

The background features a dark teal color with a grid pattern. Overlaid on this are various financial data visualizations: a series of white candlesticks with black outlines, some with white triangles indicating price movement; a series of blue 3D-style bars; and several percentage values in a light blue font, such as +2,53%, -0,35%, +0,66%, -0,44%, and -0,61%. Faint numbers like 432434, 433411, 343343, 234223, 343223, and 23332 are also visible in the background.

WJ Charts of the Month

May 2026

WJ Interests
WEALTH ADVISORS

WJ Charts of the Month Intro

"WJ Charts of the Month" is a comprehensive monthly slide deck designed to showcase recent significant financial events and data. The presentation is organized into four sections, beginning with a "Highlights" slide that sets the stage for the subsequent content.

1. What Happened Last Month: This section features a curated collection of charts and images from various publications, offering a visual summary of the previous month's key events.

2. WJ State of the Economy: Our team at WJ has created an array of charts to emphasize crucial economic factors and trends.

3. WJ State of the Markets: Similarly, this section comprises a series of charts crafted by WJ to provide an overview of the core markets we monitor.

We strive to maintain consistency across the charts to facilitate easy comparison month-over-month. However, we may adjust or emphasize specific charts if their relevance shifts over time.

Our objective with this publication is to establish a "One-Stop Shop" for the most vital financial information, presented in a concise and easily digestible format. **We value your feedback to help us achieve this goal.** If you have suggestions regarding the format, or if there's particular information you'd like to see in future editions, please don't hesitate to let us know.

Highlights

Semiconductor's Soar

AI Reshapes the World

Private Companies Joining the Index

Beef Prices Climbing

Apple CEO Steps Down

What Happened

Semiconductor Stocks Support the Market

The stock market bounced back from a tough March as some of the worst fears about the Iran war abated. While the war is ongoing, another potentially more important factor has captured the attention of stock investors, semiconductor stocks. There is an insatiable appetite to increase the computational power available to AI models, and to do that you need more chips faster than they can be made. As a result, chip stocks have projected a parabolic increase to their expected earnings in the next year, as the first chart shows.

The chart to the right shows how S&P 500 earnings are increasingly reliant on the tech sector for future earnings growth. And while that's not necessarily new, the chart below shows how the tech sector is slowly transforming into the semiconductor sector. The other side of that is software getting crushed by AI.

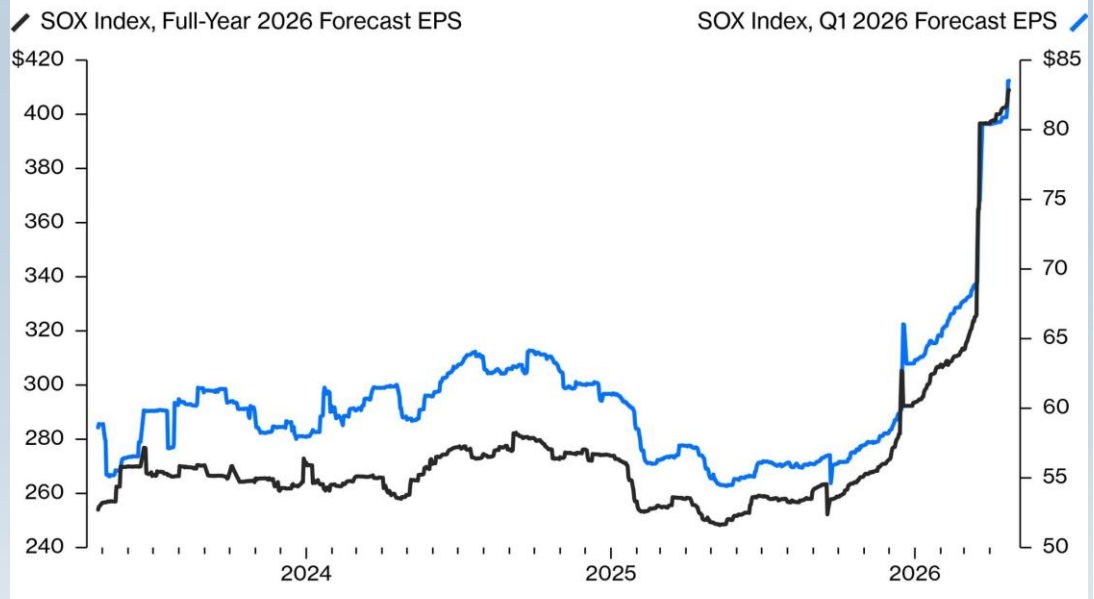
Exhibit 8: Margin expansion has been driven by Tech
S&P 500 ex-Fins quarterly net margins (2002-2026E)



Source: BofA Equity & Quant Strategy, FactSet
BofA GLOBAL RESEARCH

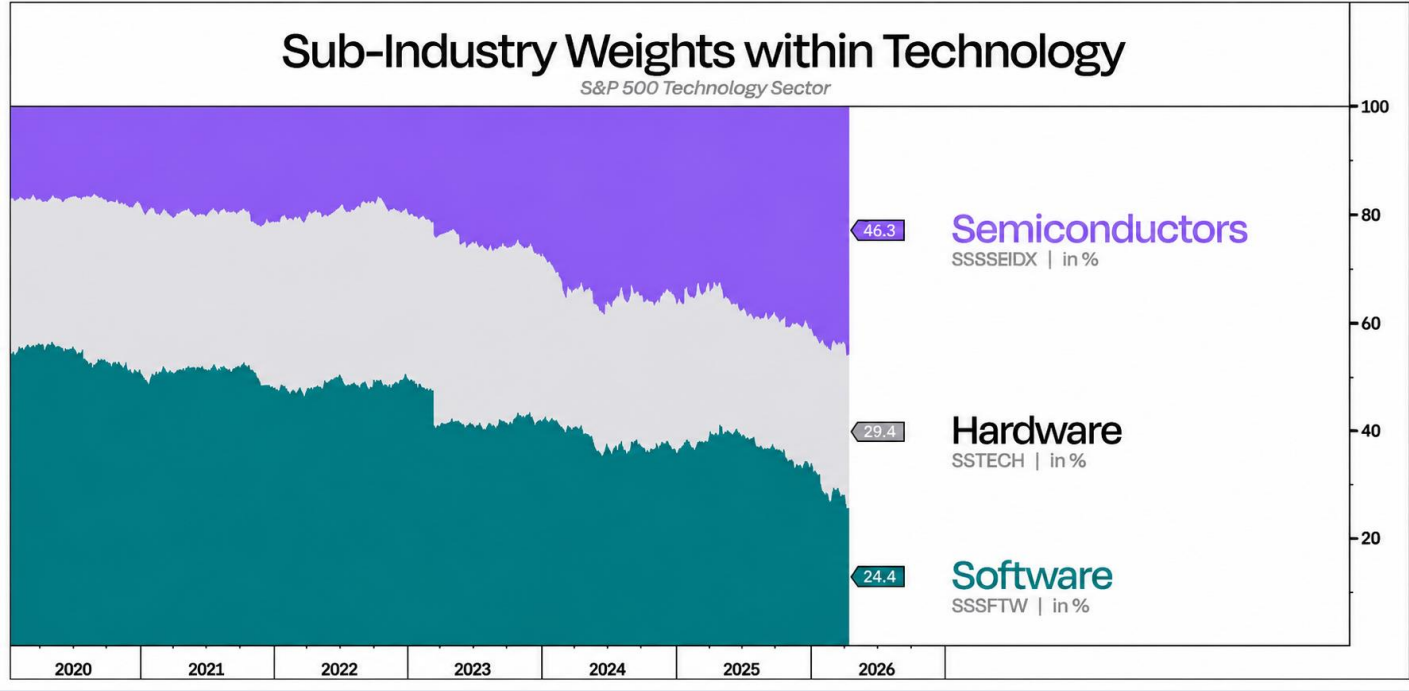
Hope Heads for the Moon

Semiconductors' earnings forecasts have gone ballistic in the last month



Source: Bloomberg Earnings Estimates Graphs
Bloomberg Opinion

Sub-Industry Weights within Technology



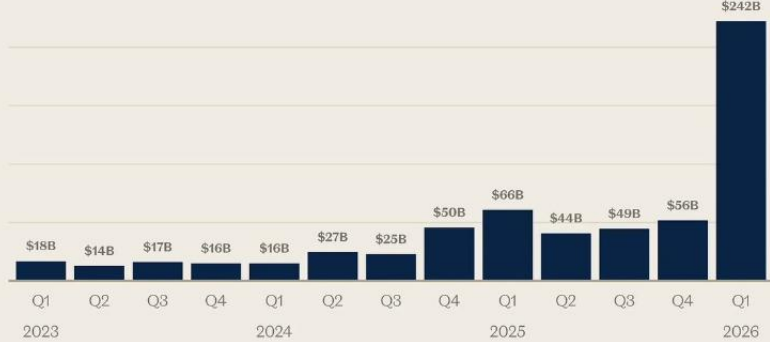
AI is Reshaping the World

It's broadly believed that AI agents will soon be able to do just about anything a human can, but faster, and probably better. Venture Capital funds are now devoting most of their capital to AI companies (top right), and the biggest tech companies in the world are devoting basically all their cash flow (plus some debt) to building out more compute for these models. It's currently forecasted that the big 5 hyperscalers will commit around \$2T in capex.

The hope is that all this investment will enable a new productivity boom, meaning more value per hour of human work (below).

AI Companies Raised \$242 Billion of Venture Capital in Q1 2026

Global funding to AI by quarter

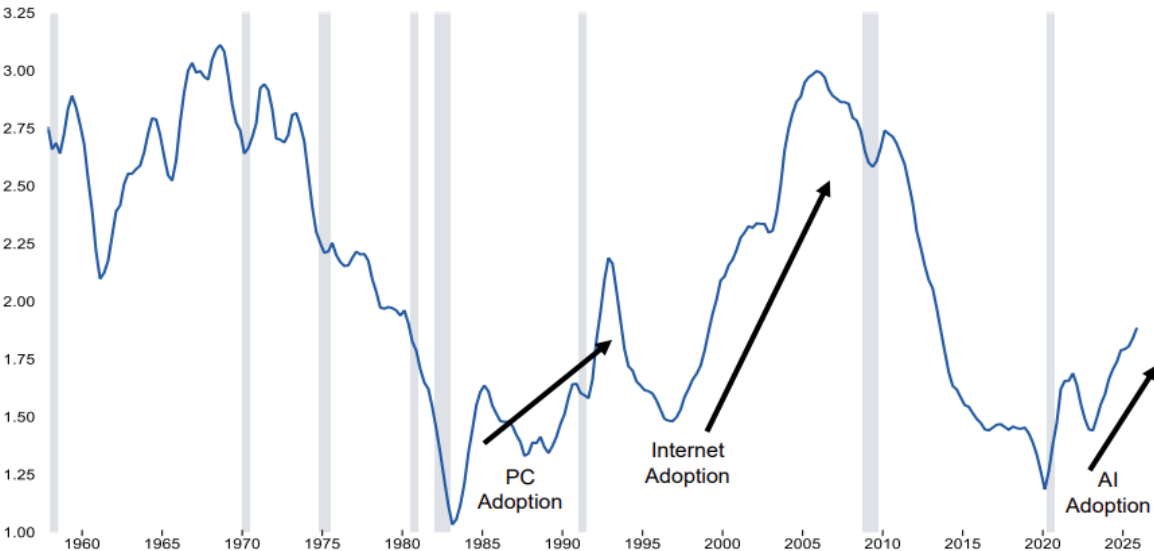


Source: Crunchbase

We Are Likely in the Early Stages of Another Productivity Boom

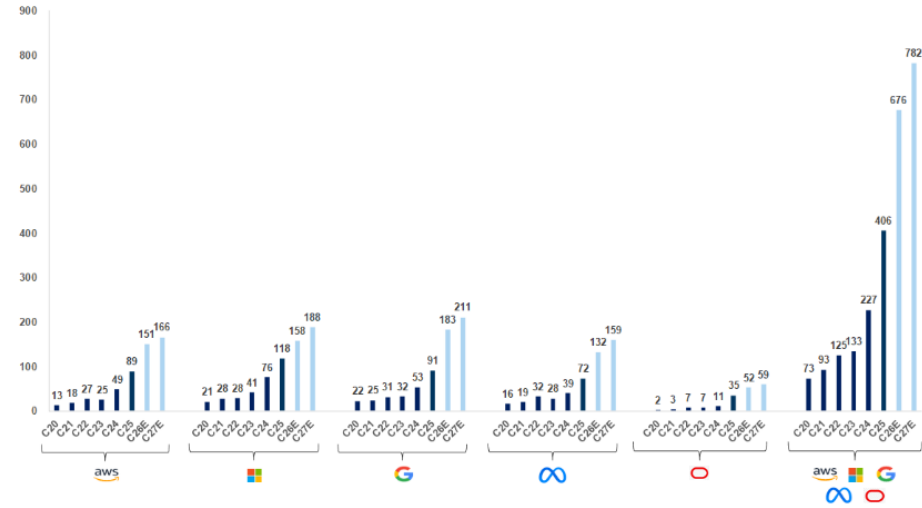
The latest technology adoption cycle is coinciding with another upturn in productivity

Productivity Growth Appears To Be Turning Higher Again
Nonfarm business labor productivity: Output per hour (%YoY, 10YMA)



Source: Apollo, Macrobond, MSIM. As January 28, 2026. For illustrative purposes only. Not a recommendation to buy or sell any security. It is not possible to invest directly in an index. The views and opinions expressed are those of the portfolio management team at the time of writing/of this presentation and are subject to change at any time due to market, economic, or other conditions, and may not necessarily come to pass. Forecasts/estimates are based on current market conditions, subject to change, and may not necessarily come to pass. **Past performance is not indicative of future results.**

Exhibit 8: Hyperscaler capex CY2020-27E



Source: Company data, Goldman Sachs Global Investment Research

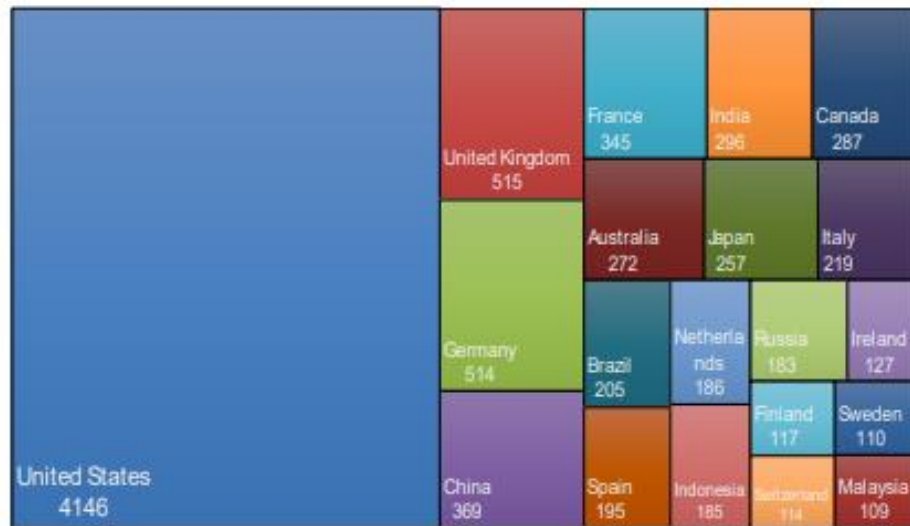
No Stopping the Data Center Buildout

If that turns out to be correct, then companies/countries (below) simply can't afford to fall behind on building the infrastructure that powers AI. The chart below shows that the US has the most data centers by far, but the race for the building more is fierce.

