

Weekly Market Commentary

APRIL 20, 2026

MARKET UPDATES

April 17, 2026:

[Recorded Leadership Discussion Featuring: Regions Chief Economist, Chief Investment Officer, and Chief Market Strategist.](#)

April 24, 2026:

For access to this call please contact your Regions Wealth Advisor or Portfolio Manager.

WHAT WE'RE WATCHING



Quarterly reporting season rolls along with 113 companies in the S&P 500 expected to post results. While last week was dominated by releases out of the financials sector, the coming week will bring with it reports from a broad swath of companies across sectors, with financials, health care, and industrials all well represented.



The University of Michigan's final consumer sentiment survey for April comes out on Friday, with the final reading expected to come in at 48.0, modestly above the 47.6 initial read. We will again be focused on any revisions to the 1-year inflation outlook.



S&P Global releases its preliminary Purchasing Managers Index (PMI) for April on Thursday with the Composite PMI expected to come in at 50.5, compared to a 50.3 reading in March. Manufacturing PMI is expected to rise to 52.7 from 52.3 the prior month, while Services PMI is expected to rise to 50.3 and move back into expansion territory after falling into contraction at 49.8 last month. A reading above is indicative of expansion or growth, while a reading below 50 indicates contraction.

KEY OBSERVATIONS



U.S. equity indices continued their April ascent as an encouraging start to earnings season and thawing tensions in the Middle East boosted sentiment and risk appetite. The S&P 500 made a series of all-time closing highs Wednesday through Friday, but sector leadership was less impressive with just two sectors – consumer discretionary and information technology – outperforming the S&P 500 on the week. Those two sectors account for over 45% of the S&P 500, so if they continue to rally the market will likely follow suit, but better overall breadth would be welcomed.



Abroad, emerging markets outpaced developed markets behind strength out of South Korea and Taiwan, but Japan was a notable standout and buoyed developed market indices. All three of these countries were market leaders in January and February before taking a breather in March, but it's encouraging that they have quickly reasserted themselves, trading to new all-time highs alongside the S&P 500.



Despite the sizable drop in energy prices over the balance of the week, Treasury yields remained relatively well anchored, with the 10-year yield falling just 8-basis points. The modest move lower in Treasury yields provided a boost to investment-grade corporate bonds, but higher yielding, shorter duration segments of the fixed income market, specifically corporate high yield and emerging market debt, outperformed.

	Price/Yield			Total Return (%)			
	4/17/2026	1 Week Ago	1 Month Ago	Year to Date	1 Year	3 Years	5 Years
S&P 500	7,126.06	4.55	7.65	4.47	36.58	21.37	12.86
NASDAQ 100	26,672.43	6.20	9.25	5.83	47.09	27.75	14.58
S&P Mid Cap 400	3,646.35	3.52	8.54	10.74	34.80	15.10	7.67
S&P Small Cap 600	1,648.19	4.06	10.78	12.82	42.65	14.28	5.85
MSCI World ex US	460.99	2.61	6.08	10.22	39.99	17.58	8.48
MSCI EM	1,597.13	3.23	5.45	14.24	52.74	19.67	6.00
Bloomberg U.S. Aggregate	4.45	0.55	0.80	0.84	6.10	4.06	0.32
Bloomberg Corporate	4.97	0.67	1.30	0.78	7.56	5.19	0.79
Bloomberg U.S.High Yield	6.75	0.66	1.70	1.47	10.41	9.05	4.44
Bloomberg EM USD Aggregate	5.89	0.99	1.69	1.30	11.47	8.58	2.20
Bloomberg Global Agg ex-USD	3.06	0.54	0.04	0.10	0.94	2.82	-0.21
Bloomberg Municipal Bond	3.59	0.31	0.33	1.28	7.40	3.40	0.95

Source: Bloomberg (3- and 5-Year Returns Annualized)

