US Market Wrap - 31st March 2026

Stocks surge with Dollar & oil hit on end-of-war hopes

- **SNAPSHOT**: Equities up, Treasuries up, Crude down, Dollar down, Gold up.
- **REAR VIEW**: Iranian President Pezeshkian said Iran seeks no war but is prepared to end it with guarantees against further attacks; Trump says US two weeks ahead of schedule on Iran, not pulling assets in the Strait of Hormuz yet, war likely to end soon; IRGC gives list of US companies as legitimate targets, including MSFT, META, NVDA; Trump reportedly tells aides he's willing to end the war without reopening Hormuz; Kuwait warns of a potential oil spill after an Iranian strike; US JOLTS in line, prior revised up; US Consumer Confidence unexpectedly rises; EZ March Inflation comes in beneath forecasts; Warren Buffett says there is a big market decline, Berkshire will deploy cash; LLY to acquire CNTA, BIIB to acquire APLS; NVDA invests $2B in MRVL; MKC to merge with Unilever Food Business
- **COMING UP**: **Data:** Japanese Tankan Survey (Q1), Chinese RatingDog Manufacturing PMI (Mar), Global Manufacturing PMI Finals (Mar), EZ Unemployment Rate (Feb), US ADP Employment Change (Mar), Retail Sales (Feb), ISM Manufacturing PMI (Mar), Atlanta Fed GDP. **Events:** BoC Minutes (Mar), CBR Minutes (Mar). **Speakers:** ECB's Cipollone; Fed's Musalem, Barr. **Supply:** Germany.

MARKET WRAP

Stocks rallied at quarter-end as markets welcomed improved prospects for an end to the Middle East conflict. Reports overnight said Trump told aides he was willing to end the war without reopening Hormuz, while later reports said the administration could not promise to reopen the Strait and achieve its military objectives quickly. US President Trump also called on those who use the Strait to secure it themselves. Further optimism followed after the Iranian president said Iran was seeking no war but was prepared to end it with guarantees against further attacks. The commentary triggered a cross-asset reaction, with energy prices falling, stocks rallying and T-notes gaining on reduced inflation fears. Optimism over this, together with quarter-end flows, weighed on the Dollar, although CHF underperformed, with the Euro leading gains while USD/JPY fell further below 160. Gold and silver prices rose as yields tumbled, while Bitcoin also advanced. Data took a back seat, but Consumer Confidence improved and JOLTS matched expectations after the prior reading was revised up. Fed's Schmid was hawkish as usual, while Williams largely echoed Powell. Elsewhere, Marvell (MRVL) shares surged after it announced a partnership with Nvidia (NVDA), under which NVDA will invest USD 2bln in the company. McCormick (MKC) was lower after it confirmed it is to merge with Unilever's (ULVR LN) food business in a USD 45bln deal.

US

JOLTS: Job Openings in February fell to 6.8882mln from 7.24mln (revised from 6.946mln), slightly above the 6.85mln forecast. The vacancy rate fell to 4.2% from the upwardly revised 4.4%, while the quits rate fell to 1.9% from 2.0%. Pantheon Macroeconomics notes that "The headline JOLTS job openings numbers are volatile and heavily revised, but we see no sign in this report that the labour market was regaining momentum before the Iran war". The consultancy adds that "Even the relatively weak state of labour demand implied by the latest JOLTS openings numbers might still be overstating the strength of employment growth if openings fail to translate into hirings. The private sector hiring rate plunged to just 3.3% in February—the lowest since early 2010—from 3.7%."

CONSUMER CONFIDENCE: Consumer confidence in March edged up to 91.8 from 91.0 in February, above the expected 88.0. The Present Situation index rose by 4.6 points to 123.3, while the Expectations index declined by 1.7 points to 70.9. Note, the survey period for prelim results was March 1st-24th, and the reports notes while not obvious in the headline or its component indices, the weight of rising costs due to tariff passthrough and spiking oil prices was evident among other measures in the survey like inflation expectations. Looking at the survey's results, in the present situation, consumer views of current business conditions improved, while views of the labour market were virtually unchanged. Ahead, consumers were a tad less pessimistic about future business conditions, more negative about the labour market, and income prospects slightly less optimistic, likely due to the Iran war.