The right charts show that we're in predicted to be in the early innings of the buildout, and by 2035 we'll have around 2.5 times the data center capacity as today. That is going to take an enormous amount of electricity of course, but also scarce commodities like copper and water.

Data centers: the world's most powerful machine

Exhibit 4: More than 11,200 DCs today, US hosts about 37%
Data centers by country as of April 2026

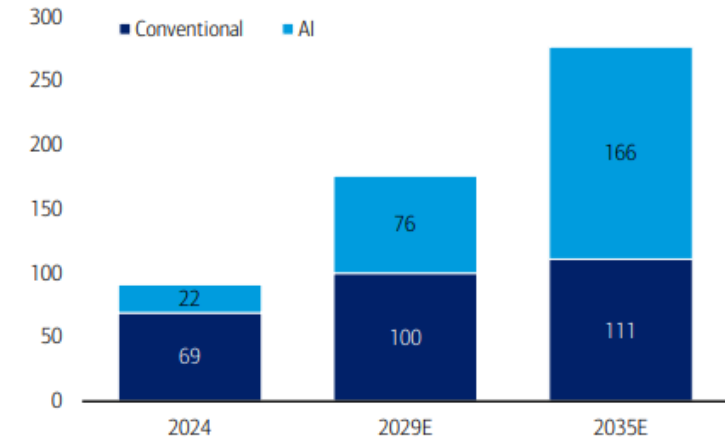


Source: Data Center Map, BofA Global Research

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Exhibit 6: Global DC capacity is expected to exceed 200GW by 2030 and triple by 2035 vs 2024....

Global data center capacity (gigawatt)

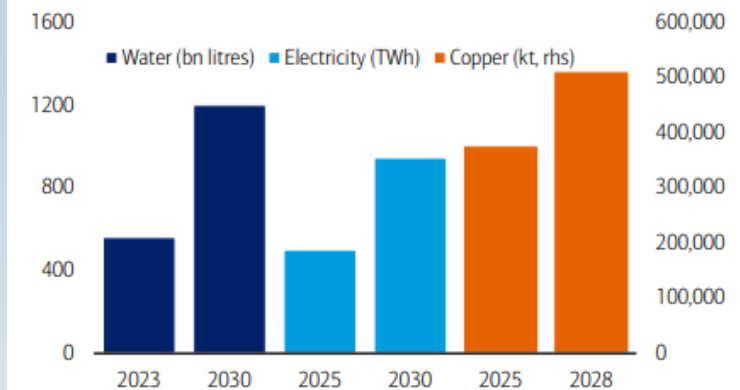


Source: WEF, S&P Global, IEA, Bloomberg, Kearney analysis

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Exhibit 7: ... driving a near-doubling of electricity and water demand by 2030

Data center resource consumption by 2030



Source: International Energy Agency, Bloomberg NEF.

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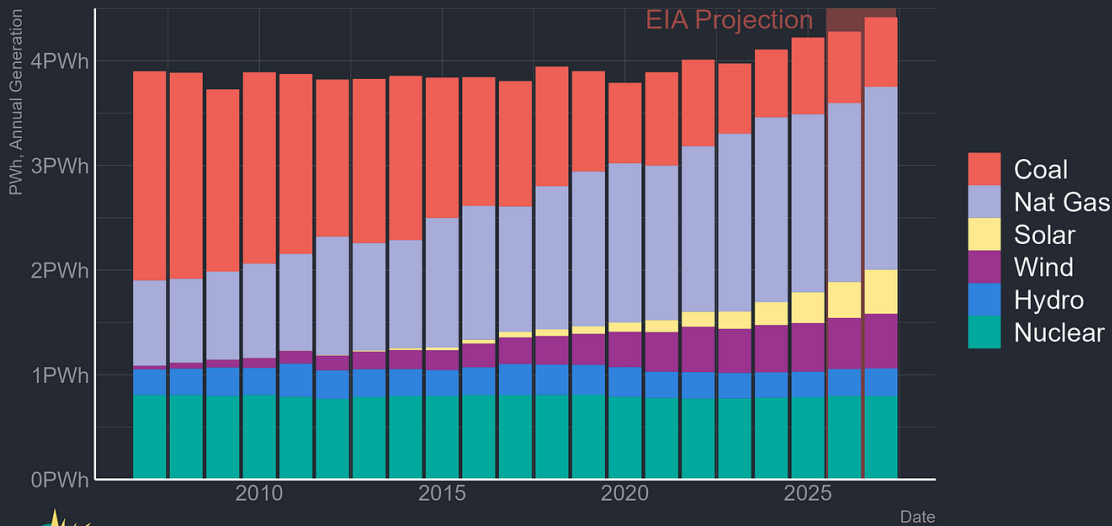
US Electricity Make-up is Changing

That means electricity generation is near priority #1. The top right chart shows electricity prices up 41% since 2020, and that is likely to continue as we must invest in expanding our grid's capacity to satisfy the coming demand.

An emerging source of new supply is in renewables. The chart below shows fast growth of wind and solar (albeit from a low base), as well as increasing nat gas supply. The issue with solar is intermittency, the sun's not always shining. However, when paired with chargeable batteries for those periods, this can be an effective source of power. As you can see by the last chart, America is rapidly expanding its battery storage capacity to work alongside the new solar capacity, though we're still far behind where we need to be.

US Annual Electricity Generation

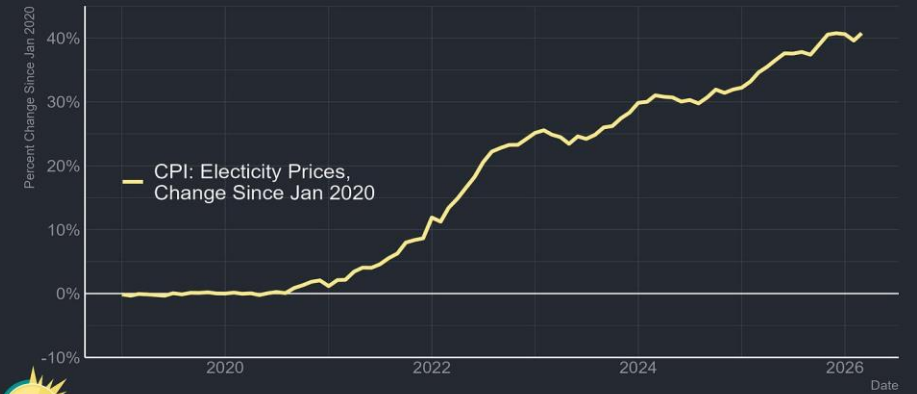
US Clean Energy Buildout Has Accelerated, Especially in Utility-Scale Solar and Wind



Graph created by @JosephPolitano using EIA data

US Electricity Prices, Growth Since 2020

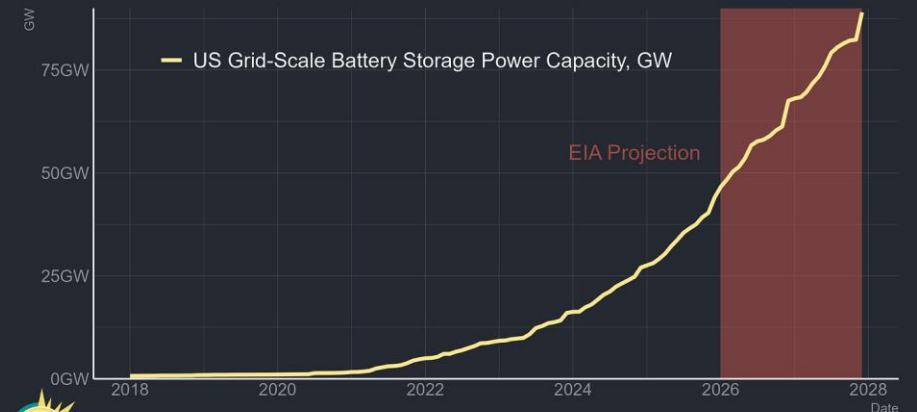
Electricity Prices are Up 41% Since January 2020



Graph created by @JosephPolitano using BLS data

America's Battery Boom

US Battery Storage Capacity is Booming and Projected to Nearly-Triple by 2026

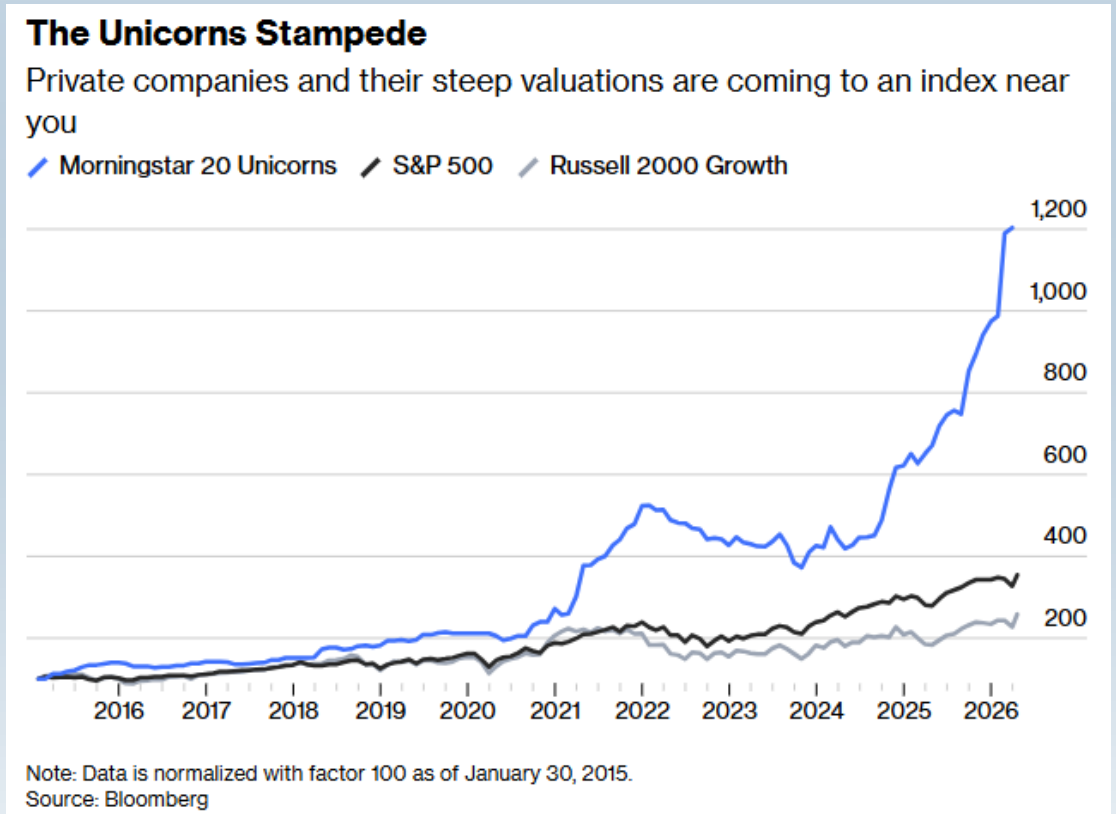


Graph created by @JosephPolitano using EIA Data

Private Companies May Be in Your Portfolio Soon

Whether you like it or not, you might soon be the proud owner of the largest private companies in the world. Particularly SpaceX, Elon Musk's rocket/satellite company, and OpenAI of ChatGPT. Many private companies have made plans to IPO, or go public, and given their size they will likely join the largest public indices, like the S&P 500 or NASDAQ. That means you'll be forced to own them in any product that tracks the index. That may be fine, there's obviously an insatiable appetite to own these businesses today, but they won't be coming in cheap.

The chart below shows the performance of the 20 largest private companies (unicorns) relative to public indices. Public stock investors have unfortunately missed out on a lot of gains.



