



Please see page 7 for our latest form ADV information.

april 2026  
in this issue:

- 1 What Are We Watching?
- 2 Market Outlook
- 4 Black Diamond
- 5 The Petrodollar
- 6 Retiring Abroad
- 7 Blockchain
- 8 Did You Hear?
- 9 A Word from Beth

The war in Iran began at the end of February. Prior to that, markets were chugging along and we were busy watching interest rates, employment, and the Federal Reserve.

After the start of the war, stocks and bonds both fell in price, with bond yields rising. At the end of the first quarter, stocks were down for the year.

Then came the cease-fire. Stocks loved it, and keep loving it, even though we are now in the middle of a U.S. blockade of the Iranian blockade. As of tax day, the Nasdaq had recovered all it lost, and the S&P 500 is back in reach of its recent record high.

But why? There are several reasons. Some investors are taking advantage of the geopolitical disruption to invest in energy stocks that will rise as the price of oil does. Some are investing in munitions and defense industries. Some are hoping that the behind-the-scenes peace talks that are ongoing will result in a permanent peace soon.

Other factors influencing markets in the first quarter were the partial government shutdown (still ongoing), slowly rising inflation data and a sluggish employment picture. Those concerns still exist, but pale in the face of the war with Iran.

As for the Fed, the current administration is still targeting Chairman Jerome Powell, but that will have to end in order to get Kevin Warsh confirmed as the next Chair. And the administration is publicly acknowledging that the Fed may have to wait and see for awhile before acting on rates. The president wants rates cut, but war-influenced inflation may require rate hikes.

Also contributing to strong equity markets are rising tech stocks and positive earnings reports during the current earnings season. Apparently AI is back to being a plus, instead of whatever bad thing people thought of it a few months ago.

Markets could turn quickly on bad news, which is why we never sleep!

Stocks begin the second quarter facing three distinct market headwinds: Higher oil prices (a result of the U.S./Iran war), credit concerns (emanating from private credit funds) and worries that AI, while a transformative technology, could have unanticipated negative impacts on important market sectors. Each of these concerns will need to be resolved if the market is going to fully rebound from the Q1 declines, although it's important to note that economic growth and corporate performance remained solid in Q1 and that is helping to support markets.

Starting with geopolitics, the focus for markets remains on the price of oil. Elevated oil prices pose a risk for the markets and economy in multiple ways including 1) No Fed rate cuts as the Fed worries higher oil prices may spur inflation, 2) Depressed consumer spending as higher gas prices reduce disposable income and 3) Tighter corporate margins given increased transportation and infrastructure costs. Ultimately, that could lead to stagflation in the economy, which would be negative for most assets. For geopolitical risks to fully recede, we will need to see a credible ceasefire agreement between all parties (the U.S., Israel and Iran), transit through the Strait of Hormuz return to something close to pre-war levels and a decline in oil prices back towards pre-war levels.

Private credit, meanwhile, is evoking memories of the financial crisis amongst more tenured investors, fueling fears that the recent influx of investor capital into private credit funds led to poor investing standards and overvaluation. While analogies to the financial crisis are understandable, it's important to realize the private credit market is much, much smaller than the markets that caused the financial crisis and Fed officials have recently said they see no indication of a systemic problem. While that is reassuring, private credit concerns are still weighing on the financial sector, which is the second-largest sector in the S&P 500 by weight and an important market leader. An easing of private credit concerns and a rebound in the financials is needed to help the market further stabilize in the second quarter.

