

April 2026 Recap

April 2026 Monthly Market Commentary

Investor Summary

U.S. equities rebounded strongly in April, with major benchmarks recovering from March's drawdown and several indices reaching record highs during the month. Large-cap growth and technology leadership reasserted itself as renewed enthusiasm around artificial intelligence and related infrastructure spending helped lift the S&P 500 and Nasdaq Composite to fresh highs. Small-cap shares also participated, with the Russell 2000 trading near record territory as domestic economic activity remained resilient.

The macro backdrop remained mixed. March inflation data showed a notable acceleration, driven largely by higher energy prices, while core measures were more contained. Longer-term Treasury yields hovered in the mid-4% range, leaving financial conditions tighter than in the immediate post-pandemic period but still accommodative relative to longer-term history. Globally, developed and emerging-market equities generally lagged U.S. benchmarks. Commodities, particularly oil and gold, remained in focus as investors weighed geopolitical risks and the path of monetary policy. Against this backdrop, April's market action reflected a renewed willingness to own risk assets, supported by resilient economic data and generally solid corporate earnings results.

U.S. Equity Market Review

Major Index Performance

U.S. stocks posted robust gains in April, reversing much of March's weakness and pushing several major indices to all-time highs. The S&P 500 closed April at 7,209.01, a gain of 9.51% for the month. The Nasdaq Composite also notched multiple record closes, ending the month at 24,892.31 after a series of strong technology and growth-oriented rallies.

Index	Close	April	YTD
DJIA	49,652.14	+6.77%	+3.31%
S&P500	7209.01	+9.51	+5.31%
NASDAQ	24,892.31	+13.77%	+7.10%
OIL \$/bbl	105.41	-5.65%	+84.18%
GOLD	\$4,644.44	+2.46	+6.69%

The Dow Jones Industrial Average participated in the rebound but generally lagged the more growth-heavy indices, closing in the high-40,000s. Small-cap stocks, as represented by the Russell 2000, traded near or above the 2,700-2,800 range late in the month, reflecting improved risk sentiment toward domestically oriented companies.

Style, Sector, and Factor Trends

Growth and large-cap exposures regained leadership in April as technology-oriented sectors and AI-linked companies outperformed the broader market. Semiconductor and technology infrastructure companies were key beneficiaries of ongoing investment in AI data centers and related hardware,

supporting both earnings growth and valuation expansion.

Small-cap and value-oriented segments also advanced, aided by firm domestic economic data and improving sentiment around cyclical industries, though their relative performance was more mixed. Factor returns favored quality and momentum, consistent with investor preference for companies with strong balance sheets and visible earnings trends in an environment of still-elevated but stable interest rates.

Macroeconomic Context

The macroeconomic environment remained generally supportive for risk assets, though inflation surprised to the upside. The March Consumer Price Index increased 0.9% month over month and 3.3% year over year, a notable acceleration from February and the largest annual increase since 2024. Energy prices, particularly gasoline, were a major contributor. The energy index rose by double digits over the year, and gasoline increased more than 20% month over month.

Core inflation, which excludes food and energy, was more contained at 2.6% year over year. That suggested underlying price pressures were rising, but not at the same pace as headline inflation. While first-quarter GDP details were still being digested, market commentary pointed to continued resilience in consumer spending and services activity, offset in part by higher borrowing costs and pockets of stress among lower-income households.

Global Market Overview

International Equity Markets

International equities generally trailed U.S. benchmarks in April, reflecting differences in sector composition, economic momentum, and sensitivity to global trade and currency movements. Regional results varied, but major global indices suggest that MSCI World and related benchmarks produced positive but more modest gains than U.S. indices.

Investor attention remained focused on the durability of global manufacturing activity, central bank policy

paths outside the United States, and the effect of currency moves on dollar-based returns.

Commodities: Oil and Gold

Commodities remained central to the market narrative in April, particularly energy and precious metals. Oil prices, as reflected in WTI crude futures, traded at elevated levels after surging above \$110 per barrel in late April amid supply concerns and geopolitical risk. Higher energy prices contributed directly to headline inflation, particularly through gasoline, and influenced expectations for monetary policy over the balance of the year.

Gold prices also remained elevated, with some late-April data series quoting spot prices above \$4,700 per ounce. Demand was supported by safe-haven flows, concerns about real yields, and currency dynamics. These commodity moves underscored the tension between strong equity risk appetite and persistent inflationary pressure in the broader economy.

Global Risk and Volatility

Measures of market volatility moderated in April compared with the prior month, even as macro headlines remained active. The recovery in equities and narrowing credit spreads indicated a greater willingness to assume risk, supported by solid earnings and stable economic data.

