

newsquawk

US Market Wrap - 30th April 2026

Stocks up after mixed mega cap earnings and geopolitics

- **SNAPSHOT:** Equities up, Treasuries up, Crude down, Dollar down, Gold up
- **REAR VIEW:** Q2 GDP prints 2.0%; March PCE matches expectations; Initial jobless claims drop to new nearly lows; CENTCOM reportedly to brief Trump on new plans for potential military action in Iran on Thursday; plan includes a short and powerful strike potentially targeting infrastructure to break deadlock; US DoE solicits exchange of up to 92.5mln bbls of oil from SPR; BoE & ECB hold rates as expected; Japanese PM Takaichi says that she has worked to ensure passage of Japanese-related vessel through the Strait; JPY jawboning from officials; Nikkei reports government confirmed FX intervention; Strong GOOGL earnings report; MSFT beats, but Q4 rev. guide misses; META capex raise sparks concerns alongside slight rev. outlook miss; AMZN beat fails to impress.
- **COMING UP:** **Data:** Japanese Tokyo CPI (Apr), Global Manufacturing Final PMIs (Apr), US ISM Manufacturing (Apr). **Speakers:** BoE's Pill. **Supply:** Japan. **Earnings:** Chevron, Colgate, Exxon, Moderna, Estee Lauder, NatWest.

MARKET WRAP

Stocks rallied while oil prices fell on Thursday as markets leaned risk-on despite ongoing geopolitical uncertainty around US/Iran developments. Equity gains were led by strong earnings, while crude benchmarks reversed initial strength to settle lower, helping support Treasuries and weigh on the dollar.

Overnight, crude was bid on escalating tensions and continued impasse in US/Iran talks, but the move reversed through the session amid a combination of tentative signs of progress, including expectations of a revised Iranian proposal, while Trump is also floating plans to reopen the Strait of Hormuz through a coalition. Nonetheless, reports also said the US is still weighing military options while Israeli press warned of a breakdown of US/Iran talks early next week.

In equities, sentiment was boosted by strong earnings. Alphabet and Amazon impressed with robust growth and strong cloud demand, while Qualcomm reversed earlier losses on upbeat commentary about China phone shipments. However, mega-cap tech saw some divergence, with Microsoft and Meta pressured by concerns over elevated AI-related capex. Elsewhere, cyclicals and defensives broadly gained, with Communication Services leading sectors while Technology lagged.

In rates, Treasuries were bid across the curve, with yields lower as T-notes tracked the decline in crude prices, easing inflation concerns—particularly at the front-end.

In FX, the dollar weakened broadly as risk appetite improved, with additional pressure from sharp yen strength. USD/JPY fell notably after intervention headlines out of Japan, alongside jawboning from officials and comments from PM Takaichi about Iran letting Japanese ships through Hormuz. The Yen was the clear outperformer, but Antipodes also saw strength. The Pound saw slight selling on the BoE rate decision, but ultimately was firmer vs Dollar and Euro. The Dollar underperformed, but the Euro also lagged slightly following a steady ECB decision and continued stagflation concerns, albeit sources suggest a hike could occur in June.

In commodities, gold and silver advanced alongside lower yields and a weaker dollar, while crude prices settled lower despite earlier geopolitical-driven gains as SPR releases weighed on WTI.

Data had a limited impact on markets. US GDP came in slightly below expectations, while PCE was in line, and jobless claims fell to their lowest level since 1969, but price action remained dominated by geopolitics and energy moves.

