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[Posted: April 27, 2026 – 9:30 AM ET] Global equity markets are higher this morning. In Europe, the Euro Stoxx 50 is up 0.7% from its prior close. In Asia, the MSCI Asia Apex 50 Index closed up 2.0%. Chinese markets were higher, with the Shanghai Composite up 0.2% and the Shenzhen Composite up 0.5%. US equity index futures are signaling a mildly higher open.

With 139 companies having reported so far, S&P 500 earnings for Q1 are running at \$72.20 per share, compared to estimates of \$72.32, which is up 12.6% from Q1 2025. Of the companies that have reported thus far, 79.9% exceeded expectations while 13.7% fell short of expectations.

The Confluence macro team publishes a plethora of research reports and multimedia offerings on a weekly and quarterly basis, all available on our [website](#). We highlight recent publications below with new items of the day in bold.

Bi-Weekly Geopolitical Report	Asset Allocation Bi-Weekly	Asset Allocation Quarterly	Of Note
“The War in Iran and the End of US Hegemony” (4/20/26) + podcast	“The Consensus Builder” (4/27/26) + podcast	Q2 Reports will be released later this week	Keller Quarterly April 2026 Confluence Mailbag

Have a question on the economy, markets, geopolitics, or other important topics? You can submit your queries to our monthly podcast, *Confluence Mailbag*! Submit your question to mailbag@confluenceim.com.

Our *Comment* today opens with a quick update on the weekend shooting at the White House Correspondents’ dinner and on the war in Iran. We next review several other international and US developments with the potential to affect the financial markets today, including a Chinese threat to retaliate against the European Union if it implements a proposed bill to protect its domestic manufacturing base and further evidence that the US Senate is likely to approve Kevin Warsh as the new chair of the Fed.

Correspondents’ Dinner Attack: Law enforcement officials have announced that they [believe the man who opened fire at the White House Correspondents’ dinner over the weekend was targeting President Trump and administration officials](#) but was acting alone. The suspect will be

arraigned in court today. For investors, the failure of the attack means there will be no abrupt change in the US policy environment in the near term, but sympathy voting or other ballot dynamics could shift as the November mid-term Congressional elections approach.

United States-Israel-Iran: President Trump on Saturday [said his top negotiators for Iran, Steve Witkoff and son-in-law Jared Kushner, would not travel to Pakistan for a new round of talks](#) despite announcements last week that they would be going. The development likely shows how far apart the US and Iran remain in their demands. Each side apparently believes it has the stronger position to weather the standoff, raising the possibility that global oil and commodity disruptions will continue to push up prices and threaten the global economy and risk assets.

- The US is apparently making little progress persuading Iran to turn over its stockpile of enriched uranium, curtail its nuclear program, and reopen the Strait of Hormuz.
- Separately, an internal Pentagon email leaked late last week [discussed several possible retaliatory measures against allies in the North Atlantic Treaty Organization for their failure to provide](#) access, basing, and overflight rights in support of the US-Israeli war against Iran, despite provisions in the NATO treaties that only obligate the allies to cooperative defensive measures if NATO countries are attacked. For example, the measures include possibly suspending Spain's membership in NATO.
- With the strait remaining effectively closed, global oil prices continue to rise gradually. As of this writing, Brent crude is trading hands at \$100.18 per barrel, up 1.0% on the day.

United Kingdom-European Union: UK government ministers dealing with technology issues [are reportedly pushing back against Prime Minister Starmer's effort to partly reverse Brexit](#) and partially re-integrate the UK and EU economies, including by adopting a vast array of EU regulations. The technology ministers are warning that the plan would stifle British firms' ability to innovate in areas ranging from artificial intelligence to lab-grown meat. In turn, we think the plan could potentially weigh on the British economy and stock values.

