

By the numbers

Chart of the week (Apr. 10, 2026)



Recent inflation readings from the [Personal Consumption Expenditures Price Index](#) (PCE) and the [Consumer Price Index](#) (CPI) came in as expected. That is some measure of good news. The bad news, however, is that expectations already reflecting the beginning of a surge in inflation based on higher energy costs from the conflict in Iran. Headline inflation is being led by a massive rise in gasoline prices and the increased cost to produce and distribute food. Given the higher costs for fertilizer impacting production costs, we expect food prices to show more upward pressure over the coming months.

Importantly, we know the Federal Reserve removes food and energy from the equation and looks more closely at the “core” rate of inflation. On that front, the primary driver of inflation is shelter costs, and here we see a continued moderation in rents which is allowing the core inflation rate to show more moderate increases. Based on Friday’s CPI report, headline inflation is up 3.3% year over year, while core inflation is up “only” 2.6%. This may be a harbinger of things to come as headline inflation shows greater upward pressure for some period of time.

From the Fed’s perspective, moderate core inflation readings and continued stable long-term inflation expectations may provide them the cover to not raise rates. Still, consumers are most definitely going to feel the pinch of higher prices.

With that in mind, our chart this week is one we have used often. It shows the aggregate inflation gains in CPI compared to aggregate wage gains going back to the onset of the pandemic. The U.S. had just begun to make some progress on closing this gap as inflation slowed and wage gains were higher than price increases.

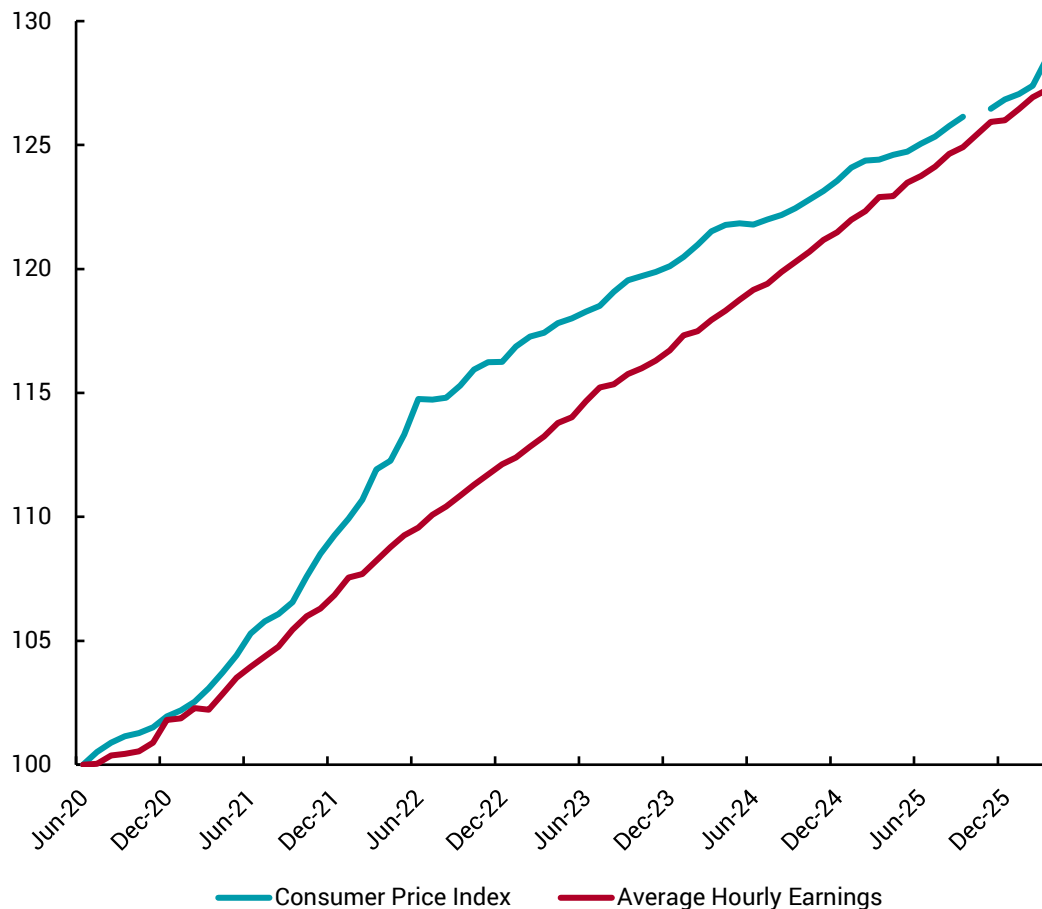
However, now it appears the conflict in Iran is going to widen this gap going forward. We all feel the impact of higher prices, but lower income brackets feel it most acutely. That’s primarily because lower income brackets spend a larger proportion of their income on items like food and gasoline.

