

CAPITAL MARKETS REPORT - APRIL 6, 2026



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SERVICE BEYOND COMPARISON

- Strong Jobs Data Pushes Rate Cuts Further Out
- Labor Market Stabilizes, but Underlying Softness Emerging
- Geopolitical Escalation Intensifies Energy and Market Risks
- Markets Shift Focus now on Inflation and Growth Risks

Despite a stronger-than-expected March jobs report, Treasury yields fell last week. Markets did scale back expectations for Federal Reserve rate cuts this year. Payrolls rose by 178K and the unemployment rate declined to 4.3%, reinforcing resilience despite prior weakness. While wage growth moderated, the overall strength in hiring supports the Fed's cautious stance, particularly as inflation risks remain elevated. Economists expect the full economic impact of higher energy prices to materialize in the second half of the year, potentially weighing on hiring and consumer demand.

Escalating tensions in the Middle East—including the downing of a U.S. fighter jet and additional military incidents in the Persian Gulf—have heightened geopolitical risk and reinforced concerns about sustained energy supply disruptions. The ongoing conflict continues to pressure oil markets and complicate the global economic outlook, leaving investors increasingly focused on the balance between inflationary pressures and slowing growth.

While rising oil prices are fueling inflation concerns, investor sentiment is beginning to shift toward the potential for a broader economic slowdown. Bond markets reflect this tension, with positioning increasingly balanced as participants weigh near-term inflation against longer-term growth risks. Until there is greater clarity on both the trajectory of the conflict and its impact on energy markets, volatility is likely to persist across both fixed income and equity markets.

After setting a Monday deadline for Iran to open the Strait of Hormuz to commercial shipping, news this morning is that Trump has pushed it back until tomorrow. Hopes are that a last-minute deal will de-escalate the five-week war and alleviate both the human suffering and economic effects of an ongoing conflict.

Treasuries are opening the week relatively flat with the 2 and 10-year notes are 3.85% and 4.33%, respectively.

Market Last Week

	3/27/2026	4/3/2026	Weekly Change In Bps
2 yr. Note	3.90%	3.84%	-6
5 yr. Note	4.06%	3.98%	-8
10 yr. Note	4.43%	4.34%	-9
30 yr. Bond	4.97%	4.91%	-6
SOFR Rate	3.66774%	3.66095%	-0.679

Data This Week

Date/Time (ET)	Economic Data	Market Estimate	Prior Report
4/9/2026 8:30 AM	Initial Jobless Claims (Apr 4)	210k	202k
4/9/2026 8:30 AM	GDP Annualized QoQ (4Q)	0.70%	0.70%
4/9/2026 8:30 AM	Personal Income (Feb)	0.30%	0.40%
4/9/2026 8:30 AM	Personal Spending (Feb)	0.60%	0.40%
4/9/2026 8:30 AM	Continuing Claims (Mar 28)	1833K	1841K
4/9/2026 8:30 AM	Personal Consumption (4Q)	2.0%	2.0%
4/9/2026 8:30 AM	PCE Price Index YoY (Feb)	2.8%	2.8%
4/10/2026 8:30 AM	CPI YoY (Mar)	3.40%	2.40%
4/10/2026 8:30 AM	Core CPI YoY (Mar)	2.7%	2.5%
4/10/2026 10:00 AM	U. of Mich. Sentiment (Apr)	51.50	53.30
4/10/2026 10:00 AM	Durable Goods Orders (Feb F)	--	0.00%
4/10/2026 10:00 AM	Durables Ex Transportation (Feb F)	--	0.40%

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