

# Oil Pulls Back From Highs as Ceasefire Holds, But Europe's Confidence Is Crumbling

Crude oil is retreating from yesterday's spike, with Brent falling back to around \$104 per barrel and WTI to \$94.77, as the US-Iran ceasefire established Thursday continues to hold and the Strait of Hormuz remains operational. The dramatic rise above \$100 is easing, though the risk premium has not fully unwound.

European business confidence has taken a clear hit this morning: Germany's Ifo Business Climate Index fell to 84.4 in April against a forecast of 85.7, its third consecutive monthly decline. French consumer confidence dropped sharply to 84, five points below expectations and the lowest reading in five months — suggesting households are starting to feel the energy and trade uncertainty directly.

The UK bucked the trend: March retail sales surged 0.7 percent month-on-month, a complete reversal of February's -0.6 percent decline and well above the flat outcome forecast. British consumers are spending again.

The day's pivotal US data point arrives at 10:00 AM Eastern Time: the University of Michigan's final Consumer Sentiment reading for April. The forecast is 47.6, down from 53.3 in March — a significant deterioration that would place sentiment near its lowest level since the pandemic recovery period. Inflation expectations within the survey are also expected to rise sharply.

# US Markets Head into the Open with a Split Story — Defensives Rising, Tech Falling

The S&P 500 heads into the open near 7,108 points, with Nasdaq 100 futures around 26,783

- and the Dow Jones near 49,310 — all broadly flat to slightly lower in overnight trading, reflecting the mixed earnings picture playing out in pre-market moves.

Procter & Gamble and Caterpillar have both reported strong quarterly results this morning.

- PG is up 2 percent in pre-market to \$145.71 and CAT is up more than 3 percent to \$835.24, providing solid upside anchors for the Dow. Verizon, Coca-Cola, and Johnson & Johnson are also trading higher.

On the other side, IBM has fallen more than 8 percent in pre-market to \$231, Salesforce is

- down 8.7 percent to \$173, and Microsoft is off nearly 4 percent to \$415. This split between consumer staples and technology is a pattern consistent with investors rotating toward defensive assets in periods of uncertainty.

HCA Holdings, the hospital operator, also reports first-quarter earnings today, with results

- expected to reflect continued strength in US healthcare utilisation.

# The Economic Data Released and Due Today

## GERMAN IFO BUSINESS CLIMATE — APRIL

**84.4 — Missed**

Germany's premier business sentiment index fell to 84.4 this morning, below the 85.7 forecast and continuing a downward trend from 86.3 in March. Business expectations fell to 83.3 and the current assessment to 85.4 — all three measures missed. German business leaders are growing more cautious about energy costs and global trade conditions.

## FRENCH CONSUMER CONFIDENCE — APRIL

**84 — Well Below Forecast**

French consumers are significantly more pessimistic than economists expected. The April reading of 84 compared to a forecast of 88 and a prior month's 89 represents a sharp deterioration in sentiment. This is likely being driven by elevated energy costs and broader uncertainty around global trade disruptions.

## UK RETAIL SALES — MARCH

**Up 0.7 Percent MoM — Big Beat**

British shoppers bounced back strongly in March, spending 0.7 percent more than in February — reversing the prior month's -0.6 percent decline and well above the zero-growth forecast. Year-on-year retail sales growth came in at 1.7 percent. This is a positive signal for the UK economy heading into spring.

## MICHIGAN CONSUMER SENTIMENT — DUE 10 AM ET

**Forecast: 47.6**

This is the headline data event for Friday. Economists expect the final April reading to fall to 47.6 from 53.3 in March — a drop of more than 5 points. One-year inflation expectations are forecast to rise to 4.8 percent, up from 3.8 percent last month. A weaker-than-expected result could push equities lower into the weekend; a surprise beat could trigger a relief rally.

# Commodities and Crypto at the New York Open

1

## **GOLD AT \$4,706 — HOLDING FIRM NEAR RECORD LEVELS**

Gold is trading at \$4,706 per troy ounce, up 0.27 percent on the day, continuing to find support from elevated inflation expectations and lingering geopolitical uncertainty. Even as oil prices pull back and the Iran ceasefire holds, gold buyers are not walking away. The market appears to be pricing in a scenario where inflation stays elevated regardless of whether the Middle East fully stabilises.

2

## **WTI CRUDE AT \$94.77 — OFF THE HIGHS BUT STILL ELEVATED**

US crude oil is down 1.13 percent on the day, pulling back from Thursday's geopolitical spike. Brent has also slipped to around \$104.40, a decline of 1.52 percent. Both benchmarks are well above where they traded two weeks ago, meaning the energy cost impact on businesses and consumers is still very real — it has just stopped worsening for now.

3

## **BITCOIN AT \$78,238 — STEADY AMID UNCERTAINTY**

Bitcoin is virtually flat on the day at \$78,238, holding its ground despite equity market jitters and European data weakness. Ethereum is similarly steady at \$2,330. Crypto appears to be finding a floor here, with neither a risk-on surge nor a risk-off selloff driving the market on this particular Friday.

4

## **US TREASURY YIELDS**

The 10-year Treasury yield sits at 4.32 percent, the 2-year at 3.83 percent and the 30-year at 4.91 percent. The spread between short and long rates has narrowed — a sign the bond market is weighing slowing growth against persistent inflation. If Michigan inflation expectations come in high today, yields could push higher.

# Where Markets Stand Heading Into the US Session

MARKET	SENTIMENT	KEY DRIVER	DIRECTION
<b>US Equities</b>	MIXED	S&P 500 near 7,108, Dow near 49,310, Nasdaq near 26,783 — a split session with defensives rising and tech falling; Michigan data at 10 AM ET is the key swing factor for the afternoon	↔
<b>Oil and Energy</b>	EASING	WTI at \$94.77 (-1.1%), Brent at \$104.40 (-1.5%) — the ceasefire is holding and the Strait of Hormuz remains open; the spike is unwinding but energy prices are still elevated versus the start of the week	▼
<b>Gold and Precious Metals</b>	STEADY BULLISH	Gold at \$4,706 (+0.3%), Silver at \$75.88 (+0.6%) — safe-haven demand remains as inflation expectations rise; gold buyers are not yet convinced the geopolitical risk is fully behind us	↔
<b>European Equities</b>	CAUTIOUS	German Ifo and French consumer confidence both missed materially; European markets are absorbing weaker domestic data on top of energy cost headwinds	▼
<b>US Dollar</b>	STEADY	EUR/USD at 1.1714, GBP/USD at 1.3494 — dollar holding steady; a strong Michigan inflation reading this afternoon could strengthen the dollar further	↔
<b>Crypto</b>	NEUTRAL	Bitcoin at \$78,238 (flat), Ethereum at \$2,330 (flat) — consolidating without a clear catalyst; markets waiting for the Michigan data before making a move	↔

Friday April 24 heads into the US open with oil easing, European data weak, US earnings split between beats and misses, and a single data point — Michigan Consumer Sentiment at 10 AM Eastern — capable of moving the entire market. If sentiment prints near or below 47.6 with high inflation expectations, equity markets will likely drift lower into the weekend close. A surprise beat could reverse that entirely and set up a strong Friday afternoon. This is a data-driven day, and the number that matters most drops in ninety minutes.