GLOBAL INSTITUTIONAL ADVISORS

# Weekly Market Wrap

Week Ending 10th April 2026

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## Executive Summary

The week ending 10 April 2026 was driven by a U.S.-Iran two week ceasefire that triggered a sharp risk-on move. Oil saw its steepest single day drop since 2020 and equities rose 3 to 9 percent. The geopolitical risk premium began to unwind, but with ceasefire terms incomplete and Hormuz flows constrained, uncertainty remains deferred rather than resolved.

**Key themes**

- Ceasefire relief rally: Oil fell ~13 percent WoW from ~$111.5 to ~$96.6 per barrel, easing energy-driven inflation pressure. Global equities gained 3 to 9 percent.
- Inflation constrains Fed: U.S. CPI rose to 3.3 percent YoY, with energy up 12.5 percent YoY and gasoline up 21 percent MoM. Core PCE remains above 3 percent. Markets now price limited easing, with policy staying restrictive.
- Energy importers rebound: Nikkei 225 rose 8.5 percent WoW and BSE Sensex gained 5.8 percent as oil pressures eased. Both remain negative YTD.
- USD softer, EM stabilises: The dollar weakened as risk appetite improved. INR strengthened modestly, while India 10 year yields stayed elevated near 6.9 percent due to residual oil risk.
- Oil risk premium persists: WTI at ~$96.6 per barrel remains ~68 percent above year start levels. Shipping constraints in Hormuz and elevated tanker rates indicate ongoing supply disruption.
- Crypto follows risk: Bitcoin rose 9.6 percent and the Bloomberg Crypto Index gained 8 percent, moving in line with equities and reinforcing its high beta profile.

## Asset Class Performance

### Equity Market

| | Week ending >>> | | | | |
|---|---|---|---|---|---|
| | **3-Apr-26** | **10-Apr-26** | **YTD Returns** | **Growth for the month** | **Growth for the week** |
| **Equity Indices** | | | | | |
| S&P 500 (USD) | 6,582.7 | 6,816.9 | (0.6%) | 1.1% | 3.6% |
| NASDAQ (USD) | 24,045.5 | 25,116.3 | (0.4%) | 1.9% | 4.5% |
| Dow Jones (USD) | 46,504.7 | 47,916.6 | (1.0%) | 0.9% | 3.0% |
| SENSEX (INR) | 73,319.6 | 77,550.3 | (9.6%) | (1.7%) | 5.8% |
| Stoxx 600 (EUR) | 596.6 | 614.8 | 3.1% | 2.7% | 3.1% |
| Nikkei (JPY) | 52,463.3 | 56,924.1 | 13.1% | 2.3% | 8.5% |
| Hang Seng (HKD) | 25,116.5 | 25,893.5 | (1.7%) | 0.5% | 3.1% |

- **US Equities:**
  - S&P 500 rose 3.6% WoW, extending gains as the U.S.-Iran ceasefire triggered a sharp risk-on shift. The ~13% WoW drop in oil eased the inflation shock that had driven higher yields and compressed equity multiples, allowing a quick re-expansion.
  - Sector performance reflected the unwind of rate pressure: growth and duration-sensitive sectors led (IT +4.8%, Communication Services +5.9%, Consumer Discretionary +5.8%) after being most impacted during the oil-driven selloff. Energy declined (4.1%) as crude reversed, while defensives (Staples +0.5%, Healthcare +0.4%, Utilities +1.3%) lagged given limited downside in the prior risk-off phase.
  - Macro data is mixed: CPI rose to 3.3% (energy-led) while core is at 2.6%. Growth is slowing (GDP at 0.5%, sentiment at 47.6), but inflation expectations are rising (4.8%), indicating stagflation risk if oil stays high.
  - NASDAQ Composite gained 4.5% WoW, led by large-cap tech and semiconductors benefiting from easing financial conditions and continued AI capex momentum.