	Price/Yield						
	4/17/2026	1 Week Ago	1 Month Ago	12/31/2025	1 Year Ago	3 Years Ago	5 Years Ago
SOFR (yield)	3.67	3.61	3.65	4.49	4.32	4.80	0.01
30 Year Mortgage (average rate)	6.41	6.51	6.33	7.28	6.98	6.88	3.07
2 Year Treasury (yield)	3.71	3.80	3.67	4.24	3.80	4.19	0.16
10 Year Treasury (yield)	4.25	4.32	4.20	4.57	4.32	3.60	1.58
30 Year Treasury (yield)	4.88	4.91	4.84	4.78	4.80	3.81	2.26
WTI Crude (closing price)	83.85	96.57	96.21	71.72	64.68	80.83	63.13
Gold (NYM \$/oz)	4,857.60	4,761.90	5,008.20	2,641.00	3,308.70	1,994.20	1,779.00

Source: Bloomberg (3- and 5-Year Returns Annualized)

WHAT HAPPENED LAST WEEK?

Stocks

All-Time Highs For U.S. Large Cap Stocks As Geopolitics Take A Back Seat To Earnings; Another Potentially Positive Technical Setup For The S&P 500 Still On The Horizon; Abroad, The Usual Suspects, Specifically Japan, South Korea, And Taiwan Remain Leaders.

• **New All-Time Highs For The S&P 500 As Earnings Releases, Thawing Tensions In The Middle East Boost Sentiment, Risk Appetite.** The S&P 500 tacked on another 4.5% gain last week and has now returned 9.2% month-to-date, rallying an impressive 12.4% off the March 30 closing low. The sector leadership profile tilted strongly in favor of growth-oriented sectors, with communication services, and information technology the only sectors within the S&P 500 to outperform the broader index on the week. Notably, the ‘Magnificent 7’ continued its winning streak, with an equally weighted index of those seven names rising 8.5% on the week, taking the month-to-date gain to 14.8%. It’s worth mentioning that strength in that cohort of stocks has been broad-based as only two of the constituents – Apple and Tesla – have failed to post a double-digit gain this month.

As was the case last week, April’s gains have mostly been concentrated in just a few sectors, with communication services, consumer discretionary, and information technology doing the heavy lifting. A notable shift given leadership in January and February skewed toward defensives (staples, utilities) and certain economically sensitive sectors (industrials, materials). The tech resurgence is welcome as the broader S&P 500 was unable to make much progress in January and February as the sector sold off, but tech’s April gains are further evidence that capital continues to be recycled, rotating from defensives to cyclicals to growth based off headlines out of the Middle East and energy prices.

• **Technical Setup Another Reason To Believe The Rally Can Continue.** The April rebound has been encouraging, even though the initial move was likely driven by short covering, with sector rotation evident and breadth remaining narrow, prior to last Friday anyway, we still haven’t seen many signs that new capital has been flowing into U.S. large cap stocks. However, nothing changes attitudes and sentiment surrounding stocks like price, so if bullish momentum persists, investors that moved to the sidelines and de-risked in March could feel compelled to redeploy capital. Another catalyst that could drive further upside is the potential for the S&P 500’s 50-day moving average to move back above its 100-day moving average in the coming weeks.

This would be a positive development and an indicator that short-term momentum for U.S. large cap stocks has indeed flipped from bearish to bullish and could spur systematic trading strategies to increase exposure to U.S. stocks, broadly speaking. With the S&P 500 closing last week at an all-time high after rising more than 11% in just over two weeks’ time, a period of consolidation to digest those gains should be expected and would likely be a healthy event. However, with earnings season picking up steam and earnings estimates continuing to move higher, while many market participants itching to get back in after selling in March, the 7,000 level could provide round-number support in the near term.

