WINDSOR CAPITAL MANAGEMENT, LLC

20860 N. Tatum Blvd Suite 220 / Phoenix, AZ 85050
2021 Midwest Road Suite 200 / Oak Brook, IL 60523
888.494.4440
www.windsoradvisor.com

April 2026

Market Update
(all values as of 03.31.2026)

Stock Indices:

Dow Jones	46,341
S&P 500	6,528
Nasdaq	21,590

Bond Sector Yields:

2 Yr Treasury	3.79%
10 Yr Treasury	4.30%
10 Yr Municipal	3.08%
High Yield	7.25%

YTD Market Returns:

Dow Jones	-3.58%
S&P 500	-4.63%
Nasdaq	-7.11%
MSCI-EAFE	-1.12%
MSCI-Europe	-3.54%
MSCI-Far East	2.45%
MSCI-Emg Mkt	-0.10%
US Agg Bond	0.29%
US Corp Bond	0.11%
US Gov't Bond	0.11%

Commodity Prices:

Gold	4,692
Silver	75.43
Oil (WTI)	102.43

Currencies:

Dollar / Euro	1.14
Dollar / Pound	1.32
Yen / Dollar	159.66
Canadian /Dollar	0.71

Macro Overview

The middle east conflict has brought about a disruption of oil supplies globally, inhibiting the delivery of oil and natural gas to countries all over the world. The Strait of Hormuz, and what control Iran could continue to have over the Strait, has become the primary determining factor in the outcome of the war.

Any cease-fire agreements are being taken cautiously by markets, as the fragility of negotiations impede on any formidable reassurances. Multiple countries have become entangled in the negotiation process due to the importance of the Strait of Hormuz remaining open and without risk to navigate.

For decades oil has been and continues to be an integral component to global commerce and economic sustainability. The evolvement of natural gas has also become a significant source of energy for countries. Both oil and natural gas provide over half of the world's energy demands, produced and transported from various regions of the world.

Stocks demonstrated extreme volatility following the start of the Middle East conflict, with volatility rising significantly and abating day to day as news releases and what was expected to transpire, fueled speculation. U.S. markets have thus far fared better than international markets, as uncertainty drove funds towards the transparency and liquidity of the U.S. financial system. Equity markets are concerned with oil prices because nearly every service and product consumed, is produced, manufactured, and transported with oil. Higher oil prices tend to affect corporate profitability and earnings, which are exposed during future earnings releases.

Tax cuts for corporations fueled by the Big Beautiful Tax Bill which passed last year, are incentivizing companies to expand and invest in infrastructure, research & development, and technology. U.S. corporations are estimated to invest $650 billion to $725 billion in artificial intelligence (AI) infrastructure in 2026. Optimistically, projected expenditures are expected to continue forward regardless of global or domestic constraints due to the timing of recent tax policies.

The Department of Labor reported that 178,000 jobs were created in March, rebounding from a revised 133,000 loss in February. The unemployment rate edged down to 4.3% from 4.4% at the end of 2025, solidifying the labor market's resilience to layoffs and position eliminations. Healthcare jobs continued to lead in job growth and new hires across the nation, adding 76,000 jobs in March.

The Fed is scrutinizing the effects of elevated oil and gasoline prices on the economy, which could lead to expanding inflationary pressures. Fuel and energy prices constitute about 6-8% of the Consumer Price Index (CPI), which is closely followed by the Fed in determining the direction of interest rates. Numerous analysts and economists differ with the Fed's stance on combating inflation, as current inflationary pressures are not consumer driven but geo-conflict driven. The recent rise in rates and oil prices are currently a result of the war, leading consumers to restrain spending on discretionary items and travel, which may hinder economic activity. (Sources: Dept. of Labor, Federal Reserve, Dept. of Energy)

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THE AVERAGE RATE FOR A 30 YEAR MORTGAGE LOAN ROSE TO 6.46%

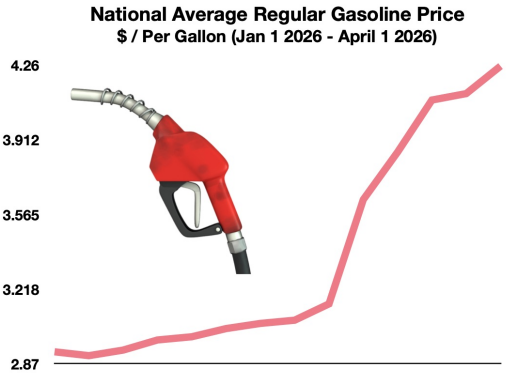
Rates Head Higher As Market Turmoil Erupts – Fixed Income Update