China-United States: The Chinese government [said today that it is blocking Meta's planned purchase of Chinese artificial intelligence start-up Manus](#), citing national security concerns. Meta has countered that the deal met legal requirements and signaled that it will appeal the ruling. Nevertheless, the announcement signals that China will closely guard its AI innovations to keep them out of US hands, potentially keeping US investors from benefitting from them.

China-European Union: Beijing today [warned the EU not to implement its proposed new Industrial Accelerator Act aimed at protecting and growing the region's domestic manufacturers](#). If the EU proceeds with the legislation and Chinese firms are harmed, Beijing threatened to impose "countermeasures" in retaliation. The development is further evidence that the US isn't the only major economy starting to push back against Chinese dumping. That pushback will further raise trade and investment tensions and potentially slow Chinese economic growth.

Romania: Today, the center-left Social Democratic Party [said it would join the far-right, ultranationalist Alliance for the Union of Romanians in a no-confidence vote against the center-right government](#) later this week. The SDP's willingness to vote in tandem with the AUR marks

another case in which one of Europe’s far-right parties has been embraced by traditional voters or parties. As it is increasingly embraced, the far-right could gain power in one of the major countries, such as Germany or France, with major implications for foreign and domestic policy.

Colombia: Just a month before the country’s presidential election, authorities [said a drug-trafficking group based in southern Colombia detonated 26 bombs that killed 20 civilians on Sunday](#). The attacks were the most extensive in Colombia in many years and raised concerns about more attacks in the run-up to the balloting. For investors, they are also a reminder that Latin America faces security risks, even though the commodity-driven region looks increasingly attractive as Asia and Europe face economic headwinds from high energy prices.

US Monetary Policy: Senator Thom Tillis of North Carolina yesterday [confirmed he will now vote to advance Kevin Warsh’s nomination to be the new chair of the Fed](#). The announcement came after Tillis received assurances from the Department of Justice that it is dropping its prosecution of current Fed Chair Powell over the central bank’s big headquarters construction project. That prosecution has been widely seen as White House pressure on Powell to leave office and/or cut interest rates more quickly.

- If Tillis really does vote to advance Warsh’s nomination out of committee, Warsh is highly likely to become the new Fed chair when Powell’s term ends next month. However, there [is still some question whether Powell will relinquish his seat on the Fed’s board](#), which does not expire at the same time as his chairship.
- Separately, the Fed’s policy committee will hold its latest two-day meeting this week, with its decision expected to be released on Wednesday at 2:00 PM ET. The committee is widely expected to keep its benchmark fed funds rate unchanged at 3.50% to 3.75%.

US Artificial Intelligence Industry: New reports say the rising cost of computing resources [is eating up corporate information technology budgets](#) to the point where human workers are sometimes seen as more cost effective than AI. The reports suggest that AI may not lead to the full job destruction that some analysts are expecting. The reports also suggest the current boom in computing use for AI may at some point have to slow down, which would likely take some of the momentum out of AI stocks.

US Economic Releases

No major US economic reports have been released so far today. The table below lists the economic releases and Fed events scheduled for the rest of the day.

Economic Releases						
EST	Indicator			Expected	Prior	Rating
10:30	Dallas Fed Manufacturing Activity	m/m	Apr	0.8	-0.2	**
Federal Reserve						
No Fed speakers or events for the rest of today						

Foreign Economic News

We monitor numerous global economic indicators on a continuous basis. The most significant international news that was released overnight is outlined below. Not all releases are equally significant; thus, we have created a star rating to convey to our readers the importance of the various indicators. The rating column below is a three-star scale of importance, with one star being the least important and three stars being the most important. We note that these ratings do shift over time as economic circumstances change. Additionally, for ease of reading, we have also color-coded the market impact section, which indicates the effect on the foreign market. Red indicates a concerning development, yellow indicates an emerging trend that we are following closely for possible complications, and green indicates neutral conditions. We will add a paragraph below if any development merits further explanation.

