welcome to market trends: a fresh perspective from intellicents. we'll start at 12 pm CT

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market trends:

a fresh perspective from intellicents

intellicasts

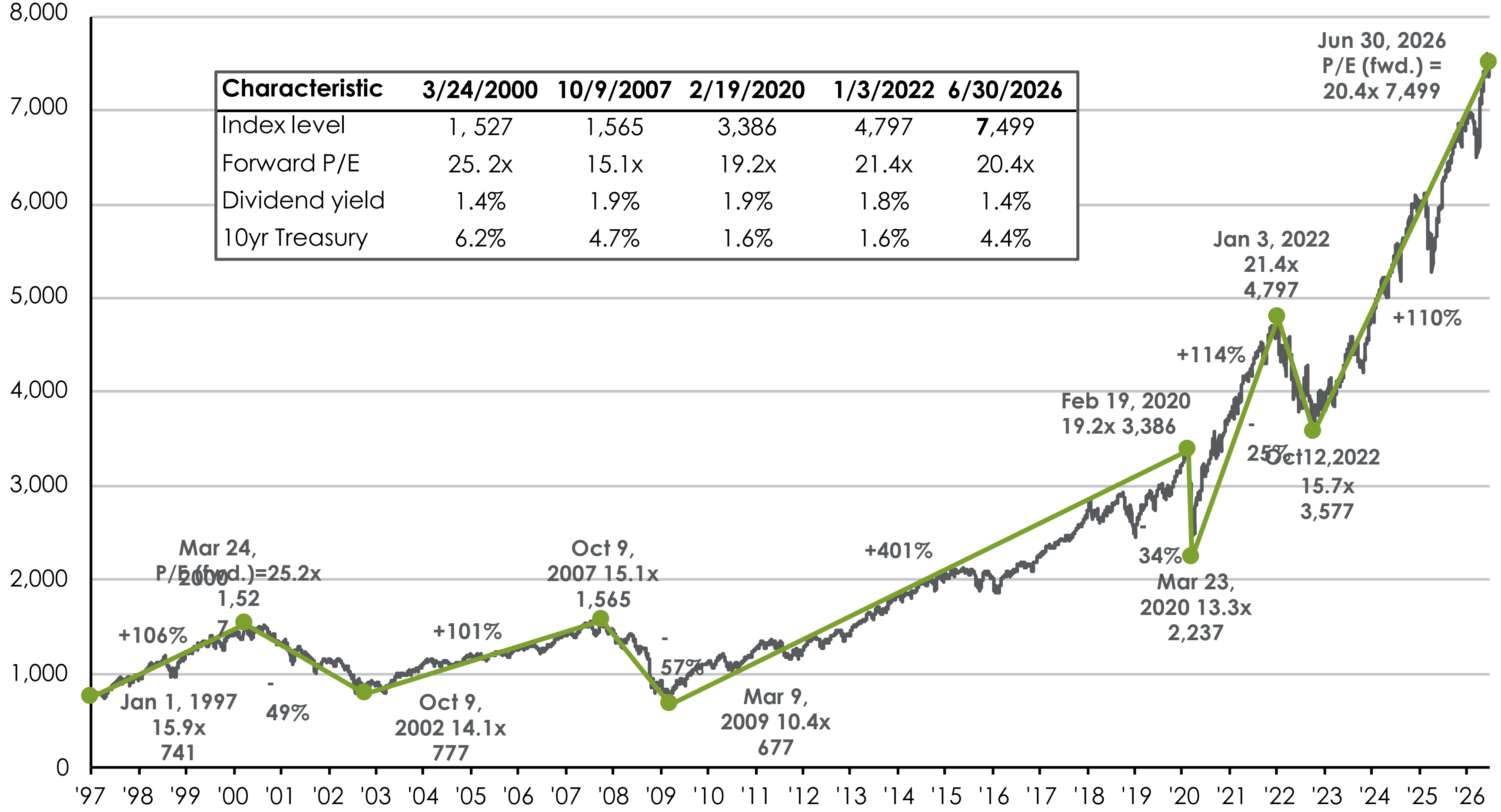
scott wightman

chief investment officer

S&P 500 index at inflection points

S&P 500 Price Index

Characteristic	3/24/2000	10/9/2007	2/19/2020	1/3/2022	6/30/2026
Index level	1, 527	1,565	3,386	4,797	7,499
Forward P/E	25. 2x	15.1x	19.2x	21.4x	20.4x
Dividend yield	1.4%	1.9%	1.9%	1.8%	1.4%
10yr Treasury	6.2%	4.7%	1.6%	1.6%	4.4%



