



## Wall Street Rallies as Big Banks Crush Q1 Earnings: S&P 500 Erases Iran War Losses

### Description

The **S&P 500** surged 1.18% on Monday to close at 6,967, officially erasing all losses since the US-Iran war began on 28 February, as blockbuster Q1 earnings from JPMorgan Chase and Goldman Sachs fuelled a broad-based rally across Wall Street.

It was a remarkable session for US equities on 14 April 2026. Despite hotter-than-expected wholesale inflation data and lingering geopolitical uncertainty in the Middle East, investors chose to focus on the strength of corporate America and Big Bank earnings did not disappoint.

### Market Recap: All Three Indices Finish Higher

The **S&P 500** rose 1.18% to close at 6,967.38, with nine of 11 sectors finishing in the green. The **Dow Jones Industrial Average** added 317.74 points (+0.66%), whilst the **Nasdaq Composite** led the charge with a 1.96% advance to 23,639.08.



The S&P 500 has now erased all losses since the US-Iran war began on 28 February 2026

Financials, technology, and consumer discretionary stocks led the gains. The rally was broad-based, with market breadth firmly positive as investors rotated into risk assets on optimism that the fragile US-Iran ceasefire would hold.

For Singapore investors, this matters directly â?? many trade US markets through brokerages like Tiger Brokers, moomoo, and Interactive Brokers. The S&P 500â??s recovery means portfolios that stayed the course through the Iran-driven sell-off are now back to breakeven or better.

## JPMorgan Chase Delivers a Masterclass in Q1 Earnings



JPMorgan Chase posted a 13% increase in Q1 profit to US\$16.5 billion, beating analyst estimates

JPMorgan Chase (NYSE: JPM) reported a stunning set of first-quarter results that exceeded expectations across the board:

- **Net income:** US\$16.5 billion (S\$21.8 billion), up 13% year-over-year
- **Earnings per share:** US\$5.94, beating the US\$5.45 estimate
- **Revenue:** US\$50.5 billion, up 10% YoY, beating the US\$49.2 billion estimate
- **Investment banking revenue:** US\$3.1 billion, a 38% YoY jump

The Consumer & Community Banking division earned US\$5.0 billion with a 32% return on equity, whilst the Commercial & Investment Bank delivered US\$9.0 billion. Assets under management at the Wealth Management division reached a record US\$4.8 trillion.

However, JPMorgan trimmed its full-year 2026 net interest income guidance from US\$104.5 billion to approximately US\$103 billion, suggesting management sees some headwinds ahead. JPM shares traded between US\$303 and US\$314 on the day.

## Goldman Sachs: Record Equities Trading, but Fixed Income Disappoints

Goldman Sachs (NYSE: GS) also reported Q1 2026 results, delivering earnings per share of US\$17.55 versus the US\$16.49 estimate, on revenue of US\$17.23 billion (beating the US\$16.97 billion consensus).

The headline was Goldman's **equities trading desk**, which posted a record US\$5.33 billion in revenue – a 27% surge year-over-year. The volatility created by the Iran war and subsequent ceasefire clearly benefited Goldman's trading operations.

The disappointment came from **fixed income, currencies, and commodities (FICC)**, where revenue fell 10% to US\$4.01 billion, missing estimates by a significant US\$910 million. This miss caused GS shares to initially drop 3% in pre-market trading before recovering during the session.

Overall, Goldman's profit rose 19% and revenue climbed 14% year-over-year, with the revenue figure marking the firm's second-highest quarterly total on record.

## PPI Data: Relief Despite the Headline Number

The Bureau of Labor Statistics released March Producer Price Index (PPI) data on Monday, showing wholesale prices rose 0.5% month-over-month. Whilst this sounds elevated, it was actually **well below the feared 1.2% spike** that markets had been bracing for given the Iran war's impact on energy prices.

Key details from the PPI report:

- **Gasoline prices** surged 15.7%, accounting for nearly half the overall increase
- **Fresh vegetable costs** spiked 50%, pushing wholesale food prices up 2.4%
- **Core PPI** remained relatively subdued, defying energy shock fears

For the Federal Reserve, this data supports the current wait-and-see approach. Markets have now priced out any rate cut before September 2026, with the fed funds rate expected to remain at 3.50%–3.75% for the foreseeable future. The 10-year Treasury yield sits at 4.255%.

