

**Candoris weekly update provided by Martijn van Vliet:**

As of May 4, 2026 for professional investors only

Macro Economy/ Markets - Strategies offered by Candoris

Scroll down for the charts used and weekly summary

[Click here to play the update](#) \* When pictures do not open in your outlook, [click here](#) to view them in PDF)

-This week: 6 May at 15:00 CET, [VanEck Emerging Markets Debt Fund Update](#)

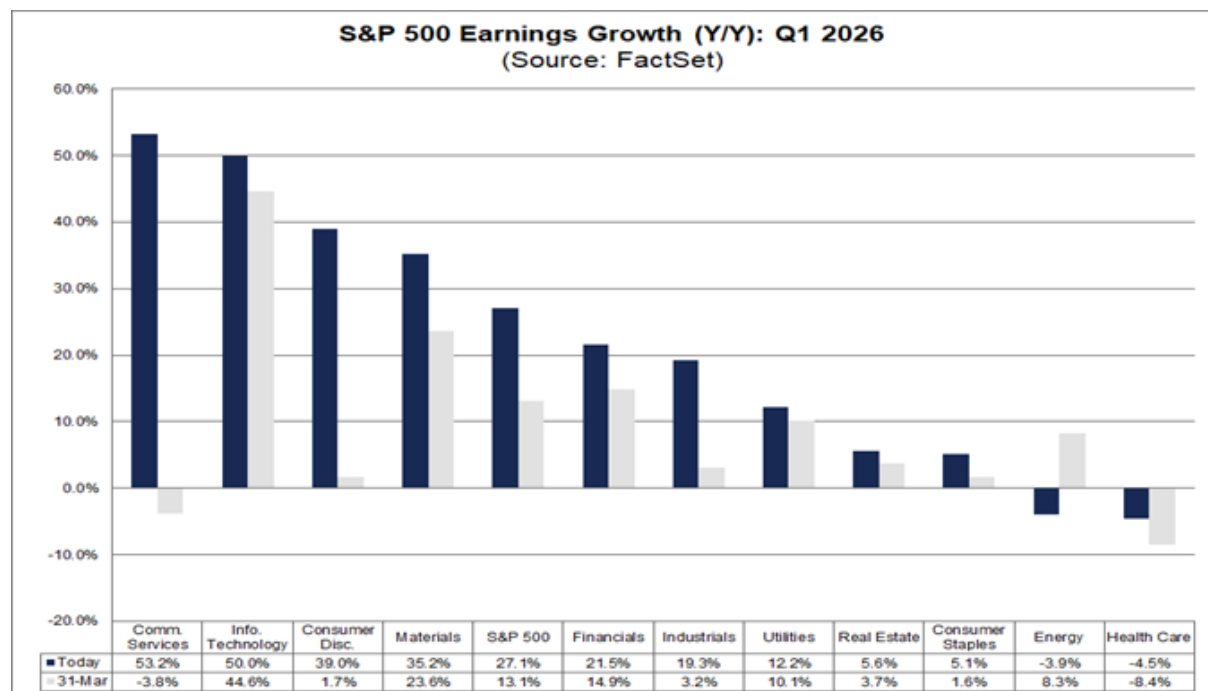
**Let's start with an Earnings season update**

-Earnings are coming in far above already high expectations, driven by strong margins and big tech outperformance

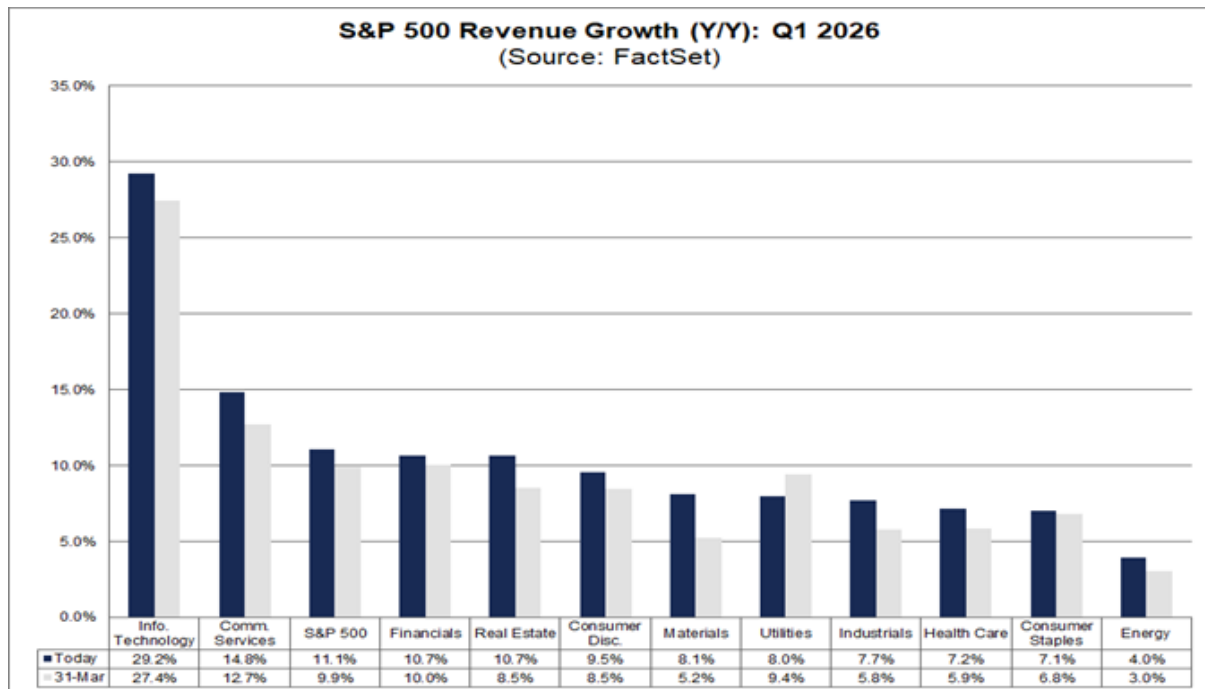
-This keeps market valuations in check: prices rise, but P/E ratios stay stable because earnings grow just as fast

-Key nuance: revenue growth is solid but lags earnings, so the story is margin-driven, which may not be sustainable long term

Look at S&P 500 Today vs 31 Mar: 27.1% earnings growth!!!! Wow....