Source: FactSet, Federal Reserve, Refinitiv Datastream, Standard & Poor's, J.P. Morgan Asset Management.

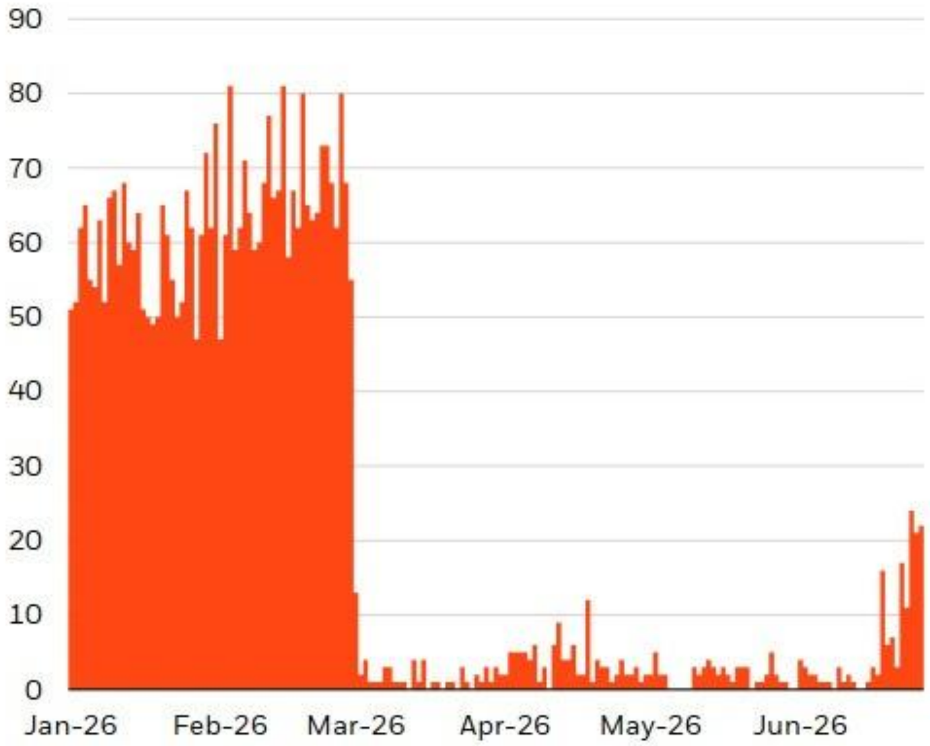
Dividend yield is calculated as consensus analyst estimates of dividends in the next 12 months, provided by FactSet, divided by the most recent S&P 500 index price. Forward P/E ratio is the most recent S&P 500 index price divided by consensus estimates for earnings in the next 12 months, provided by IBES since January 1997 and FactSet since January 2022. Returns are cumulative and do not include the reinvestment of dividends. Past performance is no guarantee of future results.

Middle East remains fragile

Markets have largely priced out the worst-case stagflation scenario. Brent crude has fallen nearly 40% from its April peak, easing fears of a prolonged supply shock, but price action remains tethered to headlines.

