



WEEK OF APRIL 13, 2026

# Market Navigator

Equity markets rallied across the board again on hopes that the two-week ceasefire would lead to an end to the conflict in the Middle East. The Nasdaq Composite led U.S. markets, rising 4.68 percent. The MSCI Emerging Markets Index was up more than 7 percent, and fixed income markets also moved higher.

## Quick Hits

1. **Beyond the headlines:** How to stay grounded in a volatile market.
2. **Report releases:** Inflation surged and consumer confidence weakened.
3. **Financial market data:** Stocks rallied again as ceasefire hopes lifted investor optimism.
4. **Looking ahead:** This week's highlights include corporate earnings and the Producer Price Index (PPI) for March.



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## Beyond the Headlines: How to Stay Grounded in a Volatile Market

A two-week ceasefire in the Middle East conflict led to a strong rally in equities. If the ceasefire results in a negotiated end to military action, the worst-case scenario for the economy and corporate earnings could be avoided. When markets price in good news immediately, however, the risk that reality won't match expectations increases. Weekend news that the first round of face-to-face meetings didn't result in an agreement illustrates this concern.

Moving from a ceasefire to an agreement that ends military action in the region is difficult. The process is ongoing, and the window for further negotiations remains open. From a market perspective, investors seek confidence that the Strait of Hormuz will remain open and unobstructed, supporting stable oil flows to global markets. Getting to this point is critical to having a sustainable rally based on underlying market fundamentals.

If there is a resolution over the next few weeks, it's likely the broad economy will avoid the worst-case scenario impact of higher oil prices. The 9 percent market correction last month anticipated a fair amount of negative news, and increased volatility should still be expected. Headlines about negotiations will drive short-term movements. Updates on the number of ships moving through the strait will be monitored. And economic data—particularly inflation—will be affected over the next several months.

### Fundamentals at the Forefront

Corporate America begins to report first-quarter earnings this week. Although geopolitical headlines have been the focal point, confidence is rising in the ability of companies to navigate headwinds. According to FactSet, analyst expectations are for 12.6 percent earnings growth, which would mark six consecutive quarters with double-digit increases.

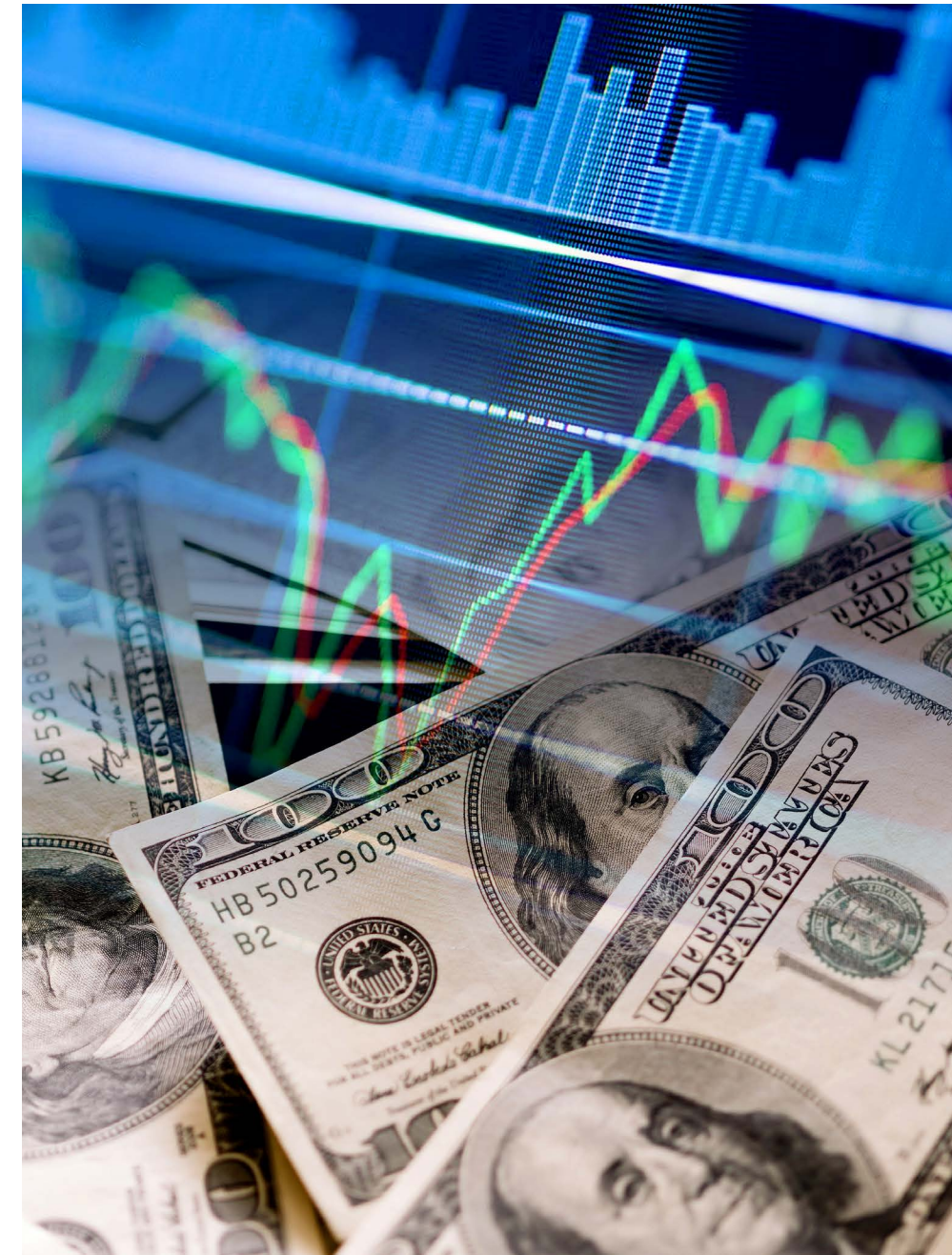
Last year, when concerns about the impact of tariffs prevailed, corporations exceeded expected earnings by a wide margin each quarter. The ability to continue to do so—and avoid tempering expectations due to surging oil prices—will be important for market sentiment.

