

## **WEEKLY MARKET COMMENTS – APRIL 27, 2026 – EXTERNAL**

After a rough week with three out of the first four days lower, the market finally got it to end the week on Friday with nice gains. Even though the Dow ended lower by 79 points, the S&P advanced by 57 to finish at 7165 to top all-time prior high from Wednesday while the Nasdaq gained 398 to its all-time high best level of 24,836.

INTC led the upside with a large gain and ended past its 2000 peak to a record high and gained 24% for its best day since 1987 after reporting much stronger results for the first-quarter than expected. The company said that the next wave of A.I. is increasing the need for the company's profit and raised its estimates for the second-quarter as well. Dow components NVDA and PG also did well on their reports, as did AMD and TXN. But Dow component IBM, in addition to GE and NOW, were lower after their results.

Without the semis, earnings season might not have been as good so far, so investors should now hope that there is more to earnings season than the chips.

Such optimism has helped the market to rally to records lately as the S&P has shot up by 13% in a little under a month. Hopes also exist in financial markets that the U.S. and Iran can find a solution as a supposed cease fire is in effect but tensions between the two are still keeping tankers from passing through the Straights of Hormuz to deliver crude oil from the Persian Gulf to customers worldwide.

The price of a barrel of crude for June delivery ended at \$105 a barrel while those for July fell to \$99 a barrel, which anticipates that things will calm down going forward.

The S&P trades for 21.2 times forward expectations, up from 19.2 times at the end of March. The equal-weighted index, now trades at 16.5, closer to 17 which marks the higher end of its five-year range, as opposed to 13, which represents the lower end of the range.

Meanwhile, the Justice Department, in a stunning reversal, announced on Friday that it was dropping its criminal investigation into Jerom Powell, the Chair of the Federal Reserve. This could clear the path for Kevin

Warsh, who is the President's choice to lead the central bank.

The decision came just two days after Jeanine Pirro, the U.S. attorney for the District of Columbia, vowed to continue the investigation despite a federal judge dealing the inquiry a crippling blow in court last month. The move reflected the reality that Mr. Trump, who has spent years trying to get rid of Mr. Powell and browbeating him to lower interest rates, would not be able to install his choice for the job while the inquiry continued.

Mr. Trump had been defiant in the days before prosecutors dropped the investigation, which focused on whether Mr. Powell lied to Congress about costly renovations of the Fed's headquarters. The president has continually blasted — and inflated — the price of the \$2.5 billion project, saying earlier this week that he had to “find out how this can happen.”

Even after the prosecutors halted their work, the Trump administration still sought to frame the inquiry as ongoing. The White House press secretary, pointed to an independent review underway by the Fed's inspector general.

“The investigation still continues, it’s just under a different authority,” she told reporters.

Ms. Pirro insisted on Friday that she would “not hesitate to restart a criminal investigation should the facts warrant doing so,” creating some doubt about whether Mr. Powell and the Fed will come under scrutiny again.

Mr. Trump has repeatedly pushed prosecutors across the country to investigate his adversaries even in the face of scant evidence or legal justification. While Ms. Pirro’s decision to shelve the inquiry into Mr. Powell was a retreat, it also reflected Mr. Trump’s willingness to use the criminal justice system as a tool to achieve political outcomes. In this case, his desire to have Mr. Warsh confirmed quickly.

The Powell investigation had been a roadblock to what would otherwise have been a smooth confirmation along party lines for Mr. Warsh. Thom Tillis of North Carolina, vowed to block any of Mr. Trump’s nominees until the legal threats against Mr. Powell were dropped. He now says that the current investigation is completely and fully ended and that he supports the Warsh nomination.

The question of Chair Powell’s status is whether or not he can stay on as a Fed governor while the case

resolves itself and perhaps we will learn more this week.

Earlier this week, Mr. Tillis posted on social media that while Mr. Warsh was a “great nominee” to be Fed chair, he would only vote to confirm him “once the DOJ drops their bogus investigation into Chairman Powell that threatens the independence of the Fed.”

