

# BIANCO | RESEARCH

AN ARBOR RESEARCH & TRADING, LLC AFFILIATE

## The War Update

James Bianco

April 23, 2026



# Topics

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- Yields Rise (5 - 8)
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# The S&P 500 Index

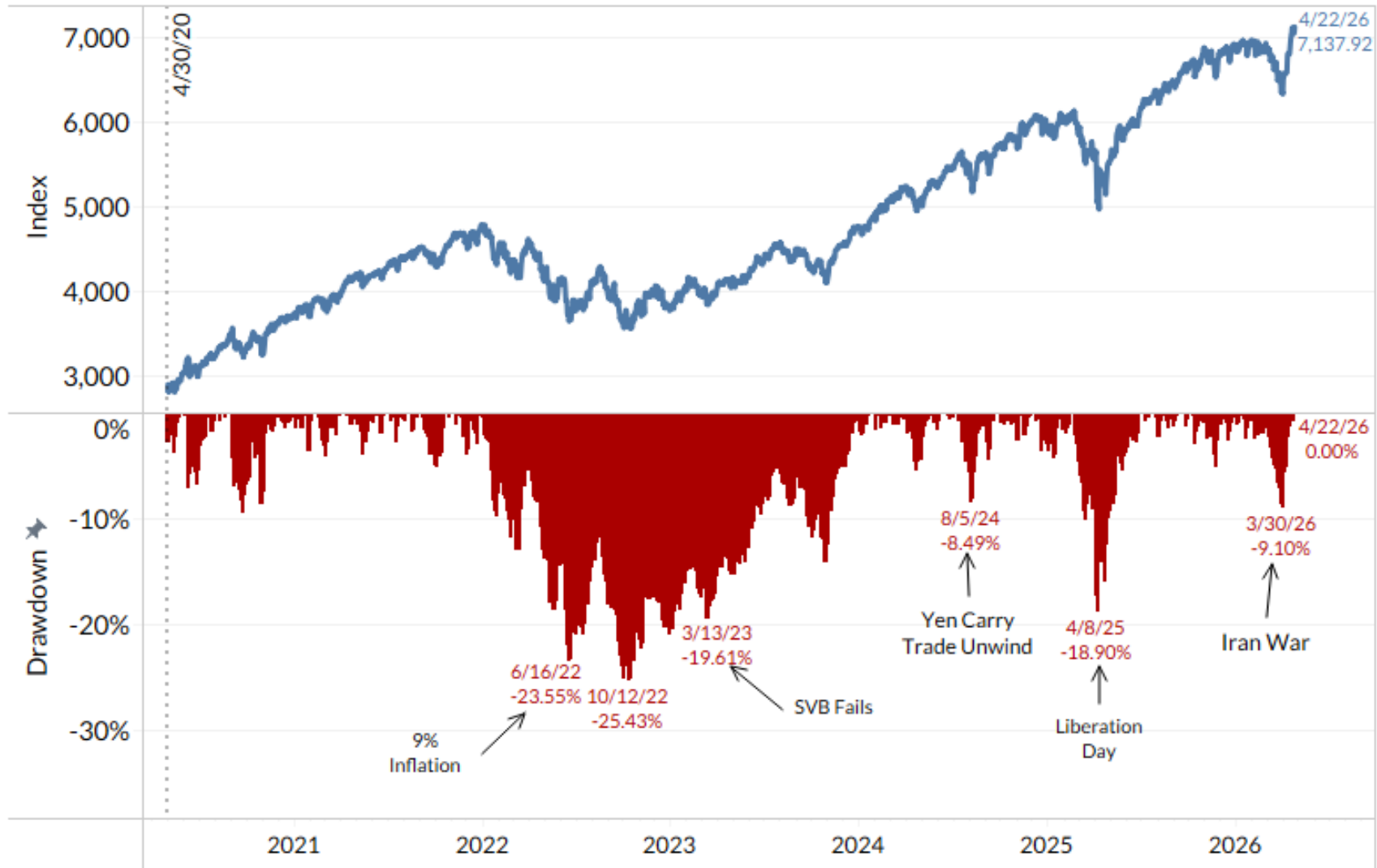


Data Source: Bloomberg

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# The S&P 500 Drawdown

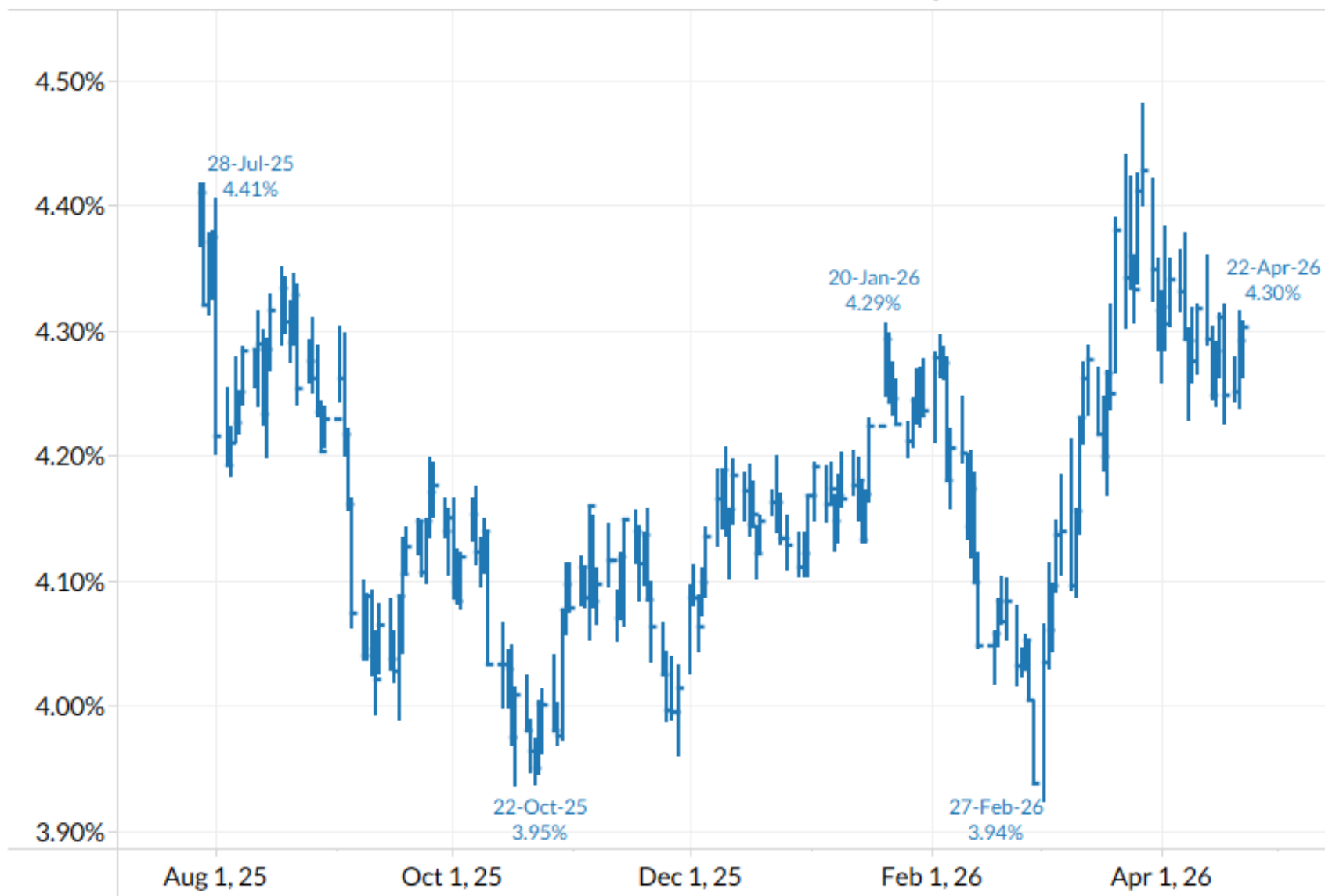
## Post-Covid Period



Source: Bloomberg

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## The Yield of the 10-Year US Treasury

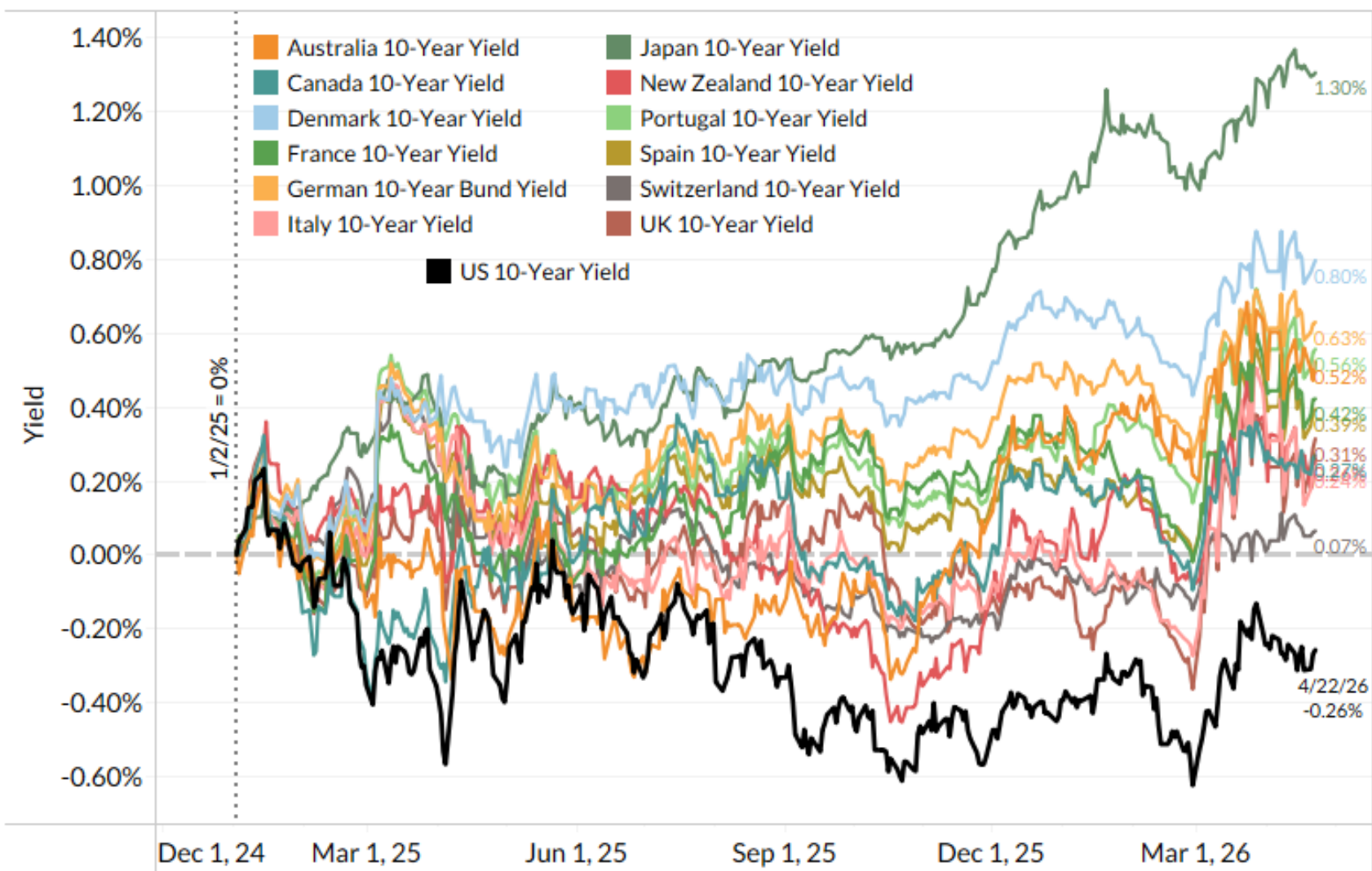


Data Source: Bloomberg

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## Only the United States Is Meaningfully Lower

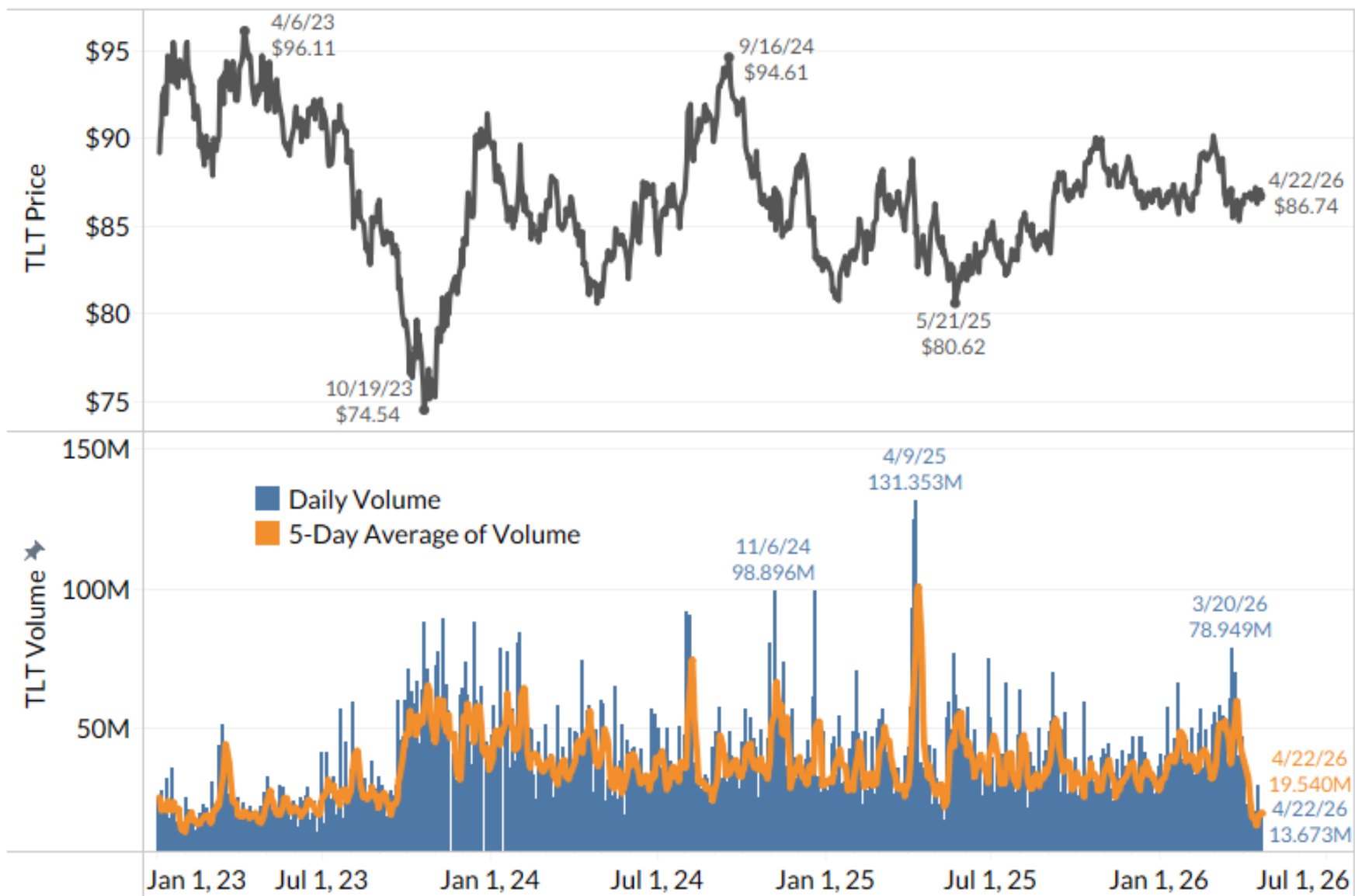
Change in 10-Year Yields Since January 1, 2025



