newsquawk

US Market Wrap - 29th April 2026

Crude gains on geopolitical tensions while hawkish Fed statement lifts yields

- **SNAPSHOT**: Equities mixed, Treasuries down, Crude up, Dollar up, Gold down
- **REAR VIEW**: Fed holds rates as expected; Hawkish dissent emerges on Fed easing bias; Powell to remain on board until investigation is well and truly over; Trump reportedly tells officials to prepare for an extended blockade of Iran; Trump rejects Iran proposal; US CENTCOM has reportedly prepared a plan for a "short and powerful" wave of strikes against Iran; OPEC+ likely to agree to oil output hike at Sunday meeting without UAE; UAE'S Fujairah port oil inventories have fall further; US Durable Goods top forecasts; US Housing Starts drop more than expected; BoC holds rates as expected; EIA shows surprise crude draw; Softer-than-expected Aussie CPI; STX earnings & guidance beats
- **COMING UP**: **Data:** Japanese Retail Sales (Mar), Australian Export/Import Prices (Mar), Chinese NBS & RatingDog PMI (Apr), French GDP (Q1), German Retail Sales (Mar), German Import Prices (Mar), French Inflation (Apr), Spanish GDP (Q1), German Jobs (Apr), EZ GDP (Q1), EZ Unemployment Rate (Mar), US PCE Price Index (Q1/Mar), US GDP Growth Rate (Q1), Jobless Claims (Apr/25), US Chicago PMI (Apr). **Events:** ECB Policy Announcement (Apr), BoE Policy Announcement & MPR (Apr), CBRT Minutes (Apr). **Speakers:** BoE Governor Bailey; ECB President Lagarde. **Supply:** Australia, Japan. **Earnings:** Apple, SanDisk, Reddit, Amgen, Caterpillar, ConocoPhillips, Eli Lilly, Schneider Electric, BNP Paribas, SocGen, Credit Ag, Air France, BBVA, ING, DHL, BASF, Volkswagen, MTU Aero, Puma.

MARKET WRAP

- **Note: After the close, META, MSFT, AMZN, and GOOGL all saw earnings beats, however the moves have mostly pared at the time of writing, sparking choppy trade in US equity futures.**

US indices ended mixed, with the tech-heavy Nasdaq 100 the sole gainer, while the small-cap Russell 2000 lagged amid a deluge of earnings, US data, Middle East rhetoric and the latest FOMC meeting. The Fed held rates, as expected, with Miran the only dovish dissenter, opting for a 25bps rate cut. Three regional Fed Presidents, Hammack, Logan and Kashkari, dissented over maintaining the easing bias in the statement. Overall, the statement was hawkish, with a key shift in policy language on inflation as the line that it "remains somewhat elevated" was replaced with "elevated". The Fed explicitly attributed this to the recent surge in global energy prices, a hawkish tilt suggesting the Committee views the oil shock as more than purely transitory. In Chair Powell's press conference, he was pressed heavily on Fed independence and governance and said he would stay on as governor until the DoJ probe had ended. Earlier, US data showed a strong durable goods print, the advance goods trade deficit widened more than expected, and housing data was mixed. Sectors were broadly lower, with energy the clear gainer, buoyed by notable gains in crude benchmarks as the US and Iran seemed no closer to any breakthrough, with punchy rhetoric from both sides on Wednesday. Treasuries were lower across the curve, while precious metals were in the red, with spot silver underperforming gold. The dollar gained, with the Antipodeans the clear laggards after Australian inflation was softer than expected and trimmed bets for hikes at next week's RBA meeting. USD/CAD rose after the BoC held rates, as expected, and acknowledged it would look through the war's immediate impact on inflation. Ahead, there are four Mag 7 earnings after-hours before more central banks, US data and earnings on Thursday.

US

FED STATEMENT/DECISION REVIEW: The updated statement and vote split was hawkish. The most striking development in the statement was the dissent; as anticipated, Governor Miran again voted for a 25bps rate cut; however, three additional dissenters (Hammack, Kashkari, and Logan) voted against the inclusion of any easing bias in the statement. Another key shift in the policy language was on inflation, with the line that inflation "remains somewhat elevated" being replaced with "elevated", with the Fed explicitly attributing this to the recent surge in global energy prices, a hawkish tilt suggesting the Committee views the oil shock as more than purely transitory. On the Middle East, the statement drops the prior "uncertain implications" framing, instead stating directly that developments there are "contributing to a high level of uncertainty". Meanwhile, growth and labour market language was largely unchanged; activity continues to expand "at a solid pace" and unemployment remains "little changed."

