

# newsquawk

## US Market Wrap - 10th April 2026

### Markets see two-way action as US/Iran ceasefire talks await

- **SNAPSHOT:** Equities mixed, Treasuries down, Crude down, Dollar down, Gold down
- **REAR VIEW:** Iranian officials still demand Lebanon ceasefire to be enacted before negotiations begin; Trump said US warships are being reloaded with "the best ammunition" to resume strikes on Iran if talks fail; US Headline CPI accelerates as expected, Core slightly soft; UoM Consumer Sentiment hits historic low in April; Top Zelensky aid reportedly sees Ukraine nearing a deal with Putin; Trump praises PLTR; Canada unemployment rate stays put.
- **COMING UP:** **Data:** US Existing Home Sales (Mar). **Events:** OPEC MOMR (Apr). **Speakers:** ECB's de Guindos; RBA's Hauser; Fed's Miran. **Earnings:** Goldman Sachs, LVMH.
- **WEEK AHEAD:** Highlights include US/Iran Talks, US Earnings Season, US PPI, Chinese GDP, Australian Jobs, UK GDP and ECB Minutes. [Click here for the full report.](#)
- **WEEKLY US EARNINGS ESTIMATES:** Earnings season begins with big banks kicking things off. [Click here for the full report.](#)

### MARKET WRAP

US indices closed the final session of the week mixed, but rangebound, as the Nasdaq 100 edged out slight gains while SPX closed lower by a couple of tenths. Sectors were predominantly in the red, with only Tech, Materials, and Discretionary in the green, while Consumer Staples and Health lagged. The Dollar closed lower for the fifth consecutive day, which saw mixed performance across G10 FX peers; EUR, GBP, and CHF all gained, while the CAD, NZD, and JPY all saw losses vs. the Greenback as Middle East rhetoric once again dominated the tape. All focus is on the US-Iran talks on Saturday, despite the ever-ongoing differences between the sides, with the latest reports suggesting that Iran said talks with the US to begin if 'preconditions are accepted', as there continues to be differing opinions regarding Lebanon and the Strait of Hormuz. Meanwhile, Trump told NYP that US warships are being reloaded with "the best ammunition" to resume strikes on Iran if peace talks in Pakistan fail. As such, WTI and Brent were choppy on Friday, but ultimately settled with losses. In the EZ morning, benchmarks saw pressure in the EZ morning amid reports that Ukrainian President Zelensky's top aide/negotiator Budanov reportedly sees Ukraine nearing a deal with Russian President Putin; note, the interview was conducted on April 4th and in the few minutes after the report, Zelensky suggested Putin is not genuinely seeking peace. Precious metals were mixed as spot silver gained, but gold weakened while Treasuries were lower despite softer-than-expected core CPI. Recapping the inflation metrics, the headline surged, as expected, given the Iranian war, continuing to justify the Fed's wait-and-see mode, while the UoM prelim for April was dismal.

### US

**MICHIGAN:** University of Michigan prelim figures for April disappointed, highlighted by Sentiment tumbling to 47.6 from 53.3, way beneath the expected 52.0. Conditions fell to 50.1 from 55.8, and Expectations dropped to 46.1 from 51.7. Short-term inflation expectations also dramatically increased, given the Middle Eastern war, as 1yr ahead surged to 4.8% from 3.8% (exp. 4.2%), while 5yr was more contained at 3.4%, in line with expected but rising from 3.2%. Open-ended comments show that many consumers blame the Iran conflict for unfavourable changes to the economy. Note, 98% of interviews were completed prior to the April 7th announcement of a temporary cease-fire. The report adds that economic expectations will likely improve after consumers gain confidence that the supply disruptions stemming from the Iran conflict have ended and gas prices have moderated. Moreover, one-year expected business conditions plunged by c. 20%, assessments of personal finances declined 11%, with consumers expressing a substantial increase in concerns over high prices and weaker asset values.

**FED'S DALY** (2027 voter) said if the Iran conflict resolves quickly and oil prices come back down, then a rate cut is 'not out of the question'. However, if inflation stays elevated for longer than anticipated, we would hold steady until we know we are getting the inflation job done. She also notes that persistently high oil prices would hurt growth, and they're already forecasting higher prices show through to the economy, with people pulling back on travel because they are worried about higher costs. Daly puts a lower probability on a rate hike than on a cut or holding steady with current policy, restrictive enough to put downward pressure on inflation; balanced enough to support a steady labour market. Policy in a good place gives the US more time to see how the conflict is resolved and what happens to oil prices. The San Francisco Fed President describes US economic fundamentals as 'solid, and the labour market as in a steadier place. Risks to the Fed's goals of full employment and inflation are balanced.