At the same time, geopolitical events, energy-market volatility, and the risk of more persistent inflation remained in focus, especially in regions more exposed to commodity imports and global trade disruptions. Overall, April's environment was marked by improving sentiment and continued vigilance around macro and policy developments.

Regional and International Market Performance

MSCI's regional indices pointed to continued dispersion across global equity markets. While U.S. benchmarks reached or approached record highs, broad developed-market indices such as MSCI EAFE and MSCI Europe generally delivered more moderate gains, constrained by slower growth, higher energy sensitivity, and divergent central bank signaling. In the Pacific and Far East regions, equity performance reflected currency moves, export trends, and shifting

expectations for growth in key economies, resulting in a mix of modest gains and flat returns.

Emerging markets showed a similarly varied pattern. Commodity-exporting countries tended to benefit from higher oil and metals prices, while import-dependent economies faced deteriorating terms of trade and currency pressure. Against this backdrop, broad measures such as MSCI Emerging Markets appear to have produced positive but uneven results, lagging the U.S. while still participating in the broader risk-on tone. The divergence between North America and other global regions highlighted the importance of sector composition, particularly the weight of technology and communication services, in driving relative returns this year.

Sector Performance Details

Within the U.S. large-cap universe, April sector leadership was closely tied to technology innovation and resilient domestic demand. Technology and communication services outperformed as investors continued to reward companies leveraged to AI-related infrastructure, cloud computing, and digital platforms. Energy stocks also remained well supported, reflecting strong commodity prices and improved cash-flow profiles.

Consumer discretionary and industrials benefited from ongoing strength in spending and activity, although performance within these groups varied by subsector and interest-rate sensitivity. More defensive sectors, including utilities and consumer staples, generally lagged in the risk-on environment, even as they continued to serve diversification and income-oriented mandates. Health care and financials posted mixed results, with company-specific and regulatory developments contributing to dispersion within each sector. Overall, April's sector performance favored cyclical and growth-oriented areas over traditional defensives, consistent with the broader shift back toward risk following March's volatility.

U.S. Economic and Earnings Summary

Growth and Output

While full official GDP figures for the most recent quarter were still being assessed, available April

commentary indicated that the U.S. economy continued to expand at a moderate pace. Consumer spending remained a key driver, particularly in services, supported by a strong labor market and rising wages. Still, signs of strain among lower-income households remained visible.

Business investment related to technology and AI infrastructure appeared robust, helping offset the dampening effects of higher borrowing costs in more interest-rate-sensitive sectors. Net trade and inventory dynamics remained secondary but important contributors to quarter-to-quarter changes in headline growth.

Inflation and Prices

Inflation remained a central focus for policymakers and investors. The March CPI report showed headline inflation of 3.3% over the prior 12 months, up from 2.4% in February, driven largely by energy and gasoline. Core CPI, which excludes food and energy, increased 2.6% year over year. That suggested underlying price pressures remained above pre-pandemic norms, but were not accelerating as quickly as the headline series.

Within the index, shelter costs continued to rise, while food prices were relatively stable. Declines in some grocery components were offset by higher prices for meals away from home. Apparel, household furnishings, and new vehicles posted increases, while medical care and used vehicles declined. These dynamics reinforced the perception of a two-speed inflation environment, with energy and select categories exerting upward pressure even as others stabilized or eased.

Earnings and Valuations

Corporate earnings trends remained broadly supportive of equity prices. April commentary highlighted strong results from AI-related technology companies, as order backlogs and margin profiles improved alongside elevated demand for high-performance computing and data-center infrastructure. Across the S&P 500, aggregate earnings growth expectations remained positive, with upside surprises in select sectors offsetting more muted results elsewhere.

Forward valuation metrics, including price-to-earnings ratios, stayed above long-term averages in several growth-oriented sectors. That reflected both strong fundamentals and heightened investor confidence in secular growth themes. Guidance for the current and upcoming quarters generally pointed to continued expansion, though outcomes varied widely across industries depending on exposure to interest rates, input costs, and global demand.

Consumer and Retail Data

Consumer sentiment indicators in April reflected cautious optimism. Survey-based measures from organizations such as the University of Michigan and The Conference Board pointed to a consumer backdrop supported by labor-market strength but challenged by higher prices for essentials such as energy and housing. Elevated gasoline prices and higher shelter costs weighed on near-term assessments of buying conditions, even as expectations for future income and employment remained relatively stable.

Retail sales data suggested continued growth in nominal spending, with services and select discretionary categories benefiting from ongoing demand. However, higher inflation in certain goods categories meant that real, inflation-adjusted growth was more modest, particularly for households most sensitive to fuel and food prices. In the housing market, higher mortgage rates and elevated home prices continued to constrain affordability, contributing to a slower pace of existing-home transactions and

greater regional variation in housing activity. Industry commentary pointed to pockets of resilience, particularly in markets with strong job growth, but the overall environment remained more challenging than during the low-rate period of prior years.