The World's Most Valuable Unicorns in 2026

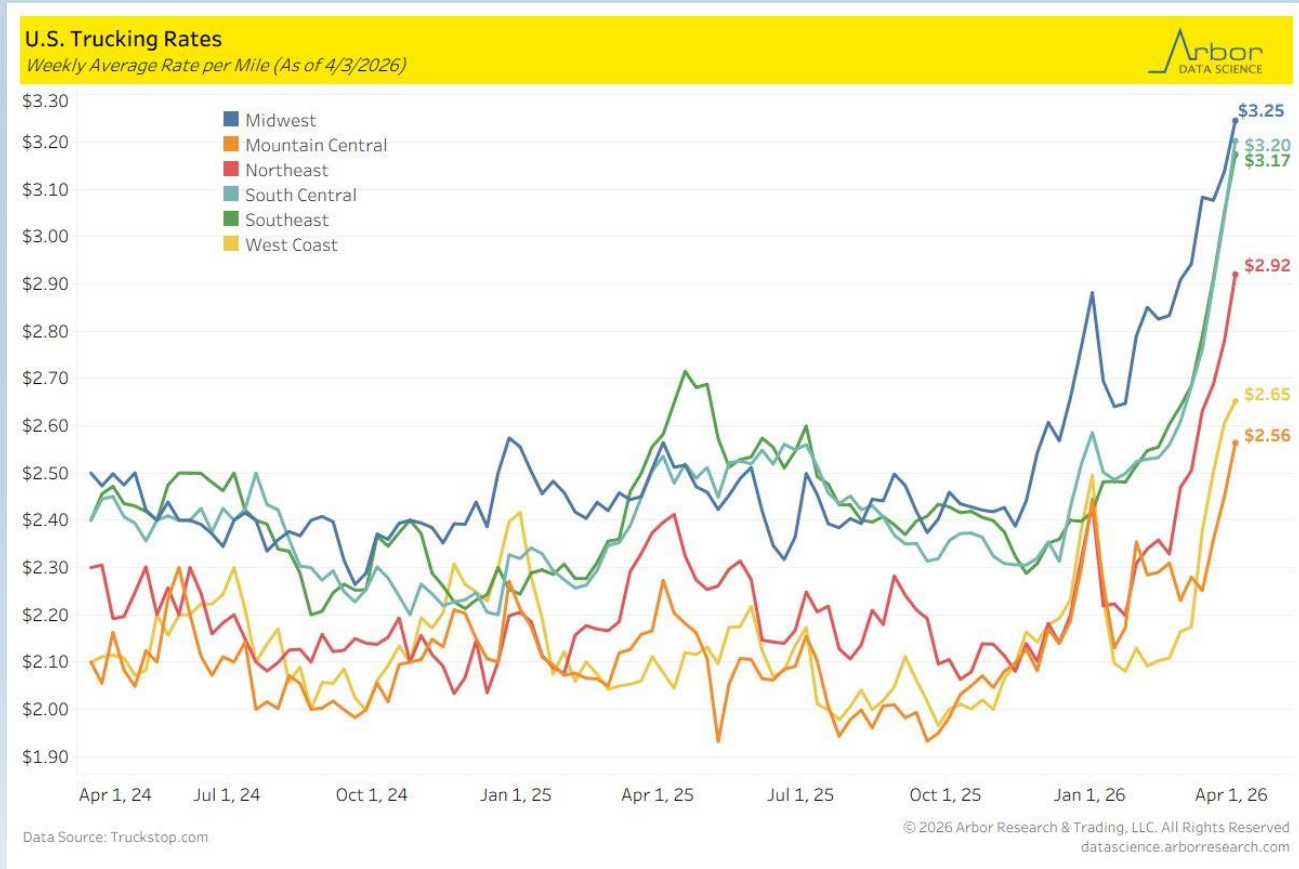
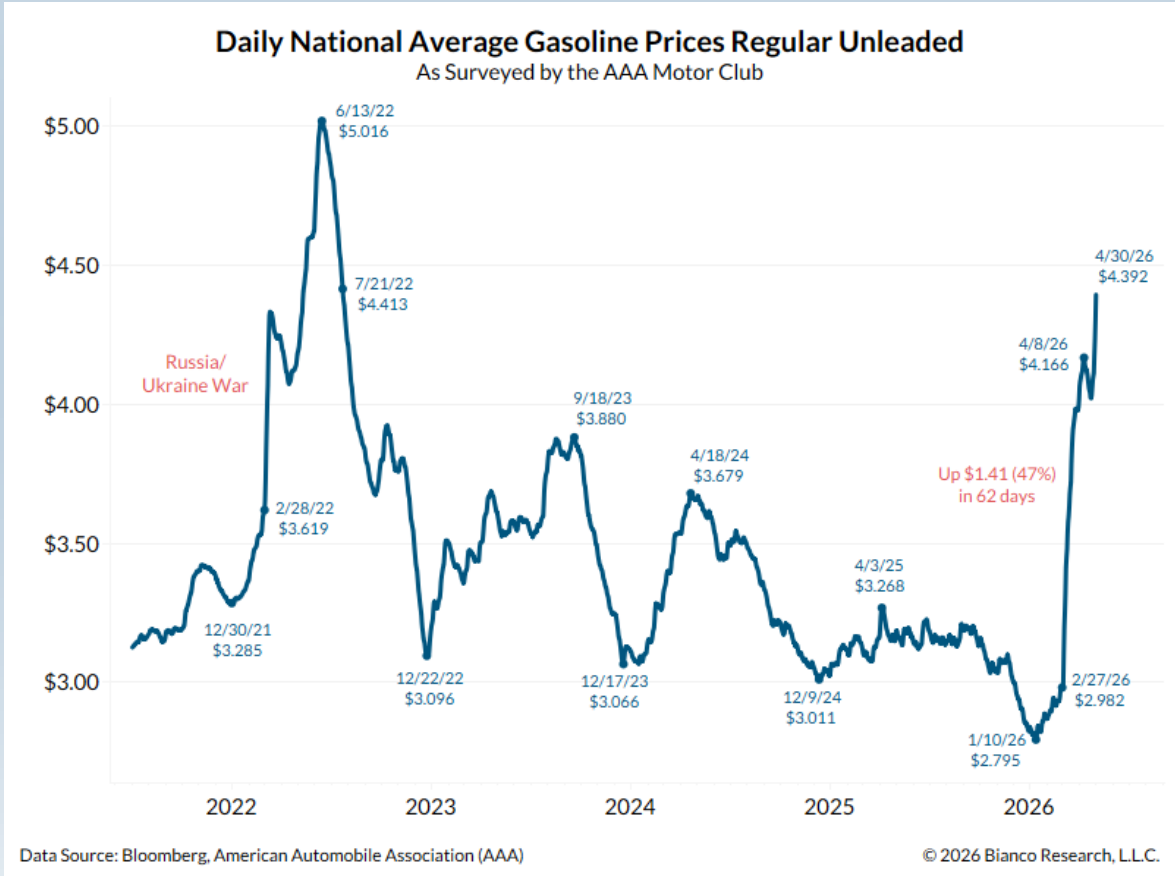
	Company & industry	Location	Valuation
1	SpaceX / Aerospace & SpaceTech	United States	\$1.25T
2	OpenAI / AI	United States	\$852B
3	ByteDance / Media & Entertainment	China	\$600B
4	Anthropic / AI	United States	\$380B
5	Stripe / Fintech	United States	\$159B
6	Databricks / AI	United States	\$134B
7	Waymo / Robotics	United States	\$126B
8	Reliance Retail / E-commerce	India	\$101B
9	Ant Group / Fintech	China	\$79B
10	Revolut / Fintech	United Kingdom	\$75B
11	Reliance Jio / Telecommunications	India	\$58B
12	Shein / E-commerce	Singapore	\$50B
13	Canva / Enterprise Tech	Australia	\$42B
14	Ripple / Cryptocurrency	United States	\$40B
15	Figure / Robotics / AI	United States	\$39B

Data Sources: Crunchbase, Pitchbook

Gas Prices Effect on Inflation

Turning our attention to inflationary pressures, the war in Iran continues to keep energy prices elevated. Nowhere is this more obvious to consumers than in gasoline prices, which have spiked from \$2.80 to \$4.40 per gallon. The effects are worse in other gas types like diesel and jet fuel (which may have put the nail in the coffin of Spirit Airlines).

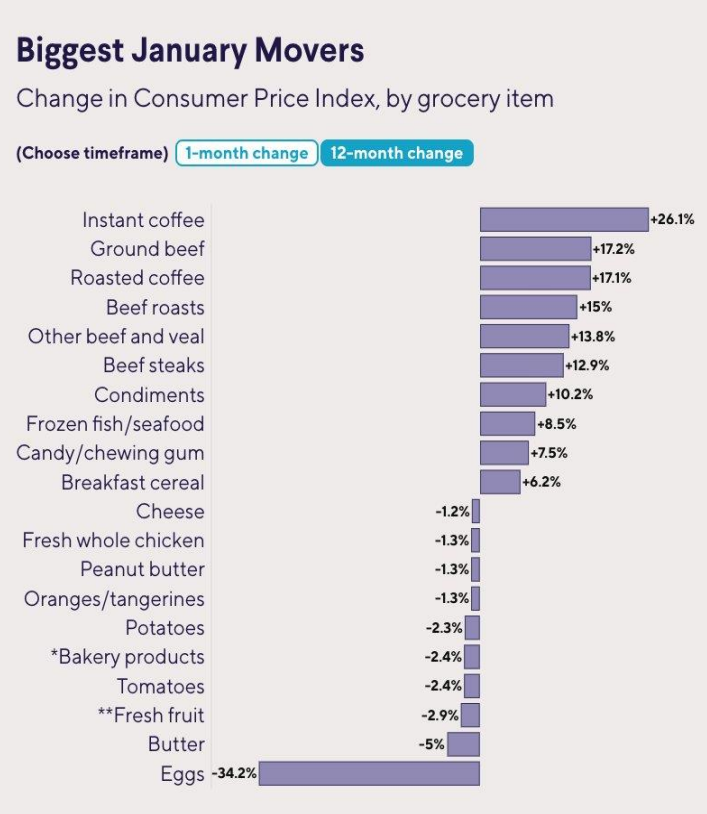
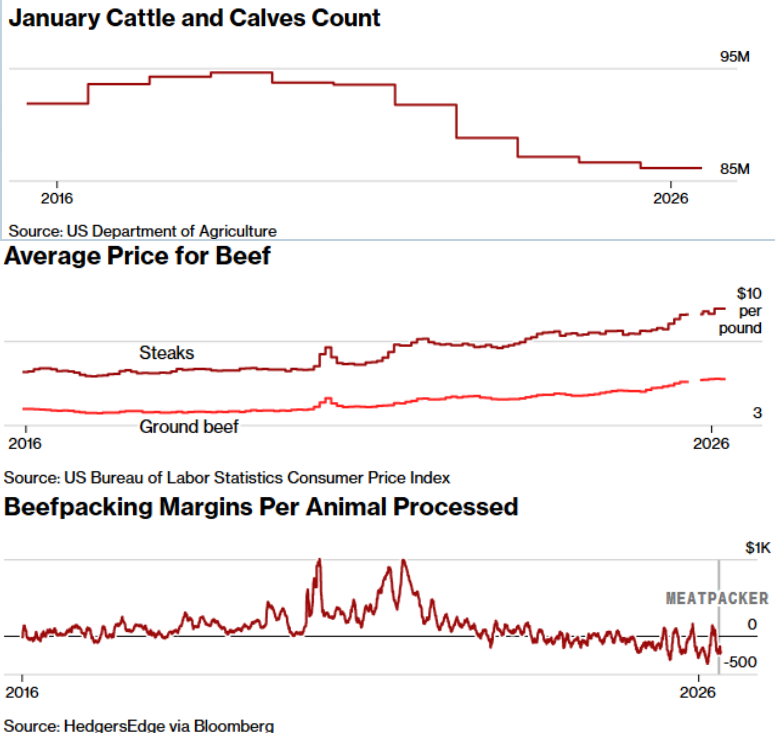
Though gas prices hurt a bit when you fill up your car, its some of the hidden costs that may be more impactful to your overall budget. All the goods you purchase have to be shipped, and fuel costs are a part of that. The right chart shows the increase in Trucking Rates since the war began.



Beef Prices are Skyrocketing

Another major source of inflation angst is at the grocery store. We may have solved our egg problem, but we've replaced it with a massive coffee and beef problem. Coffee can be traced to drought, heat and flooding particularly in Brazil and Vietnam in 2025. Beef however has been rising for about 5 years straight. The basic reason is the US cattle herd is the smallest in decades, impacted by drought and high feed costs...while demand for beef is rising.

The cattle story is complex. Due to the shortage, cattle farmers have the most leverage in years, as they choose when (what age) to sell the calves. Due to current high prices, they're selling young, which lowers the amount of breeding cattle later, exacerbating the shortage. Other players along the beef supply chain are having their margins squeezed as a result, and Americans won't stop buying. I found this [article](#) on the whole issue fascinating.



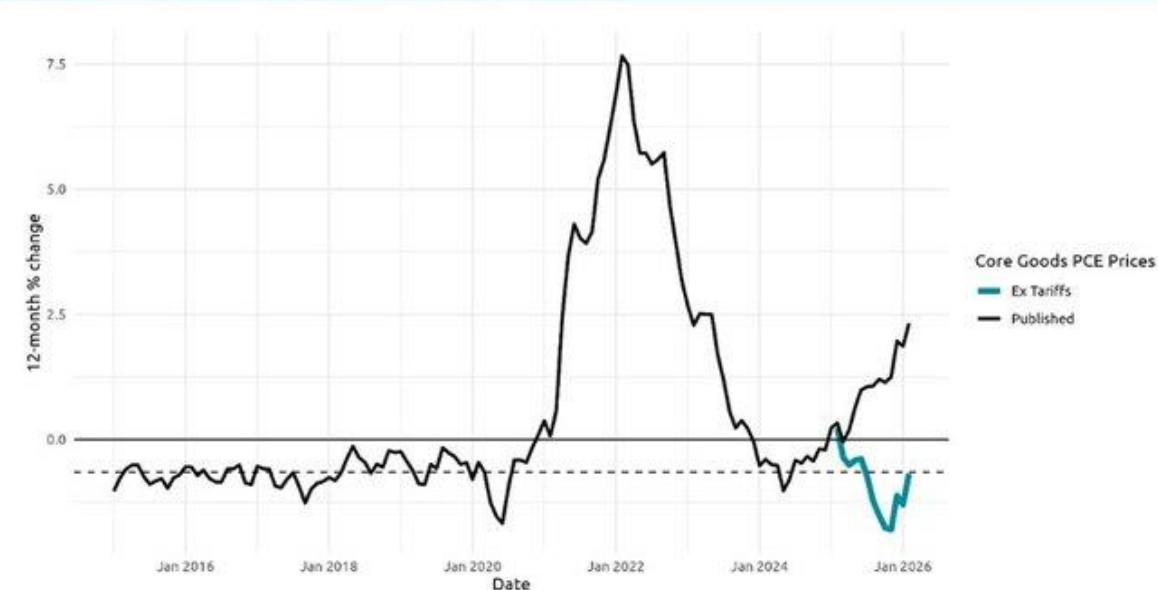
Tariffs Continue to Raise Goods Prices

We've talked plenty about the effects of tariffs on good prices, but a new study from the libertarian think tank, CATO, recently reinforced our intuition.

The chart below shows the change in price for domestic and imported goods since the tariffs began. The effect is stark and still growing. The other chart is just a different way of looking at it from one of the Fed models. Without tariffs, good prices might still be falling but instead have accelerated quickly. These estimates are easy to generate as you can simply remove the stated tariff from the price of the good. It seems so far, fortunately, that the consumer has been willing to sustain these price increases without too much stress.



Figure 5. Tariff effects on core goods PCE prices



Note: Core goods PCE inflation in February 2026 is an FRB staff estimate. The dashed line represents the average 12-month percent change in published core goods PCE prices from January 2015 – December 2019.

Source: Authors' calculations using data from the BEA, BLS, Census, the Executive Office, the Federal Registrar, and Customs and Border Protection.

Accessible version

Prediction Markets Use Surging

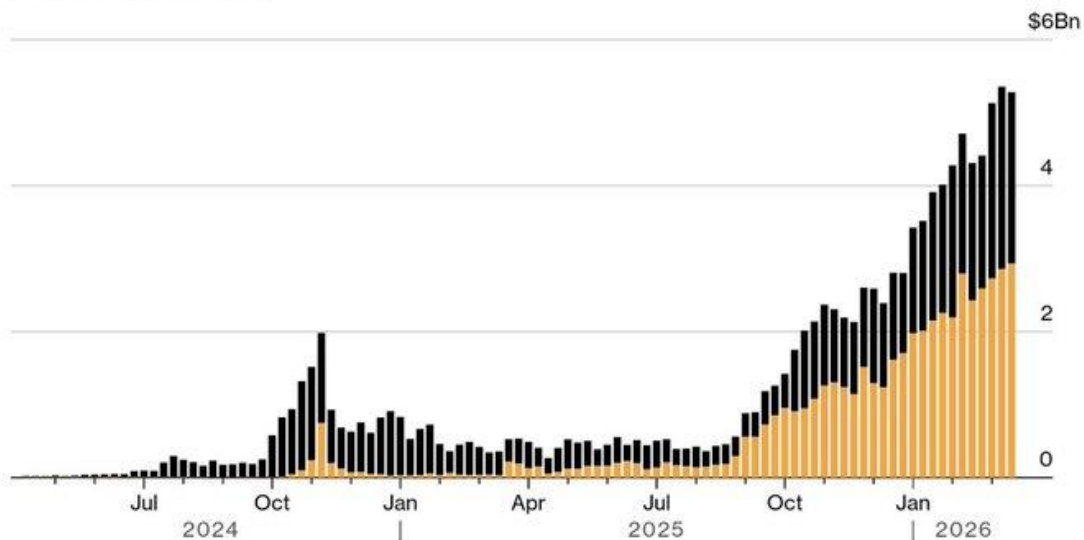
Prediction Markets are sites where you can bet on virtually any event, from election results, to sports, to geopolitical events, to what temperature it will be. Basically, anything with a defined outcome can be a market to bet on. They have grown immensely since the 2025 election, largely due to the quasi-legalization of sports betting through prediction markets. Proponents say these markets provide valuable information as to the likelihood of significant events, which can be hedged. Critics often describe them as regulatory arbitrage, essentially a means to get around state laws around gambling. They are also rife with insider trading.

Regardless, they've grown, but the results are all too predictable. 2/3rds of accounts lose money, and just 0.1% of all accounts take home 67% of the profits, as insider trading is essentially legal in these lightly regulated markets.

