



- Tech valuations return to long-term average while earnings remain resilient ([link](#))
- Global FX volatility eases to pre-conflict level, with re-escalation risk underpriced ([link](#))
- Southern spreads steady as Italy hits a new record of orders in BTP syndication ([link](#))
- Pricing of potential BoE hikes decreases following comments by policymakers ([link](#))
- Japan rate-hike expectations drop despite speculation on inflation outlook revision ([link](#))
- Argentina’s March inflation surprised to the upside ([link](#))
- **Special Feature: Sovereign Market Financing Conditions in EMDEs (attached)**

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Peace Hopes Continue to Build as Corporate Earnings Come More into Focus

Equity markets are struggling to hold onto yesterday’s gains as investors wait for official confirmation of new peace talks. Equity markets in Europe are slightly lower, and US equity futures are little changed after yesterday’s rally. News reports continue to cite anonymous sources that US and Iranian officials continue to work on an agreement, while US President Trump said that the war is “very close to over.” The optimism has been somewhat dampened by comments from Iranian authorities that the US blockade could break the current ceasefire agreement. After falling sharply yesterday, the price of Brent crude is about 1% higher today. In corporate earnings, US banks have largely continued to post strong results, with both Morgan Stanley and Bank of America reporting this morning. Shares in those firms are up about 2% and 1% respectively in pre-market trading. Investors will continue to monitor earnings releases for signs of how the conflict could be impacting sentiment.

Key Global Financial Indicators

Last updated: 4/15/26 8:01 AM	Level		Change from Market Close				YTD
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	
Equities			%				%
S&P 500		6967	1.2	5	5	29	2
Eurostoxx 50		5962	-0.4	1	4	20	3
Nikkei 225		58134	0.4	3	8	71	15
MSCI EM		62	1.9	9	10	48	14
Yields and Spreads			bps				
US 10y Yield		4.27	1.8	-3	-1	-7	10
Germany 10y Yield		3.04	1.9	10	6	51	19
EMBIG Sovereign Spread		248	-6	-36	-15	-125	-5
FX / Commodities / Volatility			%				
EM FX vs. USD, (+) = appreciation		47.6	-0.2	1	3	7	2
Dollar index, (+) = \$ appreciation		98.2	0.1	-1	-2	-2	0
Brent Crude Oil (\$/barrel)		95.3	0.5	1	-8	47	57
VIX Index (% change in pp)		18.2	-0.2	-3	-9	-12	3

Colors denote **tightening/easing** financial conditions for observations greater than ±1.5 standard deviations. Data source: Bloomberg.

Key Global Inflation and Energy Indicators

Last updated: 4/15/26 8:02 AM	Level		Change from Market Close				YTD
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	
Oil and Gas			%				%
Brent Crude Oil (\$/barrel)		95	0.5	1	-8	47	57
WTI Crude Oil (\$/barrel)		91	0.1	-3	-7	49	59
Natural Gas (Netherlands TTF)		42	-1	-3	-16	23	58
Breakeven Inflation		%	bps				
USD: 2Y		2.8	0.1	5	12	12	56
USD: 5Y		2.6	0.1	4	5	22	24
USD: 5Y5Y		2.4	0	4	3	9	-5
EUR: 2Y		2.7	2.6	7	2	128	100
EUR: 5Y		2.3	2	5	-4	64	48
EUR: 5Y5Y		2.2	2	3	-4	11	8

Colors denote tightening/easing financial conditions for observations greater than ±1.5 standard deviations. Data source: Bloomberg.

Mature Markets

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United States

Tech valuations have corrected sharply in recent months, erasing much of their long-standing premium to the broader market. The de-rating reflects higher discount rates, concerns over the returns and capital intensity of AI-related capex, and a rotation into value sectors amid expected spillovers from tech-driven investment into the real economy. Valuations have fallen materially in both absolute and relative terms, with forward P/E back to its 20-year average and now below consumer discretionary, consumer staples, and industrials, with software leading the corrections while parts of AI-related segments remain elevated. At the same time, fundamentals remain intact. Realized and expected earnings are still robust despite the Iran conflict, with tech continuing to drive a dominant share of index-level EPS growth and seeing the strongest positive earnings revisions. This reflects the relative insensitivity of tech cash flows to growth, with an added tailwind from lower yields if a prolonged conflict leads to material downside risk.