Source: Bloomberg

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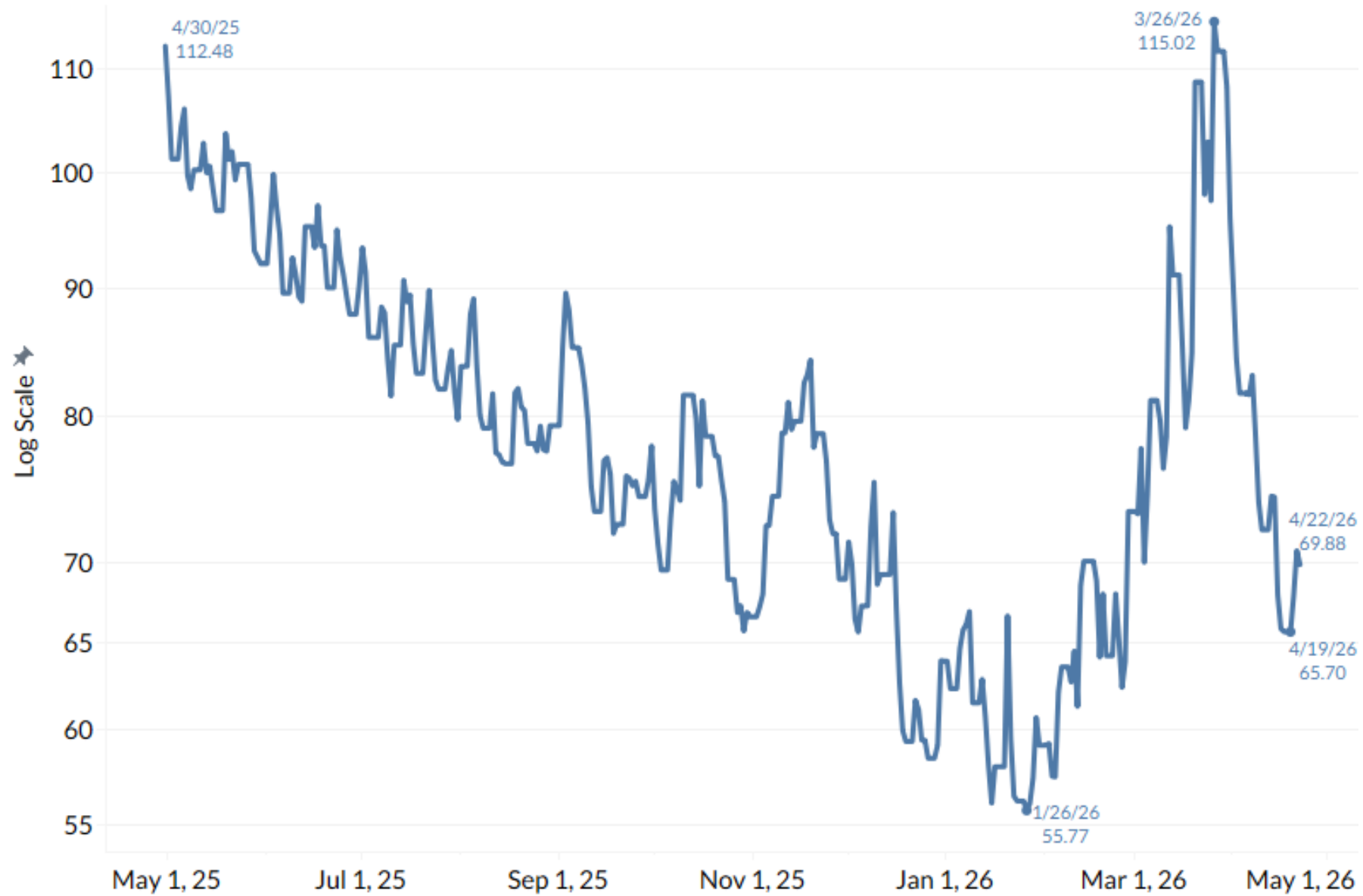
## Daily Volume in iShares 20+ Year Treasury Bond (TLT)



Source: Bloomberg

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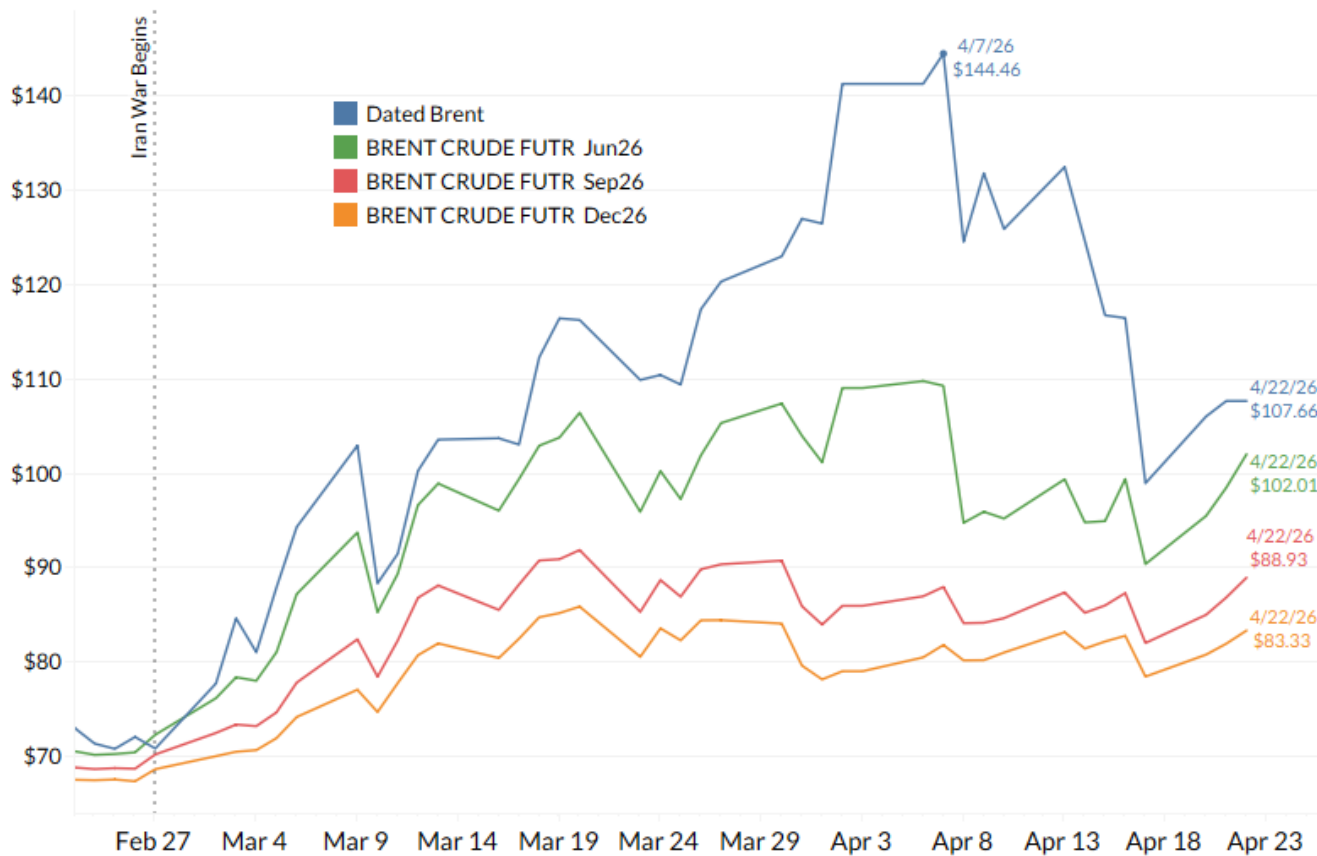
# MOVE Index



Source: Bloomberg

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## What Is the Real Price of Crude Oil?

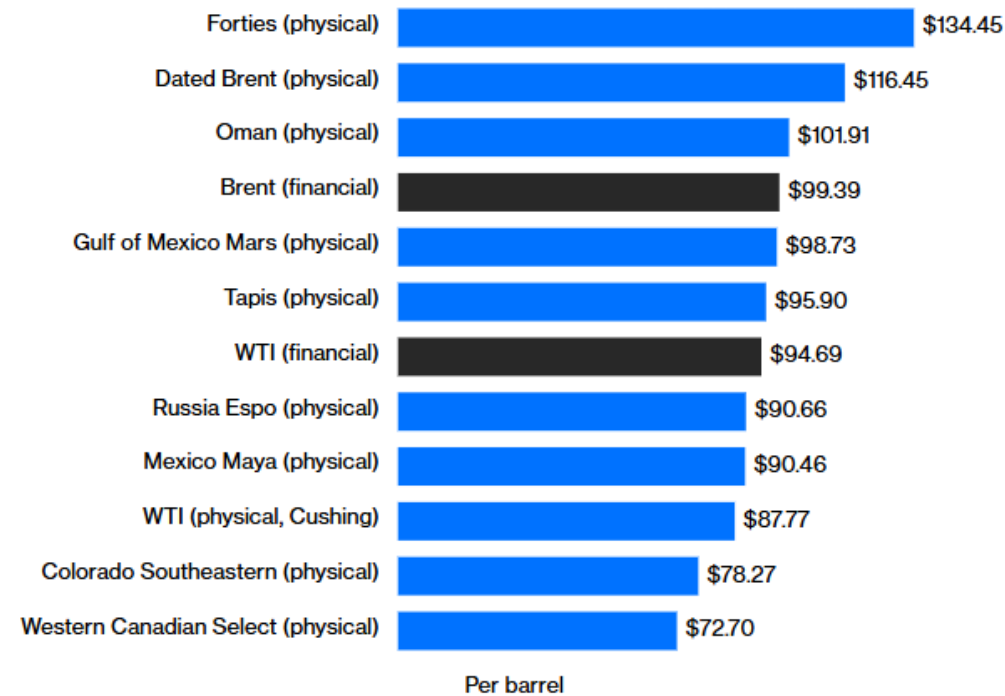


Source: Bloomberg, New York Mercantile Exchange

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## What's The Price of Oil? It Depends

The cost of a barrel depends of what kind of crude, when it is being sold and where. North America is far cheaper than the rest of the world



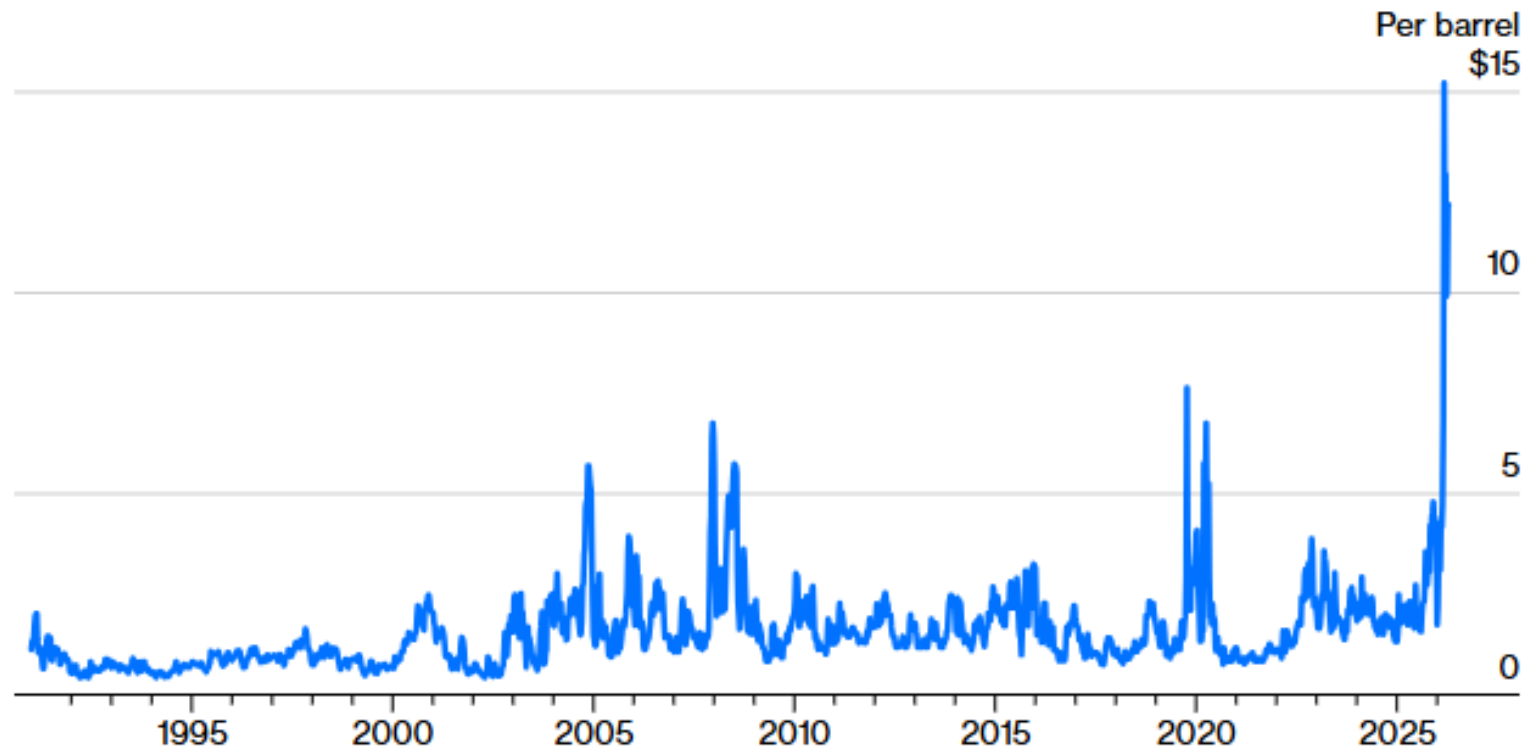
Note: Prices as settlement Apr. 15, 2026

Sources: Bloomberg, General Index, and Plains All American Pipelines LP

## Oil Transportation Will Cost You a Barrel

The cost of shipping crude around the world used to be an afterthought – today it is so expensive that it cost more than one barrel of crude did a few years ago

Oil supertanker (VLCC) from Persian Gulf to Japan



Source: Bloomberg

# December 2026 Brent Crude Oil Futures

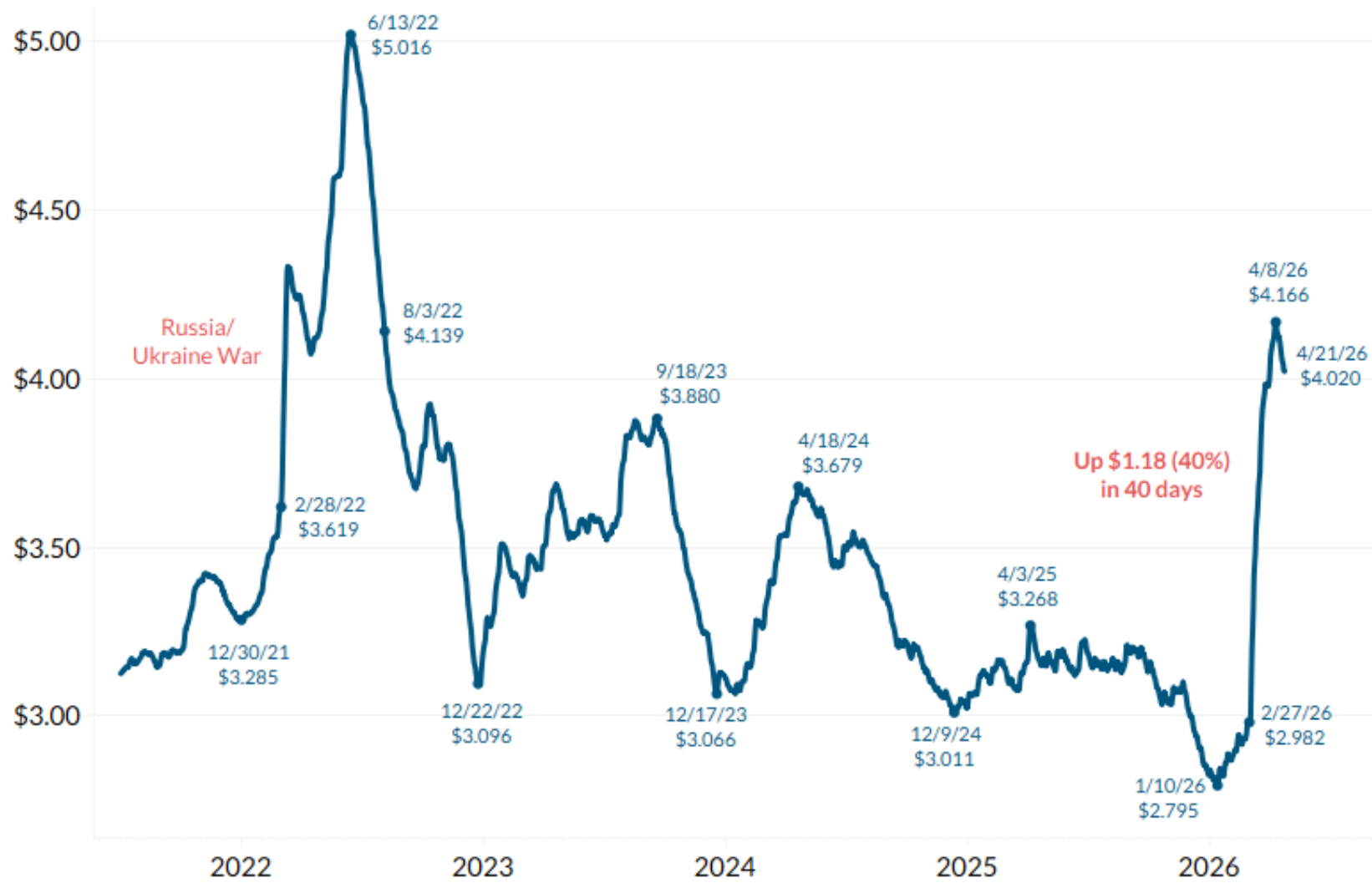


Source: Bloomberg

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# Daily National Average Gasoline Prices Regular Unleaded

