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Big Picture Charts in a Noisy Market

By Michael McKeown, CFA, CPA

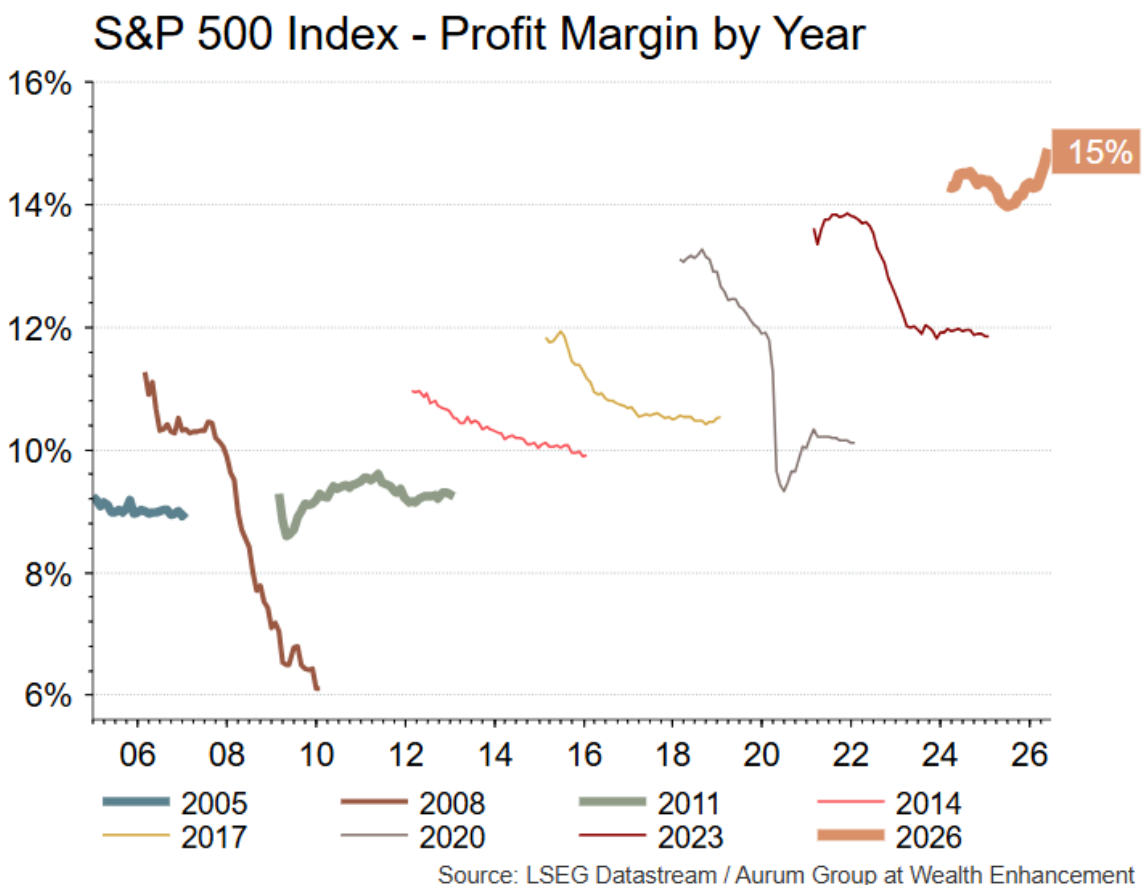
SVP Financial Advisor & Market Strategist | Aurum Group

With market-moving events changing from week to week, it helps to step back and focus on the bigger picture. Daily moves in stocks, bonds, oil, and other markets can be noisy. Some are meaningful. Many are not. That is why we focus on data and charts that help show what is happening beneath the surface.

Profit margins have been rising sharply, but the gains have not been evenly spread across the market. Much of the strength has come from technology, especially semiconductor companies. Strong demand tied to artificial intelligence, cloud computing, and data centers has helped these businesses maintain strong pricing power and higher margins.