Exhibit 15: IT now trades at a much lower valuation
Global sectors, 12-month forward P/Es relative to the last 20 years

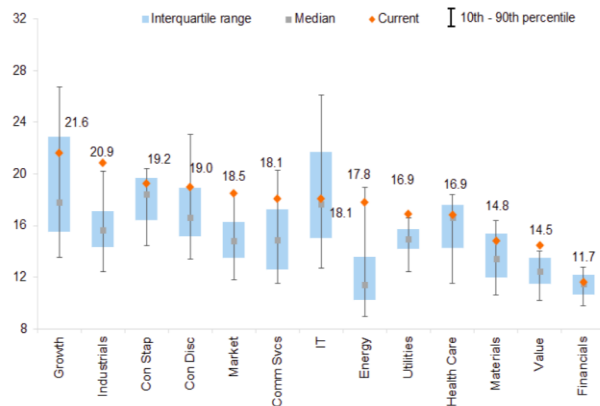
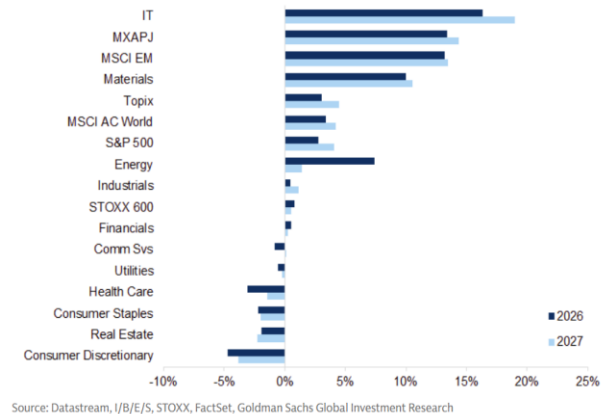


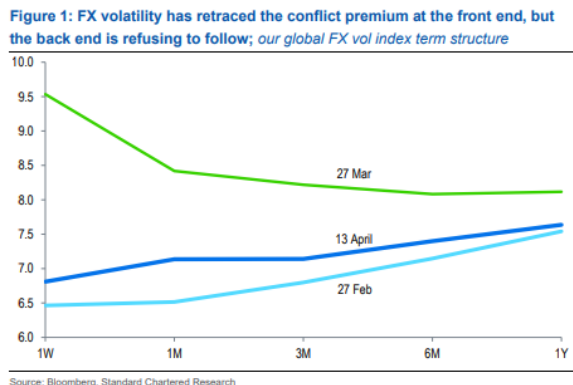
Exhibit 17: Year-to-date EPS revisions for IT have been strong
MSCI AC World sectors and Global Regions. Local currency



Global Currencies

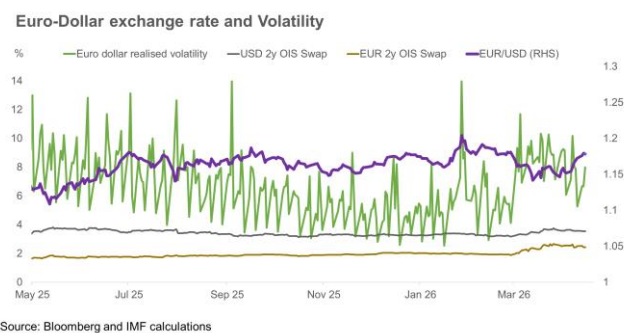
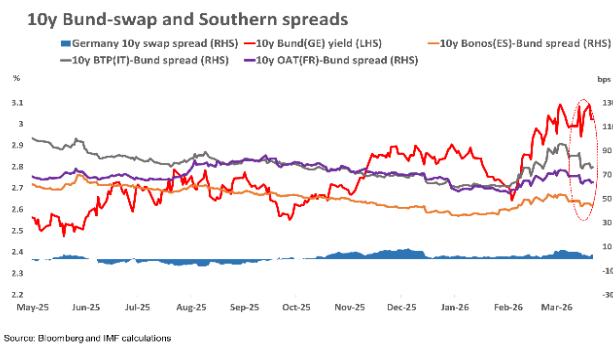
Global FX volatility has retraced sharply to just above pre-conflict levels. The move has been led by the front-end, with near-term risks priced out after the ceasefire announcement, while longer-dated implied volatility remains stickier, preserving a modest upward-sloping term structure. This points to markets treating the shock as temporary rather than a shift in the volatility regime, consistent with the dollar's headline-driven moves without a sustained bid. At the same time, the persistent reversals in headlines have

