

Weekly Market Wrap

Week Ending 17th April 2026



Office@giagcc.com

Executive Summary

The week ending 17 April 2026 was defined by a dramatic late-week geopolitical shift: the announcement of a U.S.-brokered 10-day ceasefire between Israel and Lebanon, followed by Iranian Foreign Minister Abbas Araghchi's declaration that the Strait of Hormuz was "completely open" to commercial vessels. Oil prices declined more than 10% on Friday alone, equities surged to new all-time highs for the third consecutive week, and risk assets staged a broad-based V-shaped recovery. The Hormuz reopening however conditional, partially dismantled the inflation-stagflation framework that had been compressing equity multiples and elevating yields since the conflict began on 28 February. With U.S. bank earnings also surpassing expectations and Q1 earnings season tracking well above consensus, markets concluded the week with renewed confidence in the macro resilience thesis.

Key Themes

- **Hormuz Opens, Oil declines:** Iranian FM Araghchi declared the strait open for the ceasefire period; oil fell over 13% WoW from ~\$96.6 to ~\$83.9/bbl. The move partially unwinds the energy shock premium, but with the U.S. naval blockade of Iran still formally in effect and conditions disputed, the reopening is fragile rather than definitive.
- **Equities at all-time highs:** The S&P 500 closed at 7,126, a fresh all-time high (+4.5% WoW). NASDAQ surged 6.2% and closed at 26,672, marking its 13th consecutive positive trading session, the longest streak since 1992. Large-cap growth and AI-linked stocks led, reinforcing the technology/AI structural bid.
- **Inflation Relief, Fed on Hold:** March PPI rose just 0.5% MoM vs. 1.1% consensus, driven by flat services inflation despite energy pressures. The 10-year Treasury yield fell 6.9 bps to 4.24%, easing financial conditions. However, inflation remains above the Fed's 2% target, keeping rate-cut expectations limited to one move by late 2026.
- **Crypto Extends Risk-On Rally:** Bloomberg Crypto Index gained 6.9% WoW and Bitcoin rose 5.4% to ~\$81,500, tracking NASDAQ with high beta.

Asset Class Performance

Equity Market

Week ending >>>					
	10-Apr-26	17-Apr-26	YTD Returns	Growth for the month	Growth for the week
Equity Indices					
S&P 500 (USD)	6,816.9	7,126.1	3.9%	7.4%	4.5%
NASDAQ (USD)	25,116.3	26,672.4	5.8%	9.4%	6.2%
Dow Jones (USD)	47,916.6	49,447.4	2.2%	6.2%	3.2%
SENSEX (INR)	77,550.3	78,493.5	(8.5%)	5.3%	1.2%
Stoxx 600 (EUR)	614.8	626.6	5.1%	5.2%	1.9%
Nikkei (JPY)	56,924.1	58,475.9	16.2%	8.7%	2.7%
Hang Seng (HKD)	25,893.5	26,160.3	(0.7%)	2.7%	1.0%

US Equities:

- S&P 500 rose 4.5% WoW to 7,126, a new all-time high and its third consecutive weekly gain of this magnitude. The dominant driver was geopolitical: the Israel-Lebanon ceasefire and Araghchi's Hormuz declaration on Friday triggered a sharp final-day surge (+1.2% on Friday alone), erasing the residual energy-driven risk premium.
- Sector performance strongly favored rate-sensitive and AI-exposed names: Information Technology +8.1% WoW (NVIDIA, Microsoft, Amazon all +1%+ on Friday), Communication Services +6.3%, Consumer Discretionary +6.6%. Energy was the sole major decliner, falling 3.5% as crude prices fell, removing the sector's inflation hedge bid. Defensive sectors (Consumer Staples flat, Utilities -1.7%) lagged.
- Q1 2026 earnings season is off to a strong start. As of 17 April, 10% of S&P 500 companies have reported, with the positive surprise rate above recent averages. Financials sector earnings tracking +19.7% YoY. JPMorgan, Bank of America (+\$8.6bn Q1 net profit, above consensus), and Morgan Stanley (+4.5% on the week) drove upward revisions to the full-year earnings growth forecast, now at 18.0% for 2026. The forward 12-month P/E of 20.9x remains above the 10-year average of 18.9x, reflecting the AI premium.
- NASDAQ Composite surged 6.2% WoW, closing at 26,672, also a record high marking 13 consecutive positive sessions, the longest run since 1992. The AI theme reasserted itself strongly as VIX collapsed from above 30 in March to 17.5, reflecting normalizing volatility and a return of speculative appetite. Large-cap AI infrastructure names (NVIDIA,

