

## Market Brief

- U.S. equities finished higher for the week, even as Friday's session turned mixed. The S&P 500 gained 3.56% on the week, the Nasdaq advanced 4.68%, and the Dow rose 3.04%, while the Russell 2000 added 3.97%, with all four benchmarks posting strong weekly rebounds.
- European equities posted firmer performance as cautious optimism around Middle East peace talks supported sentiment. The Euro STOXX 50 gained 3.37% for the week, while the FTSE 100 finished higher as well, extending its third straight weekly advance and ending Friday at 10,600.53.
- Treasury yields moved modestly higher on the week as markets continued to weigh war-related inflation pressure, elevated energy costs, and a less dovish rates backdrop. The 10-year Treasury yield finished around 4.34% on Friday.
- WTI crude settled near \$96.19 per barrel, while gold finished around \$4,749/ oz and silver traded near \$75.90 late in the week. Oil posted a steep weekly decline of 13.64% as the market reacted to the U.S.-Iran ceasefire, while gold and silver posted gains of 1.56% and 3.97% respectively.
- Volatility eased over the course of the week as equity markets stabilized from the sharp swings seen in late March, though hedging demand remained sensitive to geopolitical headlines. The VIX finished at 19.23 on Friday, down notably from 31.05 two weeks earlier.
- Global equity funds recorded \$23.47 billion in net inflows in the week through April 8, including \$9.76 billion into U.S. equity funds, Global bond funds took in \$13.87 billion, and money market funds saw another \$72.05 billion of inflows, suggesting investors were adding risk exposure.

## Market Data Snapshot

Index	Value	WTD	1-Month	YTD
DOW JONES INDUS.	47,916.57	3.04%	0.44%	-0.31%
S&P 500 INDEX	6,816.89	3.56%	0.52%	-0.42%
NASDAQ COMPOSITE	22,902.89	4.68%	0.91%	-1.46%
RUSSELL 2000 INDEX	2,630.59	3.97%	3.24%	5.99%
S&P 500/TSX COMPOSITE INDEX	33,695.76	1.77%	1.28%	5.74%
EURO STOXX 50 PR	5,926.11	3.37%	4.24%	2.24%
FTSE 100 INDEX	10,600.53	2.27%	1.81%	6.74%
DAX INDEX	23,803.95	2.17%	-0.69%	-2.80%
CAC 40 INDEX	8,259.60	3.49%	2.51%	1.35%
NIKKEI 225	56,924.11	6.57%	4.93%	13.08%

Commodities	Value (\$)	WTD	1-Month	YTD
Crude Oil (WTI)	96.19	-13.64%	15.26%	67.45%
Gold	4,749.55	1.56%	-8.57%	9.80%
Silver	75.8859	3.97%	-14.26%	6.19%
Natural Gas	2.65	-5.25%	-12.20%	-28.55%

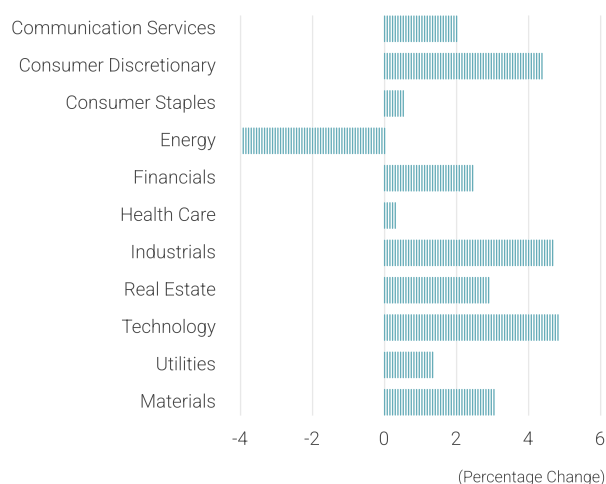
Fixed Income	Yield	WTD	1-Month	YTD
U.S. 2 Year Treasury	3.810%	-2.30	7.60	32.70
U.S. 10 Year Treasury	4.340%	2.00	5.80	16.80
Germany 2 Year Bund	2.609%	-0.78	15.26	47.58
Germany 10 Year Bund	3.061%	6.55	7.52	20.10