Prediction Markets Handle Billions

Weekly notional trading volume on Polymarket and Kalshi

■ Kalshi ■ Polymarket



Note: Data as of week beginning March 9
Source: @datadashboards on Dune Analytics

Bloomberg

Just 0.1% of accounts on Polymarket take home 67% of the profits

Breakdown of accounts by profitability

Accounts earning

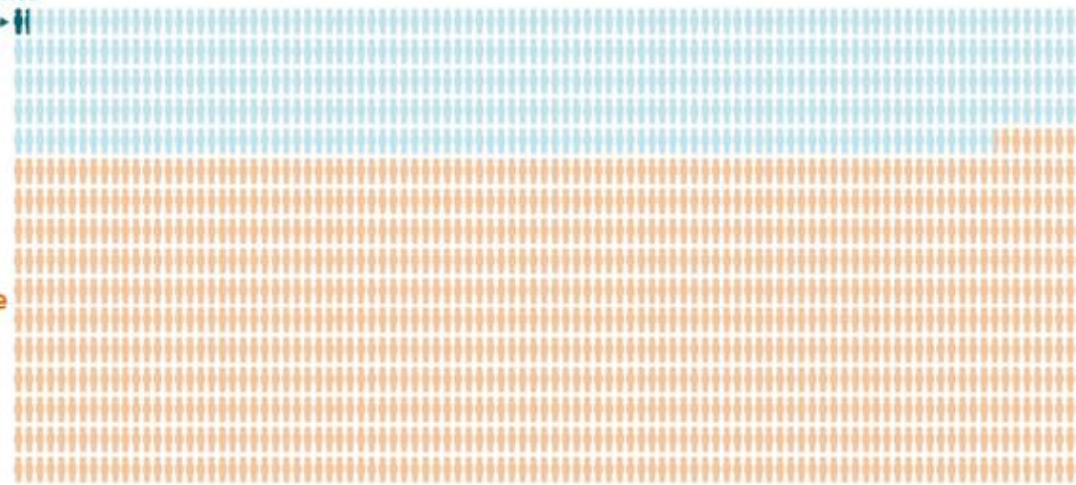
67% of profits

Remaining

33% of profits

Unprofitable accounts

1 = 1,000 accounts



Note: Data covers 1.6 million accounts.
Source: WSJ analysis of Polymarket data

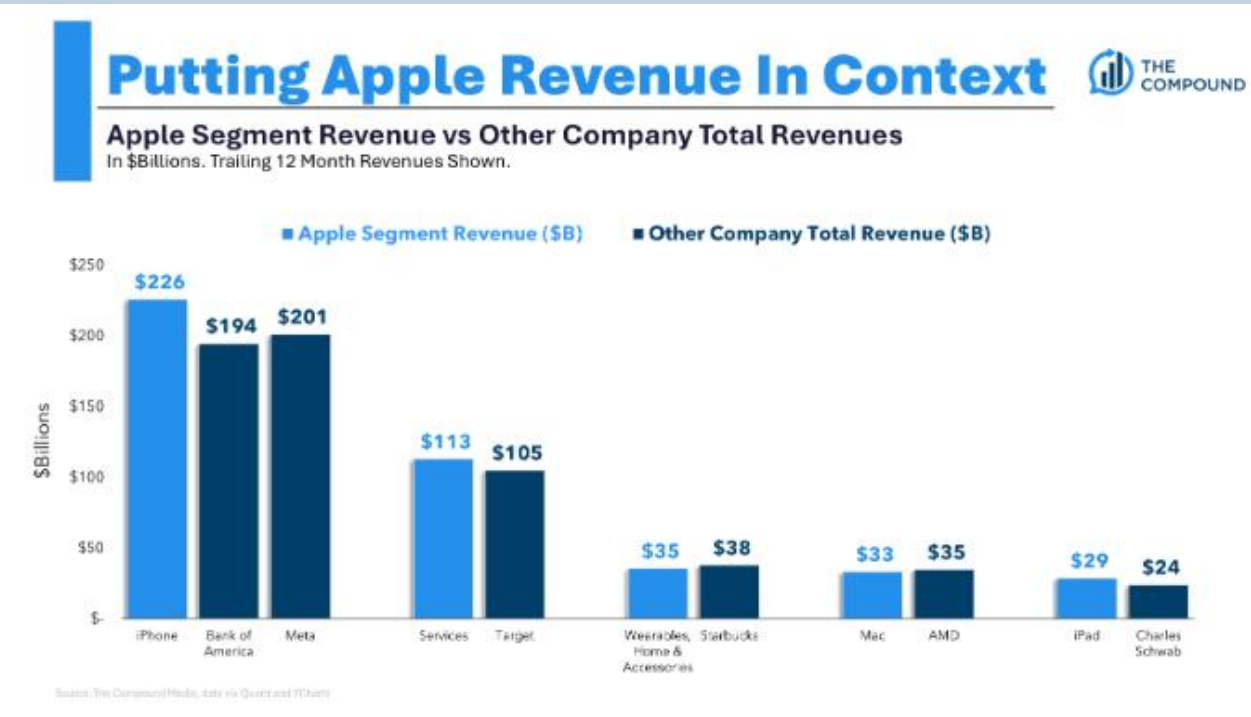
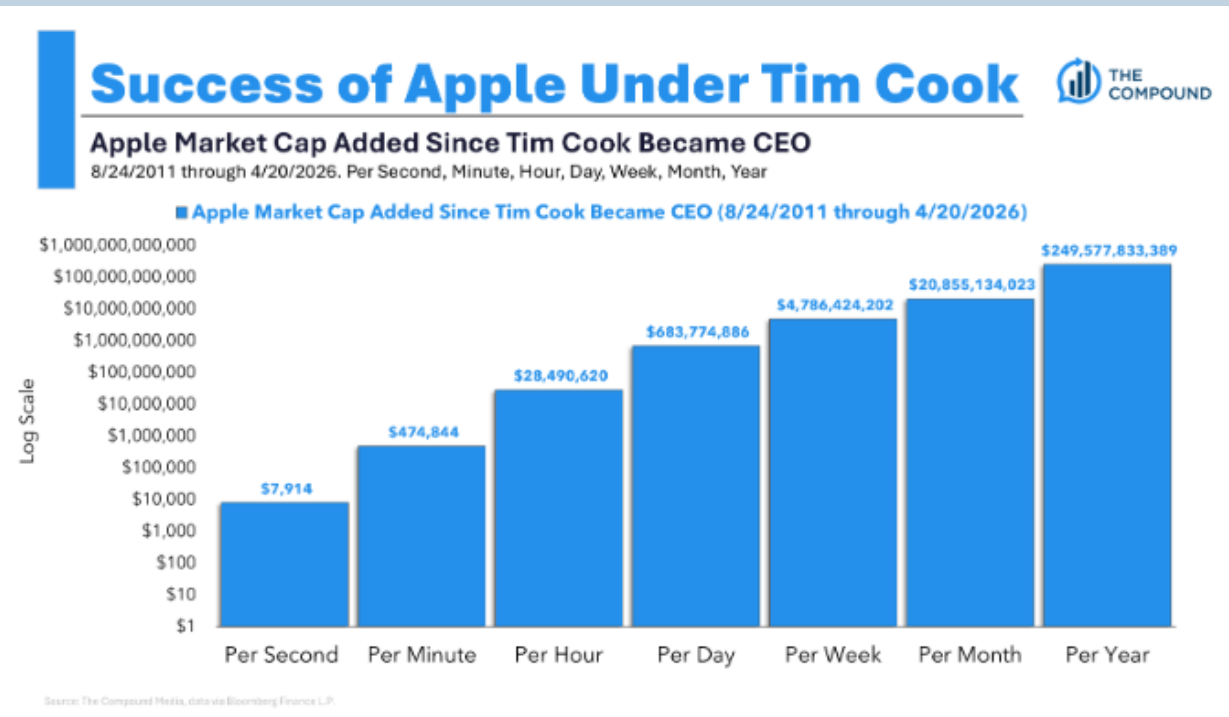
Alana Pipe/WSJ

Apple CEO, Tim Cook, Steps Down

Finally, Apple's longtime CEO, Tim Cook, announced he'll be stepping down as CEO to be the Executive Chairman of the Board of Directors. Head of hardware, John Ternus, will take over as CEO.

Rarely would we highlight a single company, but Apple is worth the exception. During Tim Cook's tenure as CEO, Apple has grown from \$350B to \$4T in market cap. The first chart shows puts that growth in perspective by looking at it in different time increments (~\$8k/second!).

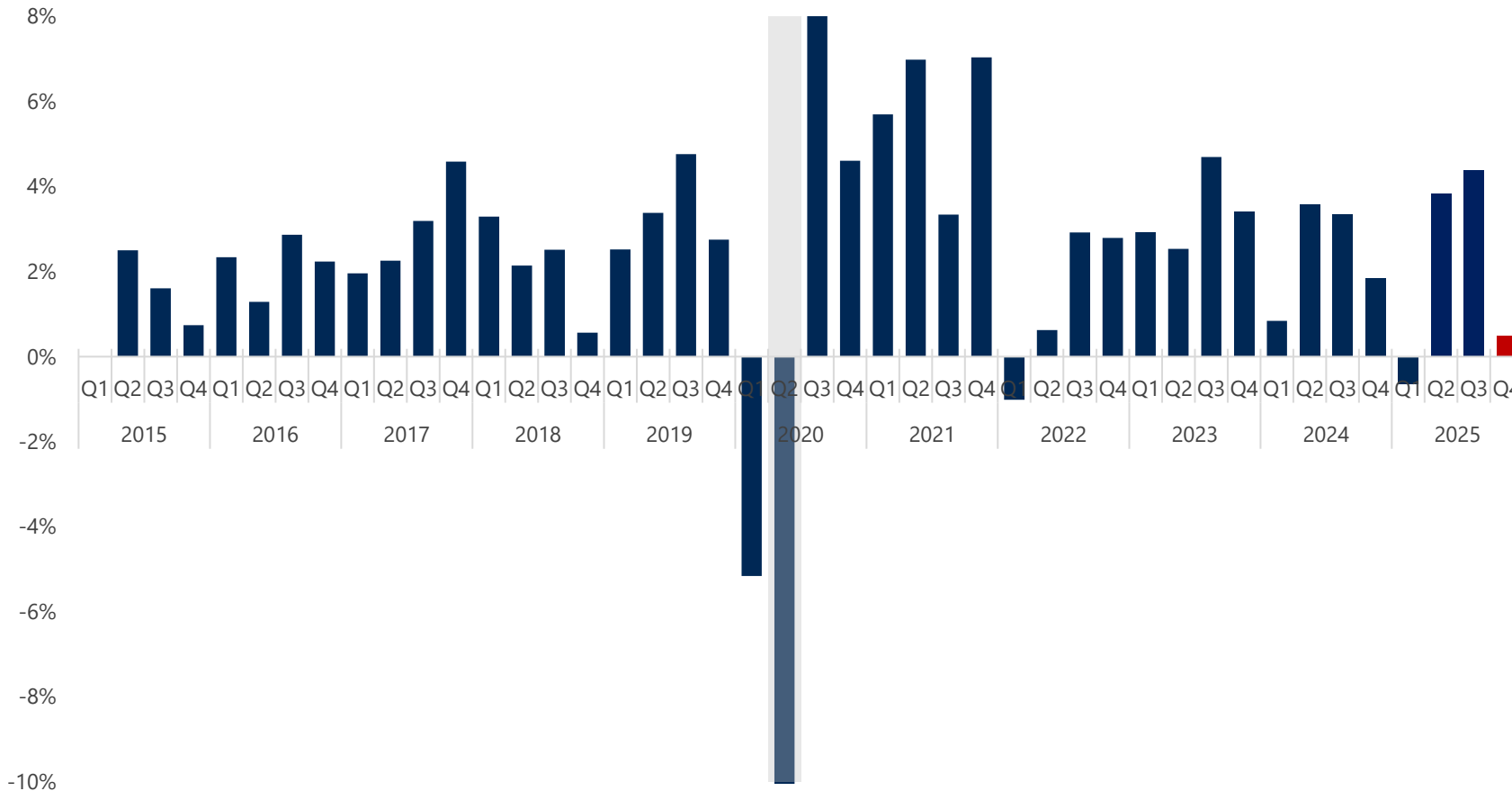
The last chart puts Apple's revenue in the context of other companies. iPhone sales alone were more than all of Meta and Bank of America's. Their services generate more revenue than Target, and the iPad does more business than Charles Schwab. It'll be interesting to see what direction the new leadership decides to take the company, but they will have large shoes to fill.