FED's WILLIAMS (voter) said monetary policy is well positioned to handle unusual circumstances; he noted that the Iran conflict will likely lift inflation in coming months via higher energy and intermediate costs, while dampening activity. Williams expects growth around 2.5% this year (vs SEP median of 2.4%), inflation at 2.75% (vs SEP median of 2.7%) before returning to 2% next year (vs SEP median of 2.2%), and unemployment to ease. Williams did not signal any near-term policy change, but said risks to both inflation and employment have increased, echoing Chair Powell's cautious wait-and-see stance.

FIXED INCOME

T-NOTE FUTURES (M6) SETTLED 7+ TICKS HIGHER AT 111-01+

Yields lower across the curve on optimism around a potential end to the Middle East conflict . At settlement, 2-year −4.9bps at 3.787%, 3-year −5.8bps at 3.801%, 5-year −6.6bps at 3.924%, 7-year −6.5bps at 4.107%, 10-year −5.7bps at 4.293%, 20-year −4.8bps at 4.876%, 30-year −3.3bps at 4.876%.

THE DAY:

T-notes extended gains on Tuesday, with yields lower across the curve as quarter-end positioning combined with optimism around potential de-escalation in the Middle East. Overnight, US President Trump touted ending the war even without opening the Strait of Hormuz - he later called on those who use it to take the Strait back themselves.

Treasuries rallied further after comments from the Iranian President indicating Iran is not seeking war but is prepared to end hostilities with guarantees against further attacks. The headlines weighed on oil prices, with Brent settling over USD 3/bbl lower, helping to ease inflation concerns and support the move higher in Treasuries. However, the situation remains fluid despite continued rhetoric around progress in negotiations.

On the data front, JOLTS openings fell to 6.882mln in February, broadly in line with expectations, while the prior was revised higher to 7.24mln. Pantheon Macroeconomics noted there is “no sign of the labour market turning a corner.” Meanwhile, Conference Board consumer confidence rose to 91.8 from 91.0, above the 87.9 forecast, driven by current conditions, while expectations declined.

Data has taken a back seat to geopolitical developments in driving fixed income price action, though attention will turn to Friday’s NFP report for a more timely read on the labour market. However, it may be too early for the data to fully capture the economic impact of the conflict.

Fed speak saw 2028 voter Schmid emphasise that inflation is the more salient risk, warning against complacency on inflation expectations, while Williams highlighted elevated uncertainty around the inflation outlook alongside mixed signals from the labour market.

SUPPLY

Bills

- US to sell USD 69bln of 17-week bills on April 1st; to sell USD 80bln of 4-week bills and USD 75bln of 8-week bills on April 2nd; all to settle on April 7th
- US sold 6-week bills at a high rate of 3.645%, B/C 2.89x

STIRS/OPERATIONS

- Fed Money Market Pricing (implied bps): April 2.3bps (prev. 2.3bps), June 0.5bps (prev. 1.1bps), July -1.2bps (prev. 0.8bps), December -5.3bps (prev. -1bps)
- NY Fed RRP op demand at 15.78bln (prev. 0.75bln) across 12 counterparties (prev. 5) on March 31st
- SOFR at 3.63% (prev. 3.63%), volumes at USD 3.082tln (prev. USD 3.037tln) on March 30th
- EFFR at 3.64% (prev. 3.64%), volumes at USD 105bln (prev. USD 105bln) on March 30th

CRUDE

WTI (K6) SETTLED USD 1.50 LOWER AT 101.38/BBL; BRENT (N6) SETTLED USD 3.42 LOWER AT 103.97

The crude complex was choppy on Tuesday, but ultimately settled with losses amid reports that Iran may be ready to end the war . Prior to this, benchmarks saw two-way action, with it not all being headline led, although prices eased after reports that Trump may be willing to end the Iran campaign without fully reopening Hormuz, but continuing IRGC threats and tanker attacks, alongside Houthi involvement in the Red Sea, kept risk elevated. The key update overnight which sent benchmarks lower, were remarks from Trump reportedly telling aides he's willing to end the war without reopening Hormuz, WSJ reported. However, the major oil move in the session came after Iran President Pezeshkian said Iran seeks no war but is prepared to end it with guarantees against further attacks; these remarks in Iranian press, before later getting a wider airing sparked a significant sell-off in oil prices with WTI and Brent finding a floor of USD 99.62/bbl and 102.65/bbl, respectively from levels of c. USD 105/bbl and USD 107.50/bbl pre-remarks. In addition, Brent saw a brief foray higher in the EU morning after Oman's crude OSP was at USD 124.05/bbl for May (vs USD 68.15/bbl for April), +USD 55.90/bbl. Ahead, private inventory data is after-hours.