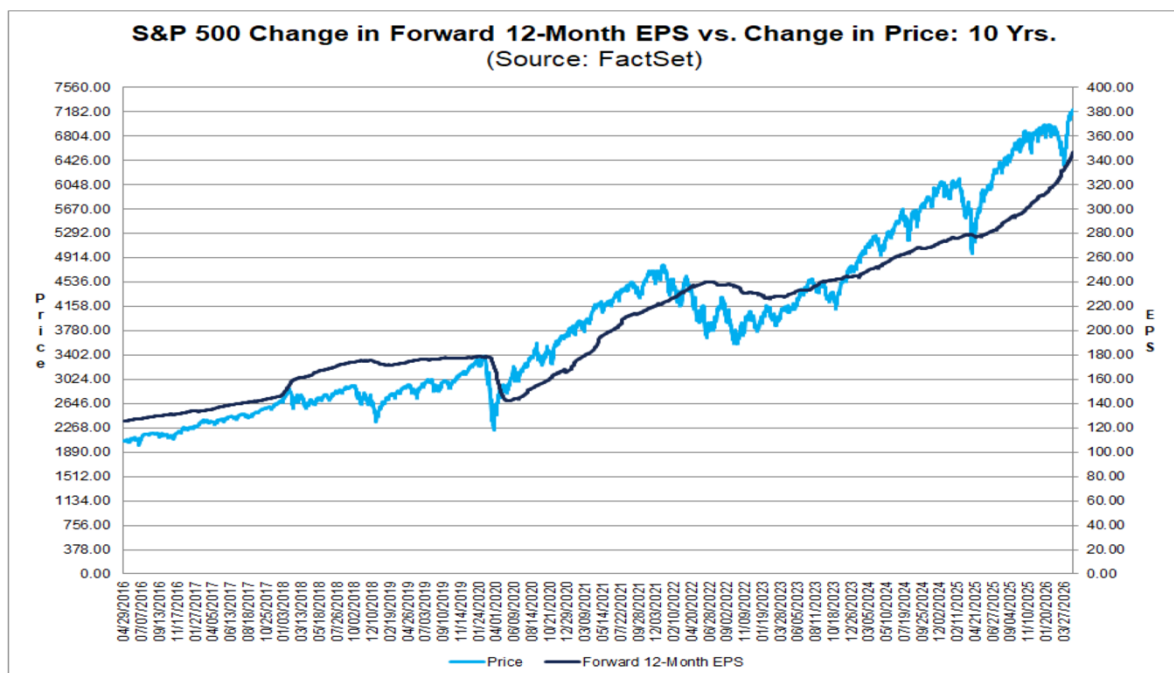


**Revenue growth is solid, but less extreme**



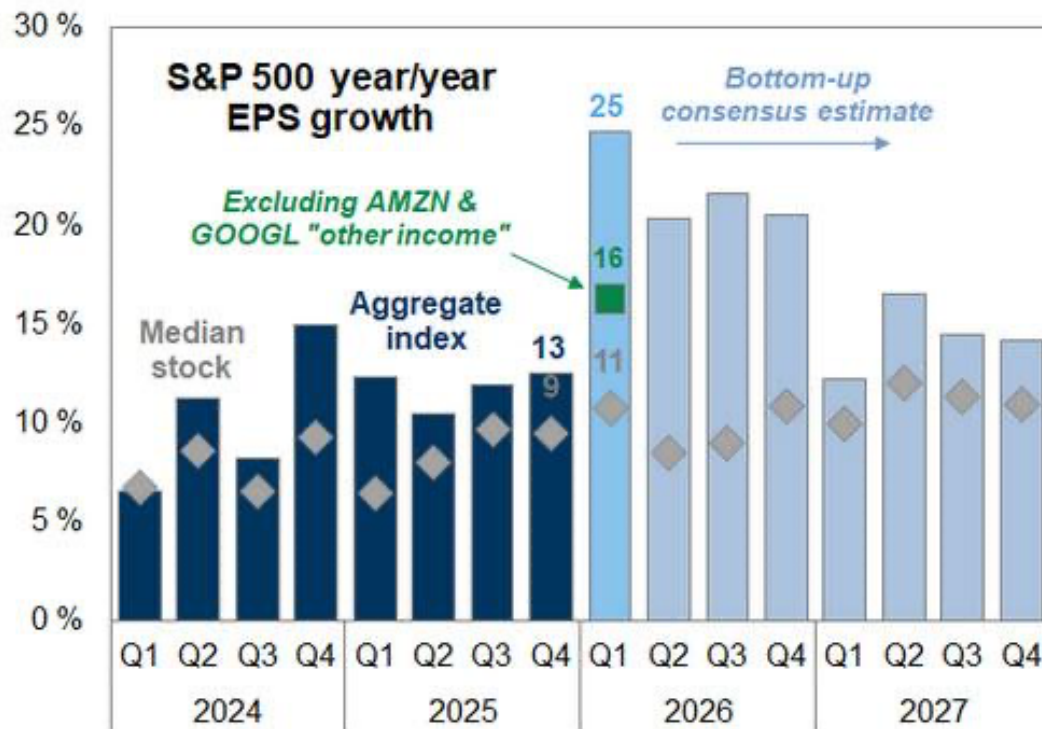
source: Factset

**As you can see, the market isn't cheap at all, but the dark blue line takes off**



And yes EPS growth is narrow, but it is expected to continue at elevated levels and the Median stock is expected to grow earnings at very decent levels as well..

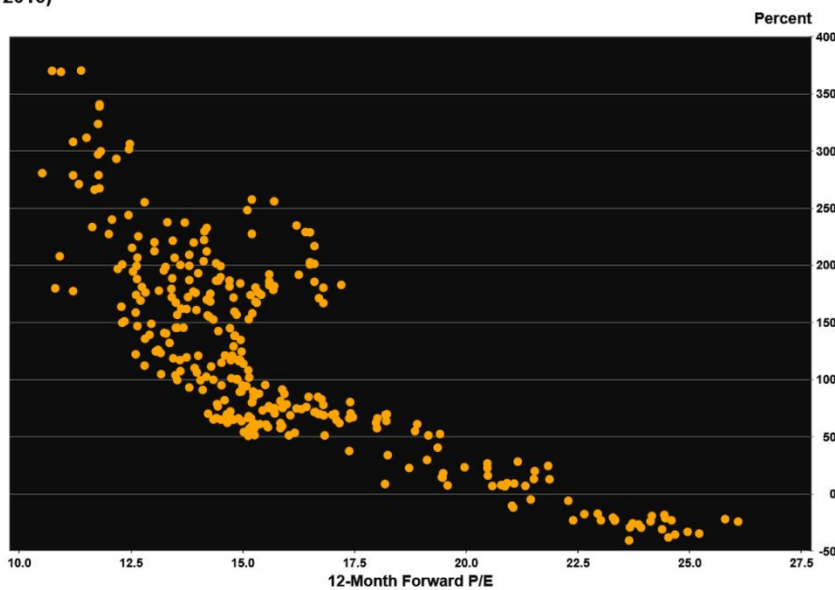
**Exhibit 7: S&P 500 Q1 2026 EPS growth is tracking at a strong pace**



Source: FactSet, Goldman Sachs Global Investment Research

You see these charts quite a bit now and even though I used them myself as well to paint a reason to diversify away from S&P 500 to for example US Small Caps and EME  
**I like to throw in one thing: What was the earnings growth at previous 20/21 P/E levels?**

S&P 500: 12-Month Forward P/E vs. Subsequent 10-Year Buy-and-Hold Returns (1990–2016)



Created by Audrey Wang, CFA

MACROBOND

With 15-30% earnings growth, forward P/E drops from ~20 to a P/E of ~15 in 2 years...

Perhaps better to also look at the PEG ratio

\*PEG Formula:  $\frac{\text{Forward P/E}}{\text{Long-Term Earnings Growth}} = \text{PEG}$ .

Figure 4 S&P 500 VALUATION: PEG RATIO



Semiconductors are leading the recent rise in the markets:

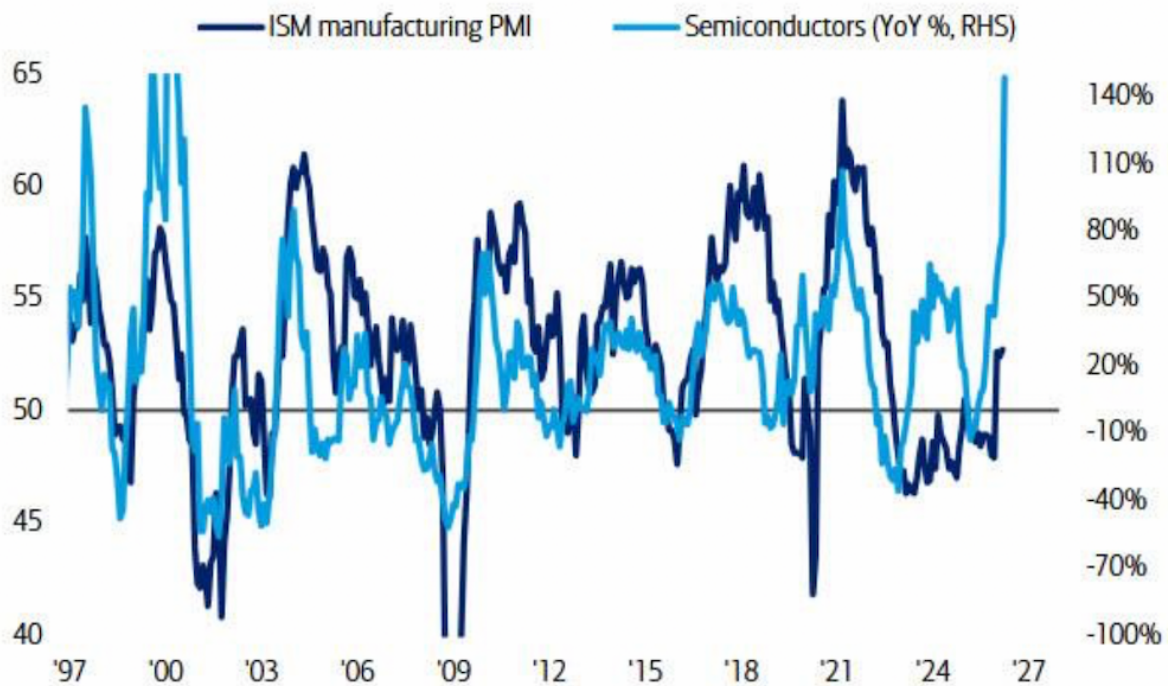


Economic growth might accelerate if semiconductor price rise is again the leading indicator it has been in the past

Or are Semiconductors simply up way too much?

