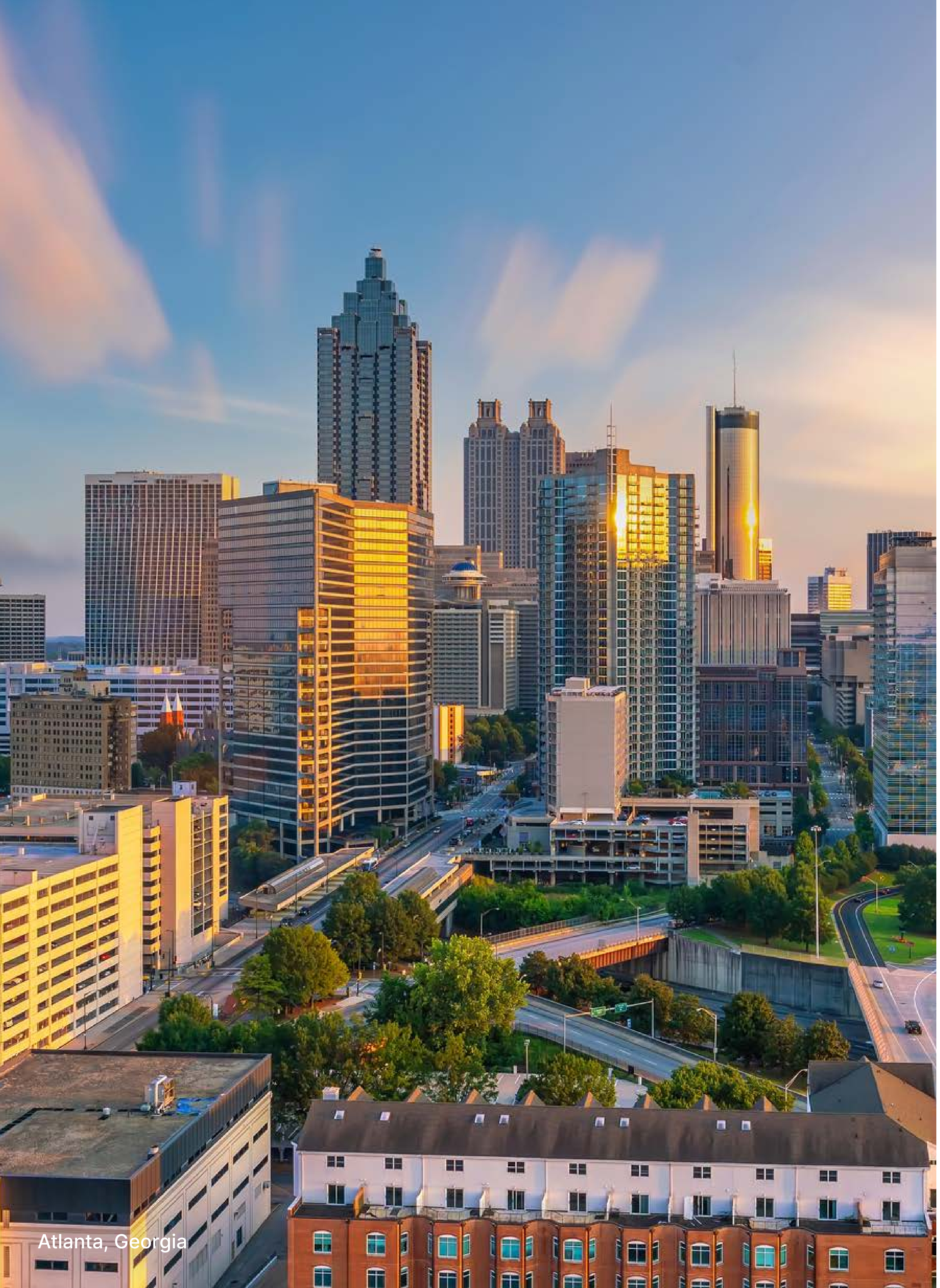

Atlanta, Georgia

WEEK OF APRIL 6, 2026

Market Navigator

Equity markets rallied across the board on hopes for an end to the conflict in the Middle East. The technology-heavy Nasdaq Composite led the way, rallying more than 4 percent. Fixed income markets also rallied, with yields declining across the curve. The yield on the 10-year U.S. Treasury dropped to 4.32 percent.