US

US PCE (MAR): Headline PCE rose 0.7%, in line with expectations, accelerating from 0.4% previously. The Y/Y rate rose to 3.5%, also in line with expectations, from 2.8%. Although headline metrics accelerated in March, this was largely due to higher energy prices after the US/Iran war. Core PCE cooled to 0.3% M/M from 0.4%, in line with expectations, while the Y/Y rate rose to 3.2% from 3.0%, matching forecasts. Both Y/Y metrics were in line with Fed Chair Powell's assessment on Wednesday. The Fed leaned hawkish, with some dissenting on the decision to maintain the easing bias in the statement, while it revised its inflation language to "elevated" from "somewhat elevated". Powell also remained reluctant to look through price pressures from the energy price shock completely, but said the Fed expects tariff impacts to roll off over the next two quarters. Elsewhere in the report, personal income rose 0.6%, above the 0.3% forecast, while real consumption rose 0.2%, below the 0.3% forecast. Personal spending rose 0.9%, in line with consensus and above the prior 0.6%. Summarising the data, Pantheon Macroeconomics said spending was temporarily supported by tax refunds and expects stagnation in Q2. On prices, Pantheon expects core PCE to rise to 3.3% in April but said a sub-3% rate is still within reach by year-end as rent inflation continues to cool and the anniversary of tariff-related price rises is met.

US GDP (Q1): The first estimate of Q1 GDP rose 2.0% (exp. 2.1%), accelerating from the 0.5% seen in Q4 2025. The contributors to the increase in real GDP in the first quarter were investment, exports, consumer spending, and government spending. ING highlighted that the government shutdown removed 1pp from headline growth in Q4, and the resumption added back 0.7pp in Q1. Imports, which are a subtraction in the calculation of GDP, also increased. Pantheon Macroeconomics highlight that "net trade subtracted 1.3pp from Q1 growth, as a 12.6% increase in real exports was more than offset by a 21.4% leap in imports, more than

half of which reflected a further jump in imports of computer equipment, amid the AI boom". Within the report, Real Consumer spending rose 1.6% in Q1, cooling from the 1.9% in Q4. Prices meanwhile rose by 4.5%, well above the 3.9% forecast and 3.7% prior, while core PCE (ex-Food and Energy) rose 4.3%, largely accelerating from the prior 2.7%. ING summarises the data by noting "Amid some cooling in consumer spending, investment linked to tech and AI has clearly become the main engine of growth in the US."

JOBLESS CLAIMS: Initial jobless claims (w/e 18th April) fell sharply to 189k from 215k, well below the expected 215k, lowering the 4wk average to 207.5k from 211k. The initial claims print was the lowest since 1969. Continuing claims (w/e 25th April) fell to 1.785m from 1.808m, also below the forecast of 1.820m. For the headline, unadjusted claims stood at 179,765, versus 205,833 W/W previously, while seasonal factors had expected a decrease of 1,724. In the breakdown, the biggest falls were in New York (-10,810), California (-4,629) and Connecticut (-2,249), while the largest gains were in Rhode Island (+2,023) and Arkansas (+1,075). As always with jobless claims, not too much can be read into one week, so it will be interesting to see whether this level is maintained or rises back towards the 200-230k range seen so far in 2026.

EMPLOYMENT COSTS: The employment cost index rose 0.9% in Q1 (exp. 0.8%, prev. 0.7%). Oxford Economics said the uptick in compensation costs in Q1 does not signal any acceleration in wage growth, but more likely reflects residual seasonality that tends to lift the ECI in Q1. Looking ahead, rising inflation expectations due to a spike in oil and gas prices may put modest upward pressure on wages, but the consultancy expects any impact on actual wage growth to be muted, given that the labour market is weaker than it was four years ago during the last energy supply shock.

FIXED INCOME

T-NOTE FUTURES (M6) SETTLED 7+ TICKS HIGHER AT 110-19

Treasuries rose across the curve on Thursday, with yields declining as T-notes gradually pared some of the recent sell-off. At settlement, 2-year -6.4bps at 3.883%, 3-year -6.0bps at 3.908%, 5-year -5.6bps at 4.021%, 7-year -4.7bps at 4.207%, 10-year -4.0bps at 4.390%, 20-year -2.3bps at 4.982%, 30-year -1.3bps at 4.986%.

THE DAY: T-notes saw a steady bid throughout the session, largely tracking weakness in crude prices, with WTI underperforming Brent after the DoE announced it had solicited an exchange of up to 92.5m bbls from the SPR. The move in oil helped ease inflation concerns and supported the front-end.

