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Financial Week Newsletter

Summarized by Smith Shellnut Wilson

April 13, 2026

"I look to the future because that's where I'm going to spend the rest of my life." Woody Allen

MARKETS

Macro Recap: Last week was marked by a moderation in geopolitical risk and a rapid decline in oil prices, following a temporary ceasefire between the U.S. and Iran. The agreement helped stabilize markets, though investor focus has now shifted to upcoming diplomatic discussions to assess whether recent progress can lead to a more durable resolution.

Attention remained centered on inflation dynamics and energy markets, both of which continued to react to developments in the Middle East. While geopolitical factors drove short-term volatility, incoming economic data suggested the U.S. economy remains relatively resilient, helping restore confidence after the sharp swings experienced in March.

Inflation pressures reaccelerated, driven primarily by energy costs. The Consumer Price Index rose 3.3% year over year, a notable increase from February's 2.4% reading and well above the Federal Reserve's long-term target. Energy prices were the dominant contributor, rising 12.5% from a year earlier, underscoring concerns that external shocks could slow further progress on disinflation.

Growth indicators continued to point to deceleration beneath the surface. Revised data showed fourth-quarter GDP expanding at an annualized rate of 0.5%, down from earlier estimates and sharply lower than the 4.4% pace recorded in the third quarter. The revision highlights the contrast between robust growth earlier in 2025 and a more subdued economic backdrop entering year-end.

Consumer confidence weakened further amid ongoing global uncertainty and higher fuel prices. The University of Michigan's consumer sentiment index fell to a preliminary April reading of 47.6, extending a multi-month decline and reflecting increased caution among households as inflation and geopolitical concerns weigh on expectations.

Equity Market Recap: U.S. equity markets posted a strong rebound, reversing several weeks of declines and delivering their best performance since early in the first quarter. Reduced geopolitical uncertainty and lower oil prices supported a broad risk-on move, with gains widely distributed across market capitalizations. The S&P 500 rose 3.6%, the Nasdaq Composite advanced 4.7%, and the Dow Jones Industrial Average gained 3.0%. Smaller-cap stocks also participated, as the Russell 2000 climbed 4.0% and the S&P MidCap 400 added 3.4%, signaling improving market breadth.

Fixed Income and Rates Recap: Treasury yields edged modestly lower across the curve as markets reinforced expectations that the Federal Reserve will remain on hold for an extended period. Despite the pickup in headline inflation driven by energy prices, policymakers continue to frame recent pressures as largely geopolitical rather than structural. This outlook left front-end rates well anchored and supported demand for longer maturities. By week-end, the 10-year Treasury yield declined to approximately 4.29–4.31%, about 3–5 basis points lower than the prior week.

INDICES

	April 6 Open	April 10 Close	Weekly Change	Dec 31 2025	YTD Change
DJIA	46,505	47,917	3.0%	48,063	-0.3%
S&P 500	6,583	6,817	3.6%	6,846	-0.4%
NASDAQ	21,879	22,903	4.7%	23,242	-1.5%
Russell 2000	2,530	2,631	4.0%	2,482	6.0%
KBW Bank Indx	156.5	165.3	5.6%	164.0	0.8%
Bitcoin	$67,420	$71,246	5.7%	$87,648	-18.7%
Oil (WTI)	$111.54	$103.73	-7.0%	$57.42	80.7%
Gold	$4,677	$4,732	1.2%	$4,319	9.6%
Prime	6.75	6.75	0.00	6.75	0.00
Effective Fed Funds	3.64	3.64	0.00	3.64	0.00
3m Tbill	3.69	3.68	-0.01	3.63	0.05
2yr UST	3.84	3.80	-0.04	3.47	0.33
10yr UST	4.34	4.32	-0.02	4.17	0.15
2-10yr UST Spread	49	52	2	69	-17
2y AAA Muni/10y UST	62.8%	60.1%	-2.6%	70.3%	-10.1%
10y AAA Muni/10y UST	70.5%	67.4%	-3.1%	65.4%	1.9%
5yr Inflation Forecast	2.67	2.67	0.00	2.27	0.40

Week Ahead

- **Monday:** Existing homes
- **Tuesday:** Producer Price Index
- **Wednesday:** Export and import prices, Housing Market Index
- **Thursday:** Industrial production and capacity utilization
- **Friday:** No major reports scheduled

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