

Markets climb on geopolitical optimism and relief rally

Stocks posted solid gains this week as hopes of a de-escalation in the U.S.-Iran conflict supported sentiment, helping the major averages recover some of March's losses.



The S&P 500 (+3.4%), Nasdaq Composite (+4.4%), and DJIA (+3.0%) all advanced, while smaller-cap benchmarks like the Russell 2000 (+3.3%) and S&P Mid Cap 400 (+2.9%) also finished higher.

Sector performance was led by growth-oriented and communication-related areas, with the communication services sector (+6.4%) and information technology sector (+4.6%) outperforming. Financials (+3.6%), real estate (+3.8%), and materials (+3.4%) also posted solid gains, while the energy sector (-5.3%) lagged amid volatile oil prices.

Tech leadership was supported by a rebound in semiconductor stocks. Mega-cap growth also advanced. Some of the week's gains were likely due to positioning after oversold conditions earlier in the week, as

geopolitical developments remained volatile.

Geopolitical developments drove market swings. Early optimism following President Trump's comments on Iran's potential concessions lifted markets, while midweek reports of ceasefire discussions fueled a broad rally. Thursday saw renewed volatility as threats of continued military action coincided with sharply higher oil prices, but the major averages ultimately finished the session near flat.

Fed Chair Jerome Powell noted that inflation expectations remain well anchored beyond the short term and emphasized that the Fed's tools have limited impact on supply shocks, which contributed to a pullback in market-implied rate expectations.

Overall, the market finished the week higher, with gains reflecting a mix of optimism over potential geopolitical progress, relief rallies after oversold conditions, and a rebound in mega-cap and tech names, even as oil prices and uncertainty around Iran keep the market on a cautious footing.

- Nasdaq Composite: +4.4% week-to-date
- S&P 500: +3.4% week-to-date
- Russell 2000: +3.3% week-to-date
- DJIA: +3.0% week-to-date
- S&P Mid Cap 400: +2.9% week-to-date

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