



Summary

Oil prices rebounded sharply last week, rising 12.6% to \$94.40 per barrel after two weeks of declines, as a clear path to a long-term peace deal with Iran and permanent opening of the Strait of Hormuz stray from reach. While oil remains below its recent peak, the sharp reversal highlights that energy-driven price pressures may persist, prolonging the downstream effects on consumers and economic activity. Treasury yields moved higher across most maturities, suggesting that markets are reassessing the extent to which recent easing in energy-driven

inflation pressures will persist. Stocks were mixed as the prior rally showed signs of slowing, with the DJIA declining and both the S&P 500 and NASDAQ rising; however, all three indices remain significantly higher than their levels four weeks ago. Retail sales rose 1.7% in March, with sales excluding automobile sales increasing 1.9%, both well above expectations. However, much of this March surge can be attributed to increasing energy prices and inflation, with the data indicating much of the increase comes from surging prices at gasoline

stations rather than increased volume. Business inventories rose a higher-than-expected 0.4% in February, higher than expected. Preliminary measures of business activity increased in April, with the S&P Global manufacturing PMI rising to 54.0 and the services PMI at 51.3, both in remaining resilient through April's energy price pressures. Final consumer sentiment for April rose to 49.8 from its preliminary reading of 47.6, but it still declined from March's final reading and remains historically low.

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Last Week: Indicator	Number Reported	Consensus Expectation*	Comment
Retail Sales (Mar – Tue 08:30)	+1.7%	+1.3%	
Retail Sales, ex-auto (Mar – Tue 08:30)	+1.9%	+0.9%	
Business Inventories (Feb – Tue 10:00)	+0.4%	+0.1%	
Pending Home Sales (Mar – Tue 10:00)	+1.5%	+0.5%	
MBA Mortgage Applications Index (04/18 – Wed 07:00)	+7.9%	NA	
Initial Claims (04/18 – Thu 08:30)	214K	212K	
Continuing Claims (04/11 – Thu 08:30)	1,821K	NA	
S&P Global U.S. Manufacturing PMI - Prelim (Apr – Thu 09:45)	54.0	NA	
S&P Global U.S. Services PMI - Prelim (Apr – Thu 09:45)	51.3	NA	
Univ. of Michigan Consumer Sentiment - Final (Apr – Fri 10:00)	49.8	47.6	
Next Week: Indicator	Consensus Expectation*	Prior	Comment
FHFA Housing Price Index (Feb – Tue 09:00)	+0.2%	+0.1%	
S&P Case-Shiller Home Price Index (Feb – Tue 09:00)	+1.2%	+1.2%	
Consumer Confidence (Apr – Tue 10:00)	89.2	91.8	
MBA Mortgage Applications Index (04/25 – Wed 07:00)	NA	+7.9%	
Housing Starts (Feb/Mar – Wed 08:30)	NA	1487K	
Building Permits (Feb/Mar – Wed 08:30)	NA	1376K	
Durable Orders (Mar – Wed 08:30)	+0.5%	-1.4%	Durable Goods ex. trans (prior): +0.8%
New Home Sales (Feb/Mar – Wed 10:00)	NA	587K	
GDP-Adv. (Q1 – Thu 08:30)	2.1%	0.5%	
Chain Deflator-Adv. (Q1 – Thu 08:30)	3.3%	3.7%	
Personal Income (Mar – Thu 08:30)	+0.4%	-0.1%	
Personal Spending (Mar – Thu 08:30)	+0.4%	+0.5%	
PCE Prices (Mar – Thu 08:30)	+0.6%	+0.4%	PCE Prices Core (prior): +0.4%
Employment Cost Index (Q1 – Thu 08:30)	+0.8%	+0.7%	
Initial Claims (04/25 – Thu 08:30)	217K	214K	
Continuing Claims (04/18 – Thu 08:30)	NA	1,821K	
Chicago PMI (Apr – Thu 09:45)	52.4	52.8	
S&P Global U.S. Manufacturing PMI - Final (Apr – Fri 09:45)	NA	54.0	
ISM Manufacturing Index (Apr – Fri 10:00)	53.1%	52.7%	
FHFA Housing Price Index (Feb – Tue 09:00)	+0.2%	+0.1%	

