

## WEEKLY INSIGHT

April 17, 2026

### Equities Stage Historic Rally Following Ceasefire

#### Key Takeaways

- Middle East ceasefire announced.
- Oil falls from highs.
- Domestic equities hit new highs.

The S&P 500 just completed its fastest rally to new all-time highs following a decline of 5-10%. The market fell about 9% over 43 trading days and then reclaimed the highs in just 11 days. Markets looked favorably upon ceasefire headlines out of the Middle East. A two-week ceasefire agreement between the U.S., Israel, and Iran was announced on April 7. Markets jumped on the news and haven't looked back despite the Strait of Hormuz still being largely shut.

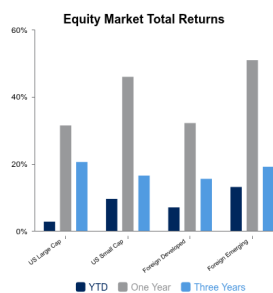
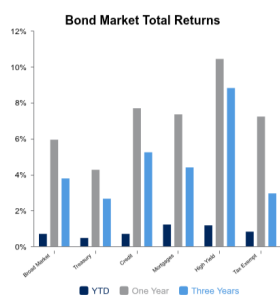
Despite the S&P 500 hitting new highs on Tuesday, only 18 stocks in the index hit a 52-week high. The follow-through day on Wednesday saw just 12 hit a new high. The U.S. is the first major market to reclaim the highs, which by classic principles would suggest a higher probability of forward outperformance. Emerging markets, foreign developed indices, Korea, and Japan have yet to reclaim their highs.

Oil futures prices have moved off their highs, although there is a big gap to actual prices for physical oil. Actual seaborne oil trades about \$40 higher. There is a lot of public commentary on intervention, although it has been denied by the administration. Shipping costs and insurance have moved up significantly and could be the reason why there is a large gap. Bond yields have moved lower following the ceasefire with the 10-year Treasury yield about 15 basis points lower.

### Markets Welcome Favorable Inflation Readings as Consumer Sentiment Weakens

CPI was up 0.9% for the month of March, which was in-line with consensus expectations. Core CPI ticked down to 0.2% and came in lower than expected. Producer prices came in well below consensus expectations. The Federal Reserve's preferred inflation measure is Core PCE, which came in at +0.4% versus the previous month. Core PCE is less influenced by muted housing inflation and has a higher allocation to persistent health care inflation. Despite core PCE remaining elevated, the market is more focused on CPI and PPI. Decent monthly readings helped sustain the equity momentum.

The University of Michigan Consumer Sentiment hit an all-time low of 47.6. Much of the weakness was attributed to consumers' views of their real income. Negative expectations related to the Iran conflict also played a role.



Interest Rates (%)	Current	12M Ago	3YR Ago
Fed Funds Rate (Upper)	3.75	4.50	5.00
3-Month T-Bill	3.70	4.31	4.99
10-Year Treasury	4.28	4.28	3.51
30-Year Treasury	4.90	4.74	3.73
10-Year Corporate AA	5.01	5.25	4.48
10-Year High Yield Corp	6.38	7.02	7.06
Commodity Prices (\$)	Current	12M Ago	3YR Ago
Gold (\$/oz.)	4,791	3,343	2,004
Oil (WTI, \$/barrel)	91.29	62.47	82.52
Currencies	Current	12M Ago	3YR Ago
USD (Dollar Index Spot)	98.06	99.38	101.55
USD/EUR	0.85	0.88	0.91
USD/JPY	159.00	141.88	133.79

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