



Weekly market update: Much ado about everything in the Middle East.

The market and economy

- U.S. stocks saw mixed performance during the week ending April 24, amid periods of volatility in response to numerous developments in the war in the Middle East. Investors were focused on the fragile ceasefire in the U.S.-Israel-Iran war and 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. The tech-heavy Nasdaq Composite Index garnered a positive return, benefiting from a rally in semiconductor stocks at the end of the week, which offset an earlier selloff in shares of software-as-a-service (SaaS) companies. The broad-market S&P 500 Index posted a modest gain for the week, while the Dow Jones Industrial Average finished in negative territory.
- On Tuesday, one day before the ceasefire in the U.S. and Israel's conflict with Iran was scheduled to end, Iranian officials backed out of negotiations with the U.S., which were scheduled to be held in Pakistan. However, President Donald Trump announced that he would extend the deadline if Iran agreed to restart peace talks. The U.S. maintained a blockade of the Strait of Hormuz, which it had initiated on April 13 in an effort to pressure Iran to stop interfering with shipping by preventing the country from exporting oil. The blockade applies only to ships entering or leaving Iranian ports.
- Following a meeting with diplomats from Israel and Lebanon at the White House on Thursday, Trump announced that the two countries had reached an agreement to extend their ceasefire for three weeks. However, Hezbollah, an Iran-backed Shia militia based in Lebanon, did not send any representatives to the meeting.
- The rising energy prices spurred by the closing of the Strait of Hormuz boosted U.S. retail sales in March. The Census Bureau reported that retail and food services sales—a gauge of consumer spending, which comprises more than two-thirds of the nation's gross domestic product (GDP)—climbed 1.7% for the month, exceeding expectations and representing a sharp increase from the 0.7% advance in February. Sales for gasoline stations skyrocketed 15.5% in March, bolstered by higher prices. Excluding gasoline stations, retail sales rose 0.6% for the month. Additionally, sales were up 4.0% over the previous 12-month period. Gasoline station sales surged 18.1% compared to March 2025, while nonstore retailers and miscellaneous store retailers posted year-over-year sales gains of 10.1% and 9.8%, respectively.
- During a Senate confirmation hearing on Tuesday, Federal Reserve (Fed) Chair nominee Kevin Warsh stressed that central bank monetary policy must remain “strictly independent.” He said that President Trump has not asked him to commit to interest-rate cuts. “Unlike many of my colleagues past and present, I don’t believe in forward guidance...I don’t believe that I should be previewing for you what a future decision might be,” Warsh commented. Additionally, Warsh told lawmakers that he would not seek to fire regional Fed bank presidents or restructure the Federal Open Market Committee (FOMC) to fast-track rate cuts. If confirmed by the Senate, Warsh would succeed current Fed Chair Jerome Powell, whose term expires on May 15.
- On Friday, the U.S. Department of Justice announced that it was ending its criminal investigation of Jerome Powell, most likely clearing the way for Kevin Warsh's confirmation. Republican Senator Thom Tillis of North Carolina had blocked Warsh's nomination, indicating that he would not advance any Fed chair nominee while there was an open investigation.
- It appears that the Mideast war is weighing on consumer confidence. The University of Michigan's Index of Consumer Sentiment for April fell 3.5 points (-6.6%) month-over-month to 49.8—the lowest reading since the record low of 49.3 in June 2022. The index was down 2.4 points (-4.6%) year-over-year. Consumers' expectations for inflation over the next 12 months rose 0.9 percentage point to 4.7% in April, while long-run inflation expectations increased 0.3 percentage point to a six-month high of 3.5%. In a statement announcing the survey results, the University of Michigan commented, “The Iran conflict appears to influence consumer views primarily through shocks to gasoline and potentially other prices. In contrast, military and diplomatic developments that do not lift supply constraints or lower energy prices are unlikely to buoy consumers.”

Stocks

- Global equities ended mixed for the week. Emerging markets were virtually flat but outperformed developed markets, which declined.
- U.S. equities were mixed during the week. Energy and information technology were the top-performing sectors, while healthcare and financials 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 rose to 4.31% during the week.
- The U.S. bond market recorded a modest loss for the week.
- High-yield bonds led the market, followed by corporate bonds and government bonds.

As of April 24, 2026	1 Week	YTD	1 Year	Friday's Close
Global Equity Indexes				
MSCI ACWI (\$)	-0.7%	5.2%	30.2%	1067.3
MSCI EAFE (\$)	-2.4%	4.9%	23.8%	3035.4
MSCI Emerging Mkts (\$)	0.1%	13.9%	46.3%	1599.3
US & Canadian Equities				
Dow Jones Industrials (\$)	-0.4%	2.4%	22.8%	49230.7
S&P 500 (\$)	0.5%	4.6%	30.6%	7160.8
NASDAQ (\$)	1.5%	6.9%	44.7%	24836.6
S&P/ TSX Composite (C\$)	-1.3%	6.9%	37.1%	33912.6
UK & European Equities				
FTSE All-Share (£)	-2.7%	4.0%	22.5%	5565.8
MSCI Europe ex UK (€)	-2.2%	2.5%	16.1%	2105.5
Asian Equities				
Topix (¥)	-1.2%	9.0%	43.4%	3716.6
Hong Kong Hang Seng (\$)	-0.7%	1.4%	18.6%	25978.1
MSCI Asia Pac. Ex-Japan (\$)	0.5%	13.4%	44.0%	819.1
Latin American Equities				
MSCI EMF Latin America (\$)	-2.7%	20.1%	48.8%	3255.1
Mexican Bolsa (peso)	-0.9%	7.6%	22.8%	69219.2
Brazilian Bovespa (real)	-2.6%	18.3%	41.6%	190628.7
Commodities (\$)				
West Texas Intermediate Spot	18.8%	73.5%	56.7%	99.6
90Gold Spot Price	-2.9%	9.4%	41.9%	4726.9
Bond Indices (\$)				
Bloomberg U.S. Aggregate	-0.4%	0.4%	5.3%	2359.1
Bloomberg Global Aggregate	-0.7%	0.3%	3.2%	502.6
JPMorgan Emerging Mkt Bond	-0.4%	1.7%	13.4%	1035.6
10-Year Yield Change (basis points*)				
US Treasury	6	14	-1	4.31%
UK Gilt	15	43	41	4.91%
German Bund	3	14	55	2.99%
Japan Govt Bond	2	37	111	2.44%
Canada Govt Bond	1	3	27	3.46%
Currency Returns**				
US\$ per euro	-0.4%	-0.2%	2.9%	1.172
Yen per US\$	0.5%	1.7%	11.8%	159.40
US\$ per £	0.1%	0.4%	1.4%	1.353
C\$ per US\$	-0.2%	-0.4%	-1.4%	1.367

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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