

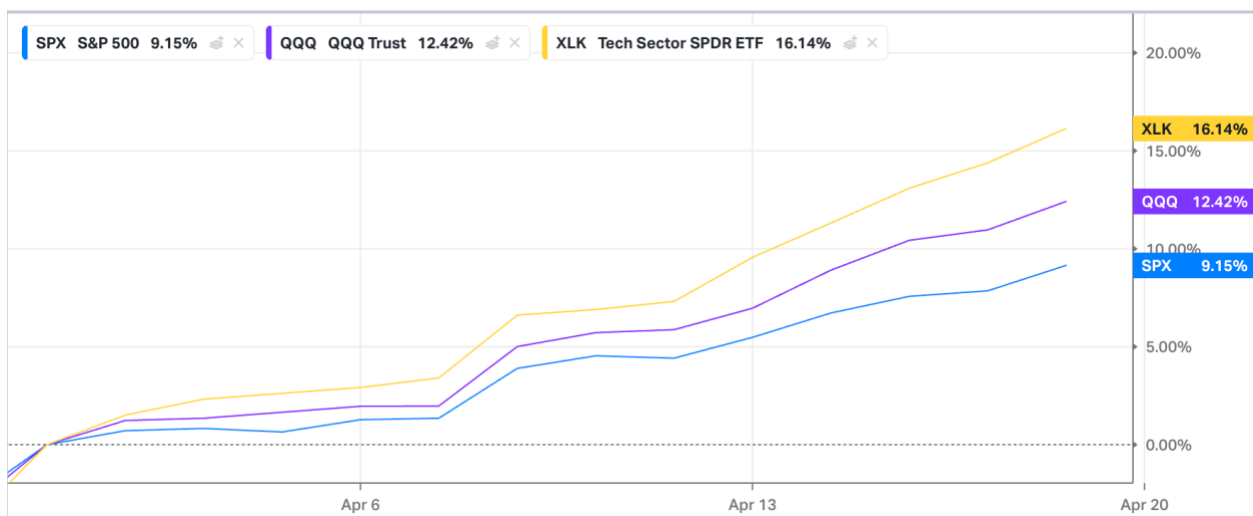
FCM Market Notes—April 18, 2026

Skyrocketing Market Meets This Headwind Now

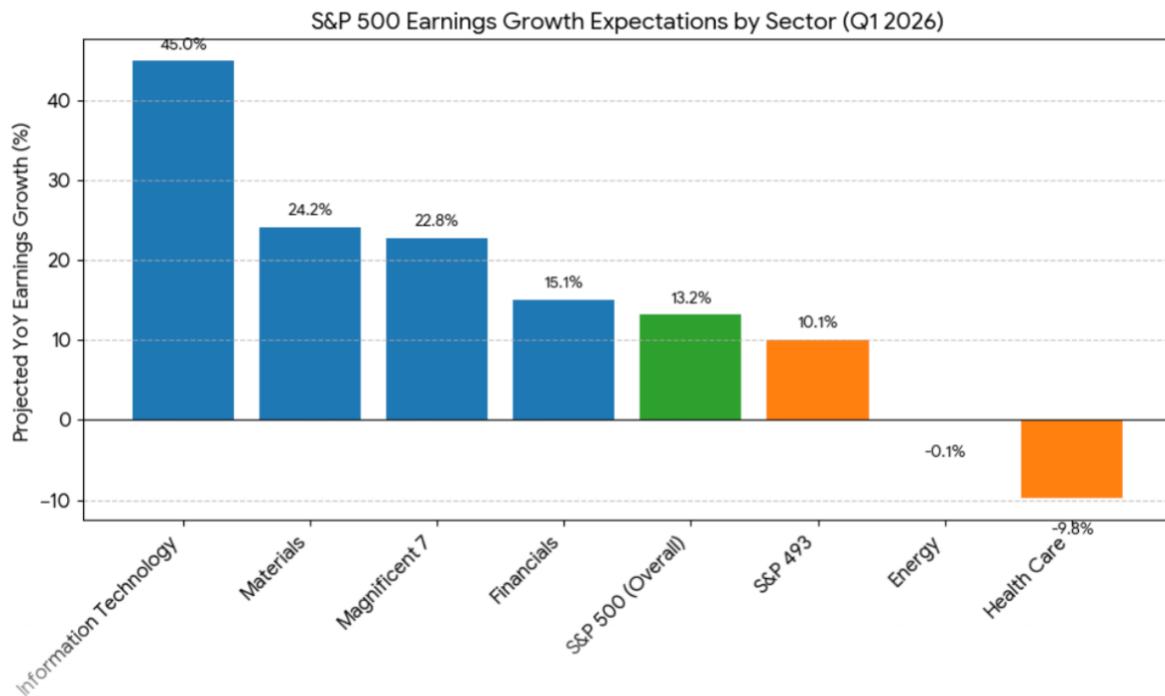
Fun facts about the market’s advance this month: only 21 times since 1950 has the market managed a 10% rally this fast. According to Bespoke Research, since 1957 there have only been three rallies like this—an intense sprint over 10 days that led to an all-time high.