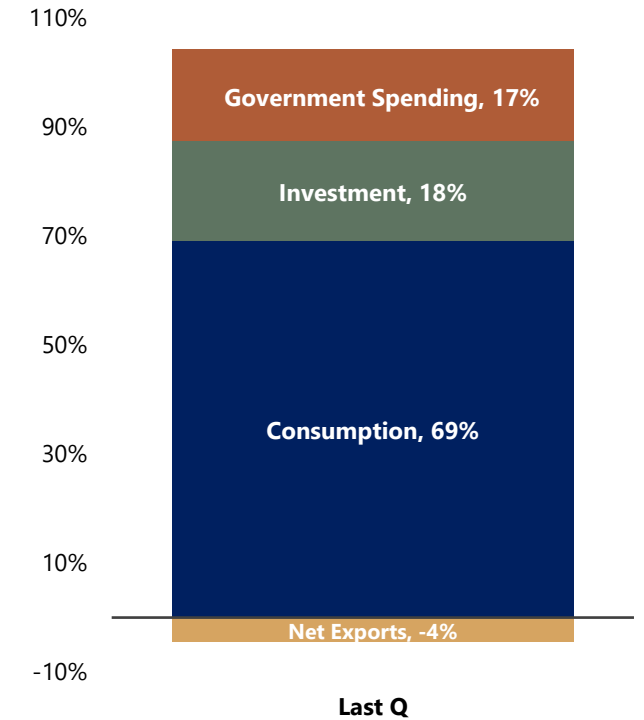
WJ State of the Economy

Q4 GDP Revised Down to Just 0.5%

Annualized Real Gross Domestic Product (GDP) % Chg

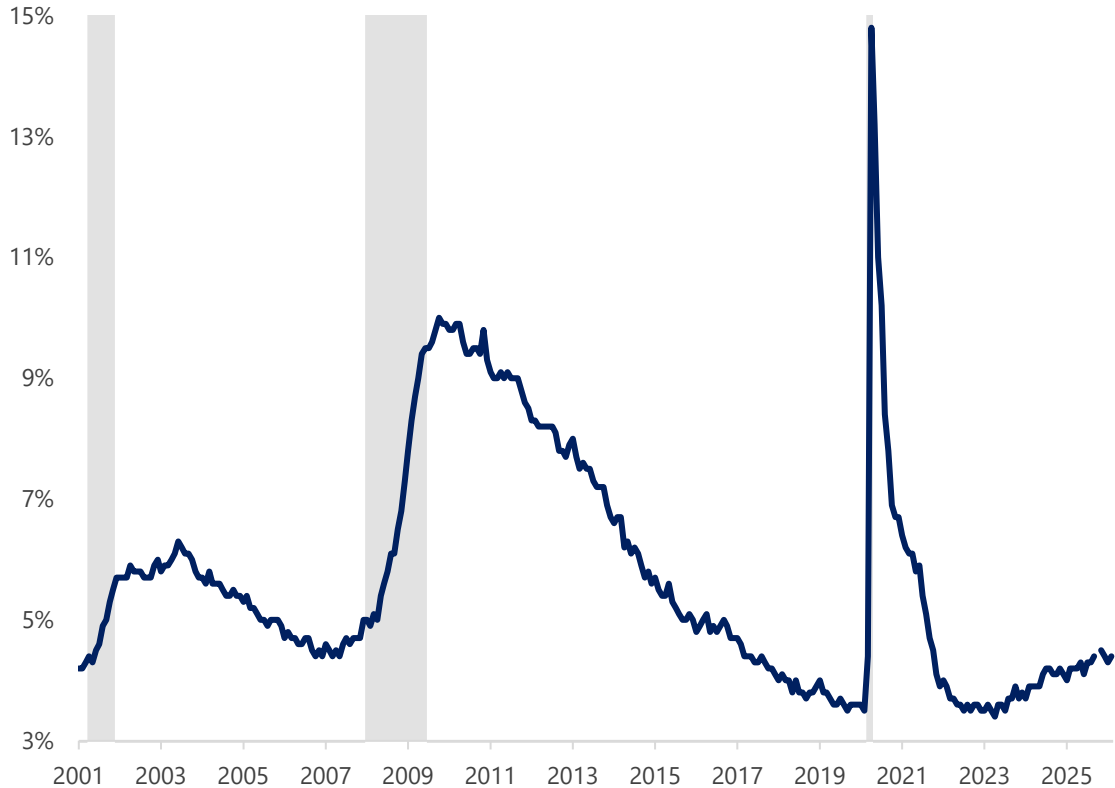


Components of GDP

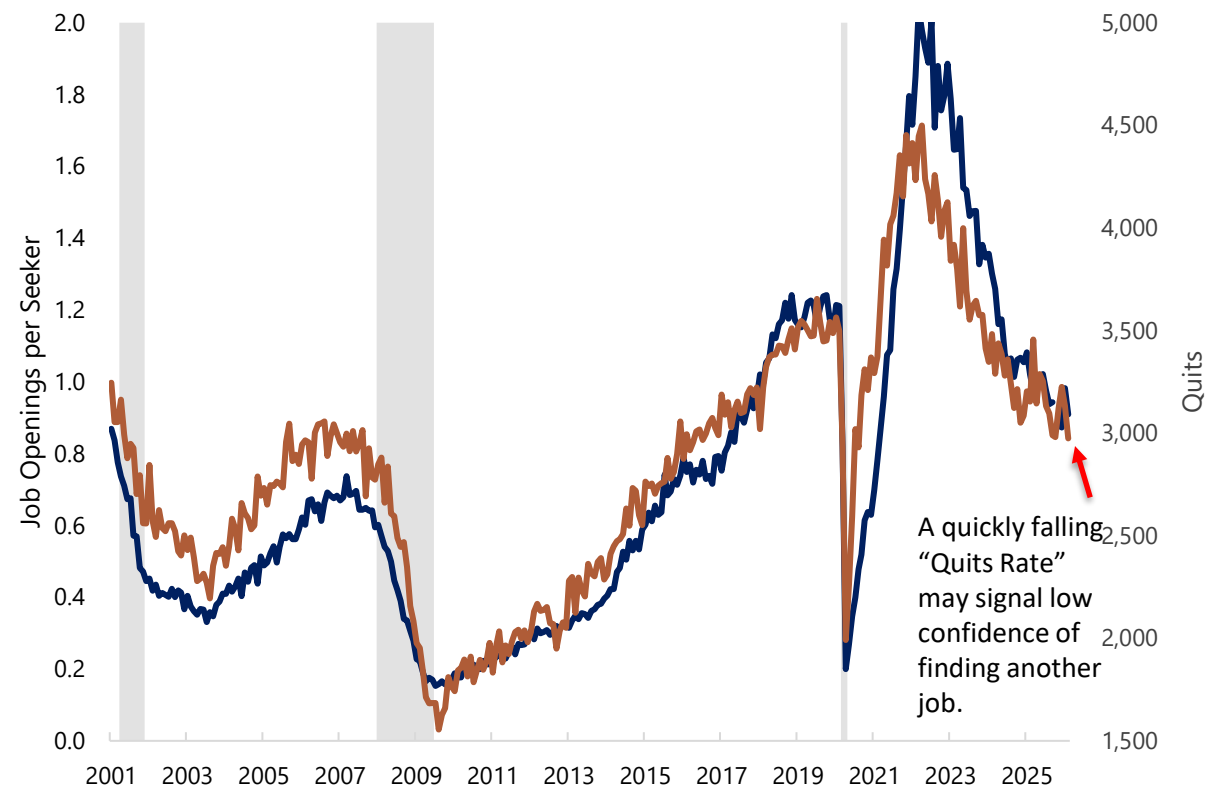


Employment Slow But Stable

Unemployment Rate

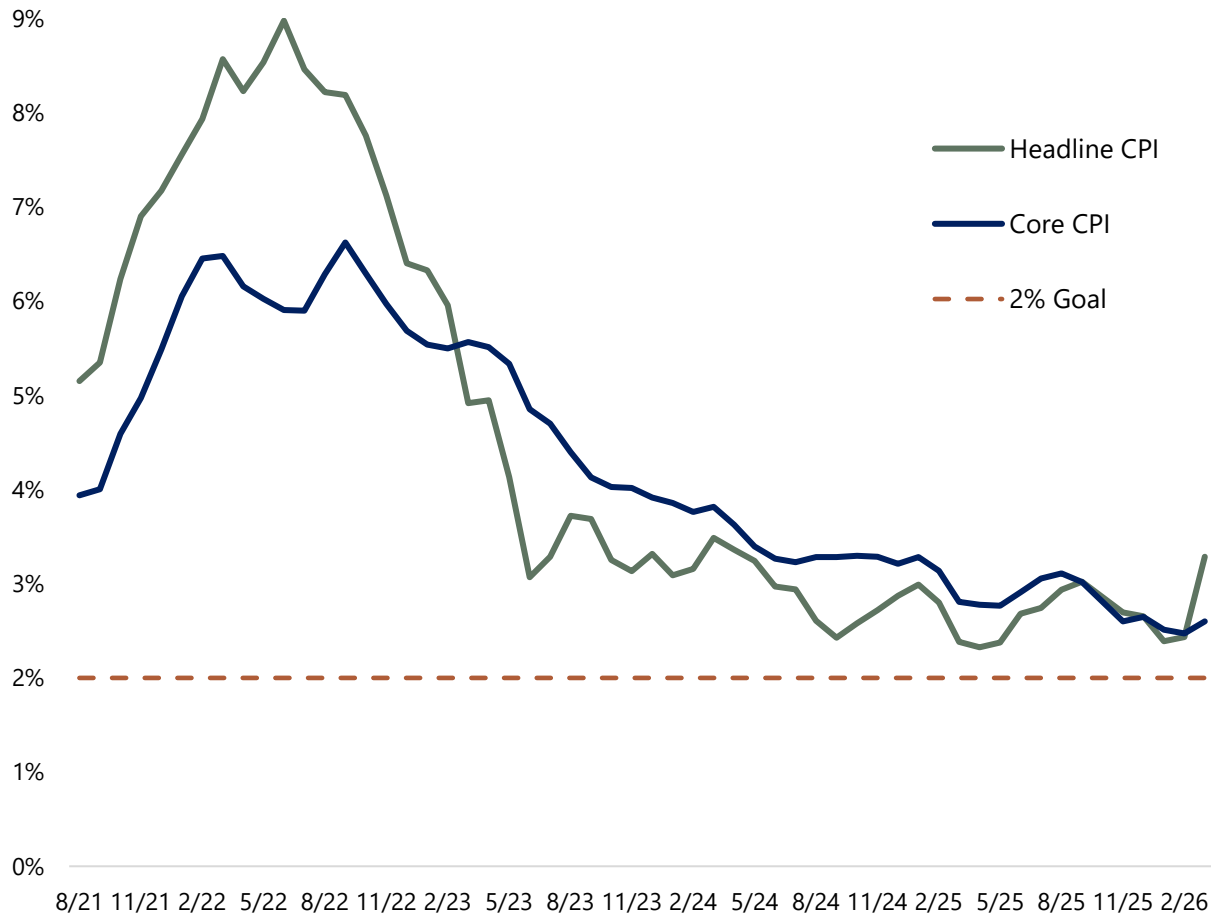


Job Opening per Seeker and Quits

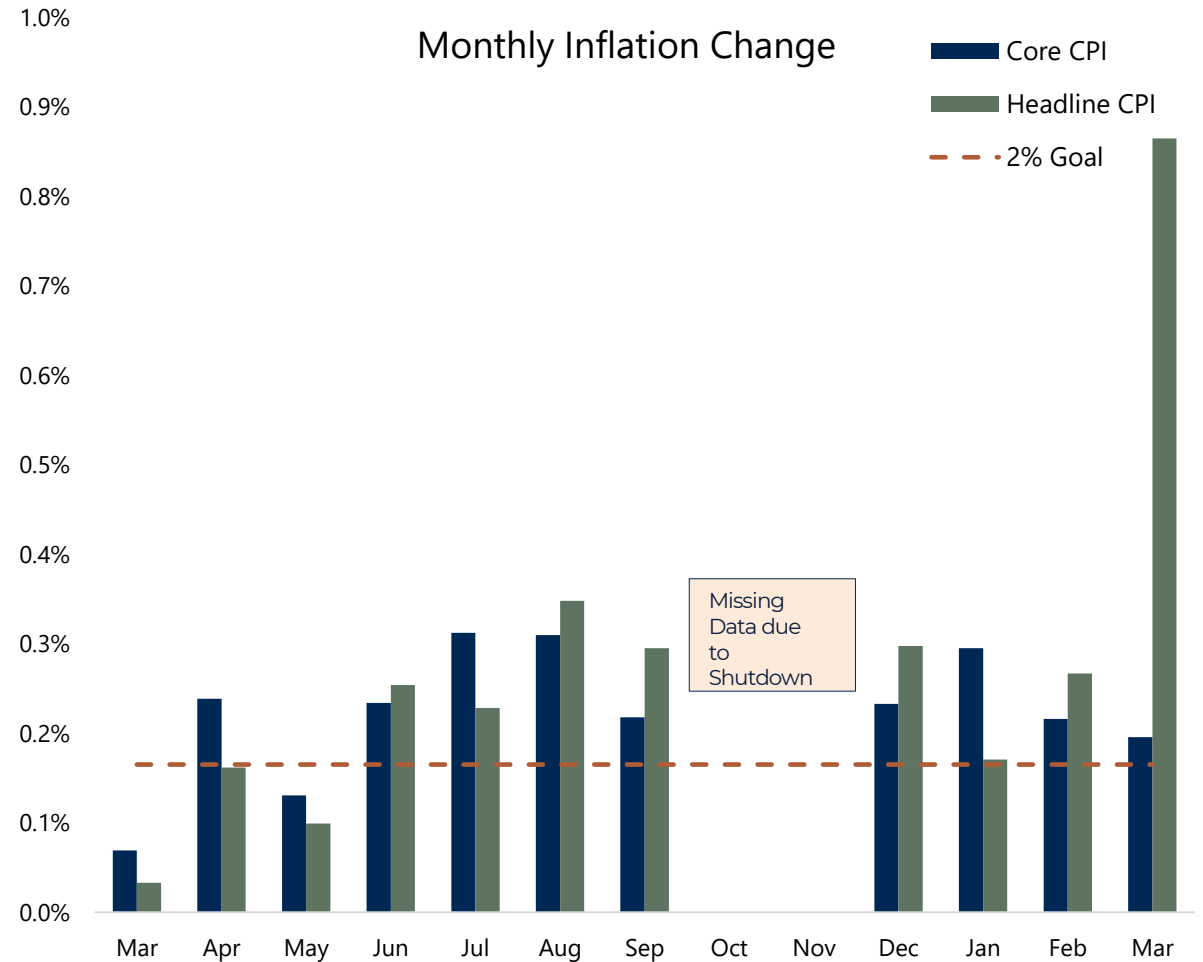


Energy Spike Boosts Headline Inflation

Annual Inflation Change



Monthly Inflation Change



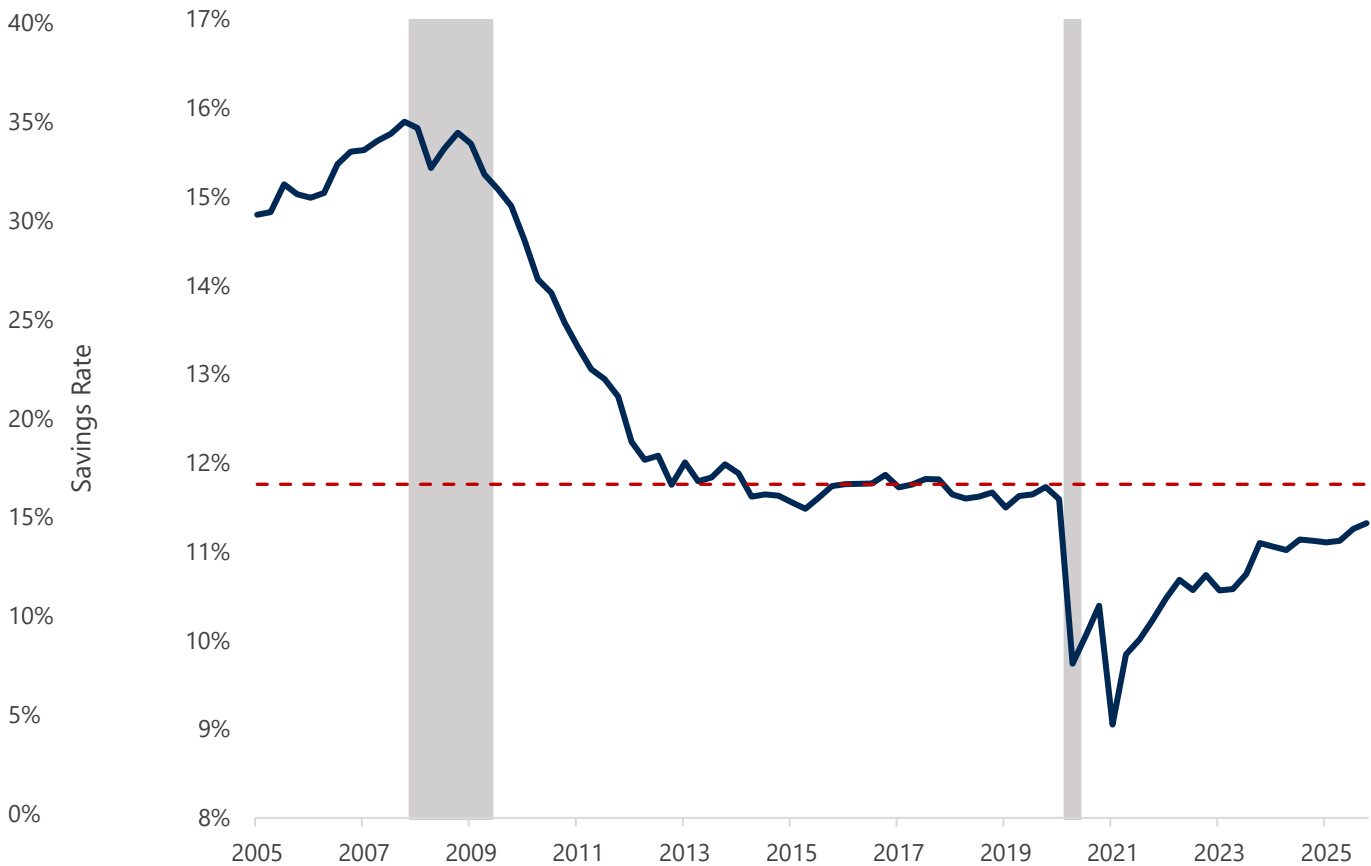
Source: Federal Reserve Economic Database (FRED). Consumer Price Index. Annual CPI Forecasts are made by WJ using past month over month CPI data and extrapolating forward with different growth rates.