Microsoft, Amazon, Meta) continued to benefit from uninterrupted hyperscaler capex (~\$700bn combined 2026 guidance).

- **Sensex:**

- BSE Sensex rose 1.2% WoW, marking its second consecutive week of recovery. However, at -8.5% YTD, India remains under significant pressure, reflecting accumulated macro drag from elevated oil, INR weakness, and muted FII flows. The weekly gain was modest relative to global peers, partly reflecting India's higher structural vulnerability as a ~85% oil importer.
- Sectoral leadership shifted toward high-beta, cyclical names: Nifty Metal +4.24%, Consumer Durables +4.29%, Realty +3.64%, reflecting improving risk appetite and commodity price normalization. Nifty Auto (-0.77%) remained a laggard, weighed down by input cost pressures and demand softness despite the broad rally.
- Broader market breadth continued to improve: Nifty Midcap 100 +3.55% and Smallcap 100 +4.31% outpaced the large-cap benchmark, while India VIX fell 8.70% to 17.21 — the second consecutive week of sharp VIX compression.
- The macro constraint remains intact: India 10-year G-Sec yields held near 6.91%.

- **Stoxx 600:**

- STOXX Europe 600 rose 1.9% WoW. Germany's DAX led at +3.77%, France's CAC 40 +2.00%, Italy's FTSE MIB +2.65%. The ceasefire provided relief to energy-exposed European industrials and consumer names, while the FTSE 100 (+0.63%) lagged, partly reflecting the UK's more muted risk-on beta.
- ECB policymakers maintained a cautious stance on rate hikes. French central bank head François Villeroy de Galhau signalled no urgency, stating further data on inflation and demand impacts was needed before any policy move. The IMF revised eurozone 2026 growth down to 1.1% from 1.3%, warning the conflict could trigger a "major energy crisis" absent a durable resolution.
- Industrial production data improved at the margin. Eurozone output rose 0.4% MoM in February after a 0.8% January decline, while UK GDP surprised to the upside at 0.5% MoM. However, German wholesale prices surged 4.1% YoY in March, driven by energy and metals, underscoring the cost-push inflation challenge that limits sustainable recovery for Europe's manufacturing base.

- **Nikkei:**

- Nikkei 225 rose 2.7% WoW, reaching a new all-time high. The rally is driven by a structural combination of corporate governance reform momentum, AI capex enthusiasm among domestic tech names, and easing energy pressures following the ceasefire.
- BoJ Governor Kazuo Ueda refrained from signalling any April rate hike, noting that rising energy prices create a complex policy trade-off between upside price risk and downside growth risk. The 10-year JGB yield remained broadly flat at ~2.41%, near multi-decade highs.
- Japanese manufacturer sentiment dropped sharply: the Reuters Tankan poll showed confidence falling 11 points to 7, the biggest monthly drop in over three years. This was driven by energy supply disruption concerns. Microsoft's announced ¥1.4 trillion (\$10bn) four-year investment in Japan's AI infrastructure provides a structural offset, reinforcing the AI-driven capex cycle that has been a key Nikkei driver in 2025-26.

