

## **WEEKLY MARKET COMMENTS – APRIL 20, 2026 – EXTERNAL**

The stock market continued its record-setting rally to end the week on Friday after Iran said that the Strait of Hormuz was now re-opened to commercial shipping, increasing confidence that war in the Middle East was finally coming to an end.

The S&P, which set a record high on Wednesday, rose another 1.2% on Friday, increasing its best streak of daily advances so far this year to five. So far this month, the index has gained almost 10%, the best monthly gain since 2020 when markets were charging back from the pandemic-related collapse. It is now higher by 4% than where it was before the U.S. and Israel began attacking Iran on February 28<sup>th</sup> and these gains are well above the inflation adjusted annual return for this index since the 1950's.

The Nasdaq, has rebounded even more strongly, gaining for 13 straight days, its best showing since 1992. For the week, the Dow advanced by 3.2% which was its best showing for three straight weeks of gains and the first time this has taken place since last December, the S&P

ahead by 4.5% while the former gained 6.8%. The latter two put in their best weekly advances since last May.

Oil prices fell sharply once again, dropping more than 9% to just over \$90 a barrel. It traded at this price more than a month ago in the first three weeks after the war started. This compares to more than 20% higher before the war but is well off the \$119 high reached recently.

And take a look at the VIX, or volatility index, which has declined down to 17.46, which is the lowest level since the war began and it had gotten as high as over 21 at the start of the conflict more than a month ago.

With tensions from the war apparently easing, investors can now focus on second-quarter earnings reports which are just starting to come in. Large banks released their results last week, and this followed DAL the week before, which was positive.

More than half of S&P companies are increasing their guidance and estimates are for greater than 13%, which would now put it at a sixth straight quarter of more than double-digit growth. NFLX was an exception to this

scenario. But the other big ones like GOOG, META, MSFT and AAPL will start reporting this week and next.

And let it be remembered that they are projected to deliver the main share of earnings gains in excess of 40% compared to last year. But there is also the concern about how much they are spending on AI, because this worry was the reason for their soft performance at the start of this year. So this concern is worrying those with better prospects and those that are not so great as they take on more debt.

Earnings this week include: today – ALK; Tuesday – Dow component 3M, DHR; Wednesday – Dow component BA, CSX, GEV, LUV, TSLA; Thursday – Dow component AXP plus AAL, DOW, HON, INTC, LMT, NEE, UNP; Friday – Dow component PGE and NFC.

Economic reports will show: Tuesday – March retail sales; Friday – April U. of Michigan Consumer Sentiment Survey.

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