

CAPITAL MARKETS REPORT - APRIL 20, 2026



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- **Ceasefire Deteriorates Despite New Round of Talks**
- **Geopolitical Risks Linger Around Potential US–Iran Deal**

--> Whipsaw news from the war in the Middle East has kept community bankers operating in a macro environment that is broadly stable but, increasingly shaped by policy uncertainty, geopolitical shocks, and a still-restrictive rate backdrop. U.S. growth remains resilient but is slowing at the margins as labor markets cool and affordability pressures reemerge. Inflation has moderated from peak levels yet remains above the Federal Reserve’s 2% target, keeping monetary policy cautious and data-dependent.

--> From a fixed-income perspective, traders have pivoted to a “higher for longer” yield environment with episodic volatility. The Fed has paused rate cuts amid uncertainty, particularly tied to energy-driven inflation risks, and markets are pricing only modest easing. Longer-term Treasury yields are expected to remain elevated (roughly mid-4% range), reflecting persistent inflation, heavy Treasury issuance (supply), and fiscal deficits.

--> Geopolitical risks intensified again over the weekend. Last week's market exuberance stemming from calming rhetoric and talk of a lasting truce deal quickly gave way on news that Iran again closed the Strait of Hormuz, fired on two Indian flagged vessels and that the US actually seized an Iranian ship yesterday afternoon. Trade tensions and tariffs continue to reshape supply chains and contribute to cost pressures, reinforcing a structurally more inflation-prone environment.

--> Treasury yields are opening the morning up slightly with the 2 and 10-year notes at 3.73% and 4.26%, respectively. Fed fund futures don't potent another rate cut until July 2027.

Market Last Week

	4/10/2026	4/3/2026	Weekly Change In Bps
2 yr. Note	3.80%	3.71%	-9
5 yr. Note	3.94%	3.85%	-9
10 yr. Note	4.32%	4.23%	-9
30 yr. Bond	4.91%	4.88%	-3
SOFR Rate	3.64863%	3.65000%	0.00137

Data This Week

Date/Time (ET)	Economic Data	Market Estimate	Prior Report
4/21/2026 8:15 AM	ADP Weekly Employment Change (Apr 4)	--	39.250k
4/21/2026 8:30 AM	Retail Sales Advance MoM (Mar)	1.40%	0.60%
4/21/2026 8:30 AM	Retail Sales Ex Auto MoM (Mar)	1.40%	0.50%
4/21/2026 10:00 AM	Pending Home Sales MoM (Mar)	0.00%	1.80%
4/21/2026 10:00 AM	Business Inventories (Feb)	0.30%	-0.10%
4/22/2026 7:00 AM	MBA Mortgage Applications (Apr 17)	n/a	1.8%
4/23/2026 8:30 AM	Initial Jobless Claims (Apr 18)	210k	207k
4/23/2026 8:30 AM	Continuing Claims (Apr 11)	1820k	1818k
4/23/2026 9:45 AM	S&P Global US Manufacturing PMI (Apr P)	52.50	52.30
4/23/2026 9:45 AM	S&P Global US Services PMI (Apr P)	50.10	49.80
4/23/2026 9:45 AM	S&P Global US Composite PMI (Apr P)	50.40	50.30
4/24/2026 10:00 AM	U. of Mich. Sentiment (Apr F)	48.40	47.60

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