

RobustQuant Weekly Detailed

Weekend Edition | May 10, 2026 | Prediction for May 15

📄 COMPASS FOR EMOTIONAL DISCIPLINE — NOT TRADING ADVICE Weekly boundaries to help reduce fear and greed in market decisions

1 | At a Glance

| Asset | Range | Width | Track Record |
|---------------|---------------|--------|---------------|
| S&P 500 (SPX) | 7,058 – 7,830 | ±5.2% | 67/71 (94.4%) |
| Gold (GLD)* | 389 – 481 | ±10.6% | 40/42 (95.2%) |
| REITs (XLRE)* | 42.4 – 47.1 | ±5.3% | 31/32 (96.9%) |

*Newsletter-exclusive coverage




Target: ~95% of weekly closes fall within these ranges Track record details → robustquant.com/predictions

2 | This Week's Summary

War. All-time highs. Worst sentiment on record. Contained.

Iran–US war in its eleventh week, Hormuz still shut. SPX and Nasdaq closed at all-time highs (+2.3% and +4.5%). Michigan consumer sentiment hit 48.2 — the lowest reading since the index began in 1952. Payrolls beat nearly double consensus. A federal court struck down the global tariff. Warsh confirmation queued for Monday. Powell's term expires Friday.

Key Results:

- S&P 500: 7,398.9 (lower half) 
- Gold: 433.8 (lower half) 
- REITs: 44.4 (lower half) 

Pattern of the week: All three assets closed lower half. Geopolitical escalation, historic sentiment collapse, tariff court ruling, Fed leadership transition — Friday close: inside range on all three.

3 | What Moved Markets (May 4–10)

Payrolls Beat, Sentiment Collapsed:

April nonfarm payrolls rose +115,000 — nearly double the 62,000 consensus — with unemployment steady at 4.3%. The same day, University of Michigan preliminary May sentiment

hit 48.2 — the lowest reading on record — with one-year inflation expectations at 4.5%. Strongest jobs number of the year. Worst consumer confidence ever recorded. Both true simultaneously.

Iran War and Hormuz:

The Strait remains closed, with IEA estimating 14 million barrels per day of supply disruption. Mid-week signals of a possible nuclear-enrichment moratorium sent Brent down roughly 6% on the week despite continued naval clashes and the Kharg Island oil spill on Friday. ISM Services prices held at 70.7 — highest since October 2022.

Tariff Ruling and Fed Transition:

The US Court of International Trade ruled 2–1 that the 10% global Section 122 tariff is invalid — injunction narrow, appeal filed Friday, Section 232 measures intact. Post-blackout Fed speakers tilted hawkish. Warsh confirmation and Powell term expiry fall in the coming week.

→ *For detailed regional breakdowns and economic data, see Appendix at end of newsletter*

4 | S&P 500 (SPX) Boundaries (May 15)

Range for Friday May 15: 7,058–7,830 Hit Rate: 67/71 weeks (94.4%)

Last Week's Performance:

Last week: Range 6,855–7,628, closed **7,398.9** (lower half)

SPX closed 7,398.9 in the lower half of the range. New range shifts higher (7,058–7,830), maintaining width at $\pm 5.2\%$. Track record improved to 94.4% (67/71).

For Your Planning:

- Lower zone (7,058–7,330): Where fear often peaks
- Middle zone (7,330–7,558): Normal trading area
- Upper zone (7,558–7,830): Where excitement builds

Remember: These are weekly movement boundaries, not buy/sell signals.

5 | Gold (GLD) Coverage (Newsletter-Exclusive)

Range for Friday May 15: 389–481 Containment: 40/42 weeks (95.2%)

Last Week's Performance:

Last week: Range 377–476, closed **433.8** (lower half)

GLD closed 433.8, edging up from prior week's 423. Range shifts slightly higher and narrows ($\pm 10.6\%$ vs $\pm 11.6\%$). Track record at 95.2% (40/42).

