

newsquawk

US Market Wrap - 15th April 2026

Stocks hit fresh record highs as optimism builds around end of war

- **SNAPSHOT:** Equities up, Treasuries down, Crude flat, Dollar flat, Gold down
- **REAR VIEW:** US-Iran reportedly weigh extending ceasefire by two weeks, albeit, officials on both sides say no decision made; Trump says he views the war as being very close to over; Israeli reportedly to discuss ceasefire prospect with Lebanon; MS & BAC beat on earnings; ASML Q2 revenue guide misses; US import prices come in soft, export prices slightly hot; NY Fed tops forecasts; Fed's Hammack and Musalem expect rates to stay on hold for a while; EIA crude stocks show draw; China is reportedly considering curbs on solar manufacturing equipment exports to the US. **COMING UP: Data:** Australian Jobs Report (Mar), Chinese GDP (Q1), Industrial Production (Mar), Unemployment Rate (Mar), UK GDP (Feb), Industrial Production (Feb), Italian HICP Final (Mar), EZ HICP Final (Mar), US Jobless Claims (Apr/11), Philly Fed Index (Apr), Industrial/Manufacturing Production (Mar), New Zealand Food Inflation (Mar). **Events:** ECB Minutes (Mar), SNB Minutes (Mar). **Speakers:** Fed's Williams, Miran; ECB's Schnabel, Nagel, Lane; RBA's Hunter; BoE's Taylor. **Supply:** Spain, France, UK. **Earnings:** TSMC, Abbott, Charles Schwab, PepsiCo, Netflix, Tesco, Pernod Ricard.

MARKET WRAP

It was a risk-on trade on Wednesday with the S&P 500 going on to print a fresh record high, with markets completely unwinding the downside seen since the start of the US/Iran war. Optimism remains around an end to the war with US President Trump reiterating overnight that he sees the war being very close to over, while there were reports about a two-week ceasefire extension, but both sides denied it had reached out to offer such an olive branch. Although the overall market tone was positive with stocks surging, oil prices settled flat in a two-way trade. Oil was sold on optimism, but gains were seen after a bullish EIA inventory report, seeing crude settle unchanged. However, post-settlement weakness was seen amid reports that Iran could consider ships being able to sail through the Oman side of the Strait of Hormuz, but it depends on whether the US is prepared to meet Iran's demands. The upside in equities led to outflow of traditional havens with Yen, Franc, Dollar, T-notes and gold all lower, while Bitcoin saw further gains. QQQ (+1.4%) finished firmer for the 11th day in a row, supported by strength in the Mag7 and a continued rebound in software. In Europe, ASML (ASML, -2.4%) beat on earnings; however, the Q2 revenue outlook missed, weighing on shares. In financials, earnings continued to be positive, with the latest beats seen from Morgan Stanley (MS, +4.5%) and Bank of America (BAC, +1.8%).

US

NY FED: Business activity increased moderately in New York State in April; the headline general business conditions index rose eleven points to 11.0 (exp. -2.0). New orders and shipments increased significantly; New Orders to 19.3 from 6.4, and shipments to 20.2 from -6.9. Unfilled orders rose, and delivery times lengthened. Supply availability worsened somewhat. Employment expanded, and the average workweek increased. The pace of input price increases picked up sharply after slowing last month, while the pace of selling price increases was little changed. Prices Paid jumped to 51.0 from 36.6, while prices received were little changed at 21.8 from 21.4. Firms remained optimistic that conditions would improve in the months ahead, though optimism moderated and capital spending plans weakened. Summarising the data, Pantheon Macroeconomics writes that the report shows the sector is holding up well and companies are absorbing the recent jump in costs in their margins for now.

IMPORT/EXPORT PRICES: Import prices rose 0.8% in March (exp. 2%, prev. 1.3%), while export prices lifted 1.6% (exp. 1.5%, prev. 1.5%), as the former jumped 2.1% Y/Y, the strongest annual growth since December 2024. Most of the monthly gain was driven by non-fuel imports rather than fuel imports, as fuel import prices only rose 2.9% in March, despite the Middle East war, which has caused global energy prices to soar. Ahead, risks are leaning towards higher import prices in 2026 due to higher global oil prices. Overall, Oxford Economics adds, while headline inflation will be pushed higher by fuel prices this year, they expect the passthrough to core prices will be muted, and as such see core inflation to average 2.8% in 2026, which should be contained enough to allow the Fed to stay focused on risks to the labour market.