Credit Market

Week ending >>>					
	10-Apr-26	17-Apr-26	YTD Change (bps)	Change for the Month (bps)	Change for the Week (bps)
Credit					
US Bond Yield (%)	4.32	4.25	5.73	(2.87)	(6.90)
JGB yield (%)	2.40	2.41	34.30	20.80	1.20

Week ending >>>					
	10-Apr-26	17-Apr-26	YTD Returns	Growth for the month	Growth for the week
Credit					
S&P BDC Index	47.8	51.1	(7.5%)	8.1%	6.9%

- **US Bond Yield:**

- The US 10-year yield fell 6.9 bps WoW to 4.25%, its fourth consecutive weekly decline, as the oil price collapse removed near-term energy inflation pressure. Treasuries generated positive returns, with high yield bonds outperforming, supported by improving risk sentiment and an active new-issue calendar where several deals were upsized on strong demand.
- The 2-10 year spread stands at +54 bps (2Y ~3.70%, 10Y ~4.24%), reflecting a mild bull-steepening bias as front-end yields normalise and the market partially reprices rate-cut expectations. The 10-year peaked at ~4.44% on 27 March during peak oil-driven inflation fear; Friday's close marks a ~20 bps compression from that peak.
- Despite the relief rally in yields, inflation remains structurally elevated: March PPI rose 0.5% MoM (below expectations), but core PCE remains above 3% and CPI is at 3.3% YoY. The Fed's FOMC June meeting (28-29 June) is the next key catalyst; market pricing currently embeds limited easing, with one potential cut by late 2026 contingent on sustained oil normalisation below ~\$85/bbl.

- **JGB Yield:**

- The 10-year JGB yield held at ~2.41% WoW, near multi-decade highs. The BoJ's April meeting is widely expected to pass without a rate hike, given Governor Ueda's ambiguous tone and the complex policy trade-off created by elevated energy import costs (CGPI +2.6% YoY) against external demand softness.
- Structurally, JGB yields face upward pressure from three concurrent forces: rising domestic inflation expectations, BoJ normalisation trajectory, and heavy Japanese government bond issuance. BlackRock remains underweight Japanese government bonds, forecasting further yield rises driven by rate hikes, higher global term premia, and bond supply.

- **Private Credit / BDCs:**

- The S&P BDC Index gained 6.9% WoW to ~54.6, reflecting the broad risk-on rally. However, at -7.5% YTD, private credit markets remain under structural stress. The weekly recovery masks underlying challenges: middle-market borrowers, particularly in energy-linked and AI-exposed software sectors, face bifurcated conditions.
- Managers including Ares Management (+5.9% WoW), Apollo Global Management, and BlackRock highlight growing credit dispersion. Higher-quality issuers continue accessing capital at manageable spreads, while weaker names face tighter refinancing windows, elevated PIK (payment-in-kind) utilization, and increasing covenant pressure. NAV discounts persist, reflecting the structural liquidity mismatch between investor redemption terms and illiquid loan books.

Currencies

Week ending >>>					
	10-Apr-26	17-Apr-26	YTD Returns	Growth for the month	Growth for the week
Currency					
EUR/USD	1.1723	1.1765	0.4%	3.0%	0.4%
GBP/USD	1.3462	1.3516	0.4%	2.2%	0.4%
USD/INR	92.7312	92.9250	3.0%	0.5%	0.2%
CHF/USD	1.2679	1.2792	1.4%	1.2%	0.9%
USD/JPY	159.2700	158.6400	1.1%	(0.7%)	(0.4%)

- **Currencies:**

- EUR/USD: EUR held steady at 1.1765 WoW (+0.4% WoW), supported by USD softness post-ceasefire and modest European industrial recovery (Eurozone IP +0.4% MoM). However, with the IMF cutting eurozone growth to 1.1% and ECB signalling no urgency to hike, EUR upside remains constrained. Sustained appreciation requires oil below ~\$85/bbl to structurally reduce Europe's energy import bill.
- GBP/USD: GBP held at 1.3516 (+0.4% WoW). UK GDP surprised to the upside in February (+0.5% MoM) but the IMF sharply cut UK 2026 growth to 0.8% from 1.3% — the largest G7 downgrade — citing energy and trade exposure. Sticky services inflation (~3%) complicates BoE easing; GBP remains a function of UK growth resilience relative to stagflation risk.

