

Wall Street Surges as Goldman Sachs Sparks Software Rally Amid Hormuz Blockade Tensions

Description

The US stock market staged a remarkable late-session rally on Monday, 13 April 2026, with the S&P 500 climbing to its highest close since the Iran conflict began, even as President Trump's naval blockade of the Strait of Hormuz sent oil prices surging past US\$100 per barrel.

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US markets rallied on Monday as software stocks staged their best day in a year. Photo: Pexels

US Market Recap: A Tale of Two Forces

Wall Street defied geopolitical headwinds on Monday, with all three major indices closing firmly in the green. The **S&P 500** jumped 1.02% to end at **6,886.24**, its best close since before the Iran war began in late February. The **Nasdaq Composite** led the charge with a 1.23% gain to **23,183.74**, while the

Dow Jones Industrial Average added 301.68 points (+0.63%) to settle at **48,218.25**. Small caps also joined the party, with the **Russell 2000** rallying 1.44%.

The rally gathered steam in the final hour of trading, as investors appeared to look past the escalating US-Iran standoff and focused instead on corporate earnings and a major shift in sentiment around software stocks.

Goldman Sachs Reports Record Quarter â?? But Shares Dip

Goldman Sachs kicked off Q1 2026 earnings season with a bang, reporting earnings per share of US\$17.55 â?? a 24% year-on-year increase â?? on net revenues of US\$17.23 billion, up 14%. The firmâ??s equities trading desk posted a record US\$5.33 billion in revenue, a 27% jump fuelled by the volatile wartime trading environment.

However, Goldman shares fell more than 2% on the day as analysts zeroed in on weaknesses beneath the headline numbers. Fixed income, currencies, and commodities (FICC) revenue dropped 10% to US\$4.01 billion, missing expectations. The bank returned a hefty US\$6.38 billion to shareholders in Q1, including US\$5 billion in share buybacks.

For Singapore investors, Goldmanâ??s results offer a useful barometer of institutional activity. Record equities trading volumes suggest the â??smart moneyâ?• is actively repositioning â?? a signal worth watching as we navigate this period of elevated volatility.

Software Stocks Stage Best Day in a Year

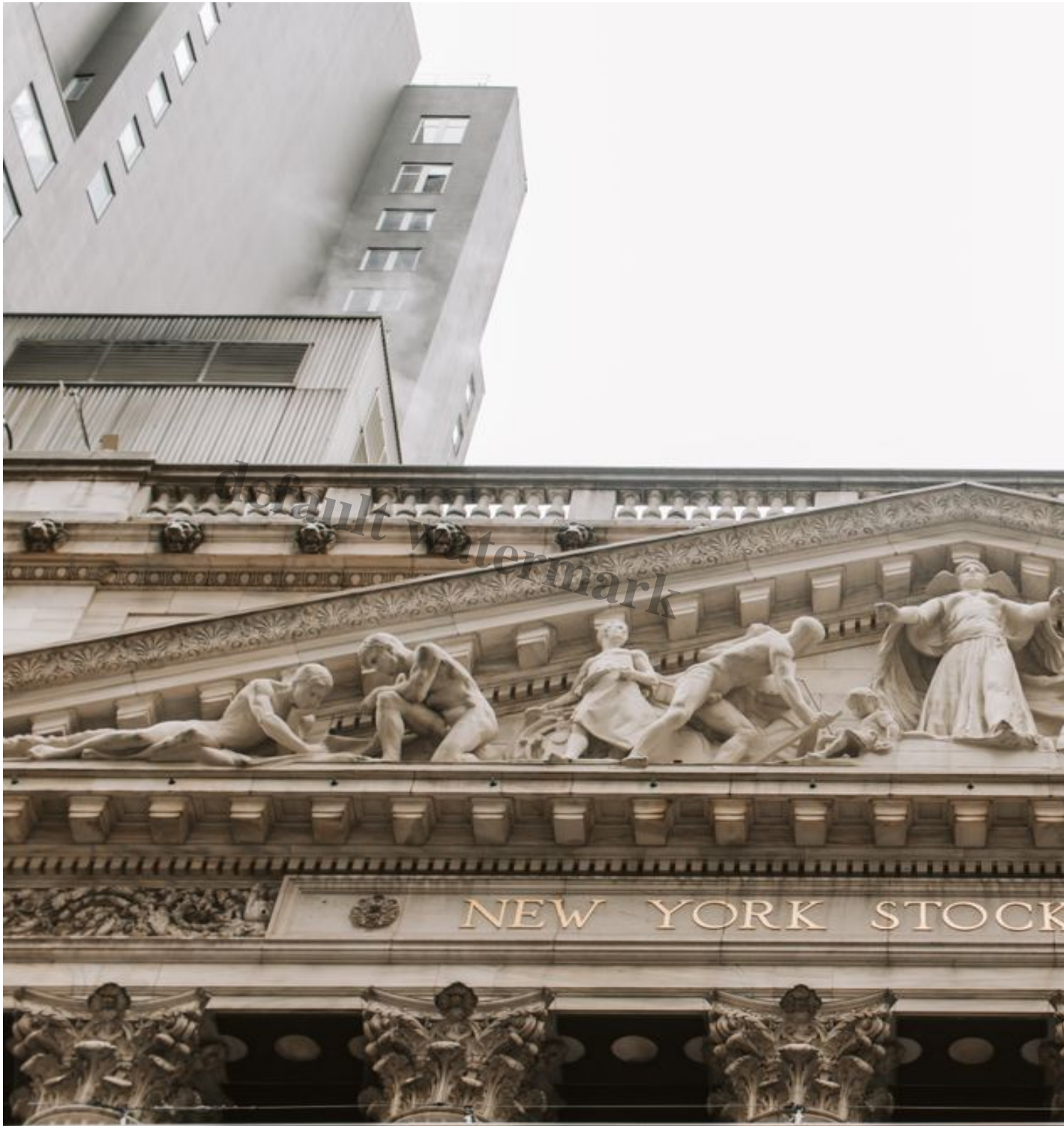
The dayâ??s biggest story was the stunning reversal in software stocks. The iShares Expanded Tech-Software Sector ETF surged nearly 5% â?? its best single-day performance in a year â?? after Goldman Sachs CEO David Solomon struck a positive tone on the sector.