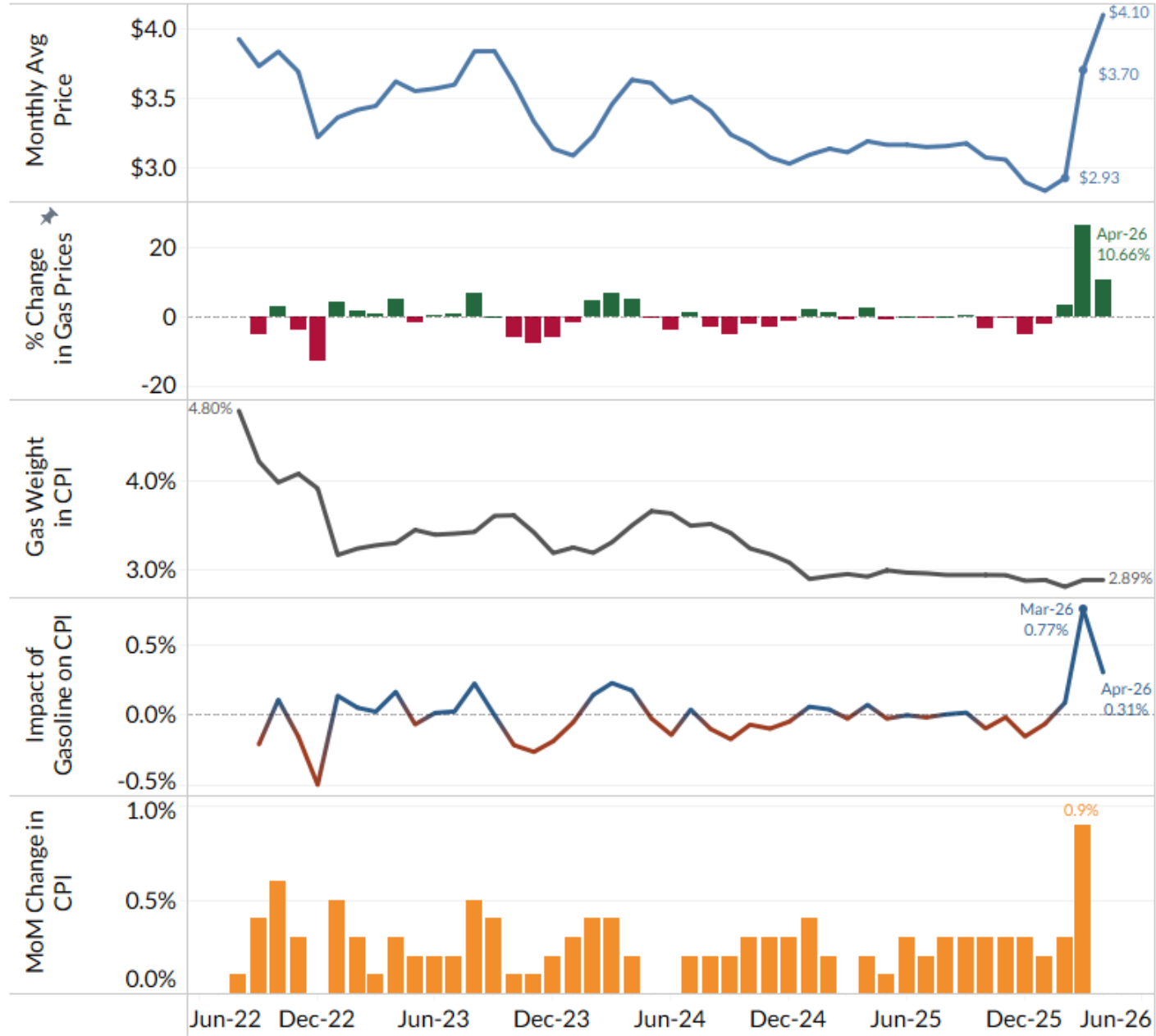
As Surveyed by the AAA Motor Club



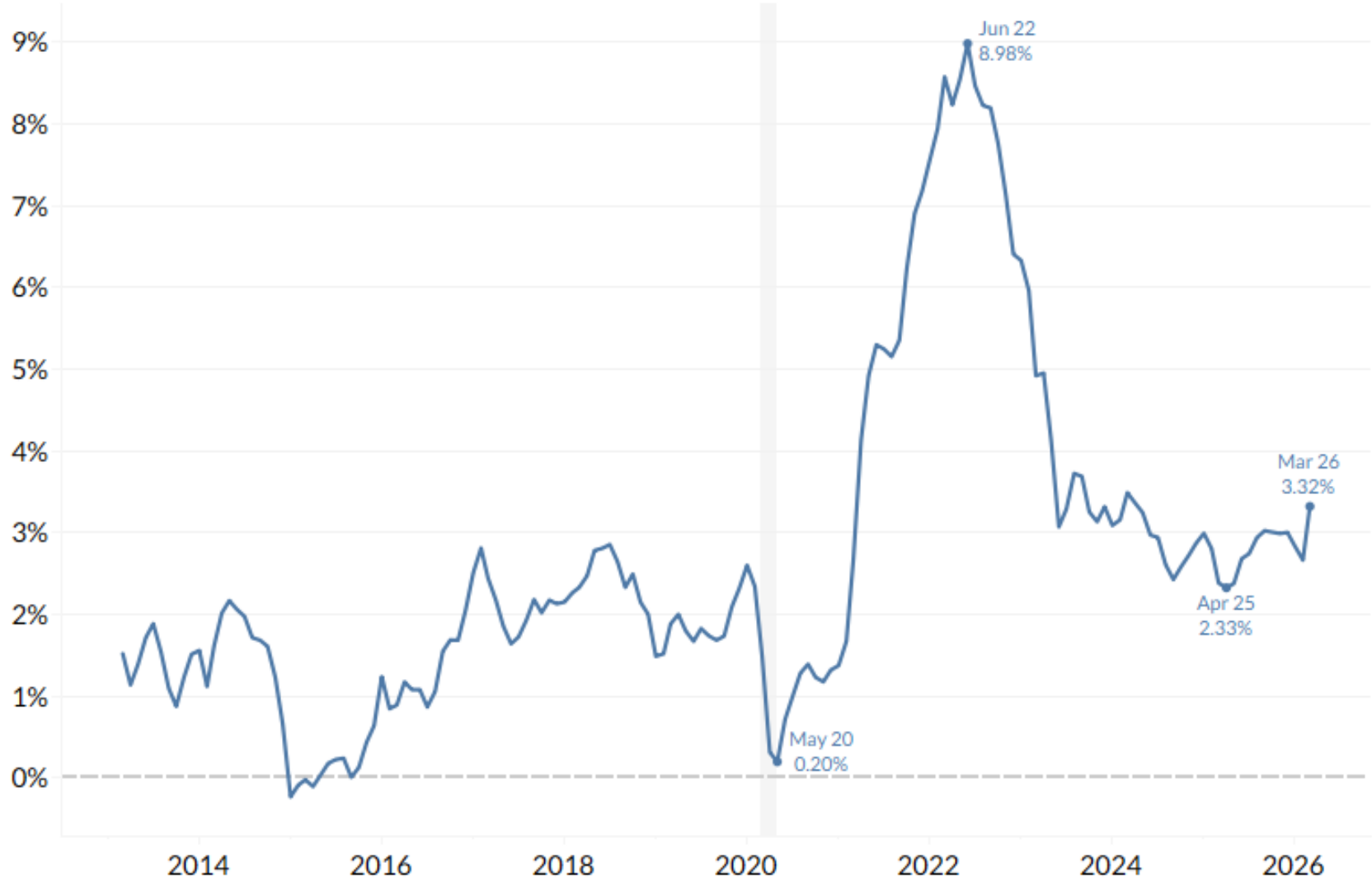
Data Source: Bloomberg, American Automobile Association (AAA)

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## Monthly Change in Gas Prices and Its Impact



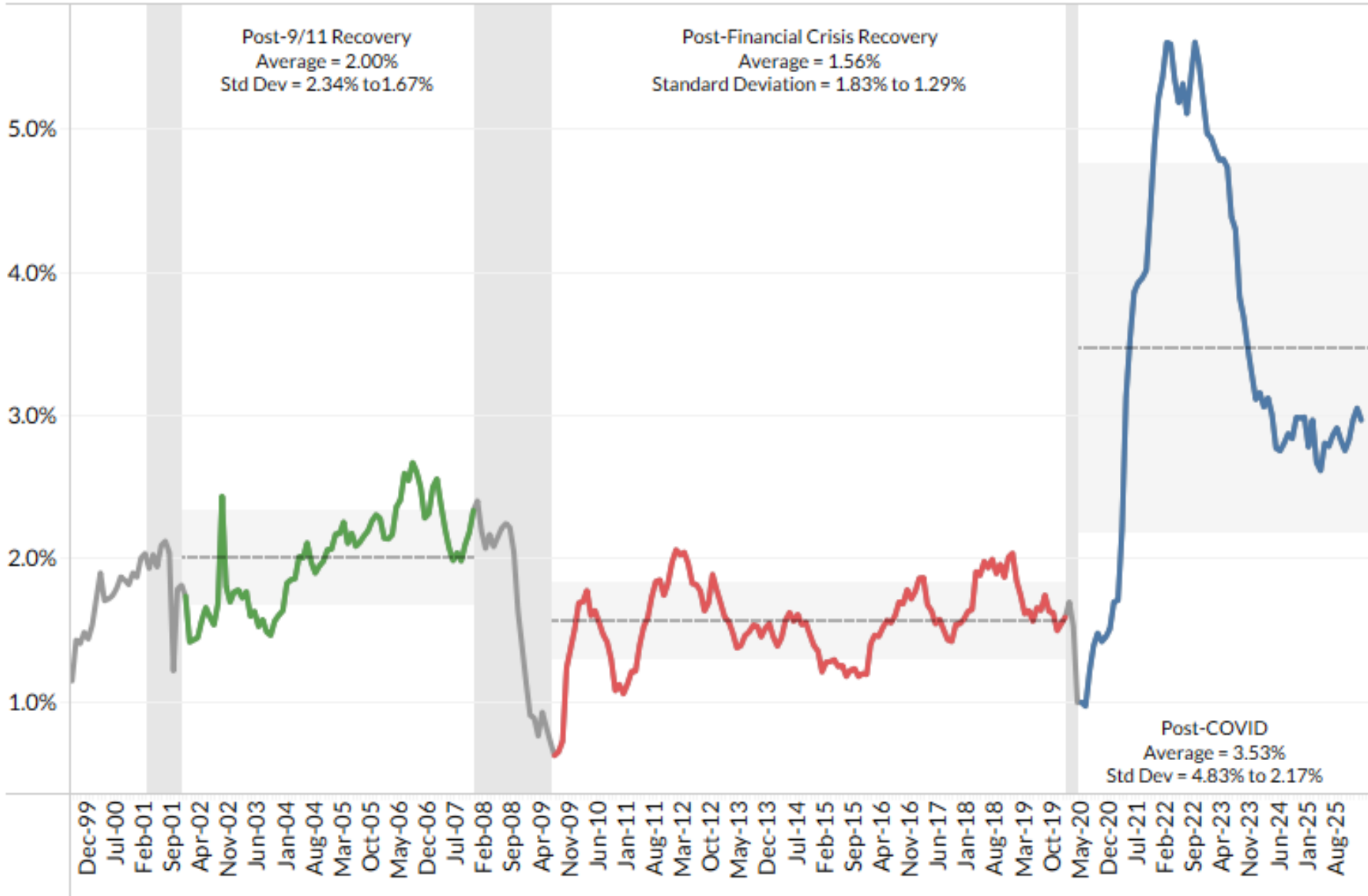
# CPI All Items Annualized Change



Source: The Bureau of Labor Statistics

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# US Personal Consumption Expenditure Core Price Index YoY SA