FED POWELL REVIEW: At his last post-meeting press conference as Fed Chair, Powell was asked a lot about Fed governance and independence. He said he will remain as Governor after his Chair term expires in May until the DoJ matter is “well and truly over”, framing the decision around unprecedented legal and political attacks on the Fed rather than policy opposition to Kevin Warsh. He said he would not act as a ‘shadow Fed Chair’, expects a normal transition, and described Warsh as qualified, but repeatedly warned that Fed independence is at risk and that the Committee is concerned that political pressure may continue. On policy, Powell repeatedly said policy is in a “good place” to wait and see, but acknowledged that the Committee is moving closer to dropping its easing bias, with more officials now viewing a hike as likely as a cut. He stressed no one is calling for a hike right now; however, analysts said that the threshold for cuts has risen: the Fed wants to see more progress on tariffs and energy prices before easing, while he noted that core inflation risks are “real”. He noted that in addition to the three dissenters, there were non-voters who would have preferred to move away from easing bias, but still supported the rate decision. On inflation, Powell said the Fed had long assumed tariffs would be a one-off, and is already looking through that shock, but was more cautious on energy, noting prices may not have peaked and could feed into gas, airfares and petroleum-linked services. He again said that the labour market was not a source of inflation, describing it as cooling, with low hiring and low quits, while growth and consumer spending remain resilient for now. In terms of the policy outlook, analysts said the bar for September cuts is now higher, and Powell suggested that the next 30-60 days are key for whether guidance shifts.

DURABLE GOODS: Durable goods data was strong, with the headline rising 0.8% (exp. 0.5%, prev. -1.2%), core up 0.9% (exp. 0.4%, prev. 1.2%), and non-defence capital goods orders excluding aircraft surging 3.3% (exp. 0.5%, prev. 1.6%). Shipments in the same category, which feed directly into GDP, rose 1.2% versus 1.3% in February. The M/M increase in March durable goods orders was driven by a 16.9% jump in defence aircraft and parts. Pantheon Macroeconomics said the data suggest the underlying trend in capital goods spending is still improving gradually, with the latest regional Fed capex intentions pointing to that trajectory continuing in Q2. It added that the national accounts measure of core business equipment investment likely rebounded strongly in Q1 after a surprising slump in Q4, although a further surge in imports of computer equipment amid the AI boom probably lifted overall equipment investment by much more. Pantheon now expects a jump of around 15% in overall equipment investment, adding about 0.9pp to Q1 GDP growth on its own.

HOUSING STARTS/BUILDING PERMITS: Building permits for March fell 10.8% to 1.372mln (exp. 1.39mln) from 1.538mln, with single-family authorisations down 3.8%, while units in buildings with five units or more were at a rate of 427k. Housing starts rose 10.8% to 1.502mln from 1.356mln, above the consensus of 1.40mln. Single-family housing starts increased 9.7% to 1.032mln, and the March rate for units in buildings with five units or more was 446k. Housing starts were stronger than expected, but Oxford Economics notes based on building permits, the more forward-looking indicator, it does not expect the March pace of starts to be repeated in the coming months. The consultancy added that for housing starts to improve on a sustained basis, homebuilders will need to reduce their existing inventory of completed homes for sale. Mortgage rates have retraced about half of the rise that followed the start of the war with Iran, which should support some sales, but it does not expect rates to fall further any time soon.

TRADE BALANCE: The US advance goods trade deficit widened slightly to USD 87.87bln in March from USD 83.50bln, marginally deeper than the expected USD 87.50bln. Exports rose USD 5.2bln to USD 211.5bln, but were outpaced by imports, which increased USD 9.6bln to USD 299.3bln. The rise in imports was likely driven by a jump in vehicle shipments, while capital goods imports, including computers, computer accessories and semiconductors, remained strong due to ongoing demand for AI-related goods. Looking ahead, several factors could cloud the trade outlook, including tariff policy changes and the war in the Middle East, with attention also on petroleum exports in the face of the conflict.

CANADA

BOC: The BoC held rates at 2.25% as expected, keeping its options open amid the Middle-East conflict. The central bank reiterated its looking through the war's immediate impact on inflation, but will not let higher energy prices become persistent inflation. As expected, the BoC raised its CPI inflation outlook, with 2026 lifted to 2.3% (prev. 2.0%), but unchanged at 2.1% for 2027. GDP growth projections were raised despite the ongoing war, 1.2% for 2026 (prev. 1.1%) and 1.6% for 2027 (prev. 1.5%). The central bank noted that since Canada is a large net exporter of oil, higher oil prices increase national income even as consumers are squeezed by higher gasoline prices. Ahead, it guided that changes in the policy rate are expected to be small as the economy evolves broadly in line with the base case. On trade, in the event the US imposes significant new trade restrictions on Canada, the BoC said they may need to cut the policy rate further to support economic growth. The BoC maintained its neutral rate estimate range of 2.25-3.25%. A very much expected decision, statement, and MPR from the BoC, leaving money markets slightly paring hawkish bets as any clear guidance towards hiking was absent.