HAMMACK (HAWK): The 2026 voter thinks that rates are in a good place, and the baseline is that the Fed will stay on hold for a while. She warned of two-way risks, but she will be watching the data, acknowledging that it is a tough time for monetary policy. She said the key is how high energy prices get, and how long they remain there. She said this could bring inflation higher, but it could also hit growth. She exclaimed the importance of keeping inflation expectations anchored, which she said are reasonably well contained.

MUSALEM (HAWK): The 2028 voter said the current range of interest rates is likely appropriate for some time. The oil shock is likely feeding core inflation, and expects it will be near 3% through year-end. Musalem lowered his GDP estimates for the year to between 1.5-2.0% (prev. saw 2.0-2.5% pre-war). He also suggested that easing tariff impact will help lower inflation, and housing inflation is also moving in the right direction. He said the supply shock puts the Fed's inflation and employment goals at risk, noting the unemployment rate could tick up a couple of tenths as economic growth slows.

FIXED INCOME

T-NOTE FUTURES (M6) SETTLED 5+ TICKS LOWER AT 111-11+

T-notes sold amid broad traditional-haven outflows. At settlement, 2-year +1.8bps at 3.763%, 3-year +2.3bps at 3.779%, 5-year +3.0bps at 3.894%, 7-year +3.1bps at 4.077%, 10-year +3.0bps at 4.278%, 20-year +3.3bps at 4.867%, 30-year +3.2bps at 4.890%.

THE DAY: Treasury yields rose on Wednesday, reversing some of the earlier week's strength, with the move largely reflecting a pullback in recent price action rather than a clear macro driver. Oil prices were little changed on the session, taking a breather after recent volatility.

Although T-notes have largely been trading off the swings in oil recently, the weakness in Treasuries appeared consistent with broader risk-on dynamics, as equities rallied while traditional haven assets — including the dollar, franc, yen, and gold — softened.

Markets remain cautiously optimistic about a resolution in the Middle East, although reporting around a potential ceasefire extension was mixed, with participants awaiting further developments in US-Iran talks, which are expected to resume, potentially in Islamabad next week.

US data was mixed and had a limited impact on markets. The NY Fed manufacturing survey strengthened, with higher prices paid and improved employment, while import and export prices were mixed.

Fed commentary broadly reinforced a "higher for longer" stance. Hammack emphasised ongoing inflation concerns and a preference to hold rates steady, while Musalem warned core PCE could remain near 3% through year-end. The Federal Reserve Beige Book pointed to modest growth and steady labour conditions, while Treasury Secretary Bessent reiterated that while Fed patience is warranted, rate cuts are still expected over time.

SUPPLY

Bills

- US sold 17-wk bills at high-rate 3.625%, B/C 2.93x
- US to sell USD 75bln of 8-week bills and USD 80bln of 4-week bills on April 16th; to settle April 21st

STIRS/OPERATIONS

- **Fed Money Market Pricing (D/D): April +1.8bps (prev. +1.8bps), June +1.8bps (prev. +1.8bps), July +0.3bps (prev. -0.2bps), Dec -8.0bps (prev. -8.6bps).**
- NY Fed RRP op demand at 0.22bln (prev. 0.31bln) across 6 counterparties (prev. 13) on April 15th
- SOFR at 3.66% (prev. 3.63%), volumes at USD 3.116tln (prev. USD 3.135tln) on April 14th
- EFFR at 3.64% (prev. 3.64%), volumes at USD 94bln (prev. USD 97bln) on April 14th
- Treasury Buyback (Liquidity support, 10-20 year, max USD 2bln): Accepts USD 2bln of 18.055bln offers; Offer to cover 9.03x

CRUDE

WTI (M6) SETTLED USD 0.01 HIGHER AT 91.29/BBL; BRENT (M6) SETTLED USD 0.14 HIGHER AT USD 94.93/BBL

The crude complex saw two-way action, but ultimately settled little changed amid conflicting reports regarding ceasefire agreements.

Overnight, crude prices were pressured after US President Trump said he sees the war as being very close to over. Focus during the US session resided around a potential ceasefire extension. Both US and Iranian officials denied reports that they had requested a two-week ceasefire extension, but that the US remains engaged in talks and conversations are productive. WH Press Secretary also suggested the next round of talks will take place in Islamabad. A view also shared by Iran. Meanwhile, regarding Israel/Lebanon, the NYT reported that Israel is considering a short-term cease-fire in Lebanon that could pause the war against Iran-backed Hezbollah, albeit reports suggested members of the council oppose a ceasefire in Lebanon, and PM Netanyahu said Israel remains ready for any scenario, including the possibility that fighting may resume.