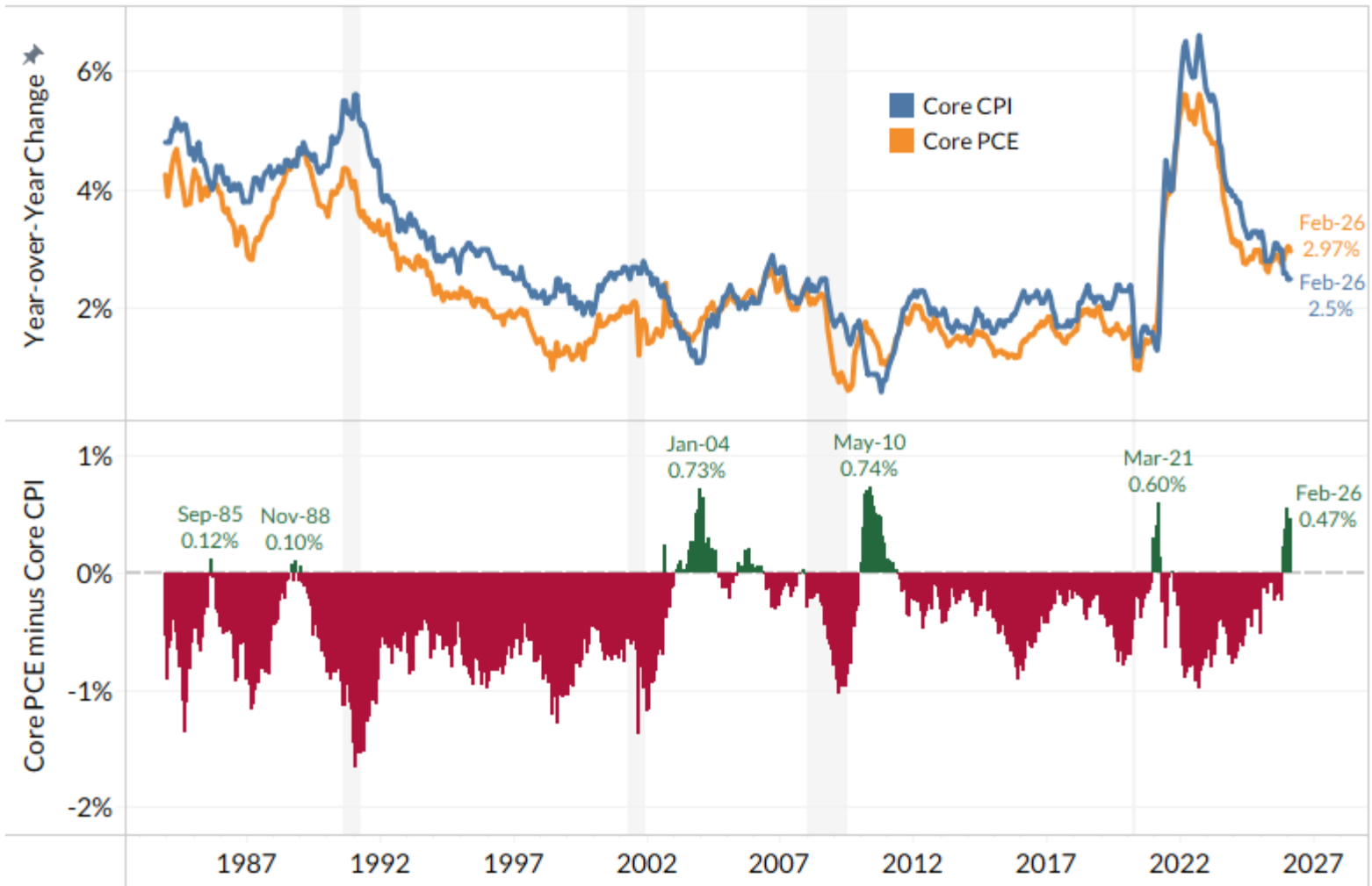


Source: Bureau of Economic Analysis, Bloomberg

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## Core CPI and PCE



Source: Bureau of Labor Statistics, Bloomberg

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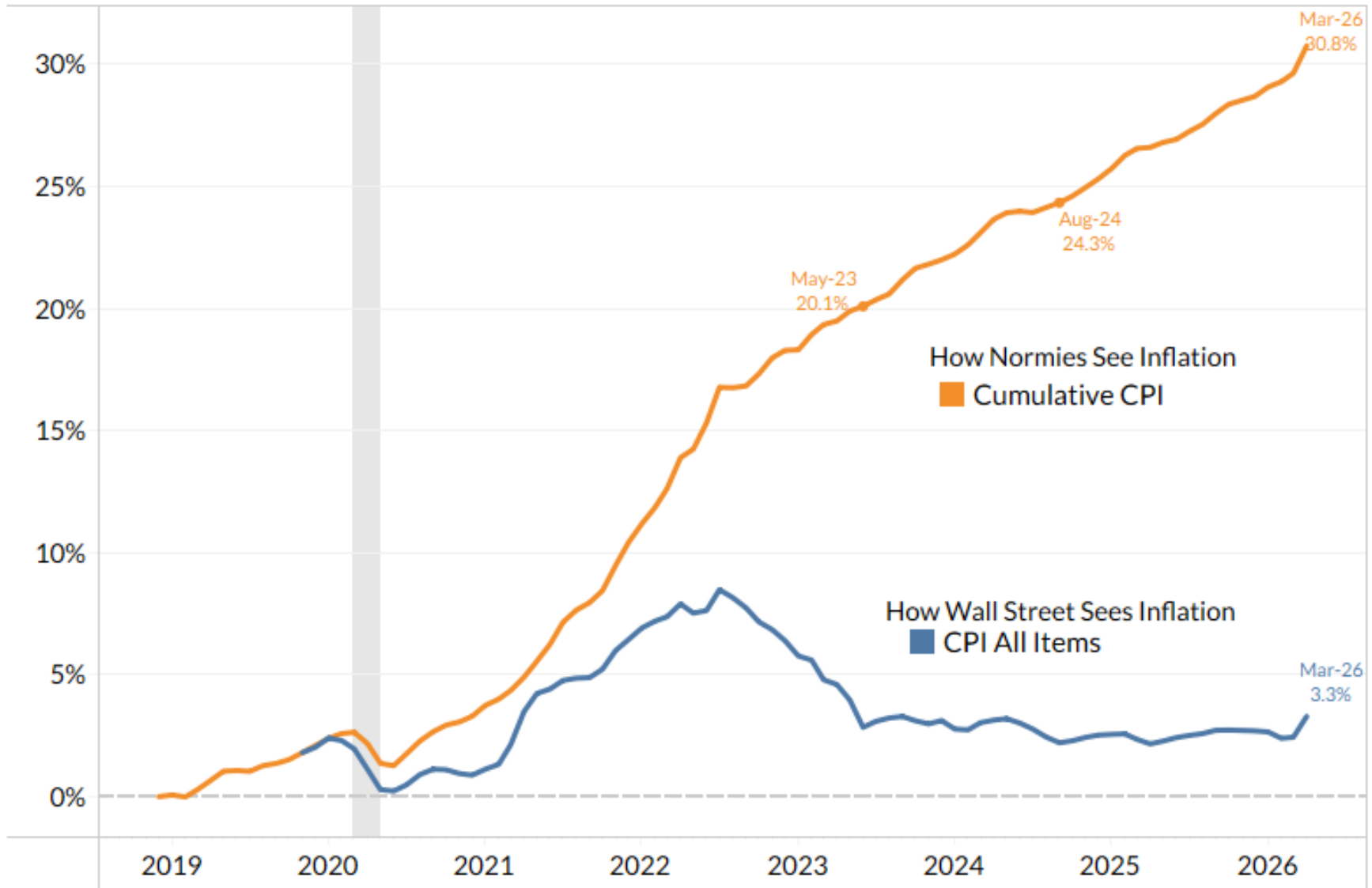
## Sector Weighting Between PCE and CPI

The consumer price index focuses heavily on housing costs, while the PCE focuses more on healthcare costs.

	PCE	CPI
Healthcare	20.6%	8.4%
Housing	18.1%	44.5%
Food	14.3%	14.5%
Recreation	8.9%	5.1%
Financial	8.2%	0.2%
Transportation	6.9%	16.3%
Energy	4.3%	6.4%
Education	1.8%	2.6%
Other	17.0%	1.9%

Sources: U.S. Bureau of Economic Analysis, U.S. Department of Labor Statistics

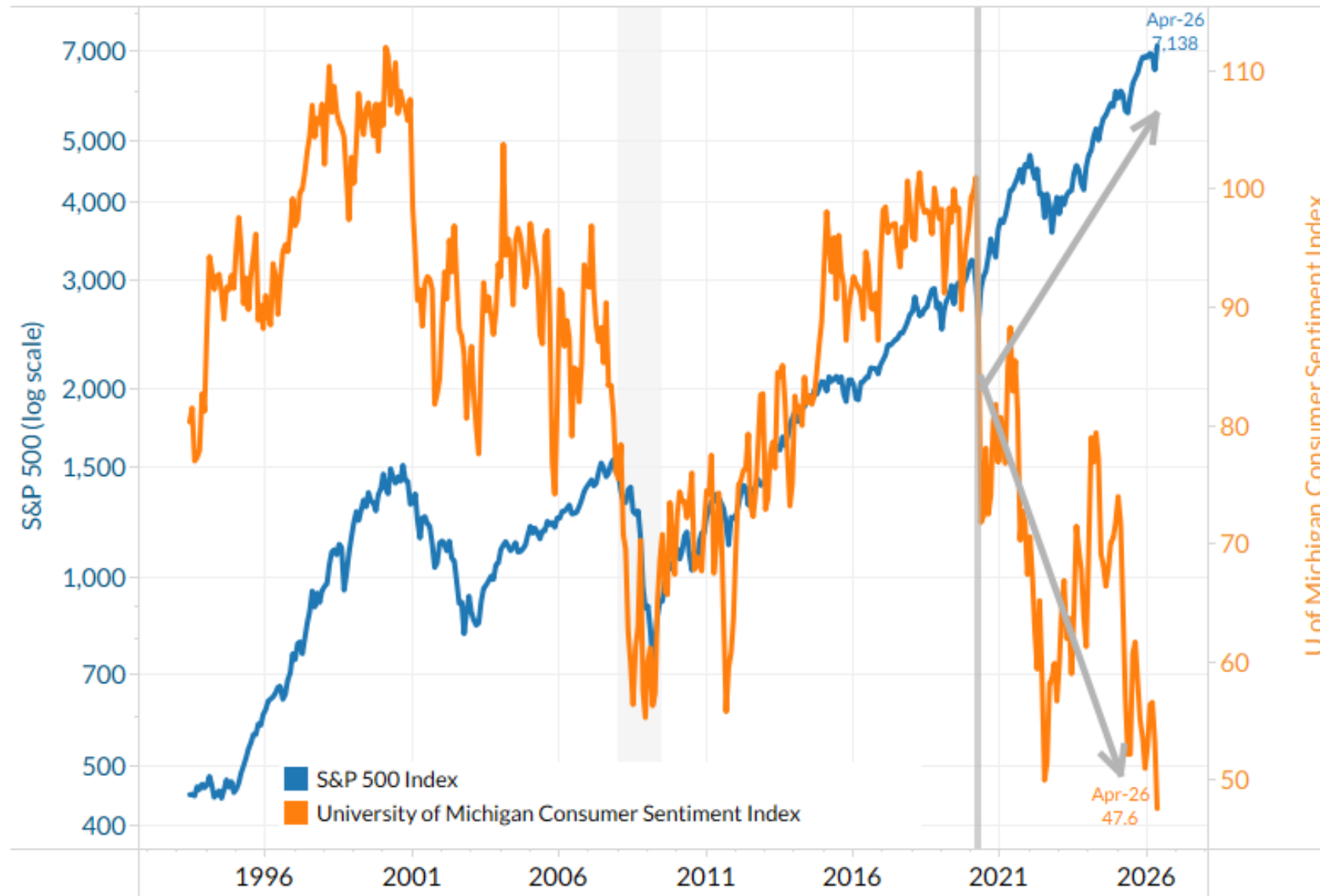
## Two Views on Inflation



Source: The Bureau of Labor Statistics

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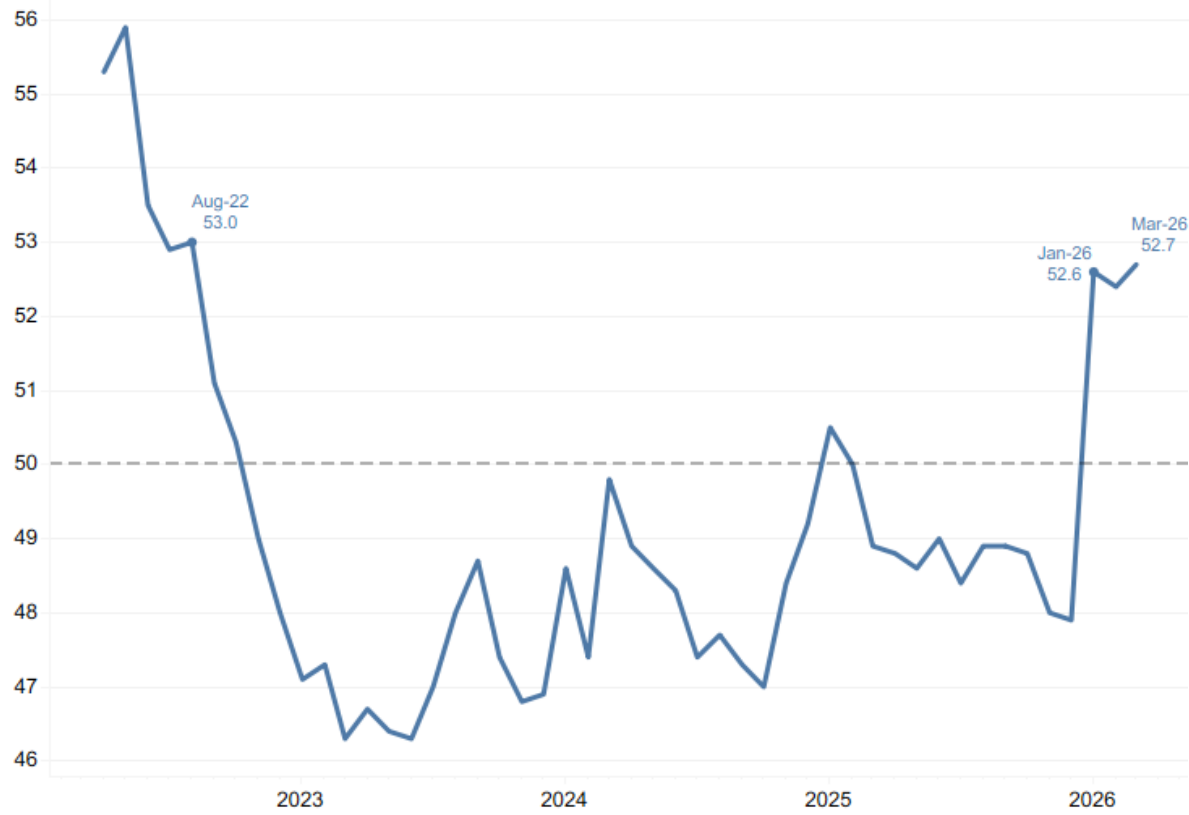
## The "K-Shaped" Economy



Data Source: University of Michigan, Standard & Poors, Bloomberg

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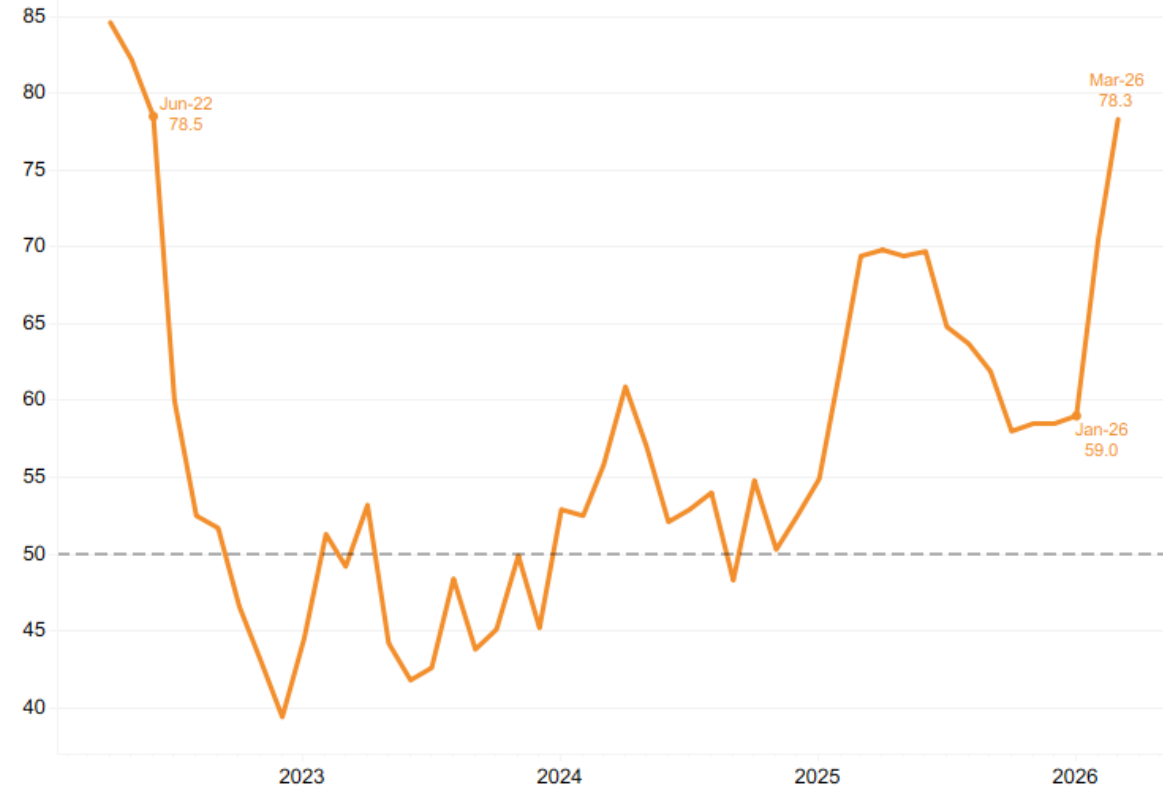
### ISM Manufacturing PMI SA



Source: Institute of Supply Management, Bloomberg

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### ISM Manufacturing Report on Business Prices Index NSA



Source: Institute of Supply Management, Bloomberg

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# Bloomberg US Surprise Index

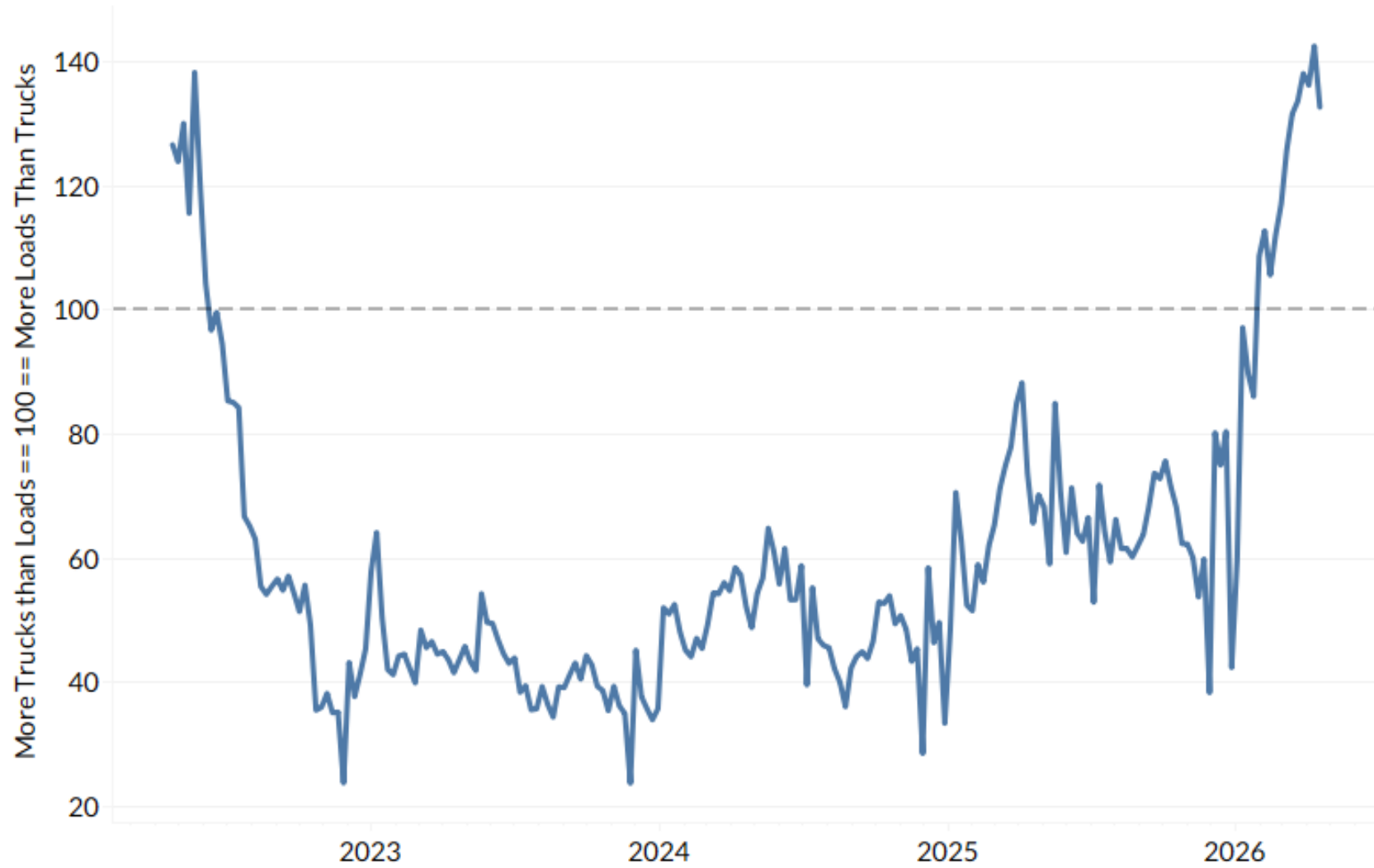


Data Source: Bloomberg

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# Internet Truckstop - Market Demand Index