For Singapore investors with US dollar exposure, this means the SGD/USD exchange rate is likely to remain relatively stable in the near term, with no imminent rate cuts to weaken the greenback.

## The Iran Factor: Ceasefire Holds, but Risks Remain

The market's recovery since the 8 April ceasefire has been impressive. The S&P 500 has now fully erased all losses since the conflict erupted on 28 February, with the Dow turning positive for 2026.

However, investors should remain cautious. The ceasefire is described as **“fragile”** by multiple analysts, and there have been reports of talks between Washington and Tehran breaking down. Oil markets remain volatile – crude spiked briefly towards US\$100 per barrel when ceasefire doubts emerged, before retreating.

The Strait of Hormuz, through which approximately 20% of global oil flows, remains a key risk factor. Any disruption there would send energy prices sharply higher, impacting everything from petrol prices in Singapore to airline stocks on the SGX.

## Other Notable Movers

- **American Airlines (AAL)** soared 4% after reports that United Airlines CEO Scott Kirby pitched a potential merger to Trump administration officials. The proposed mega-merger would create the largest airline in the world, though analysts remain sceptical about regulatory approval given it would control nearly half the US market.
- **Novo Nordisk (NVO)** jumped 3% after announcing a strategic partnership with OpenAI to use artificial intelligence in drug discovery. The collaboration aims to accelerate development of new medications, including next-generation obesity treatments beyond Ozempic and Wegovy.
- **BlackRock (BLK)** rose 2% on strong quarterly results from the world's largest asset manager.
- **Citigroup (C)** beat estimates with EPS of US\$3.06 (vs US\$2.64 expected) on revenue of US\$24.6 billion, with CEO Jane Fraser reporting revenue up 14% and net income growing 42%.

## Singapore Market: STI Dips 0.3% to 4,975

Closer to home, the Straits Times Index (STI) slipped 0.3% to 4,975 on Monday, trimming gains from the previous week as Asian markets traded lower amid renewed geopolitical concerns.

Despite the dip, the STI remains up approximately 2.85% over the past month and an impressive 38% over the past year. Singapore's three banking giants — DBS, OCBC, and UOB — are set to report their own Q1 results in the coming weeks, and the strong showing from US banks bodes well for local lenders.

Singapore investors should watch for spillover effects from the US earnings season. Strong results from JPMorgan and Goldman Sachs suggest that global investment banking and trading activity has been robust, which typically benefits DBS's and OCBC's wealth management and capital markets divisions.

## What to Watch This Week

- **More bank earnings:** Bank of America, Morgan Stanley, and Netflix report this week
- **US-Iran developments:** Any escalation could quickly reverse gains
- **Fed speakers:** Watch for commentary on the PPI data and rate outlook
- **Oil prices:** Brent crude remains the key barometer of geopolitical risk
- **Singapore:** STI could see positive spillover from strong US bank earnings

## Technical Analysis: S&P 500

The S&P 500 at 6,967 has now reclaimed all its Iran war losses, a significant technical milestone. Key levels to watch:

- **Resistance:** 7,000 (psychological level), 7,050 (pre-war high)
- **Support:** 6,900 (recent consolidation zone), 6,800 (50-day moving average)
- **RSI:** Approaching overbought territory above 65, suggesting a short-term pullback is possible
- **Moving averages:** Price is comfortably above both the 50-day and 200-day moving averages, confirming the bullish trend

The volume profile suggests this rally has genuine conviction, not just short-covering. However, the rapid V-shaped recovery does increase the risk of profit-taking near the 7,000 psychological level.

## The Bottom Line for Singapore Investors

Monday's session was a reminder that corporate fundamentals still matter. Despite war, inflation concerns, and geopolitical uncertainty, American companies — particularly the big banks — continue to deliver. For Singapore investors with US exposure, the message is clear: stay diversified, stay invested, and avoid panic-selling during geopolitical shocks.

That said, the road ahead is not without risks. The Iran ceasefire remains fragile, inflation is proving sticky, and the Fed is in no hurry to cut rates. Keep some dry powder for potential pullbacks, and consider quality dividend-paying stocks (both US and Singapore) as a hedge against volatility.

**Read more:** For actionable ideas, see our [top 10 stock picks for the week ahead](#). For broader context, read last week's [market recap](#).

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### Date Created

15/04/2026

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