FIXED INCOME

T-NOTE FUTURES (M6) SETTLED 16 TICKS LOWER AT 110-11+

Yields rose across the curve as oil gained after Trump rejected Iran's proposal while Fed hawks dissented on easing language bias. At settlement, 2-year +9.3bps at 3.935%, 3-year +8.7bps at 3.952%, 5-year +7.9bps at 4.058%, 7-year +8.1bps at 4.236%, 10-year +6.0bps at 4.410%, 20-year +6.1bps at 4.985%, 30-year +4.5bps at 4.984%.

THE DAY: Ahead of the FOMC, yields pushed higher across the curve as crude prices extended gains. The move was driven by escalating geopolitical tensions, with reports that President Trump is preparing for a prolonged blockade of Iran and has been in discussions with oil executives about extending restrictions for months. Meanwhile, Iranian state media warned that continued US maritime actions could be met with “unprecedented” military responses. Further headlines from N12 and Axios’ Barak Ravid noted Trump has rejected Iran’s latest proposal, stating that the naval blockade will remain in place until US concerns around Iran’s nuclear programme are addressed.

The upside in yields was also supported by firm US data. Housing starts beat expectations, while durable goods were strong across the board, pointing to resilient growth, although building permits disappointed. The goods trade deficit widened more than expected, while wholesale inventories also topped forecasts, with the Atlanta Fed GDPNow estimate holding at 1.2%.

Yields extended highs following the FOMC decision, where the Fed left rates unchanged as expected. Miran dissented in favour of a 25bps cut, while hawkish dissent from Logan, Hammack, and Kashkari opposed maintaining the easing bias in the statement. The statement also upgraded its inflation language to “elevated” from “somewhat elevated,” while Powell noted some non-voting members also favoured removing the easing bias. Despite the initial hawkish interpretation, yields pared slightly into the close as Powell reiterated that policy is well positioned to remain in a wait-and-see mode, emphasising that no one is calling for a hike now.

SUPPLY

Bills

- US sold 6-wk bills at high-rate 3.590%, B/C 3.14x
- US sold USD 69bln 17-week bills on 29th April
- US to sell USD 80bln of 4-week and USD 75bln of 8-week bills on 30th April; to settle 5th May

STIRS/OPERATIONS

- Fed Pricing: June +1.9bps, July +0.8bps, Sept +0.8bps, Dec +3.3bps
- NY Fed RRP op demand at 0.75bln (prev. 0.64bln) across 5 counterparties (prev. 6) on April 29th
- SOFR at 3.64% (prev. 3.66%), volumes at USD 3.021tln (prev. USD 3.058tln) on April 28th
- EFFR at 3.64% (prev. 3.64%), volumes at USD 82bln (prev. USD 85bln) on April 28th

CRUDE

WTI (M6) SETTLED USD 6.95 HIGHER AT USD 106.88/BBL; BRENT (N6) SETTLED USD 6.04 HIGHER AT 110.44/BBL

The crude complex was firmer as participants digested numerous Middle East headlines. Initially, traders digested a WSJ article which suggested that Trump told officials to prepare for an extended blockade on Iran, before crude benchmarks took another leg higher after a White House Official said Trump and oil companies discussed steps to continue the Iran blockade for months, if needed. The bullish news for oil did not stop there, as further source reports, via Press TV, suggested that Iran would hit the US with "unprecedented" military action, should the US continue its "maritime piracy". WTI and Brent continued to edge higher and hit peaks of USD 107.68/bbl and 111.50/bbl, respectively, after N12 News reports. Firstly, CENTCOM has prepared a plan for a "short and powerful" wave of strikes against Iran aimed at trying to break the current impasse in negotiations, and secondly, Trump rejects Iran's offer, and intends to keep the naval blockade in place until the regime agrees to a deal that addresses US concerns about its nuclear program. Following this, benchmarks came off peaks as Reuters source reports suggested OPEC+ is likely to agree on an oil output hike at Sunday's meeting without the UAE, and OPEC+ is likely to hike quotas by 206k BPD minus the UAE share of 18k BPD. Note, there was little reaction to the latest Fed confab.

EQUITIES

CLOSES: SPX -0.04% at 7,136, NDX +0.58% at 27,187, DJI -0.57% at 48,862, RUT -0.60% at 2,739

SECTORS: Utilities -1.23%, Materials -1.10%, Health -0.69%, Real Estate -0.64%, Industrials -0.62%, Consumer Staples -0.24%, Communication Services -0.14%, Financials +0.09%, Consumer Discretionary +0.10%, Technology +0.18%, Energy +2.35%.

