

Weekly market update: Investors search for a positive Gulf omen.



The market and economy

- Major U.S. equity market indexes finished in positive territory amid extreme volatility during the week ending April 3. The U.S. equity market was closed on Friday in observance of the Good Friday holiday, while the bond market operated on an abbreviated schedule. Stocks moved sharply higher during the first two days of the week as investors were encouraged by signs of a thaw in the hostilities in the Middle East. However, the rally was partially offset by an oil price shock-induced downturn on Thursday in response to President Donald Trump's comments in an address to the nation regarding the Middle East war. The market's focus again this week was on the military and economic impact of Iran's virtual closure of the Strait of Hormuz, a major shipping channel between the Persian Gulf and the Gulf of Oman, which has disrupted oil exports in the region, leading to a surge in oil prices.
- On Tuesday, *The Wall Street Journal* reported that Trump informed several administration officials that he was considering ending the conflict without reopening the strait. The decision followed the administration's assessment that it would take longer than the initial estimate of four-to-six weeks to reopen the vital shipping lane. Trump determined that the U.S. should focus on disabling Iran's navy and depleting the country's supply of missiles.
- During a televised address on Wednesday evening, Trump commented that the U.S. war effort in the Middle East was a success and the objectives of the military campaign would be completed in a short time. Regarding the impact of the U.S. military attacks on Iran, Trump said, "Never in the history of warfare has an enemy suffered such clear and devastating large-scale losses in a matter of weeks." He dismissed risks to the U.S. economy and energy markets, and noted that the military operation was needed to deter the Iranian regime from enriching uranium to produce nuclear weapons. "For these terrorists to have nuclear weapons would be an intolerable threat," Trump said. However, while he noted that a diplomatic solution was still possible, he stated that, in the interim, the U.S. military would attack Iran "extremely hard" and send the country "back to the Stone Ages."
- In response to Trump's speech, the West Texas oil price spiked nearly 12% in trading on Thursday amid concerns that the war would drag on longer than initially believed, extending Iran's blockade of the Strait of Hormuz.
- On the economic front, the Department of Labor announced that U.S. payrolls expanded by 178,000 jobs in March—exceeding expectations and a considerable improvement from the 133,000 positions lost in February, which represented a downward adjustment of 41,000 from the government's initial tally of 92,000 job losses last month. The unemployment rate edged down 0.1 percentage point to 4.3%. The healthcare, construction, and transportation and warehousing sectors posted job gains of 76,000, 26,000, and 21,000, respectively, in March. Employment in the federal government and the financial activities sector, which comprises finance, insurance, and real estate, declined by corresponding totals of 18,000 and 15,000 positions during the month. Average hourly earnings increased 0.2% in February and 3.5% year-over-year.
- According to the Department of Labor's Job Openings and Labor Turnover Survey (JOLTS), open positions in the U.S. declined by 358,000 (-4.9%) in February (the most recent reporting period) to 6,882,000, and fell by 360,000 (-5.0%) from the 7,242,000 job openings a year earlier. There were sizeable month-over-month decreases in open positions in accommodation and food services, manufacturing, and health care and social assistance. Conversely, there were upturns in job openings in professional and business services, and retail trade during the month. The number of hires decreased by 498,000 (-9.3%) month-over-month to 4,849,000.
- The Census Bureau reported that U.S. retail and food services sales—a gauge of consumer spending, which comprises more than two-thirds of the nation's gross domestic product (GDP)—rose 0.6% month-over-month in February (the most recent reporting period), exceeding expectations and up from the 0.1% dip in January. Additionally, sales increased 3.7% over the previous 12-month period. Sporting goods, hobby, musical instrument, and book stores, miscellaneous store retailers, nonstore retailers, and clothing and clothing accessories stores posted year-over-year sales gains of 11.3%, 10.2%, 7.5%, and 7.2%, respectively. In contrast, sales for furniture and home furnishings stores fell 5.6% compared to February 2025.

Stocks

- Global equities gained ground for the week. Developed markets outperformed emerging markets.
- U.S. equities rose during the week. Communication services and information technology were the top-performing sectors, while energy and consumer staples were the primary market laggards.
- Growth stocks outperformed value stocks, while large caps surpassed small caps.

Bonds

- The 10-year U.S. Treasury note yield declined to 4.35% during the week.
- The U.S. bond market posted a gain for the week.
- High-yield bonds led the market, followed by corporate bonds and government bonds.

As of April 3, 2026	1 Week	YTD	1 Year	Friday's Close
Global Equity Indexes				
MSCI ACWI (\$)	2.9%	-2.0%	23.1%	994.2
MSCI EAFE (\$)	2.8%	0.9%	21.0%	2919.4
MSCI Emerging Mkts (\$)	0.3%	2.6%	30.7%	1440.9
US & Canadian Equities				
Dow Jones Industrials (\$)	3.0%	-3.2%	14.7%	46504.7
S&P 500 (\$)	3.4%	-3.8%	22.0%	6582.7
NASDAQ (\$)	4.4%	-5.9%	32.2%	21879.2
S&P/ TSX Composite (C\$)	3.6%	4.4%	36.0%	33108.2
UK & European Equities				
FTSE All-Share (£)	4.5%	4.0%	21.9%	5566.1
MSCI Europe ex UK (€)	3.7%	-0.8%	11.7%	2037.2
Asian Equities				
Topix (¥)	-0.1%	6.9%	41.9%	3645.2
Hong Kong Hang Seng (\$)	0.7%	-2.0%	9.9%	25116.5
MSCI Asia Pac. Ex-Japan (\$)	-0.3%	2.1%	28.0%	737.5
Latin American Equities				
MSCI EMF Latin America (\$)	5.0%	15.9%	47.5%	3139.6
Mexican Bolsa (peso)	4.5%	8.4%	28.9%	69702.0
Brazilian Bovespa (real)	3.6%	16.7%	43.4%	188052.0
Commodities (\$)				
West Texas Intermediate Spot	11.9%	94.3%	66.6%	111.5
90Gold Spot Price	4.2%	8.2%	50.5%	4676.8
Bond Indices (\$)				
Bloomberg U.S. Aggregate	0.8%	0.0%	3.5%	2347.9
Bloomberg Global Aggregate	0.8%	-0.8%	2.7%	497.2
JPMorgan Emerging Mkt Bond	0.8%	-0.7%	9.9%	1010.9
10-Year Yield Change (basis points*)				
US Treasury	-8	18	32	4.35%
UK Gilt	-14	35	31	4.83%
German Bund	-10	14	34	2.99%
Japan Govt Bond	0	32	101	2.39%
Canada Govt Bond	-10	5	55	3.48%
Currency Returns**				
US\$ per euro	0.1%	-1.9%	4.2%	1.152
Yen per US\$	-0.4%	1.9%	9.3%	159.67
US\$ per £	-0.4%	-2.0%	0.8%	1.320
C\$ per US\$	0.4%	1.6%	-1.1%	1.395

Source: Bloomberg. Equity-index returns are price only, others are total returns. *100 basis points = 1 percentage point. **Increases in U.S. dollars (USD) per euro or pound indicate a decline in the value of the USD; increases in yen or Canadian dollars per USD indicate an increase in the value of the USD.

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