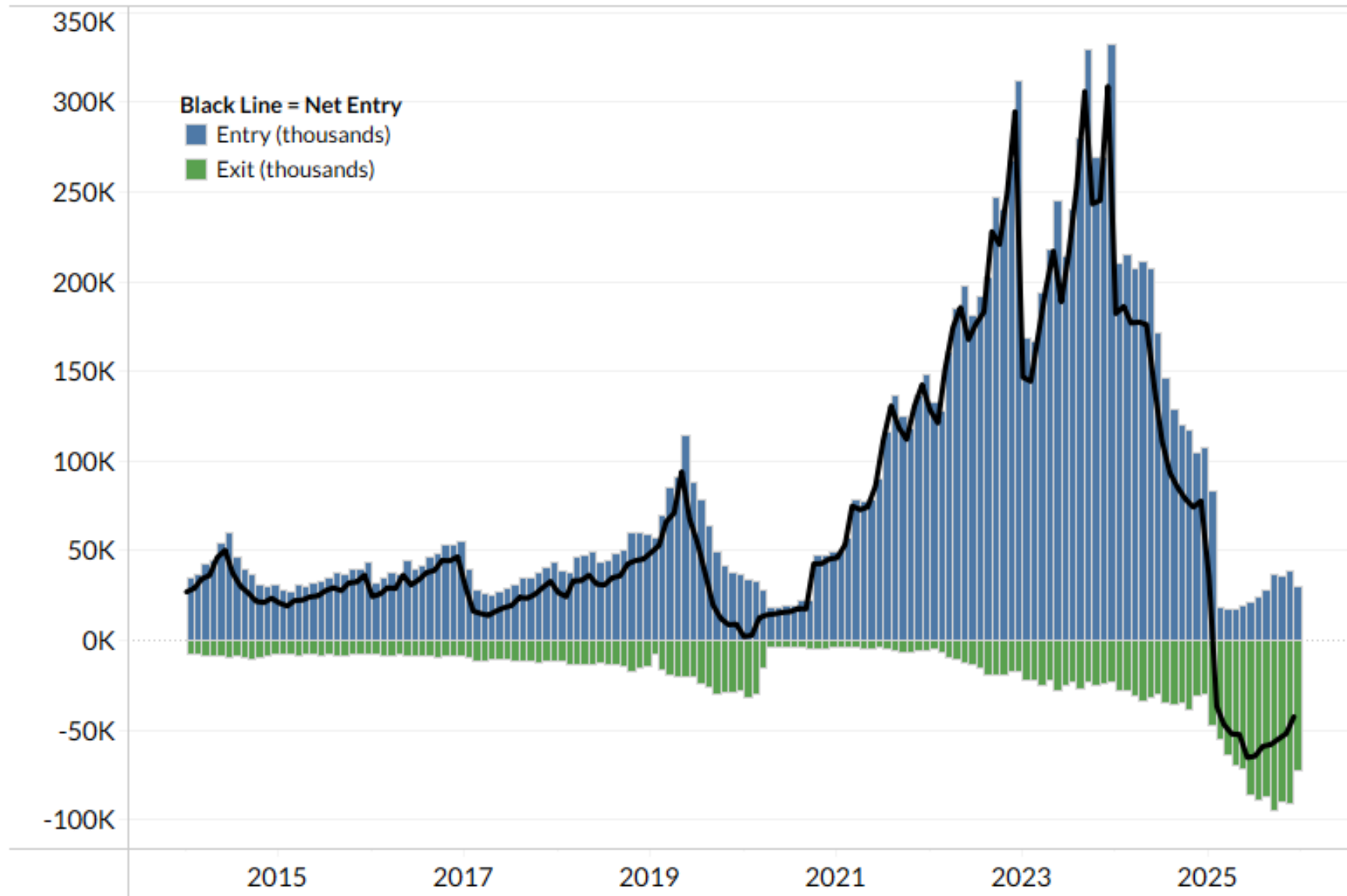
Loads posted to trucks posted on the Truckstop.com load board platform



Source: Bloomberg

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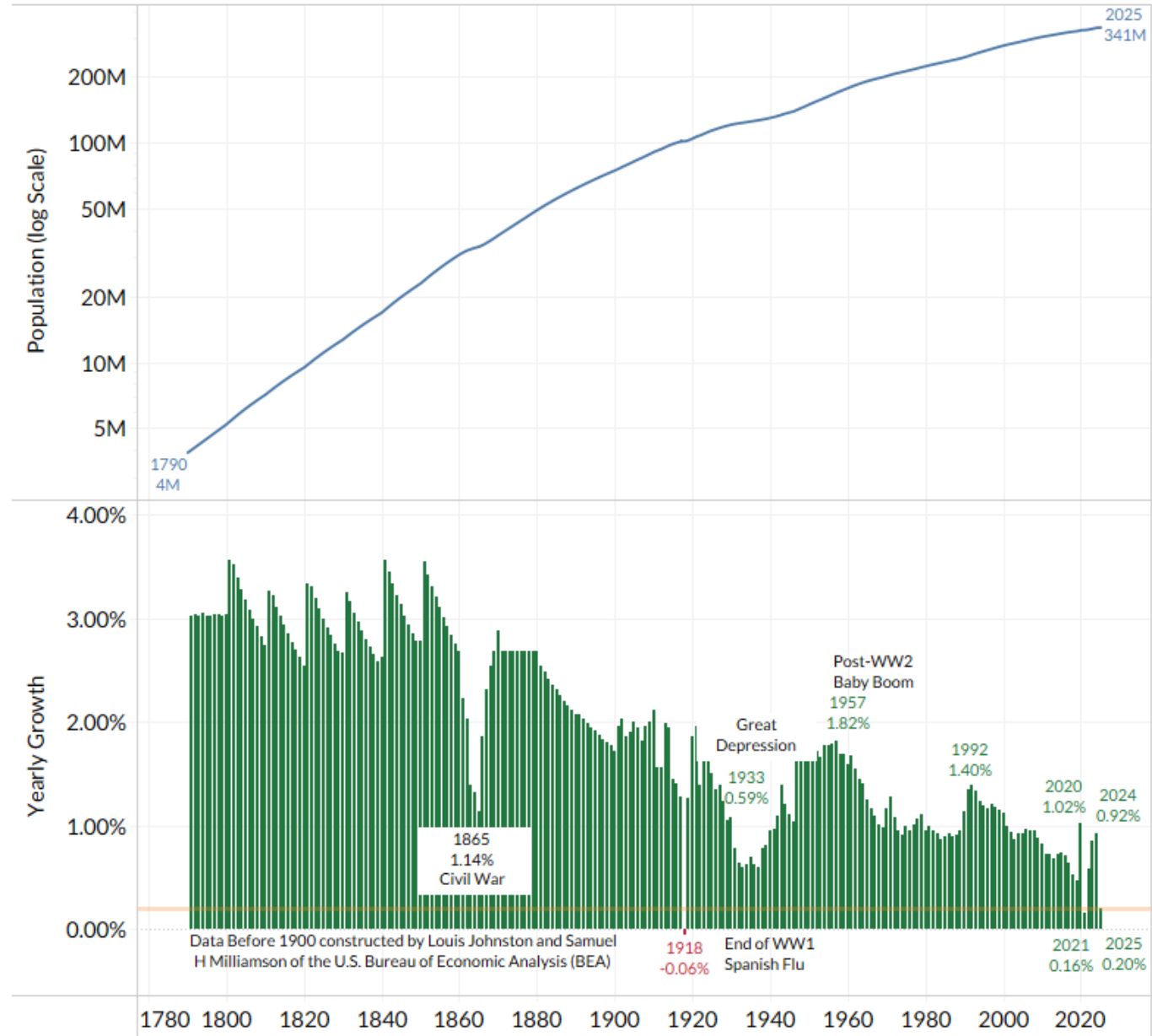
## Net Outflows of Unauthorized Immigration



Source: Federal Reserve Bank of Dallas

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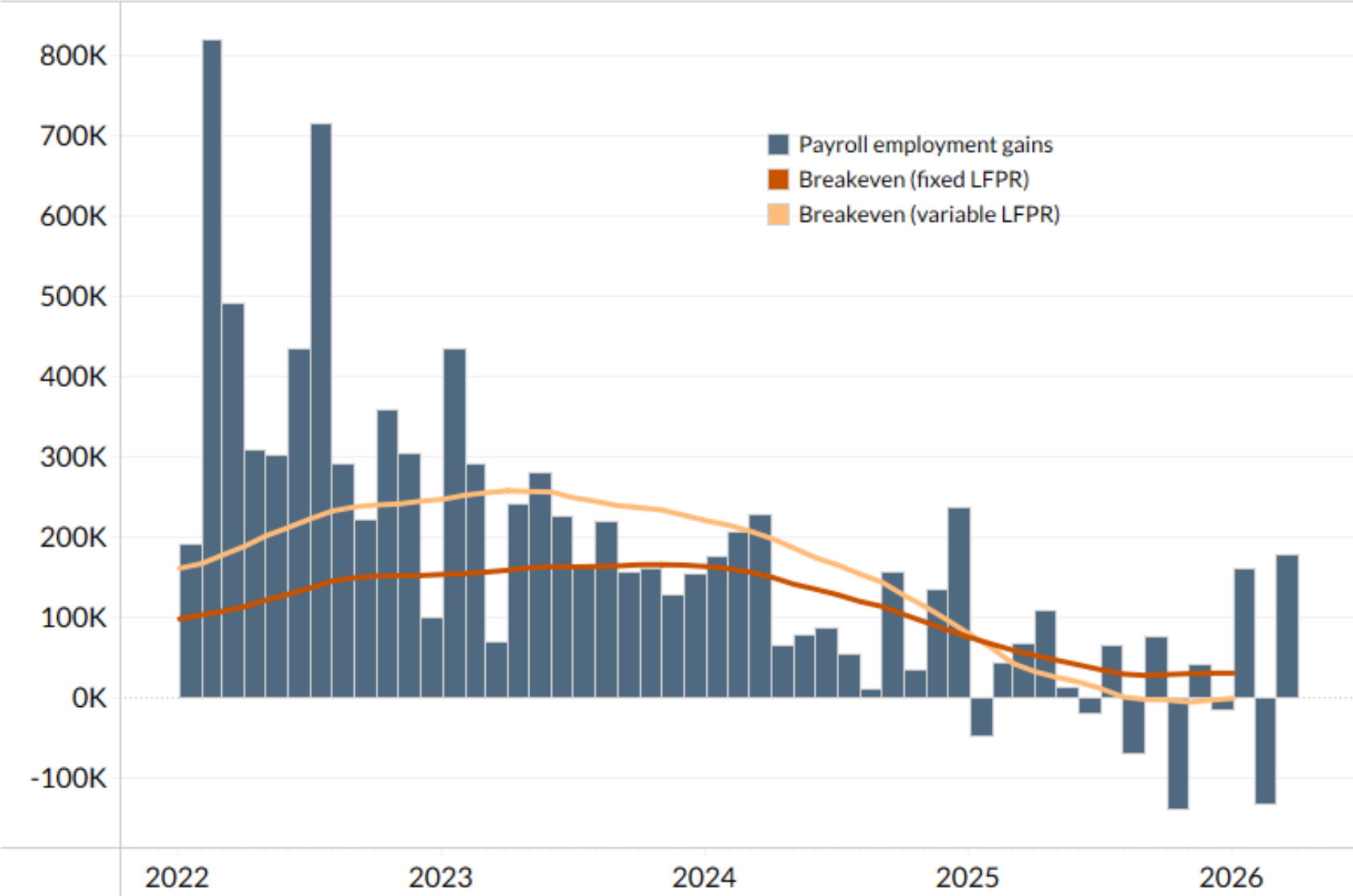
## US Population Growth Rate



Data Source: U.S. Census Bureau MeasuringWorth

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### Payroll Employment Breakeven Estimates



Source: Federal Reserve Bank of Dallas

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"If you adjust what has been the trend job creation over the past, let's say six months, if you adjust that for what we think our staff thinks is the overstatement due to overcounting, *there's effectively zero net job creation in the private sector. But actually that looks like that's about what the economy needs...*

So you've got a sort of a zero employment growth equilibrium. Now, that's balance. But you know, *I would say it does have a feel of downside risk and it's not kind of a really comfortable balance.*"

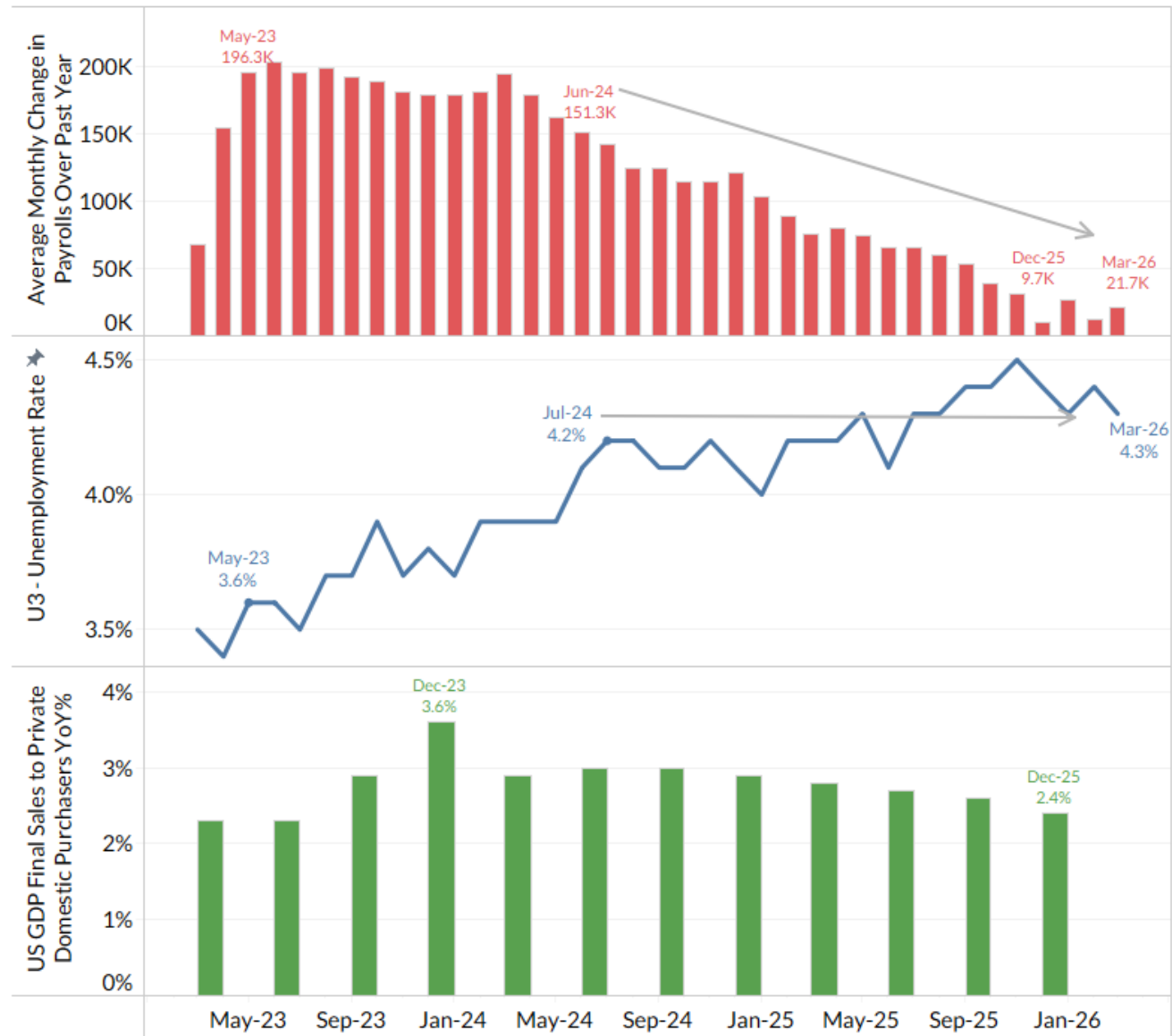
Jay Powell, March 18, 2026

"We've seen a lot of research recently that suggests that this year, labor force growth is going to be zero or close to zero. If that's the case, then you don't need any—you know, zero is the break-even for net new jobs for the unemployment rate not to change".