dampened conviction, and more fundamentally as the conflict drags on, the trade-off between an inflationary impulse and a growth drag becomes more pronounced, complicating the currency outlook. Barclays notes that the disconnect between normalizing volatility and a still unsettled underlying backdrop in energy flows suggests that options markets may be underpricing re-escalation risk, leaving FX exposed to renewed volatility.



Euro Area

European equities are overall flat this morning, as investors wait for confirmation of a new round of talks in the Middle East. The Stoxx 600 index was only a touch lower (-0.1%), with all regional bourses slightly down save for Germany, where the Dax was little changed. The euro edged slightly lower (-0.1%) against the dollar, after money markets scaled back expectations of ECB tightening, returning to price 56bp of rate hikes by December, broadly the same as a week ago—after the announcement of the ceasefire in the Middle East—versus 66bp of implied tightening on Monday. ING believes markets overprice (25% chance) a possible hike in April after president Lagarde said yesterday that, while the ECB won’t hesitate to act, it is still “too soon to tell” as the ECB needs “enough data” to assess the fallout from higher energy prices.



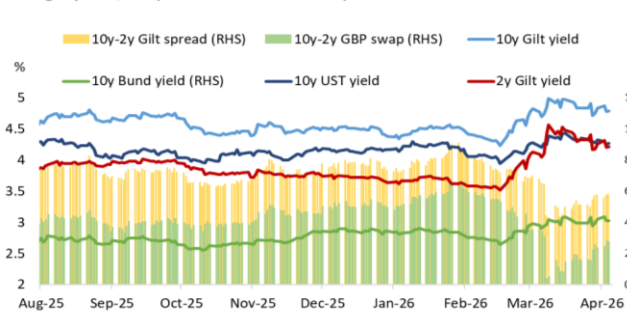
Eurozone government bond (EGBs) yields were little changed (2y Bund yield at 2.53% and the 10y yield at 3.03%). Southern spreads were also broadly unchanged, with the 10y BTP-Bund spread inching up (1bp) to 76bp after Italy sold today €17.5bn bonds via syndication, in a dual-tranche transaction, including €14bn of 10y BTP and €3.5bn of 20y inflation-linked bonds, that attracted over €159bn orders, surpassing its previous single-tranche record of €157bn set earlier this year.

United Kingdom

The sterling was slightly lower (-0.1%) against the dollar this morning, with gilts little changed and UK equities flat. Traders dialed back wagers of rate hikes by the Bank of England (35bp of tightening priced by December, versus 46bp on Tuesday) after BoE governor Bailey said yesterday that the energy shock

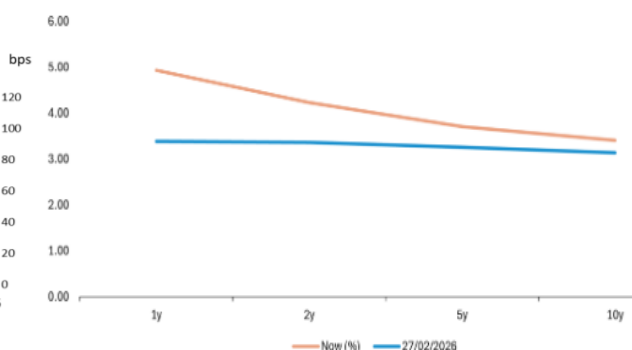
should be dealt with “at source” rather than through monetary policy. Still, Bloomberg highlights inconsistencies in inflation markets, where the 1y inflation swap is still 155bp higher than in February, near 4.93%, with the 2y inflation swap around 4.21%, which in Bloomberg’s view would justify even tighter BoE pricing. Yesterday, the government sold a new 2036 gilt via syndication, priced at 4.92%, the highest since 2008. Volatility in gilt markets has raised concerns among analysts, although Citi noted that extra volatility vs bunds has moderated recently and that gilts’ wider intraday range is not materially different from the pre-2022 pattern.