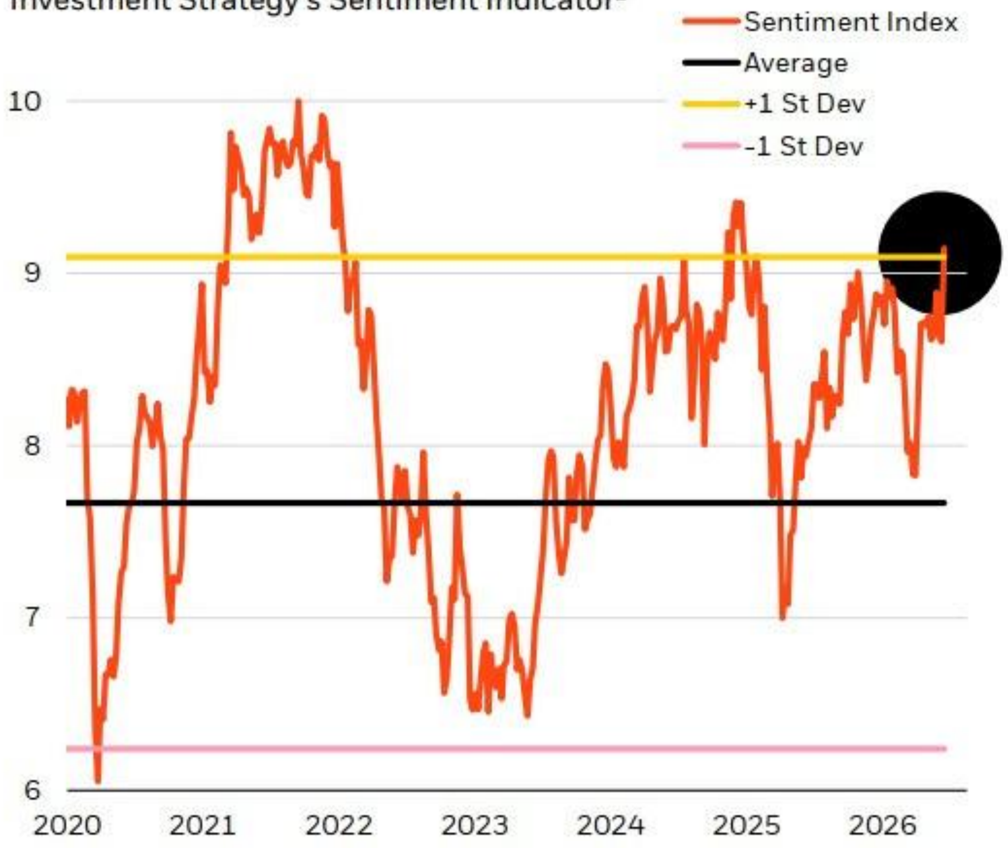
Vessel crossings through the Strait of Hormuz remain subdued

Daily Strait of Hormuz tanker vessel crossings[1]



But sentiment has moved to local highs

Investment Strategy's Sentiment Indicator[2]



1: Source: Bloomberg. As of 6/24/2026.2: BlackRock, Bloomberg. Investment Strategy's Sentiment Indicator is built and maintained by the IPS Investment Strategy team and uses equally weighted inputs of standardized scores of cash holdings, ETF flows, hedge fund leverage, high yield credit spreads, and equity market breadth. Average and standard deviations as represented by values from 6.2 to 9.1 As of 6/24/2026.

U.S. economy remains resilient

Despite expectations for hawkish Fed policy through 2026, the U.S. economy has remained resilient. The labor market has sharply rebounded from largely flat job gains prior to March, and economic growth is forecasted to maintain momentum in 2026.