- USD/INR: INR ended at ~₹92.93/USD, modestly weaker (+0.2% WoW in USD terms). Despite ceasefire relief, INR remains ~3.0% weaker YTD, reflecting structural oil dependence, elevated 10-year G-Sec yields near 6.91%, and limited FII inflows. India's fiscal deficit widening from the crude import bill continues to anchor the currency at structurally weaker levels absent a durable oil normalization.
- USD/JPY & CHF: JPY held at ~158.64, with structural weakness persisting from the rate differential (US Fed on hold, BoJ cautious) and high energy import exposure. CHF at 1.2792 (+0.9% WoW) partially unwound its safe-haven premium post-ceasefire but retains structural support from Switzerland's current account surplus and geopolitical hedge demand.

Commodities

Commodities	Week ending >>>				
	10-Apr-26	17-Apr-26	YTD Returns	Growth for the month	Growth for the week
Gold (USD per troy ounce)	4,749.8	4,830.3	11.5%	(3.8%)	1.7%
Silver (USD per troy ounce)	75.9	80.9	11.1%	0.4%	6.6%
Oil (USD per barrel)	96.6	83.9	46.3%	(15.1%)	(13.2%)
Natural Gas (Henry Hub)	2.6	2.7	(26.1%)	(14.6%)	1.0%
Copper (US cents per pound)	588.6	611.5	7.4%	7.0%	3.9%
Aluminium (USD per metric tonne)	3,563.2	3,590.9	19.7%	3.5%	0.8%
Wheat (US cents per bushel)	571.0	591.3	16.7%	(4.4%)	3.5%
Sugar (US cents per pound)	13.8	13.3	(8.8%)	(7.4%)	(3.2%)

Oil:

- Oil fell sharply on Friday after Iranian FM Araghchi declared the Strait of Hormuz "completely open" and Trump confirmed the announcement. WTI dropped below \$83/bbl on Friday, ending the week at ~\$83.9/bbl, down from ~\$83.9/bbl the prior week.
- The Hormuz reopening is conditional and fragile. Trump confirmed the U.S. naval blockade of Iran remains in full effect, and ship tracking firm Kpler noted that several tankers initially attempted the strait but turned back after Iranian forces declined clearance for vessels linked to hostile nations. The practical reopening is thus partial, with ~20% of global oil supply still facing elevated passage risk.
- Physical supply constraints persist. The ceasefire covers only Israel-Lebanon; the U.S.-Iran ceasefire terms remain formally unresolved. Strategic petroleum reserve releases (the U.S. has also greenlit Russian oil purchases as a swing supply measure) indicate emergency supply measures remain active. Base case for sustained ceasefire: \$75–85/bbl; re-escalation risk scenario: \$110–120/bbl.

Gold:

- Gold rose 1.7% WoW to ~\$4,830/oz, an interesting counterintuitive hold given the broad risk-on move. Gold's resilience reflects persistent structural support: CPI remains elevated at 3.3% YoY, the Hormuz reopening is conditional, and USD softness supports gold in dollar terms. Gold continues to function as an inflation hedge rather than a pure safe-haven in this cycle.
- The metal has recovered from its March trough (~\$4,500/oz during peak rate fears) and has now recaptured most of its MoM decline. At +11.5% YTD, gold is outperforming most asset classes on a risk-adjusted basis, validating the thesis that a "higher-for-longer" rate environment alongside persistent inflation creates a sustained bid.