- **Sensex:**
  - BSE Sensex rose 5.8% WoW, snapping a six week decline as the ceasefire eased India's key macro pressure point: crude imports. With ~85% oil import dependence, the earlier shock had driven INR weakness, imported inflation, delayed RBI easing, and multiple compression. The reversal partially unwinds this chain, though not fully.
  - Market breadth was strong, confirming a risk appetite recovery: Nifty Midcap 100 (+5.45%) and Smallcap 100 (+7.13%) outperformed, while India VIX fell to 18.85. The rally was broad based rather than a narrow large cap rebound.
  - Cyclicals led the move: Realty (+9.0%), Metals (+8.3%), Auto (+7.8%), and IT (+6.3%). IT continues to benefit from a weaker INR and earnings momentum. Pharma lagged (−1.7%) due to ongoing U.S. tariff risks, reflecting structural rather than cyclical pressure.
  - Flows and macro remain mixed: FII outflows reversed, but 10 year G-Sec yields stayed elevated at 6.92%, indicating persistent inflation risk. Manufacturing PMI dropped to 53.9, a 45 month low, highlighting demand softness. Outlook remains tied to oil, sustained decline compresses risk premium, while reversal reintroduces pressure.
- **Stoxx 600:**
  - STOXX Europe 600 rose 3.1% WoW, maintaining +3.1% YTD and remaining one of the few major indices in positive territory alongside the Nikkei 225. The ceasefire drove a broad rally, with DAX (+2.7%), FTSE MIB (+4.4%), and CAC 40 (+3.7%), despite a shortened week due to Easter holidays.
  - Macro signals remain weak: EU officials flagged a potential 0.4–0.6% hit to 2026 growth from the conflict. Data confirms slowdown, Germany factory orders rose just 0.9% MoM, France Services PMI fell to 48.8, and Italy services contracted, indicating growth pressure alongside elevated energy costs.
  - The relief rally is tactical rather than structural. Europe's dependence on imported energy, with significant crude flows linked to Hormuz, leaves it exposed. Sustained recovery depends on oil normalizing toward $75–80 per barrel; otherwise, stagflation risk persists.
- **Nikkei:**
  - Nikkei 225 surged 8.5% WoW, the strongest among major indices. Despite high energy import dependence, the rally reflects sharp mean reversion after Japan was heavily hit during the March oil shock, with tech and exporters leading the rebound.
  - The JPY held broadly stable at ~159.3/USD. Currency weakness remains supportive for exporters but continues to amplify imported inflation through higher energy costs.
  - Inflation and rates are firming: CGPI rose 2.6% YoY, driven by petroleum, while 10-year JGB yields edged up to 2.42%, near multi-decade highs. The BoJ faces a policy trade-off between rising inflation and easing oil pressures post ceasefire.
  - Domestic signals are mixed: real wages rose 1.9% YoY, supporting consumption, but consumer confidence dropped to 33.3. The government plans further oil reserve releases to manage energy costs.
- **Hang Seng:**
  - Hang Seng Index rose 3.1% WoW, supported by ceasefire sentiment and China's PPI turning positive at +0.5% YoY after 41 months of deflation. The shift is commodity-led, indicating cost-push inflation rather than demand recovery, but it reduces near-term deflation risk.
  - CSI 300 Index gained 4.4%, with mainland markets partially closed for Qingming. Regulators tightened trading rules for major shareholders, limiting short-term buy-sell cycles.
  - Geopolitics remains active: Xi Jinping hosted KMT leadership and reiterated Taiwan unification as a long-term objective, ahead of a planned visit by Donald Trump to Beijing in May.

## Credit Market

| | Week ending >>> | | | | |
|---|---|---|---|---|---|
| | **3-Apr-26** | **10-Apr-26** | **YTD Change (bps)** | **Change for the Month (bps)** | **Change for the Week (bps)** |
| **Credit** | | | | | |
| US Bond Yield (%) | 4.3 | 4.3 | 12.63 | 17.87 | 1.21 |
| JGB yield (%) | 2.4 | 2.4 | 33.10 | 22.20 | 0.20 |

| Week ending >>> | 3-Apr-26 | 10-Apr-26 | YTD Returns | Growth for the month | Growth for the week |
|---|---|---|---|---|---|
| **Credit** | | | | | |
| S&P BDC Index | 47.8 | 47.8 | (13.4%) | (2.0%) | 0.0% |

