

RobustQuant Weekly Detailed

Weekend Edition | May 26, 2026 | Prediction for May 29

 **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)	7,148 – 7,926	±5.2%	69/73 (94.5%)
Gold (GLD)*	369 – 451	±10.0%	42/44 (95.5%)
REITs (XLRE)*	42.2 – 46.7	±5.1%	33/34 (97.1%)

*Newsletter-exclusive coverage

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

2 | This Week's Summary

Records Up. Sentiment Down.

Dow closed at a fresh record — 50,579. SPX posted its eighth straight weekly gain. The same week: University of Michigan consumer sentiment collapsed to 44.8 — the lowest reading since the survey began in 1952. Lower than 2008. Lower than the pandemic. Kevin Warsh was sworn in as Fed Chair at the White House. FOMC minutes flagged rate hikes as a live option. Hormuz still shut. Philadelphia Fed Manufacturing collapsed to -0.4 from +26.7. Brent fell 5% on diplomacy signals.

The news tells stories. The Compass measures where markets actually closed.

Key Results:

- S&P 500: 7,473 (lower half)
- Gold: 413.82 (lower half)
- REITs: 44.56 (upper half)

Pattern of the week: SPX and GLD in the lower half for a third straight week; XLRE moved into the upper half. Equity indexes printed records while consumers registered the worst confidence reading in modern history. Both true simultaneously. Compass measured the close.

3 | What Moved Markets (May 18–22)

Warsh Sworn In, FOMC Minutes Hawkish:

Kevin Warsh was sworn in as Fed Chair by Justice Clarence Thomas at the White House on Friday May 22 — the first Fed chair sworn in there since Greenspan in 1987. His first FOMC meeting is June 16–17. The April FOMC minutes, released May 20, showed a majority of policymakers believe additional rate hikes may be warranted if inflation remains above target. CME FedWatch placed the probability of a December hike above 50%. Waller told a Frankfurt conference rate hikes are back on the table; Goolsbee flagged "a pretty significant inflation problem."

Sentiment Collapse, Equities at Records:

University of Michigan final May consumer sentiment: 44.8 — a new all-time low, surpassing the prior record from June 2022. Year-ahead inflation expectations rose to 4.8%; long-run to 3.9%. S&P 500 closed the week +0.4% — its eighth consecutive weekly gain, the longest streak since December 2023. Dow hit a record close of 50,579.70 (+2.13% on the week). VIX ended at 16.70. Philadelphia Fed Manufacturing Index: -0.4 vs +17.6 expected, down 27.1 points from April's +26.7 — the lowest reading of 2026.

Hormuz and Oil:

Brent settled Friday at \$103.54/bbl, down more than 5% on the week as Secretary Rubio cited "slight progress" in US–Iran talks via Pakistani and Qatari mediators. WTI settled at \$96.60. IMF PortWatch recorded just 2 transits on May 17 against a pre-crisis baseline of 95 per day. Iran's Supreme Leader hardened Tehran's stance on uranium enrichment. The SPR recorded its largest single-week drawdown on record: 9.92 million barrels. IEA Director Birol warned markets "may be entering the red zone."

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

4 | S&P 500 (SPX) Boundaries (May 29)

Range for Friday May 29: 7,148–7,926

Hit Rate: 69/73 weeks (94.5%)

Last Week's Performance:

Last week: Range 7,087–7,859, closed **7,473** (lower half)

SPX closed 7,473. Range shifts slightly higher ($\pm 5.2\%$ maintained). Track record improved to 94.5% (69/73).

For Your Planning:

- Lower zone (7,148–7,390): Where caution tends to build
- Middle zone (7,390–7,537): Normal trading area
- Upper zone (7,537–7,926): Where excitement tends to build

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

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

Range for Friday May 29: 369–451

Hit Rate: 42/44 weeks (95.5%)

Last Week's Performance:

Last week: Range 374.9–459.1, closed **413.82** (near lower boundary of $\pm 10.0\%$ range)

GLD closed 413.82. Range shifts slightly lower. Track record improved to 95.5% (42/44) — above design parameters.