EUROPEAN CLOSES: Euro Stoxx 50 -0.39% at 5,812, Dax 40 -0.31% at 23,944, FTSE 100 -1.16% at 10,213, CAC 40 -0.39% at 8,072, FTSE MIB -0.51% at 47,796, IBEX 35 -0.62% at 17,665, PSI -0.60% at 9,210, SMI -0.88% at 13,032, AEX -0.38% at 997

STOCK SPECIFICS:

- **ADP (ADP):** EPS, rev. & adj. EBIT topped.
- **Bloom Energy (BE):** EPS & rev. smashed exp. alongside stellar FY outlook.
- **Booking Holdings (BKNG):** Rev. & gross bookings light.
- **Bunge Global (BG):** Profit smashed exp. & raised FY EPS guidance.
- **GE Healthcare (GEHC):** Profit light as was FY outlook.
- **General Dynamics (GD):** Strong Q numbers.
- **Humana (HUM):** Weak FY guidance.
- **Mondelez International (MDLZ):** Top & bottom line surpassed expected.
- **NXP Semiconductors (NXPI):** Q1 metrics beat & raised guidance w/ encouraging comms.
- **Robinhood (HOOD):** Q1 metrics missed & lifted op. expenses view.
- **Seagate (STX):** EPS & rev. topped alongside stellar next Q outlook
- **Starbucks (SBUX):** Q nos. impressed, stronger SSS & raised FY guidance w/ mgmt. saying its turnaround is taking hold despite higher gas prices.
- **T-Mobile US (TMUS):** EPS, rev., postpaid net account additions topped & lifted net account addition guidance.
- **Visa (V):** EPS & rev. surpassed exp., authorised new $20bln share repurchase prog. declared Q cash div. of $0.670/shr
- **Apple (AAPL)** plans a Siri camera mode and upgraded visual AI in iOS 27 and expected to be announced the updates at WWDC event in June.
- **Meta (META)** will run some servers longer in response to memory shortage, WSJ reports.
- **PayPal (PYPL)** new CEO makes Venmo a standalone business unit as potential buyers circle, CNBC reports.

FX

The dollar strengthened on a hawkish dissent from 3 members on the Fed's statement language as well as Powell speaking hawkish of some of his peers. Rates were held as expected at 3.50-3.75%, with Miran unsurprisingly calling for a 25bps cut. Interestingly, Hammack, Kashkari, and Logan did not support the inclusion of an easing bias in the statement at this time, while Powell said non-voters preferred this route as well (didn't specify the amount), but he does not think they need to do it at this meeting. Powell added that a number of members are seeing a hike as likely as a cut, having moved up. A hawkish reaction was seen towards the statement, which extended after Powell announced he will stay on the board after his term as Chair until the investigations is well and truly over, bolstering Fed independence and likely giving incoming Chair Warsh a tougher time to push for his preference for easing. In other news, geopolitical developments supported the USD as Trump reportedly is leaning towards extending the blockade on Iran, while CENTCOM has reportedly prepared a plan for a short and powerful wave of strikes, aiming to break the standstill in talks. Separately, US data (housing starts beat, durable goods beat, building permits missed) resulted in the Atlanta Fed maintaining its Q1 real GDP growth estimate at 1.2%. DXY peaked at 99.05 before retreating to ~98.91.

AUD underperformed, weighed on by the stronger USD on a hawkish Fed and geopolitical developments as well as a softer-than-expected March inflation reading, +1.1% M/M (exp. 1.3%). AUD/USD broke below last week's low, now trading around 0.7108.

CAD outperformed in the G10 space, little changed vs USD in the aftermath of the BoC holding rates, as expected. The resilience was more of a function of the move higher in the oil prices, as seen by the upward revisions in the BoC's growth forecasts for 2026 & '27, noting "since Canada is a large net exporter of oil, higher oil prices increase national income even as consumers are squeezed by higher gasoline prices".

EUR and **GBP** saw similar weakness against the dollar ahead of their central bank announcements. For the ECB, the relatively limited amount of data, no overt signs of second round effects and uncertainty on the duration of the shock and degree of pass through mean the ECB is likely to maintain its interest rates and hold the Deposit Rate at 2.00%. Click here for the ECB preview.

The **BoE** is expected to hold rates, justified by the lack of clarity on the duration and size of the Middle East shock, with particular respect to second round effects. Click here for the BoE preview.

On the EMFX, BCB is overnight, whereby they are expected to cut by 25bps.