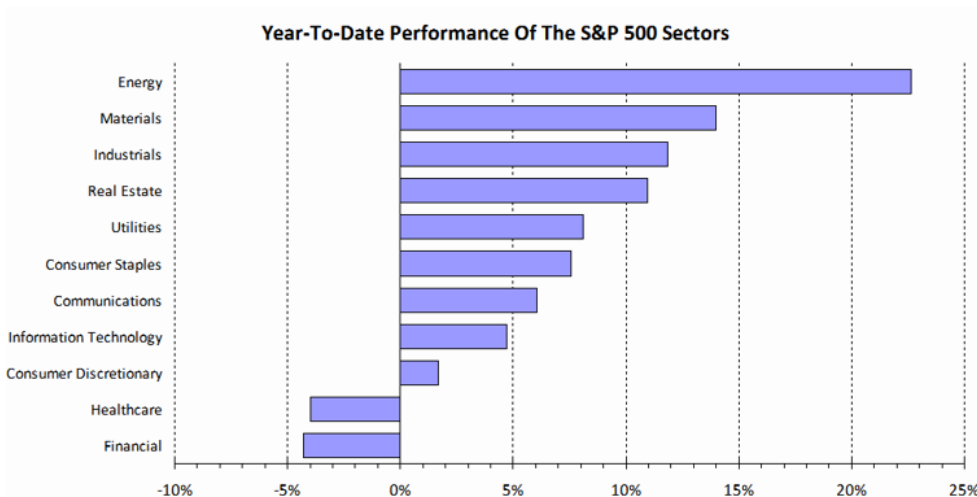
Our tactical sector rotation model uses the S&P 500 GICS sector classifications. We apply a 13-week rate of change methodology that normalizes the rankings from overbought (OB) to oversold (OS). An industry group is overbought when it has risen too far too fast, relative to the rest of the market, based 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

rank	S&P Sector	normalized Oscillator	
1	Energy	1.2945	Overbought
2	Materials	0.6454	Near Overbought
3	Utilities	0.5898	Neutral
4	Real Estate	0.5633	
5	Communication Services	0.5056	
6	Industrials	0.3312	
7	Information Technology	0.2392	
8	Consumer Staples	-0.1746	Neutral
9	Consumer Discretionary	-0.7230	Near Oversold
10	Financials	-0.9592	
11	Healthcare	-1.2303	Oversold