"For the last 3 months it's averaged right around zero, so I'm kind of in this kind of odd spot where my brain understands the math, but I can't get through my gut that this is okay. I've been doing this for 45 years as an economist, and if you told me zero was normal, I'd say you got to be out of your [mind]... *the idea we'd get a minus 92,000 and the Fed would go 'eh, whatever,' your head would explode*".

Chris Waller, March 20, 2026 (CNBC)

### Payrolls, Unemployment and GDP

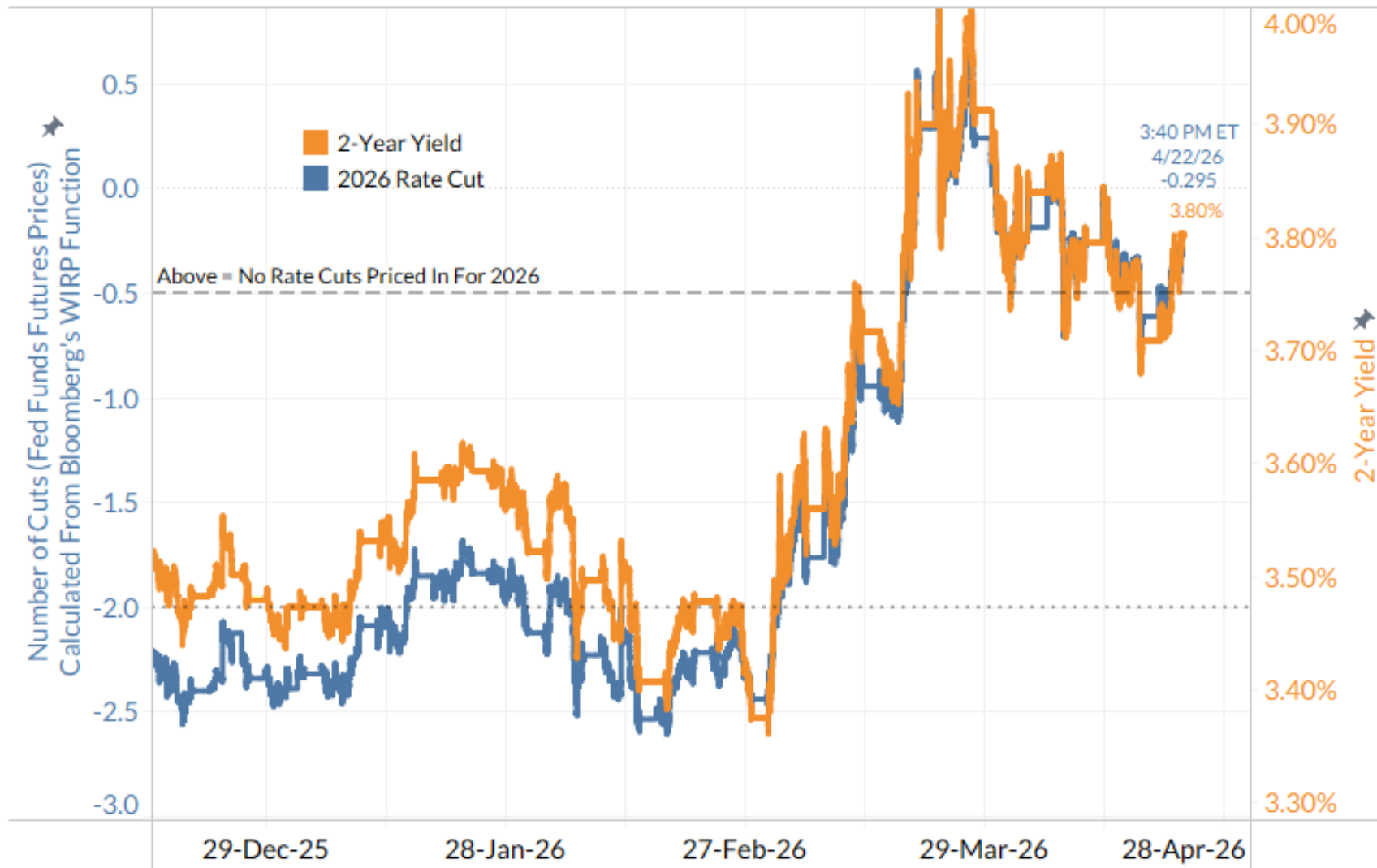


Source: The Federal Reserve, Bloomberg

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# Number of Rate Hikes/Cuts Priced for 2026

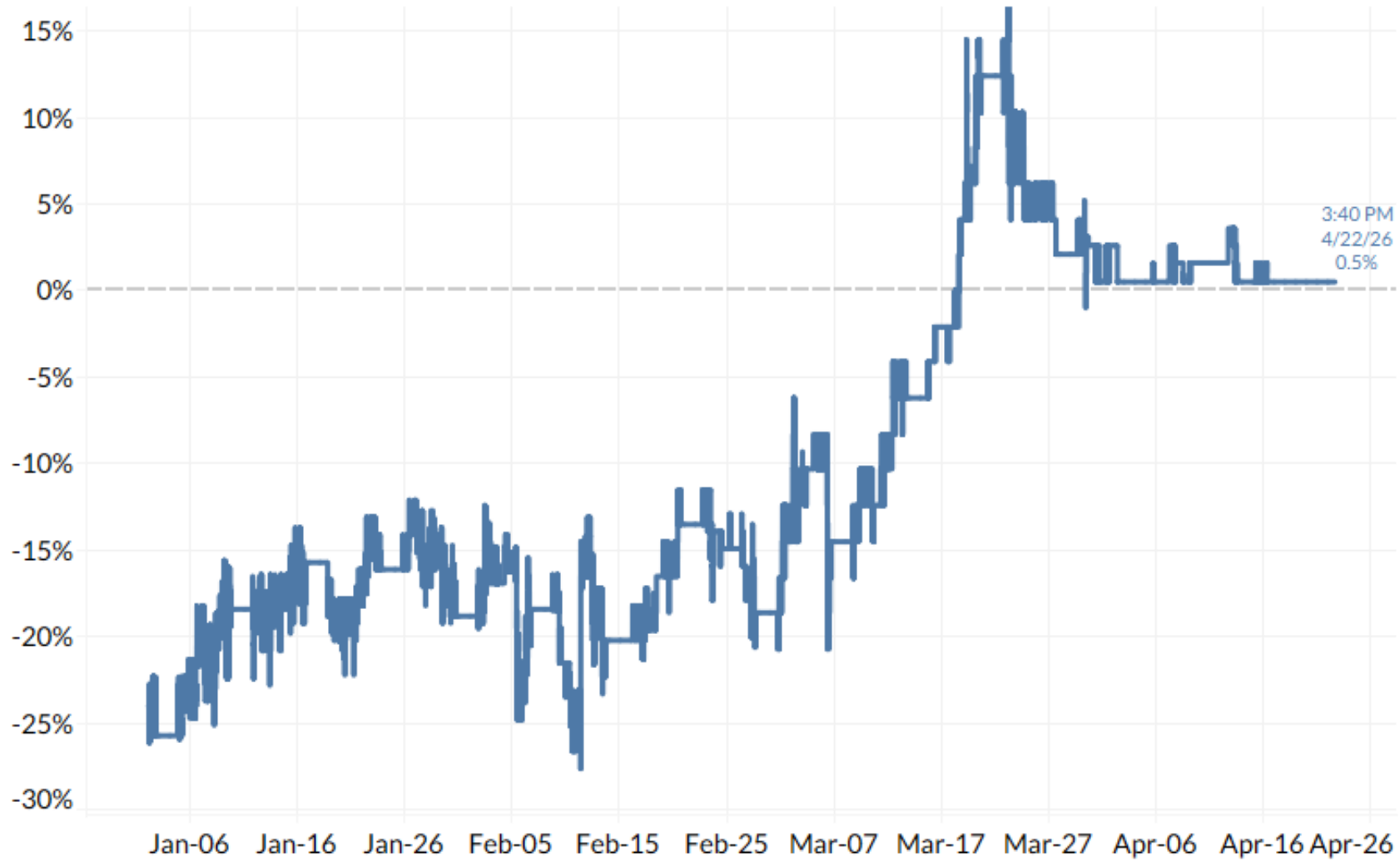
Current Funds Rate Target = 3.50% to 3.75%



Source: Bloomberg WIRP Function

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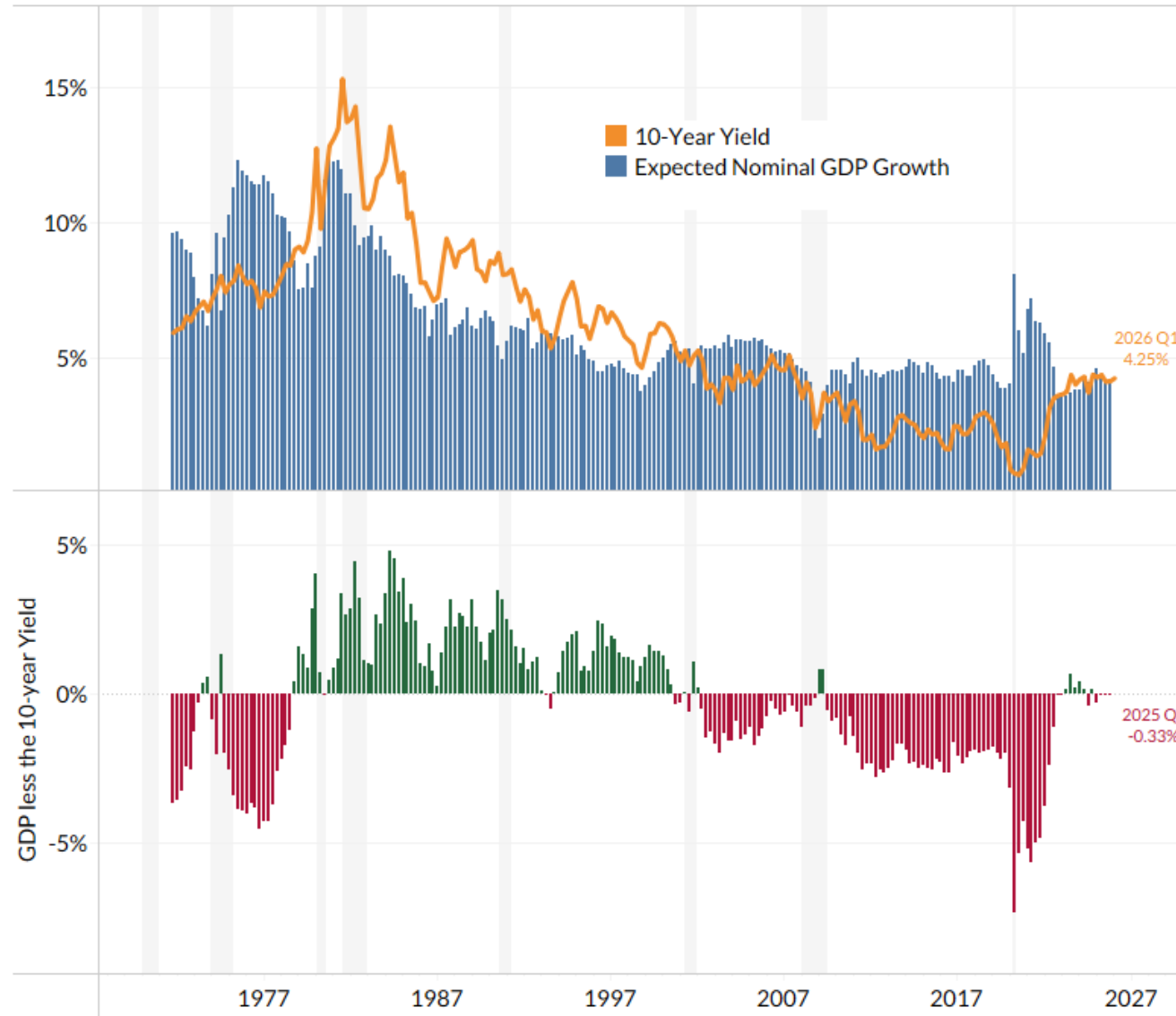
## The Probability of a Fed Rate Move at the April 29, 2026, FOMC Meeting



Source: Bloomberg WIRP Function

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### Expected Nominal GDP Growth and 10-Year Yield



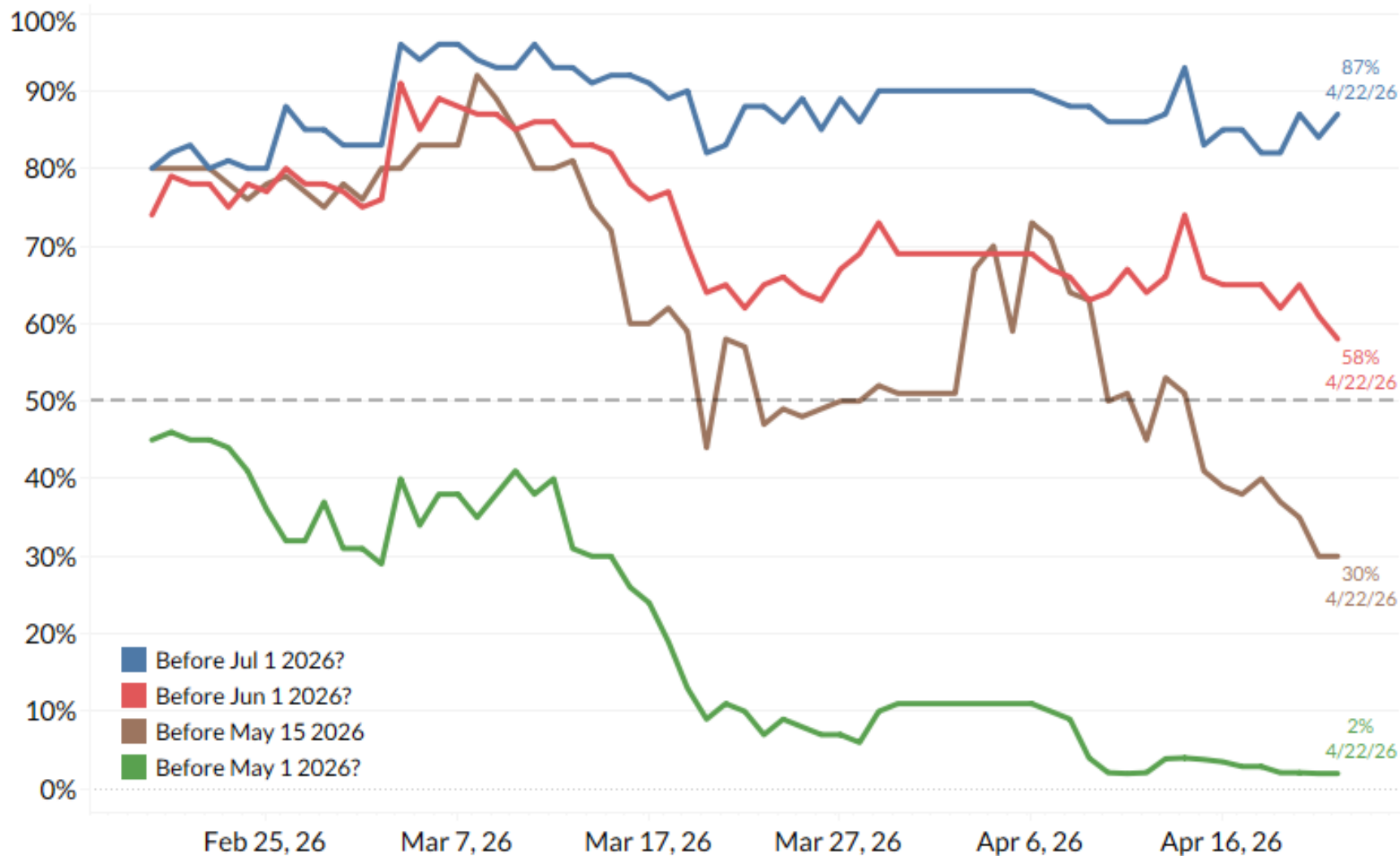
Expected Nominal GDP Growth is from a survey of professional forecasters conducted by the Philadelphia Federal Reserve.