Quick Hits

1. **Beyond the headlines:** Is the labor market stabilizing?
2. **Report releases:** March job growth rebounded, supporting a steadier outlook.
3. **Financial market data**: Stocks rallied strongly on hopes for a resolution to the Middle East conflict.
4. **Looking ahead:** This week's highlight is the first Consumer Price Index (CPI) report since the conflict began.

Beyond the Headlines: Is the Labor Market Stabilizing?

At the end of 2025, the Federal Reserve (Fed) had reduced interest rates by 25 basis points (bps) at three consecutive meetings (a total of 75 bps) in an attempt to improve the outlook for a weakening labor market. Despite those moves, 133,000 jobs were lost in February for a variety of reasons, including strikes, weather, and evolving workforce dynamics. That wasn't an isolated dip, however; it marked the sixth month in the past year with negative job creation.

After several months of cooling, the U.S. labor market may be stabilizing. Recent data suggests that the economy could be settling into a steadier labor market with slower job growth rather than slipping into outright weakness. For investors, that distinction matters.

> A slowing—but not cracking—labor market allows the Fed to remain patient on interest rates as it monitors inflation and global risks.

Job Creation Turns Positive

On Friday, employment data for March was well above expectations and marked a sharp rebound from the previous month, with 178,000 jobs created despite the recent surge in oil prices. This seemingly reassuring report helped ease fears of an imminent downward spiral for the labor market.

If we zoom out, though, the picture is more nuanced. Job creation over the past year has been uneven and remains well below the robust pace we experienced after the Covid-19 pandemic. Hiring is concentrated in a few sectors, most notably health care, which suggests the job market is improving but not expanding broadly.

Wage growth tells a similar story. In the most recent report, average hourly earnings rose 3.5 percent, the slowest pace in some time. Although that is still a healthy gain for workers, it shows easing in a key component of inflation for the broader economy.

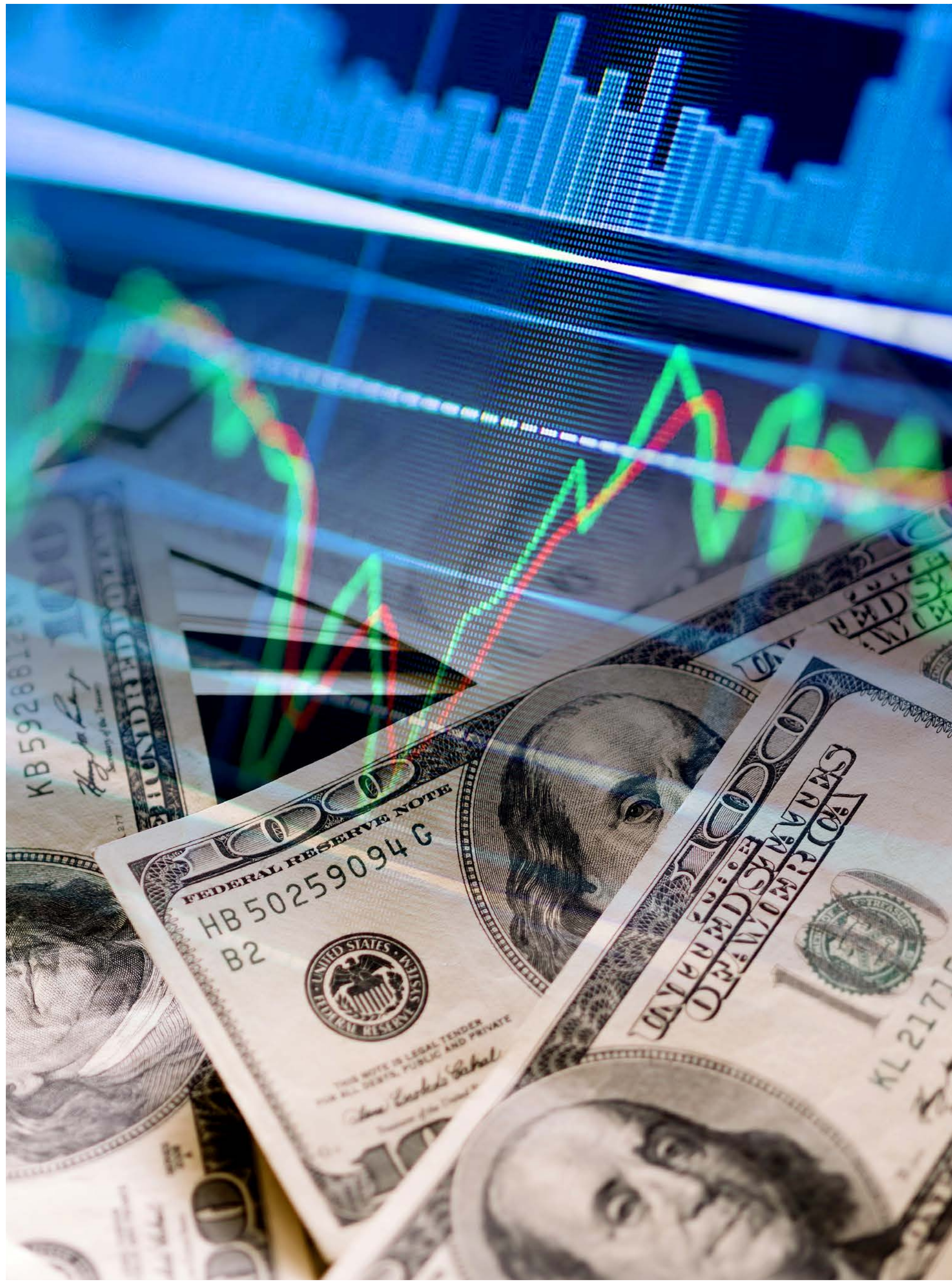
Companies have been posting fewer job openings, which is affecting the number of hires. Layoffs haven't accelerated, however; companies are hesitant to let employees go because of an aging workforce, slower population growth, and reduced immigration. Consequently, even modest hiring can keep the unemployment rate from rising sharply.