- **US Bond Yield**:
  - The US 10-year yield eased to ~4.3%, as the ceasefire reduced oil-driven inflation risk. Treasuries posted modest gains, though rates continue to reflect a balance between easing energy pressure and still-elevated inflation (CPI 3.3%, core PCE >3%).
  - The curve re-steepened, with the 2–10year spread at ~52 bps (2Y ~3.80%, 10Y ~4.32%). This reflects rebuilding rate-cut expectations at the front end and lower term premium at the long end as geopolitical risk eased.
  - Market pricing has shifted from earlier hike risk during the oil spike to a base case of one potential cut by late 2026, contingent on sustained moderation in oil.
  - TIPS real yields remain the key variable. A sustained decline in oil toward $75–80 per barrel would ease breakeven inflation and real yields, supporting risk assets, particularly growth equities.
- **JGB Yield:**
  - The Japan 10-year JGB yield rose to ~2.4%, near its highest level since 1997, reflecting a structural rise in inflation expectations driven by energy costs.
  - Inflation dynamics remain firm: CGPI at +2.6% YoY and continued JPY weakness (~159/USD) are sustaining imported inflation, keeping pressure on the Bank of Japan to move toward policy normalisation despite ceasefire-related oil relief.
  - The policy backdrop remains asymmetric. While the BoJ is gradually tightening, the Federal Reserve and European Central Bank are on hold or leaning toward cuts, creating duration risk for JGB holders.
- **Private Credit / BDCs:**
  - The S&P BDC Index was flat WoW at 47.8, but remains down (13.4%) YTD and (2.0%) MoM. Weekly stability masks underlying stress, with the oil shock pressuring middle-market borrowers, particularly in energy-linked sectors, and raising concerns around PIK usage and NAV discounts.
  - Credit conditions are diverging. Managers such as Ares Management, Apollo Global Management, and BlackRock highlight widening dispersion, where higher-quality borrowers continue to access capital with manageable spreads, while weaker issuers face tighter refinancing windows, higher funding costs, and increased reliance on structures like PIK. This is leading to rising stress at the lower end of the credit spectrum, with greater risk of covenant breaches, NAV pressure, and selective defaults if liquidity conditions do not improve.
  - Structural risks persist: liquidity mismatch between investor redemption terms and illiquid loan books remains a key vulnerability. The YTD drawdown reflects a repricing of liquidity premium rather than realised credit losses, but could worsen if ceasefire stability weakens.

## Currencies

| Week ending >>> | 3-Apr-26 | 10-Apr-26 | YTD Returns | Growth for the month | Growth for the week |
|---|---|---|---|---|---|
| **Currency** | | | | | |
| EUR/USD | 1.1539 | 1.1723 | 0.0% | 0.9% | 1.6% |
| GBP/USD | 1.3227 | 1.3462 | 0.0% | 0.4% | 1.8% |
| USD/INR | 93.1050 | 92.7312 | 2.8% | 1.1% | (0.4%) |
| CHF/USD | 1.2517 | 1.2679 | 0.5% | (1.6%) | 1.3% |
| USD/JPY | 159.6000 | 159.2700 | 1.5% | 0.9% | (0.2%) |

- **Currencies:**
    - EUR/USD: EUR rose 1.6% WoW to 1.1723 as USD safe-haven demand eased post ceasefire. Gains remain fragile given Europe's energy dependence and weakening growth outlook; sustained upside requires oil below ~$90 per barrel.
    - GBP/USD: GBP gained 1.8% WoW to 1.3462, outperforming G4 on risk-on sentiment. Macro remains mixed with modest housing growth (0.8% YoY) and sticky services inflation (~3%), complicating Bank of England policy.
    - USD/INR: INR strengthened 0.4% WoW (to 92.73), but remains ~2.8% weaker YTD. Relief reflects easing crude pressure and FPI flows, though elevated yields (~6.9% on 10Y) highlight ongoing inflation risks ahead of Reserve Bank of India policy.
    - USD/JPY & CHF: JPY was flat (~159.3), with structural weakness from rate differentials and energy imports; meaningful appreciation depends on oil easing and Bank of Japan action. CHF rose 1.3% WoW, partially unwinding safe-haven demand but still supported by geopolitical uncertainty.