### Chart 7: SOX price action implies ISM to surge >60

ISM manufacturing PMI (LHS) vs semiconductors index YoY % (RHS)



Source: BofA Global Investment Strategy, Bloomberg

BofA GLOBAL RESEARCH

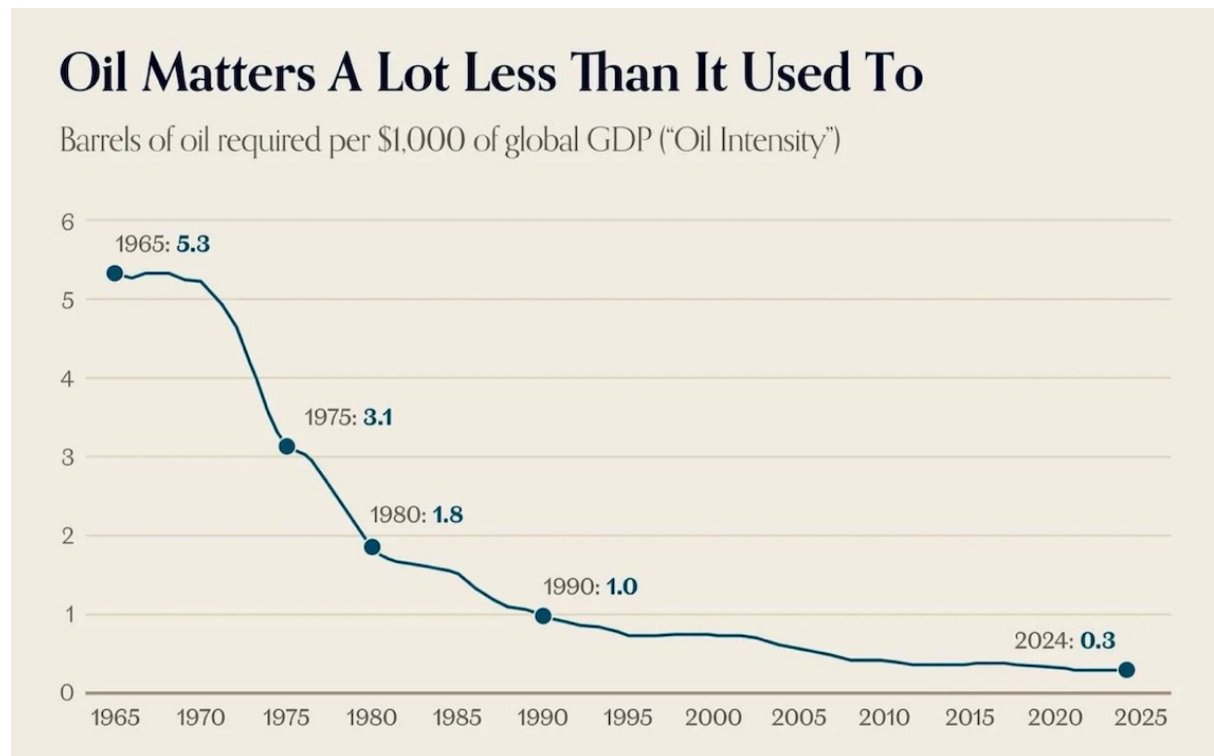
in fact it seems to be coming..

### United States, ISM Manufacturing PMI regression Regressed on NY, Chicago, Dallas, Richmond, Kansas, Philadelphia



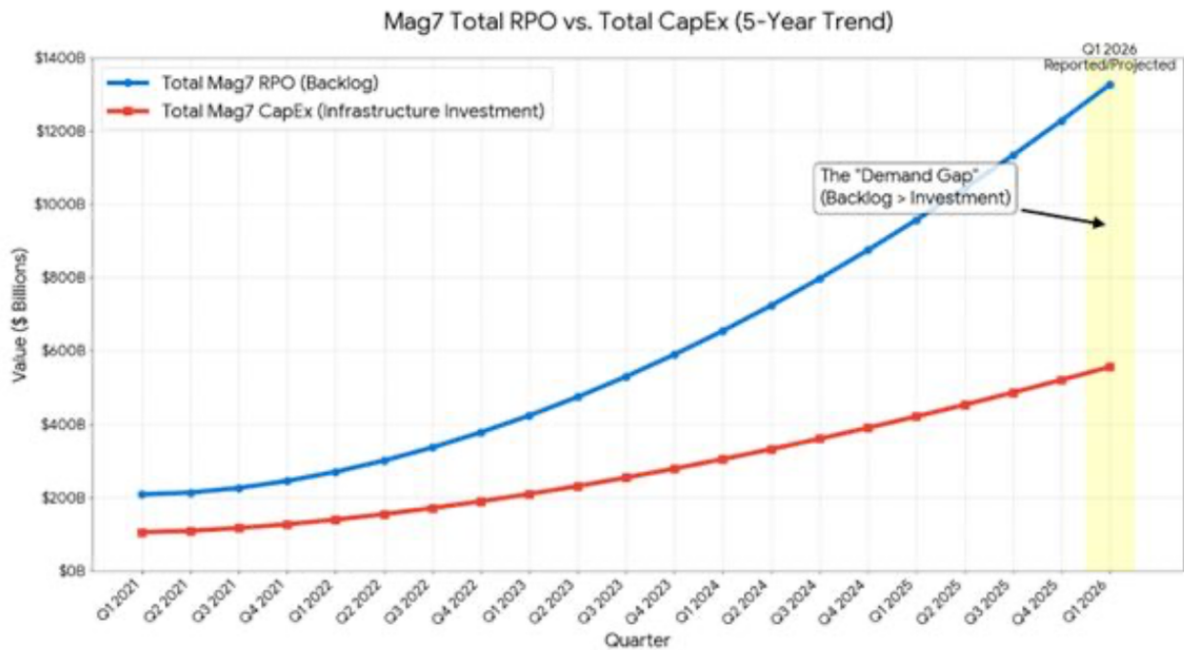
Source: Steno Research, Bloomberg and Macrobond

Despite the high oil prices, but the importance of oil is so much smaller than it used to



Source: THE BIRB NEST  
@TheBirbNest  
Chartles Henry Monchau

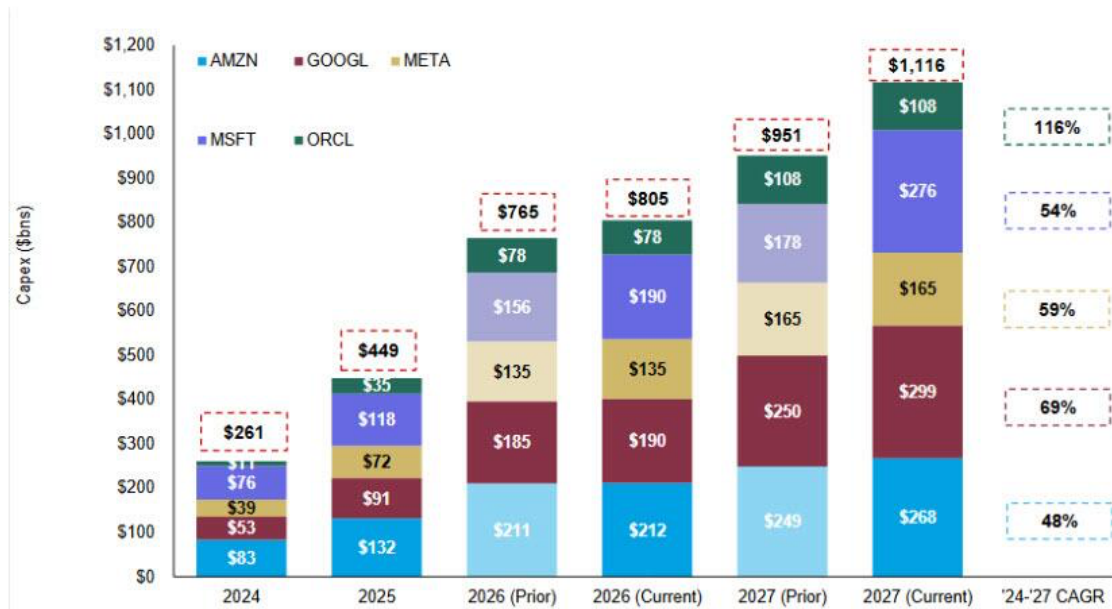
Hard to imagine, but the backlog is getting larger, more capex might be more logical than less....



source: Steno Research

### Hyperscalers keep pushing up their investments, but is this sustainable?

Exhibit 1: Morgan Stanley now sees hyperscaler capex approaching \$800bn/\$1.1trln in '26/'27 vs \$765bn/\$950bn previously



Source: Company data, Morgan Stanley Research estimates. See [Internet: GOOGL, AMZN, and META Surprises and Learnings \(30 Apr 2026\)](#)

Our EME manager Letko Brosseau is providing insight from the other side of the coin:

- April's MSCI EM performance is an outlier, largely driven by a handful of top Information Technology stocks.
- The rally in names like TSMC, SK Hynix, Delta Electronics, and MediaTek is sentiment-driven, but there is caution due to potential data center overbuild.
- The market assumes a sustained AI boom, but there are signs that infrastructure spending is outpacing real revenue generation.
- OpenAI illustrates this gap, with revenue underperformance and very large long-term data center lease commitments.
- The AI supply chain may be over-earning based on demand that is booked but not yet supported by end-user economics.
- If funding conditions tighten or revenues disappoint, this could trigger a correction in both orders and valuations.
- Strategy remains focused on value, favoring businesses with clearer, self-sustaining cash flows over those dependent on external financing cycles.