### FIXED INCOME

#### T-NOTE FUTURES (M6) SETTLED 4+ TICKS LOWER 111-03

**Yields rise across the curve despite soft core CPI as geopolitics continues to dominate.** At settlement, 2-year +2.2bps at 3.801%, 3-year +2.5bps at 3.821%, 5-year +3.4bps at 3.938%, 7-year +3.1bps at 4.120%, 10-year +3.0bps at 4.313%, 20-year +2.9bps at 4.900%, 30-year +2.3bps at 4.911%.

**THE DAY:** T-notes saw marginal pressure overnight, paring some of the move seen on Thursday after Israeli PM Netanyahu reached out to Lebanon for peace talks. T-notes started to rise ahead of the US CPI print, before a knee-jerk reaction took T-notes to session highs after a soft Core CPI print.

The headline CPI jumped to 0.9% in line with expectations, while the Y/Y rose to 3.3%, also in line with forecasts, with the upside driven by the surge in energy prices since the US/Iran war. The core metrics (ex-food and energy), however, were on the softer side. The M/M rose 0.2% (exp. 0.3%), matching the prior month pace, while the Y/Y of 2.6% rose from the prior 2.5%, but was softer than the 2.7% forecast. Elsewhere, UoM Consumer Sentiment tumbled in March with expectations and conditions both declining, while consumer inflation expectations rose: 1-year to 4.8% from 3.8%, and the 5-year to 3.4% from 3.2%.

The upside in T-notes on the soft core metrics quickly faded with higher oil prices keeping inflation fears high despite the lower core metrics. We also head into a key weekend of the conflict, with the US and Iran set for in-person negotiations on Saturday. Reports suggest the Iranian delegation has arrived, but others suggest that talks will not take place until the bombs stop in Lebanon from Israel. President Trump also upped the ante again ahead of talks, he told the NY Post that warships are being reloaded to resume strikes on Iran if peace talks fail.

The uncertainty about whether the talks can go ahead this weekend and threats from US President Trump resulted in yields moving higher, while oil prices rose. There could also have been an unwind of some of the improved risk sentiment seen this week since the ceasefire deal on Tuesday, as we head into the weekend.

## SUPPLY

### Bills

- US to sell USD 77bln of 26-week bills and USD 89bln of 13-week bills on April 13th, to sell USD 70bln of 6-wk bills and USD 50bln of 52-week bills on April 14th; all to settle on April 16th

### STIRS/OPERATIONS

- Fed Money Market Pricing (D/D): April +1.8bps (prev. +1.8bps), June +1.8bps (prev. +0.6bps), July +0.8bps (prev. -0.7bps), Dec -5.3bps (prev. -8.7bps)
- NY Fed RRP op demand at 0.51bln (prev. 0.40bln) across 5 counterparties (prev. 4) on April 10th
- SOFR at 3.57% (prev. 3.59%), volumes at USD 3.147tln (prev. USD 3.169tln) on April 9th
- EFFR at 3.64% (prev. 3.64%), volumes at USD 105bln (prev. USD 106bln) on April 9th

## CRUDE

**WTI (M6) SETTLED USD 0.35 LOWER AT 89.58/BBL; BRENT (M6) SETTLED USD 0.72 LOWER AT USD 95.20/BBL**

The crude complex closed in the red as it sold off into settlement, as Middle East headlines once again dominated the tape. Ahead of the weekend, focus resides on Iran/US talks on Saturday, albeit the sides clearly seem apart on their objectives heading into the discussions. Highlighting this, WSJ's Norman said there is no way Iran and the US are going to resolve the issues around Hormuz, nuclear, missiles, etc., in the next 2 weeks, but it doesn't need to happen; what needs to happen is enough to trigger a mutually agreed extension of talks. Meanwhile, reports suggested that Trump appears in recent conversations with advisers to have conceded that the Strait of Hormuz is unlikely to completely reopen soon, while Trump told The Post on Friday that US warships are being reloaded with "the best ammunition" to resume strikes on Iran if peace talks in Pakistan fail. From the Iranian side, they will reportedly engage in talks despite Lebanon issues, although Ghalibaf did note two of the mutually agreed measures have yet to be implemented; they must be fulfilled before negotiations begin. Prior to all this, benchmarks saw pressure in the EZ morning amid reports that Ukrainian President Zelensky's top aide/negotiator Budanov reportedly sees Ukraine nearing a deal with Russian President Putin; note, the interview was conducted on April 4th and in the few minutes after the report, Zelensky suggested Putin is not genuinely seeking peace. For the record, WTI traded between USD 89.00-91.80/bbl and Brent USD 94.21-98.26/bbl, ahead of the aforementioned weekend talks.