*Sources: www.briefing.com and www.federalreserve.gov



Economic Review

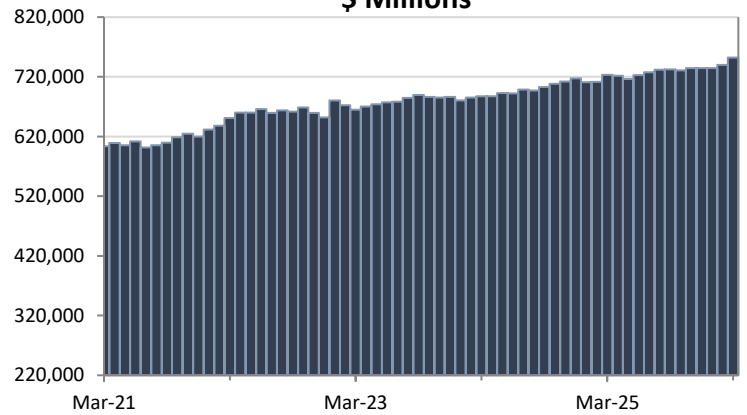
RETAIL SALES surged in March, with total sales increasing 1.7% month-over-month, above consensus expectations of a 1.3% increase. Despite the strong headline numbers, this increase was primarily driven by high gasoline prices; in March, gasoline sales surged 15.5% due to skyrocketing prices from the conflict with Iran and the closure of the Strait of Hormuz. Excluding motor vehicles, motor vehicle parts and gasoline station sales, retail sales increased 0.6% month-over-month; however, the hot first quarter core inflation suggests this increase was partially driven by rising prices, rather than purely from increased volume of retail consumption. Sales for discretionary goods were low in March; clothing sales were flat, and food services rose just 0.1%, suggesting consumers may be adjusting their spending to account for higher energy prices. Retail sales, excluding automobile sales, surged 1.9% in March, much higher than the 0.7% increase seen in February.

The final University of Michigan CONSUMER SENTIMENT index increased to 49.8 in April, increasing from the preliminary reading of 47.6, but it is still sharply down from the final reading of 53.3 in March. In the same period a year ago, the

index measured at 52.2. While the final April reading reflects slight improvement from easing gas prices at the end of the survey period, sentiment remains at historically low levels. The current conditions index increased from its preliminary reading of 50.1 to the final 52.5 but declined from the final March reading of 55.8. The expectations index also increased from the preliminary reading of 46.1 to 48.1; however, the index still remained lower than the final reading of 51.7 in March. Year-ahead inflation expectations surged from the March expectation of 3.8%, jumping to 4.7% as increased and volatile energy prices persist due to geopolitical tensions and conflict in the Middle East.

OIL PRICES moved sharply higher this week, rising 12.6% to \$94.40 from \$83.85, marking a significant rebound after the pull-back seen in the previous two weeks. The renewed increase in oil prices is likely to sustain upward pressure on headline inflation and inflation expectations, particularly after the sharp spike in March. The price of oil is almost \$30 per barrel higher than its pre-war level, suggesting that energy markets may continue to act as a key source of volatility for both inflation and growth moving forward.

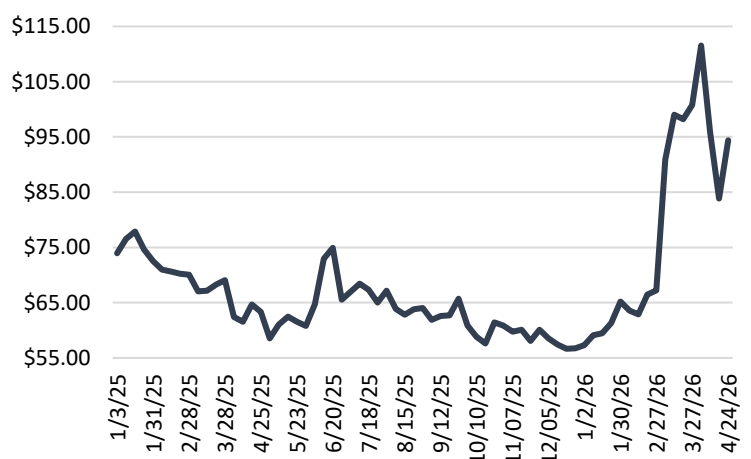
Retail Sales \$ Millions



University of Michigan Consumer Sentiment



Price per Barrel of Crude Oil (WTI)





Fed Speeches

At a speech at the Brookings Institution, Governor Christopher Waller emphasized that while monetary policy decisions receive the most attention, the broader structure and operations of the Federal Reserve play a critical role in supporting economic stability and the effective transmission of policy. He noted that the Fed's decentralized system was designed for a more regional economy, but as financial markets have become more national and technology-driven, the institution must evolve to remain effective in carrying out its macroeconomic responsibilities.