EQUITIES

CLOSES: SPX +2.92% at 6,529, NDX +3.43% at 23,740, DJI +2.49% at 46,341, RUT +3.45% at 2,497.

SECTORS: Communication Services +4.41%, Technology +4.24%, Consumer Discretionary +3.27%, Industrials +3.23%, Financials +2.12%, Health +1.94%, Materials +1.85%, Real Estate +1.50%, Consumer Staples +0.01%, Utilities -0.09%, Energy -1.12%.

EUROPEAN CLOSES: European Closes: Euro Stoxx 50 +0.49% at 5,569, Dax 40 +0.31% at 22,633, FTSE 100 +0.49% at 10,178, CAC 40 +0.57% at 7,817, FTSE MIB +1.11% at 44,310, IBEX 35 +0.47% at 17,050, PSI +0.68% at 9,132, SMI +0.95% at 12,794, AEX -0.49% at 960.

STOCK SPECIFICS:

- **Apple (AAPL)** removed vibe coding AI app-building app Anything from the App Store for violating guidelines.
- **McCormick (MKC):** EPS & rev. beat; elsewhere, McCormick (MKC) to combine with Unilever's (UL) Foods Business.
- **Constellation Energy (CEG)** initial FY26 profit view way short of exp.
- **Apellis Pharmaceuticals (APLS)** to be acquired by **Biogen (BIIB)** for USD 41/shr + CVR; APLS closed Mon. at USD 17.09/shr.
- **Centessa (CNTA)** to be acquired by Eli Lilly (LLY) for USD 38/shr in cash + potential USD 9 in future milestones; CNTA closed Mon. at USD 27.58/shr.
- **FactSet (FDS):** Top & bottom-line surpassed exp.; raises FY outlook.
- **TD Synnex (SNX):** Strong report; Q1 metrics topped w/ strong FY guidance.
- BofA reinstated coverage of **DocuSign (DOCU)** with an 'Underperform' rating.

- **Nvidia (NVDA)** partnered with **Marvell (MRVL)** on AI infrastructure and silicon photonics; NVDA has invested USD 2bln in MRVL.

FX

The Dollar was offered on Tuesday as markets took a few updates on the Trump admin with optimism, alongside Iranian President Pezeshkian comments, leaving Brent sold. Sentiment across equity markets was lifted following WSJ reports that US President Trump told aides he's willing to end the war without reopening Hormuz. Whilst the dollar wasn't moved at first, later USD downside followed Trump posts. He argued that countries who can't get jet fuel from Hormuz should reopen the strait, but in combination with the WSJ article, markets may seem to get the idea that Trump could leave the Hormuz problem to other countries given his dislike for them not assisting him. The Iranian control of the Hormuz would pose long-term risks for global markets and oil, however, in the near term a US exit would perhaps be seen as a positive. In the US afternoon, USD weakness extended following Iranian press reporting that the Iranian President said Iran seeks no war but is prepared to end it with guarantees against further attacks. This marks a notably positive shift in Iranian rhetoric. Outside of geopolitics, US data sparked had little impact on FX movement. CB Consumer Confidence unexpectedly moved higher while JOLTS dropped less than anticipated M/M with the vacancy rate steady and the quits rate ticking slightly lower.

EUR outperformed thanks to the lower energy prices, leading G10 gains against USD. A softer-than-expected March inflation reading had a very short-lived reaction on EUR/USD which was already moving lower ahead of the release. The energy jump from the Middle-East conflict hasn't filtered through into the other components, leaving the ECB's wait-and-see approach intact. EUR/USD traded between 1.1447-1.1560. Meanwhile, CAD and CHF lagged in the red.

JPY saw decent gains against the Dollar as the currency welcomed the notable retreat in global government bond yields, a breather in energy prices, and the recent hawkish BoJ SOO as well as the jawboning from officials. USD/JPY entered a second day of declines, now trading at ~X from the WTD high of Y. ING has a growing bias that something like EUR/JPY could start to move lower, with an initial target at the February low of 180.80.