

Trump Rejects Iran Peace Offer — Markets Hold Steady Ahead of a Big Week

Over the weekend, Iran sent a new peace proposal to the United States through Pakistani mediators —

- offering to discuss its nuclear program and seeking an end to the naval blockade of the Strait of Hormuz, a critical oil shipping route.
- President Trump publicly rejected the offer on Sunday, calling it "totally unacceptable," sending oil prices sharply higher before they partially retreated by Monday morning.
- The diplomatic impasse has now stretched to 10 weeks, with no clear resolution in sight — but investors are not panicking, as US stock futures are only slightly lower ahead of the New York open.
- The bigger event this week is Tuesday's inflation report, the April Consumer Price Index, which will tell us whether rising energy costs are pushing prices higher for everyday Americans and businesses.

KEY DRIVER

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WHAT TO WATCH

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MARKET INSIGHT

US Stocks Edge Back From Record Highs as CPI Week Begins

The S&P 500 closed at a fresh all-time high of 7,398.90 points on Friday — and is edging only marginally lower this morning, down around 0.09% to approximately 7,392. That is a remarkably calm response to a weekend of geopolitical headlines.

- The Nasdaq 100, home to technology giants and AI companies, is leading the slight pullback at -0.41%, settling near 29,115. Last week it surged over 1.6% as enthusiasm for artificial intelligence continues to attract investors.

- The Dow Jones Industrial Average is down a modest 0.14% to approximately 49,540 — still within reach of the 50,000 milestone that has served as a psychological target for investors throughout 2026.

- European markets are relatively quiet today with the UK on a bank holiday, reducing overall market activity.



What Economic Data Matters This Week

EXISTING HOME SALES (TODAY, 10 AM)

April reading

Measures how many previously-owned homes were sold in April — a useful signal for consumer confidence and interest rate sensitivity in the housing market

APRIL CPI (TOMORROW, 8:30 AM)

Most important release of the week

The Consumer Price Index tells us how much prices have risen compared to a year ago. Energy costs from the oil disruption could push this number higher than expected

APRIL PPI (WEDNESDAY)

Producer Price Index

Measures what businesses pay for goods before they reach consumers — a leading indicator of future inflation trends

FED CHAIR TRANSITION (THIS WEEK)

Kevin Warsh Senate vote

The US Senate is expected to vote on confirming Kevin Warsh as the next Chair of the Federal Reserve, replacing Jerome Powell whose term ends Friday May 15

Oil Cools From Weekend Spike — Gold Holds Strong, Bitcoin Climbs

1

Brent Crude at \$103.97 per barrel — pulling back from weekend highs

Oil surged to \$105.57 on Sunday after Trump rejected Iran's peace offer, before easing back. The Strait of Hormuz blockade has been in place for 10 weeks, keeping energy prices well above their pre-conflict level of around \$70 per barrel. Oil markets are sensitive to every diplomatic headline.

2

WTI Crude at \$97.61 per barrel — off the \$99 spike

US crude oil followed the same pattern — a sharp spike on the Iran headlines that has since partially reversed. At \$97.61, WTI remains historically elevated. A diplomatic breakthrough that reopens the Strait would be the single biggest event to push oil meaningfully lower.

3

Gold at \$4,673 per ounce — consolidating near record highs

Gold slipped slightly from its morning level of \$4,682, but the longer-term picture remains firmly positive. The metal has climbed from around \$3,800 in February as investors sought safety during the US-Iran conflict. The slight dip today reflects a small increase in risk appetite.

4

Bitcoin near \$81,200 — the quiet positive story of the session

Bitcoin was one of the few assets to actually gain over the weekend, briefly touching \$82,000. It is up about 1.5% over the past week and 11% over the past month. Crypto is watching Tuesday's inflation data for its next directional move.

Where Markets Stand at the New York Open — Monday, May 11

ASSET CLASS	SENTIMENT	KEY DRIVER	DIRECTION
US Equities	● CAUTIOUSLY NEUTRAL	S&P 500 barely off record highs (-0.09%); Nasdaq 100 -0.41%; investors waiting for Tuesday's inflation data before making big moves	↔
Oil and Energy	● VOLATILE	Brent at \$103.97, WTI at \$97.61; both off weekend spikes but still historically elevated due to 10-week Hormuz blockade	↕
Gold and Precious Metals	● BULLISH	Gold at \$4,673 and holding near all-time highs; structural safe-haven demand intact while geopolitical uncertainty persists	▲
Crypto	● QUIETLY POSITIVE	Bitcoin above \$81,000 and briefly touched \$82,000 over the weekend; gaining about 11% over the past month	▲
Forex	● NEUTRAL	EUR/USD steady near 1.1760; UK bank holiday reducing sterling activity; all eyes on CPI for direction	↔
Bonds and Rates	● WATCH CLOSELY	Tuesday's CPI could push bond yields higher if inflation surprises — which would put pressure on stocks and raise the stakes for the new Fed Chair's first week	↔

CONCLUSION: Monday's US open is calm on the surface but loaded with potential energy. The record-high equity market is holding its ground despite the Iran rejection. The big test arrives Tuesday with April inflation data — if prices are rising faster than expected, markets will need to recalibrate for a tougher interest rate environment just as new Fed leadership takes over.