(Basis Point Change)

Currency	Value	WTD	1-Month	YTD
U.S. Dollar Index (DXY)	98.70	-1.28%	-0.13%	0.43%
EUR/USD	1.1730	1.85%	1.02%	-0.19%
USD/JPY	159.2760	-0.21%	0.77%	1.69%
GBP/USD	1.3468	2.06%	0.38%	-0.09%
USD/CAD	1.3841	-0.74%	1.93%	0.84%
USD/CHF	0.7892	-1.41%	1.36%	-0.37%
EUR/JPY	186.8260	1.66%	1.82%	1.49%
EUR/CHF	0.9257	0.38%	2.42%	-0.57%

Risk Free Rates	1M	3M	6M	12M
CHF (SARON)	-0.05%	-0.05%	-0.05%	0.00%
EUR (EURIBOR)	2.00%	2.20%	2.45%	2.72%
USD (SOFR)	3.65%	3.67%	3.69%	3.69%
GBP (SONIA)	3.73%	3.74%	3.87%	4.09%
JPY (TORF)	0.79%	0.86%	0.95%	-

### S&P 500 Weekly Sector Performance



## Market Drivers

### U.S. Markets

After weeks of bruising losses, U.S. stocks finally caught a break. A two-week ceasefire between the United States and Iran, combined with retreating oil prices, gave investors enough breathing room to push markets meaningfully higher. The S&P 500 climbed 3.56% for the week, the Dow added 3.04%, and the Nasdaq jumped 4.68%, the best weekly showing for all three since November. Friday told a slightly different story, with the S&P 500 and Dow slipping a touch while the Nasdaq held on for a small gain, a reminder that confidence has returned but has not fully settled in. Inflation added to the mixed mood. March consumer prices came in with their biggest jump in nearly four years, mostly blamed on energy and gas costs, though core inflation was actually a bit tamer than expected. So markets spent the week quietly wrestling with two competing feelings of relief that the worst of the geopolitical scare may have passed, and unease about what a lingering oil shock could mean for the Fed. On the brighter side, money started flowing back in. U.S. equity funds pulled in \$9.76 billion in the week through April 8, nearly double the prior week, with tech, industrials, and utilities leading the way.

### European Markets

Europe had a better week too, though the mood there was more measured than celebratory. The STOXX 50 had a 3.37% weekly gain and a third straight winning week. Much of the lift came from the ceasefire news and the possibility of further diplomatic progress, which dialed down fears of a sharper energy crunch. That said, Europe knows better than most how quickly things can turn. The region's dependence on imported fuel means it stays nervous whenever Middle East tensions flare. This week felt less like a confident rally and more like markets quietly exhaling after pricing out some of the worst-case scenarios. Fund flows backed that up, with European equity funds drawing \$9.1 billion in fresh money through April 8, a meaningful improvement from the defensive crouch investors had adopted in the earlier weeks of the conflict. The headline numbers looked better and the money flows looked better, but Europe remains one of the regions most exposed if oil or shipping costs start climbing again.

### Asia-Pacific Markets

Asia-Pacific had one of the strongest comebacks of any region this week, which made sense given how hard it had been hit during the earlier phase of the crisis. The MSCI broad Asia-Pacific index outside Japan rose 0.9% on Friday and finished the week up 7.3%, its biggest weekly gain since November 2022. The rebound reflected growing confidence that the conflict would not produce the kind of prolonged energy shock that large fuel-importing economies in the region had feared most. It also reflected just how aggressively Asia had been sold off in the weeks before. Foreign investors pulled \$70.3 billion from emerging market assets in March alone, the largest outflow since the early days of the pandemic in March 2020, with \$56 billion of that coming out of equities and Asia taking the hardest hit. The weekly picture looked more encouraging though. Asian equity funds attracted around \$2.0 billion in the week through April 8, a sign that some investors are starting to cautiously rebuild positions as the immediate fears around oil transit and escalation have eased. Asia had a strong relief rally this week, but it remains highly sensitive to any shift in the geopolitical story or energy prices.

