The Weekly Market Update – 4/6/26: Peace Hopes Drive Gains, Jobs Impress

Major Indices (Price Returns)	Close	Last Week	Quarter-to-Date	Year-to-Date	Trailing 12-Months	All-Time High	% to High
S&P 500	6,582.69	3.36%	0.83%	-3.84%	17.30%	6,978.60	6.0%
Dow Jones Industrial Average	46,504.67	2.96%	0.35%	-3.24%	10.72%	50,188.14	7.9%
NASDAQ Composite	21,879.18	4.44%	1.34%	-5.86%	26.47%	23,958.47	9.5%
Russell 2000	2,530.04	3.28%	1.35%	1.94%	25.75%	2,718.77	7.5%
MSCI EAFE (USD)	2,912.79	2.59%	2.61%	0.69%	21.32%	3,179.91	9.2%
MSCI Emerging Markets (USD)	1,434.48	-0.19%	2.67%	2.14%	30.24%	1,619.28	12.9%
Bloomberg Commodity Index	137.23	2.28%	1.47%	25.11%	28.97%	237.95	73.4%
Barclays U.S. Aggregate Bond	93.37	0.85%	0.13%	-0.75%	1.16%	112.07	20.0%

Source: FactSet

The S&P 500 equity index finished its best week of 2026 as the first quarter (1Q26) ended and 2Q26 began. The index gained +3.4% in a holiday-shortened week that ended on Thursday, 4/2/26. The growth-heavy Nasdaq Composite increased +4.4%. The bulk of the 'mini rally' came on Tuesday and Wednesday and was attributed to early-week Trump Administration comments suggesting that the Iran war could end soon. On Friday (and over the weekend), however, comments from the president essentially told us that military action could escalate and the conflict could become worse before it gets better (despite a preference for peace). Perhaps a recovery off recent lows (the S&P 500 was 6,344 on Monday, 3/30, its lowest closing price of 2026) was overdue as the index made five consecutive weekly declines. Following the strong rally from those lows (the week ended 4/2/26 was the best week for the S&P 500 since November 2025), we had two takeaways. First, the immediate equity market gains following non-specific hopes for peace were an indication that while the war has weighed heavily on sentiment (sparking economic growth fears), investors believe that a near-term resolution will limit economic damage and allow focus to return to corporate earnings. The second takeaway is that markets remain on edge and elevated volatility is likely to continue. The duration of the war remains highly uncertain; the Strait of Hormuz is still mostly closed, oil prices have not pulled back, and supply chains could become increasingly disrupted. While we expect recent gains to extend higher if Iran meets the U.S. deadline to open shipping lanes following 4/6/26, or agrees to a ceasefire, we also believe that markets are vulnerable to delayed peace talks. Economic trends and earnings expectation were healthy going into the Iran conflict, providing some near-term insulation from economic headwinds imposed by the war. The March jobs report reflected a strong rebound from February labor weakness and further reinforced solid U.S. data trends through the start of the war.

U.S. jobs increased more than expected in March and the unemployment rate ticked lower. According to the Bureau of Labor Statistics (BLS), U.S. nonfarm payrolls (jobs) increased by +178 thousand (K) in March, and the unemployment rate was 4.3%. The jobs number exceeded the FactSet consensus estimate of +60K, and was higher compared to February's report, which was revised lower to a loss of -133K. In addition, the +178K was the strongest month in more than a year, since December 2024. Job gains were spread across many industries: health care +76K, construction +26K, transportation & warehousing +21K, food service +22K, and manufacturing +15K. The month included job losses across the federal government and computers, and finance/insurance. March included strong positive weather effects (February weather was bad) and the end of a large health care workers strike, making one month unreliable to establish a trend. However, the three-month average monthly jobs gain moved to +68K, the highest in 11 months. With the labor market holding its own, the outlook for U.S. economic growth in 1Q26 has remained steady, with a consensus estimate of +2.3%.

Important consumer data is scheduled this week, including reports on income, spending, and consumer inflation. On 4/9, the Bureau of Economic Analysis will report on February personal income and outlays. Both were solid in recent months, and the February data will not include any behavior changes due to the war. The personal consumption expenditure (PCE) price index, the Federal Reserve Bank's preferred inflation measure, is estimated at +2.6% in February, but all eyes will be on Friday's consumer price index (CPI), which will reflect March data. The consensus estimate for March CPI is +3.1% (vs. +2.4% in February) as it will reflect the war's impact on higher gas prices. Core CPI (ex-food/energy) is estimated at +2.7%.