Rates rose in March propelled by rising oil and gasoline prices, hindering the Fed's objective of eventually easing rates. Treasury yields rose across all maturities as markets expected the Fed to abandon its rate reduction promises due to rising inflationary threats. Historically, funds flow into Treasuries during periods of conflict and war, yet the Middle East conflict has influenced Treasuries differently, with rising oil prices stoking inflation. Mortgage rates climbed to their highest levels since October, depressing application activity for new and refi-loans. The average rate for a 30 year conforming mortgage loan was 6.46% at the beginning of April, up from 5.98% at the beginning of March. Inflation and jobs data will determine what the next move will be by the Federal Reserve. (Sources: U.S. Treasury, FreddieMac, Federal Reserve)

Volatility Picks Up With Middle East Conflict – Equity Market Overview

Stocks wavered in March following the start of the Middle East conflict. Volatility rose significantly and abated day to day as details of the conflict and what was expected to transpire fueled speculation. Earnings have become a focal concern as elevated gasoline and diesel prices may eventually seep into corporate profitability. Consumer sentiment has also become an indicator as to where household expenditures might be allocated. All major equity indices reacted as the war erupted, with oil stocks leading while nearly every other sector faltered. Oil industry stocks tend to appreciate as the price of oil rises since their margins increase without any additional expenses. Markets have thus far tested valuations of technology and other growth sectors as the Middle East turmoil has exposed the risks of market fragility. The energy sector was the only positive performing sector in March, gaining 10% as oil related stocks drove prices higher within the sector. (Sources: S&P, Bloomberg, Reuters)

How A Supply Shock Raises Gasoline Prices – Energy Industry Overview



The rapid and unexpected disruption in the supply and transportation of oil, as a result of the Middle East conflict, sent oil prices to nearly double their price prior to the conflict. Historically, supply shocks occurred in 1973 with the OAPEC Embargo, the 1979 Iranian Revolution, the 1990 Gulf War, and currently the Strait of Hormuz. Such abrupt disruptions in supply and transit of oil can lead to devastating affects on imported energy reliant countries and their economies. Economies globally rely on steady and consistent fuel supplies, which allows companies and governments to plan accordingly for current and future energy needs. When a supply chain is disrupted, prices rise and future plans may be derailed. As oil transports cease, then there is no crude to refine into gasoline, sending supplies lower and prices higher. Countries that have no refineries or oil reserves of their own, tend to suffer the most from supply shocks. The abundance of refineries and oil reserves that the U.S. has, theoretically will buffer the initial onset of the supply shock, allowing oil drillers and producers to gradually increase production to meet demand. Historically, gasoline prices tend to climb much faster than falling, which means that even if a cease-fire successfully occurs, prices may not fall as quickly as they rose. The reason behind this is that gas-station operators, whose margins shrink with quick climbs in wholesale costs, tend to lower prices more gradually while they sell more expensive supplies first. (Sources: International Energy Agency, U.S. Dept. of Energy)

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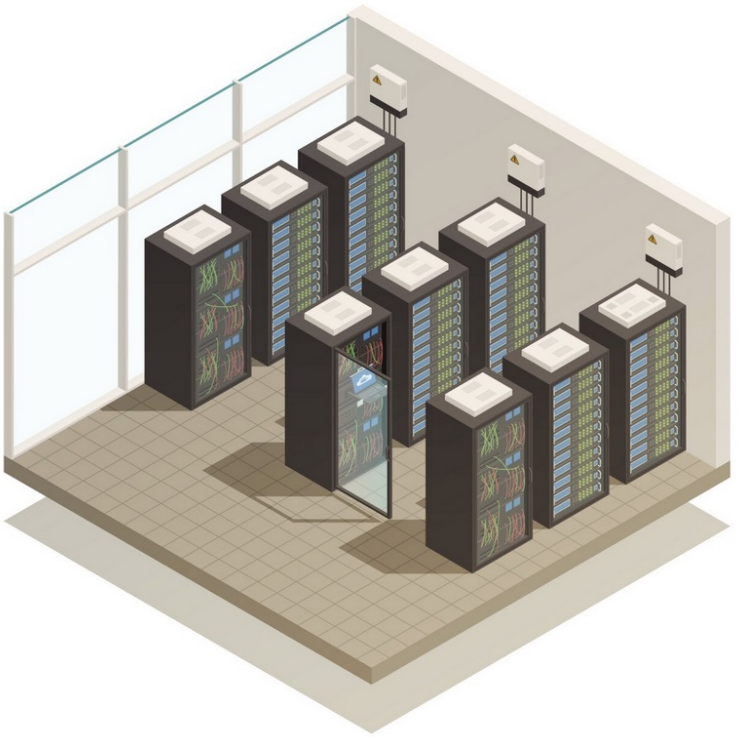
THERE ARE OVER 4,000 OPERATIONAL DATA CENTERS IN THE UNITED STATES

The Challenge With Expanding Data Centers & Energy Usage – Utilities Sector Update

The current number of data centers under construction will need the equivalent amount of electricity as the entire country of Italy. As of early 2026, there are over 4,000 operational data centers in the United States, with nearly 3,000 additional new facilities either planned or under construction.