(continued on next page)

Jennifer L. O'Brien  
Senior Financial Advisor



**Please note:**

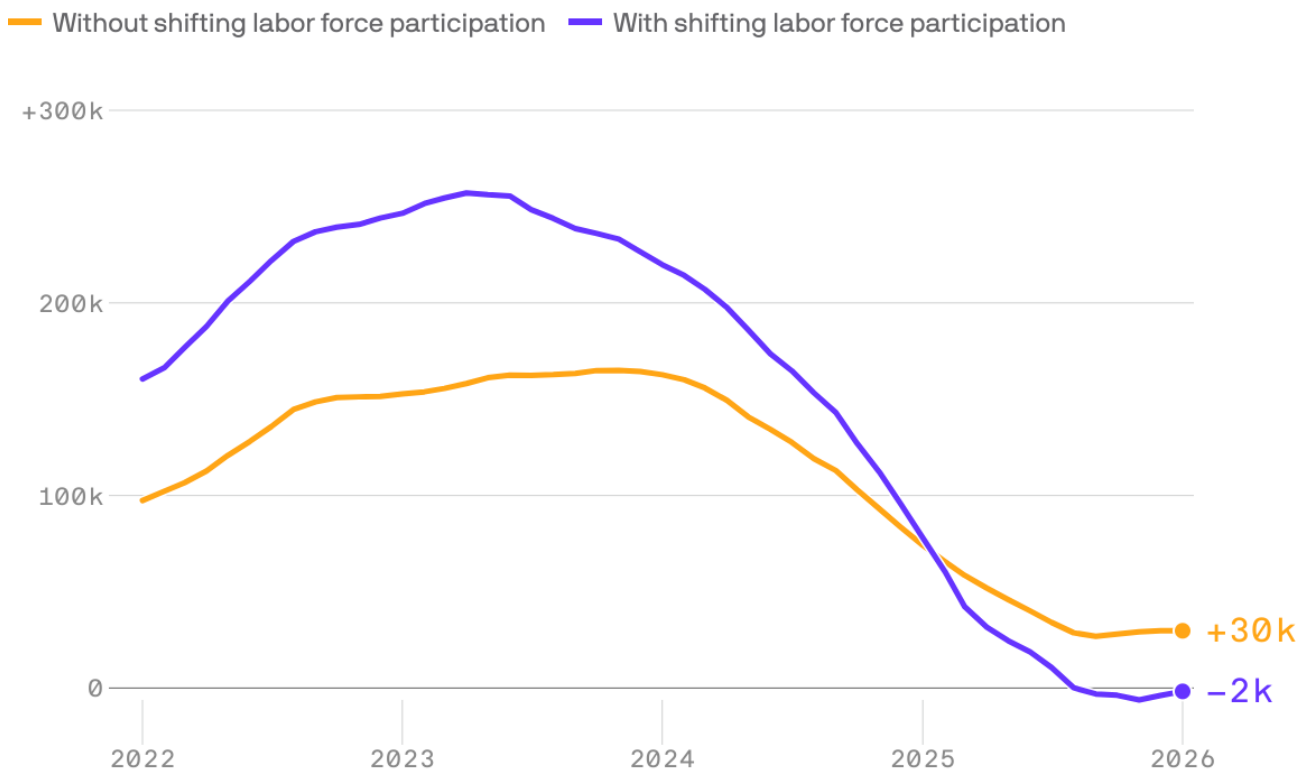
Your custodian will issue monthly statements for all accounts that have had activity that month. For accounts with no activity, statements will be sent quarterly. Online account values are updated daily. If you have any questions, call us, or log in to your Black Diamond account. (Call anybody at Diastole but Beth for help doing that.)

Finally, turning to AI, opinions on the impact of AI on the economy and markets have shifted from mostly positive to that of increased skepticism, and there are two main concerns associated with AI currently. First, that massive spending on AI infrastructure by large tech companies may ultimately have a poor ROI and depress future earnings. Second, that AI advancements may disrupt entire portions of the economy (such as the software sector) and lead to large job losses that hurt overall economic growth. Both of these concerns need to be addressed and countered for AI and the tech sector to fully rebound in Q2.