Slow Growth Is Still Growth

The labor market appears to be stabilizing—but at a lower level than it has been historically. Average job creation over the past three months is 68,000. Wage pressures are cooling, and hiring is more selective. The lack of a heightened level of layoffs suggests underlying resilience. All of this could indicate that we have reached equilibrium in the job market. That's not a perfect situation, but it's not the worst-case scenario, either—slow growth is still growth.

Good News for the Fed and the Market

A slowing—but not cracking—labor market allows the Fed to remain patient on interest rates as it monitors inflation and global risks. For investors, that resilience reduces the likelihood of a recession driven by a sudden rise in job losses, even if economic growth remains modest. This should allow markets to weather the short-term impact of higher energy prices, assuming Middle East hostilities end soon. And that should be a supportive backdrop for markets.



Report Releases: March 30–April 3, 2026

Conference Board Consumer Confidence Index
March (Tuesday)

Consumer confidence rose last month, exceeding expectations. The increase was driven by improved views on current economic conditions.
- Expected/prior month consumer confidence: 87.9/91.0
- Actual consumer confidence: 91.8

Retail Sales
February (Wednesday)

Retail sales beat expectations in February, suggesting consumers remained resilient. Given the surge in oil prices in March, however, spending could come under pressure.
- Expected/prior month retail sales monthly change: +0.5%/–0.1%
- Actual retail sales monthly change: +0.6%

Institute for Supply Management (ISM) Manufacturing Index
March (Wednesday)

Manufacturer confidence exceeded expectations for the second consecutive month, remaining in expansionary territory despite the rise in oil prices.
- Expected/prior ISM Manufacturing index: 52.3/52.4
- Actual ISM Manufacturing index: 52.7

Employment Report
March (Friday)

After a disappointing report the previous month, the employment report was well above expectations in March. The encouraging report indicated a firming of the job market. If the trend continues, it could support the broader economic outlook.
- Expected/prior change in nonfarm payrolls: +65,000/–133,000
- Actual change in nonfarm payrolls: 178,000

>> The Takeaway

- A rebound in employment in March was one of several positive data points.
- Consumer and manufacturing confidence also improved.

Financial Market Data

Equity

Equity markets broke a five-week streak of declines, rallying across the board on hopes that military action in the Middle East was close to winding down. The Nasdaq Composite fared best, rising 4.4 percent. The Dow Jones Industrial Average, the S&P 500, and the Russell 2000 each increased roughly 3 percent. In a reversal of previous weeks, energy was the only sector that declined, falling 5.34 percent. Communication services, technology, real estate, financials, and materials led the way higher, with each rising more than 3 percent. International markets were mixed.