For Your Planning:

- Lower zone (369–399): Where consolidation may emerge
- Middle zone (399–421): Current close territory
- Upper zone (421–451): Where safe-haven demand builds

Newsletter-exclusive coverage.

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

Range for Friday May 29: 42.2–46.7

Hit Rate: 33/34 weeks (97.1%)

Last Week's Performance:

Last week: Range 40.5–45.2, closed **44.56** (upper half)

REITs closed 44.56. Range shifts higher (42.2–46.7 vs 40.5–45.2). Track record improved to 97.1% (33/34) — well above design parameters.

For Your Planning:

- Lower zone (42.2–43.8): Where rate-hike pressure tends to show
- Middle zone (43.8–45.3): Normal trading area
- Upper zone (45.3–46.7): Where rate-cut optimism tends to build

Newsletter-exclusive coverage.

7 | Psychology & How to Read

The Dow hit a record. Consumer sentiment hit its lowest reading in the history of the survey — lower than 2008, lower than the pandemic.

Both happened in the same week. Neither headline tells you what to do.

This is the core challenge for retail investors: when two equally credible signals point in opposite directions at historic extremes, most people freeze. They wait for clarity. And then they react after the move, at exactly the wrong moment. The freeze is not neutral — it is a decision to let competing headlines set the timing instead of a plan.

What the Ranges Show:

Weekly boundaries where markets typically close — a reference point established before the pressure peaks.

What They Don't Show:

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

The Retail Trap:

The specific trap this week is the "feeling vs. structure" gap. Sentiment at a 74-year low *feels* like recession. Record indexes *feel* like the top. Both feelings are understandable. Neither is a strategy.

Professional Approach:

- Boundaries set before emotional pressure peaks
- Lower zones: Where anxiety tends to concentrate
- Upper zones: Where overconfidence tends to concentrate
- Outside ranges: Market behaviour shifting beyond normal parameters

Key Point:

The worst confidence reading in modern history and fresh index records co-existed inside the predicted ranges this week. Your edge is not resolving that contradiction — it is knowing where the boundaries were before it arrived.

8 | Track Record

Performance Since Launch:

- S&P 500: 69 hits in 73 weeks (94.5%)
- Gold: 42 hits in 44 weeks (95.5%)
- REITs: 33 hits in 34 weeks (97.1%)

What This Means:

SPX at 94.5% (69/73). Closed 7,473, lower half. Range maintained at $\pm 5.2\%$.

GLD at 95.5% (42/44). Closed 413.82, near the lower boundary of a $\pm 10.0\%$ range. Above design parameters.

REITs at 97.1% (33/34). Closed 44.56, upper half. Range shifts higher to 42.2–46.7. Significantly above design parameters.

Transparency:

All ranges published before each week starts. No retroactive changes. Complete history available at robustquant.com/predictions.

9 | Method and Limitations

How Ranges Work:

Combines current volatility patterns, trend direction, and momentum indicators. Targets ~95% weekly containment rate. Model tracks Friday closes — not intraday moves, not sentiment surveys, not central bank expectations.

When Ranges Break:

Breakouts signal markets transitioning beyond normal parameters. These are not failures — they are objective signals that conditions shifted. Disciplined approaches recognise that unstable periods often create the best opportunities for planned strategies.

Current Environment:

The gap between consumer confidence and equity prices is at an extreme. The systematic approach is not affected by this gap — it tracks closes. A record-low sentiment reading and a record equity close are both inputs to the same output: where did prices land relative to the range?

Q: The Dow is at a record but I feel like things are falling apart. Should I do anything?

A: The gap between how things feel and where prices close is real and well-documented. The compass does not resolve that feeling — it provides a reference point independent of it. Whether the current close warrants action depends on your plan and the rules you established before this week's headlines arrived. Your actions depend on your financial plan and strategic rules established before emotional moments arrive.