Payrolls have rebounded strongly since March

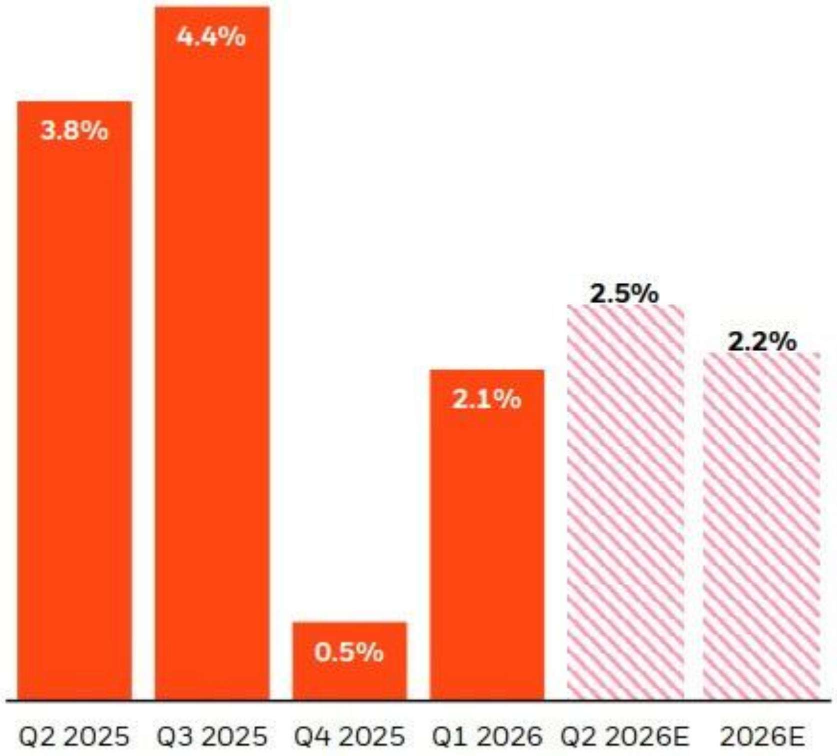
Non-farm payrolls growth month/month[1]

Did you know?

Job gains are strong but narrow: just two sectors (Health/Education and Leisure & Hospitality) accounted for ~170% of all U.S. job growth over the past 12 months.[3]

Economic growth forecasted to maintain momentum

Quarterly real GDP growth[2]



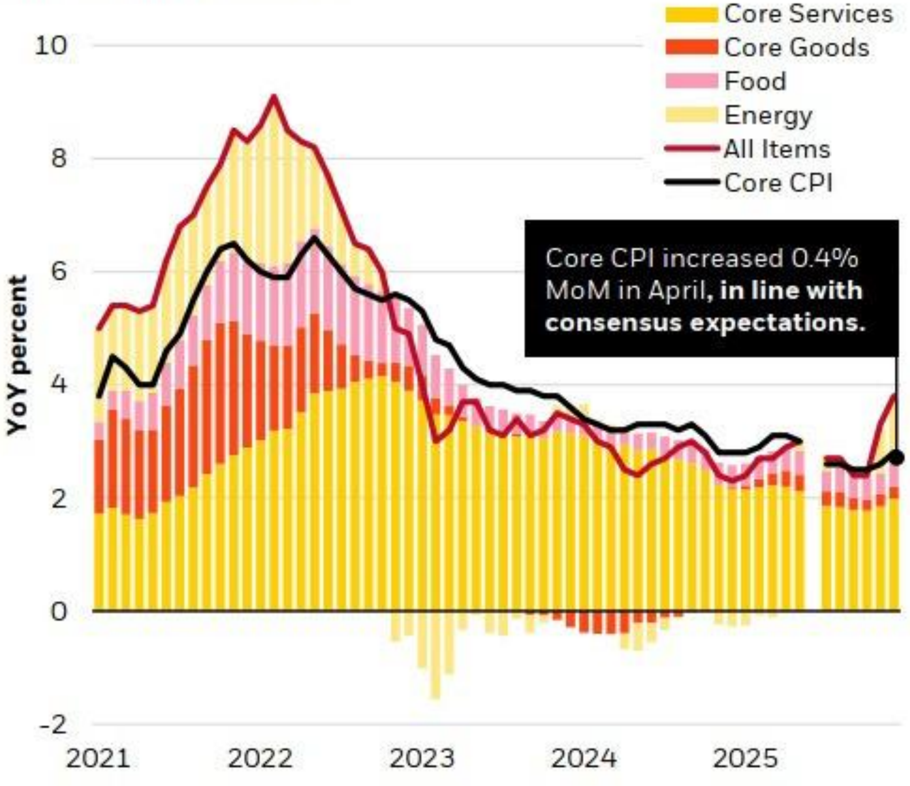
1: Source: Bloomberg, as of 6/30/2026. 2: Bloomberg, as of 6/29/2026. Q2 2026E refers to the Atlanta Fed GDPNow estimate as of 6/25/2026, and 2026E refers to the Federal Reserve real GDP median growth projection as of 6/17/2026.3: Bloomberg as of 6/30/2026.