Bottom line, the first quarter did contain several negative surprises for investors and we begin the second quarter with uncertainty over geopolitics, credit and AI. But there are also positive factors at work that must be considered, including a still-resilient economy, strong corporate earnings growth and a Federal Reserve that is still signaling rate cuts. Those factors supported stocks and bonds in the first quarter and despite the volatility and elevated uncertainty, the outlook for the economy and markets is not universally negative and as we saw firsthand in Q1, the geopolitical and corporate landscape can change quickly.

## Monthly jobs needed to hold unemployment steady

Estimate from Federal Reserve Bank of Dallas; January 2022 to January 2026

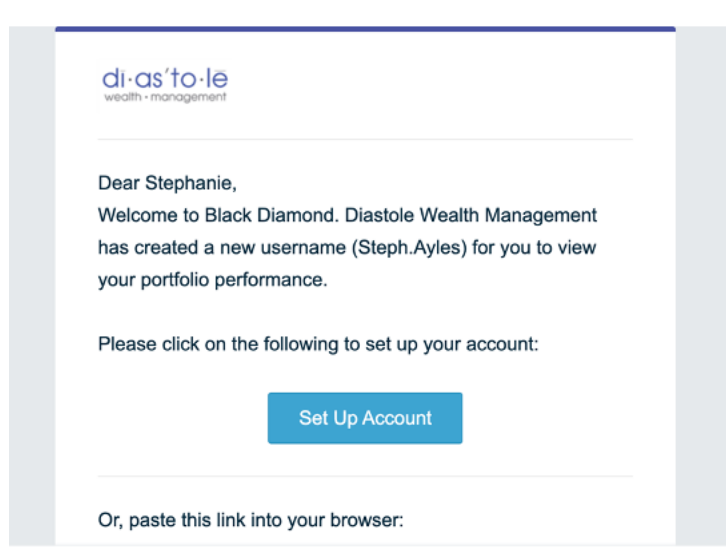


## Introducing Black Diamond

We have been working on some upgrades to improve our client experience. We are grateful to those who have helped us in the transition and are excited to share this new experience with everyone. This new system will allow you the ability to login and see your accounts in real time, as well as share documents and reports via the secure Vault. The goal is to keep your information secure and for your eyes only. Emails get hacked and mail doesn't get delivered.

The US postal service continues to be less and less reliable. Items get delivered to the wrong address or take weeks to get to you. I had a package sent to me on 3/5/26 and it did not arrive to the office until 4/8/2025. Why would a simple document take a month to get to Connecticut from Texas? We have sent out paperwork with a return envelope, and it took 3 weeks before it was received. Our hope is to eliminate these delays and offer everyone access and transparency.

The new system is called Black Diamond (BD) and you should all be receiving an email invitation with your username. The email will look like this, but will have YOUR name on it.



Once you open the link, it will take you through a few steps to set up a password and security questions. There is a lot to look at so we are happy to jump on a call and walk you through all the features and how to access the Vault.

We completely understand that change is uncomfortable so do not panic. We are not going to stop the way you are currently getting performance until you become completely comfortable with Black Diamond.

Looking forward to your feedback!

Stephanie Ayles  
Marketing Director

## The Petrodollar

The term “petrodollar” is often mentioned in the news, especially during times of geopolitical tension. At its core, the petrodollar refers to the system in which oil, arguably the world’s most important commodity, is priced and traded globally in U.S. dollars. No matter where oil is produced or purchased, transactions are typically conducted in dollars rather than local currencies. This creates consistent global demand for the U.S. dollar and helps reinforce its role as the world’s dominant currency.

This system dates back to the 1970s, after the United States moved away from the gold standard. In order to maintain demand for the dollar, the U.S. reached agreements with major oil-producing nations, particularly Saudi Arabia. These agreements established that oil would be priced exclusively in U.S. dollars, and in return, oil-producing countries would reinvest a significant portion of their profits into U.S. assets such as Treasury bonds. Over time, this arrangement became the global norm, tying the value and demand of the dollar closely to energy markets.