UK gilt yields, swap rates and inflation swaps curves



Source: Bloomberg and IMF calculations

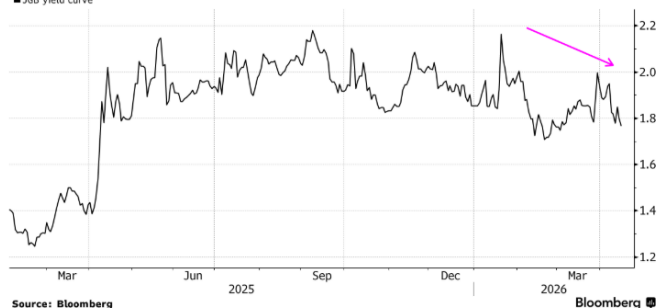
The Inflation Swap Curve Has Seen an Acute Inversion



Japan

The yen declined against the dollar on lower expectations of an end-April rate hike.

Today, the yen weakened by as much as 0.2% before closing little changed at 158.83/\$. The probability of a rate hike by end-April, as priced by overnight indexed swaps, continued to fall today to 27%. Longer-term bond yields continued to decline (10-yr flat at 2.41%; 30-yr -2bp to 3.60%). Moreover, Bloomberg reported yesterday that Bank of Japan (BOJ) officials are likely to consider raising their inflation forecast sharply this month to reflect elevated oil prices, which provided further support to the recent curve flattening trend. Market participants will continue to focus on further policy comments from BOJ officials including Ueda, who is in Washington DC for the IMF and World Bank meetings. Yesterday, finance minister Katayama said she and prime minister Takaichi cautioned trade minister Akazawa to refrain from commenting further on monetary policy, after Akazawa said Sunday that correcting the weak yen through monetary policy was among the options for curbing rising import prices.

Curve Flattening
JGBs free from long end supply until mid-May

Source: Bloomberg

Bloomberg

Emerging Markets

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Asian equities extended their rally (EM Asia: +1.6%), led by India (SENSEX: +1.7%) and Taiwan POC (TAIEX: +1.2%), as renewed optimism over Middle East stability has shifted investor focus towards technology stocks. Asian currencies generally weakened (EM Asia: -0.1%), led by the Philippine peso (-0.4%). **EMEA equity prices rose on conflict-resolution hopes**, with UAE stocks outperforming (+1.9%). GCC and CE3 stocks also advanced, while South African stocks saw a marginal decline (-0.1%). Currency markets were mostly stable with only minor changes versus the US dollar. On the data front, March CPI inflation for Saudi Arabia came in at 1.8% y/y. CPI data for Nigeria will come in later today. Despite the impact of the conflict, Bain Capital is reportedly opening a new office in Abu Dhabi (UAE). **Latin American currencies and equities delivered a mixed performance Tuesday.** The Chilean peso (+0.7%) led

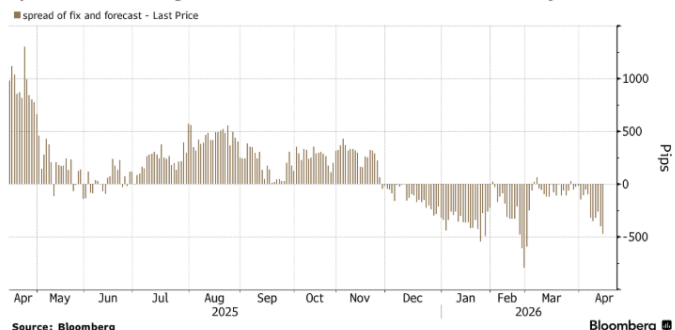
regional FX gains, while the Argentine peso (-0.8%) and Peruvian sol (-0.6%) underperformed. Equities rallied in Chile (+1.8%), Colombia (+0.5%), and Brazil (+0.4%), but declined in Argentina (-1.4%) and Mexico (-1.0%). In political developments, Peru’s presidential race is set to proceed to a June runoff after none of the candidates secured an outright victory. Meanwhile, the United States moved to ease sanctions on Venezuela’s central bank.