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The Global Industry Classification Standard (GICS) is a four-tiered, hierarchical industry classification system. Companies are classified quantitatively and qualitatively. Each company is assigned a single GICS classification at the Sub-Industry level according to its principal business activity. MSCI and S&P Dow Jones Indices use revenues as a key factor in determining a firm's principal business activity. The 11 sectors are: Communication Services, Consumer Discretionary, Consumer Staples, Energy, Financials, Health Care, Industrials, Information Technology, Materials, Real Estate, and Utilities. Growth sectors are those that generally drive expected annual sales and earnings growth that exceed market and sector average. Value stocks will typically trade at valuation levels below peer group averages. Cyclical sectors tend to be more economically sensitive, with more volatility in sales and earnings growth when the economy is either decelerating or accelerating. Defensive sectors (which often include Consumer Staples, Health Care and Utilities) tend to outperform during periods of economic uncertainty or slow down, as many of the products and services in these sectors are essential in daily life and less impacted by economic swings.

FactSet is a data aggregation software utilized by D.A. Davidson's Wealth Management Research. The FactSet consensus refers to the aggregate of all analysts' estimates from firms that submit estimates to FactSet for a given financial metric. Calculations on the percentage price change on indices is provided by FactSet.

Gross domestic product (GDP) is a measure of economic growth and refers to the monetary measure of the market value of all final goods and services produced within a country's borders within a specific time period. Real GDP is adjusted for the impact of inflation. GDP numbers are compiled by the Bureau of Economic Analysis (BEA), a division within the U.S. Department of Commerce. Quarterly GDP is reported as a percentage change from the prior quarter, annualized. The BEA also reports data as a year-over-year percentage change from the same period one year prior. The most recent GDP report can be found at www.bea.gov. Major components of GDP include personal consumption expenditures, non-residential fixed investment, residential investment, government expenditures and adjustments for inventories and net exports (imports). Non-Residential Fixed Investment includes several subcategories including software and information processing equipment that measure investment in technology. Imports of goods and services are subtracted from GDP data (products are not produced or performed in the U.S) while exports are added to GDP. On 3/13/26, the BEA reported that 4Q25 GDP increased +0.7% annualized from the previous quarter. When we discuss estimated economic growth, we are referring to expected GDP growth.

On 2/28/26, the U.S. and Israel launched an air attack on Iran designed to eliminate weapons capabilities and critical infrastructure. On 3/1/26, the White House published a release detailing the operation. On 3/6/26, President Trump issued a 10-day deadline for Iran to open the Strait of Hormuz to shipping traffic. The deadline was set to end the evening of 4/6/26. Failure to meet the deadline would lead to the U.S. initiating new military actions.

The Bureau of Labor Statistics (BLS) compiles U.S. labor statistics from two monthly surveys. The household survey measures labor force status by demographics, while the establishment survey measures nonfarm employment and data by industry. The nonfarm payrolls component of the establishment survey is drawn from private businesses and government entities. The nonfarm payrolls number is among the most widely used data points to assess U.S. employment trends. The unemployment rate is the percentage of the labor force that is jobless and actively willing and available to work.

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U.S. oil prices are often described using the price per barrel of West Texas Intermediate (WTI. This is a high quality low density crude oil grade sourced primarily from the Permian basin. Futures contracts and spot prices are traded on the New York Mercantile Exchange (NYMEX). Sustained higher oil prices could weigh on economic growth as consumers pay more for gasoline, and business incur higher transportation and input costs.

The Strait of Hormuz is located in the gulf between Oman and Iran. According to the U.S. Energy Information Administration, an estimated 20 million barrels per day are transported on ships through the Strait on a daily basis. This includes liquified natural gas (LNG) as well and is an essential waterway for Gulf energy exports. As of 4/6/26, very limited shipping vessels were using the Strait of Hormuz.

The International Energy Agency (IEA) has monitored shipping and supply disruptions through the Strait of Hormuz. They have published key facts on the disruption with links to other reports as well: The Middle East and Global Energy Markets.

Personal Income and Savings is reported monthly by the Bureau of Economic Analysis for individuals and is defined as personal income less personal outlays and taxes. The personal savings rate is personal savings as a percentage of disposable personal income.

The consumer price index (CPI) is a measure of average change, over time, in the prices paid by urban consumers for a market basket of goods and services. It is reported monthly by the U.S. Bureau of Labor Statistics. The U.S. Personal Consumption Expenditures (PCE) Price Index is an indicator of the growth in consumer spending and measures the value of goods and services purchased by persons who reside in the U.S. It is reported monthly by the Bureau of Economic Analysis. PCE inflation is the percentage rates of change in the price index for personal consumption expenditures (PCE).