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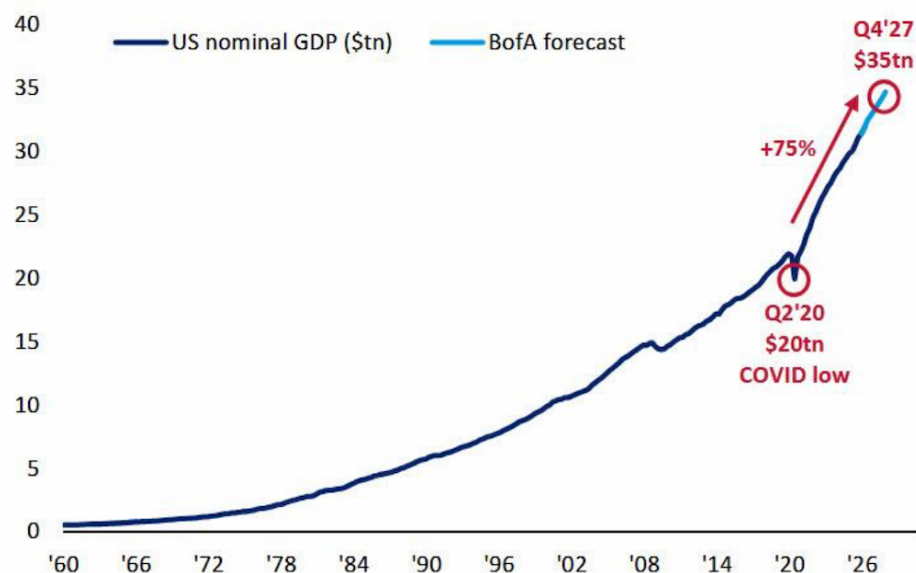
Fact is:

Who would have thought the US economy would rise 75% nominal in 7 years, crazy...

Yes inflation, but nominal rise is good for equities..

**Chart 2: The Boom Loop**

US nominal GDP in midst of unprecedented 75% surge from 2020 to 2027

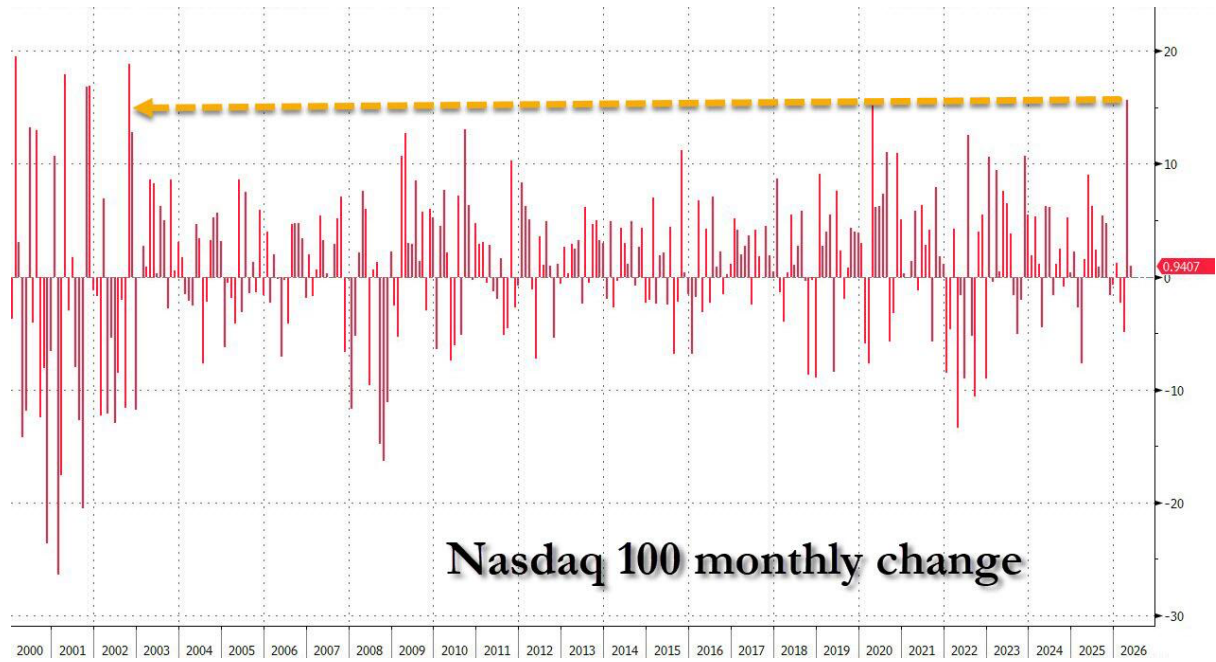


Source: BofA Global Research, Bloomberg

BofA GLOBAL RESEARCH

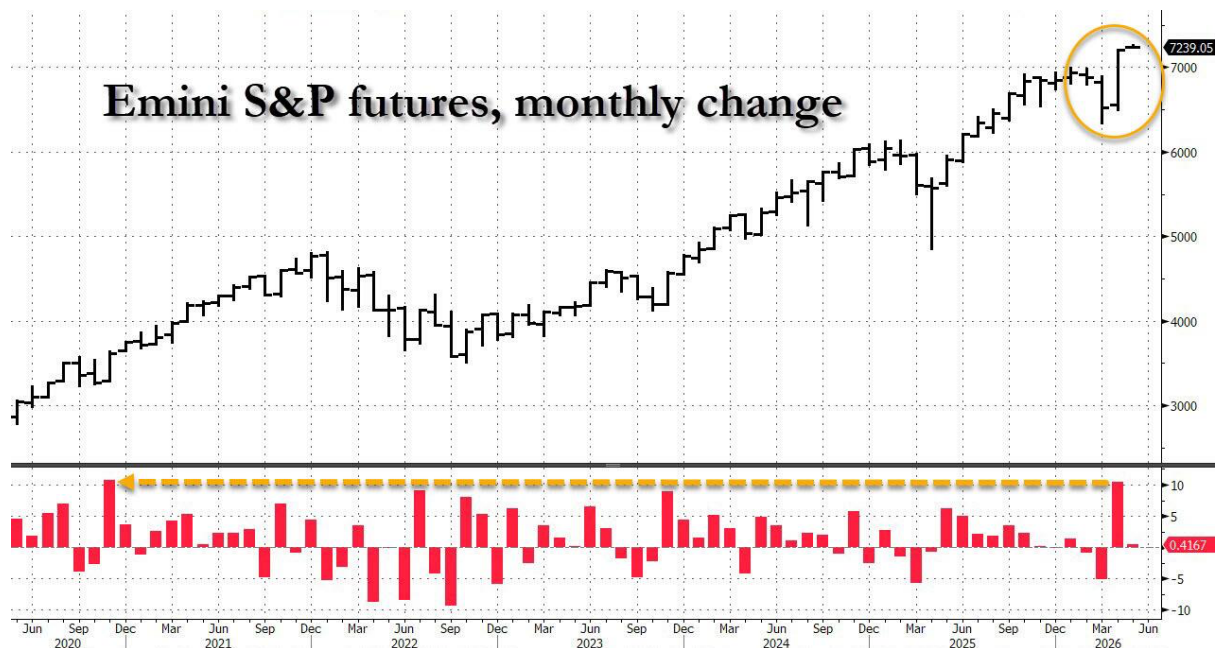
over to the Markets:

April saw the largest monthly rise in Nasdaq 100 in >2 decades



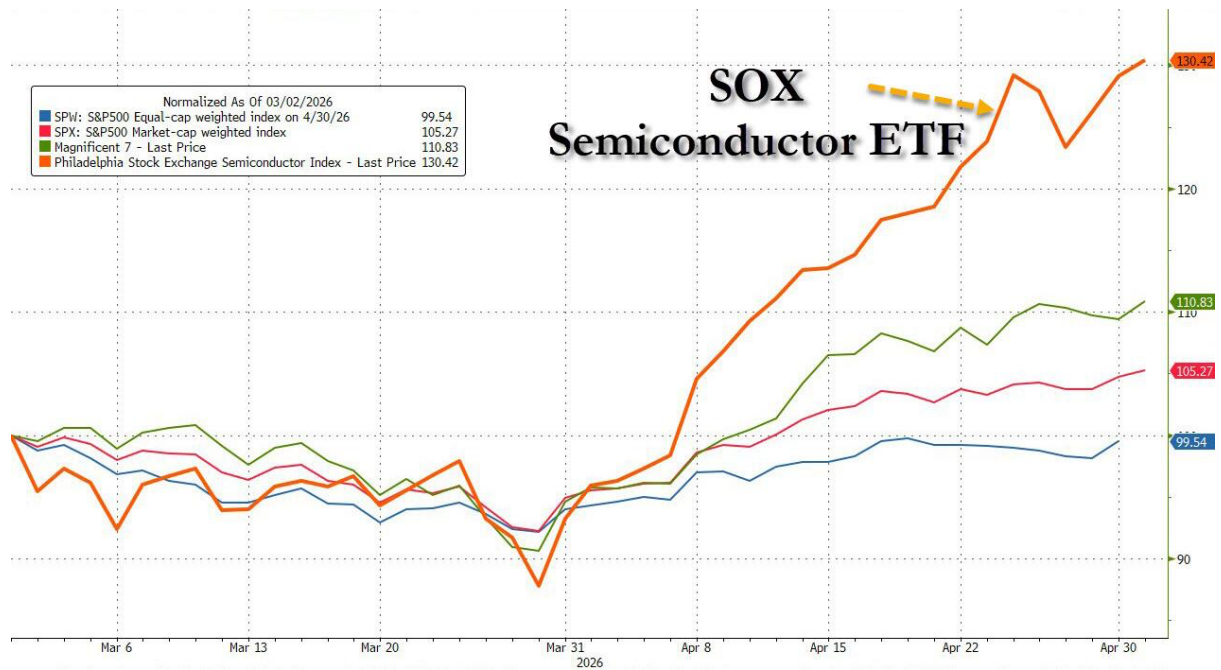
source: Bloomberg/Zerohedge

Not as extreme for the S&P, but pretty impressive rise..

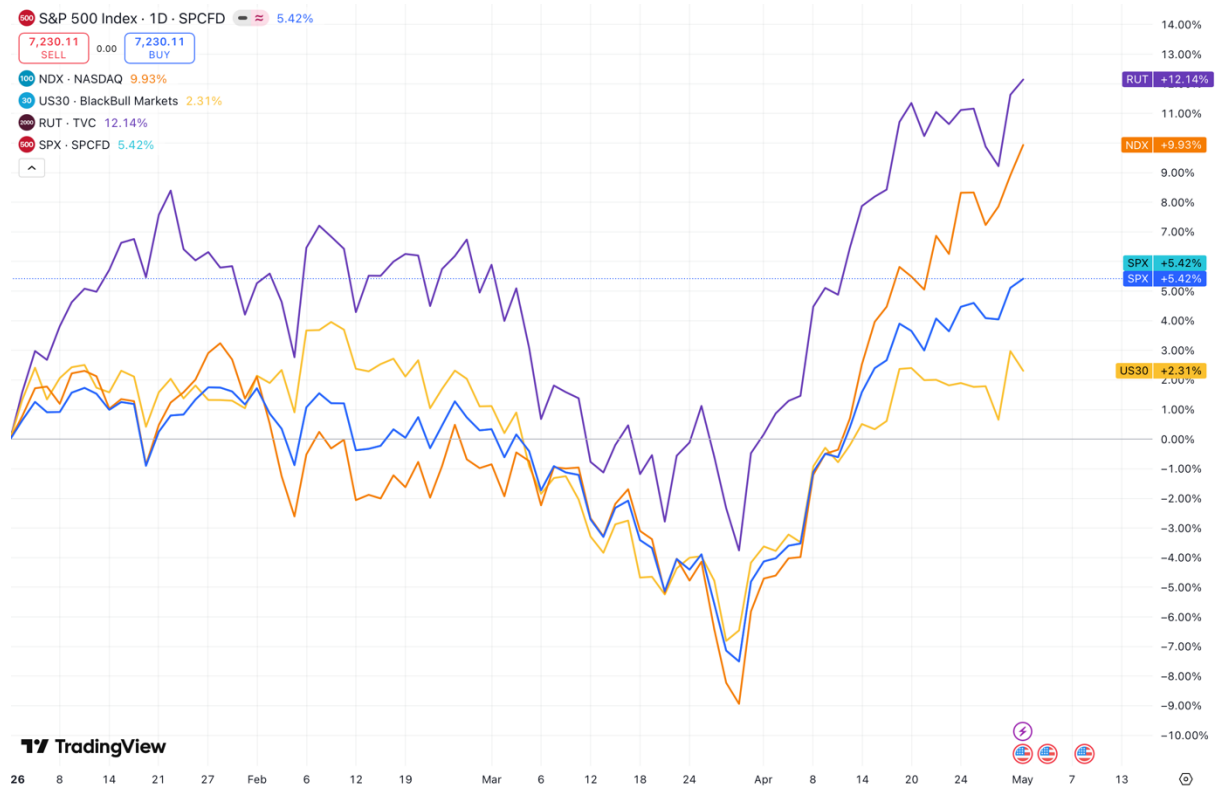


source: Bloomberg/Zerohedge

## Mag 7 is back big time...SOX is King..



## So far YtD US Small is in the lead



## Bank of Japan thinks ~160 is enough

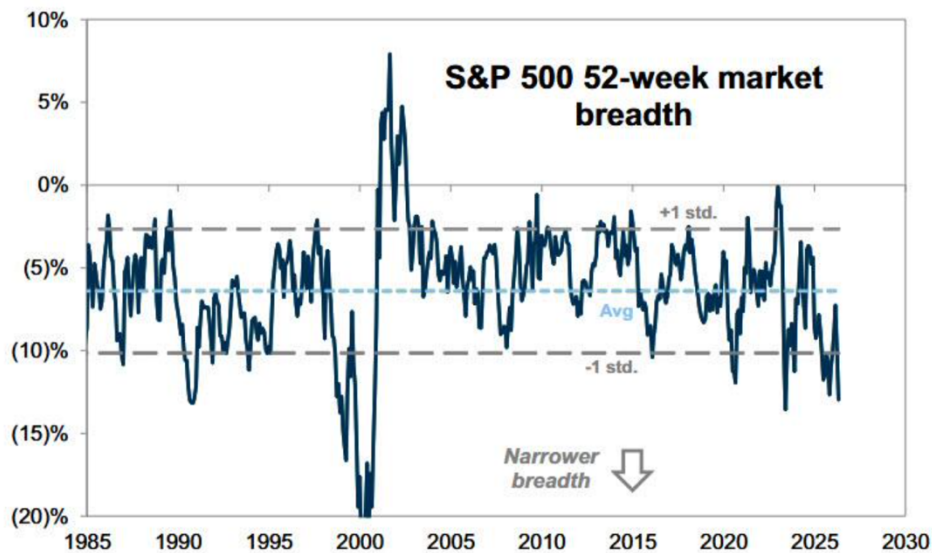


source: Bloomberg/Zerohedge

## Market Breadth is plunging again

### Exhibit 1: Market breadth is extremely narrow

Market breadth calculated as the distance of the S&P 500 from its 52-week high less the distance of the median S&P 500 constituent from its 52-week high