Data centers consume an enormous amount of electricity, with eight of the regional power grids in the United States already at or below critical spare capacity levels. The Edison Electric Institute estimates that utility companies will spend $1.1 trillion between 2025 and 2029 on capital projects in order to expand electricity generation.



Data centers are becoming increasingly debated among politicians and local representatives, since these enormous structures employ just a small number of workers and produce little if any collateral benefits for local communities. Most concerning is the amount of power data centers divert from local homes and communities, having led to utility price increases and rate hikes among various states. Some states have been more approachable than others in working with utilities and their expansion projects in order to provide the electric demanded by data centers.

The majority of the billions of dollars that the large tech companies are spending on AI infrastructure build-out is going towards actual semiconductors, hardware and buildings, with a fraction being spent on electricity. What is driving the growth estimates for utility companies are the numerous decade plus contracts being signed with these tech companies, ensuring years of revenue growth.

Texas leads data center development and construction, providing large land areas, rapid permitting, and a deregulated electric grid that allows developers to access power easily.

Sources: Dept. of Energy, Edison Electric Institute, EPA

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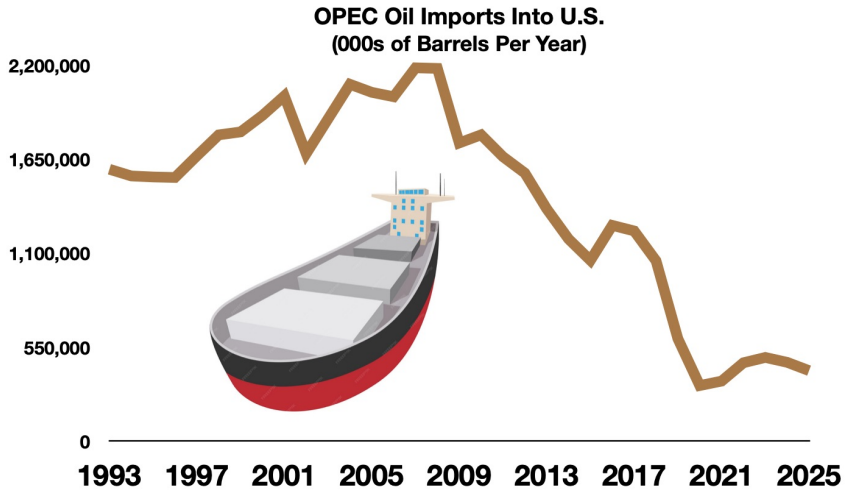
OPEC IMPORTS HAVE FALLEN FROM 70% OF U.S. OIL IMPORTS TO 10-15%

OPEC Is At A Crossroads – Oil Industry Update

The Middle East war has brought about a serious challenge for OPEC and its ability to produce and effectively sell oil globally. The current members of OPEC include Venezuela and Iran, both of which are founding members of OPEC which was established in September 1960. Currently, Venezuela's oil industry is undergoing a significant transition, with the U.S. attempting to revive the industry through increased involvement of American firms. Iran has directly attacked and damaged oil industry facilities in neighboring OPEC member territories, including Kuwait, Iraq, Saudi Arabia, and the United Arab Emirates. These attacks have obviously hindered Iran's relations with OPEC members as well neighboring countries in the Middle East.



With roughly 20% of the world's oil passing through the Strait of Hormuz, Iran is increasingly being pressured to release its grip on the passage. This contention has become the most significant factor determining the possible outcome of the war. The blockage of the Strait hinders not only global oil supply but also the economic livelihood of countries worldwide whose use of oil and natural gas is critical.

For decades, countries globally have been reliant on OPEC for oil, with OPEC basically setting the price of oil based on their desired production. More recently, the U.S. has significantly reduced its reliance on OPEC, with a dwindling amount of oil imported from OPEC. Over 70% of U.S. oil imports came from OPEC in 1977, falling to 10-15% as of 2025.

The only reason that the U.S. imports oil from OPEC is the fact that the majority of refineries in the United States are geared for processing heavy, high-sulfur crude oil which are often sourced from OPEC nations, rather than the light, sweet oil that constitutes much of the current U.S. oil production. Much of this oil is imported since the U.S. has the capacity to refine OPEC's heavier oil grades which other countries cannot. U.S. oil producers currently blend imported heavy crude with lighter sweet U.S. crude in order to maximize fuel types and refinery capacity.

Sources: International Energy Agency, OPEC.org, Dept. of Energy, Commerce Dept.

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