Waller argued that the Fed's ability to implement monetary policy depends not only on rate decisions but also on the efficiency of its underlying systems, including payments, liquidity provision, and financial market operations. As these systems have become more complex and interconnected, he warned that maintaining outdated or fragmented operational structures could introduce inefficiencies and risks, particularly during periods of economic stress. He notes,

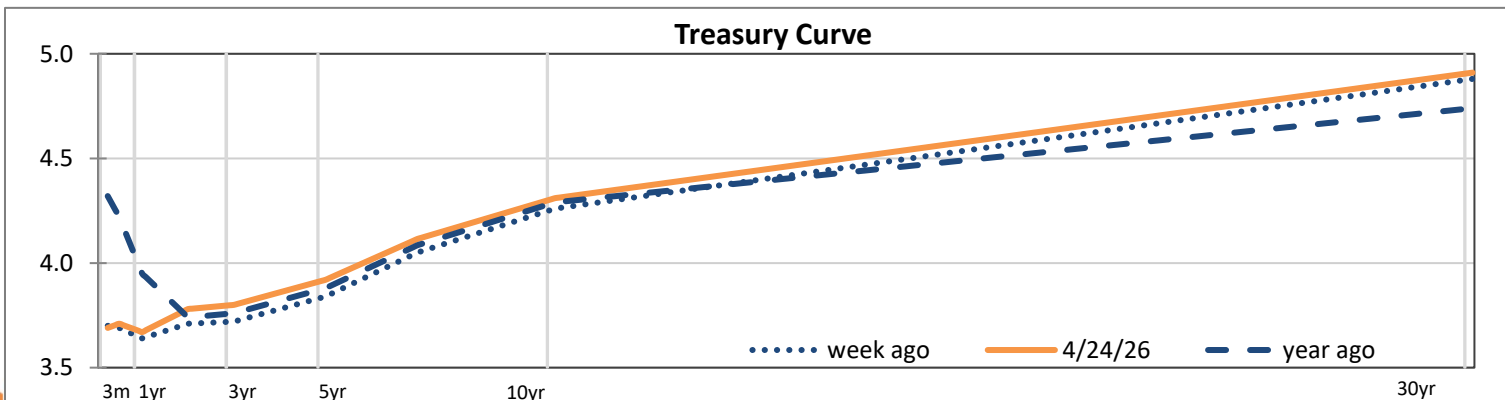
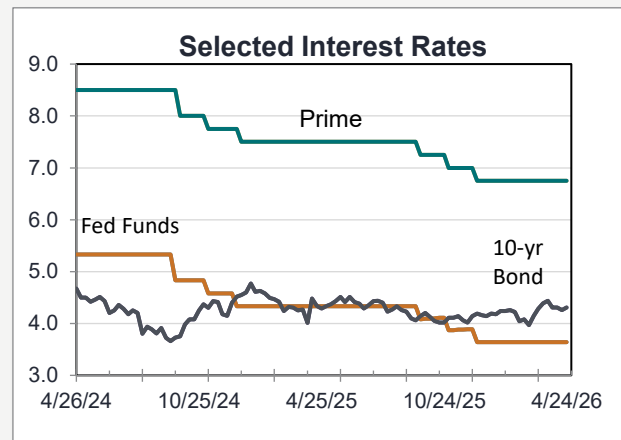
“Operational excellence at the Federal Reserve depends on our willingness to standardize what should be standardized and centralize what should be centralized, so that we can strengthen what must remain distinctly regional to meet the needs of a large and heterogeneous country.”

He further emphasized that as financial markets become faster-moving and more interconnected, the Fed's operational capacity becomes increasingly important for maintaining stability. Weaknesses in infrastructure or coordination could slow the transmission of policy or amplify volatility during periods of stress, making modernization a necessary step rather than an optional improvement.