From cuts to hikes to pause

Rate expectations have continued to inflect higher. While futures price a meaningful probability that the Fed's next move is a hike, we expect easing oil prices to support a prolonged pause as the more likely outcome.

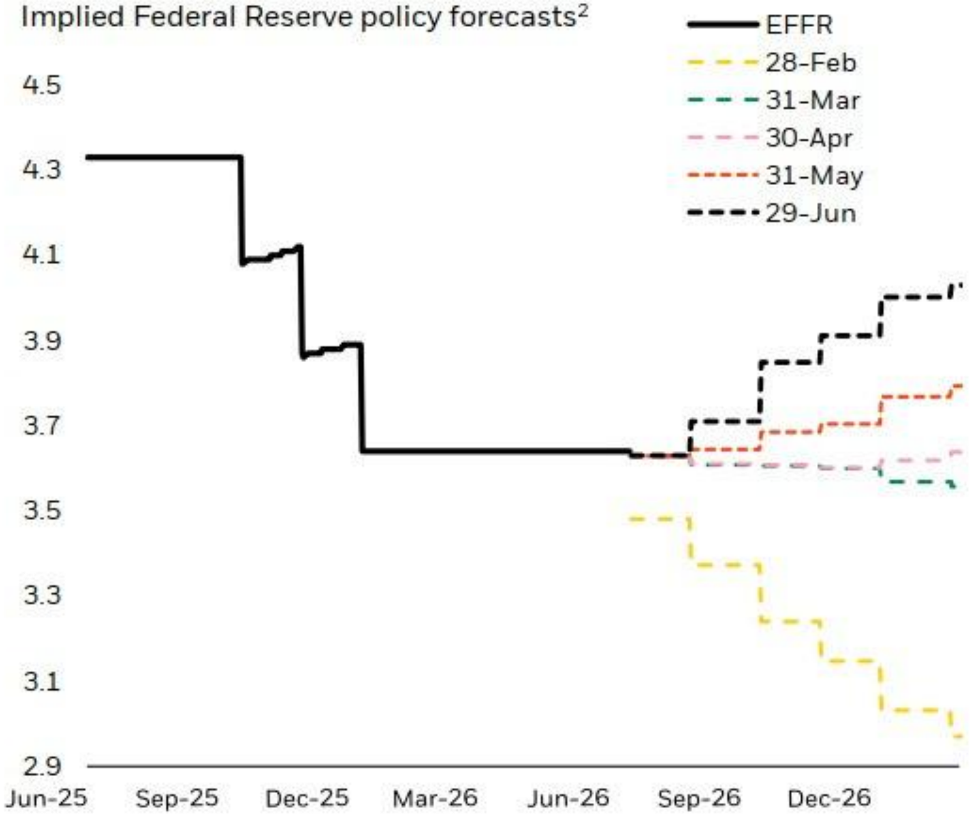
Headline inflation higher, but pressures not broad-based

Contribution to U.S. CPI[1]



Market pricing for the Fed has swung dramatically

Implied Federal Reserve policy forecasts[2]