China

The yuan weakened against the dollar in line with regional peers. Both onshore CNY (-0.1%) and offshore CNH (-0.1%) weakened, despite the People’s Bank of China fixing the yuan at 6.5852/\$, slightly stronger than yesterday, and now 474 pips below consensus.

This stopped an eight-day strengthening streak for the CNH, as the yuan has remained strong during the Middle East conflict, having benefited from vast strategic commodity reserves and aggressive expansion into renewable energy. Along with the yuan, Chinese financial assets have also continued to be resilient, illustrating haven appeal to global investors. Today, onshore equities gained as much as 0.6% in the morning, briefly rising above the pre-conflict levels, before closing lower (CSI300: -0.3%).

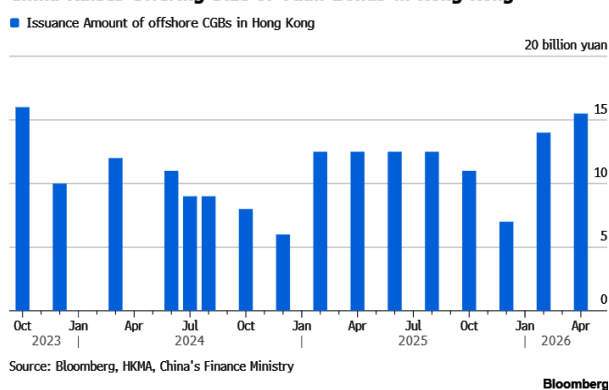
Yuan Fixing Indicates PBOC's Stability Bias
Spread between fixing and market consensus at the widest since early March



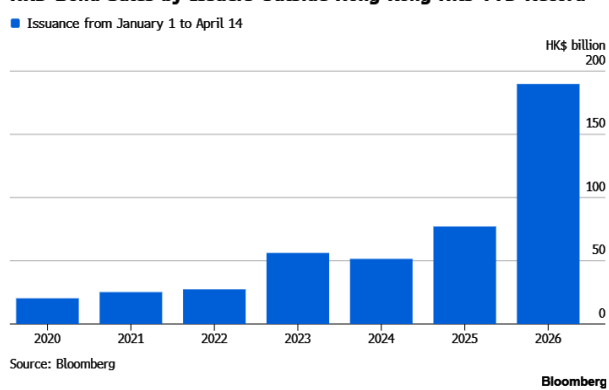
The finance ministry announced today that they will issue CNY15.5 bn of government bonds in Hong Kong on April 22, the largest single-batch issuance of Dim Sum bonds since October 2023.

The increase is in line with PBOC deputy governor Zou Lan’s comments in January that China will increase issuance of offshore yuan-denominated government bonds to enhance market liquidity and support Hong Kong’s development as a major yuan business hub. The issuance comes with the backdrop of a record HK\$189.8 bn of HKD-denominated notes issued by global borrowers so far this year, an almost 150% increase y/y, propelled by lower funding costs and diversification away from the US dollar. Notable international issuers include the International Bank for Reconstruction and Development, German development bank KfW and the Asian Development Bank.

China Raises Offering Size of Yuan Bonds in Hong Kong



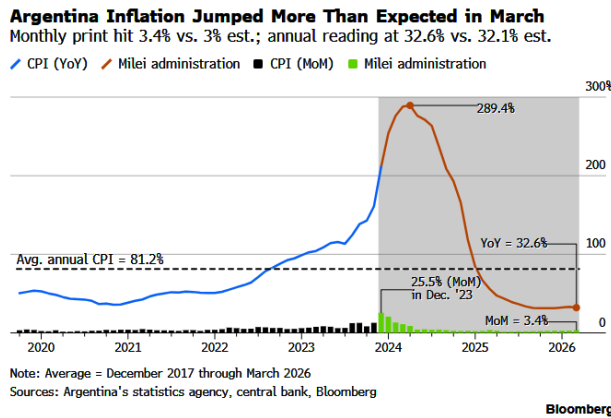
HKD Bond Sales by Issuers Outside Hong Kong Hits YTD Record