Silver:

Silver gained 6.6% WoW to ~\$80.9/oz, outperforming gold due to its higher beta and dual industrial/precious metal character. Improving sentiment on Copper (+3.9% WoW, China demand recovery) feeds into silver's industrial demand outlook. Silver's +11.1% YTD remains broadly in line with gold, but the WoW outperformance signals a rotation toward cyclical precious metals as macro risks ease.

Natural Gas:

- Henry Hub Natural Gas was broadly flat at ~\$2.7/MMBtu, reflecting U.S. domestic dynamics (strong production, high storage) rather than global LNG risk. Despite ongoing Hormuz-related LNG concerns (Qatar gas production contracted

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sharply per the IMF), Henry Hub decouples because the U.S. is a net LNG exporter. Key risk: any renewed Hormuz restrictions or Qatar production cut would spike Asian and European LNG prices without immediately transmitting to Henry Hub.

- **Copper & Aluminum:**

- Copper rose 3.9% WoW to ~611 US cents/lb, supported by improving China demand signals (Q1 GDP +5.0% YoY), AI infrastructure buildout demand (data centres, power grids, wiring), and expectations that energy transition capex will accelerate as oil stabilizes. At +7.4% YTD, copper is tracking its structural demand story despite macro headwinds.
- Aluminum gained 0.8% WoW to ~\$3,620/tonne. The metal's upside is more limited than copper given its tighter linkage to energy input costs (aluminum smelting is highly energy-intensive). Lower oil reduces input cost pressure but also reduces the cost advantage of high-efficiency smelters. Aluminum at +19.7% YTD reflects the earlier energy spike more than forward demand.

- **Wheat & Sugar:**

- Wheat rose 3.5% WoW to ~601 US cents/bushel, recovering from recent weakness as global supply risks persist amid ongoing geopolitical disruptions to Black Sea routes and fertilizer costs. YTD +16.7% reflects energy-fertilizer cost linkage. Sugar fell (3.2%) WoW to ~13.1 US cents/lb, extending its YTD decline to (8.8%) as Brazilian supply normalises and speculative positions unwind.

Cryptocurrency

	Week ending >>>				
	10-Apr-26	17-Apr-26	YTD Returns	Growth for the month	Growth for the week
Crypto					
Bloomberg Crypto Index	1,991.7	2,129.7	(20.7%)	9.6%	6.9%
Bitcoin (USD)	73,388.3	77,370.0	(15.1%)	8.4%	5.4%
Ripple	1.4	1.5	(29.3%)	5.7%	8.6%
Solana	85.4	89.0	(33.5%)	0.2%	4.2%

- **Cryptocurrency:**

- The Bloomberg Crypto Index gained 6.9% WoW to 2,276, and Bitcoin rose 5.4% WoW to ~\$77,370, broadly tracking the NASDAQ Composite rally with higher beta. Crypto functioned as a liquidity-driven, high-beta risk asset rather than an inflation hedge or safe haven.
- Bitcoin at ~\$81,500 has recovered meaningfully from its March lows but remains ~26% below its January peak (~\$110,000) and -15.1% YTD. A sustained recovery to prior peaks requires the full resolution of energy inflation, not merely a ceasefire.
- Altcoin performance: Ripple (XRP) +8.6% WoW and Solana +4.2% WoW, both outperforming Bitcoin on a WoW basis. XRP's outperformance reflects improving regulatory clarity in U.S. crypto regulation, while Solana's gains track the broader high-beta crypto rally.
- Crypto outlook remains macro-sensitive: sustained oil decline toward \$75–80/bbl and a Fed pivot toward easing would be the key catalysts for a more durable recovery toward prior highs.