Consumer is Still Strong

Consumer Spending Chg vs Savings Rate



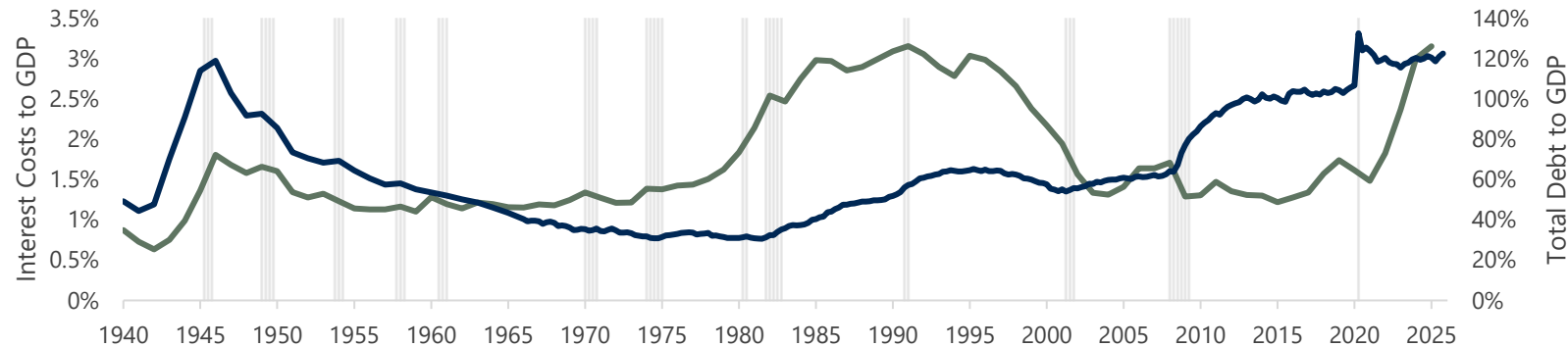
Household Debt Service Payments as % of Income



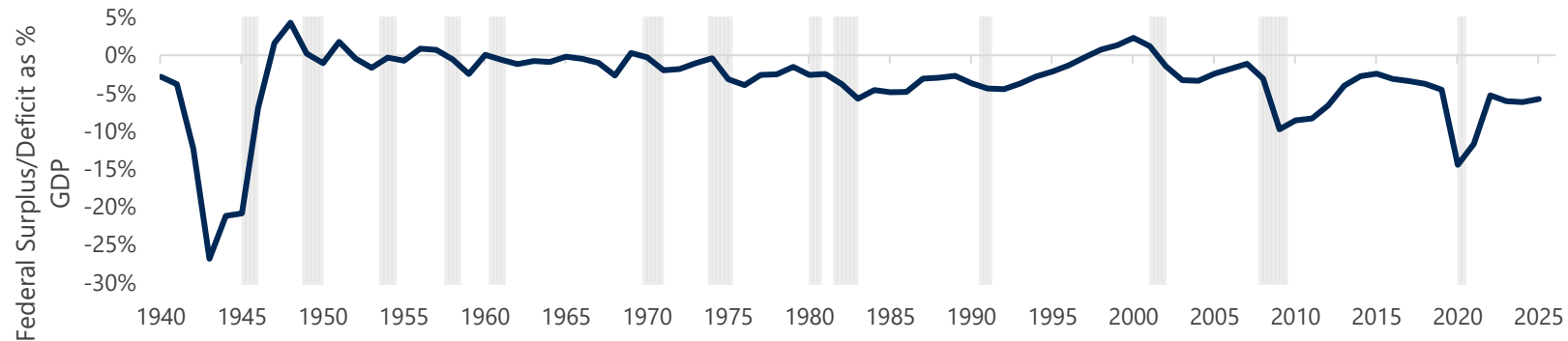
Source: Federal Reserve Economic Database (FRED). Personal Saving Rate plus Real Personal Consumption Expenditures (left) and Household Debt Service Payments as a Percent of Disposable Personal Income (right). Recessions from NBER based Recession Indicators for the United States from the Period following the Peak through the Trough

Interest Costs and the Deficit Rising

Gov't Interest/GDP and Gov't Total Debt/GDP



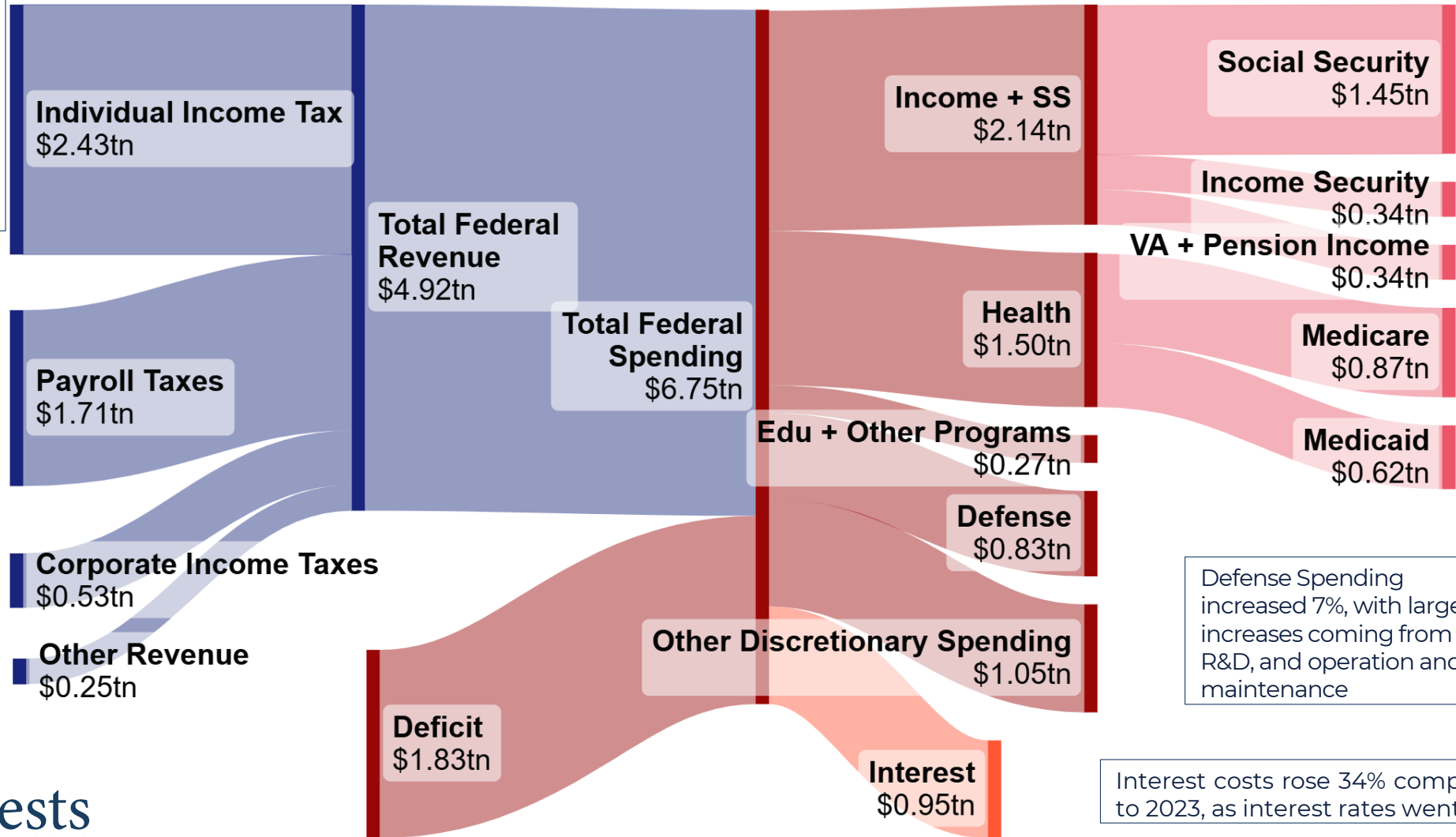
Federal Budget Surplus/Deficit



Government Expenditures 2024

This is an in depth look at how the US makes and spends money. On the spending side, the top 3 categories are known as “mandatory spending” and are unable to change without major reform. That leaves “Defense” and “Other Discretionary Spending” as the two categories congress can change on any year.

Total Receipts were up 11% in fiscal year 2024 compared to 2023. Most of these came from higher income tax receipts, and deferrals from 2023 that were paid in 2024.



Total Outlays were up 10% in fiscal year 2024 compared to 2023

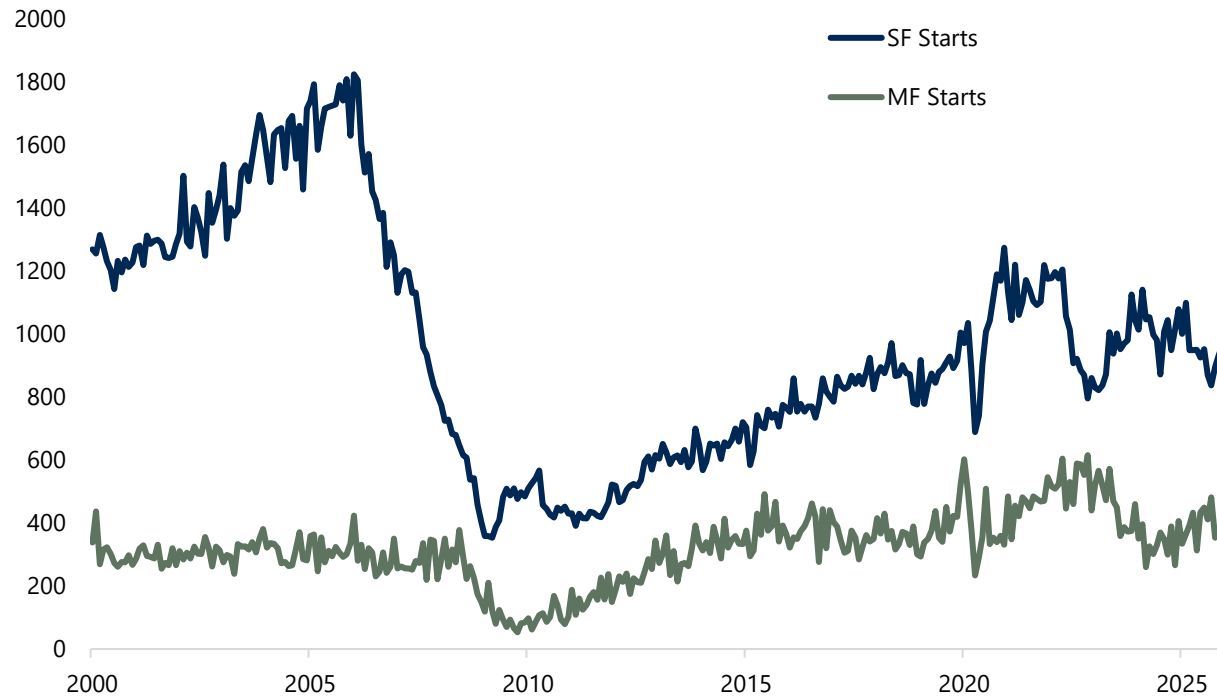
SS and Medicare rose 8% and 9% respectively, due to cost of living adjustments and more beneficiaries.

Defense Spending increased 7%, with largest increases coming from R&D, and operation and maintenance

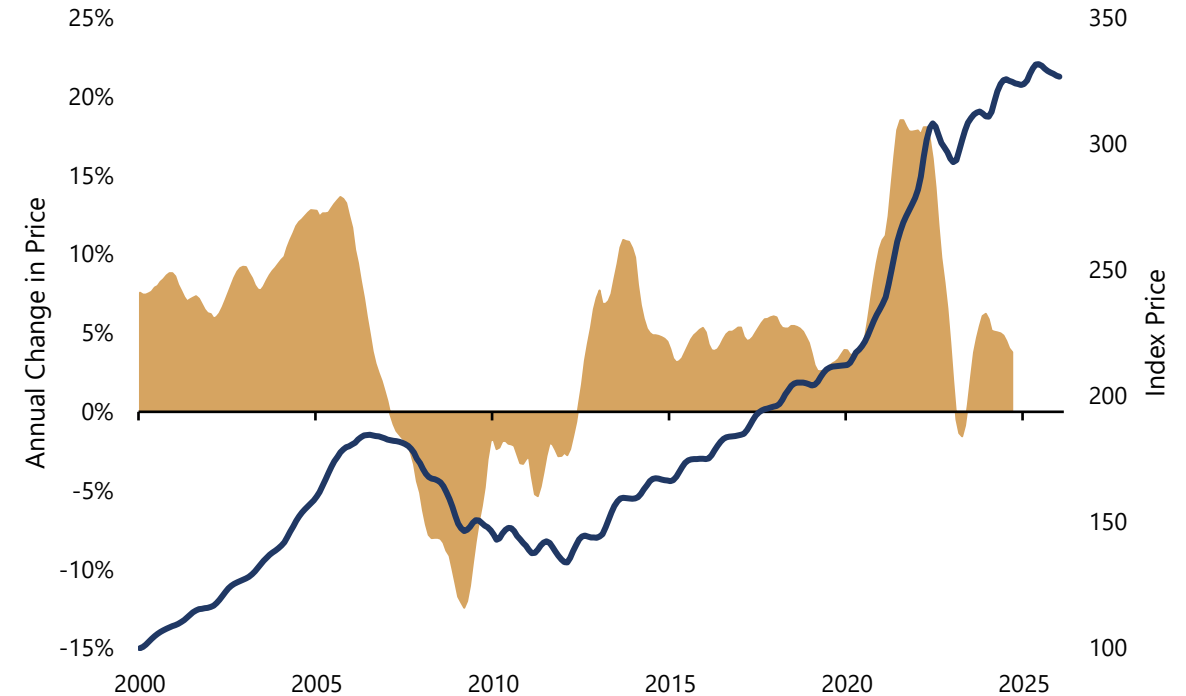
Interest costs rose 34% compared to 2023, as interest rates went up.

Housing Prices Have Stalled

Housing Starts and Completes



Home Prices

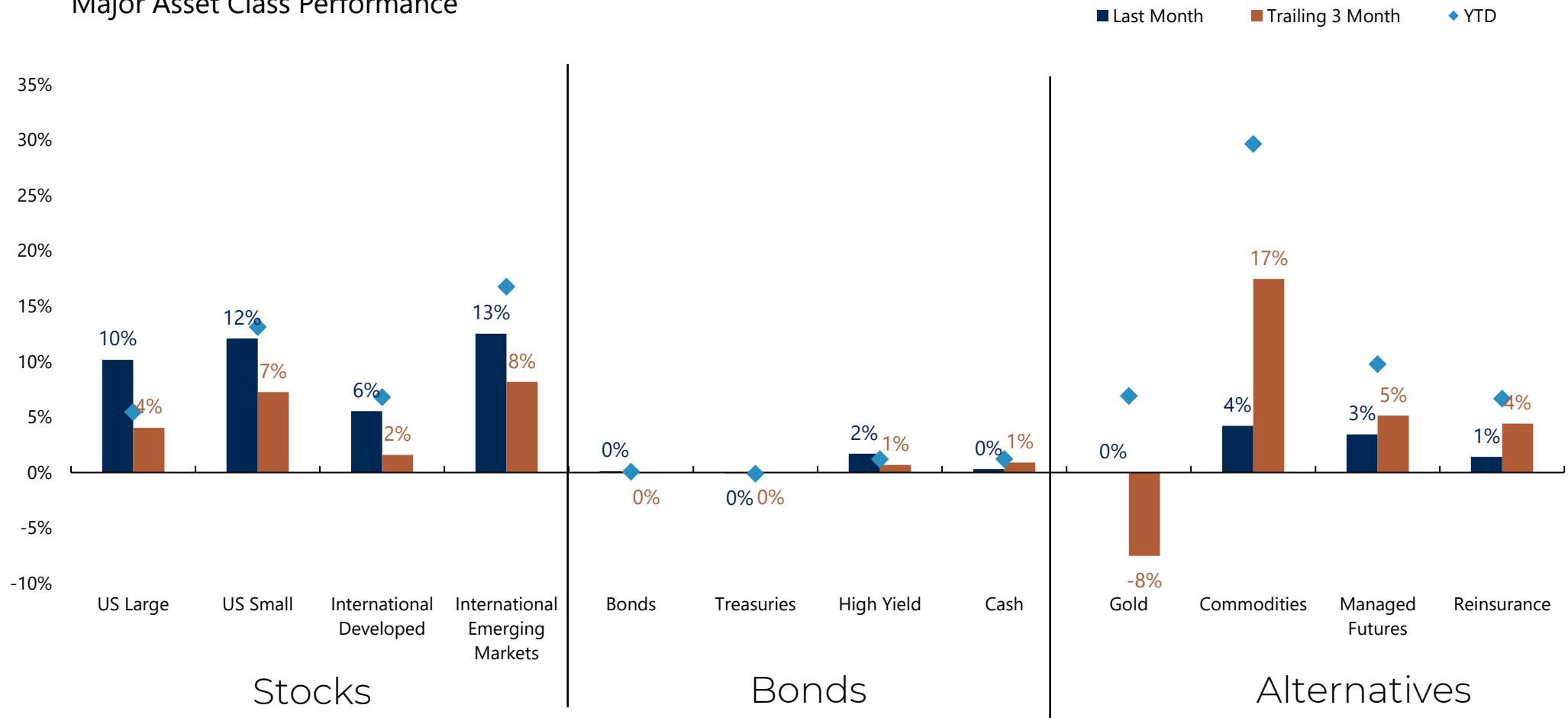


A housing start is the beginning of construction on a new residential housing unit and indicates how much new housing supply is on the horizon. On the right we show home prices over time, as well as the annual rate of change. Prices surged in 2021-2022 but have stopped growing altogether. What they do next will depend on how much pent-up demand there is, and how much housing we build going forward. Note of how significantly starts dropped after the 2008 crisis, and led to the undersupply we have today.

