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Financial Week Newsletter

Summarized by Smith Shellnut Wilson

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"Don't judge each day by the harvest you reap but by the seeds that you plant." Robert Louis Stevenson

MARKETS

Macro Recap: Evolving headlines around geopolitical tensions in the Middle East and concerns about shipping routes through the Strait of Hormuz drove notable volatility in oil markets. U.S. crude prices climbed to around $95 per barrel by Friday afternoon, up from roughly $83 at the end of the prior week. Despite the sharp weekly move, oil prices remained well below the year-to-date high near $113 reached on April 7.

U.S. retail sales posted a strong gain in March, though much of the increase reflected higher gasoline prices. Sales rose 1.7% for the month, following a 0.7% increase in February and marking the strongest monthly advance in more than three years. Excluding gasoline, retail sales increased a more modest 0.6% month over month.

U.S. consumer sentiment continued to weaken amid rising energy prices and heightened geopolitical uncertainty. The University of Michigan's final April sentiment reading came in at 49.8, modestly above the preliminary estimate but significantly lower than levels seen in February and March.

Equity Market Recap: U.S. equity markets finished the week mixed, consolidating after three consecutive weeks of gains that pushed both the S&P 500 and NASDAQ to record highs. Strength in semiconductor stocks helped lift the NASDAQ to a 1.5% weekly gain, while the S&P 500 ended slightly higher. The Dow Jones Industrial Average, however, posted a small weekly decline.

As earnings season approaches its midpoint, a small group of mega-cap technology companies continues to account for an outsized share of overall profit growth. According to FactSet, the so-called "Magnificent Seven" are expected to deliver average first-quarter earnings growth of 22.8%, compared with an estimated 10.1% growth rate for the remaining 493 companies in the S&P 500.

Fixed Income and Rates Recap: U.S. Treasury prices declined over the week, pushing yields higher ahead of an upcoming Federal Reserve meeting. The 10-year Treasury yield ended the week at approximately 4.30%, up from 4.24% the previous week. Even with the increase, yields remained below the recent peak of 4.44% reached on March 27.

Week Ahead: Markets will remain focused on the upcoming Federal Reserve meeting, with bond market pricing continuing to reinforce expectations that policymakers will keep rates unchanged. Trading in interest-rate futures late last week reflected near-certainty that the Fed will hold steady when it concludes its two-day meeting on Wednesday, April 29.

The anticipated pause follows the Fed's decision in mid-March to leave policy unchanged after implementing three rate cuts late in 2025.

INDICES

	April 20 Open	April 24 Close	Weekly Change	Dec 31 2025	YTD Change
DJIA	49,447	49,231	-0.4%	48,063	2.4%
S&P 500	7,126	7,165	0.5%	6,846	4.7%
NASDAQ	24,468	24,837	1.5%	23,242	6.9%
Russell 2000	2,777	2,787	0.4%	2,482	12.3%
KBW Bank Indx	169.3	167.3	-1.2%	164.0	2.0%
Bitcoin	$75,382	$77,727	3.1%	$87,648	-11.3%
Oil (WTI)	$88.45	$95.74	8.2%	$57.42	66.7%
Gold	$4,804	$4,699	-2.2%	$4,319	8.8%
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	3.67	-0.01	3.63	0.04
2yr UST	3.73	3.80	0.07	3.47	0.32
10yr UST	4.25	4.31	0.06	4.17	0.15
2-10yr UST Spread	53	52	-1	69	-17
2y AAA Muni/10y UST	61.4%	60.8%	-0.6%	70.3%	-9.5%
10y AAA Muni/10y UST	67.3%	66.5%	-0.8%	65.4%	1.1%
5yr Inflation Forecast	2.64	2.61	-0.03	2.27	0.34

Week Ahead

- **Monday:** No major reports scheduled
- **Tuesday:** Case Shiller 20 City Home Prices, Consumer conf.
- **Wednesday:** FOMC meeting, Durable goods, Housing starts
- **Thursday:** 1stQ GDP, PCE
- **Friday:** ISM manufacturing index

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