

5/18/2026

The Week Ahead



THINGS TO WATCH

U.S. Treasury Yields

Yields on the U.S. 30-year Treasury bond closed last week at 5.15%, their highest level since July 2007. An acceleration in energy-driven inflation, alongside concerns over growing budget deficits across the developed world continue to exert upward pressure on sovereign yields in the U.S., U.K., Japan, France, and Germany. Last week's spike in oil prices served as the primary catalyst pushing the 10-year U.S. Treasury yield above the psychologically important 4.5% threshold, heavily pressuring major equity averages on Friday. Investors should expect stocks to increasingly take their near-term cues from this tight correlation between oil and the long end of the curve.

NVIDIA (NVDA)

On Wednesday afternoon, the world's largest public company is widely anticipated to deliver another "beat-and-raise" quarter. NVIDIA's (NVDA) fiscal 1Q27 revenue is projected to hit \$78.9 billion, up 16% sequentially and 79% compared to the \$44.1 billion recorded in the same period last year. Investor focus will likely center on whether management expects gross margins to hold near their 75% target over the coming quarters amid the transition to Blackwell. Commentary regarding the rollout timeline of NVDA's next-generation Rubin GPU family and prospects for incremental revenue from its server CPU business could also impact the market's reaction.

Utility Merger

Florida utility NextEra Energy (NEE) and Virginia-based Dominion Energy (D) are discussing an equity-led merger that would create an entity with an enterprise value near \$400 billion, the Financial Times reported Saturday. A stock-based deal could be announced as early as this week. The potential tie-up comes as U.S. electricity demand surges, heavily driven by AI and hyperscaler data centers. Dominion's service zone is home to the world's largest concentration of data centers.

LAST WEEK'S ECONOMIC DATA	LATEST 3MO PRIOR	CHANGE
Existing Home Sales (Millions Ann.) - Apr.	4.02	4.02
NFIB Small Business Optimism	95.9	99.3 ▼
Consumer Price Index (Y/Y)	3.8%	2.4% ▲
Core Consumer Price Index (Y/Y)	2.8%	2.5% ▲
Producer Price Index (Y/Y)	6.0%	3.1% ▲
Retail Sales (M/M)	0.5%	0.0% ▲

INDEX	LEVEL	WEEK	YTD	12 MO
DJ Industrial Average	49526.17	-0.17%	3.59%	18.99%
NASDAQ	26225.14	-0.08%	13.07%	38.07%
S&P 500	7408.50	0.13%	8.66%	26.69%
MSCI EAFE	3072.87	-1.67%	5.93%	21.05%
BB U.S. Aggregate	2332.14	-1.14%	-0.57%	4.46%

KEY BOND RATES	WEEK	1MO AGO	1YR AGO
3-Month T-Bill	3.66%	3.70%	4.36%
10-Year Treasury	4.59%	4.28%	4.43%

REPORTS DUE THIS WEEK	LATEST
Housing Starts (Millions Ann.) - Apr.	1.50
Building Permits (Millions Ann.) - Apr.	1.36
Continuing Jobless Claims (Thousands) -5/2	1,782
U. of Mich. Consumer Sentiment - May	48.2
U. of Mich. 1YR Inflation Expectations - May	4.5%

Total returns are as of 5/15/26. Source data: Bloomberg and Morningstar are believed to be correct but not verified.

NUMBERS OF THE WEEK

\$2 trillion

Bloomberg News reported that SpaceX is targeting a record-breaking \$2 trillion valuation for its upcoming initial public offering. The Elon Musk-led company is preparing to file its prospectus as early as Wednesday, aiming to raise \$75 billion on the Nasdaq under the ticker SPCX. Ahead of the planned mid-June market debut, BlackRock (BLK) is reportedly in talks to inject up to \$10 billion as a primary anchor investor.

84%

Year-to-date through May 15, a whopping 84% of the S&P 500's 8.68% year-to-date total return can be attributed to just 10 mostly technology sector holdings: NVIDIA (NVDA), Alphabet A Shares (GOOGL), Micron Technology (MU), Apple (AAPL), Broadcom (AVGO), Alphabet C Shares (GOOG), Advanced Micro Devices (AMD), Amazon (AMZN), Intel (INTC), and SanDisk (SNDK). As of last Friday, this group accounted for 33.2% of the benchmark's market capitalization.

This publication was prepared by MainStreet Investment Advisors, LLC ("MainStreet Advisors"), an investment adviser registered with the SEC. Registration as an investment adviser does not imply any level of skill or training. Information and opinions herein are as of the publication date and are subject to change without notice based on market and other conditions. The week is calculated beginning with Monday's market open. The specific securities identified are shown for illustrative purposes only and should not be considered a recommendation by MainStreet Advisors. Index and sector statistics are unmanaged and a common measure of performance of their respective asset classes. Indexes are not available for direct investment. Any graph, data, or information is considered reliably sourced and for educational purposes only. Any suggestion of cause and effect or of the predictability of economic or investment cycles is unintentional. This Financial Market Update may contain forward-looking statements and/or candid statements and observations regarding investment strategies, asset allocation, individual securities, and economic and market conditions; however, there is no guarantee that the statements, opinions, or forecasts will prove to be correct. The material included herein was prepared or is distributed solely for information purposes; is not a solicitation or an offer to buy/sell any security or instrument, to participate in any trading strategy or to offer advisory services by MainStreet Advisors; is not intended to be used as a general guide to investing or as a source of any specific investment recommendations; makes no implied or express recommendations concerning the manner in which any client's account should or would be handled; and should not be relied on for accounting, tax or legal advice. There are risks involved with investing including possible loss of principal and the value of investments and the income derived from them can fluctuate. Investing for short periods may make losses more likely. Past performance is not indicative of future results, which may vary. Investors are urged to consult with their financial advisors before buying or selling any securities.