Source: Goldman Sachs Global Investment Research

## EME

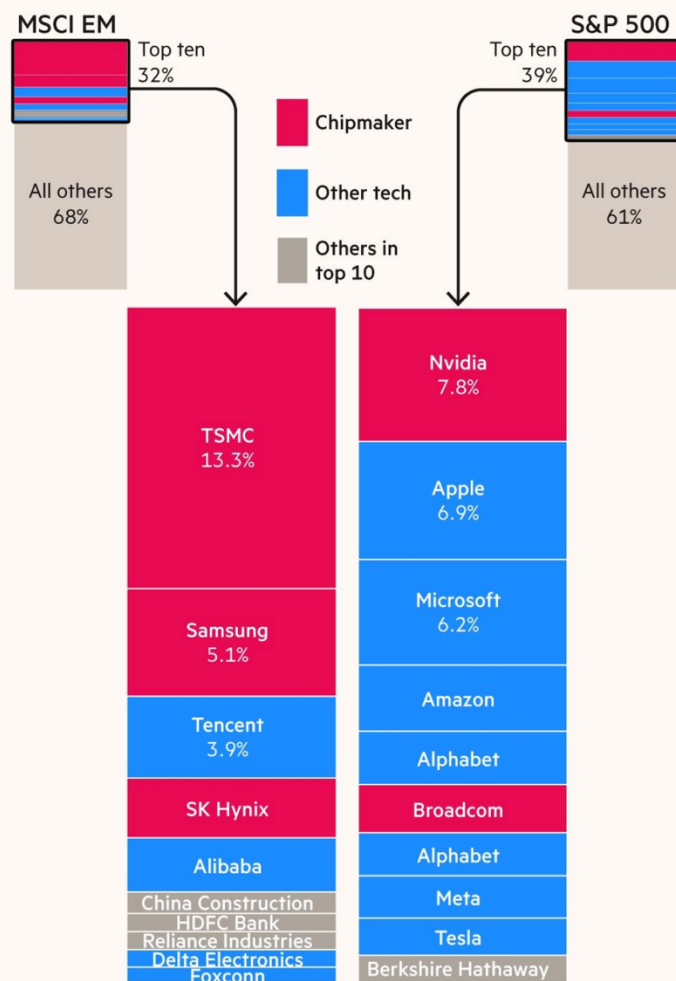
- EM equities traditionally offered diversification through different economies, valuations, and sector exposure
- Indices are now more concentrated and tech-driven, with TSMC, Samsung, and SK Hynix making up ~21% of MSCI EM
- This reduces both sector and geographic diversification and increases exposure to tech-related risks
- Key question: do EM equities still provide real diversification?

The index and many active managers do not provide diversification via EME anymore the way they used to

We have one that does, see 2nd section of this update

### Chipmakers and Big Tech are dominating EM stock markets, mirroring the US pattern

Weightings of MSCI EM and S&P 500 indices, with top 10 companies by weight highlighted



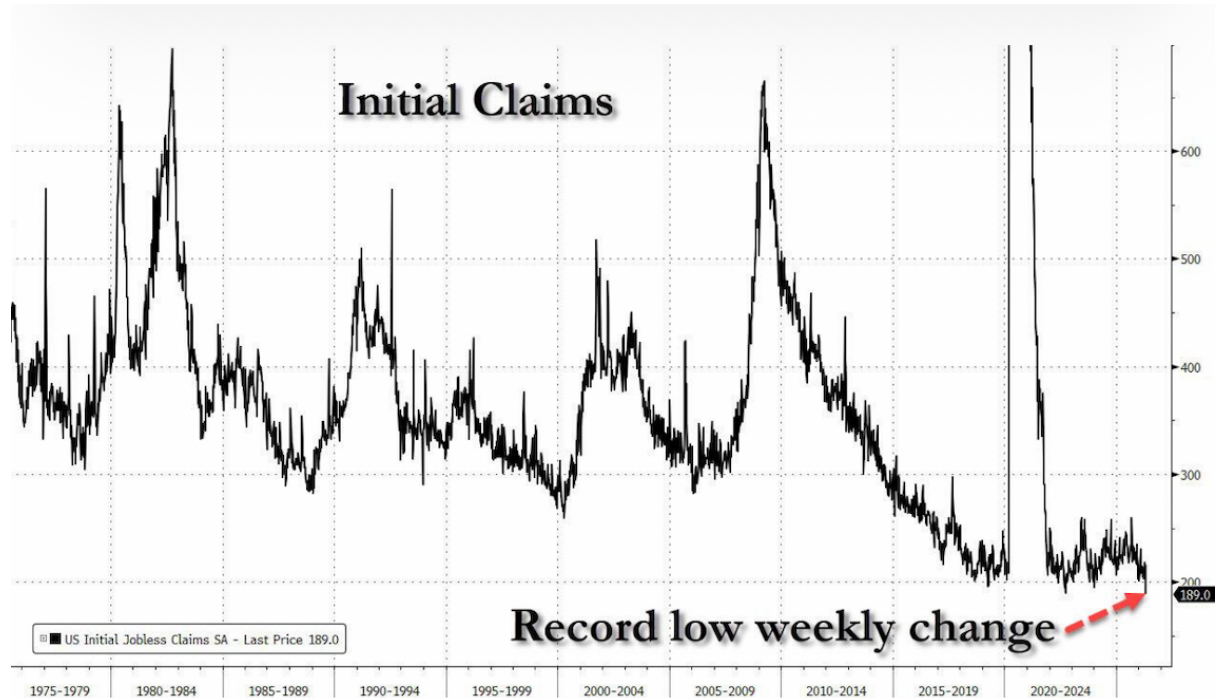
Graphic: Hakyung Kim, Alan Smith

Sources: Bloomberg, MSCI (MSCI data as of March 31 2026)

© FT

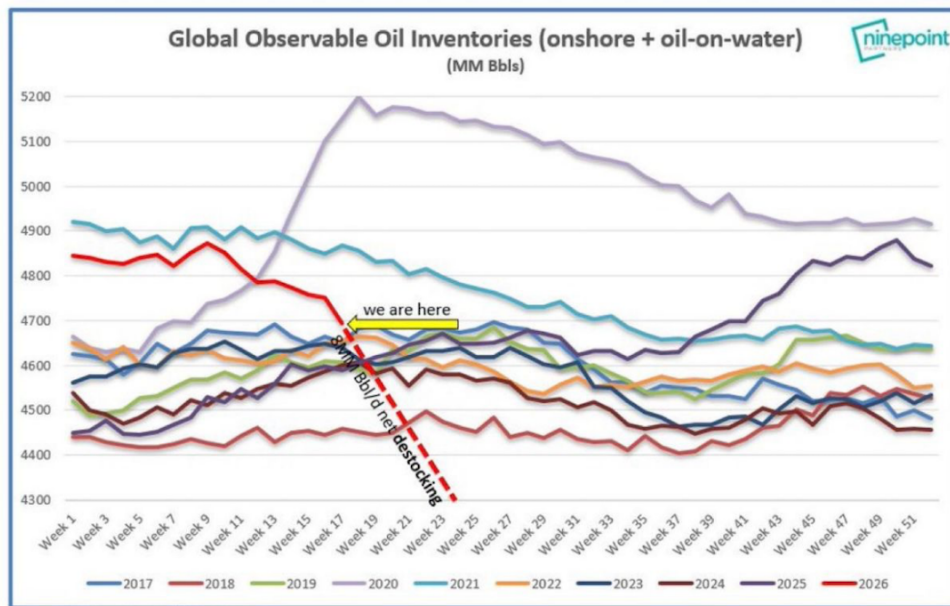
Record low levels of jobless claims, in a labour market that is substantially larger than in the 70-80-90ies...

Is this a sign Friday's jobless numbers will be strong?



source: Bloomberg/Zerohedge

Where do we stand on oil..?