The implications of this re-widening are both economic and political. There is no single economic data point with a higher correlation to a president’s approval rating than gasoline prices. And while the gap between inflation and wages had been narrowing, we all feel the impact in areas like home heating bills and insurance, where costs have gone up significantly faster than overall inflation rates.

In short, while the Fed might be able to avoid rate increases as they look through the upcoming period of higher prices, consumers are going to feel the pinch. All of this sets up for what could be a grumpy electorate in the mid-term elections. And is always the case, if voters are unhappy, the party in power, which is currently the Republican party, is going to pay a price at the polls.

Inflation and Average Hourly Earnings

(Indexed=100, June 2020)



By the numbers

Commentary (Apr. 10, 2026)



Domestic Equities

- U.S. equities seemed to find a bottom at the end of March and have moved higher throughout the first trading days in April. A big surge in upward momentum came on the heels of a ceasefire agreement between the U.S. and Iran in the middle of the week. From there, stocks have been in a holding pattern as investors consider surging inflation data and potential outcomes of the fragile ceasefire.
- The Nasdaq Composite Index outperformed for the week as tech stocks were supported by renewed optimism around earnings expectations, which remain strong across the board but are still the highest in tech.
- Energy stocks lagged, pressured by volatile but generally softer oil prices on expectations that supply disruptions may prove temporary. Volatility declined modestly, with the VIX drifting lower as equity markets stabilized.
- Investors took the surging CPI data in stride on Friday, as the 3.3% rise from a year earlier was largely expected and mostly due to the rise in energy costs. Investors also brushed off the lowest-ever consumer sentiment reading, because surveys for that reading were taken before the ceasefire deal.

Bonds

- U.S. Treasury yields were mostly lower for the week on news of the ceasefire between the U.S. and Iran. The belly of the curve experienced the biggest drop in yields, but the curve finished off the lows with rates moving higher on Friday. That's as consumer sentiment fell to record lows and consumer inflation rose the most in nearly four years. In particular, the CPI rose 0.9% from February, with gas prices accounting for nearly three-quarters of the monthly rise. However, this didn't stop traders from increasing Fed rate-cut bets for the week, with investors betting mostly heavily on a cut in July 2027.
- Credit risk premiums continued to fall, as measured by the Market CDX North American High Yield and Investment Grade Indices.
- Stress within private credit is starting to spark concerns within certain parts of the municipal bond market, specifically prepaid gas bonds, with bonds issued by insurance companies significantly underperforming those issued by banks.
- Global bonds outperformed U.S. bonds for the week, with the market benefitting from a weaker U.S. dollar and global rates falling more rapidly.

International Equities

- Foreign stock markets moved higher this week as the fragile two-week Middle East ceasefire eased investor concerns about potential supply disruptions in oil markets, tempering inflation concerns.
- Stocks in developed foreign markets rebounded this week, with strong gains from Japan and various European markets sending the MSCI EAFE Index higher. However, investor confidence in the euro area fell to a one-year low, as the Iran war has weighed on economic growth expectations, particularly in Germany. The European economy and corporate profits are sensitive to fluctuations in oil and natural gas prices, and the energy price shock is starting to feed into the region's inflation data.
- Emerging markets surged this week with broad gains across all regions. Asian technology stocks once again were key drivers of returns, led by a rally in memory and semiconductor companies. The Reserve Bank of India opted to keep its interest rates unchanged and maintained a neutral policy stance while monitoring the effects of rising oil prices on the economy. The bank still expects that India's economy will expand by 6.9% over the next year.

