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ECONOMIC REVIEW¹

- The conflict in Iran remained the primary market driver last week, with sentiment shaped by comments suggesting the U.S. may reduce its involvement in the region even as the Strait of Hormuz remains closed.
 - As the war enters its sixth week, markets continue to evaluate the potential impact on global growth and inflation.
- Job Openings and Labor Turnover Survey (JOLTS) showed job openings in the US fell by 358,000 to 6.88 million in February 2026 from an upwardly revised 7.24 million in January, and below market expectations of 6.92 million.
 - Hiring and quit rates reached their lowest levels since 2020, falling to 3.1% and 1.9%, respectively.
- Retail sales in the US jumped 0.6% month-over-month in February 2026, above forecasts of a 0.5% gain, and rebounded from a 0.1% drop in January. This marks the strongest reading for retail sales in seven months.
 - Sales excluding food services, auto dealers, building materials stores, and gasoline stations, which are used to calculate GDP, were up 0.5%, higher than forecasts of 0.3%.
- The ISM Manufacturing PMI increased to 52.7 in March from 52.4 in February and exceeded forecasts of 52.5.
 - The reading pointed to the strongest growth in factory activity since August 2022 and marks the third consecutive month of expansion for manufacturing.
- The US economy added 178,000 jobs in March, the strongest gain since December 2024, following a revised decline of -133,000 jobs in February.
 - The unemployment rate fell to 4.3% in March from 4.4% in February, below expectations of 4.4%.

How does the most recent economic data impact you?

- A welcome rebound in March's jobs data followed a weak report in February, underscoring labor market resilience and allowing the Fed to stay focused on inflation risks despite ongoing geopolitical pressures.
- Retail sales, while somewhat out of date and reflecting conditions predating the conflict in Iran, indicate consumer spending remains on solid footing, despite weaker consumer sentiment recently.
- Manufacturing continues to expand, suggesting a potential shift after a prolonged period of contraction. However, investors remain cautious following last year's false start, given that manufacturers still lack clarity around tariff policy and the war in the Middle East.



A LOOK FORWARD¹

- This week, investors can expect updates on the Consumer Price Index (CPI), Personal Consumption Expenditures (PCE), and ISM Services.

How does this week's slate of economic data impact you?

- Upcoming PCE and CPI releases will provide a clearer view of recent inflation trends. The Federal Reserve's preferred measure, PCE, will reflect February data due to delays from the government shutdown, while CPI will capture March pricing and offer a timelier look at rising prices following the onset of the conflict in Iran.



MARKET UPDATE²

Market Index Returns as of 4/3/26	WTD	QTD	YTD	1 YR	3 YR	5 YR
S&P 500	3.38%	0.84%	-3.53%	31.35%	18.72%	11.99%
NASDAQ	4.46%	1.35%	-5.71%	41.25%	22.60%	10.99%
Dow Jones Industrial Average	2.98%	0.37%	-2.83%	23.43%	13.76%	9.07%
Russell Mid-Cap	3.00%	1.11%	2.42%	29.59%	14.23%	7.19%
Russell 2000 (Small Cap)	3.34%	1.36%	2.26%	40.31%	14.25%	3.74%
MSCI EAFE (International)	3.04%	2.88%	1.60%	31.25%	14.25%	8.37%
MSCI Emerging Markets	0.33%	3.17%	3.00%	35.29%	16.12%	4.00%
Bloomberg US Agg Bond	0.96%	0.21%	0.17%	3.66%	3.40%	0.34%
Bloomberg High Yield Corp.	1.20%	0.40%	-0.10%	9.30%	8.64%	4.27%
Bloomberg Global Agg	0.78%	0.26%	-0.82%	2.94%	2.39%	-1.43%



OBSERVATIONS

- Major U.S. large-cap indices ended the week in positive territory, breaking a five-week losing streak as optimism for a resolution to the conflict in the Middle East grew.
 - The Nasdaq led the rise for the week (+4.46%), followed by the S&P 500 (+3.38%), and the Dow Jones (+2.98%).
- Mid-cap stocks also finished the week higher, increasing +3.00%. Small-cap stocks posted similar gains, rising +3.34%.
- Developed international markets also benefitted from the rally (+3.04%), while emerging markets posted weaker returns (+0.33%) as investors continued to weigh the impact of energy supply disruptions on their economic growth.
- Domestic and international fixed income indices moved higher on the week, with the U.S. Aggregate Bond Index climbing +0.96% and high-yield corporate bonds jumping +1.20%.
 - International bonds also experienced solid returns for the week and finished up +0.78%.



BY THE NUMBERS

The Mission Around the Moon: NASA's long-awaited Artemis II mission has launched four astronauts on a 10-day journey around the moon. The rocket lifted off on April 1st at 6:35 p.m. ET from Kennedy Space Center in Cape Canaveral, Florida. The crew, NASA astronauts Reid Wiseman, Christina Koch and Victor Glover and Canadian astronaut Jeremy Hansen, are the first people to launch toward the moon since the Apollo 17 mission in 1972, more than 50 years ago. They are also the first astronauts whom NASA's giant Space Launch System rocket has launched into space. The mission does not include a lunar landing; rather, it is designed as a step toward a landing in 2028 and, eventually, toward NASA's goal of establishing a long-term presence on the moon and building a base there. When they circle the moon, the Artemis II crew members could reach a greater distance from Earth than anyone has before.³

UCLA Wins its 1st NCAA Women's Basketball Championship: UCLA got to the Final Four on the strength of the nation's best offense. UCLA stymied South Carolina, 79-51, on Sunday in the national title game to secure the program's first NCAA championship. It was a dominant UCLA effort from the opening tip that turned into a runaway in the second half. The win denied South Carolina its third championship in five seasons and a fourth overall for head coach Dawn Staley. The Bruins now have their second national title after securing the AIAW championship in 1978. The NCAA took over the championship tournament in 1982. The championship is the first for Cori Close in her 15th season as UCLA's head coach.⁴

Economic Definitions

Unemployment Rate: The unemployment rate tracks the number of unemployed persons as a percentage of the labor force (the total number of employed plus unemployed). These figures generally come from a household labor force survey.