Index	Week-to-Date	Month-to-Date	Year-to-Date	12-Month
S&P 500	3.38%	0.84%	–3.55%	17.52%
Nasdaq Composite	4.46%	1.35%	–5.71%	25.14%
DJIA	2.98%	0.37%	–2.83%	12.05%
MSCI EAFE	2.84%	2.88%	1.76%	24.85%
MSCI Emerging Markets	–0.14%	3.17%	3.04%	34.16%
Russell 2000	3.34%	1.36%	2.29%	25.37%

Source: Bloomberg, as of of April 3, 2026

Fixed Income

Fixed income markets also rallied. Treasury yields fell across the curve, with the 2-year dropping 17 bps and the 10-year falling 12 bps. It was a risk-on market tone in fixed income, with high-yield bonds rallying about 1 percent.

Index	Week-to-Date	Month-to-Date	Year-to-Date	12-Month
U.S. Broad Market	0.75%	0.00%	–0.04%	3.54%
U.S. Treasury	0.51%	–0.10%	–0.15%	2.26%
U.S. Mortgages	0.94%	0.04%	0.45%	4.87%
Municipal Bond	0.55%	0.32%	0.15%	3.69%

Source: Bloomberg, as of of April 3, 2026

>> The Takeaway

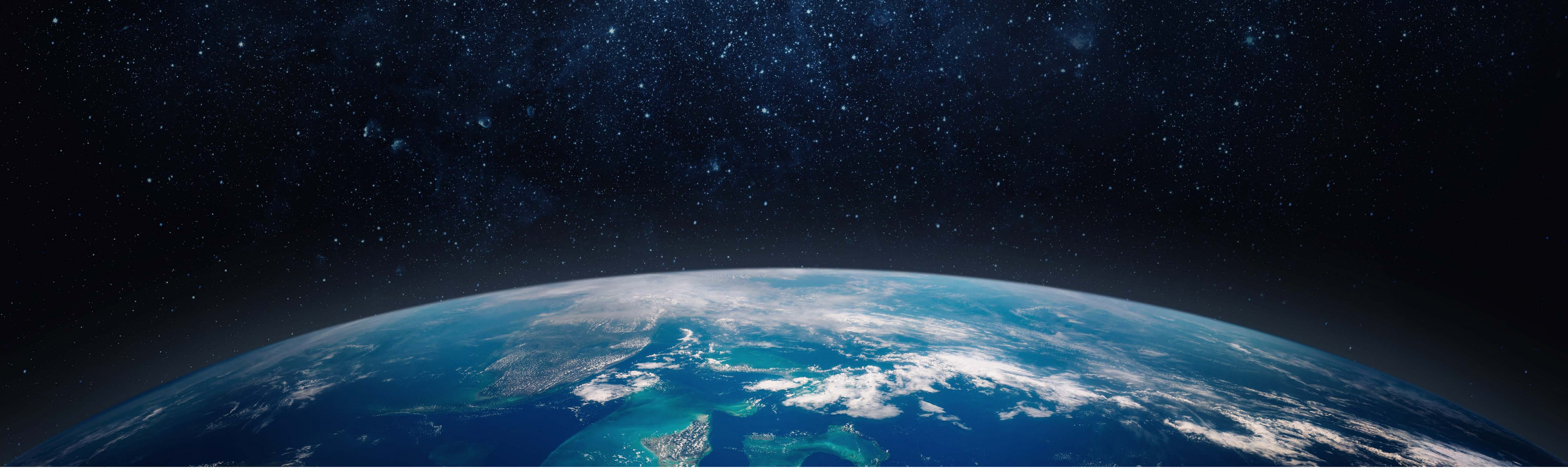
- After five consecutive weeks of declines, equity markets were stronger across the board. The Nasdaq Composite rose more than 4 percent, benefiting from strength in the communication services and technology sectors.
- Fixed income markets rallied, with Treasury yields declining across the curve.

Looking Ahead

In a busy week for consumer data, the highlight will be the CPI for March, which will provide the first look at how the conflict in the Middle East has affected prices.

- The week kicks off Monday with the **ISM Services index** for March. Expectations are for the index to show a modest decline after it unexpectedly rose to a three-year high in February.
- On Thursday, we'll receive **personal income and spending data** for February. Both are expected to increase.
- On Friday, we'll see the **CPI** for March. Expectations are for the index to rise because of higher oil and gasoline prices.
- Also on Friday, the **preliminary University of Michigan consumer sentiment survey** for April will be released. Expectations are for softer sentiment readings to start the month.

Savannah, Georgia



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