Economics

- On Wednesday, the Federal Open Market Committee (FOMC), minutes from the March meeting showed increased policy uncertainty, with some officials favoring keeping rate hikes on the table amid stubborn inflation. While most FOMC members expect rate cuts eventually, several pushed the timing further out given recent inflation readings.
- On Thursday, initial jobless claims rose to 219,000, above the 213,000 consensus estimate and up from the prior week's 202,000 reading. Continuing claims fell to 1.794 million, which was the lowest since May 2024. The data suggests that, while the labor market may be cooling it still shows resilience.
- On Friday, headline CPI rose to 3.3% year-over-year, slightly below the 3.4% consensus estimate but sharply higher than the prior month's 2.4% reading, driven by a surge in energy prices. Core CPI came in at 2.6%, below the 2.7% consensus and modestly above the prior month's reading of 2.5%, indicating contained underlying inflation pressures. Markets largely looked through the energy-driven increase, keeping focus on core inflation trends.

Weekly Market Update

For Week Ending April 10, 2026

Markets

	Last Price	Change From Prior Week	Change From Year End	Change From Year Ago
Capital Markets				
Dow Jones Industrial Avg	47,916.57	3.1%	0.2%	23.1%
S&P 500 Index	6,816.89	3.6%	-0.1%	31.0%
NASDAQ Composite	22,902.89	4.7%	-1.3%	40.6%
S&P 400 Midcap Index	3,522.63	3.4%	7.0%	33.1%
S&P 600 Smallcap Index	1,584.15	3.8%	8.4%	40.1%
MSCI EAFE	11,250.37	4.4%	6.1%	36.2%
MSCI Emerging Markets	848.28	7.4%	10.7%	53.6%
Bloomberg US Agg	2,355.59	0.3%	0.3%	6.3%
Bloomberg Municipal 5 Yr	522.60	0.4%	0.6%	5.4%
Bloomberg US Corporate	3,548.91	0.5%	0.1%	8.0%
Bloomberg Gbl Agg ex US Hdq	610.43	0.1%	0.2%	2.6%
Bloomberg High Yield	2,937.91	0.9%	0.8%	11.2%
MSCI US REIT Index	2,576.34	3.2%	9.7%	21.8%
Bloomberg Commodity Index	336.14	-3.6%	21.7%	37.8%

Key Rates

	Last Price/Yield	Prior Week	Year End	Year Ago
Fed Funds Target	3.75%	3.75%	3.75%	4.50%
3-Month Treasury	3.67%	3.69%	3.63%	4.31%
1-Year Treasury	3.67%	3.68%	3.47%	3.97%
2-Year Treasury	3.80%	3.84%	3.47%	3.86%
5-Year Treasury	3.94%	3.98%	3.73%	4.07%
7-Year Treasury	4.12%	4.16%	3.94%	4.25%
10-Year Treasury	4.32%	4.34%	4.17%	4.42%
30-Year Treasury	4.91%	4.91%	4.84%	4.87%

Consumer Rates

30-Year Mortgage	6.47%	6.52%	6.25%	5.83%
BOKF National Prime Rate	7.50%	7.50%	7.50%	8.25%
SOFR	3.61%	3.66%	3.71%	4.37%