Country	Indicator			Current	Prior	Expected	Rating	Market Impact
ASIA-PACIFIC								
Japan	Leading Economic Index	m/m	Mar	113.3	112.4		**	Equity and bond neutral
	Coincident Index	y/y	Mar	116.3	116.3		**	Equity and bond neutral
China	Industrial Profits	y/y	Mar	15..8%	-		*	Equity and bond neutral
EUROPE								
Germany	GfK Consumer Confidence	m/m	May	-33.3	-28.1	-30.0	**	Equity bearish, bond bullish
Switzerland	Domestic Sight Deposits CHF	w/w	24-Apr	433.0b	433.3b		*	Equity and bond neutral
	Total Sight Deposits CHF	w/w	24-Apr	455.9b	453.6b		*	Equity and bond neutral
AMERICAS								
Canada	Retail Sales	m/m	Feb	0.7%	1.2%	0.9%	**	Equity and bond neutral
	Retail Sales Ex-Autos	m/m	Feb	0.5%	1.0%	0.8%	**	Equity and bond neutral
Mexico	Trade Balance	m/m	Mar	5932.0m	-462.8m		**	Equity and bond neutral
	Exports	m/m	Mar	70727m	56851m		*	Equity and bond neutral
	Imports	m/m	Mar	64795m	57314m		*	Equity and bond neutral
Brazil	Total Outstanding Loans	m/m	Mar	7215b	7148b		**	Equity and bond neutral

Financial Markets

The table below highlights some of the indicators that we follow daily. Again, the color coding is similar to the foreign news description above. We will add a paragraph below if a certain move merits further explanation.

Fixed Income	Today	Prior	Change	Trend
3-mo T-bill yield (bps)	359	360	-1	Up
U.S. Sibor/OIS spread (bps)	367	367	0	Flat
U.S. Libor/OIS spread (bps)	365	365	0	Up
10-yr T-note (%)	4.31	4.30	0.01	Up
Euribor/OIS spread (bps)	216	217	-1	Up
Currencies				
	3 Mo			
Dollar	Down	US		Up
Euro	Up	Euro		Down
Yen	Up	Japan		Down
Pound	Up	UK		Down
Franc	Up	Switzerland		Down

Commodity Markets

The commodity section below shows some of the commodity prices and their change from the prior trading day, with commentary on the cause of the change highlighted in the last column.

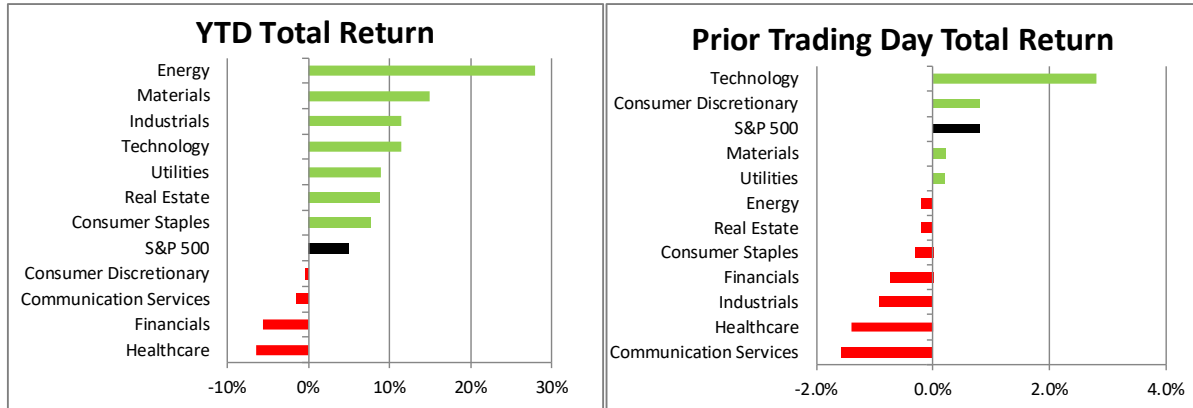
	Price	Prior	Change	Explanation
Energy Markets				
Brent	\$106.59	\$105.33	1.20%	
WTI	\$95.25	\$94.40	0.90%	
Natural Gas	\$2.57	\$2.52	1.70%	
Crack Spread	\$53.57	\$52.65	1.76%	
12-mo strip crack	\$40.02	\$39.68	0.87%	
Ethanol rack	\$2.14	\$2.13	0.24%	
Metals				
Gold	\$4,702.00	\$4,709.50	-0.16%	
Silver	\$75.64	\$75.73	-0.12%	
Copper Contract	\$609.95	\$608.85	0.18%	
Grains				
Corn contract	\$468.00	\$463.50	0.97%	
Wheat contract	\$621.75	\$616.75	0.81%	
Soybeans contract	\$1,181.75	\$1,178.50	0.28%	
Shipping				
Baltic Dry Freight	2,665	2,673	-8	

