Weekly Market Report For 30 March – 3 April 2026

Overview

- U.S. stocks rebound on hopes Middle East tensions ease.
- Trump remarks rekindle market volatility, oil prices climb.
- U.S. bond yields retreat after fed signals easing inflation concerns.
- U.S. economy remains resilient across consumption, manufacturing and labor market.
- European stocks rebound, but face inflationary pressure from rising energy prices.
- Japanese stocks decline, pressured by rising oil prices and rate hike expectations.
- Chinese stocks trade rangebound, short-term recovery signals emerge from PMI.
- Thai stocks rise on hopes of external tailwind and economic stimulus.

Market Brief

- **U.S. stocks rebound after five straight weekly losses**, with the Dow up 3.0%, S&P 500 +3.4% and Nasdaq +4.4%, on hopes Middle East tensions may ease as Washington signals a potential troop pullback within 2–3 weeks.

- However, markets turned volatile again after Donald Trump's April 1 remarks signaled an escalation in military operations, while uncertainty over the reopening of the strait of Hormuz pushed brent crude up 3.5% WoW.

- U.S. 10-year treasury yields fell to 4.31% from 4.44% after remarks by the fed chair helped ease inflation concerns.

- The U.S. ramped up pressure on Iran after trump set a deadline to reopen the strait of Hormuz and threatened military action against key infrastructure, while Tehran rejected the demand, insisting on unconditional closure and warning of retaliation if further attacked.

- **U.S.**
  - o U.S. economic data remain resilient. Atlanta Fed's GDPNow estimating 1Q26 growth at 1.6%, up from 0.7% in the prior quarter, while core retail sales rose 0.5%, beating expectations of 0.3% and signaling solid consumer demand.
  - o Manufacturing activity remains in expansion, with the ISM Manufacturing PMI at 52.7, even as factory employment continues to contract and price pressures stay elevated.
  - o The labor market remains firm, with ADP reporting a 62,000 increase in private payrolls, above forecasts, while nonfarm payrolls rose 178,000, also beating expectations. The unemployment rate edged down to 4.3%.

- **Europe**
  - o European stocks advance, with the STOXX Europe 600 up 3.9% on hopes the conflict will not be prolonged.
  - o Inflation accelerated to 2.5% as energy prices rose 4.9%. Germany's 2026 GDP growth forecast was cut to 0.6% from 1.3%.

- **Japan**
  - o Japanese stocks fall, with the Nikkei 225 down 1.7% and TOPIX -1.0%, pressured by higher oil prices.
  - o Expectations that the BOJ may raise interest rates pushed Japan's 10-year government bond yield higher, rising from 2.34% to 2.39%.

- **China:** Stocks trade in a narrow range, with economic data signaling a short-term recovery. Manufacturing PMI rose to 50.4, its highest in a year, and services PMI came in at 50.1.

- **Thailand:** Thai stocks edge higher, with the SET Index up 0.5% to close at 1,454, supported by hopes of easing Middle East tensions and stimulus from a new government, even as foreign and institutional investors were net sellers.

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