### Timing the Market Is Hard

We've seen large swings in markets and investor sentiment over the past few weeks. Markets have sold off—and then erased those losses on hopes of ending the conflict. Short-term market movements are impossible to predict. Regardless of whether the next few weeks bring a sell-off or another strong rally, portfolios built with appropriate risk levels and diversification give investors the best chance to succeed over the long term.

This approach allows clients to participate in market upside while maintaining the balance to navigate pullbacks. And, most important, it keeps portfolios aligned with long term objectives. Instead of reacting to and making changes based on short term headlines, diversification allows investors to navigate the roller-coaster ride.

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## Report Releases: April 6–10, 2026

### Institute for Supply Management (ISM) Services Index March (Wednesday)

Service sector confidence softened but remained in expansionary territory. The Prices Paid subindex rose notably, which could signal further inflation ahead.

- Expected/prior ISM Services index: 54.9/56.1
- Actual ISM Services index: 54.0



### Personal Income and Spending February (Thursday)

Personal income unexpectedly fell in February; however, spending growth remained solid.

- Expected/prior month personal income change: +0.3%/+0.4%
- Actual personal income change: -0.1%
- Expected/prior month personal spending change: +0.6%/+0.3%
- Actual personal spending change: +0.5%



### Consumer Price Index (CPI) March (Friday)

Headline consumer inflation surged last month due to rising energy prices. Core inflation was more muted, which was a silver lining in an otherwise challenging report.

- Prior monthly CPI/core CPI growth: +0.3%/+0.2%
- Expected monthly CPI/core CPI growth: +0.9%/+0.3%
- Actual monthly CPI/core CPI growth: +0.9%/+0.2%
- Prior year-over-year CPI/core CPI growth: +2.4%/+2.5%
- Expected year-over-year CPI/core CPI growth: +3.4%/+2.7%
- Actual year-over-year CPI/core CPI growth: +3.3%/+2.6%



### Preliminary University of Michigan Consumer Sentiment Survey April (Friday)

Consumer sentiment continued to slide, with the index falling to a record low. Rising inflation expectations and a souring view of current economic conditions weighed on consumers.

- Expected/prior month sentiment: 51.5/53.3
- Actual month sentiment: 47.6



## >> The Takeaway

- It was a challenging week for economic data—particularly accelerating consumer inflation—because of surging oil prices.
- Rising inflation also weighed on consumer confidence; the University of Michigan consumer sentiment survey tumbled to its lowest level ever.

