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# Financial Week Newsletter

*Summarized by Smith Shellnut Wilson*

**April 20, 2026**

***"The greatest danger in times of turbulence is not the turbulence. It is to act with yesterday's logic" Dr. Peter Ferdinand Drucker***

## MARKETS

**Macro Recap:** The macro backdrop improved steadily over the course of the week as geopolitical risks eased and inflation data came in softer than expected. Early uncertainty followed the lack of a broader U.S.–Iran agreement over the weekend, but sentiment improved as renewed diplomatic talks were signaled and the existing ceasefire held. By Friday, confirmation that the Strait of Hormuz would reopen during the ceasefire period, along with reports of upcoming negotiations in Pakistan, marked a meaningful de-escalation.

Energy markets responded quickly. Oil prices extended a two-week decline and fell sharply on Friday as shipping concerns in the Strait eased. U.S. crude closed the week near $83 per barrel, down from roughly $96 the prior week and well below the recent April peak. Despite the pullback, oil prices remain significantly higher year-to-date.

On the inflation front, March producer price data surprised to the downside. While prices increased modestly, the 0.5% monthly gain was well below expectations, even with higher gasoline prices accounting for roughly half of the increase. The data helped temper concerns that recent energy volatility would immediately feed through to broader inflation.

**Equity Market Recap:** Equity markets posted strong gains, with major indexes reaching new highs as falling oil prices, easing geopolitical tensions, and continued leadership from large-cap technology stocks supported risk appetite. The S&P 500 advanced 4.5% for the week, reaching record levels on three consecutive sessions beginning Wednesday. The NASDAQ surged 6.8%, also setting new highs, while the Dow Jones Industrial Average gained 3.2%, finishing modestly below its prior peak.

Market breadth improved as well. Small-cap stocks rebounded sharply, with the Russell 2000 rising 5.6% for the week and reaching a record high on Thursday, recovering quickly from a correction entered just weeks earlier.

**Fixed Income and Rates Recap:** U.S. Treasury prices rose for a fourth consecutive week, pushing yields lower as inflation concerns continued to ease. The 10-year Treasury yield declined to 4.24% by the weekend, down from its late-March peak, reflecting improving confidence in the inflation outlook and reduced near-term risk premiums.

## INDICES

| | April 13 Open | April 17 Close | Weekly Change | Dec 31 2025 | YTD Change |
|---|---|---|---|---|---|
| **DJIA** | 47,917 | 49,447 | 3.2% | 48,063 | 2.9% |
| **S&P 500** | 6,817 | 7,126 | 4.5% | 6,846 | 4.1% |
| **NASDAQ** | 22,903 | 24,468 | 6.8% | 23,242 | 5.3% |
| **Russell 2000** | 2,631 | 2,777 | 5.6% | 2,482 | 11.9% |
| **KBW Bank Indx** | 165.3 | 169.3 | 2.4% | 164.0 | 3.2% |
| **Bitcoin** | $71,246 | $75,382 | 5.8% | $87,648 | -14.0% |
| **Oil (WTI)** | $103.73 | $88.45 | -14.7% | $57.42 | 54.0% |
| **Gold** | $4,732 | $4,804 | 1.5% | $4,319 | 11.2% |
| **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** | 3.68 | 3.68 | 0.01 | 3.63 | 0.05 |
| **2yr UST** | 3.80 | 3.73 | -0.07 | 3.47 | 0.25 |
| **10yr UST** | 4.32 | 4.25 | -0.07 | 4.17 | 0.09 |
| **2-10yr UST Spread** | 52 | 53 | 1 | 69 | -16 |
| **2y AAA Muni/10y UST** | 60.1% | 61.4% | 1.3% | 70.3% | -8.9% |
| **10y AAA Muni/10y UST** | 67.4% | 67.3% | 0.0% | 65.4% | 1.9% |
| **5yr Inflation Forecast** | 2.67 | 2.64 | -0.03 | 2.27 | 0.37 |

## Week Ahead

- **Monday:** No major reports scheduled
- **Tuesday:** Retail sales, Business inv, Leading Econ Index, Pending home sales
- **Wednesday:** No major reports scheduled
- **Thursday:** Weekly unemployment claims
- **Friday:** U of M Index of Consumer Sentiment

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