In October 1982, with large cap stocks trading at single-digit multiples and at the end of years of punishing interest rates as Fed Chair Volcker wrung inflation out of the US. Secondly, 2000: the blow-off top to one of the largest buying manias in investing history. Lastly, November 2020, at the end of the COVID pandemic’s worst, following spectacular fiscal and monetary stimulus.

We did not come from extremely cheap valuations or a beaten down level, and we did not receive a massive dose of stimulus as in COVID. But we did have a tech-led bounce of epic proportions.



Tech bounce (and possible bubble suspect), meet earnings reporting season. Expectations are high:





















As any market watcher knows, past earnings growth no matter how spectacular, often takes a back seat to the expectations that such growth can continue. Here is the rub.

While AI is an incredible story (just like the internet was in 2000), it is evolving rapidly into just as much a story of physical limitations as of computing capability growth.

30-50% of global data center projects expected for 2026 are now delayed. According to the Financial Times major hyperscaler projects for Microsoft and OpenAI will miss completion dates by three months or

more. The number of delays are only increasing. The reasons are many but this table summarizes the most critical ones:

Delay Driver	What's Happening	Typical Timeline Impact	Severity / Bottleneck Level	Key Insight
 Power / Grid Constraints	Lack of available power, long interconnection queues, transmission buildout lagging	6-36+ months (in extreme cases multi-year)	 Critical (Primary bottleneck)	Power has become the gating factor—projects can't proceed without secured capacity
 Supply Chain (Equipment)	Delays in transformers, switchgear, turbines, GPUs, cooling systems	3-12 months	 High	Electrical equipment (not chips) is often the longest lead-time item now
 Labor Shortages	Shortage of skilled trades (electrical, HVAC, specialized DC construction)	2-6 months	 Moderate	Compounds other delays; especially acute in major hubs
 Permitting & Regulation	Zoning issues, environmental reviews, moratoriums	6-18 months	 High (region-specific)	Increasingly political—can halt projects entirely in some regions
 Community / Environmental Pushback	Concerns over power usage, water consumption, local infrastructure strain	3-12 months	 Moderate → Rising	Growing constraint, especially in U.S. and Europe
 Interconnection Queue Backlogs	Utilities overwhelmed by requests; slow approval for grid access	12-36 months	 Critical (often overlaps with power)	Hidden bottleneck—many projects are “approved” but not actually connected

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 Design Changes (AI-driven)	Rapid evolution in chip density → redesigns mid-project	3-9 months	 Moderate	AI is changing requirements faster than build cycles can adapt
 Speculative / Overbuild Risk	Some projects paused or slowed due to uncertain demand	Indefinite / cancellations	 Emerging	Early signs of capital discipline returning
 Logistics / Site Constraints	Land, water access, and physical infrastructure limitations	3-12 months	 Moderate	Geography increasingly dictates feasibility

Can the AI story, and by extension the massive tech rally, survive an earnings season that might center on these delays? We will start finding out this week.

For portfolios, you don't need to be a master market technician to see now might not be the time to join the euphoria and add risk:



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While shifting from stocks to bonds might be the first impulse, as we often point out, in a world of 3% inflation (and rising) bond yields at 4.3% don't offer comforting real returns. Want to go out on the risk spectrum in credit to gain extra yield? That is an historically skimpy reward as well right now:





High quality, short duration exposure might be unsatisfying after three years of high stock returns (and the recent epic run) but are a sound stopping point.

The other alternative is to add defensive options like covered calls to existing equity positions. These will under-perform in a rapidly rising environment but add income in a flat to down market. Reviewing that three year S&P chart might give you a solid feeling for the risk-reward probability of playing defense in this way.

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