## Financial Market Data

### Equity

For the second consecutive week, equity markets rallied on hopes for de-escalation in the Middle East. The Nasdaq Composite led the way, rising 4.68 percent. The Dow Jones Industrial Average, S&P 500, and Russell 2000 each rose at least 3 percent. The rally was led by the consumer discretionary and communication services sectors, each of which increased nearly 6 percent. Technology and industrials rose about 5 percent as oil prices declined roughly 14 percent. Energy was the biggest laggard, falling 4 percent. International markets rallied, with emerging markets soaring 7.45 percent.

Index	Week-to-Date	Month-to-Date	Year-to-Date	12-Month
S&P 500	3.58%	4.45%	-0.09%	30.98%
Nasdaq Composite	4.68%	6.09%	-1.29%	40.67%
DJIA	3.07%	3.45%	0.15%	23.09%
MSCI EAFE	4.44%	7.45%	6.28%	37.05%
MSCI Emerging Markets	7.45%	10.86%	10.72%	54.40%
Russell 2000	3.99%	5.40%	6.37%	45.57%

Source: Bloomberg, as of April 10, 2026

### Fixed Income

Fixed income markets were also higher as the market digested ceasefire news and a much higher consumer inflation reading. Yields on the 10-year U.S. Treasury were unchanged at 4.32 percent. High-yield bonds rallied about 0.5 percent; municipal bonds led the way, rising 0.83 percent.

Index	Week-to-Date	Month-to-Date	Year-to-Date	12-Month
U.S. Broad Market	0.33%	0.33%	0.29%	6.25%
U.S. Treasury	0.24%	0.14%	0.10%	4.46%
U.S. Mortgages	0.35%	0.40%	0.80%	7.91%
Municipal Bond	0.83%	1.14%	0.97%	6.48%

Source: Bloomberg, as of April 10, 2026

### >> The Takeaway

- Equity markets rallied for the second consecutive week on hopes for an end to the conflict in the Middle East. Energy was the only market sector that declined.
- Fixed income markets were higher overall, and Treasury yields were essentially flat.

## Looking Ahead

Inflation remains in the spotlight this week with the release of the Producer Price Index (PPI) for March.

- The week kicks off Tuesday with the **March PPI**, which is expected to rise substantially due to higher energy prices.
- On Wednesday, we'll see the **National Association of Home Builders Housing Market Index** for April. Home builder confidence is likely to remain in contractionary territory.
- **First-quarter corporate earnings** kick off throughout the week. Highlights include banks and brokerage firms.





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convertible debentures. The Dow Jones Industrial Average is computed by summing the prices of the stocks of 30 large companies and then dividing that total by an adjusted value, one which has been adjusted over the years to account for the effects of stock splits on the prices of the 30 companies. Dividends are reinvested to reflect the actual performance of the underlying securities. The MSCI EAFE Index is a float-adjusted market capitalization index designed to measure developed market equity performance, excluding the U.S. and Canada. The MSCI Emerging Markets Index is a market capitalization-weighted index composed of companies representative of the market structure of 26 emerging market countries in Europe, Latin America, and the Pacific Basin. The Russell 2000® Index measures the performance of the 2,000 smallest companies in the Russell 3000® Index. The Bloomberg US Aggregate Bond Index is an unmanaged market value-weighted performance benchmark for investment-grade fixed-rate debt issues, including government, corporate, asset-backed, and mortgage-backed securities with maturities of at least one year. The U.S. Treasury Index is based on the auctions of U.S. Treasury bills, or on the U.S. Treasury's daily yield curve. The Bloomberg US Mortgage Backed Securities (MBS) Index is an unmanaged market value-weighted index of 15- and 30-year fixed-rate securities backed by mortgage pools of the Government National Mortgage Association (GNMA), Federal National Mortgage Association (Fannie Mae), and the Federal Home Loan Mortgage Corporation (FHLMC), and balloon mortgages with fixed-rate coupons. The Bloomberg US Municipal Index includes investment-grade, tax-exempt, and fixed-rate bonds with long-term maturities (greater than 2 years) selected from issues larger than \$50 million. One basis point is equal to 1/100th of 1 percent, or 0.01 percent.

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