Argentina

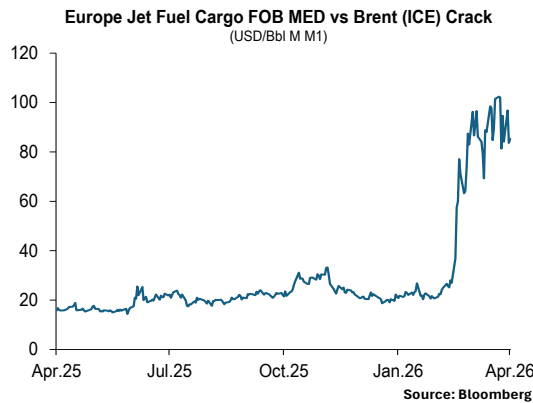
Argentina’s March inflation surprised to the upside, with prices rising 3.4% m/m—the fastest pace since March 2025. The print exceeded both the 3.0% median expectation and February’s 2.9% increase. On an annual basis, headline CPI eased slightly to 32.6% from 33.1% but still came in above the 32.1 median estimate. Price pressures were led by a sharp increase in education (12.1% m/m) and transport (4.1%

m/m). However, food and beverages, up 6.9% m/m, had the largest impact on the overall index. According to the central bank’s March survey of economists, inflation is projected to decline to 29.1% y/y by 2026 year-end, which is marginally higher than the February forecast.



Türkiye




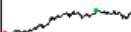
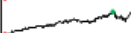
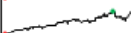
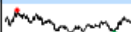



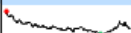

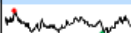


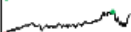
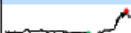




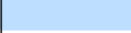
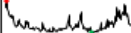
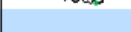
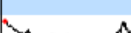


Istanbul has become a hub for jet fuel, as the conflict has effectively led to a “silent fuel embargo” at other airports, Bloomberg reports. With fueling services limited at several European and Asian hubs, airlines have started carrying additional fuel from their departure locations to ensure they could complete return journeys. Because Türkiye did not impose similar restrictions, some flights have reportedly made unscheduled stops in Istanbul solely for refueling, even though it was not part of their original itinerary.



This monitor is prepared under the guidance of Jason Wu (Assistant Director), Charles Cohen (Advisor), Caio Ferreira (Deputy Division Chief), Sheheryar Malik (Deputy Division Chief), and Saad Siddiqui (Deputy Division Chief). Fabio Cortes (Senior Economist), Timothy Chu (Financial Sector Expert-New York Representative), Sanjay Hazarika (Senior Financial Sector Expert), Esti Kemp (Senior Financial Sector Expert), Johannes S. Kramer (Senior Financial Sector Expert), Benjamin Mosk (Senior Financial Sector Expert), Sonal Patel (Senior Financial Sector Expert-London Representative), Patrick Schneider (Financial Sector Expert), and Jeff Williams (Senior Financial Sector Expert) are the lead editors of this monitor. The contributors are Sally Chen (IMF Resident Representative in Hong Kong), Yingyuan Chen (Financial Sector Expert), Andrew Ferrante (Research Analyst), Deepali Gautam (Senior Research Officer), Zixuan Huang (Economist – EP), Harrison Kraus (Research Analyst), Yiran Li (Senior Research Analyst), Xiang-Li Lim (Financial Sector Expert), Corrado Macchiarelli (Economist), Kleopatra Nikolaou (Senior Financial Sector Expert), Silvia L. Ramirez (Senior Financial Sector Expert), Francesco de Rossi (Senior Financial Sector Expert-London Representative), Lawrence Tang (Senior Economist), Dmitry Yakovlev (Senior Research Officer), Akihiko Yokoyama (Senior Financial Sector Expert), and Jing Zhao (Economic Analyst). Jeremie Benzaken (Administrative Coordinator), Olivia Marr (Administrative Coordinator), and Srujana Tyler (Administrative Coordinator) are responsible for the word processing and production of this monitor.