## Commodities

| | Week ending >>> | | | | |
|---|---|---|---|---|---|
| Commodities | 3-Apr-26 | 10-Apr-26 | YTD Returns | Growth for the month | Growth for the week |
| Gold (USD per troy ounce) | 4,676.8 | 4,749.8 | 9.6% | (8.2%) | 1.6% |
| Silver (USD per troy ounce) | 73.0 | 75.9 | 4.2% | (10.3%) | 3.9% |
| Oil (USD per barrel) | 111.5 | 96.6 | 68.5% | 6.2% | (13.4%) |
| Natural Gas (Henry Hub) | 2.8 | 2.6 | (26.8%) | (16.9%) | (5.4%) |
| Copper (US cents per pound) | 558.4 | 588.6 | 3.4% | 2.2% | 5.4% |
| Aluminium (USD per metric tonne) | 3,532.1 | 3,563.2 | 18.8% | 2.0% | 0.9% |
| Wheat (US cents per bushel) | 598.3 | 571.0 | 12.7% | (6.6%) | (4.6%) |
| Sugar (US cents per pound) | 15.0 | 13.8 | (5.8%) | (2.5%) | (8.3%) |

- **Oil:**
    - Oil fell 13.4% WoW to ~$96.6/bbl, its largest weekly drop since 2020, with intraday lows near $91 after the ceasefire. The move reflects partial removal of the Hormuz disruption premium as shutdown risk eased.
    - Despite the decline, prices remain elevated, up ~68.5% YTD versus ~$57/bbl at the start of the year. The ceasefire has reduced tail risk, not normalised the supply shock.
    - Physical constraints persist: Hormuz transit remains disrupted and infrastructure risks are ongoing, highlighted by a drone attack on a Saudi pipeline. Brent closed near ~$96/bbl.
    - Base case pricing remains $85–95/bbl if the ceasefire holds, with $110–120/bbl as the upside risk in case of renewed escalation.
- **Gold:**
    - Gold rose 1.6% WoW to ~$4,750/oz, holding firm despite a broader risk-on rally. This reflects persistent inflation (CPI ~3.3%), USD softness, and uncertainty around ceasefire durability rather than pure safe-haven demand.
    - Prices have recovered from the mid-March trough (~$4,500/oz) but remain ~8.2% below the January peak (~$5,500/oz), following the earlier spike in real yields.
    - YTD gains of ~9.6% indicate gold is acting as a partial inflation hedge in a "higher for longer" environment, without fully regaining peak safe-haven positioning.
- **Silver:**
    - Silver rose 3.9% WoW to ~$75.9/oz, outperforming gold due to its higher beta to risk sentiment and dual role as both precious and industrial metal.
    - Gains were supported by improving industrial signals, with copper up ~5.4% WoW, indicating better China-linked demand expectations.
    - Still down ~10.3% MoM, reflecting the sharp repricing during the March risk-off phase.

- **Natural Gas:**
  - Natural gas fell 5.4% WoW to ~$2.6/MMBtu, diverging from oil despite ongoing Hormuz-related LNG risk.
  - The move reflects Henry Hub dynamics, driven by strong U.S. supply and high storage levels, rather than global LNG pricing.
  - Key risk remains external, any disruption to LNG exports or Asian demand has not materialised yet.
- **Copper & Aluminum:**
  - Copper and aluminium both moved higher, reflecting easing geopolitical risk and improving demand signals. Copper rose 5.4% WoW to ~588.6 cents/lb, supported by better China sentiment and structural demand from AI and energy transition, while aluminium gained 0.9% WoW to ~$3,563/tonne as lower energy costs eased production pressure.
  - The divergence in magnitude reflects sensitivity: copper is more demand-driven and higher beta, while aluminium is more linked to energy input costs. Copper is up ~3.4% YTD, indicating demand recovery expectations, while aluminium's gains are more cost-driven.
- **Wheat & Sugar:**
  - Wheat fell 4.6% WoW to ~571 cents/bushel as supply improved and geopolitical risk premium eased. Despite a 6.6% MoM decline, it remains ~12.7% above year start due to persistent energy and fertilizer cost linkage.
  - Sugar dropped 8.3% WoW to ~13.8 cents/lb, the sharpest decline among commodities, driven by better Brazilian supply and unwinding of speculative positions. It remains down ~5.8% YTD, underperforming the broader complex.