The importance of the petrodollar system lies in its broad economic impact. Because every country needs energy, and energy is priced in dollars, nations around the world must hold and use U.S. currency. This steady demand helps support the strength of the dollar and allows the United States to borrow money more efficiently, often at lower interest rates. Additionally, it strengthens the country’s influence in global trade and finance, as the dollar remains central to many international transactions beyond just oil.

For individuals, the effects of the petrodollar are subtle but meaningful. It can influence interest rates, which affect mortgages and borrowing costs. It also impacts investment markets, particularly international investments, where currency strength plays a significant role in returns. Even everyday expenses, such as gasoline prices, can be indirectly affected by movements in the dollar since oil is priced globally in U.S. currency.

Recently, the petrodollar system has been receiving increased attention as some countries explore alternatives. Discussions around trading oil in other currencies or reducing reliance on the dollar have emerged, particularly among nations looking to diversify their economic relationships. While these developments are important to monitor, the current system is deeply entrenched, and any meaningful shift is likely to occur gradually rather than suddenly.

In the end, the petrodollar remains one of the key forces supporting the global dominance of the U.S. dollar. While it operates largely in the background, its influence touches everything from global markets to everyday financial decisions. Understanding how it works provides helpful context for interpreting economic headlines and reinforces the importance of maintaining a long-term perspective when making investment decisions.



Samson S. Staff  
Financial Advisor

## Retiring Abroad: Dream vs. Reality

By Joseph DePatie CFA, CFP

Many Americans plan on doing some extra travel to see the world in their retirement; however, an increasing proportion of these retirees are making the decision to live internationally full-time. The reality of today's retirement landscape makes an international retirement no longer a fantasy. The appeal of better weather, a lower cost of living, or simply a new adventure has many people considering a move outside the U.S.

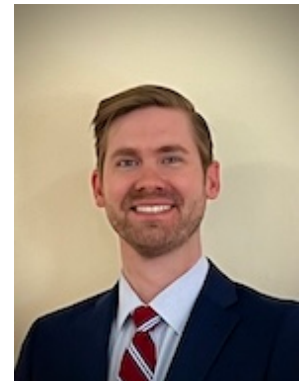
However, the line between a "dream retirement" and a "costly mistake" is finer than most realize. When considering a move abroad, it is important to evaluate the following factors to ensure your financial foundation remains stable.

First, Medicare does not cover healthcare outside the U.S. To save on expenses, people can be tempted to drop Part B coverage. However, this can end up costing retirees much more than they save, as there is a permanent 10% penalty for every 12-month period you are not enrolled in Medicare Part B. Should you ever decide to move back to the U.S., you could end up paying substantially more for life. It is likely the wiser financial move to maintain your Part B coverage as a safety net.

Second, in the United States, we have citizenship-based taxation. This means the IRS does not care if you are living in Boca Raton or a Mediterranean villa, they still require you to pay your taxes. For many, the risk lies less in the tax itself and more in the disclosure requirements. Failing to appropriately disclose a financial account outside the U.S. can result in tens to hundreds of thousands of dollars in penalties. One oversight like that can have meaningful implications for anyone's retirement viability.

Third, when you live internationally, your dollar-denominated assets (Social Security payments, IRA distributions, and dividends) are subject to fluctuations in exchange rates. A 10% increase in the value of your new local currency is effectively a 10% pay cut for you. It is vital to mitigate this "currency risk" to ensure you can maintain your desired lifestyle throughout retirement, regardless of how the dollar performs.

We aim to help our clients enjoy their retirement rather than worry about the administrative hurdles of living abroad. Before you make the move, let's talk about the implications of your decision to ensure you avoid costly mistakes and



*Joseph T DePatie CFA, CFP®  
Financial Advisor*



## What Is Blockchain?

You've likely heard of Bitcoin, but the real innovation behind it is something called blockchain. While it can sound complex, the concept is quite simple.

Think of blockchain Like a shared ledger.