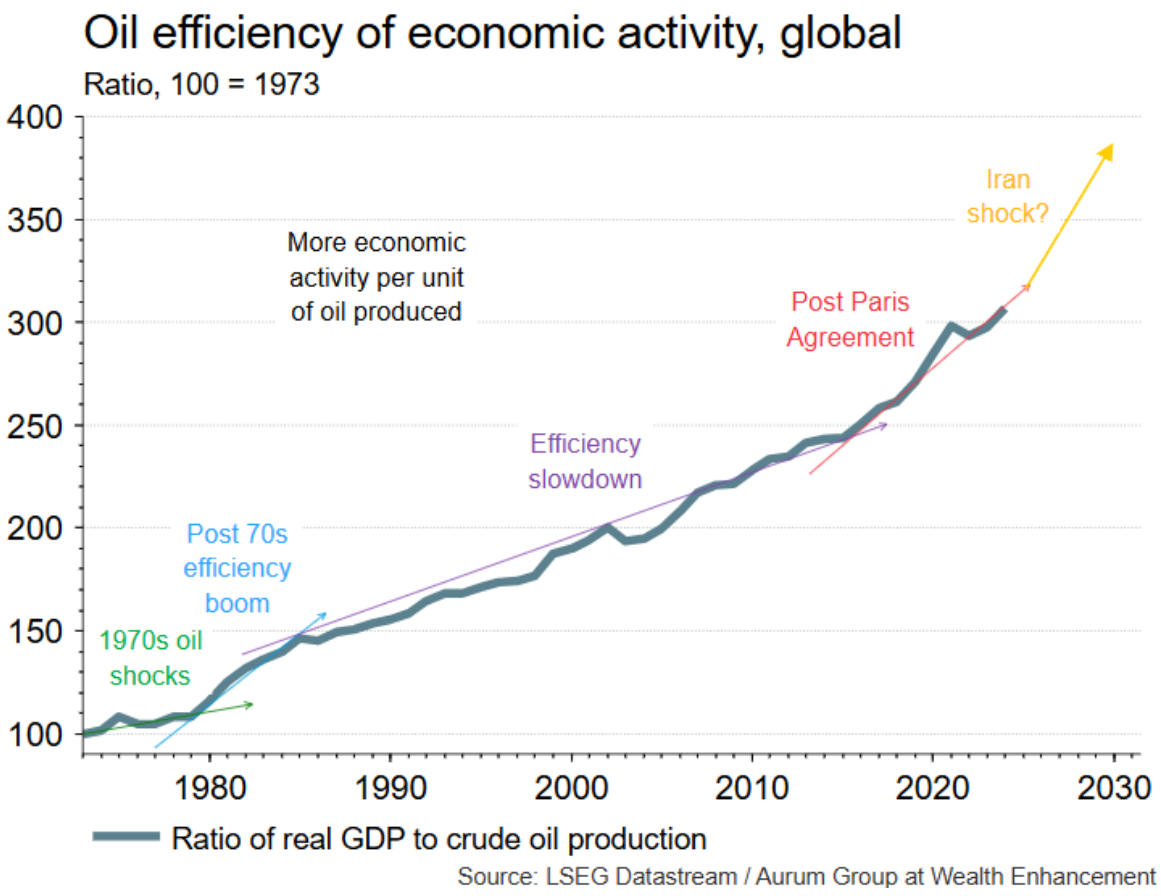
That is unusual. Normally, analysts start with higher margin estimates and then lower them as the year gets closer. This year, the opposite has happened. In 2026, margin estimates began near 14% and have climbed to 15% over the past six months. That is a meaningful shift and one of the more important trends we are watching.

