

Primary Market Drivers

Earnings & Economic Data

It's a busy week on the economic calendar with inflation data highlighting the slate. We will get February Core PCE on Thursday, 4/9, and March CPI on Friday, 4/10. Inflation has been a talking point recently as data has curled up and the conflict in Iran continues to place upward pressure on the figures. Elsewhere, we will see Durable Goods Orders (4/7), Consumer Credit (4/7), US Q4 GDP (second revision) (4/9), Personal Spending & Income (4/9), Factory Orders (4/10), and Michigan Consumer Sentiment (4/10). Earnings season kicks off next week with the big banks throughout the week (GS 4/13, C 4/14, JPM 4/14, WFC 4/14, BAC 4/15, MS 4/15, BK 4/16, SCHW 4/16, USB 4/16, among others). There are also a large handful significant non-financials earnings being announced (JNJ 4/14, PGR 4/15, JBHT 4/15, NFLX 4/16, PEP 4/16, ABT 4/16). Until then, this week we will see results from Delta Airlines (DAL 4/8) and Constellation Brands (STZ 4/8). Expect all eyes to be on earnings next week.

Fed Policy

The Fed held rates steady at its last meeting, as expected. Recent hotter-than-expected inflation data and other macro issues stemming from the Iran conflict have shifted rate *cut* expectations to rate *hike* expectations over the past month. What started as "three or more cuts" at the beginning of the year is now a 9.7% chance of a rate hike (but down significantly from 22.6% last week) by the end of 2026, though cut probabilities are climbing marginally (now 12.8% by EOY). Expectations and market probabilities are directly linked to the Iran conflict, so expect these figures to change dramatically in the days and weeks to come. For now, the market is pricing in a cautious outlook.

Iran Conflict

The Trump administration has once again shifted its ultimatum date for Iran to open the Strait of Hormuz. The deadline is now set for Tuesday, April 7 at 8:00pm ET (previously Monday, April 6 at 8:00pm ET). With the shift came some strong rhetoric, with Trump posting that a failure to comply would lead to major attacks, dubbing it "Power Plant Day and Bridge Day... you'll be living in Hell." Given the shifting timelines, the situation obviously remains fluid. Speculation over another pushback to allow for negotiations to progress has been noted, though it is clear we will have a better idea of how things are shaping up early this week. Futures dipped on the announcement, though recovered in early trading Monday morning. The Iran conflict is dominating the market's direction on a daily basis, so expect volatility as the new normal until the situation is resolved.

All referenced market information, statistics, and economic data were gathered from StreetAccount, a paid subscription data service provided by FactSet Research Systems Inc.

Market Returns 4/3/2026

Category	Ticker	YTD%
Domestic Equity		
S&P 500	SPY	-3.56%
Dow Jones	DIA	-2.86%
Large-Cap Growth	QQQ	-4.66%
Large-Cap Value	IVE	0.27%
Mid Caps	MDY	3.43%
Small Caps	IWM	2.26%
International Equity		
Developed Intl	EFA	2.05%
Emerging Markets	EEM	3.44%
Fixed Income		
Core Bonds	AGG	0.33%
Corporate Bonds	LQD	0.15%
High Yield Bonds	HYG	0.13%
ST Treasuries	IEI	0.00%
LT Treasuries	TLT	0.69%
International Bonds	BNDX	-0.08%



Performance data and stock chart were gathered from eSignal, a paid market screening application provided by Intercontinental Exchange, Inc.

Current Environment Summary

What's Working	What's Not	What's Next
Historically Strong Earnings Growth	Rate Cut Expectations Diminished	Iran Conflict Headlines
AI & Tech Revolution Long-Term Theme	Broad Risk-Off Move in Equities	Strait of Hormuz Ultimatum: 4/7 @ 8pm ET
Fed Easing Cycle	Iran Conflict	Inflation Data: Core PCE (4/9), CPI (4/10)
Stable Labor Market	Crude Oil Prices Elevated	Earnings Season Begins Next Week
	Inflation Expectations	S&P 500 Fighting to Retake 200-dma

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