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# Can consumer and business confidence catch up with more upbeat investors?

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**One notable divergence in April has been between a record low for consumer confidence and record highs in global stocks. The preliminary reading of the University of Michigan Consumer sentiment index was the weakest in its 70-year history.**

One of the key questions for this week will be whether US consumer and business confidence recovers to match the more upbeat mood of investors.

The final reading of the Michigan survey will be released this week, with more updated responses. The prior release surveyed consumers between 24 March and 6 April, so this did not capture potential relief over the ceasefire between the US and Iran. Since worries over Iran were a notable cause for concern among the survey's respondents—especially the issue of rising energy prices—some rebound would not be surprising, as hopes of a deal have risen. We also get US retail sales for March, with expectations for a solid outcome. In addition, there is the release of Eurozone consumer confidence for April along with business activity surveys from France and Germany. Finally, investors will be awaiting guidance on the longer-term outlook for US monetary policy, with the Senate confirmation hearing of Kevin Warsh, President Trump's nominee to replace Jerome Powell as chair of the Federal Reserve. Warsh has previously argued that

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deregulation and the widening use of AI are generating disinflationary forces that will permit the central bank to hold interest rates at a lower level. However, Warsh has also spoken in favor of shrinking the Fed's balance sheet.

Our view is that the outlook for consumption in the US and Eurozone remains healthy. So, within our Attractive view on US equities, we favor consumer discretionary, financials, health care, industrial, and utilities in the current environment. We have been advising investors to avoid overexposure to some of the tech stocks that have led the rally in recent years and come to form too large a part of some portfolios. In the Eurozone, alongside favoring some sectors like health care that are less exposed to higher energy prices and enjoy structural tailwinds, we recommend investors hold some more cyclical exposure, given our expectations for consumer resilience. On rates, we expect the Fed to cut twice this year, adding to the case for quality bonds.

Original report: [Weekly Global: What to watch in the week ahead, 20 April 2026.](#)

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