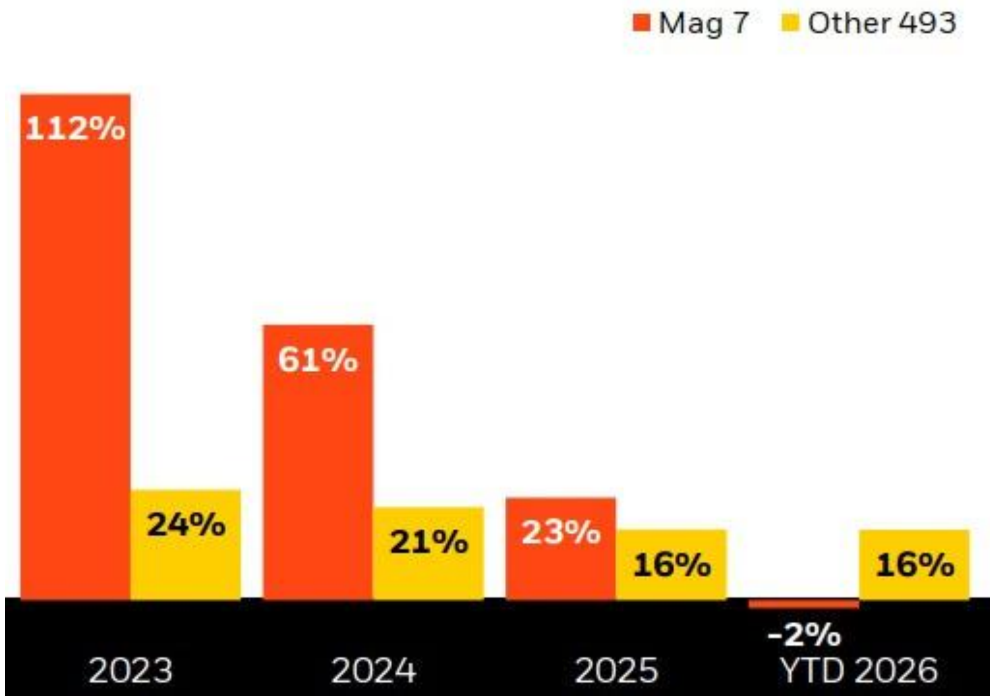


1:Bloomberg, as of 6/26/26. Consensus expectations for May CPI data as represented by Bloomberg data. 2: Bloomberg, as of 6/29/2026. Implied forecasts as represented by Fed Funds Futures.

Market leaders: Not the Magnificent Seven in 2026

Mag-7 returns have trailed in 2026...

Cumulative return, 1/1/2023 - 6/30/2026



...and Mag-7 returns are more varied

Calendar year returns 1/1/2023 - 6/30/2026 (%)

	2023	2024	2025	YTD 2026
Nvidia	239.0	171.2	38.9	7.4
Microsoft	58.0	12.9	15.5	-22.5
Apple	48.9	30.6	9.0	6.6
Alphabet	58.3	35.9	65.8	14.3
Amazon	80.9	44.4	5.2	3.3
Meta	194.1	66.0	13.1	-14.5
Tesla	101.7	62.5	11.4	-6.5
S&P 500	26.3	25.0	17.8	10.2
# of Mag-7 outperforming S&P 500	7	6	2	1

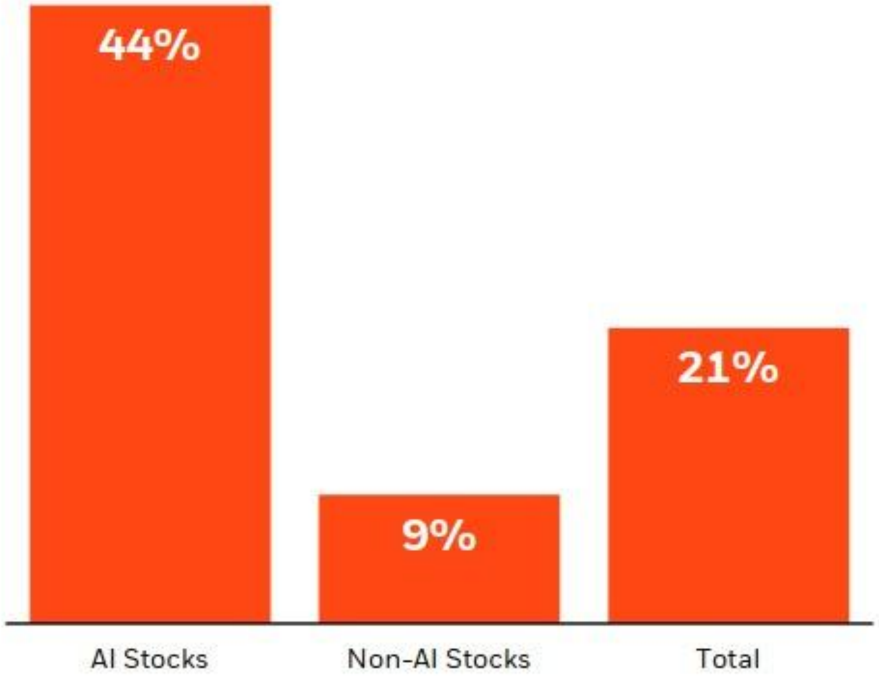
Source: Bloomberg as of 6/30/26. Stocks represented by the individual stocks of the S&P 500 Index, non-voting dual-class shares excluded. "Mag 7" refers to the "Magnificent 7" group of U.S. companies whose stocks drove the majority share of returns for the S&P 500 in 2023 and 2024 and includes Amazon, Tesla, Alphabet, Meta, Apple, Nvidia and Microsoft. Specific companies or issuers are mentioned for educational purposes only and should not be deemed as a recommendation to buy or sell any securities. Any companies mentioned do not necessarily represent current or future holdings of any BlackRock products. Past performance does not guarantee or indicate future results. Forward looking estimates may not come to pass. Index performance is for illustrative purposes only. You cannot invest directly in the index.