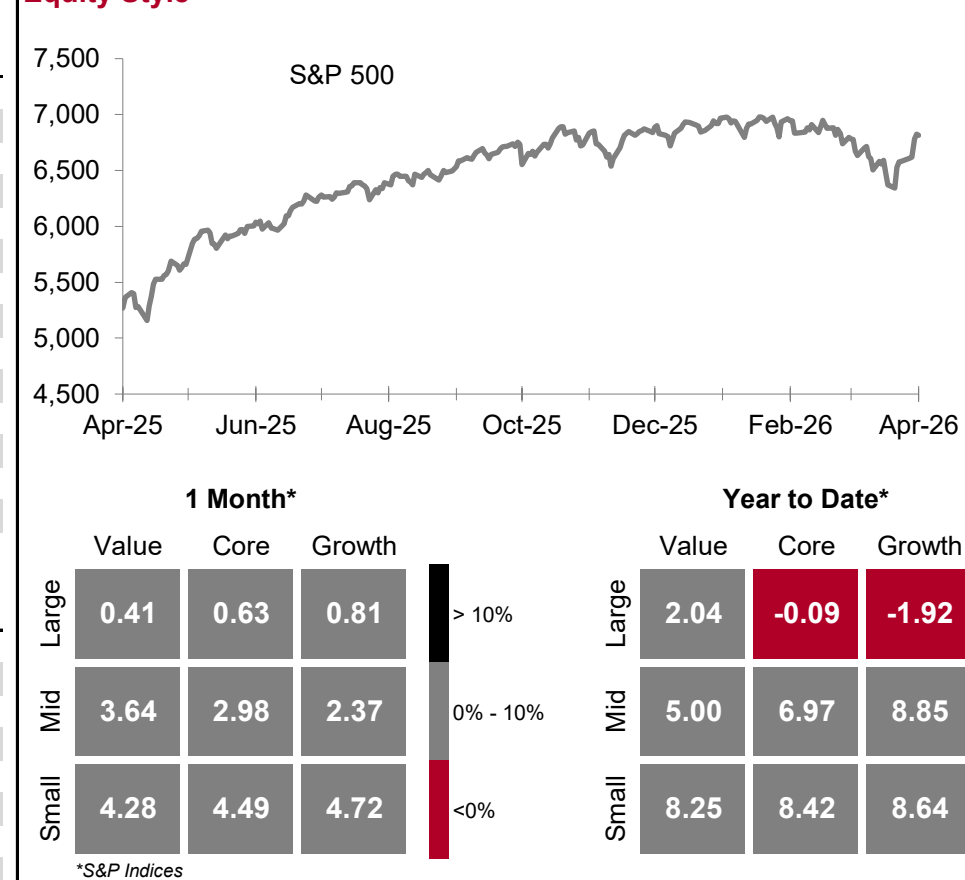
Commodities

Gold (spot)	4,749.75	4,676.76	4,319.37	3,176.23
Crude Oil WTI	96.57	111.54	57.42	60.07
Gasoline	4.14	4.10	2.83	3.21
Natural Gas	2.65	2.80	3.69	3.56
Copper	5.89	5.58	5.68	4.34