Data Source: Bloomberg

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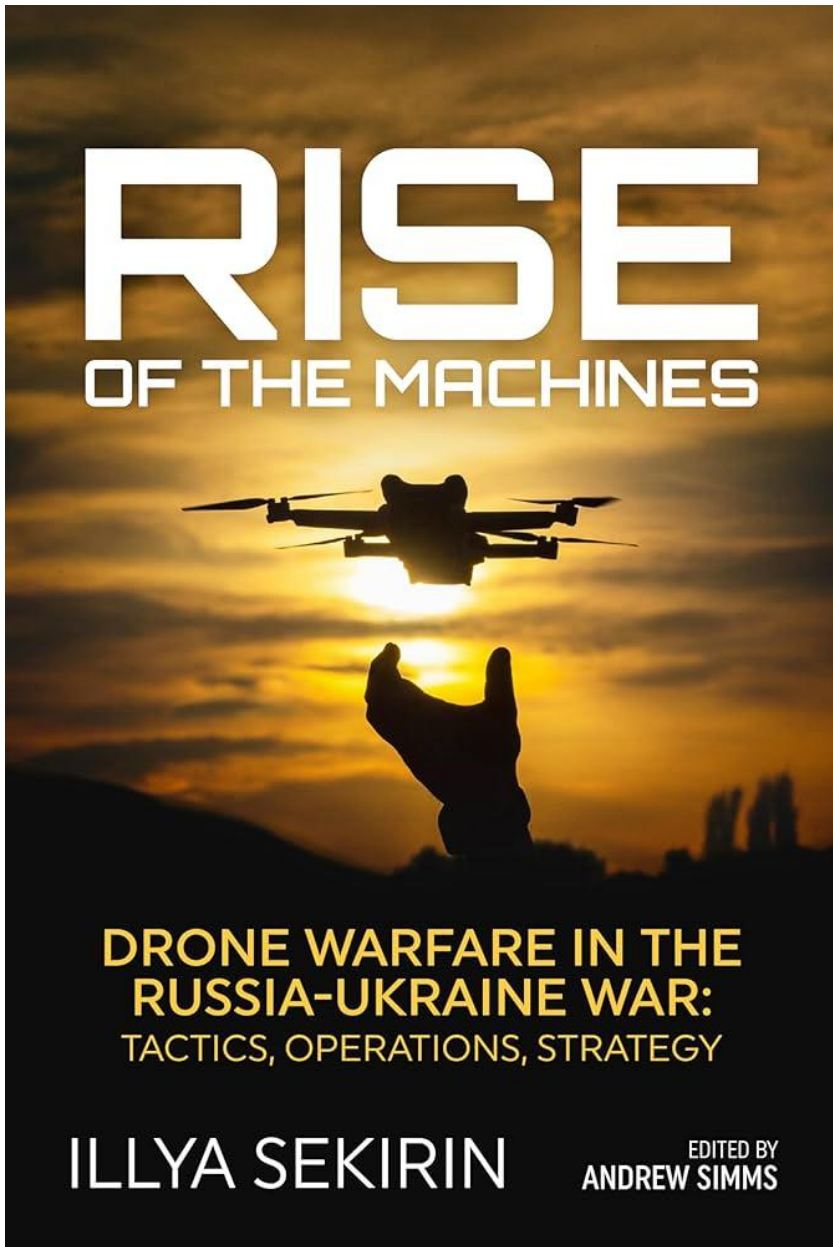
# Kevin Warsh Confirmed As Federal Reserve Chairman

Polymarket and Kalshi Betting



Source: Bloomberg

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**Nicholas Kristof** ✓  
@NickKristof



This feels like a tipping point in the history of war, the Agincourt of the 21st century.



**Kateryna Lisunova** ✓ @KaterynaLis · Apr 13

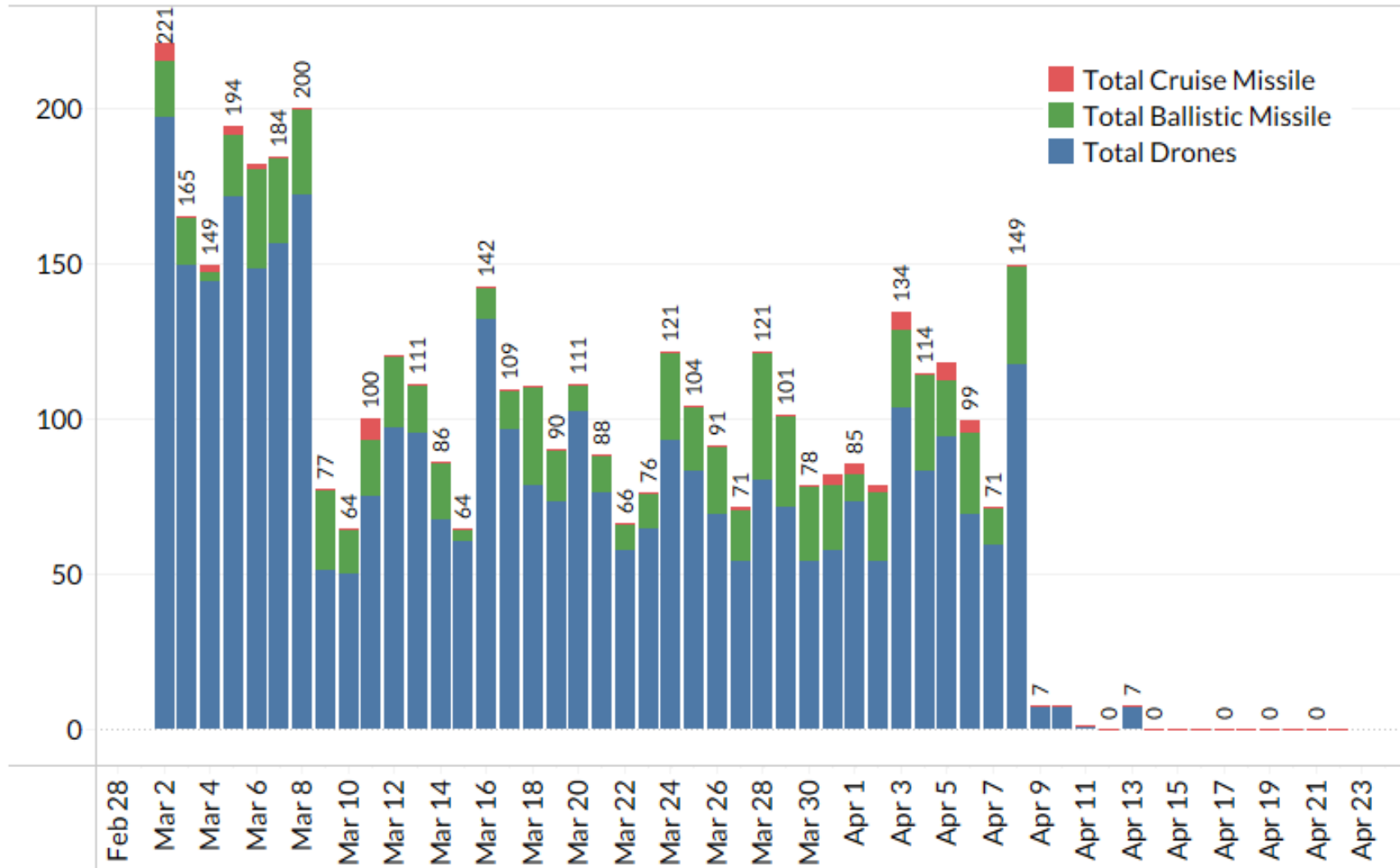
!! ZELENSKY: For the first time in the war, an enemy position was captured entirely by ground robotic systems and drones - without any infantry. A robot entered the most dangerous zones instead of a soldier and took the positions.

«The future is here, on the battlefield, and



8:31 AM · Apr 14, 2026 · 388.9K Views

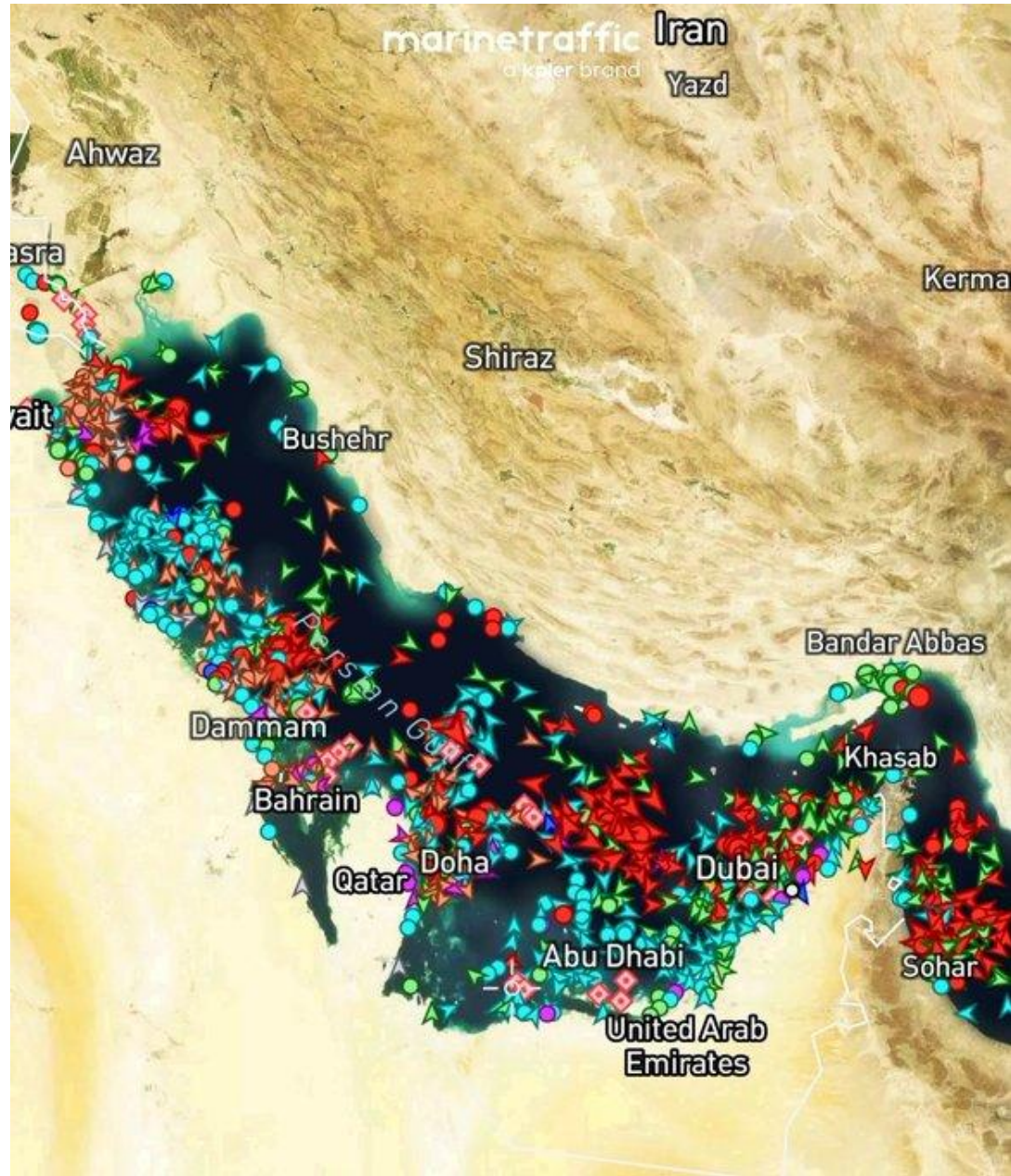
## Iranian Attacks (Drones and Missiles) By Type of Weapon



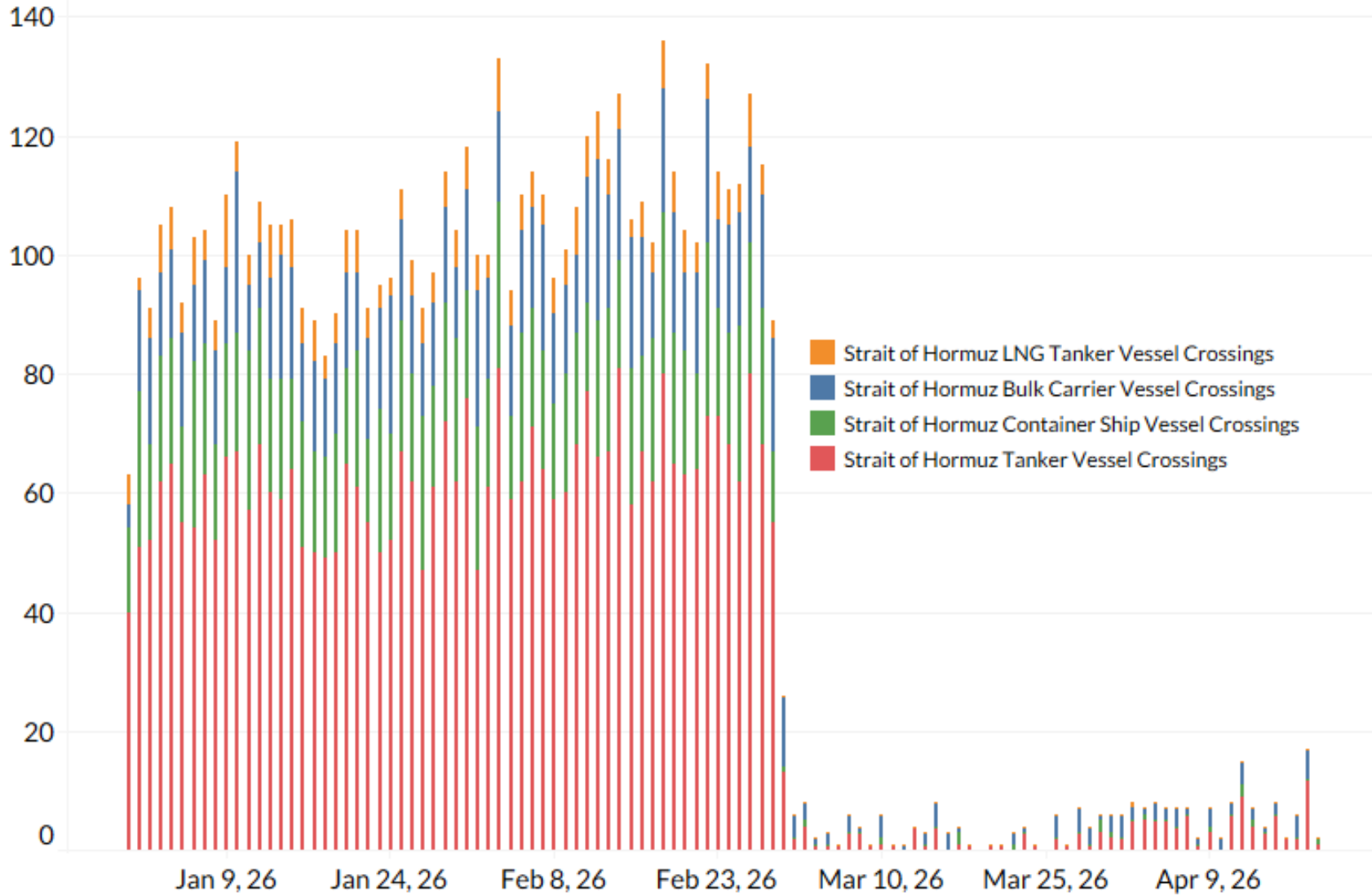
Source: Bloomberg Intelligence

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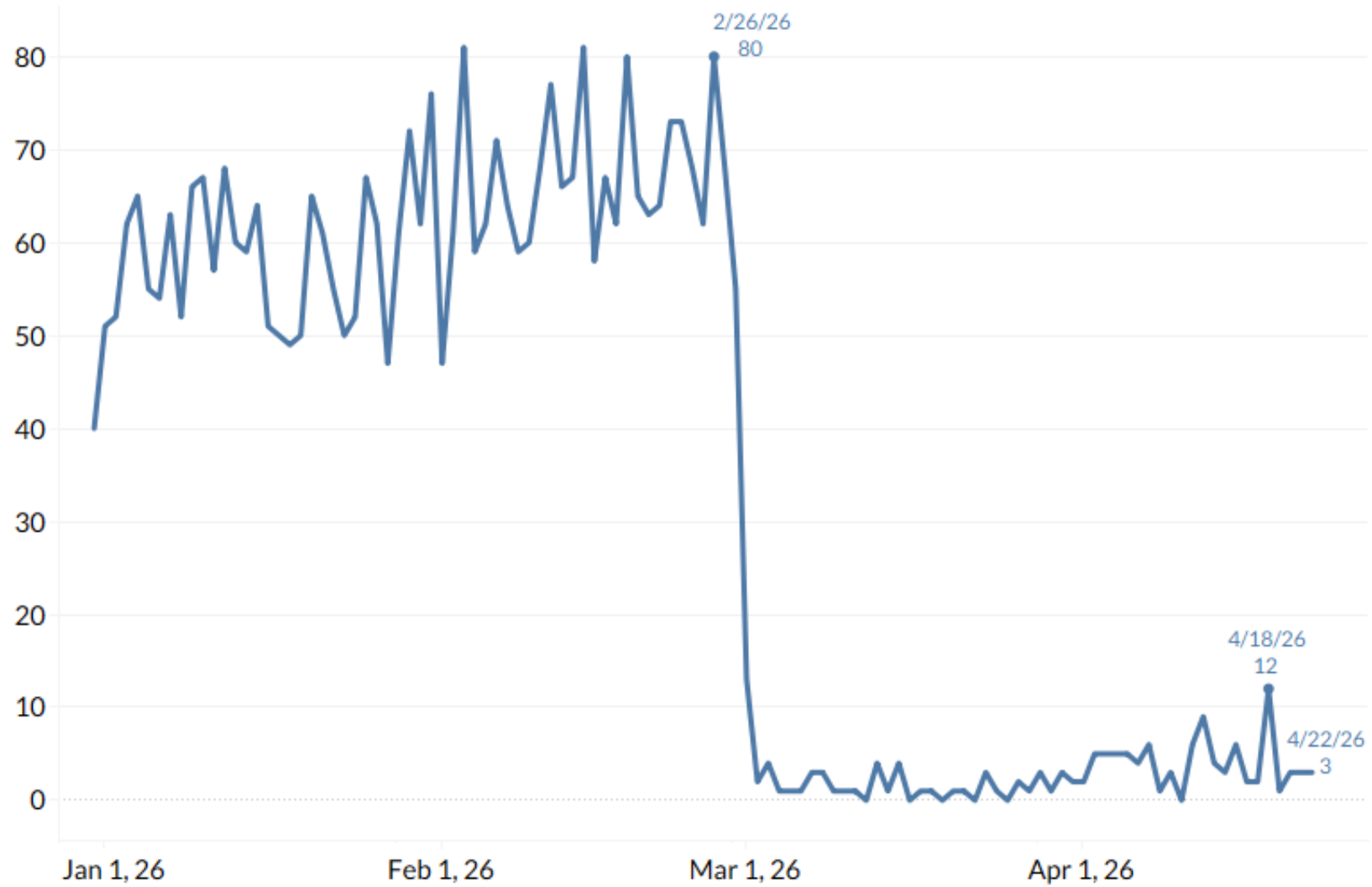
# Strait of Hormuz Daily Ship Crossings