• **Japanese Stocks Notch New High Alongside Stocks Stateside While Semiconductor Surge Propels Emerging Markets.** U.S. equities weren’t the only ones to make new highs last week, with Japan’s Nikkei 225 index surpassing its February peak to return 2.7% on the week, despite the prevailing challenging narrative surrounding the country’s status as an energy importer. Part of the renewed interest in Japanese equities relates to the industry makeup within the index as the country has sizable exposure to technology hardware and semiconductors, along with industrials that investors have been clamoring for. No matter how the situation in Iran shakes out, this disruption is likely to accelerate energy independence initiatives in Japan as political will for energy stability warms up to alternatives, including nuclear power. The recovery abroad has also been a product of what the market considers ‘progress’ in the Middle East as we started the week with a U.S. blockade that turned into both sides suggesting the Strait of Hormuz would be reopened. The market reaction to this ‘reopening trade’ resulted in a steep drop in both the U.S. dollar and Brent crude oil, a positive development for foreign markets.

What were taken as positive developments surrounding reopening the Strait had ripple effects around the world and emerging market equities, broadly speaking, led the charge, with this cohort of stocks boosted by the sharp drop in energy prices as well as a renaissance of the AI trade. Taiwan and Korea were again two of the better performing country indices on the week, with the MSCI Taiwan index advancing 4.4% while the MSCI South Korea index gained 7.5%, allowing the latter index to retake new highs. But after such a sizable move to the upside, we’d like to see sideways price action for these markets to form a new base of support.



ASSET MANAGEMENT

Bonds

Downside For Treasury Yields Still Limited Despite The Dwindle In Energy Prices; A Good Week For Corporate Bonds, Particularly High Yield; Impressive Rally Out Of Emerging Market Debt Limits Its Appeal.

• **Treasury Yields Remain Sticky Despite The Sharp Drop In Energy Prices.** Treasury yields across the curve remained sticky over the balance of the week, with yields on most tenors closing lower by between 2- and 5-basis points on the week despite West Texas Intermediate (WTI) crude oil for May delivery falling from \$96.57 per barrel on April 10 to \$83.85 last Friday. We tend to focus primarily on the 10-year U.S. Treasury yield to inform our positioning as it incorporates the expected path forward for the Fed funds rate along with inflation and economic growth expectations. The 10-year yield failed to close last week below 4.25% even with the price per barrel of WTI falling by \$30 in just ten days' time after peaking on April 7. In our view, this is confirmation that in the near-term downside for yields remains limited as falling energy prices will likely boost the outlook for economic growth in the coming quarters.

• **Another Good Week For Credit, As Investors Chase Yields Lower.** While it proved to be a 'clip your coupon' kind of week for holders of U.S. Treasuries, investors across the credit spectrum fared a good bit better. The Bloomberg U.S. Corporate index, which is entirely investment-grade but carries a longer duration profile, turned out a 0.6% weekly gain as the credit spread on the index over the Treasury curve fell less than 2-basis points on the week and is just 8-basis points above the January lows. Riskier corporate bonds performed in-line with investment-grade, with the Bloomberg U.S Corporate High Yield index also rising 0.6% on the week, aided by an 11-basis point drop the credit spread over like Treasuries, but in this case the shorter duration profile provided a modest tailwind as well.

• **Emerging Market Debt Sees Double As Rates And Spreads Drive Recent Rally.** The rekindled risk appetite on display last week boosted both emerging market stocks and bonds alike, with the Bloomberg USD EM Aggregate index generating a generous 1% total return. The EM debt index has risen by 1% or more in each of the last three weeks and along with the Bloomberg U.S. High Yield index is ahead of the other fixed income sub-asset classes we track year-to-date with a 1.3% advance thus far in 2026. Recent currency movements are yet another input confirming the recent rally with the MSCI EM Currency index firmly above its major moving averages, in what appears to be a renewed uptrend. The price appreciation of emerging market bonds in recent weeks isn't all good news as yields have come in, reducing the appeal of the sub-asset class to new entrants. The index finished last week with a yield to worst of 5.89%, its first weekly close below 6% since the first week of March. Also of note, the option-adjusted spread, or credit spread on the index is back to pre-conflict levels at 174-bps, though is not yet back to the year to date low of 167-bps seen in January, but new buyers should be aware that price gains are likely to be far more modest going forward.

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