AI: strong earnings, early adoption

AI stocks continue to drive S&P 500 index performance. We believe enterprise AI adoption will continue to progress, driving sustained earnings growth for companies in the AI stack.

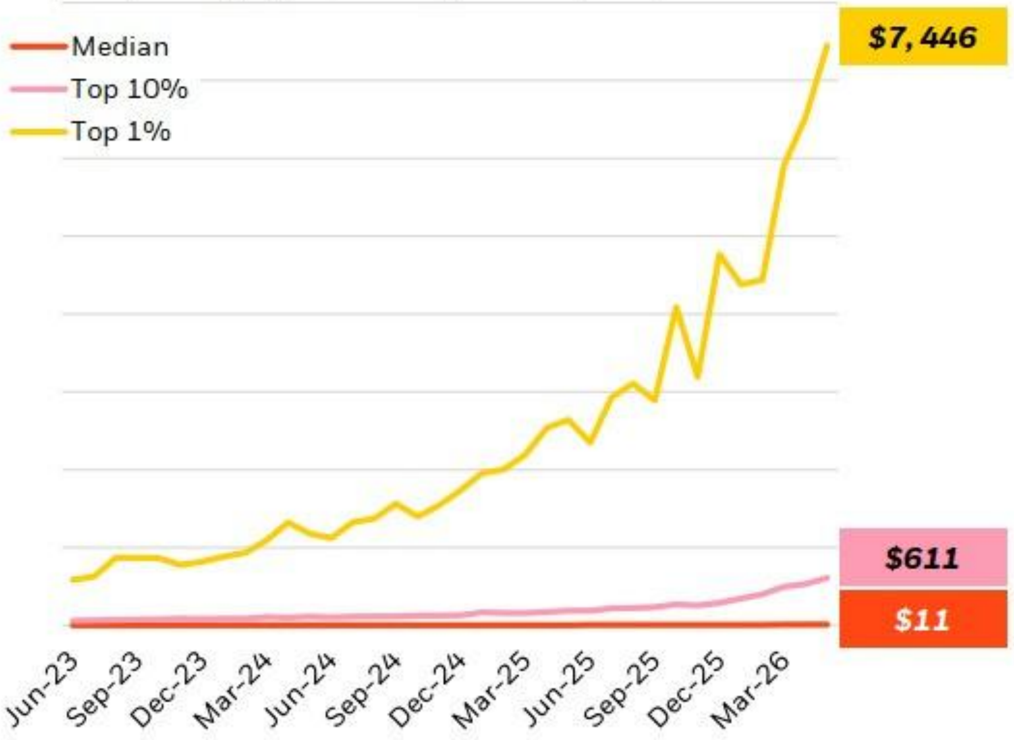
Rapid earnings growth for AI stocks continues

S&P 500 Q2 estimated YoY earnings growth[1]



Enterprise AI spend still in early stages

AI spend per employee (monthly median, USD)[2]