Source: AIS and vessel movement data suppliers are IHS

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## Strait of Hormuz Tanker Crossings (Both Directions)



Source: Data is compiled by Bloomberg through transponder signal (AIS) analysis.

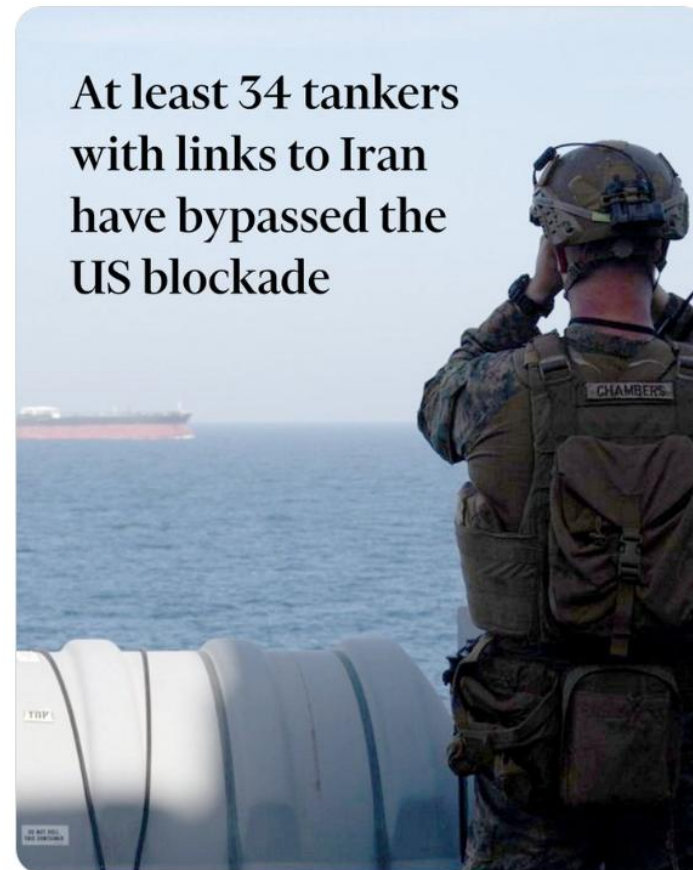
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FT Financial Times  @FT



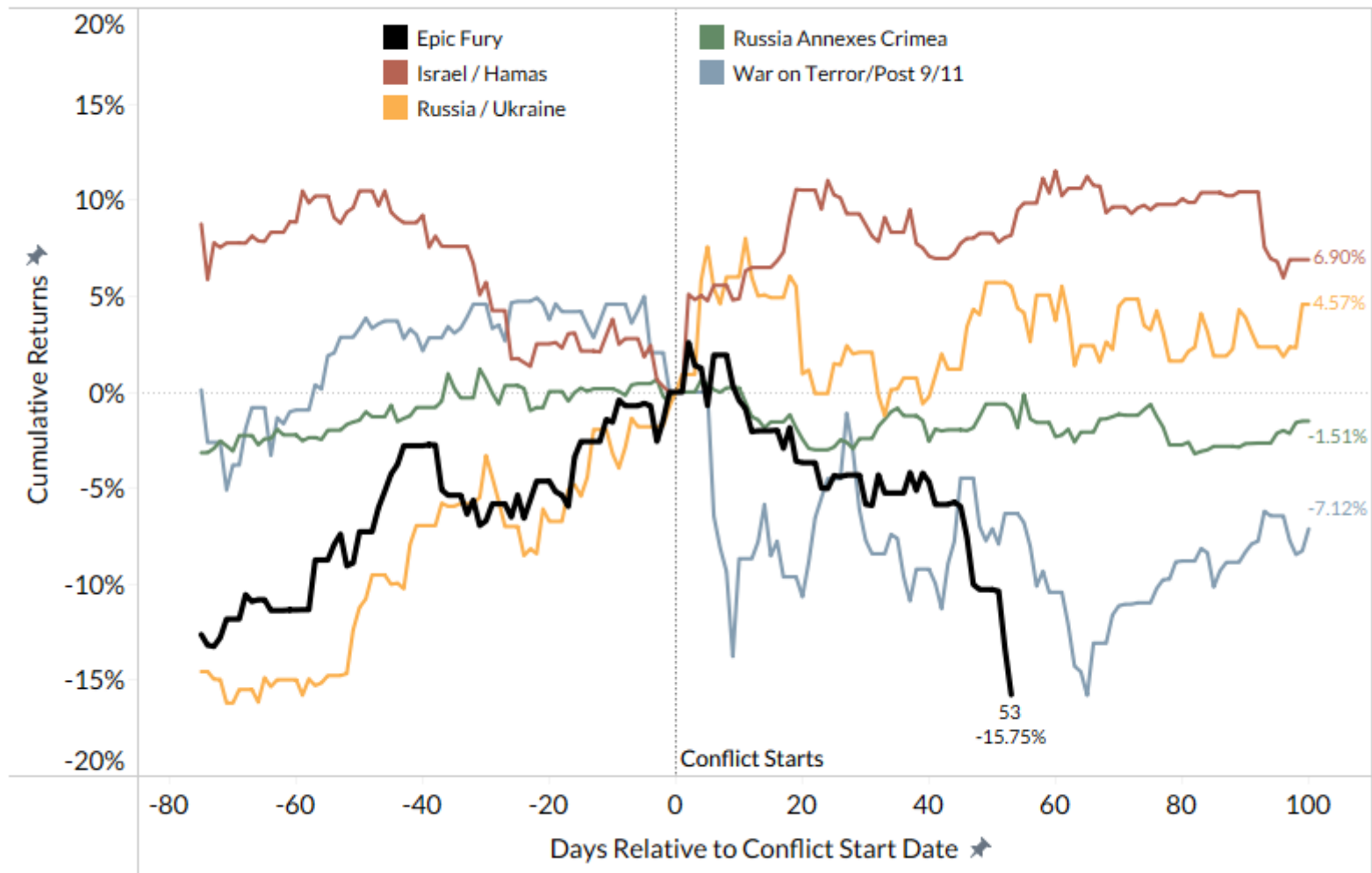
Good morning, Asia. While you were sleeping, one of our most-read stories reported that dozens of ships have managed to circumvent the blockade since it began — despite Donald Trump declaring it a ‘tremendous success’. [ft.trib.al/uIGI0Yn](https://ft.trib.al/uIGI0Yn)



9:04 PM · Apr 21, 2026 · 215.9K Views

## Defense Stocks Are Mixed During Conflicts This Century

S&P 500 Aerospace & Defense Index Relative to S&P 500

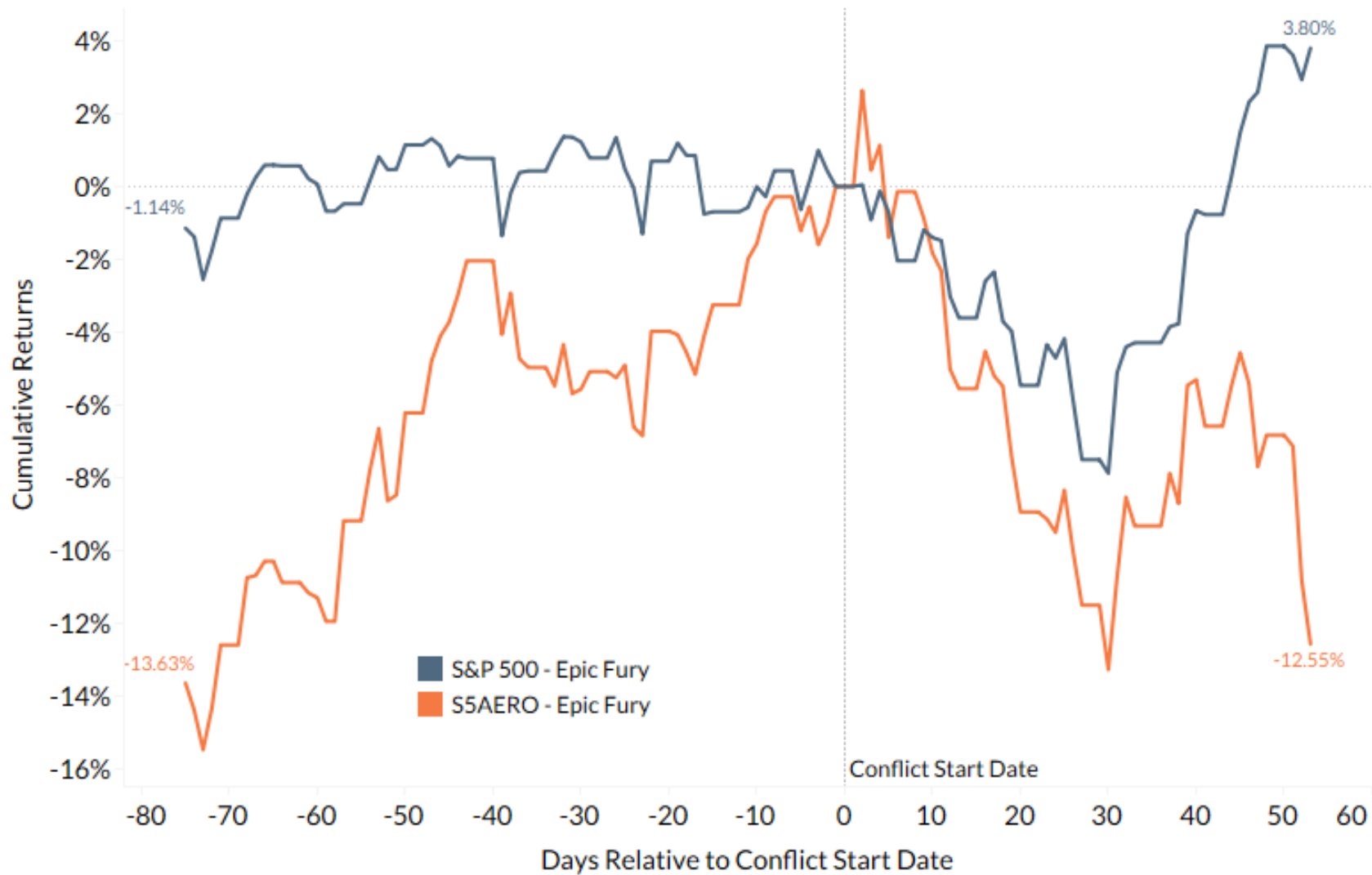


Data Source: Bloomberg

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# Operation Epic Fury Has Made Defense Stocks Fall

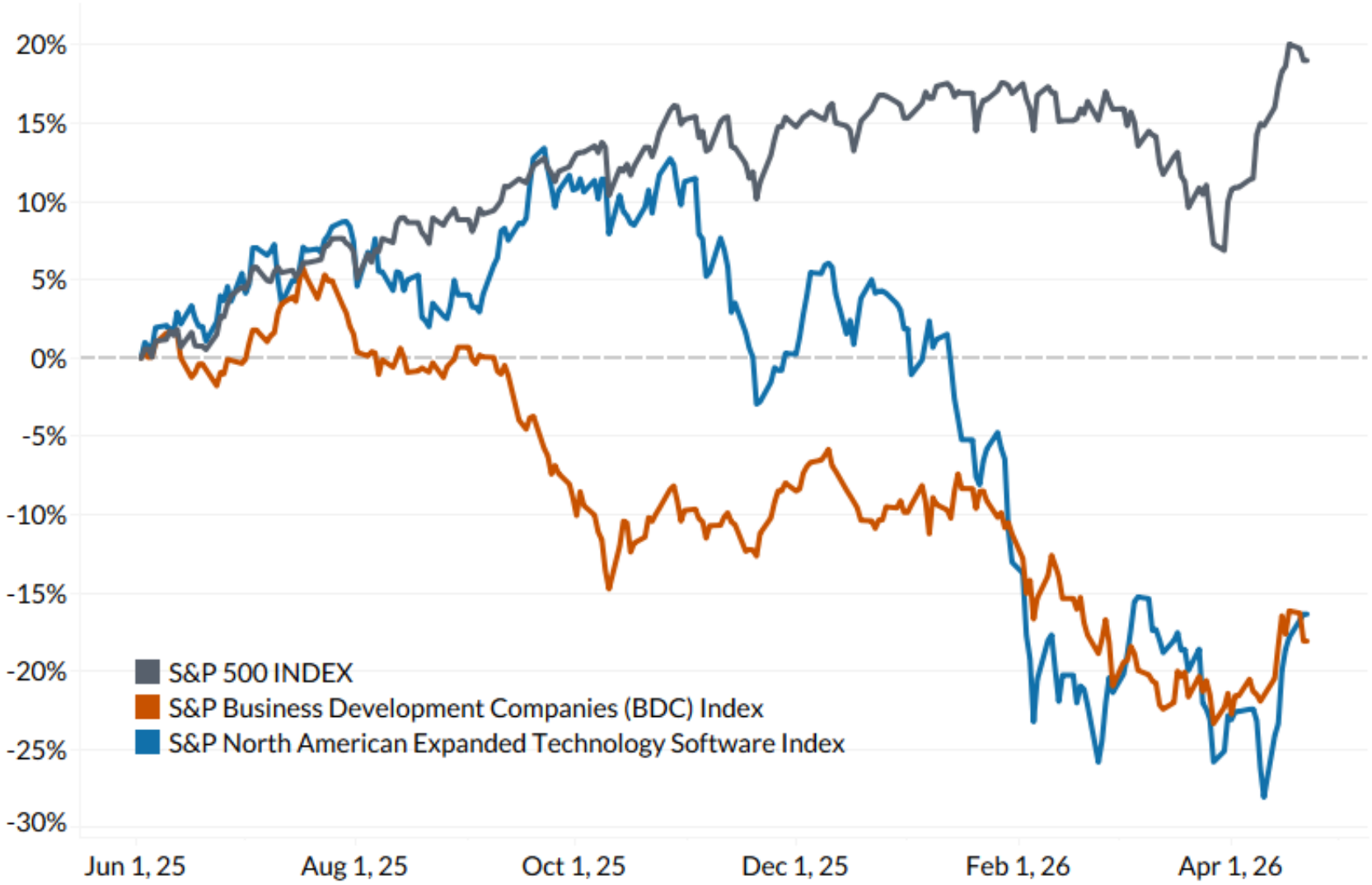
## S&P 500 Aerospace & Defense Index



Data Source: Bloomberg

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### BDC & Software Stock Performance Has Been Rough



Source: Bloomberg

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