

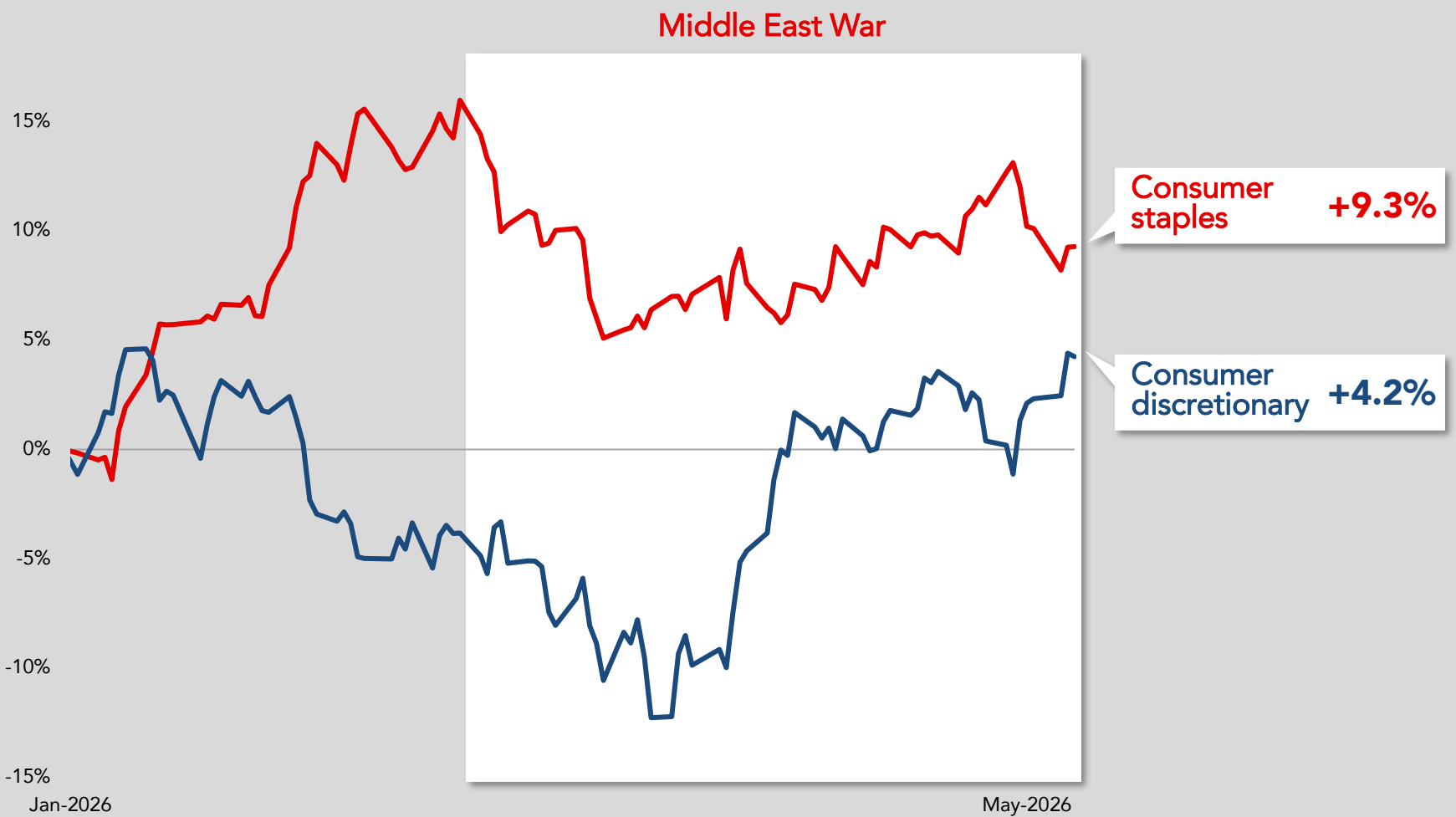
Chart of the Day



Inelastic & Elastic Demand

Consumer staples stocks have behaved like classic defensives during a supply side geopolitical inflation shock, outperforming more elastic and cyclical consumer discretionary names YTD. Despite pre-war concerns about rich valuations and slower earnings growth, investors have rewarded staples for their more inelastic demand dynamics, pricing power and cash-flow visibility during a time of elevated macro uncertainty. While the performance premium gap has narrowed since the ceasefire began, it remains vulnerable to the directional move in energy prices and rates in the weeks ahead.

S&P 500 index performance since January 2026



Source: (1) Bloomberg. Data as of May 28, 2026.

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“Macro stability isn’t everything, but without it, you have nothing.”