Updates in AI sector over the week

- **OpenAI Raises \$122bn, Approaches \$25bn ARR:** OpenAI completed a \$122bn fundraising round anchored by Amazon (\$50bn), NVIDIA (\$30bn), and SoftBank (\$30bn), with Microsoft, a16z, Blackstone, and T. Rowe Price among additional participants. The round values OpenAI at \$730bn pre-money. OpenAI has surpassed \$25bn in annualized revenue (ARR), with enterprise workloads now exceeding 40% of revenue and on pace to match consumer revenue by end-2026. GPT-5.4 is driving record engagement across agentic workflows, with API traffic processing over 15 billion tokens per minute. Codex serves 2 million+ weekly users, up 5x in three months.
- **Google Gemini 3.1 Flash-Lite Signals Cost-Efficiency Race:** Google released Gemini 3.1 Flash-Lite, delivering 2.5x faster response times and 45% faster output generation at \$0.25 per million input tokens. The release reinforces the broader industry shift toward making frontier AI capability affordable at scale, directly challenging OpenAI's pricing architecture and intensifying competition for enterprise API workloads. Alphabet's \$85bn capex commitment for 2026 includes TPU and data centre expansion directly competing with NVIDIA in select inference workloads.
- **Agentic AI Infrastructure Matures:** The Agentic AI Foundation, launched under the Linux Foundation in December 2025 anchored by Anthropic's MCP, OpenAI's AGENTS.md, and Block's goose framework, saw MCP cross 97 million installs in

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March 2026, cementing its transition from experimental protocol to foundational agentic infrastructure. This structural shift toward interoperable AI agents is accelerating enterprise adoption and expanding the addressable market for AI compute, software, and related infrastructure investment.

Geopolitical News & Outlook for the upcoming week

- **Israel-Lebanon Ceasefire; Partial Hormuz Reopening:** On 17 April, a U.S.-brokered 10-day ceasefire between Israel and Lebanon came into effect, following weeks of intensified fighting between Israeli forces and Iran-backed Hezbollah. The ceasefire was reached after rare direct engagement and is seen as a potential opening for broader U.S.-Iran diplomacy. Iranian FM Araghchi declared the Strait of Hormuz "completely open" for the ceasefire period, triggering a 10%+ intraday oil price collapse and equity record highs. However, President Trump maintained the U.S. naval blockade of Iran "in full force", and ship tracking from Kpler confirmed limited actual transits — vessels attempting passage were turned back by Iranian forces. The Hormuz reopening is therefore conditional and fragile rather than unconditional and definitive.
- **U.S.-Iran Talks: Incentives for De-Escalation, But Framework Unresolved:** Vice President Vance's negotiations with Iranian Speaker Ghalibaf in Pakistan failed to produce a permanent agreement the prior weekend. BlackRock and other major institutions note that the fact that talks occurred at all is evidence of strong economic incentives on both sides to end the conflict. Iran's economy is forecast to contract 6% in 2026 (IMF), while Iraq and Qatar face 7% and 9% contractions respectively. The U.S. Treasury has greenlighted Russian oil purchases — a swing supply measure indicative of sustained tightness. Key signposts for the coming week: whether vessel transits through Hormuz actually normalise, and whether Trump's planned summit with Xi Jinping in mid-May factors into U.S.-Iran nuclear framework discussions.
- **China-Taiwan:** Parallel Geopolitical Layer: Xi Jinping met KMT leadership for the first time since 2016, reiterating Taiwan unification as a long-term strategic objective ahead of Trump's planned mid-May Beijing visit. This secondary geopolitical dynamic introduces a cross-asset risk overlay: the Middle East de-escalation narrative competes with an unresolved Taiwan Strait structural risk, particularly relevant for technology supply chains (TSMC, ASML) and Korean/Taiwanese equity outperformance (driven by AI hardware demand).
- **Hungary Political Shift:** Viktor Orbán's electoral defeat by opposition leader Péter Magyar sparked a notable market reaction in Hungarian equities, bonds, and the forint. Investors are pricing a potential normalisation of Hungary-EU relations, unlocking access to more than €30bn in frozen EU structural funds. The IMF and T. Rowe Price analysts flag that progress on fiscal reforms and rule-of-law commitments will determine whether Hungarian market gains are sustained — an important EM micro-story in an otherwise macro-dominated week.

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