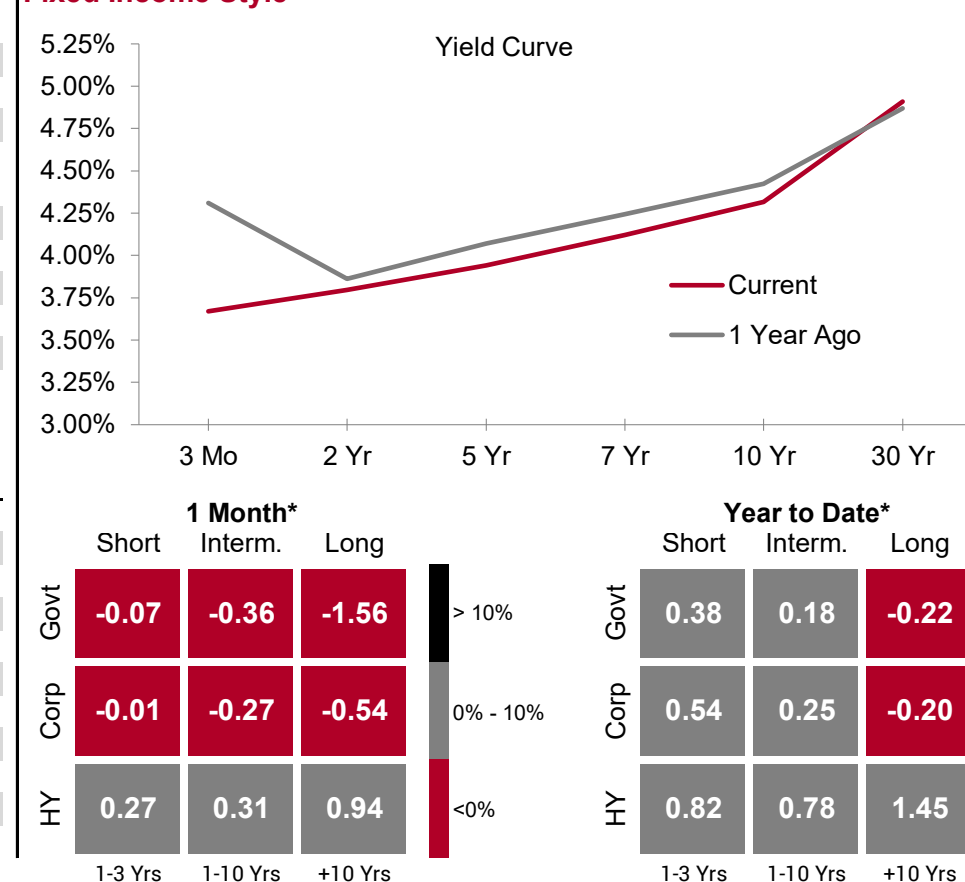
	P/E Forward	P/E Trailing	Price to Book	Current Div Yield
Index Characteristics				
Dow Jones Industrial Avg	20.30	21.40	5.49	1.65
S&P 500	20.16	24.55	5.31	1.24
S&P 500 Value	18.33	20.16	3.69	1.93
S&P 500 Growth	22.24	30.77	8.92	0.60
NASDAQ	23.87	33.35	7.22	0.66
S&P Midcap 400	16.81	19.62	2.80	1.63
S&P Smallcap 600	15.42	18.11	2.02	2.23
MSCI EAFE	15.89	17.77	2.28	2.99
MSCI Emerging Markets	11.78	17.48	2.30	2.48

Source: Bloomberg

Equity Style



Fixed Income Style



Economic Data

	Last Release	Year Ago
Inflation		
CPI Headline Inflation	3.3%	2.4%
CPI Core Inflation	2.6%	2.8%
Personal Consumption Exp (PCE) Core	3.0%	3.0%
Jobs		
Unemployment Rate (U3)	4.3%	4.2%
Broader Unemployment Rate (U6)	8.0%	7.9%
JOLT Survey (in millions)	6.88	7.24
Jobless Claims (000's)	219	223
Change in Non-Farm Payroll (000's)	178	67
Average Hourly Earnings (Y/Y % Change)	3.5%	4.2%
Consumer & Spending		
Consumer Confidence (Conf Board)	91.8	93.9
Consumer Spending (\$ Bil)	21,615	20,520
Consumer Credit (\$ Bil)	5,117	4,959
Retail Sales (\$ Bil)	738	712
Housing		
Housing Starts (000's)	1,487	1,358
Case-Shiller Home Price Index	326.61	323.67
U.S. Productivity		
Real Gross Domestic Product (\$ Bil)	24,056	23,587
Quarter over Quarter Change	0.5%	1.9%
Year Over Year Change	2.0%	2.4%
ISM Manufacturing	52.70	48.90
Capacity Utilization	76.29	76.27
Markit US Composite PMI	50.30	53.50
U.S. General		
Leading Economic Indicators	97.5	101.4
Trade Weighted Dollar Index	120.7	124.7
EUR / USD	1.17	1.12
JPY / USD	159.27	144.45
CAD / USD	0.72	0.72
AUD / USD	0.71	0.62

S&P 500 Sector Returns

	1 Month	YTD
Energy	3.04%	28.06%
Materials	4.77%	14.93%
Industrials	1.17%	10.91%
Utilities	1.54%	10.77%
Consumer Staples	-2.56%	8.30%
Real Estate	0.66%	7.74%
Communication Services	0.35%	0.04%
Information Technology	1.17%	-2.95%
Health Care	-3.42%	-4.40%
Consumer Discretionary	0.55%	-4.47%
Financials	1.95%	-6.78%

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