Elsewhere, benchmarks were supported on the weekly EIA data; crude, gasoline, and distillates all saw larger-than-expected draws, with the former two even seeing builds in last night's private inventory metrics. Overall, crude production was unchanged W/W at 13.596mln. For the record, WTI traded between USD 84.70-90.45/bbl and Brent USD 93.93-96.90/bbl as the focus resides around geopolitics.

EQUITIES

CLOSES: SPX +0.80% at 7,023, NDX +1.40% at 26,205, DJI -0.15% at 48,464, RUT +0.30% at 2,714

SECTORS: Materials -1.30%, Industrials -1.24%, Utilities -0.93%, Health -0.72%, Consumer Staples -0.41%, Energy -0.28%, Real Estate -0.04%, Financials +0.76%, Communication Services +1.06%, Consumer Discretionary +1.37%, Technology +2.08%.

EUROPEAN CLOSES: Euro Stoxx 50 -0.73% at 5,941, Dax 40 +0.18% at 24,087, FTSE 100 -0.47% at 10,560, CAC 40 -0.64% at 8,275, FTSE MIB -0.04% at 48,156, IBEX 35 -0.55% at 18,186, PSI -0.18% at 9,345, SMI -0.30% at 13,229, AEX -0.42% at 1,016

STOCK SPECIFICS:

- **Morgan Stanley (MS):** EPS, rev., NII & FICC sales all surpass expectations.
- **Bank of America (BAC):** EPS, rev., & NII topped although FICC trading rev. missed. Raised FY NII guidance.
- **PNC (PNC):** Top line & NII light
- **Snap (SNAP)** raised Q1 outlook & will lay off ~16% of its workforce.
- **GitLab (GTLB)** expanded its partnership w/ Google Cloud

- **Broadcom (AVGO)** and **Meta (META)** announced a multi-year, multi-gen strategic partnership to support Meta's AI compute infrastructure, extending through 2029
- **American Tower (AMT)** upgraded at Mizuho to 'Outperform' from 'Neutral'
- **ASML (ASML)**: Next Q rev. guide light, but did raise FY net sales view w/ strong Q1 numbers
- **AWS (AMZN)** and **Lumen (LUMN)** launch integrated private cloud connectivity solution, and Lumen becomes first partner for AWS Interconnect – last mile.
- **SolarEdge Tech (SEDG)** downgraded at Goldman Sachs to 'Sell' from 'Neutral'.
- **TeraWulf (WULF)** announced disappointing prelim Q numbers.
- Smartphones: IDC said the global smartphone market fell 4.1% in Q1 as a memory chip shortage & Iran war pressured costs & growth.
- US HHS Secretary RFK Jr says FDA is to remove many peptides from category two. Of note for **Hims and Hers (HIMS)**.
- **Live Nation (LYV)** illegally monopolised the ticketing market, a jury found.
- Sazerac offered **Brown-Forman (BF.B)** USD 32/shr, WSJ reports citing sources.

FX

DXY was little changed on Wednesday despite reports of a potential 2-week extension to the current US-Iran ceasefire. With **DXY** mostly paring the upside from the war, the bar for further downside may require a more long-term solution or the labour market showing deterioration. As it stands, both sides haven't agreed to such an extension, but betting markets are increasingly convinced of a permanent peace deal by the end of H1. In March, import prices were cooler than forecasts, while export prices came in slightly hot. The release, similar to Fed speak, and the Fed's Beige book had little bearing on price action. Hammack (2026 voter), a known hawk, says the baseline is staying on hold for a while, believing rates are in a good place in the current environment. Musalem (2028 voter) also said rates could be on hold for some time. Meanwhile, the first Beige Book since the Middle East conflict began showed that the economy is weathering the economic impacts.

Citi's London trading desk wrote this morning: "Not yet fully convinced that there will be further diversification away from US assets after the Iran dust settles, tactically sees dips should be bought."

AUD and **NZD** led G10 strength once again as markets welcomed the positive updates regarding the diplomatic arms on the US/Israel-Iran war. Meanwhile, **CHF** and **JPY** lagged in the risk-on environment with **EUR/JPY** and **GBP/JPY** setting new yearly highs.

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newsquawk.com · +44 20 3582 2778 · info@newsquawk.com