Waller framed these changes as essential to ensuring that monetary policy remains effective in a more complex and technology-driven economy. Without improvements to the Fed's underlying systems, the ability to support stable growth, manage financial risks, and respond to future shocks could become increasingly constrained.

Financial Markets

Stocks were mixed last week, with the DJIA declining 0.4%, but the S&P 500 and NASDAQ posting steady weekly gains, increasing 0.5% and 1.5%, respectively. The S&P 500 and NASDAQ were driven by investor optimism for AI-related tech stocks despite higher energy prices. All three indices remain higher than their value four- and thirteen-weeks ago. Treasury yields moved higher across most maturities, with the two- and five-year yields rising 7 and 8 basis points and the ten- and thirty-year yields increasing 5 and 3 basis points, respectively, suggesting that markets are reassessing the extent to which energy-driven inflation pressures have eased. Oil prices sharply reversed the previous decline in prices, jumping to \$94.40 per barrel and rising 12.6% from prices during the prior week. Prices are still 3.9% lower than four weeks ago but remain nearly 60% higher than the value thirteen weeks ago. The 30-year conventional mortgage rate declined 7 basis points to 6.23%, and the price of gold fell 2.5% week-over-week.





Interest Rate Forecast*

During the Fed's March policy meeting, the Federal Open Market Committee (FOMC) maintained the federal funds target rate at 3.50% to 3.75%. In the statement released following the meeting, the FOMC stated, "In support of its goals, the Committee decided to maintain the target range for the federal funds rate at 3-1/2 to 3-3/4 percent. In considering the extent and timing of

additional adjustments to the target range for the federal funds rate, the Committee will carefully assess incoming data,

the evolving outlook, and the balance of risks. The Committee is strongly committed to supporting maximum

employment and returning inflation to its 2 percent objective."

Avg. for:	Prime	Fed Funds	SOFR	6-Mo. T-Bill	2-Yr. Note	10-Yr. Treasury	30-Yr Bond	30-Yr Mortgage
2 nd Qtr '26	6.75	3.63	3.66	3.69	3.62	4.17	4.77	6.09
3 rd Qtr	6.58	3.46	3.49	3.53	3.54	4.03	4.63	5.98
4 th Qtr	6.50	3.38	3.40	3.45	3.50	3.93	4.52	5.93
1 st Qtr '27	6.25	3.13	3.15	3.22	3.32	3.81	4.35	5.79
2 nd Qtr	6.09	2.96	2.99	3.06	3.19	3.73	4.21	5.68

April 2026

FINANCIAL MARKET SUMMARY

	As of 04/24/26	As of 04/17/26	Weekly Change	4-Week Change	13-Week Change
MONEY MARKETS (Changes in BPs)					
Prime	6.75	6.75	0	0	0
Secured Overnight Financing Rate (SOFR)	3.65	3.67	(2)	0	1
Fed Funds (Wed close)	3.64	3.64	0	0	0
TREASURIES (BE) (Changes in BPs)					
3 Months	3.69	3.70	(1)	(5)	(1)
6 Months	3.71	3.69	2	(4)	10
1 Year	3.67	3.64	3	(10)	14
2 Years	3.78	3.71	7	(10)	18
5 Years	3.92	3.84	8	(14)	8
10 Years	4.31	4.26	5	(13)	7
30 Years	4.91	4.88	3	(7)	9
MUNICIPALS- AAA G.O. & Mortgage (Changes in BPs)					
2-Year Muni	2.30	2.27	3	(15)	6
5-Year Muni	2.42	2.41	1	(4)	15
10-Year Muni	2.86	2.86	0	40	21
30-Year Muni	4.30	4.30	0	(25)	8
30-Year Conventional Mortgage	6.23	6.30	(7)	(15)	14
MARKET INDICATORS (Changes in %)					
DJIA	49,230.71	49,447.43	(0.4)	9.0	0.3
S&P 500	7,165.08	7,126.06	0.5	12.5	3.6
NASDAQ	24,836.60	24,468.48	1.5	18.6	5.7
CRB Futures	480.60	459.64	4.6	3.0	22.5
Oil (WTI Crude)	94.40	83.85	12.6	(3.9)	58.8
Gold	4,709.50	4,830.34	(2.5)	4.0	(5.6)
Yen / Dollar	159.38	158.64	0.5	0.1	0.8
Dollar / Euro	1.17	1.18	(0.4)	1.9	(0.9)



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