For Your Planning:

- Lower zone (389–418): Where consolidation may emerge
- Middle zone (418–452): Current close territory
- Upper zone (452–481): Where safe-haven demand peaks

6 | REITs (XLRE) Coverage (Newsletter-Exclusive)

Range for Friday May 15: 42.4–47.1 Containment: 31/32 weeks (96.9%)

Last Week's Performance:

Last week: Range 42.0–47.1, closed **44.4** (lower half)

REITs closed 44.4, broadly unchanged from prior week's 44.3. Range unchanged. Track record at 96.9% (31/32).

For Your Planning:

- Lower zone (42.4–44.0): Where rate-hike fears typically pressure sector
- Middle zone (44.0–45.8): Normal trading area
- Upper zone (45.8–47.1): Where rate-cut optimism drives positioning

7 | Psychology & How to Read

The hardest moment to stay systematic isn't when markets crash. It's when two equally credible signals point in opposite directions — and both are real.

This week produced that exact condition. Not one signal to act on, but two contradictory ones at historic extremes. In that situation, most individual investors don't make a decision — they freeze. They wait for clarity that never comes. And then they react after the move, at the worst possible moment.

What They Show:

Weekly boundaries where markets typically move — designed to give you a reference point before the emotional pressure peaks, not after.

What They Don't Show:

Buy/sell signals, price targets, or guaranteed outcomes.

The Retail Trap:

Contradictory signals don't cancel each other out — they amplify anxiety. The freeze that follows isn't neutral: it's a decision to let emotion set the timing. The compass replaces "which signal do I trust?" with "where is the close relative to the range?"

Professional Approach:

- Stay systematic within boundaries
- Lower ranges: Fear creates opportunities for planned strategies
- Upper ranges: Excitement may warrant risk review
- Outside ranges: Market behaviour shifting beyond normal parameters

Key Point:

Contradictory headlines are a weekly feature of markets, not an exception. The range was set before either signal arrived.

8 | Track Record

Performance Since Launch:

- S&P 500: 67 hits in 71 weeks (94.4%)
- Gold: 40 hits in 42 weeks (95.2%)
- REITs: 31 hits in 32 weeks (96.9%)

What This Means:

SPX at 94.4% (67/71). Lower-half close at 7,398.9.

GLD at 95.2% (40/42) — above design parameters. Lower-half close at 433.8.

REITs at 96.9% (31/32) — well above design parameters. Lower-half close at 44.4.

Transparency:

All ranges published before each week starts. No retroactive changes. Complete history available on our website.

9 | Method and Limitations

How Ranges Work:

The model combines current volatility patterns, trend direction, and momentum indicators to target ~95% weekly containment. It tracks Friday closes only — not intraday oil spikes, not Wednesday de-escalation signals, not weekend naval clashes.

When Ranges Break:

Breakouts signal markets transitioning beyond normal parameters. They aren't failures — they're information. The model adapts; subsequent ranges reflect what the prior breach revealed.

Current Environment:

Simultaneous shocks from multiple directions — geopolitical, monetary, legal, psychological — are a feature of the current regime, not an exception. The model doesn't require them to resolve before producing a range. It observes the close. The narrowing GLD range reflects reduced intra-week dispersion relative to prior weeks; SPX width unchanged reflects equity volatility within normal parameters.

Questions About Your Situation:

Q: Sentiment is at an all-time low but SPX is at an all-time high — is this sustainable?

A: The compass doesn't forecast sustainability. It measures containment. SPX closed inside range at 7,398.9. Range for May 15 is 7,058–7,830. Whether the divergence resolves up or down, the range shows you where normal weekly movement ends. Your response belongs in your financial plan, not in a reaction to this week's headline.

Q: With Fed leadership changing, should I be doing something differently?

A: The range for May 15 is 7,058–7,830 — set before any confirmation vote. Leadership transitions create narrative uncertainty. The compass measures where prices close, not what officials say. Your actions depend on your financial plan and rules established before emotional moments arrive.