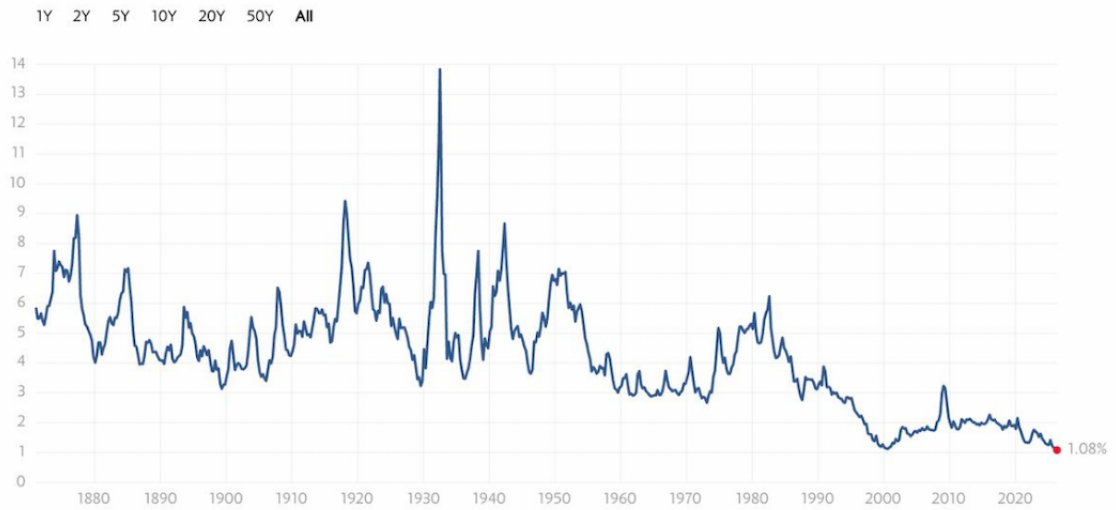


Source: Kpler, Ninepoint Partners

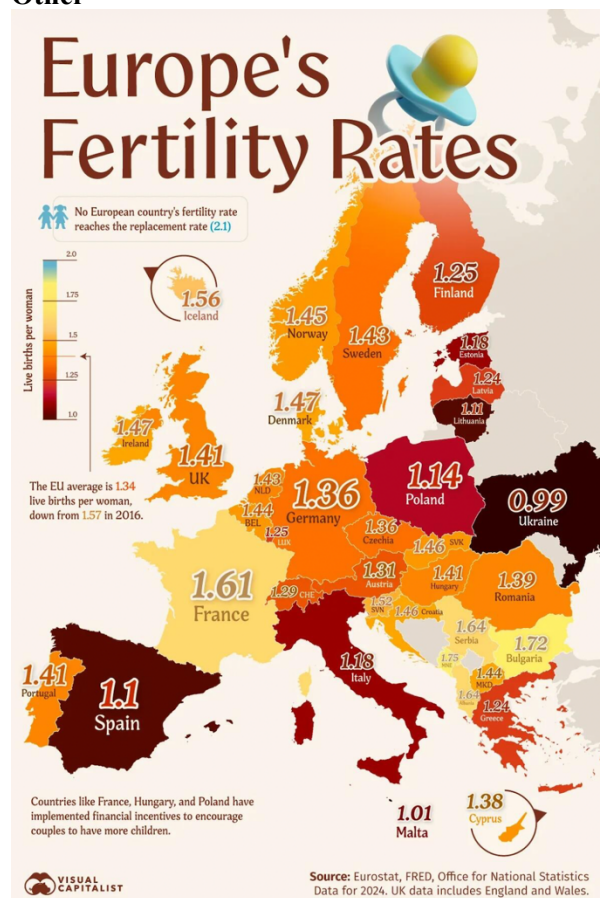
## Other

Paying dividend is a thing of the past, earnings growth and stock buy backs is what matters

### S&P 500 Dividend Yield



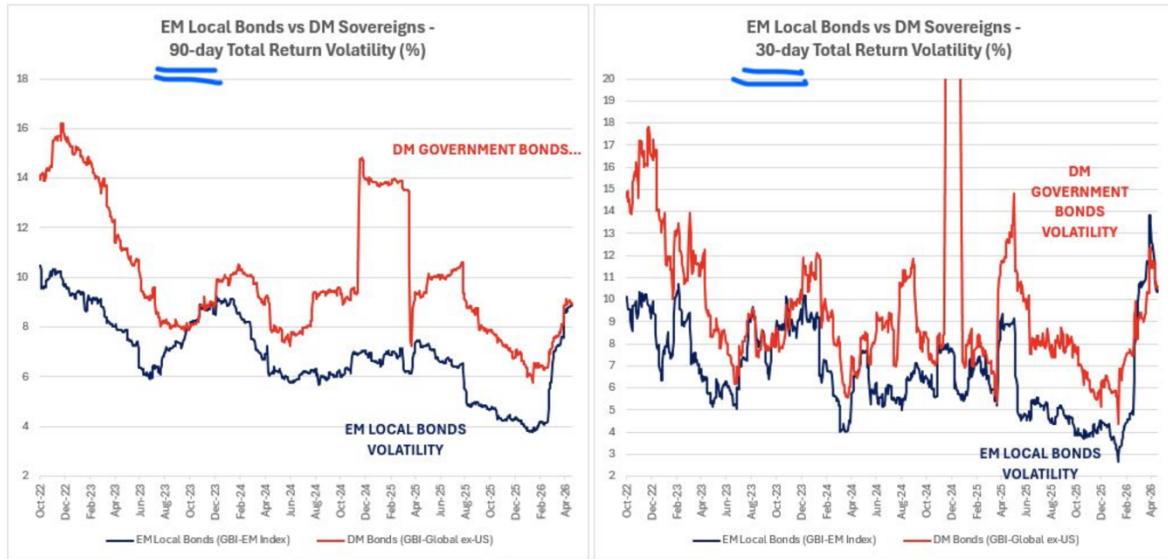
## Other



Other

The World is a different place, EM Local Bond volatility nowadays need a war in the Middle East, oil shock to get to the same volatility as DM Government Bonds

More in Wednesday's update: 6 May at 15:00 CET, [VanEck Emerging Markets Debt Fund Update](#)



Source: Bloomberg LP

Other

April 2026, forest fires in The Netherlands with smoke that reaches the UK, crazy...



# Week ahead..

## Payrolls

Monday May 04 2026			Actual	Previous	Consensus
10:00 AM	EA	ECB Survey of Monetary Analysts			
10:00 AM	EA	ECB Survey of Professional Forecasters			
10:00 AM	EA	S&P Global Manufacturing PMI Final APR		51.6	52.2
01:30 PM	EA	ECB Cipollone Speech			
02:30 PM	EA	ECB Annual Report			
02:30 PM	EA	ECB de Guindos Speech			
04:00 PM	US	Factory Orders MoM MAR		0%	0.5%
04:00 PM	US	Factory Orders ex Transportation MAR		1.2%	
05:30 PM	US	3-Month Bill Auction		3.590%	
05:30 PM	US	6-Month Bill Auction		3.590%	
06:50 PM	US	Fed Williams Speech			
08:00 PM	US	Loan Officer Survey			
09:00 PM	US	Treasury Refunding Financing Estimates			
	EA	ECB Buch Speech			
	EA	ECB President Lagarde Speech			
	EA	Eurogroup Meeting			
	US	Total Vehicle Sales APR		16.3M	16.0M
Tuesday May 05 2026			Actual	Previous	Consensus
12:00 PM	US	LMI Logistics Managers Index APR		65.7	
02:00 PM	US	Building Permits Final FEB		1.386M	
02:00 PM	US	Building Permits Final MAR			
02:00 PM	US	Building Permits MoM Final MAR			
02:00 PM	US	Building Permits MoM Final FEB		-4.7%	
02:30 PM	EA	ECB President Lagarde Speech			
02:30 PM	US	Balance of Trade MAR		-\$57.3B	-\$59.0B
02:30 PM	US	Exports MAR		\$314.8B	
02:30 PM	US	Imports MAR		\$372.1B	
02:55 PM	US	Redbook YoY MAY/02		7.7%	
03:45 PM	US	S&P Global Composite PMI Final APR		50.3	52.0
03:45 PM	US	S&P Global Services PMI Final APR		49.8	51.3
04:00 PM	US	ISM Services PMI APR		54.0	53.8
04:00 PM	US	JOLTs Job Openings MAR		6.882M	6.87M
04:00 PM	US	Fed Bowman Speech			
04:00 PM	US	New Home Sales FEB		0.587M	
04:00 PM	US	New Home Sales MAR			0.668M
04:00 PM	US	New Home Sales MoM FEB		-17.6%	
04:00 PM	US	New Home Sales MoM MAR			
04:00 PM	US	ISM Services Business Activity APR		53.9	
04:00 PM	US	ISM Services Employment APR		45.2	
04:00 PM	US	ISM Services New Orders APR		60.6	
04:00 PM	US	ISM Services Prices APR		70.7	
04:00 PM	US	JOLTs Job Quits MAR		2.974M	
04:10 PM	US	RCM/TIPP Economic Optimism Index MAY		42.8	42
04:20 PM	US	NY Fed Bill Purchases 1 to 4 months			\$7.585 billion
05:00 PM	US	Total Household Debt Q1		\$18.8T	
05:30 PM	US	6-Week Bill Auction		3.590%	
05:40 PM	EA	ECB Lane Speech			
06:30 PM	US	Fed Barr Speech			
10:30 PM	US	API Crude Oil Stock Change MAY/01		-1.79M	
	EA	ECB de Guindos Speech			
	EU	ECOFIN Meeting			
Wednesday May 06 2026			Actual	Previous	Consensus
03:45 AM	CN	RatingDog Services PMI APR		52.1	52.0
03:45 AM	CN	RatingDog Composite PMI APR		51.5	
09:30 AM	EA	ECB Buch Speech			
10:00 AM	EA	ECB Lane Speech			
10:00 AM	EA	S&P Global Composite PMI Final APR		50.7	48.6
10:00 AM	EA	S&P Global Services PMI Final APR		50.2	47.4
10:20 AM	EA	ECB Cipollone Speech			
11:00 AM	EA	PPI MoM MAR		-0.7%	3.3%
11:00 AM	EA	PPI YoY MAR		-3%	
11:45 AM	EA	ECB Buch Speech			
12:10 PM	EU	12-Month Bill Auction		2.494%	
12:10 PM	EU	3-Month Bill Auction		2.118%	
12:10 PM	EU	6-Month Bill Auction		2.494%	
01:00 PM	US	MBA 30-Year Mortgage Rate MAY/01		6.37%	
01:00 PM	US	MBA Mortgage Applications MAY/01		-1.6%	
01:00 PM	US	MBA Mortgage Market Index MAY/01		298.5	
01:00 PM	US	MBA Mortgage Refinance Index MAY/01		977.9	
01:00 PM	US	MBA Purchase Index MAY/01		177.7	
02:15 PM	US	ADP Employment Change APR		62K	79.0K
02:30 PM	US	Treasury Refunding Announcement			
03:30 PM	US	Fed Musalem Speech			
04:30 PM	US	EIA Crude Oil Stocks Change MAY/01		-6.233M	
04:30 PM	US	EIA Gasoline Stocks Change MAY/01		-6.075M	
04:30 PM	US	EIA Crude Oil Imports Change MAY/01		-1.968M	