Source: Bloomberg, Sanctuary Wealth, April 17, 2026



Source: Bloomberg, Sanctuary Wealth, April 17, 2026



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

	Last 4/17/2026	Month End 3/31/2026	Month to Date	Quarter End 3/31/2026	Quarter to Date	Year End 12/31/2025	Year to Date	Year Ago 4/17/2025	Year To Year
S&P 500	7126.06	6528.52	9.2%	6528.52	9.2%	6845.50	4.1%	5282.70	34.9%
NASDAQ Composite	24468.48	21590.63	13.3%	21590.63	13.3%	23241.99	5.3%	16286.45	50.2%
NASDAQ 100	648.85	577.18	12.4%	577.18	12.4%	614.31	5.6%	444.10	46.1%
Russell 2000	2776.90	2496.37	11.2%	2496.37	11.2%	2481.91	11.9%	1880.62	47.7%
S&P Consumer Discretionary Sector	1961.00	1748.22	12.2%	1748.22	12.2%	1928.43	1.7%	1470.50	33.4%
S&P Consumer Staples Sector	930.30	925.56	0.5%	925.56	0.5%	864.89	7.6%	902.78	3.0%
S&P Energy Sector	842.98	943.30	-10.6%	943.30	-10.6%	687.34	22.6%	625.42	34.8%
S&P Financial Sector	872.34	822.22	6.1%	822.22	6.1%	911.60	-4.3%	776.06	12.4%
S&P Healthcare Sector	1734.09	1710.39	1.4%	1710.39	1.4%	1805.89	-4.0%	1578.44	9.9%
S&P Industrials Sector	1468.78	1369.67	7.2%	1369.67	7.2%	1313.14	11.9%	1060.74	38.5%
S&P Information Technology Sector	5952.66	5158.06	15.4%	5158.06	15.4%	5684.00	4.7%	3761.87	58.2%
S&P Materials Sector	654.80	627.82	4.3%	627.82	4.3%	574.41	14.0%	511.30	28.1%
S&P Real Estate Sector	283.01	259.98	8.9%	259.98	8.9%	255.03	11.0%	253.73	11.5%
S&P Communications Sector	479.73	420.28	14.1%	420.28	14.1%	452.39	6.0%	301.58	59.1%
S&P Utilities Sector	469.04	466.42	0.6%	466.42	0.6%	433.81	8.1%	395.29	18.7%
S&P 500 Total Return	15901.03	14560.75	9.2%	14560.75	9.2%	15220.46	4.5%	11642.40	36.6%
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	270.90	270.38	0.2%	270.38	0.2%	268.01	1.1%	260.27	4.1%
10 Year Treasury Bond Future	111.72	111.05	0.6%	111.05	0.6%	112.44	-0.6%	111.17	0.5%
10 Year Treasury Note Total Return	318.16	315.71	0.8%	315.71	0.8%	316.61	0.5%	304.21	4.6%
iShares 20+ Year Treasury Bond ETF	87.07	86.69	0.4%	86.69	0.4%	87.16	-0.1%	87.53	-0.5%
S&P Municipal Bond Total Return	293.04	289.48	1.2%	289.48	1.2%	290.00	1.0%	273.80	7.0%
iShares S&P National Municipal Bond NAV	106.86	106.04	0.8%	106.04	0.8%	106.85	0.0%	103.64	3.1%
S&P 500 Investment Grade Corporate Bond Total Return	503.81	496.96	1.4%	496.96	1.4%	499.46	0.9%	469.67	7.3%
S&P Investment Grade Corporate Bond	92.32	91.32	1.1%	91.32	1.1%	92.75	-0.5%	90.02	2.5%
S&P Investment Grade Corporate Bond Total Return	537.69	530.81	1.3%	530.81	1.3%	532.99	0.9%	501.07	7.3%
SPDR Bloomberg High Yield Bond ETF	97.08	95.72	1.4%	95.72	1.4%	97.21	-0.1%	93.72	3.6%
iShares iBoxx High Yield Corporate Bond ETF	80.65	79.56	1.4%	79.56	1.4%	80.63	0.0%	77.77	3.7%
Gold	4830.34	4668.06	3.5%	4668.06	3.5%	4319.37	11.8%	3326.85	45.2%
Bitcoin	77369.96	68193.95	13.5%	68193.95	13.5%	87647.54	-11.7%	85139.14	-9.1%
Silver	80.89	75.17	7.6%	75.17	7.6%	71.66	12.9%	32.56	148.5%

Source: Bloomberg, Sanctuary Wealth, April 17, 2026

## All Eyes Remain On Oil and The Strait Of Hormuz

**This week tech stocks join the Q1 earnings parade, while the world waits to see if any oil shipments will sail past the Iranian coast.**

This week is unusually light on economic data and marks the Federal Reserve's quiet period ahead of the next Federal Reserve Open Market Committee (FOMC) meeting - which concludes on Wednesday, April 29. Investors will instead turn to several key technology earnings releases: Tesla (TSLA) and IBM (IBM) report Tuesday, followed by Intel (INTC) on Wednesday.

The primary focus, however, will be the continued cessation of hostilities in the Middle East and the reopening of the Strait of Hormuz. Iran's leadership appears divided, and while talks are underway to extend the ceasefire set to expire Tuesday, the consensus view is that it remains fragile.



# Calendar

**Mon.**

Earnings Steel Dynamics\*

**Tue.**

8:30 am U.S. retail sales  
8:30 am Retail sales minus autos  
10:00 am Business inventories  
10:00 am Pending home sales  
Earnings 3M

**Wed.**

Earnings Boeing, Tesla

**Thu.**

8:30 am Initial jobless claims  
9:45 am S&P flash U.S. services PMI April  
9:45 am S&P flash U.S. manufacturing PMI  
Earnings American Airlines, Intel

**Fri.**

10:00 am Consumer sentiment (final)  
Earnings Procter & Gamble

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

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