Q: Sentiment is at an all-time low. Doesn't that mean a correction is coming?

A: Sentiment extremes have historically been associated with both turning points and continuation — the data does not point cleanly in one direction. The model does not use sentiment as an input. What the current range tells you is where closes have been statistically expected to land — not what the next directional move will be. Your actions depend on your financial plan and strategic rules established before emotional moments arrive.

10 | Footer

Next Week: Boundaries for May 29 close **Updates:** Quick social media notes if exceptional volatility occurs

RobustQuant is independent practitioner research — not a fund, not a research firm, and not paid analysis. Built from systematic market research and more than two decades of studying and participating in financial markets, it is published as market context designed to reduce emotional

*decision-making — not as 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 18–22, 2026)

For readers who want comprehensive economic data and regional breakdowns

United States: Fed Transition, Hawkish Tilt, Stagflation Lite

Monetary Policy — FOMC Minutes and Warsh:

The minutes of the April 28–29 FOMC meeting, released May 20, revealed a clear hawkish shift. A majority of policymakers judged that inflation could take longer than expected to reach 2%, and the committee signalled it was considering dropping its easing bias. Per CME FedWatch as of May 15, traders were pricing a nearly 51% probability of a December rate hike, with March 2027 above 71%. Christopher Waller told a Frankfurt central-banking conference on May 22: "My current policy position is to hold rates steady for the near term. But I can no longer rule out rate hikes further down the road if inflation does not abate soon." Goolsbee on May 21 warned of "a pretty significant inflation problem" developing; Barkin said he was "nervous about the tails on both sides of the mandate."

Kevin Warsh was sworn in as Fed Chair by Supreme Court Justice Clarence Thomas in the East Room on Friday May 22 — the first Fed chair sworn in at the White House since Alan Greenspan in 1987. Treasury Secretary Bessent and NEC Director Hassett attended. Warsh's statement: "I will lead a reform-oriented Federal Reserve... escaping static frameworks and models and upholding clear standards of integrity and performance." His first FOMC meeting is June 16–17.

PMIs — Manufacturing vs Services Split:

The S&P Global US Flash Composite PMI for May held steady at 51.7, masking a widening split: manufacturing rose to a 48-month high of 55.3 while services slipped to 50.9. Input prices rose at the steepest rate since late 2022. Williamson characterised the data as consistent with the economy growing at roughly 1%–1.2% annualised in Q2. The Philadelphia Fed Manufacturing Index for May collapsed to –0.4 versus +17.6 expected, falling 27.1 points from April's +26.7 — the lowest reading of 2026.

Consumer Sentiment and Housing:

University of Michigan final May Consumer Sentiment: 44.8 — a new all-time low, surpassing the prior record from June 2022. Year-ahead inflation expectations rose to 4.8%; long-run to 3.9%. NAHB Housing Market Index for May rose to 37 from 34 — the 25th consecutive sub-50 print. Housing starts fell 2.8% m/m to 1.465m SAAR; permits rose 5.8% to 1.442m.

Retail Earnings:

Walmart Q1 FY27: revenue \$175.7bn (+6.1%), adj EPS \$0.66 in line; Q2 EPS guidance disappointed and shares fell ~7%. CFO Rainey warned average gallons per fuel-station fill-up had fallen below 10 for the first time since 2022. Home Depot Q1: revenue \$41.77bn, comps +0.6%, full-year guidance reaffirmed. Lowe's Q1: sales \$23.1bn, adj EPS \$3.03, comps +0.6%.

Equity and Bond Markets:

S&P 500 closed Friday at 7,473.47 (+0.4% on the week — eighth consecutive weekly gain, longest streak since December 2023). Dow hit a record close of 50,579.70 (+2.13% on the week). VIX: 16.70. 10-year UST: 4.56%; 2-year: 4.13%; 30-year: ~5.06%.