Geopolitical headlines were mixed. President Trump proposed a new coalition to help ships navigate the Strait of Hormuz, while separate reports suggested CENTCOM is preparing options for potential military action, including deploying hypersonic missiles to the region. Elsewhere, Israeli sources indicated US/Iran talks could collapse as soon as next week, highlighting the fragile backdrop.

On the data front, March PCE printed largely in line with expectations, while jobless claims fell notably. The releases generated some intraday volatility but ultimately had little lasting impact on direction, with markets continuing to take cues from oil.

Central bank activity was active, with the ECB and BoE both holding rates. ECB sources hinted at a potential hike in June, while BoE Chief Economist Pill dissented in favour of a 25bps increase. Meanwhile, reports of Japanese intervention in FX amid yen strength had little spillover into Treasuries.

In supply, Meta announced plans to raise up to USD 25bn in debt, with demand reportedly reaching around USD 96bn.

Overall, Treasury price action remained driven by moves in crude and geopolitics, with softer oil prices helping yields retrace some of the recent upside.

SUPPLY

Bills

- US sold 8-wk bills at high-rate at high-rate 3.620%, B/C 2.79x; sold 4-wk bills at high-rate 3.600%, B/C 2.92x
- US to sell USD 77bn 26-week bills and USD 89bn of 13-week bills on May 4th, and USD 75bn of 6-week bills on May 5th; all to settle on May 7th

STIRS/OPERATIONS

- Fed Pricing: June +0.8bps (prev. +1.9bps), July -1.2bps (prev. +0.8bps), Sept -2.3bps (prev. +0.8bps), Dec -0.8bps (prev. +3.3bps)
- NY Fed RRP op demand at 8.26bn (prev. 0.75bn) across 12 counterparties (prev. 5) on April 30th
- SOFR at 3.63% (prev. 3.64%), volumes at USD 2.964tn (prev. USD 3.021tn) on April 29th
- EFFR at 3.64% (prev. 3.64%), volumes at USD 87bn (prev. USD 82bn) on April 29th

CRUDE

WTI (M6) SETTLED USD 1.81 LOWER AT USD 105.07/BBL; BRENT (N6) SETTLED USD 0.04 LOWER AT USD 110.40/BBL

The crude complex was lower on Thursday.

Overnight, WTI and Brent saw strength and hit highs of USD 103.78/bbl and 114.70/bbl, respectively, as US-Iran tensions escalated and de-escalation efforts continue to seem stalled. The US blockade remained central, with Washington also weighing fresh military options including strikes, Hormuz intervention, and uranium seizure operations. While there was no clear catalyst behind the initial reversal in oil prices, some desks cited that some participants may be rolling positions due to expiry dates. Despite saying that, a leg lower coincided with positive remarks from Japanese PM Takaichi - "worked to ensure passage of Japanese-related vessel through the Strait, following a call with the Iranian President" - which sparked Dollar selling. Thereafter, benchmarks once again tested the

earlier lows amid reports that the US DoE solicits exchange of up to 92.5m bbls of oil from the SPR. In terms of other Middle East updates, AP, citing an official, said Trump floats a new plan to reopen the Strait of Hormuz, and US would continue its blockade on Iranian ports, while coordinating with allies to impose higher costs on Iran's attempts to subvert the free flow of energy. In addition, Israeli Defence Minister said they may soon be asked to move again to ensure the achievement of goals in Iran. Some pressure ahead of settlement was found on MS NOW reports that two Pakistani officials in Islamabad with direct knowledge of the talks between the U.S. and Iran told MS NOW they expect a revised Iranian proposal to end the war by the end of the week. Note, this aligned with CNN reports on Wednesday.

EQUITIES

CLOSES: SPX +1.02% at 2,709, NDX +0.98% at 27,452, DJI +1.62% at 49,652, RUT +2.21% at 2,800

SECTORS: Technology -0.63%, Financials +0.40%, Energy +0.81%, Materials +1.05%, Consumer Discretionary +1.24%, Consumer Staples +1.69%, Real Estate +1.78%, Health +2.20%, Utilities +2.55%, Industrials +2.76%, Communication Services +3.98%.