Weather

The 6-to-10-day and 8-to-14-day forecasts currently call for warmer-than-normal temperatures in states west of the Rockies, with cooler-than-normal temperatures everywhere else. The precipitation outlook calls for wet conditions in the southern Rockies, Great Plains, New England, and Florida, with dry conditions expected in the northern Midwest and Great Lakes.

Data Section

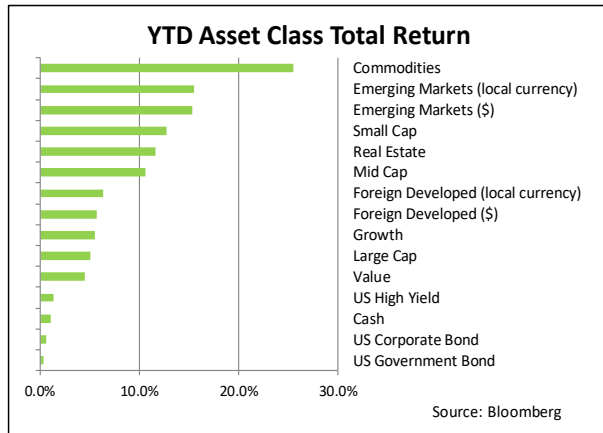
US Equity Markets – (as of 4/24/2026 close)



(Source: Bloomberg)

These S&P 500 and sector return charts are designed to provide the reader with an easy overview of the year-to-date and prior trading day total return. Sectors are ranked by total return; green indicating positive and red indicating negative return, along with the overall S&P 500 in black. These charts represent the new sectors following the 2018 sector reconfiguration.

Asset Class Performance – (as of 4/24/2026 close)