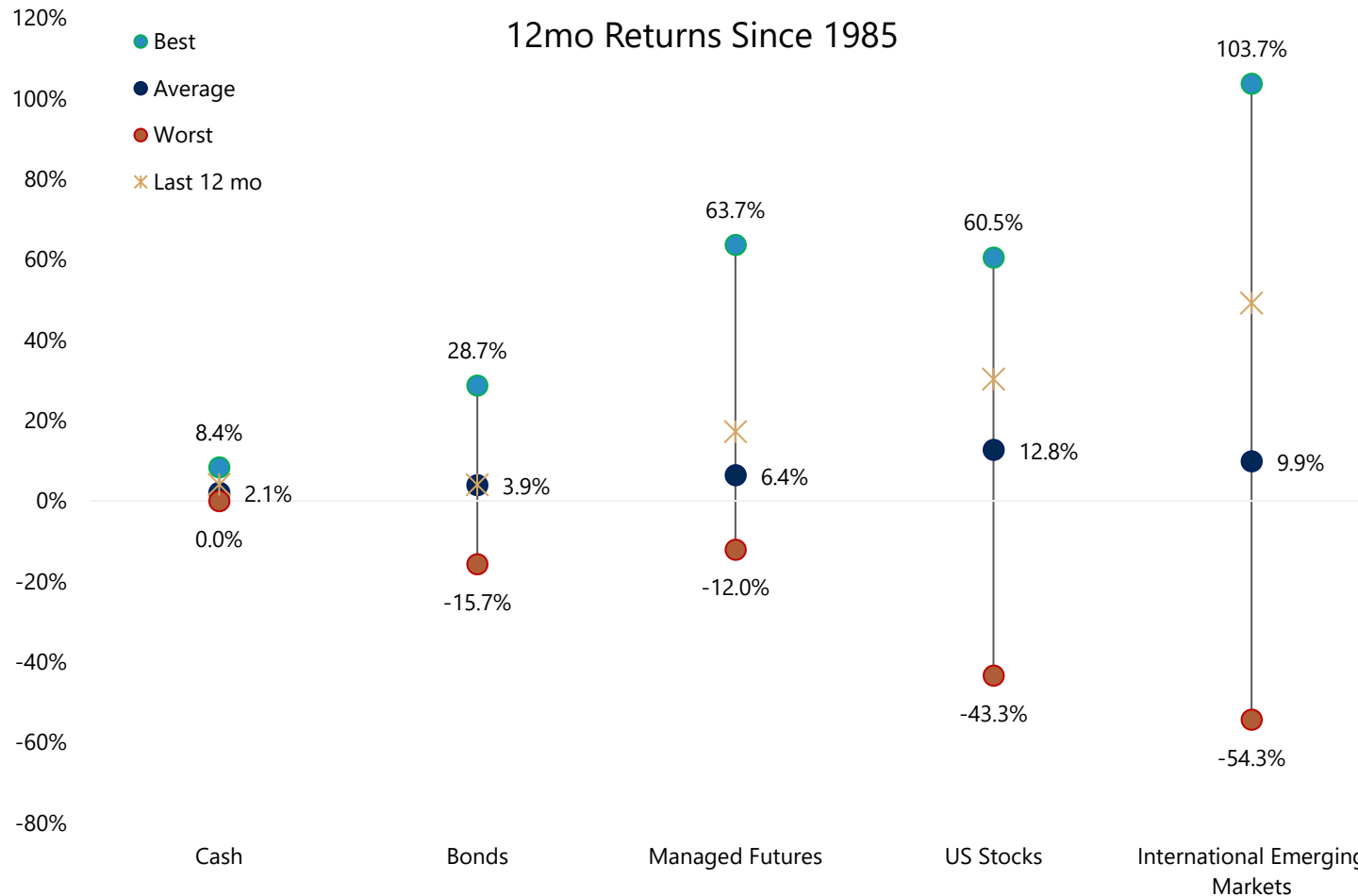
WJ State of the Markets

Big Bounce Back for Stocks

Major Asset Class Performance






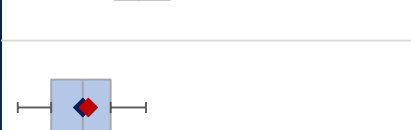

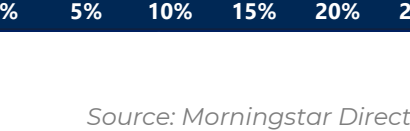
Historical Asset Class Return Range

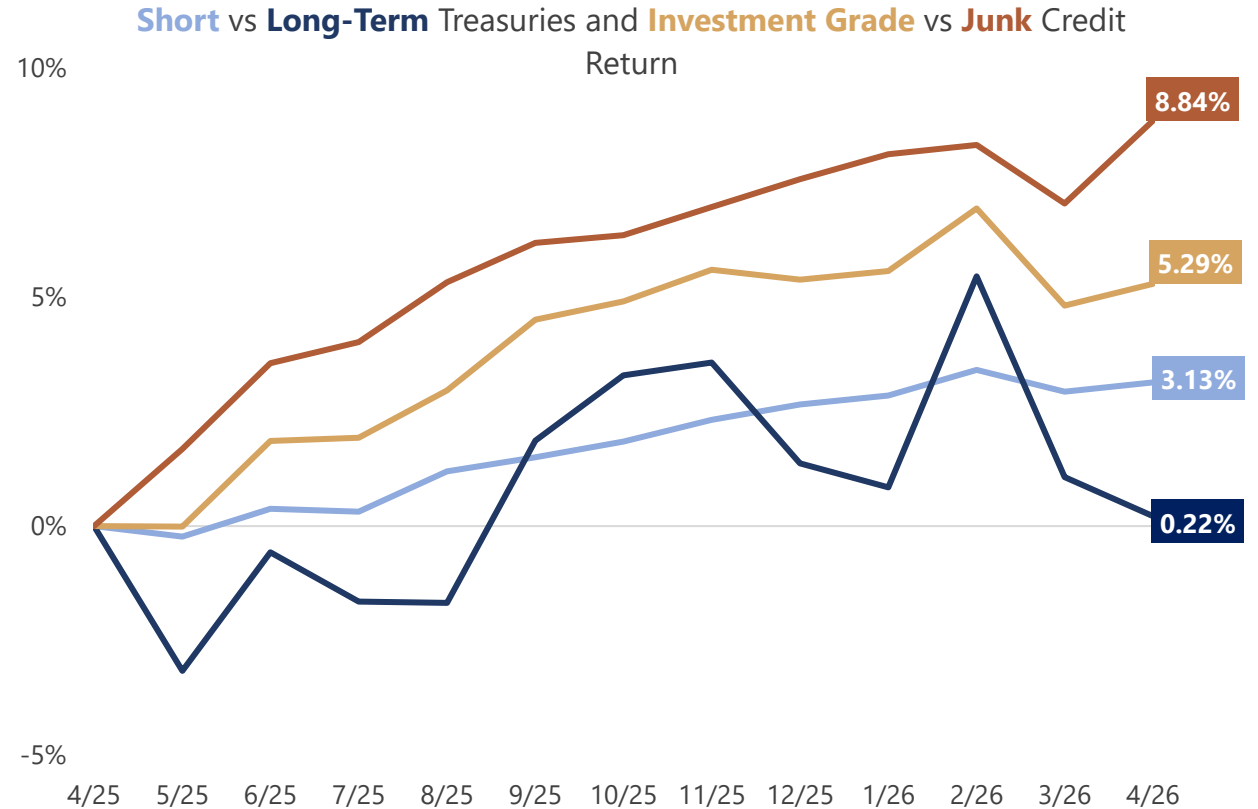


This chart shows the range of 12 month returns historically, by asset class. As you'd expect, the riskier investment leads to a greater potential gain, as well as loss.

The X on the line represents the last 12 months.

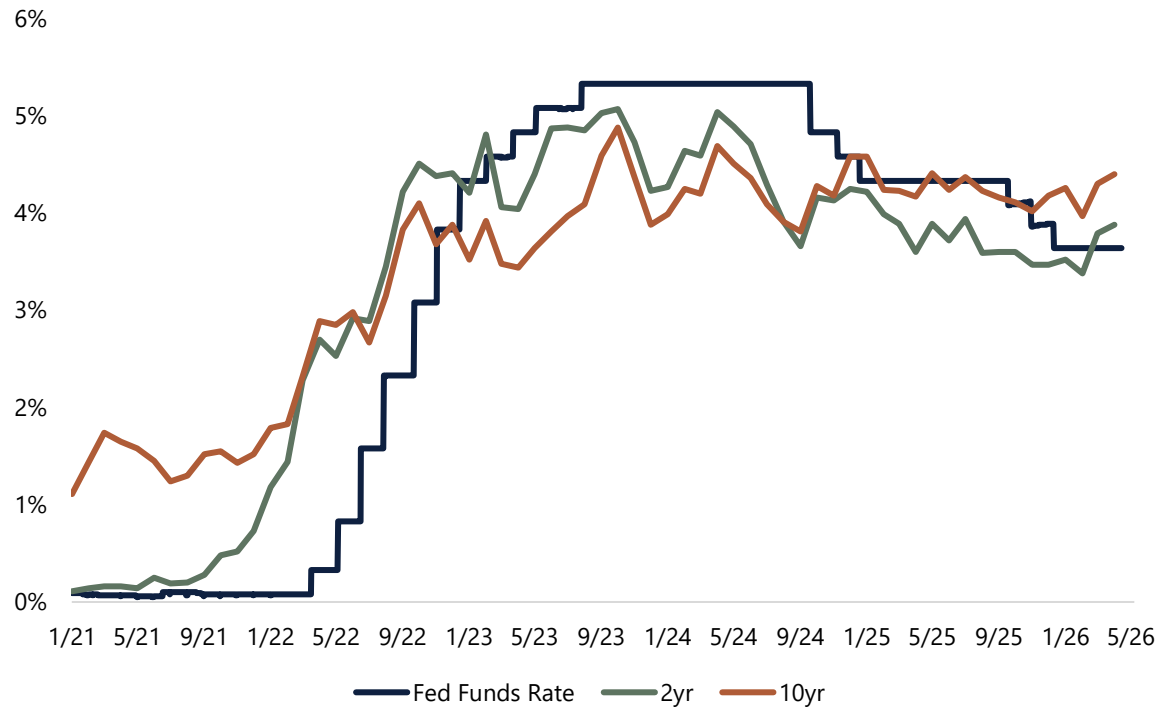
Credit Continues to Perform Well

Fund Type	Yield (%)			Yield History
	Last Month	Last Year	Change	
Treasury	3.88	3.95	-0.07	
Treasury	5.05	4.99	0.06	
Investment Grade	5.14	5.21	-0.07	
High-Yield	6.98	7.46	-0.48	
Mortgage-Backed	4.89	5.15	-0.26	
Municipal Bonds	3.68	4.04	-0.36	

