VIEWS | APRIL 10, 2026

Weekly market update: Truce or consequences?

The market and economy

- U.S. stocks rose during the week ending April 10. The market was buoyed by signs of a possible breakthrough in the war in the Middle East, overcoming investors' concerns that a negotiated ceasefire in the conflict would not hold.
- In a post on his social media platform on Tuesday morning, President Donald Trump threatened to expand attacks on Iran's infrastructure if the regime did not meet a Tuesday night deadline to reopen 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.
- Shortly before the deadline on Tuesday evening, Trump announced in a social media post that the U.S., Israel, and Iran had agreed to a two-week ceasefire in the hostilities following the Pakistani government's intervention. "Based on conversations with Prime Minister Shehbaz Sharif and Field Marshal Asim Munir, of Pakistan, and wherein they requested that I hold off the destructive force being sent tonight to Iran, and subject to the Islamic Republic of Iran agreeing to the COMPLETE, IMMEDIATE, and SAFE OPENING of the Strait of Hormuz, I agree to suspend the bombing and attack of Iran for a period of two weeks," Trump wrote. Following Israel's military attacks on Lebanon on Thursday, Prime Minister Benjamin Netanyahu announced that Israel will begin negotiations with Lebanon "as soon as possible." However, Israel subsequently resumed military operations as Netanyahu said that the ceasefire does not include Lebanon.
- The rising energy prices have fueled inflation. The Department of Labor reported that the consumer-price index (CPI) jumped 0.9% in March as prices for fuel oil and gasoline surged 30.7% and 21.2%, respectively, during the month, while utility gas service costs fell 0.9%. Prices for fuel oil and gasoline recorded gains of 44.2% and 18.9%, respectively, over the previous 12-month period. Core inflation, as measured by the CPI for all items less food and energy, rose 2.6% year-over-year in March, an uptick from the 2.5% increase in February and slightly below expectations. Costs for transportation services and medical care services were up 4.1% and 3.7%, respectively, over the previous 12-month period, while prices for used cars and trucks decreased 3.2%.
- According to the third estimate from the Department of Commerce, U.S. gross domestic product (GDP) rose at an annual rate of 0.5% for the fourth quarter of 2025—lower than the 4.4% gain in the third quarter and a downward revision from the government's second estimate of a 0.7% increase. The economy expanded 2.1% for the 2025 calendar year. The increase in GDP for the fourth quarter was attributable primarily to upturns in consumer spending and nonresidential fixed investment (purchases of equipment and software, and nonresidential structures). Conversely, federal government spending and exports fell during the quarter. The decelerating GDP growth rate in the fourth quarter compared to the previous quarter was due mainly to decreases in exports and federal government spending, as well as a slowdown in consumer spending.
- The U.S. government has continued to release economic data that were delayed by the 43-day shutdown that ended in mid-November of last year. The Department of Commerce announced that the personal-consumption expenditures (PCE) price index rose 0.4% in February. The index advanced 2.8% year-over-year, edging down from the 2.9% annual increase in January. The core PCE price index, which excludes volatile food and energy prices, increased 0.4% for the month, matching the 0.4% rise in January. The index posted a year-over-year upturn of 3.0% in February following a 3.1% annual increase in the previous month. The PCE price index is widely considered the Fed's preferred measure of inflation as it tracks the prices that consumers pay for goods and services to reveal underlying inflation trends.
- Minutes of the Federal Open Market Committee's (FOMC) March 17-18 meeting indicated that members expressed concerns regarding the economic impact of the Middle East war. By a split vote of 11-1, the FOMC maintained the federal funds rate in a range of 3.50%-3.75%. FOMC member Stephen Miran favored a 0.25% rate cut. The meeting participants commented that inflation has remained above the central bank's 2% target. FOMC members "continued to view the uncertainty around the forecast as elevated considering the potential economic effects of developments in the Middle East, government policy changes, and the adoption of AI [artificial intelligence]."

- **Stocks**
- Global equities gained ground during the week. Emerging markets outperformed developed markets.
- U.S. equities moved higher for the week. Consumer discretionary and communication services were the top-performing sectors, while energy and healthcare were the primary market laggards.
- Growth stocks outperformed value stocks, while small caps surpassed large caps.

Bonds

- The 10-year U.S. Treasury note yield declined to 4.32% 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 10, 2026	1 Week	YTD	1 Year	Friday's Close
Global Equity Indexes				
MSCI ACWI ($)	3.9%	1.8%	32.5%	1032.6
MSCI EAFE ($)	3.8%	4.7%	32.1%	3029.0
MSCI Emerging Mkts ($)	6.1%	8.8%	48.6%	1528.6
US & Canadian Equities				
Dow Jones Industrials ($)	3.0%	-0.3%	21.0%	47916.6
S&P 500 ($)	3.5%	-0.5%	29.3%	6812.7
NASDAQ ($)	4.7%	-1.5%	39.8%	22902.9
S&P/ TSX Composite (C$)	1.6%	6.1%	46.2%	33636.6
UK & European Equities				
FTSE All-Share (£)	1.8%	5.9%	32.4%	5664.5
MSCI Europe ex UK (€)	3.0%	2.1%	22.8%	2097.7
Asian Equities				
Topix (¥)	2.6%	9.7%	47.3%	3739.9
Hong Kong Hang Seng ($)	3.1%	1.0%	25.2%	25893.5
MSCI Asia Pac. Ex-Japan ($)	6.3%	8.5%	46.1%	783.9
Latin American Equities				
MSCI EMF Latin America ($)	4.5%	21.1%	68.0%	3279.7
Mexican Bolsa (peso)	0.5%	8.9%	36.0%	70061.9
Brazilian Bovespa (real)	4.8%	22.4%	56.0%	197141.8
Commodities ($)				
West Texas Intermediate Spot	-12.3%	70.4%	62.9%	97.9
90Gold Spot Price	1.9%	10.2%	50.8%	4763.9
Bond Indices ($)				
Bloomberg U.S. Aggregate	0.5%	0.4%	6.4%	2358.6
Bloomberg Global Aggregate	0.8%	0.0%	4.7%	501.4
JPMorgan Emerging Mkt Bond	1.3%	0.6%	14.3%	1024.4
10-Year Yield Change (basis points*)				
US Treasury	-3	15	-11	4.32%
UK Gilt	0	36	19	4.83%
German Bund	6	20	48	3.06%
Japan Govt Bond	5	37	109	2.44%
Canada Govt Bond	-1	4	24	3.47%
Currency Returns**				
US$ per euro	1.8%	-0.1%	4.7%	1.173
Yen per US$	-0.2%	1.6%	10.3%	159.29
US$ per £	2.0%	-0.1%	3.8%	1.347
C$ per US$	-0.8%	0.8%	-1.1%	1.384

*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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