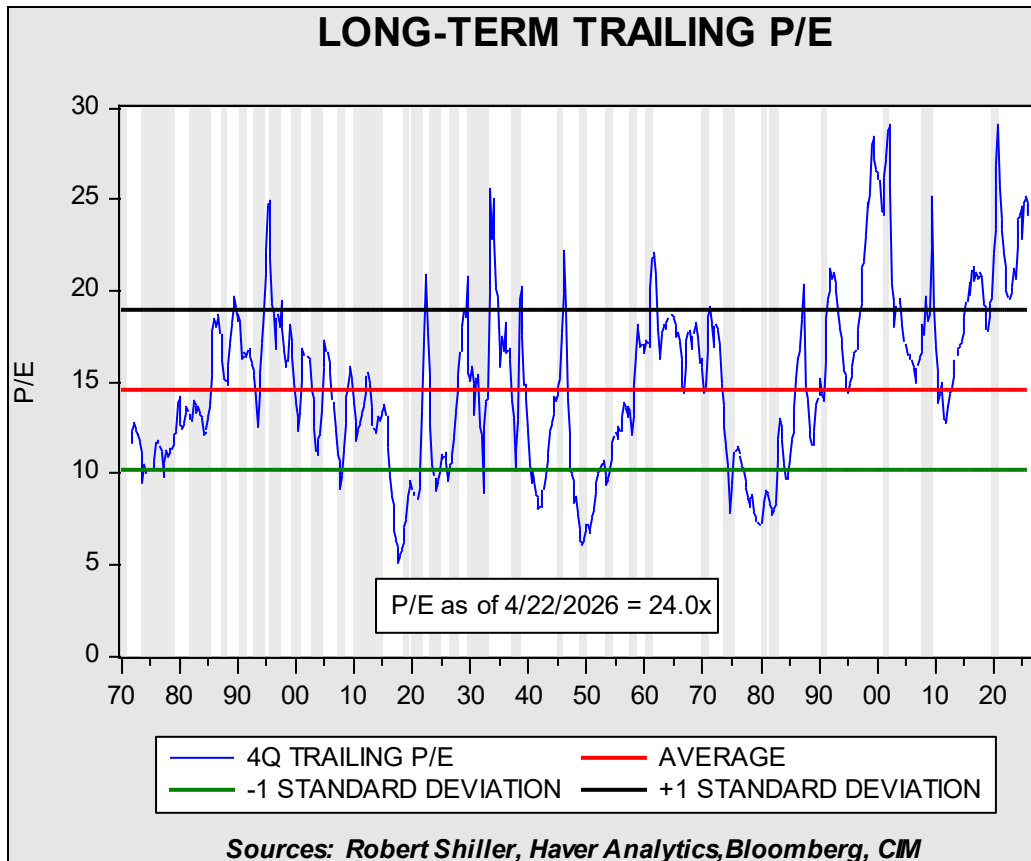


This chart shows the year-to-date returns for various asset classes, updated daily. The asset classes are ranked by total return (including dividends), with green indicating positive and red indicating negative returns from the beginning of the year, as of prior close.

Asset classes are defined as follows: Large Cap (S&P 500 Index), Mid Cap (S&P 400 Index), Small Cap (Russell 2000 Index), Foreign Developed (MSCI EAFE (USD and local currency) Index), Real Estate (FTSE NAREIT Index), Emerging Markets (MSCI Emerging Markets (USD and local currency) Index), Cash (iShares Short Treasury Bond ETF), US Corporate Bond (iShares iBoxx \$ Investment Grade Corporate Bond ETF), US Government Bond (iShares 7-10 Year Treasury Bond ETF), US High Yield (iShares iBoxx \$ High Yield Corporate Bond ETF), Commodities (Bloomberg total return Commodity Index), Value (S&P 500 Value), Growth (S&P 500 Growth).

P/E Update

April 23, 2026



Based on our methodology,¹ the current P/E is 24.0x, up 0.3 from the previous report. Last week, the rise in the stock price index average outpaced the increase in earnings.

This report was prepared by Confluence Investment Management LLC and reflects the current opinion of the authors. It is based upon sources and data believed to be accurate and reliable. Opinions and forward-looking statements expressed are subject to change. This is not a solicitation or an offer to buy or sell any security.

¹ This chart offers a running snapshot of the S&P 500 P/E in a long-term historical context. We are using a specific measurement process, similar to *Value Line*, which combines earnings estimates and actual data. We use an adjusted operating earnings number going back to 1870 (we adjust as-reported earnings to operating earnings through a regression process until 1988), and actual operating earnings after 1988. For the current quarter, we use the Bloomberg estimates which are updated regularly throughout the quarter; currently, the four-quarter earnings sum includes three actual quarters (Q1, Q2, Q4) and one estimate (Q3). We take the S&P average for the quarter and divide by the rolling four-quarter sum of earnings to calculate the P/E. This methodology isn't perfect (it will tend to inflate the P/E on a trailing basis and deflate it on a forward basis), but it will also smooth the data and avoid P/E volatility caused by unusual market activity (through the average price process). Why this process? Given the constraints of the long-term data series, this is the best way to create a long-term dataset for P/E ratios.