Solomon argued that the recent AI-driven selloff in software-as-a-service (SaaS) stocks had been overdone, noting there would be â??clear winners and losersâ?• rather than a wholesale collapse. This was music to the ears of battered investors â?? the software ETF had plunged 30% year-to-date through 10 April, even as the broader S&P 500 remained roughly flat.

Key software movers on the day:

- **Salesforce (CRM):** +4.76%
- **Microsoft (MSFT):** +3.64%
- **American Express (AXP):** +3.29%

The rally suggests a potential inflection point for the sector. Singapore investors with exposure to US tech through platforms like Tiger Brokers, Moomoo, or Interactive Brokers may wish to review their positions.



The New York Stock Exchange on Wall Street. Photo: Pexels/David Housel

Hormuz Blockade: Oil Spikes Above US\$100

The geopolitical backdrop remained tense. The US military blockade of the Strait of Hormuz — through which roughly 20% of global energy supply passes — officially took effect at 10:00am ET on Monday, after weekend peace talks in Pakistan collapsed.

Oil prices surged dramatically:

- **Brent crude:** US\$101.82/barrel, up 6.95%
- **WTI crude:** US\$103.26/barrel, up 6.93%, with intraday spikes above US\$105

Iran's Islamic Revolutionary Guard Corps (IRGC) vowed retaliation, warning of "new forms of warfare." French President Emmanuel Macron announced plans for a multinational mission to restore freedom of navigation in the strait.

For Singaporeans, the oil price spike has direct implications. Singapore's role as a major oil refining and trading hub means higher crude prices flow through to petrol costs, utilities, and transport fares. The Monetary Authority of Singapore (MAS) will be watching inflationary pressures closely.

Singapore Market: STI Holds Relatively Firm

The Straits Times Index (STI) dipped 0.28% to **4,975** on Monday, outperforming most Asian peers despite the geopolitical turbulence. Singapore's defensive characteristics — strong banking sector, stable governance, and safe-haven currency — continued to attract capital flows.

Investors should watch the three local banks (DBS, OCBC, UOB) closely this week, as elevated trading volatility globally could translate to stronger-than-expected trading revenues in their upcoming results, mirroring Goldman's experience.

Other Asset Classes

Gold traded at approximately US\$4,728 per ounce, pulling back slightly (-0.71%) after its recent surge to record highs. The precious metal remains well-supported by geopolitical uncertainty, with many analysts expecting it to test US\$5,000 in the months ahead.

Bitcoin struggled at around US\$71,189, down 3.2% as the crypto market felt the weight of risk-off sentiment following the failed Iran peace talks. The US\$70,000 level remains a key support to watch.

Biotech Spotlight: Allogene Therapeutics Soars

In individual stock action, **Allogene Therapeutics (ALLO)** stole the show with a 46% surge after reporting breakthrough Phase 2 data for its CAR-T cell therapy. The ALPHA3 trial showed 58.3% of patients achieved minimal residual disease negativity, versus just 16.7% in the observation group. Baird raised its price target from US\$7 to US\$9. While this is a speculative biotech play, the data underscores the continued innovation in the healthcare sector.



Technical indicators suggest the S&P 500 has room for further upside. Photo: Pexels

Technical Analysis: S&P 500

The S&P 500's push to 6,886 is technically significant. The index has now reclaimed territory above the 50-day moving average (6,783) and is approaching the psychologically important 7,000 resistance level.

Key levels to watch:

- **Resistance:** 7,000 (psychological), then the 200-day moving average
- **Support:** 6,783 (50-day MA), then 6,330 (longer-term support)
- **RSI:** Currently around 46, suggesting room for further upside before overbought conditions
- **Death Cross:** The 50-day MA crossed below the 200-day MA in late March – a bearish signal that Monday’s rally has yet to reverse

The improving breadth (with small caps outperforming) is an encouraging sign, but conviction remains low. Volume will need to pick up to confirm this as more than a bear-market rally.

What to Watch on Tuesday, 14 April 2026

Investors should keep an eye on further developments in the US-Iran standoff, particularly any signs of renewed diplomatic engagement. Earnings season continues to ramp up, and any hawkish commentary from Federal Reserve officials could temper the rally.

In Singapore, watch for SGX trading data and any reaction to the oil price spike in energy-related counters and REITs with exposure to utility costs.

The Bottom Line

Monday’s rally was driven by genuine catalysts – strong Goldman earnings and a credible case for software stocks bottoming – but the geopolitical risks remain elevated. The Hormuz blockade is an escalation that could have far-reaching consequences for global inflation, supply chains, and central bank policy.

Singapore investors should maintain a balanced approach: stay invested, but keep adequate cash reserves for opportunities that volatility invariably creates. The software sector repricing may indeed present a buying opportunity, but selectivity is key – as Goldman’s Solomon himself noted, not all software companies will survive the AI disruption.

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Author

teamlbrd