04:30 PM	US	EIA Crude Oil Imports Change MAY/01		-1.968M	
04:30 PM	US	EIA Cushing Crude Oil Stocks Change MAY/01		-0.796M	
04:30 PM	US	EIA Distillate Fuel Production Change MAY/01		-0.013M	
04:30 PM	US	EIA Distillate Stocks Change MAY/01		-4.494M	
04:30 PM	US	EIA Gasoline Production Change MAY/01		-0.238M	
04:30 PM	US	EIA Heating Oil Stocks Change MAY/01		-0.625M	
04:30 PM	US	EIA Refinery Crude Runs Change MAY/01		0.084M	
05:30 PM	US	17-Week Bill Auction		3.620%	
07:00 PM	US	Fed Goolsbee Speech			
07:30 PM	US	Fed Hammack Speech			
	WL	Global Supply Chain Pressure Index APR			
Thursday May 07 2026			Actual	Previous	Consensus
09:15 AM	EA	ECB de Guindos Speech			
09:30 AM	EA	HCOB Construction PMI APR		44.6	
11:00 AM	EA	Retail Sales MoM MAR		-0.2%	-0.4%
11:00 AM	EA	Retail Sales YoY MAR		1.7%	
01:30 PM	US	Challenger Job Cuts APR		60.62K	
02:00 PM	EA	ECB Elderson Speech			
02:30 PM	US	Initial Jobless Claims MAY/02		189K	199K
02:30 PM	US	Nonfarm Productivity QoQ Prel Q1		1.8%	
02:30 PM	US	Unit Labour Costs QoQ Prel Q1		4.4%	
02:30 PM	US	Continuing Jobless Claims APR/25		1785K	
02:30 PM	US	Jobless Claims 4-week Average MAY/02		207.5K	
02:40 PM	EA	ECB Lane Speech			
03:00 PM	US	Used Car Prices MoM APR		1.4%	
03:00 PM	US	Used Car Prices YoY APR		6.2%	
04:00 PM	US	Construction Spending MoM FEB			
04:00 PM	US	Construction Spending MoM MAR		-0.3%	
04:20 PM	US	NY Fed Bill Purchases 1 to 4 months			\$7.585 billion
04:30 PM	US	EIA Natural Gas Stocks Change MAY/01		79Bcf	
05:00 PM	US	Consumer Inflation Expectations APR		3.4%	
05:30 PM	US	4-Week Bill Auction			
05:30 PM	US	8-Week Bill Auction			
06:00 PM	US	15-Year Mortgage Rate MAY/07		5.64%	
06:00 PM	US	30-Year Mortgage Rate MAY/07		6.30%	
07:00 PM	EA	ECB Schnabel Speech			
08:05 PM	US	Fed Hammack Speech			
09:00 PM	US	Consumer Credit Change MAR		\$9.48B	\$12.5B
09:30 PM	US	Fed Williams Speech			
10:30 PM	US	Fed Balance Sheet MAY/06		\$6.700T	
	CN	Foreign Exchange Reserves APR		\$3.342T	
Friday May 08 2026			Actual	Previous	Consensus
09:00 AM	EA	ECB President Lagarde Speech			
09:05 AM	EA	ECB de Guindos Speech			
10:00 AM	WL	FAO Food Price Index APR		128.5	
11:45 AM	US	Fed Cook Speech			
02:00 PM	EA	ECB Cipollone Speech			
02:30 PM	US	Non Farm Payrolls APR		178K	73K
02:30 PM	US	Unemployment Rate APR		4.3%	4.3%
02:30 PM	US	Average Hourly Earnings MoM APR		0.2%	0.3%
02:30 PM	US	Average Hourly Earnings YoY APR		3.5%	
02:30 PM	US	Participation Rate APR		61.9%	
02:30 PM	US	Average Weekly Hours APR		34.2	
02:30 PM	US	Government Payrolls APR		-8K	
02:30 PM	US	Manufacturing Payrolls APR		15K	
02:30 PM	US	Nonfarm Payrolls Private APR		186K	60K
02:30 PM	US	U-6 Unemployment Rate APR		8%	
04:00 PM	US	Michigan Consumer Sentiment Prel MAY		49.8	49.5
04:00 PM	US	Michigan 5 Year Inflation Expectations Prel MAY		3.5%	
04:00 PM	US	Michigan Consumer Expectations Prel MAY		48.1	
04:00 PM	US	Michigan Current Conditions Prel MAY		52.5	
04:00 PM	US	Michigan Inflation Expectations Prel MAY		4.7%	
04:00 PM	US	Wholesale Inventories MoM MAR		0.8%	1.4%
06:00 PM	EA	ECB Schnabel Speech			
07:00 PM	US	Baker Hughes Oil Rig Count MAY/08		408	
07:00 PM	US	Baker Hughes Total Rigs Count MAY/08		547	

### **Upcoming trips with portfolio managers**

**Kevin Power**, Portfolio Manager of the **SiM High Yield Opportunities** strategy, will be in Europe for a roadshow from 18 May to 22 May 2026

18 May The Netherlands  
19 May The Netherlands  
20 May Finland  
21 May Denmark  
22 May Portugal

**Alex Letko** of the **Letko Brosseau Global Emerging Markets** strategy, will be in Europe for a roadshow from 21 Sept to 25 Sept 2026

21 Sept TBD  
22 Sept TBD  
23 Sept TBD  
24 Sept TBD  
25 Sept TBD

We would be pleased to visit you, please email to [candoris@candoris.nl](mailto:candoris@candoris.nl) to indicate your interest. **Upcoming Online Updates**

**Click** on the strategy name to subscribe or reply to this email. The up dates take 20 minutes and are provided by the portfolio manager!

- **6 May** at 15:00 CET, [VanEck Emerging Markets Debt Fund Update](#)
- **13 May** at 15:00 CET, [Orchard US Small Cap Value Update](#)
- **4 June** at 15:00 CET, [NCG US Small Cap Growth Update](#)
- **2 Sept** at 16:00 CET, [SiM US High Yield Opportunities Update](#)
- **9 Sept** at 15:00 CET, [Letko Brosseau Global Emerging Markets Equity Update](#)
- **23 Sept** at 15:00 CET, [NCG US Small Cap Growth Update](#)
- **4 Nov** at 15:00 CET, [Orchard US Small Cap Value Update](#)

### **Upcoming Online Meeting Week**

Week dedicated to one-to-one online meetings to go in-depth on the philosophy, process and portfolio.

**SiM High Yield Opportunities** with PM **Kevin Power**

11-13 May: 16:00-17:00 CET  
26-28 May: 16:00-17:00 CET

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Best regards\met vriendelijke groet,

Martijn van Vliet  
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