EUROPEAN CLOSES: Euro Stoxx 50 +1.00% at 5,874, Dax 40 +1.33% at 24,272, FTSE 100 +1.62% at 10,379, CAC 40 +0.53% at 8,115, FTSE MIB +0.94% at 48,246, IBEX 35 +0.78% at 17,781, PSI +1.47% at 9,345, SMI +0.80% at 13,136, AEX +1.70% at 1,014

STOCK SPECIFICS:

- **Alphabet (GOOGL):** Stellar results; strong rev. & profit growth, as well as booming cloud demand & mgmt. saying AI is driving growth across the business
- **Amazon (AMZN):** Stellar report; EPS, rev., AWS sales beat w/ ad growth, accelerating cloud momentum, & upbeat Q2 sales guidance.
- **Microsoft (MSFT):** Concerns over record AI-driven capital spending, modest cloud growth & next Q rev. view underwhelmed
- **Meta (META):** Concerns over higher AI infrastructure spending & raised capex, again, which is weighing on shares
- **Qualcomm (QCOM):** Initially sold off amid weak guidance, but reversed as metrics beat & said shipments to a large hyperscaler data centre customer will start earlier than prev. indicated & expectations Chinese smartphone market will bottom in Q3
- **Quanta Services (PWR):** Q1 metrics impressed as did FY view
- **Carvana (CVNA):** Top and bottom line beat.
- **Caterpillar (CAT):** EPS & rev. topped
- **Royal Caribbean (RCL):** Strong profit results
- **Eli Lilly (LLY):** EPS, rev. surpassed Wall St. exp. w/ stellar FY guidance.
- **Altria (MO):** Top & bottom-line beat
- **Merck (MRK):** Shallower loss per shr. than exp., rev beat as did Keytruda sales
- **Mastercard (MA):** Switched volume & cross border volume during Q1 both missed.
- **Hertz (HTZ) and Uber (UBER)** partnered to power autonomous robotaxi and driver-led fleet operations.
- ADW offered USD 18/shr for all of **Driven Brands (DRVN)** outstanding shares, according to WSJ, citing a letter.
- **Blue Owl (OWL)** exec says they are working down their exposure to software; has sold about half of SpaceX investment when it was at a USD 1.25tn valuation.
- Trian has sent letter to **Solventum (SOLV)** urging board to make changes including separating its dental and software businesses, CNBC reports.
- Hunterbrook Capital is long **DataDog (DDOG)**.
- **Meta (META)** reportedly told staff it is not ruling out further layoffs, via Business Insider.

FX

The dollar was broadly weaker against peers as risk-on sentiment across equities fed into FX markets. Yen strength exacerbated the move after jawboning remarks from the top currency diplomat and finance minister. JPY strength further weighed on the DXY after Japanese PM Takaichi said she had worked to ensure the passage of Japan-related vessels through the Strait, following a call with the Iranian President. Later, Nikkei reported that Japan was said to have intervened in FX, with a government official confirming the intervention to Nikkei. USD/JPY hit lows of 155.56 from earlier highs of 160.73.

A muted USD reaction was seen to GDP growth of 2.0% (exp. 2.1%), in-line March PCE readings and initial claims hitting their lowest level since 1969. Geopolitical developments continued to point to an impasse in US-Iran talks, with Axios reporting that Centcom was due to brief Trump on new plans for potential military action in Iran on Thursday.

EUR saw smaller gains than its peers after a broadly expected ECB announcement, with rates maintained and commentary acknowledging the increasingly stagflationary environment that is emerging. The ECB stuck to the script on data-dependent and meeting-by-meeting guidance. ECB sources via Reuters noted that policymakers see a June hike as very likely; some advocated a move in April but were okay with waiting until June.

EUR/GBP was lower, helped by the hawkish tilt in the BoE decision to hold, with Pill voting for a 25bps hike. BoE Governor Bailey said he would not describe the rate decision as dovish and that the market reaction to the BoE rate decision had been very sensible. Cable hit a new April high of 1.3612, with EUR/GBP approaching March lows of 0.8612.