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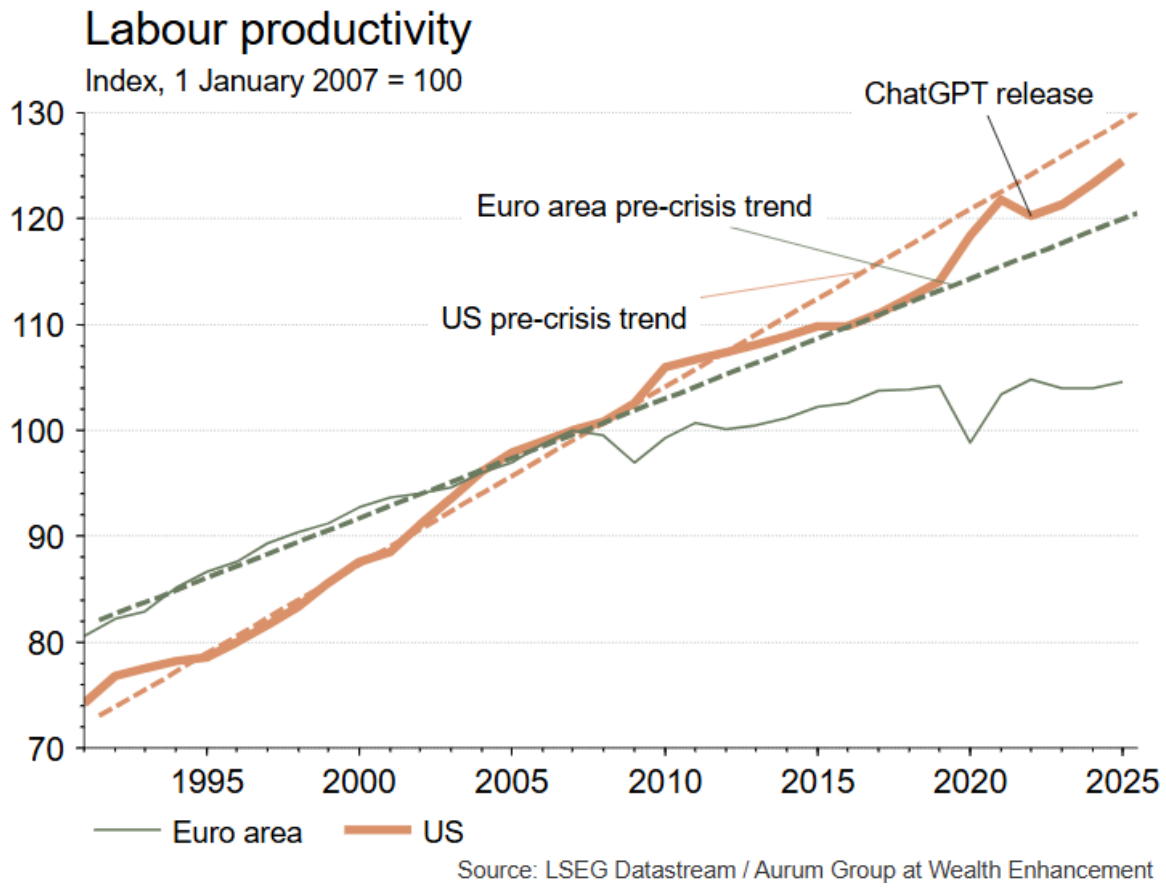
At the same time, some areas of the stock market look stretched. Signs of investor excitement can be seen in leveraged ETFs, options trading, and the strong performance of certain high-growth stocks. But not every part of the market looks expensive. Small caps and international stocks have been improving and may offer more reasonable opportunities for long-term investors.

Oil is still important, but it matters less to the economy than it used to. Decades ago, growth depended much more on energy, manufacturing, and heavy industry. Today, the economy is driven more by services, technology, healthcare, and finance. These areas do not need as much oil to grow. We also use energy more efficiently than in the past. Oil prices can still affect gas prices and inflation, but they have less power to drive the entire economy off course.