## EQUITIES

**CLOSES:** SPX -0.11% at 6,817, NDX +0.14% at 25,116, DJI -0.56% at 47,917, RUT -0.22% at 2,631

**SECTORS:** Consumer Staples -1.43%, Health -1.33%, Financials -1.06%, Energy -0.80%, Utilities -0.44%, Industrials -0.43%, Communication Services -0.28%, Real Estate +0.17%, Consumer Discretionary +0.55%, Materials +0.64%, Technology +0.76%.

**EUROPEAN CLOSES:** Euro Stoxx 50 +0.39% at 5,919, Dax 40 +0.20% at 23,855, FTSE 100 -0.03% at 10,601, CAC 40 +0.17% at 8,260, FTSE MIB +0.59% at 47,609, IBEX 35 +0.55% at 18,204, PSI -0.28% at 9,458, SMI +0.23% at 13,189, AEX +0.51% at 1,010.

### STOCK SPECIFICS:

- **Apple (AAPL):** Led global smartphone shipments in Q1, +5% Y/Y, even as overall shipments fell due to a shortage of memory components
- **Meta (META):** Upgraded at CFRA
- **Nike (NKE):** Downgraded at Piper Sandler to 'Neutral' from 'Overweight'
- **Lumentum (LITE):** Demand from US hyperscalers for its optical components is accelerating & on track to fill its order books through '28
- **ServiceNow (NOW):** Downgraded at UBS to 'Neutral' from 'Buy'.
- Citi "turning more selective" in the application software group w/ 6 downgrades; **Similarweb (SMWB), DocuSign (DOCU), Veeva (VEEV), (NICE), Autodesk (ADSK), CC Intelligent Solutions (CCC).**
- Mizuho reiterated 'Outperform' rating on memory, storage group & raised PT on some names incl. **Sandisk (SNDK) & Western Digital (WDC).**
- VantageScore announced a significant new release for VantageScore RiskRatio, the credit risk analytics tool designed to help

mortgage, auto lenders and ABS investors benchmark, compare and act on consumer credit default risk; Fair Isaac Corp (FICO) was hit on the news.

- US President Trump posts on Truth "**Palantir Technologies (PLTR)** has proven to have great war fighting capabilities and equipment. Just ask our enemies."
- **Commvault Systems (CVLT)** reportedly exploring sale after it received takeover interest, according to Reuters citing sources.

## FX

**DXY** finished lower each day this week, down to around 96.65 from Monday's open of 100.18. A US-Iran ceasefire and talks set for Saturday support optimism for a path to a long-term resolution, although the sides do currently seem apart. Weighing on the USD in the EU morning was a Bloomberg report that Ukrainian President Zelensky's top aide/negotiator Budanov, reportedly, sees Ukraine nearing a deal with Russian President Putin, sparking upside in EUR and pressure in energy benchmarks. Albeit, the report came shortly after remarks from Ukrainian President Zelensky, suggesting Russian President Putin is not genuinely seeking peace. Outside of geopolitics today, updates had little bearing on USD price action. CPI for March was mixed. Headline on both gauges met expectations to accelerate from February, given the surge in energy prices amid the Middle-East conflict. Meanwhile, the Core fell slightly shy of expectations. Later, UoM disappointed with sentiment fell to a historic low in April as higher energy prices dampened already declining sentiment.

**G10FX** price action was mixed. GBP, EUR, and CHF strengthened against the greenback, while CAD, NZD, AND JPY weakened, and the AUD finished flat. The main update was for the CAD, namely, the Canadian economy adding 14.1k jobs in March, less than the expected 15k. The unemployment rate unexpectedly held firm at 6.7% (exp. 6.8%). USD/CAD showed little reaction to the data.

**USD/KRW** traded lower to end Friday, following an earlier BoK decision to hold rates at 2.25% as expected. The Central Bank say its necessary to remain cautious about FX volatility.

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