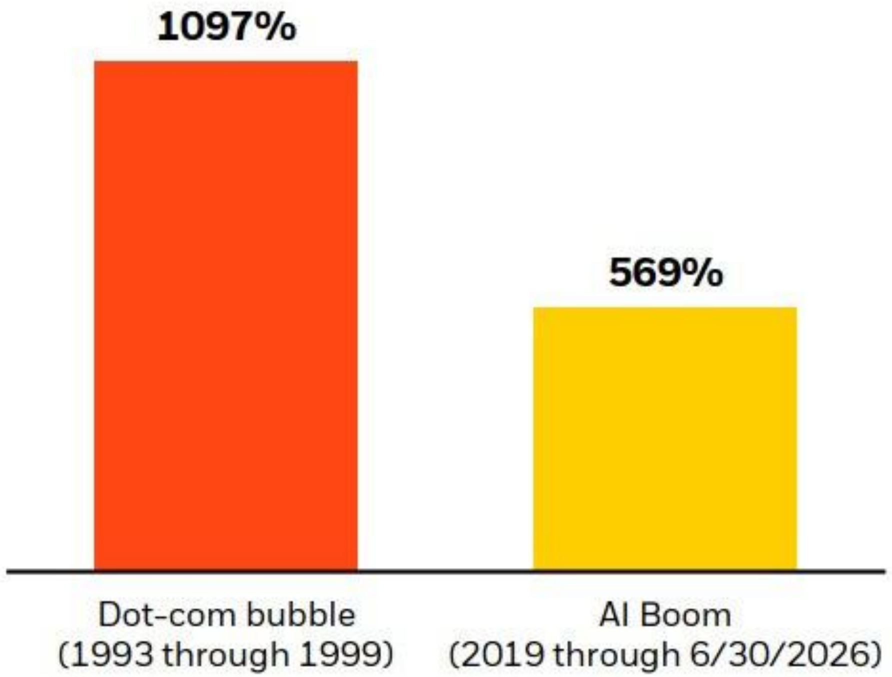
1:Bloomberg, BlackRock, as of 6/26/2026. Earnings as represented by S&P 500 Index net income, weight as represented by constituent weight in S&P 500 Index. AI companies were identified using an objective holdings-based screen: S&P 500 constituents were classified as 'AI' if, as of 5/19/2025, they were held in at least one of the five largest (by AUM) U.S.-listed AI-themed ETFs, selected based on stated AI-focused investment objectives/strategy. The resulting AI basket includes 51 S&P 500 companies. Non-AI represents the S&P 500 excluding those AI-classified constituents. ETF selection and constituent classification are rules-based and do not reflect BlackRock's view of any company's current or future AI revenue, business exposure, or prospects 2: Bloomberg, Ramp. Data represented by Ramp AI Index, as of 5/31/2026.

Dot-com bubble versus AI today

Technology stocks have delivered strong returns, but they still fall short of the gains seen during the dot-com bubble of the late 1990s.

Comparing the internet bubble of the 1990s to AI boom

U.S. technology stocks



Technology stocks year by year returns

Calendar year returns of Tech stocks and the S&P 500

	1993	1994	1995	1996	1997	1998	1999	Total
U.S. stocks	10.1%	1.3%	37.6%	23.0%	33.4%	28.6%	21.0%	292%
Tech stocks	21.7%	19.9%	39.5%	43.7%	28.5%	78.1%	78.7%	1097%

7 straight years of 19.9% or greater returns

	2019	2020	2021	2022	2023	2024	2025	YTD 2026	Total
U.S. stocks	31.5%	18.4%	28.7%	-18.1%	26.3%	25.0%	17.9%	10.2%	237%
Tech stocks	50.3%	43.9%	34.5%	-28.2%	57.8%	36.6%	24.0%	19.8%	569%

Bear market of 2022

Source: Morningstar as of 6/30/2026. Stock market represented by the S&P 500 PR Index and calendar year performance by the IA SBBI US large stock index. Past performance does not guarantee or indicate future results. Index performance is for illustrative purposes only. You cannot invest directly in the index.

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september 8th
12:00 - 12:30 pm ct

get started strong: your health benefits toolkit

october 13th
12:00 - 1:00 pm ct

health care in retirement: what medicare doesn't cover

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