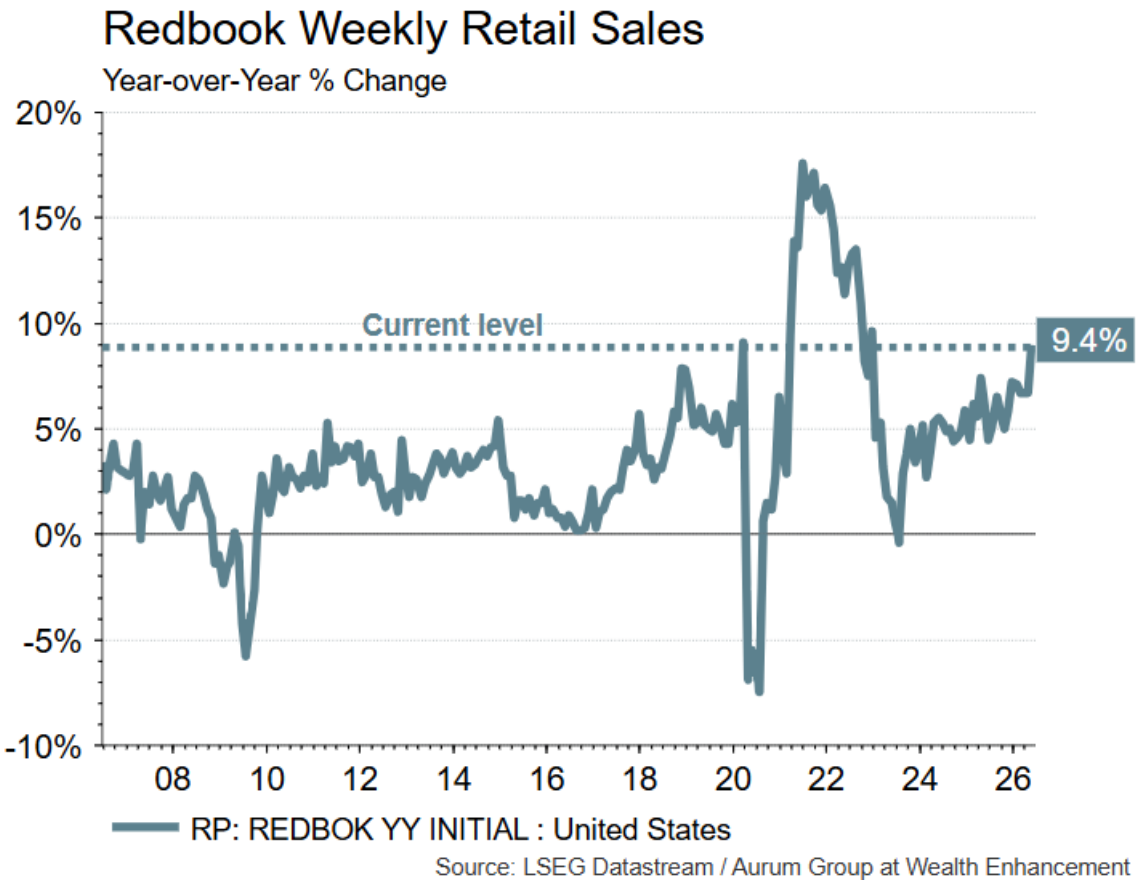
Speaking of productivity, the U.S. continues to stand out from the rest of the world. While productivity remains below its long-term trend, artificial intelligence has helped provide a boost since 2022. The bigger story is that the U.S. has several long-term advantages: strong investment in technology, deep capital markets, a flexible labor market, and a business culture that helps new ideas scale quickly. Over time, those strengths have helped the U.S. turn innovation into real economic growth.

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The consumer remains the engine of the U.S. economy. Household spending makes up about 70% of U.S. economic activity. Right now, the signals are mixed. Surveys show that many consumers feel cautious, and the savings rate has fallen from about 6% two years ago to roughly 2.6%. But actual spending remains strong. Recent weekly sales data showed spending up about 9% from a year ago, near the high end of the past 20 years. This strength has helped support the economy, but it may also be one reason inflation has remained sticky.

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In markets, there is always something to worry about. There are also always areas of opportunity. The key is knowing the difference between short-term noise and long-term signals. Our focus remains on financial planning, disciplined investing, and making thoughtful decisions within the process. Markets will continue to move, headlines will continue to change, and uncertainty will always be part of investing. A clear game plan helps keep those changes in perspective.

* This information is not intended as a recommendation. The opinions are subject to change at any time and no forecasts can be guaranteed. Investment decisions should always be made based on an investor's specific circumstances. Investing involves risk, including possible loss of principle.

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