Next Week: Ranges for May 15 close **Updates:** Quick social media notes if exceptional volatility occurs

This is a hobby project providing market context. Not investment advice. Past performance doesn't guarantee future results. Consult qualified professionals for personal financial decisions.

Systematic over emotional. Structure over speculation.

APPENDIX | Detailed Market Review (May 4–10)

For readers who want comprehensive economic data and regional breakdowns

United States: Payrolls Beat, Sentiment Broke, Tariff Ruling

Labour Market: Headline Strength, Underlying Softness

April nonfarm payrolls (released Friday 8 May, BLS) rose +115,000 — nearly double the Dow Jones consensus of approximately 62,000. The unemployment rate held at 4.3%, average hourly earnings rose 0.2% m/m to \$37.41 (+3.6% y/y), and labour force participation slipped to 61.8% — the lowest since October 2021. Net revisions were modest at –16,000, with February revised down to –156,000 and March up to +185,000. Healthcare (+37k), transportation/warehousing (+30k) and retail (+22k) led gains; federal government shed 9,000 and information –13,000. The U-6 underemployment rate ticked up 0.2pp to 8.2%, and persons working part-time for economic reasons jumped 445,000 to 4.9 million — a softer signal beneath the headline beat.

JOLTS for March (released 5 May) showed openings unchanged at 6.9 million but a sharp +655,000 jump in hires to 5.6 million, the highest since May 2024. The openings-to-unemployed ratio stood at 0.95. ISM Services PMI for April (5 May) printed at 53.6 — the 22nd consecutive month of expansion — but New Orders dropped 7.1 points, the sharpest single-month decline in three years, whilst Prices Paid held at 70.7, the highest since October 2022. ISM Chair Steve Miller attributed input-price pressure to petroleum costs flowing through supply chains.

Sentiment and Productivity

The University of Michigan preliminary May sentiment index (8 May) hit 48.2 — its lowest reading on record dating to 1952, below both 2008 and pandemic lows. One-year inflation expectations eased slightly to 4.5% from 4.7%, with director Joanne Hsu citing gasoline prices and tariffs as the dominant headwinds. Q1 productivity (released 7 May) rose 0.8% q/q SAAR with unit labour costs up 2.3%; the labour share fell to 54.1% — the lowest reading since the series began in 1947. Wholesale inventories (8 May) jumped 1.3% m/m, the biggest gain since June 2022. The March goods-and-services trade deficit widened to \$60.3 billion from a revised \$57.8 billion, with capital goods imports hitting an all-time high. Year-to-date the deficit is down 55.0% versus 2025, reflecting earlier tariff disruption.

Earnings Season: Strongest Since Q4 2021

With 89% of S&P 500 names reported, FactSet's Earnings Insight (8 May) showed blended Q1 earnings growth of 27.7% y/y — the highest since Q4 2021 — with 84% beating on EPS and revenue growth at 11.3%. Palantir (4 May) reported revenue of \$1.633 billion (+85% y/y), US commercial up 133%. AMD (5 May) posted revenue of \$10.253 billion (+38% y/y) with Data Center revenue at \$5.8 billion, guiding Q2 to \$11.2 billion. Disney (6 May) reported adjusted EPS of \$1.57 versus \$1.50 consensus, with streaming operating income up 88% to \$582 million — its

first double-digit margin quarter — and raised its FY26 buyback to at least \$8 billion; the stock closed up 8.6%. Eli Lilly provided continuing tailwind with its FY26 revenue range of \$82–85 billion.

Fed Transition and CIT Tariff Ruling

Post-FOMC blackout ended 30 April and produced a heavy speaking calendar. Musalem (St Louis) said on 5 May that risks are shifting toward inflation. Collins (Boston) indicated agreement with April meeting dissenters on statement language. Hammack (Cleveland) said the FOMC's signal on the rate path was misleading. Goolsbee (Chicago) noted the labour market has been stable for roughly eighteen months and warned against front-running productivity growth.

