

Week in Review

Equity Markets:

US stock markets delivered sound gains last week, recognizing their first positive week in the past six. The S&P 500 delivered a 3.38% positive return, starting April and the Second Quarter on sound footing. The Dow Jones Industrial Average gained 2.98%, and the Nasdaq appreciated by 4.46%.¹ The Forward 12-month Price/Earnings Ratio for the S&P 500 now stands at 19.8. This is below the Index's 5-year average [19.9] while above its 10-year average [18.9].²

Last week's emerging stock market momentum correlated with potentially improving conditions in the Middle East, rallying alongside indications by the President that the Iran War could be winding down. However, the President did not mention a timeline for de-escalation when he addressed the nation this past Wednesday night, indeed indicating potential escalation, and weakening investor sentiments.³

Fixed Income Markets:

Yields came down for US Treasuries across durations last week. The 10-year recognized an 8 basis point contraction, which snapped a four-week streak of increases that had lifted the 10-year Treasury to its highest level in more than 8 months.⁴ Corporates produced positive gains for the week, with Investment-Grade bonds rising 1.10% and High-Yield bonds by 1.21%.⁵

Economic Updates:

The Nonfarm Payrolls report [delivered last Friday while stock markets were closed] showed the US economy generated 178,000 new jobs in March. That bested the consensus estimates for new positions by nearly threefold and was a strong pivot from February's report and its (-133,000) net job losses. The Unemployment Rate, based on the Nonfarm Payrolls report, fell 0.1% to 4.3%.

The Consumer Confidence Index from the Conference Board rose slightly to indicate improving conditions for current conditions while cautious towards future expectations. The ISM Purchasing Managers' Index (PMI) increased by 0.3 points to read at 52.7, indicating modest growth in production and new orders.

Looking Ahead

Equity Markets:

This week begins with markets cautiously optimistic that the Iran War may conclude in the near term. Last week's relief rally was largely led by expectations that it could conclude promptly. The full reopening of the Strait of Hormuz remains of particular interest to both sides amidst the current energy crisis.⁶

Over the past month, the primary factors impacting markets were geopolitical implications resulting from the war, particularly expectations for its duration. All eyes remain on current negotiations between Iran and the US & Israel. Diplomats from all sides are starting this week busily negotiating terms for a ceasefire. The President had given Iran a very dramatic ultimatum that expires Tuesday evening, and efforts are being made to beat that deadline.⁷

Be mindful that the price of US Crude Oil hit \$112/barrel last Friday, a high price which hadn't been seen in 4 years. Rising oil prices may dampen future economic growth while concurrently increasing inflationary pressures.

Fixed Income Market

Markets for bonds, like those for stocks, are fixed on geopolitical developments for updates that will determine their performance. With bonds, the hope for a near-term solution furthers new hopes for growing stability and a return to relative normalcy.

Bond investors will pay attention to news on US inflation that will be coming next week. The bond markets had the benefit last week of commentary from Fed Chair Jerome Powell that gave further support to inflation's easing in the US economy. Especially amidst the new global energy crisis, the state of inflation will remain of particular interest.

Economic Updates:

Two very significant reports will be delivered regarding inflation. First, the Personal Consumption Expenditures report will be delivered on Thursday, and Friday brings the Consumer Price Index report. CPI is often considered the baseline for gauging inflation, and the Fed pays particular attention to Core PCE when making decisions on interest rates. We also will see the latest estimate for Gross Domestic Product in the Fourth Quarter of 2025, plus the release of minutes from the Federal Open Market Committee's last meeting.⁸

**** See Important Disclosures on following page

Sources:

- 1) JP Morgan Asset Management
<https://am.jpmorgan.com/us/en/asset-management/adv/insights/market-insights/market-updates/weekly-market-recap/>
- 2) FactSet Earnings Insight
https://advantage.factset.com/hubfs/Website/Resources%20Section/Research%20Desk/Earnings%20Insight/EarningsInsight_040226.pdf
- 3) T. Rowe Price
<https://www.troweprice.com/personal-investing/resources/insights/global-markets-weekly-update.html>
- 4) John Hancock Investment Management, LLC
<https://www.jhinvestments.com/weekly-market-recap#market-moving-news>
- 5) Nuveen, LLC
<https://www.nuveen.com/en-us/insights/investment-outlook/fixed-income-weekly-commentary>
- 6) LPL Research
<https://www.lpl.com/research/blog/weekly-market-performance-april-2-2026.html>
- 7) NBC News
<https://www.nbcnews.com/world/iran/live-blog/live-updates-iran-war-trump-deadline-hormuz-oil-ceasefire-israel-rcna266833>
- 8) Charles Schwab
<https://www.schwab.com/learn/story/stock-market-update-open>

Important Disclosures:

Investment Advisory Services offered through Krilogy®, an SEC Registered Investment Advisor. Please review all prospectuses and Krilogy's Form ADV 2A carefully prior to investing. This is neither an offer to sell nor a solicitation of an offer to buy the securities described herein. An offering is made only by a prospectus to individuals who meet minimum suitability requirements.

All expressions of opinion are subject to change. This information is distributed for educational purposes only, and it is not to be construed as an offer, solicitation, recommendation, or endorsement of any particular security, products, or services. Diversification does not eliminate the risk of market loss. Investments involve risk and unless otherwise stated, are not guaranteed. Investors should understand the risks involved of owning investments, including interest rate risk, credit risk and market risk. Investment risks include loss of principal and fluctuating value. There is no guarantee an investing strategy will be successful. Past performance is not a guarantee of future results. Indices are not available for direct investment; therefore, their performance does not reflect the expenses associated with the management of an actual portfolio. The S&P data is provided by Standard & Poor's Index Services Group.

Services and products offered through Krilogy® are not insured and may lose value. Be sure to first consult with a qualified financial advisor and/or tax professional before implementing any strategy discussed herein.