Federal Reserve (Fed): The Federal Reserve System is the central banking system of the United States of America.

Initial Jobless Claims: Initial unemployment claims track the number of people who have filed jobless claims for the first time during the specified period with the appropriate government labor office. This number represents an inflow of people receiving unemployment benefits.

ISM Manufacturing Index: The Manufacturing ISM Report On Business is based on data compiled from purchasing and supply executives nationwide. Survey responses reflect the change, if any, in the current month compared to the previous month. For each of the indicators measured (New Orders, Backlog of Orders, New Export Orders, Imports, Production, Supplier Deliveries, Inventories, Customers' Inventories, Employment and Prices), the report shows the percentage reporting each response, the net difference between the number of responses in the positive economic direction and the negative economic direction, and the diffusion index. A PMI reading above 50 percent indicates that the manufacturing economy is generally expanding; below 50 percent indicates that it is generally declining.

Job Openings and Labor Turnover Survey – JOLTS: This concept tracks the number of specific job openings in an economy. Job vacancies generally include either newly created or unoccupied positions (or those that are about to become vacant) where an employer is taking specific actions to fill these positions.

Nonfarm Payrolls: This indicator measures the number of employees on business payrolls. It is also sometimes referred to as establishment survey employment to distinguish it from the household survey measure of employment.

Retail Sales: Retail sales (also referred to as retail trade) tracks the resale of new and used goods to the general public, for personal or household consumption. This concept is based on the value of goods sold.

University of Michigan Consumer Sentiment Index: Consumer confidence tracks sentiment among households or consumers. The results are based on surveys conducted among a random sample of households. Target Audience: representative sample of US households (excluding Alaska and Hawaii). Surveys of Consumers collects data on consumer attitudes and expectations summarized in the Consumer Sentiment, in order to determine the changes in consumers' willingness to buy and to predict their subsequent discretionary expenditures. This Index is comprised of measures of attitudes toward personal finances, general business conditions, and market conditions or prices. Components of the Index of Consumer Sentiment are included in the Leading Indicator Composite Index. Unit: Index (Q1 1966=100)

CPI (headline and core): Consumer prices (CPI) are a measure of prices paid by consumers for a market basket of consumer goods and services. The yearly (or monthly) growth rates represent the inflation rate.

PCE (headline and core): PCE deflators (or personal consumption expenditure deflators) track overall price changes for goods and services purchased by consumers. Deflators are calculated by dividing the appropriate nominal series by the corresponding real series and multiplying by 100.

Index Definitions

S&P 500: The S&P 500® is widely regarded as the best single gauge of large-cap U.S. equities and serves as the foundation for a wide range of investment products. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization.

NASDAQ: The NASDAQ Composite Index is a broad-based capitalization-weighted index of stocks in all three NASDAQ tiers: Global Select, Global Market and Capital Market. The index was developed with a base level of 100 as of February 5, 1971.

Dow Jones Industrial Average: The Dow Jones Industrial Average is a price-weighted average of 30 blue-chip stocks that are generally the leaders in their industry. It has been a widely followed indicator of the stock market since October 1, 1928.

Russell Mid-Cap: Russell Midcap Index measures the performance of the 800 smallest companies in the Russell 1000 Index, which represent approximately 25% of the total market capitalization of the Russell 1000 Index.

Russell 2000: The Russell 2000 Index is comprised of the smallest 2000 companies in the Russell 3000 Index, representing approximately 8% of the Russell 3000 total market capitalization. The real-time value is calculated with a base value of 135.00 as of December 31, 1986. The end-of-day value is calculated with a base value of 100.00 as of December 29, 1978.

MSCI EAFE: The MSCI EAFE Index is a free-float weighted equity index. The index was developed with a base value of 100 as of December 31, 1969. The MSCI EAFE region covers DM countries in Europe, Australasia, Israel, and the Far East.

MSCI EM: The MSCI EM (Emerging Markets) Index is a free-float weighted equity index that captures large and mid-cap representation across Emerging Markets (EM) countries. The index covers approximately 85% of the free float-adjusted market capitalization in each country.

Bloomberg US Agg Bond: The Bloomberg US Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate pass-throughs), ABS and CMBS (agency and non-agency).

Bloomberg High Yield Corp: The Bloomberg US Corporate High Yield Bond Index measures the USD-denominated, high yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below. Bonds from issuers with an emerging markets country of risk, based on Bloomberg's EM country definition are excluded.

Bloomberg Global Agg: The Bloomberg Global Aggregate Index is a flagship measure of global investment grade debt from twenty-four local currency markets. This multi-currency benchmark includes treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers.

Bloomberg Municipal Bond Index: The Bloomberg U.S. Municipal Index covers the USD-denominated long-term tax-exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds and prerefunded bonds.

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¹ Data obtained from Bloomberg as of 4/3/2026.

² Data obtained from Morningstar as of 4/3/2026.

³ [Artemis II launch recap: NASA launches first crewed moon mission since 1972](#)

⁴ [UCLA locks down South Carolina for dominant win, program's first NCAA championship - Yahoo Sports](#)

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