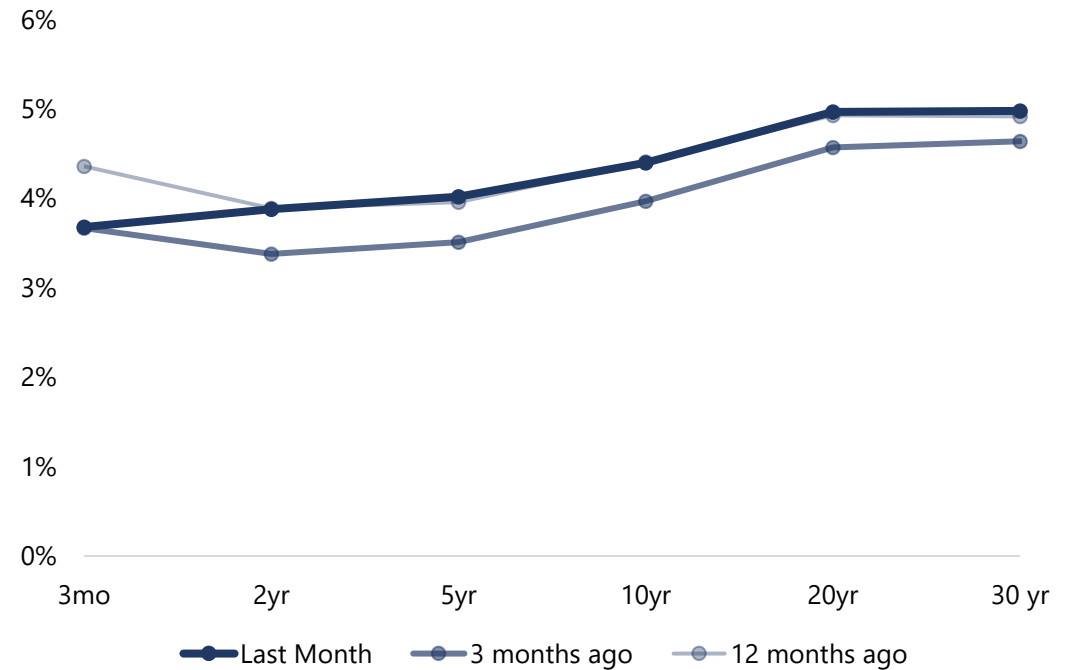


The Fed Leaves Rates Unchanged

Key Treasury Yields



Treasury Yield Curve

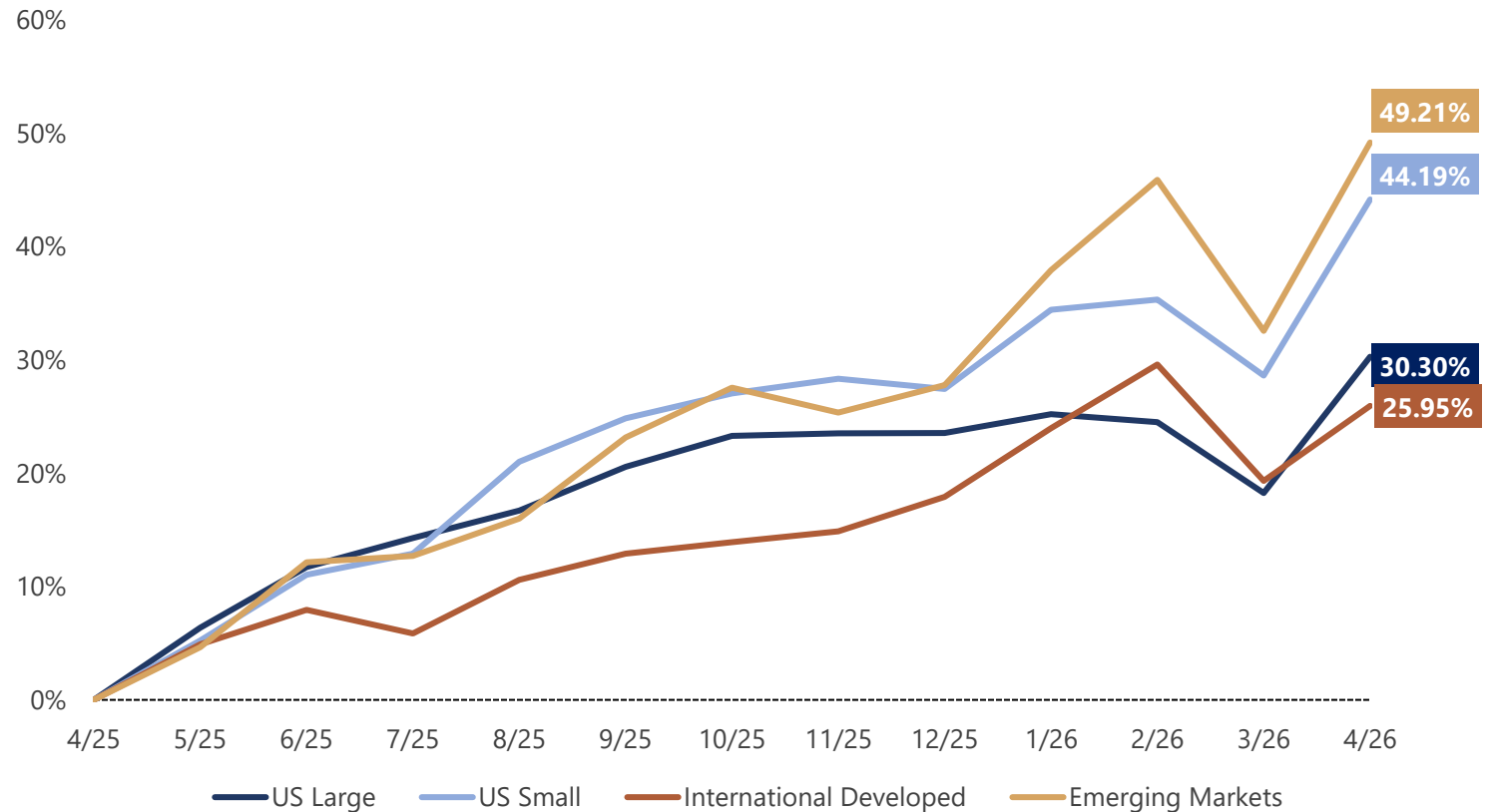


	3mo	2yr	5yr	10yr	20yr	30 yr
Last Month	3.7%	3.9%	4.0%	4.4%	5.0%	5.0%
3 months ago	3.7%	3.4%	3.5%	4.0%	4.6%	4.6%
12 months ago	4.4%	3.9%	4.0%	4.4%	4.9%	4.9%

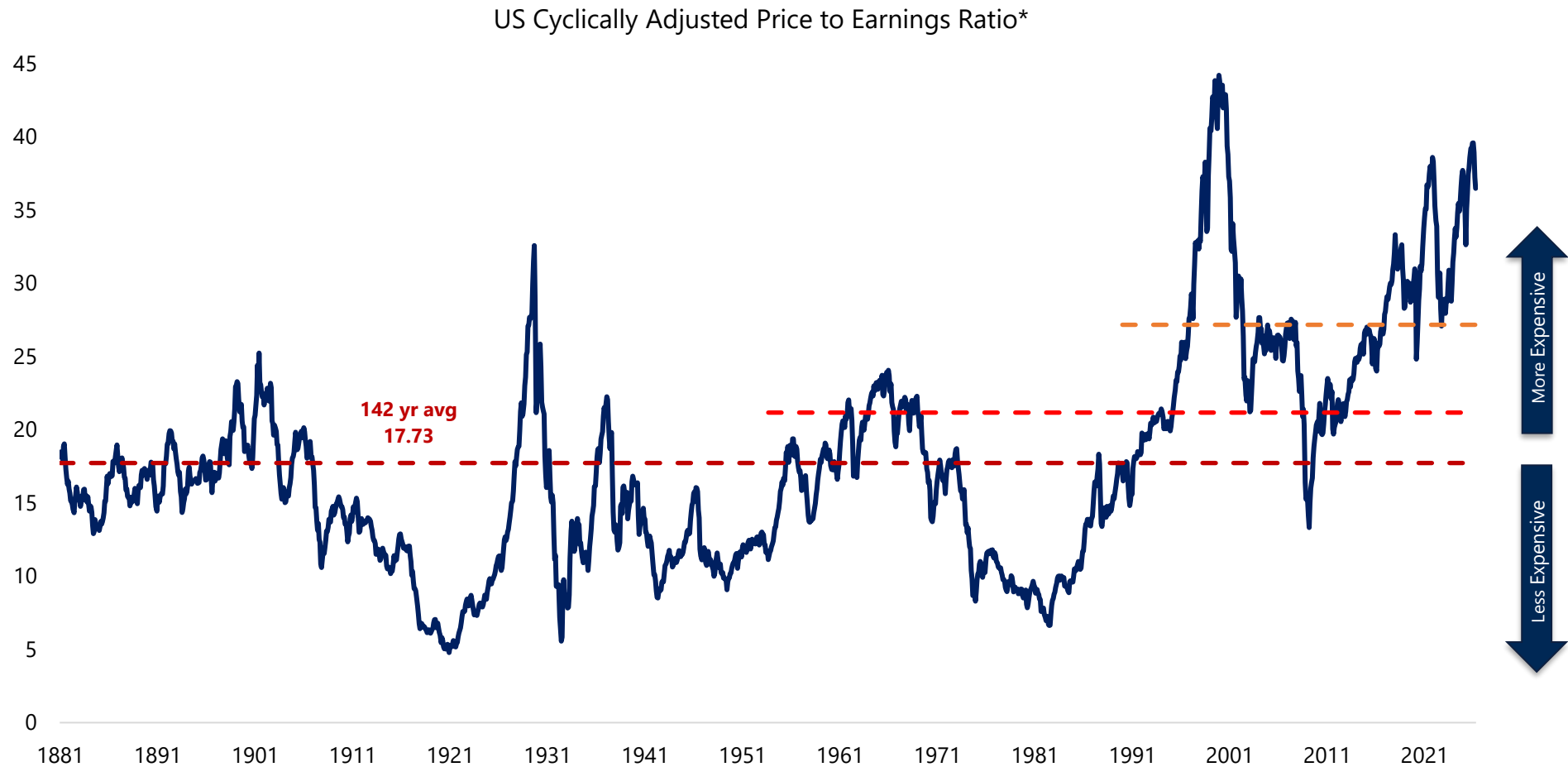
~50% Growth for Emerging Mkts Last 12 Months

	Stock Type	Last Month	Last 3 Months	Last 12 Months
Core	US Large	10.2%	4.0%	30.3%
	US Small	12.1%	7.2%	44.2%
	International Developed	5.5%	1.6%	25.9%
	International Emerging	12.5%	8.2%	49.2%
Other	US Value	8.1%	5.6%	29.0%
	US Growth	11.9%	2.5%	30.4%
	Nasdaq	15.6%	7.6%	40.9%

US vs International Stock Performance



US Stock Valuations Near Tech Bubble Highs

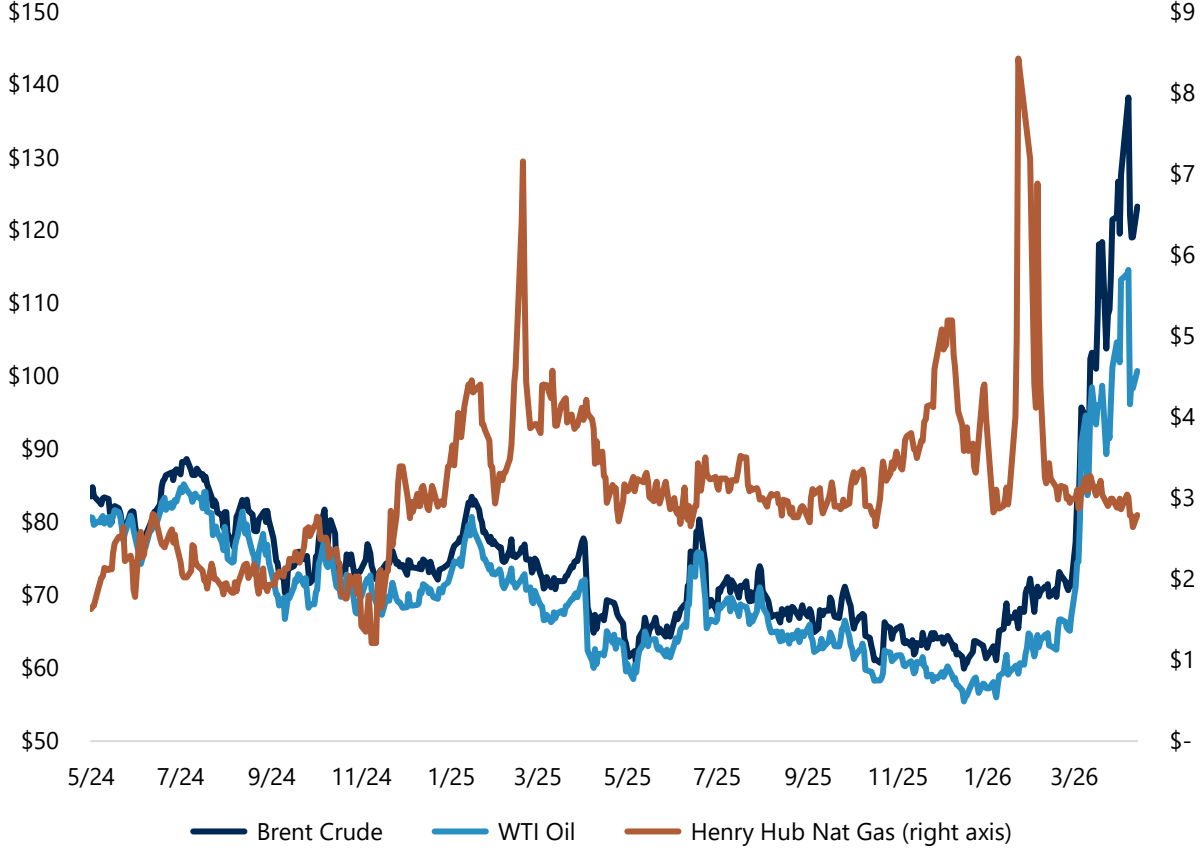


Oil Jumping Higher

Bloomberg Commodity Index



Energy Prices



Periodic Table of Asset Class Returns



											Through Last Month End 4/30/2026	
2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	5 Yr	10 Yr
US Small Stock 22%	Intl Emerging Stk 37%	Cash 2%	US Large Stock 31%	US Large Stock 21%	US Large Stock 26%	Trend Following 22%	Reinsurance 44%	Reinsurance 31%	Intl Emerging Stk 33%	Intl Emerging Stk 17%	Reinsurance 22%	US Large Stock 15%
US Large Stock 12%	Intl Developed Stk 27%	Bonds 0%	US Small Stock 25%	US Small Stock 20%	US Small Stock 15%	Reinsurance 3%	US Large Stock 26%	US Large Stock 24%	Intl Developed Stk 32%	US Small Stock 13%	US Large Stock 12%	US Small Stock 11%
Intl Emerging Stk 10%	US Large Stock 22%	US Large Stock -5%	Intl Developed Stk 23%	Intl Emerging Stk 18%	Intl Developed Stk 12%	Cash 2%	Intl Developed Stk 18%	TAA 12%	Reinsurance 30%	Trend Following 10%	Intl Developed Stk 9%	Intl Emerging Stk 9%
Reinsurance 6%	TAA 19%	Reinsurance -6%	TAA 20%	Moderate Blended Port 13%	Moderate Blended Port 11%	Bonds -12%	US Small Stock 17%	US Small Stock 11%	Moderate Blended Port 18%	Intl Developed Stk 7%	Moderate Blended Port 7%	Intl Developed Stk 9%
Moderate Blended Port 6%	Moderate Blended Port 17%	Moderate Blended Port -7%	Moderate Blended Port 20%	Intl Developed Stk 8%	TAA 10%	TAA -12%	Moderate Blended Port 17%	Moderate Blended Port 10%	US Large Stock 17%	Reinsurance 7%	TAA 7%	Reinsurance 9%
TAA 5%	US Small Stock 15%	TAA -8%	Intl Emerging Stk 18%	Reinsurance 7%	Trend Following 5%	Moderate Blended Port -15%	Intl Emerging Stk 12%	Intl Emerging Stk 7%	TAA 16%	TAA 6%	Intl Emerging Stk 7%	Moderate Blended Port 8%
Intl Developed Stk 2%	Bonds 5%	US Small Stock -11%	Bonds 8%	Bonds 7%	Cash 0%	Intl Developed Stk -15%	TAA 12%	Cash 5%	US Small Stock 13%	Moderate Blended Port 6%	US Small Stock 6%	TAA 7%
Bonds 1%	Trend Following 2%	Trend Following -13%	Trend Following 4%	Trend Following 3%	Bonds -1%	US Large Stock -19%	Bonds 6%	Intl Developed Stk 3%	Bonds 7%	US Large Stock 5%	Trend Following 4%	Cash 2%
Cash 0%	Cash 1%	Intl Developed Stk -14%	Cash 2%	Cash 0%	Intl Emerging Stk -1%	Intl Emerging Stk -20%	Cash 5%	Trend Following 3%	Cash 4%	Cash 1%	Cash 4%	Bonds 2%
Trend Following -6%	Reinsurance -11%	Intl Emerging Stk -15%	Reinsurance -4%	TAA -2%	Reinsurance -5%	US Small Stock -20%	Trend Following -3%	Bonds 1%	Trend Following -4%	Bonds 0%	Bonds 0%	Trend Following 1%

Disclaimer

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Moderate Blended Portfolio is for illustrative purposes only. It is calculated by taking a weighted average of the following asset classes and represents a moderate risk portfolio incorporating leverage and the asset classes in the table:

27%	US Large Stock: iShares Russell 1000 (IWB)
6%	US Small Stock: iShares Russell 2000 (IWM)
21%	Intl Developed Stock: iShares Core MSCI EAFE (IEFA)
6%	Intl Emerging Stock: iShares Core MSCI Emerging Markets (IEMG)
40%	Bonds: Vanguard Total Bond Market (BND)
-15%	Cash: Morningstar USD 1M Cash TR USD
5%	Reinsurance: Stone Ridge Reinsurance Fund (SRRIX)
5%	Managed Futures: SG Trend Index, PIMCO Trends (PQTIX), Virtus Alphasimplex (ASFYX), Standpoint (BLNDX)
5%	TAA: GMO Benchmark Free (GBMIX) and Strategy Shares Nwfd/Rslv Rbt ETF (ROMO)

Assumes annual rebalancing. All data represents total return for stated period.