The Kevin Warsh confirmation process advanced materially. The Senate Banking Committee moved the nomination 13–11 on 29 April; cloture was filed 6 May with a final vote queued for Monday 11 May. Powell's term as Chair expires 15 May; he stated on 29 April he intends to remain on the Board past that date. The FOMC minutes from the 28–29 April meeting are calendared for release 20 May.

On Thursday 7 May, the US Court of International Trade ruled 2–1 that the 10% global tariff imposed under Section 122 of the Trade Act of 1974 is invalid as contrary to law. The injunction was narrow — covering only plaintiff importers and the State of Washington — with 21 other state plaintiffs dismissed for lack of standing and no nationwide injunction issued. The government filed notice of appeal to the Federal Circuit on Friday 8 May. Section 232 measures on steel, aluminium, copper, lumber and autos remained in force, with pharmaceutical tariffs scheduled for 31 July 2026.

European Union: Bifurcated Economy, ECB Holds

The eurozone remained visibly bifurcated. The April Composite PMI printed at 48.6 and Services PMI at a 62-month low of 47.6, yet German factory orders surged 5.0% m/m and French industrial production rose 1.0% — manufacturing momentum from rearmament and large-order front-running offset services weakness. April HICP flash came in at 3.0% y/y, with energy a primary driver alongside the Iran war's supply chain effects. The ECB held the deposit rate at 2.00% on 30 April, making the 11 June meeting genuinely live given the inflation-growth split.

ECB communication this week was thematic. Lagarde framed the Iran energy shock as a structural argument for energy transition. Schnabel's LSE lecture on the quiet erosion of central bank independence was a deliberate intervention into the Powell–Warsh transition debate. German exports to the US fell 21.4% y/y in March, a stark warning ahead of Trump's 4 July deadline for Turnberry ratification. TTF gas fell below €44/MWh on Iran de-escalation hopes midweek before Friday naval incidents reversed part of the move.

China: Exports Surge, Summit Preparations

China's April trade data confirmed an exports-led acceleration: exports up 14.1% y/y to \$359.44 billion, the trade surplus widening to \$84.82 billion, with exports to the US rebounding to +11.3% y/y from –26.5% — direct evidence of post-Busan normalisation. Both manufacturing and services

PMIs remained in expansion, FX reserves rose to \$3.4105 trillion, and Premier Li Qiang's State Council meeting on 9 May emphasised front-loaded macro implementation as China enters the 15th Five-Year Plan.

The Trump–Xi summit on 14–15 May in Beijing dominated diplomatic signalling. MOFCOM Announcement No. 21 invoked China's Blocking Measures against US Iran-related sanctions whilst reported NFRA guidance to banks indicated compliance with those same sanctions — Beijing simultaneously building leverage and managing risk. Iran was on the diplomatic agenda, with China positioning as a potential Hormuz mediator following Iran's FM visit to Beijing on 6 May. The Wall Street Journal reported Washington and Beijing were considering an official AI dialogue ahead of the summit.

Japan: BOJ Minutes Hawkish, Yen Intervention Continues

Japan navigated a holiday-shortened week with markets digesting hawkish BOJ March minutes. The 0.75% policy rate hold on 28 April with three dissenters favouring 1.00%, paired with the 7 May minutes flagging member calls to hike without long intervals if energy effects prove durable, has lifted the 10-year JGB yield to approximately 2.48% — near 1997 highs. April PMIs softened (Services 51.0, Composite 52.2), but composite input and selling-price inflation hit record or 42-month highs, and March real wages rose 1.0% y/y for the third consecutive month — the first such streak since 2021.

Suspected MOF intervention on 30 April and again on 6 May during Tokyo holidays drove USD/JPY to 155.49 on 7 May, the strongest yen reading since February. Finance Minister Katayama's statement that Japan has no limits on intervention frequency was the strongest official warning of the cycle. Tokyo core CPI eased to 1.5% y/y in April, partly because government subsidies on energy and gasoline are masking the underlying pulse. The 12 May Summary of Opinions is the next material BOJ catalyst ahead of the 17–18 June MPM.