

# Markets advance through global volatility

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The stage could be set for further gains if disruptions to key shipping routes are ultimately resolved. Consumers have remained resilient and labor markets stable despite the global uncertainty. In part due to elevated energy prices, inflation remains a thorn in the side of the economy, but it has yet to meaningfully destabilize growth as Federal Reserve (Fed) policymakers stay on the sidelines for now and keep a close eye on supply pressures.

A positive highlight despite these challenges was equity markets, with the S&P 500 posting one of its strongest months since the depths of the pandemic, led by the tech sector back to record highs. As Raymond James Chief Investment Officer Larry Adam notes, “Corporate earnings growth is expected to remain in double digit territory, marking a sixth consecutive quarter of growth above 10%.”

The NASDAQ climbed 15.3%, the S&P 500 10.4% and the Dow Jones Industrial Average 7.1%. Propelled by tech strength in Korea and Taiwan, the MSCI Emerging Markets index reached a record high.

US Treasury yields are within two basis points of last month’s close across the board from 3-month to 30-year. These elevated rates kept fixed income opportunities viable despite the tight spreads on corporate and municipal bonds. Sustained high yield levels continue to benefit fixed-income investors.

We’ll dive into more details below, but first, let’s look at how the month of April wrapped up.

	12/31/25 Close	4/30/26 Close*	Change Year to Date	% Gain/Loss Year to Date
DJIA	48,063.29	49,652.14	1,588.85	+3.31%
NASDAQ	23,241.99	24,892.31	1,650.32	+7.10%
S&P 500	6,845.50	7,209.01	363.51	+5.31%
MSCI EAFE	2,892.71	2,998.62	105.91	+3.66%
Russell 2000	2,481.91	2,799.90	317.99	+12.81%
Bloomberg Aggregate Bond	2,348.85	2,347.68	-1.17	-0.05%

\*Performance reflects index values as of market close on April 30, 2026.

### **A historic rally amid global conflict**

The S&P 500 underwent a 13-day rally to close at a new all-time high on April 24, advancing sharply by over 12% thanks to news of progress between the US and Iran. While transits through the Strait of Hormuz are still extremely low and geopolitical risks aren't going anywhere overnight, market performance despite the conflict signaled that investors are willing to look past oil price risk in the short term. However, with crude still well over \$90 a barrel, the stage is still set for volatility.

### **Jobs growth persists amid declining consumer sentiment**

While new data is expected to be released soon, private sector employment growth was stronger than expected in March, with hiring by small businesses being particularly robust. Personal income also came in higher than expected, even as prices continued to rise. Meanwhile, first-quarter GDP accelerated to 2.0%, reflecting underlying economic resilience. Consumer sentiment in April fell 6.7% to its lowest level since 1952.

### **New Fed chair on the way**

Kevin Warsh, a known proponent of lower interest rates, is expected to be confirmed soon as the new chair of the Federal Reserve. But as only one member of the Federal Open Market Committee (FOMC), his influence is not absolute. The overall FOMC stance is hawkish, with fighting inflation a top priority over fostering economic growth in the short term.

### **Congress signals tougher stance on China**

In Washington, the advancement of several AI and semiconductor export control bills demonstrated bipartisan concerns that the current administration has eased its stance too far on allowing foreign access to advanced AI chips. But even with these bills advancing out of committee, they are unlikely to pass in their current forms given President Trump's desire to solidify a trade framework with China ahead of his May 14–15 meeting with China's President Xi.

### **US fuel prices subject to global oil market dynamics**

Despite the US being self-sufficient when it comes to oil production, Americans are still paying more than \$4 a gallon at the pump. While it may seem that domestic gasoline prices should be more or less unaffected, the reality is that oil is an easily transportable commodity, so prices reflect an equilibrium between global supply and demand, regardless of any individual country's domestic supply.

### **Broad range of exposure in Asia**

On the international front, China and Japan are positioned to weather the global oil crisis quite differently than their neighbors in the region. China's dependence on oil is relatively low despite being the world's number one oil importer thanks to its widespread use of coal, and Japan's government capped gas prices to curb inflation in the short term. Elsewhere throughout Asia, however, where as much as 90% of the energy transiting the Strait of Hormuz is bound, there are acute vulnerabilities to continued stalemate in the Middle East.

### **The bottom line**

While the world held its breath hoping for the ceasefire between the US and Iran to hold, markets pushed forward. The market's optimism, however, is likely contingent on more durable progress being made. This uncertainty is expected to be a source of volatility in the near term. Only time will tell how long this war lasts, but it will end. For now, steady and diversified investors remain well positioned. Positive long-term drivers are strong, and pullbacks still present opportunities for those with an eye toward the horizon.

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