Tariffs — Section 122:

The CIT denied the government's motion for a stay on May 20; however, the Federal Circuit's administrative stay remained in place and Section 122 tariffs continued to be collected. The statute expires July 24, 2026 unless extended.

Iran / Hormuz: Slight Diplomatic Progress, Strait Effectively Closed

Brent settled Friday at \$103.54/bbl, down more than 5% on the week, as Secretary Rubio cited "slight progress" in US–Iran talks via Pakistani and Qatari mediators. WTI settled at \$96.60/bbl, down more than 8%. The Strait remained effectively closed: IMF PortWatch recorded just 2 transits on May 17 against a pre-crisis baseline of 95 per day — approximately 2% of typical volume. Iranian state media claimed 35 vessels transited in coordination with Iran's naval forces; Iran published a "Persian Gulf Strait Authority" graphic proposing a "controlled maritime zone." Iran's Supreme Leader said enriched uranium must stay in Iran.

The IEA's coordinated 400-million-barrel strategic reserve release — the largest in the organisation's history — was described by IEA Director Birol as "not enough to solve the crisis." The SPR recorded its largest single-week drawdown on record: 9.92 million barrels, from 384,095 thousand to 374,175 thousand barrels. Birol warned oil markets "may be entering the red zone" as global stocks deplete ahead of summer travel season. TTF Dutch gas settled around €48.68/MWh on May 22, off the prior week's six-week high near €49.

China: Weakest Data of the Year, Post-Summit Deliverables Firming

April activity data released May 18 came in sharply below expectations: industrial production +4.1% y/y (vs +5.9% expected); retail sales +0.2% y/y (vs +2.0% expected) — a 40-month low; fixed-asset investment –1.6% YTD (vs +1.6% expected); urban unemployment 5.2%. The PBoC held the 1-year LPR at 3.00% and 5-year at 3.50% on May 20 — the 12th consecutive hold, as expected by all 24 economists in a Reuters poll.

Post-summit deliverables from the prior week's Trump–Xi Beijing meeting continued to firm: a White House fact sheet confirmed China would purchase at least \$17bn of US agricultural products annually 2026–2028. MOFCOM confirmed on May 20 an order for 200 Boeing jets and pursuit of an extension of the Busan trade truce due to expire in November. Hang Seng closed the week at 25,606.03.

Europe: Composite PMI at 31-Month Low, Ifo a Small Bright Spot

The S&P Global Flash Eurozone Composite PMI for May fell to a 31-month low of 47.5 (April: 48.8). Services fell to a 63-month low of 46.4. France's composite collapsed to 43.5 from 47.6 — the sharpest contraction since November 2020. Germany's Ifo Business Climate Index for May rose unexpectedly to 84.9 from a revised 84.5 (vs 84.2 expected) — described as "fragile" by Ifo President Fuest. Eurozone flash consumer confidence: -19.0 vs -20.8 expected. Money markets are pricing at least two ECB rate hikes before year-end. The next ECB Governing Council meeting is June 11; deposit rate currently 2.00%.

Japan: Strong GDP, Weak Inflation, BoJ June Calculus Complicated

Japan's Q1 2026 GDP grew 0.5% q/q, an annualised 2.1% — above the Reuters consensus of 1.7% and the strongest yearly print in six quarters. April national CPI showed core (ex-fresh food) easing to 1.4% y/y — a four-year low and the third consecutive month below the BoJ's 2% target; core-core (ex-fresh food and energy) at 1.9%. April trade balance was a ¥301.9bn surplus (third straight monthly surplus), with exports +14.8% y/y and crude oil imports falling 64% — the steepest drop since 1980. Nikkei 225 ended Friday at 63,339.07 (+2.68%). USD/JPY around 159, near the 160 verbal-intervention threshold. The combination of strong GDP and weak inflation complicates the BoJ's June 17–18 rate-hike calculus.

All data sourced from primary releases and cited newswires. Readers should consult named primary sources for legal or transactional certainty.