### Emerging Markets

Emerging markets steadied this week, though the recovery still felt uneven rather than broad. The ceasefire and hopes for weekend diplomacy helped lift sentiment, and the gains were especially visible in Latin America, where the MSCI Latin America stock index rose 1.5% on Friday to its highest level since October 2014. The region's currency index also hit a record high and posted its best weekly gain since February 2024. Still, the wider emerging market picture remains fragile. The \$70.3 billion that left emerging market assets in March was the largest monthly outflow since the pandemic panic of 2020, with most of the selling concentrated in equities and particularly in Asia. The financing backdrop has also become less forgiving. Portfolio investors now account for roughly 80% of emerging market debt financing, up sharply over the past two decades, which leaves many economies far more exposed to sudden shifts in risk appetite, currency swings, and rising borrowing costs. So while this week was clearly a better one than most of March, the honest read is that emerging markets moved from acute stress to a cautious and selective recovery, with investors still demanding a lot more compensation for the risks they are taking on than they were at the start of the year.

## Technical Update

The S&P 500 closed the week at 6,816.89, marking a solid recovery from the prior week's weakness and finishing comfortably above the levels that had been under pressure at the end of March. On Monday the index opened at 6,587.66, dipped briefly to 6,579.72, and then pushed to 6,618.13 before closing at 6,611.83, suggesting that buyers were beginning to reassert themselves after the prior week's stress. Tuesday added only modestly to that progress. The S&P opened at 6,601.93, traded as high as 6,618.26, slipped to 6,534.55 intraday, and closed at 6,616.85, leaving the market firmer but still not through any meaningful resistance. Wednesday is where things shifted more decisively. The index opened at 6,754.36, reached 6,793.50, held a low of 6,740.28, and closed at 6,782.81. It was the week's strongest directional session and, more importantly, a clear move through the overhead area that had been capping prior rebound attempts. Thursday extended that progress. The S&P opened at 6,783.69, climbed to 6,835.31, dipped to 6,761.55, and closed at 6,824.66, reinforcing the breakout and pushing the market into a higher trading range. Friday was more restrained but still constructive. The index opened at 6,839.24, traded as high as 6,845.77, slipped to 6,808.46, and finished at 6,816.89. That slight fade into the close did little to change the broader picture. The market ended the week well above the early base it had built and firmly back inside a stronger recovery structure. The primary support zone to watch is 6,805 to 6,825, which captures Friday's low and close along with the area where the market held after Thursday's breakout. Just below that, 6,760 to 6,785 represents the more important support shelf, containing Thursday's intraday pullback area and Wednesday's closing region. A clean break back through that level would suggest the breakout is losing traction and that the market may need to retest lower ground. Further down, 6,700 to 6,740 marks the next meaningful support zone if sellers begin to push the index back into the prior range. On the upside, first resistance sits between 6,840 and 6,860, where Friday's high and the upper edge of the week's advance begin to cluster. Above that, 6,890 to 6,925 becomes the next level to clear, and then 6,960 to 7,000 emerges as the broader continuation zone if buyers can build on the breakout and extend the recovery.