At its core, a blockchain is just a digital record book, like a spreadsheet, that tracks transactions. Unlike a traditional ledger that sits in one place (like a bank's database), this one is shared across thousands of computers, publicly viewable, constantly updated in real time. Every time someone sends or receives Bitcoin, that transaction is recorded in this shared ledger.

Transactions are grouped together into "blocks." Once a block is full, it gets linked to the previous block, forming a chain. So over time, you get a chain of blocks, or a *blockchain*. Each new block contains recent transactions, is permanently connected to prior ones, and cannot be easily altered.

Instead of relying on a single institution (like a bank), blockchain relies on a network of computers to verify transactions. This creates three key benefits:

Decentralization: no single party controls the system.

Transparency: anyone can view transactions on the network.

Security, once recorded, transactions are extremely difficult to change.

So why does this matter for bitcoin? Bitcoin uses blockchain as its foundation. It allows people to send money directly to one another, avoid traditional intermediaries, and rely on math and code instead of trust in a central authority. In simple terms, blockchain is what makes bitcoin work without a bank.

Blockchain isn't just about bitcoin, it's a new way of recording and verifying information that doesn't require a central gatekeeper. While still evolving, this technology has the potential to impact everything from finance to contracts to record-keeping. For now, understanding the basics helps cut through the noise, and keeps the focus on what really matters: how this fits into a long-term investment strategy.

Samson S. Staff  
Financial Advisor

Diastole Wealth Management, Inc. is registered as an investment adviser with the Securities & Exchange Commission (the SEC) under the Investment Adviser Act of 1940. As a result, we are required to annually update our Form ADV with the SEC. We are also required to update our Form ADV promptly whenever certain information becomes materially inaccurate. The ADV Parts 2A, 2B and Form CRS provide information about our firm, our services and our personnel. If you would like a copy of our most recent Form ADV Part 2 and Form CRS, you can access it on our website at <http://dwinvest.com> or give us a call at (203) 458-5220. Additional information about us is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

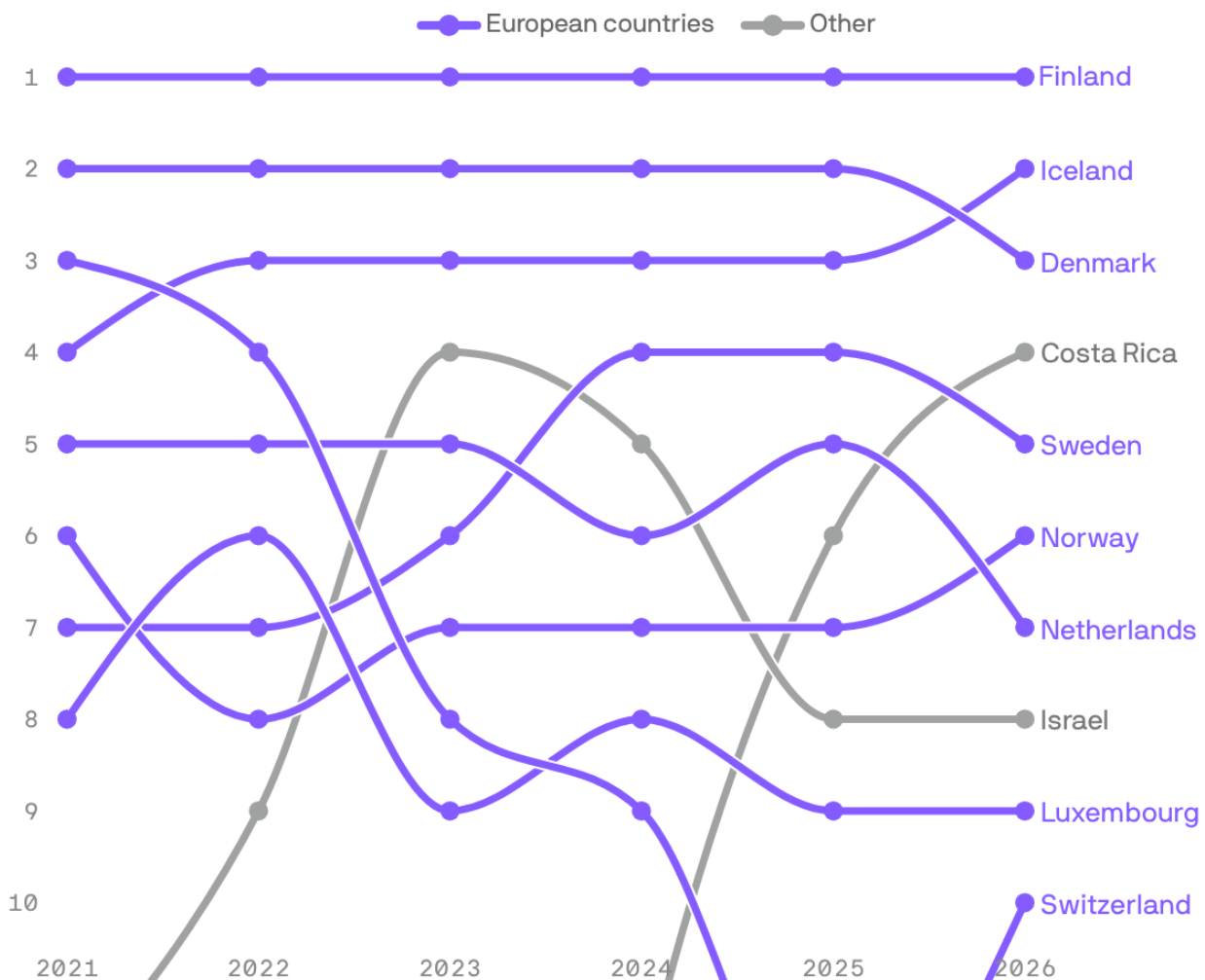
Meredith Eden  
Chief Compliance Officer

