

□ The Week in Charts — April 8, 2026

Source: Charlie Bilello (charlie@bilello.blog) **Date:** April 8, 2026
Blog: bilello.blog/2026/the-week-in-charts-4-8-26 **Video:** YouTube — What Happens When Volatility Spikes?

Key Themes This Week

1) What Happens When Volatility Spikes?

- One year ago during tariff turmoil, S&P 500 fell 12% over 4 trading days — biggest crash since March 2020
- VIX closed above 50 at the time
- **Since then: S&P 500 has rallied 38%** — greedy when others were fearful
- This year's VIX high: 31 on March 27 (highest 10% of historical readings)
- Historical pattern: Above-average forward returns for S&P 500 over next 1-5 years after VIX spikes
- Higher the VIX spike → higher odds of strong positive return going forward

2) The Longest Correction Since 2022

- S&P 500 low on March 30: down 9.8% from January peak
- Biggest correction since tariff turmoil last April
- **Longest correction (61 days) since 2022 bear market**
- 7.3% decline in first 60 trading days — one of worst starts to a year in history

3) A Repeat of 2025?

- Bad start doesn't mean bad finish — 2025 proved this
- S&P 500 rallied 7%+ from March 30 low, now down less than 1% YTD
- At same point in 2025, S&P was down 15% before staging epic comeback to end +18%
- **Driver: Iran war ceasefire hopes** — 14-day ceasefire in place
- Today's 2.5% surge = 5th biggest gain during Trump's second term
- Top 8 days all "TACO" (Trump Always Chickens Out) trade rallies
 - 2025: tariff reversals drove biggest gains
 - 2026: Iran war reversals driving gains

4) The Inflationary Spike Is Already Here

- **Positive scenario:** Ceasefire endures, war ends this month, Strait of Hormuz normalizes by May
- **Negative scenario:** Ceasefire breaks, war escalates, commodity prices spike further
- **March CPI (due Fri 4/10):** Expected 3.25% (Cleveland Fed), up from 2.4% in February
- **Gas prices:** \$4.16/gallon — highest since August 2022, 40% increase in 5 weeks (biggest 5-week spike on record)
- **Fertilizer prices:** Up 52% YoY to highest since May 2022 — food price increases coming

5) No Chance of a Rate Cut in April

- **Fed meeting April 29:** 98% chance of hold at 3.50-3.75%, 2% chance of HIKE to 3.75-4.00%
 - The longer inflation stays above 3%, the more pressure on Fed to consider hiking again
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Portfolio Implications for Carlos

- **Treasuries (\$64.3M):** Rate hike risk is real if CPI comes in hot Friday — watch 10Y yield reaction
 - **Energy positions (XOM, CVX, EPD):** Iran war + Strait of Hormuz disruption = tailwind, YTD winners
 - **Gold (GLD, miners):** Inflation spike + geopolitical uncertainty = continued support
 - **Nuclear/AI infra (VRT, GEV, CEG):** Correction recovery underway, VRT +60% YTD leading
 - **Crypto (BTC -20% YTD):** Risk-off environment still pressuring, but VIX pattern suggests recovery ahead
 - **Ocala real estate:** Rising gas/food prices could pressure tenant affordability — monitor collections
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