By Friday, about 43.42% of S&P 500 members were trading above their 50-day moving averages, up from roughly 28.62% on April 2. That is a notable improvement and shows that participation broadened as the index recovered, though breadth has not yet returned to especially strong levels across the full market. Volatility also eased materially as the week progressed, with the VIX finishing at 19.23. Taken together, these readings point to a market that has regained short-term technical control and seen risk conditions improve, but that still needs continued breadth expansion to fully validate the move. The 6,805 to 6,825 zone is the key area to defend on any pullback, with 6,760 to 6,785 serving as the more critical support shelf and 6,700 to 6,740 as the deeper fallback if momentum fades. To the upside, 6,840 to 6,860 is the first checkpoint, followed by 6,890 to 6,925 and then 6,960 to 7,000 if buyers can maintain control. Unless the index falls back below the breakout area and breadth deteriorates again, the tone has shifted from corrective to cautiously constructive.

### S&P 500: 50 & 200 Day Moving Average



Source: WSJ

## The Week in Focus

The coming week features a lighter top tier U.S. macro calendar but a much heavier early first quarter earnings slate. Investors will be trying to judge whether the market can hold its footing after a stretch dominated by hotter inflation, higher energy prices, and persistent geopolitical unease. The immediate focus falls on March existing home sales, producer prices, import and export prices, the Fed's Beige Book, weekly jobless claims, and March industrial production, alongside earnings from Goldman Sachs, JPMorgan, Citigroup, Wells Fargo, Bank of America, Morgan Stanley, ASML, TSMC, and Netflix. March retail sales, originally expected Thursday, has also been pushed to April 21, leaving markets to lean more heavily on inflation pipeline data, manufacturing signals, and management commentary. The key question is whether investors are willing to extend risk if earnings confirm that growth is slowing only modestly rather than deteriorating more meaningfully.

Monday, April 13 opens with March existing home sales and the Treasury's monthly budget statement, while Goldman Sachs reports before the open. Housing will matter because another soft reading would reinforce the idea that elevated borrowing costs are still restraining activity, and Goldman's results should help set the week's tone by offering an early read on trading, underwriting, deal flow, and client engagement in a less comfortable macro environment.

Tuesday, April 14 brings the first important macro test of the week. March producer price inflation is due at 8:30 a.m. ET, arriving just after March CPI showed a sharp acceleration driven heavily by energy and gasoline. If producer prices also come in firm, markets will likely read that as confirmation that inflation pressure is broadening and may continue to complicate the policy backdrop. Earnings are also heavy, with JPMorgan, Citigroup, Wells Fargo, and Johnson and Johnson among the key names. The banks matter not only for their first quarter results but for what management says about loan demand, credit quality, and the condition of consumers and businesses heading into a more uncertain stretch.

Wednesday, April 15 may carry more weight than the calendar initially suggests. March import and export price data arrive in the morning, followed by the Fed's Beige Book in the afternoon, while Bank of America, Morgan Stanley, and ASML are among the more consequential companies reporting. The Beige Book could shape the broader tone if anecdotal commentary points to stickier inflation, more cautious hiring, or softening demand, while ASML will be watched closely for what it says about semiconductor equipment demand and the durability of AI related capital spending.

Thursday, April 16 is arguably the busiest session of the week. Weekly jobless claims are due in the morning, followed by March industrial production and capacity utilization. The earnings calendar carries real weight as well, with TSMC and Netflix standing out. TSMC should offer a critical read on global semiconductor demand and AI related capacity, while Netflix will serve as a useful test of consumer subscription resilience and the market's tolerance for richly valued growth stories.

Friday, April 17 is comparatively quiet, leaving the market to digest what it has absorbed from producer prices, regional manufacturing surveys, labor market signals, industrial activity, and the first substantial wave of first quarter earnings. By then, investors should have a clearer picture of whether the recent improvement in sentiment is being supported by fundamentals or remains vulnerable to reversal.

The bar for a more durable improvement in risk appetite still looks fairly high. But if producer prices do not materially worsen the inflation story, claims remain contained, industrial production holds up, and the first major earnings arrive with reasonably constructive guidance, markets may at least have a basis for arguing that the backdrop remains pressured but still manageable. This week may be less about one decisive macro release and more about whether data and earnings together can sustain the case that growth is slowing, not breaking.