Manufacturing and Industry Indicators

Manufacturing and industrial activity indicators in April suggested gradual stabilization following prior softness. Regional Federal Reserve surveys, including those from Dallas and other districts, pointed to mixed but improving conditions, with production and new-order measures showing tentative gains in several areas. Employment metrics generally indicated steady labor demand, though some contacts reported difficulty finding workers with specific skills and ongoing pressure from wage and input costs.

The divergence across regions remained notable. Areas with greater exposure to energy, industrial machinery, and technology supply chains tended to report more favorable conditions, benefiting from higher commodity prices and capital investment in AI-related infrastructure. Other regions, especially those more reliant on interest-rate-sensitive sectors such as construction and traditional manufacturing, experienced a slower rebound. Overall, April's industrial backdrop suggested that while the sector continued to face headwinds from higher rates and evolving global demand, it was no longer as broad a drag on growth as it had been in some prior periods.

Key Data Sources (April 2026 edition)

Market and economic data referenced in this commentary are derived from publicly available sources believed to be reliable, including but not limited to: S&P Dow Jones Indices, NASDAQ, Russell Investments, MSCI Inc., FactSet Research Systems, LSEG I/B/E/S, U.S. Bureau of Economic Analysis (BEA), U.S. Bureau of Labor Statistics (BLS), Federal Reserve Banks, U.S. Census Bureau, University of Michigan Surveys of Consumers, The Conference Board, National Association of Realtors, UBS Global Real Estate Bubble Index, CME Group, Energy Information Administration, and other major commodity exchanges. Additional context and commentary were obtained from financial news and research outlets, including CNBC, MarketWatch, Madison Investments, Commonwealth, StatMuse, and related market-data providers.

- *Market indices and levels: Standard & Poor's, S&P Dow Jones Indices, YCharts, MSCI, Nasdaq, Dow Jones, Russell Investments.*
- *Volatility and derivatives: CBOE, Barchart (VIX and related futures).*
- *Economic data: U.S. Bureau of Economic Analysis (BEA), U.S. Bureau of Labor Statistics (BLS), Federal Reserve, The Conference Board, U.S. Census Bureau.*
- *Global markets and flows: MSCI, iShares, Yahoo Finance, other public index and ETF providers.*
- *News and commentary: Reuters, WJS, Financial Times and other major financial news outlets and index providers' public materials as of April 30, 2026.*

[U.S. Bureau of Labor Statistics \(CPI March 2026 release\)](#), [U.S. Bureau of Labor Statistics \(CPI March 2026 release\)](#), [U.S. Bureau of Economic Analysis \(GDP data overview\)](#), [U.S. Bureau of Economic Analysis \(Q1 2026 GDP advance estimate – example structure\)](#), [Federal Reserve \(FOMC calendar and statements\)](#), [Federal Reserve \(Selected Interest Rates\)](#), [S&P Dow Jones Indices – S&P 500](#), [S&P Dow Jones Indices – Dow Jones Industrial Average](#), [S&P Dow Jones – S&P 500 Sector Indices](#), [S&P Dow Jones – Factor Indices](#), [Nasdaq Composite index data](#), [FTSE Russell – Russell 2000](#), [Yahoo Finance – S&P 500 \(^GSPC\) historical data](#), [U.S. Energy Information Administration – WTI spot prices](#), [CME Group – WTI Crude Oil futures](#), [LBMA – Gold price](#), [Fortune – Current price of gold \(example daily reference\)](#), [Cboe – VIX overview](#), [Cboe – VIX historical data](#), [MSCI – End-of-day index data search \(World, EAFE, EM, factors\)](#), [MSCI – Factor Indexes](#), [FactSet – Earnings Insight \(S&P 500 earnings\)](#), [LSEG / I/B/E/S – earnings and index analytics](#), [University of Michigan – Surveys of Consumers](#), [The Conference Board – Consumer Confidence](#), [U.S. Census Bureau – Advance Monthly Retail Trade Report](#), [BEA – Personal Consumption Expenditures / PCE](#), [National Association of Realtors – Existing-Home Sales](#), [Freddie Mac – Primary Mortgage Market Survey \(mortgage rates\)](#), [Dallas Fed – Texas Manufacturing Outlook Survey](#), [New York Fed – Empire State Manufacturing Survey](#), [Philadelphia Fed – Manufacturing Business Outlook Survey](#), [ICE BofA credit indices \(for credit spreads\)](#).

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