Ms. Pirro’s inquiry focused on whether Mr. Powell lied to Congress about the Fed’s \$2.5 billion renovation of its headquarters in Washington. The investigation drew a rare rebuke from the Fed chair, who framed the inquiry as part of an effort by Mr. Trump to encroach on the Fed’s independence and pressure policymakers to lower interest rates.

As part of that investigation, prosecutors issued grand jury subpoenas seeking information about the renovations and Mr. Powell’s testimony to Congress. But the subpoenas were blocked in March by James E. Boasberg, the chief judge in Federal District Court in Washington, who handles all matters in front of grand juries. In a blistering opinion, Judge Boasberg described the subpoenas as an attempt “to harass

and pressure Powell either to yield to the president or to resign and make way for a Fed chair who will.”

During a closed-door hearing, prosecutors under Ms. Pirro effectively acknowledged that they had no evidence that Mr. Powell had committed any crimes but wanted to press forward with their inquiry anyway.

Just two days ago, Ms. Pirro appeared defiant, promising to appeal Judge Boasberg’s ruling quashing the subpoenas. At a news conference, she assailed the decision, saying it was unacceptable that “a judge can stand at the door of a grand jury and tell a prosecutor you’re not allowed to go in.”

In a post made Friday on her official social media account, Ms. Pirro said that the Federal Reserve’s own inspector general would now be scrutinizing the costs of the renovations and would issue a report in “short order.” But Mr. Powell had directed the Fed’s internal watchdog to look into the project last year.

The Fed’s inspector general said in a statement on Friday that its “evaluation” of the renovation was ongoing. “This assessment includes our independent analysis of the project’s substantial cost increases and overruns. We are actively working to complete our review, and look forward to making the results

available to the public and Congress upon completion,” the statement said.

Many Republicans had been subtly nudging the Trump administration to drop the investigation in recent weeks, suggesting that the Senate could be better equipped to look into the renovations. That step, they argued, would ease the roadblocks to Mr. Warsh’s confirmation.

On the morning of Mr. Warsh’s confirmation hearing before the Senate Banking Committee, Senator Tim Scott, chair of the committee, argued on CNBC that Congress could even set up a “special committee” devoted to the matter. He added that the move would allow Mr. Warsh to be confirmed and, in the process, help lawmakers “have access to all the information necessary” to delve into the renovations.

If Mr. Warsh is not confirmed by May 15, Mr. Powell has said that he would stay on as chair on a temporary basis. He can technically remain a member of the Fed’s board of governors until 2028. At a news conference last month, Mr. Powell said he had “no intention of leaving the board until the investigation is well and truly over, with transparency and finality.”

Mr. Trump recently threatened to fire Mr. Powell if he did not leave the Fed when his term ends.

The president is also in the midst of trying to oust another official, Lisa D. Cook, who was appointed a governor by the Biden administration, over unsubstantiated allegations of mortgage fraud. The Supreme Court has yet to rule on the case, but in oral arguments earlier this year, the justices expressed concern about the implications for the Fed's independence if her firing was allowed to stand.

A president can remove an official only for "cause," which is long thought to be gross malfeasance while on the job.

This section of the report was based on the New York Times analysis of this story.

This week sees a third of S&P earnings results, with five of the Magnificent Seven reporting: today – Dow component VZ; Tuesday – Dow components KO and V plus TMUS, BKNG,, GM and JBLU; Wednesday – Dow component MSFT plus GOOG, AMZN and META, QCOM, BIOG, EBAY and ABVE; Thursday – Dow components AAPL, CAT, Mastercard and LLY, AMGN, BMY, Hershey; Friday – Dw component CAT plus XOM.

Economic reports will see: Wednesday – F.O.M.C interest rate decision, which could be the final one

for Chair Powell if things go according to the decision mentioned above; Thursday – Personal Consumption P.C.E. with expectations of 3.5%, which is 0.7% more than in February.

**WEEKLY MARKET COMMENTS – APRIL 27,  
2026 – EXTERNAL – DONALD M. SELKIN –  
CHIEF MARKET STRATEGIST**