## Did You Hear... ?

- Some people REALLY can't get up in the morning. For them: diabolical alarm clocks! Like the one that makes you exercise before you can turn it off, or the one that rolls away when you approach it. Putting your alarm across the room is so yesterday!
- Business and first-class airline passengers create five times the pollution as economy passengers. Will things change? Not likely, that 12% of total passengers is responsible for about 75% of airline profits.
- According to CNN, astronomers have spotted a very-faint galaxy - which is apparently full of dark matter. Dark matter cannot be seen, but its presence can be inferred because it exerts a gravitational pull. It is five times more abundant than regular matter like you and me!
- The hippos in Colombia are still overrunning the countryside. The Colombian government is going to thin the herds, which is dangerous work. Hippos are said to be the most dangerous animal on the planet, but you're more likely to be killed by mosquitos and snakes.

## World Happiness country rankings, 2021–2026

By average life evaluation score, from survey of about 1,000 adults per country conducted annually





Spring is here! Finally, I can leave my windows open, cats sniffing at the warm air. And my dogs can run around the yard and nap in the sun.

We are leaving tax day behind and looking forward to Memorial Day. Picnic anyone?

But of course we are still concerned about the state of the world, and hoping and praying for peace around the globe. May our leaders find the wisdom to do the right thing. The kind thing.

We try very hard to do the right thing for you, too, our clients and friends. Please let us know if you need help, attention, or anything else that we can do for you.

Looking forward to hearing from you!

Elizabeth D. Eden  
Senior Financial Advisor  
and CEO



*The information contained herein is the opinion of Diastole and is based upon news obtained from sources we deem to be reliable, but is not guaranteed by Diastole and is subject to change at any time based upon unforeseen company events or market conditions.*

di·as'to·lē  
wealth • management



Maggie (Big Portia) and Portia (Little Maggie)

diastole wealth  
management

58 boston street  
guilford, connecticut  
06437  
203.458.5220  
800.475.1088