## Cryptocurrency

| | Week ending >>> | | | | |
|---|---|---|---|---|---|
| | 3-Apr-26 | 10-Apr-26 | YTD Returns | Growth for the month | Growth for the week |
| **Crypto** | | | | | |
| Bloomberg Crypto Index | 1,844.8 | 1,991.7 | (25.9%) | 7.6% | 8.0% |
| Bitcoin (USD) | 66,937.8 | 73,388.3 | (19.4%) | 7.5% | 9.6% |
| Ripple | 1.3 | 1.4 | (34.9%) | 0.1% | 3.5% |
| Solana | 79.1 | 85.4 | (36.2%) | 0.8% | 8.0% |

- **Cryptocurrency:**
  - The Bloomberg Crypto Index rose 8.0% WoW and Bitcoin gained 9.6% to ~$73,388, broadly tracking the NASDAQ Composite rally but with higher beta. Crypto continues to behave as a liquidity-driven, risk asset rather than an inflation hedge.
  - The move was driven by the macro chain: ceasefire → lower oil → softer inflation expectations → weaker USD → easing real yield pressure. Bitcoin has recovered from recent lows but remains ~33% below its January peak (~$110,000) and still down ~19% YTD.
  - Performance divergence persists: Solana (+8.0%) tracked Bitcoin, while XRP (+3.5%) lagged due to regulatory overhang. Recent gains reflect stabilisation, not a full recovery.
  - Outlook remains macro-driven: sustained oil decline toward ~$80/bbl and a shift toward Fed easing would be the key catalysts for a stronger recovery.

## Updates in AI sector over the week

- **NVIDIA and Semiconductor Complex Rebound on AI Demand Resilience:** Large-cap semiconductors led the NASDAQ recovery, with NVIDIA and peers supported by sustained AI capex. Hyperscaler spending on compute, data centres, and power infrastructure remains ~$250–300bn+ annually with no signs of slowdown, driven by continued demand for AI models and infrastructure. The buildout is increasingly tied to energy capacity, as data centres require significant power, effectively locking in long-term energy investment demand regardless of the geopolitical backdrop.
- **AI and Energy Convergence:** BlackRock highlights a structural convergence between AI infrastructure and energy security, spanning batteries, power electronics, grids, and electric systems. Geopolitical tensions are accelerating this trend by increasing focus on energy independence and grid resilience, reinforcing AI capex. The preferred exposure is in enabling infrastructure such as semiconductors, power assets, and data centre real estate, which benefit regardless of outcomes in the AI model layer.

- **EM Divergence Driven by AI:** BlackRock highlights AI as a key driver of EM dispersion, with South Korea (memory chips), China (renewables), and Latin America (copper, lithium) showing differentiated resilience based on AI supply chain roles. This shifts the investment lens beyond traditional energy importer/exporter dynamics, as demand for AI hardware inputs introduces a new risk vector alongside energy, particularly around critical materials such as copper, lithium, and helium.

## Geopolitical News & Outlook for the upcoming week

- U.S.–Iran Ceasefire: Fragile, Time-Bound: The two-week ceasefire between the U.S., Iran, and Israel is the first meaningful de-escalation since early March, but key issues remain unresolved, including nuclear guarantees, Hormuz transit, Israeli security in Lebanon, and U.S. military presence in the Gulf. Donald Trump has warned that military action could resume if talks fail by the April 21 deadline, making durability the key near-term risk.
- Hormuz Transit: Key Operational Signal: Despite the ceasefire, Hormuz transit remains largely constrained, with oil and LNG flows yet to normalise. As ~20% of global oil supply passes through the Strait, actual flow data is the critical indicator of de-escalation. Continued disruptions and incidents such as attacks on regional energy infrastructure suggest the risk premium remains partly intact.
- China–Taiwan: Secondary Geopolitical Layer: Xi Jinping met KMT leadership for the first time since 2016, reiterating Taiwan unification as a long-term objective ahead of a planned visit by Donald Trump to Beijing. This introduces a parallel geopolitical dynamic, near-term easing in Middle East risk versus longer-term Asia-related tail risk.

## Disclaimer