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Global Financial Indicators

Last updated: 4/15/26 8:02 AM	Level		Change				YTD
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	
Equities			%				%
United States		6,973	1.2	2.8	5.1	29.2	2
Europe		5,962	-0.4	0.8	4.3	19.9	3
Japan		58,134	0.4	3.2	8.2	71.4	15
China		4,685	-0.3	2.0	0.3	24.2	1
Asia Ex Japan		106	2.1	8.3	8.3	48.6	13
Emerging Markets		62	1.9	8.6	9.6	47.9	14
Interest Rates			basis points				
US 10y Yield		4.3	2	-3	-1	-7	10
Germany 10y Yield		3.0	2	10	6	51	19
Japan 10y Yield		2.4	1	6	16	105	36
UK 10y Yield		4.8	1	8	-3	15	32
Credit Spreads			basis points				
US Investment Grade		117	-1	-6	-18	-41	9
US High Yield		333	0	-9	-44	-117	-3
Exchange Rates			%				
USD/Majors		98.2	0.1	-0.9	-2.1	-2.0	0
EUR/USD		1.18	-0.1	1.0	2.4	4.4	0
USD/JPY		159.0	0.2	0.3	0.0	11.1	1
EM/USD		47.6	-0.2	1.1	3.3	6.9	2
Commodities			%				
Brent Crude Oil (\$/barrel)		95.3	0.5	0.6	-3.7	52.1	58
Industrials Metals (index)		178.8	0.3	4.1	4.6	27.2	9
Agriculture (index)		56.3	0.2	1.2	-1.3	-3.3	5
Gold (\$/ounce)		4813.5	-0.6	2.0	-3.9	49.0	11
Bitcoin (\$/coin)		74181.6	0.1	1.1	3.4	-11.7	-15
Implied Volatility			%				
VIX Index (% change in pp)		18.2	-0.2	-2.9	-9.0	-11.9	3.2
Global FX Volatility		7.4	0.0	-0.2	-1.3	-2.4	0.4
EA Sovereign Spreads			10-Year spread vs. Germany (bps)				
Greece		74	2	1	-6	-18	15
Italy		77	2	1	-3	-41	8
France		64	1	1	-5	-12	-7
Spain		45	1	1	-6	-25	2

Colors denote **tightening**/**easing** financial conditions for observations greater than ± 1.5 standard deviations.

Data source: Bloomberg.

Emerging Market Financial Indicators

4/15/2026 8:03 AM	Exchange Rates							Local Currency Bond Yields (GBI EM)						
	Level		Change (in %)				YTD	Level		Change (in basis points)				YTD
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M		Last 12m	Latest	1 Day	7 Days	30 Days	12 M	
	vs. USD		(+)= EM appreciation					% p.a.						
China		6.82	-0.1	0.2	1.0	7.3	2.5		1.9	0	-3	-5	12	-9
Korea*		1477	-0.3	0.0	1.0	-3.3	-2.2		3.6	-6	-10	-8	100	27
Indonesia		17143	-0.1	-0.8	-0.9	-1.8	-2.7		6.5	-1	-13	-9	-48	50
India		93	0.0	-0.9	-1.0	-8.1	-3.8		7.6	-2	12	9	80	53
Philippines		60	-0.4	-1.1	-0.3	-5.5	-1.9		5.4	-1	-5	4	41	72
Thailand		32	0.0	0.0	0.7	4.7	-1.9		2.2	0	-10	7	13	44
Malaysia		3.96	-0.1	0.5	-0.7	11.5	2.6		3.6	-2	-3	0	-17	5
Argentina		1366	-0.8	1.9	2.2	-12.4	6.2		0.0	0	0	-3335	-3686	-3237
Brazil		4.99	-0.1	2.1	4.8	17.9	10.1		13.4	-4	-44	-69	-107	-13
Chile		887	0.7	3.4	2.5	9.1	1.6		5.3	-4	-22	-12	-23	-2
Colombia		3584	0.1	2.6	3.2	20.2	5.3		13.1	-13	-38	-64	88	21
Mexico		17.30	-0.2	0.9	2.3	16.2	4.1		8.9	-10	-39	-44	-65	-11
Peru		3.4	-0.5	1.0	0.8	10.2	-0.8		6.6	0	-27	-4	-2	82
Uruguay		40	0.7	1.7	1.5	6.1	-2.0		7.4	-5	-17	0	-216	-8
Hungary		310	-0.4	4.3	9.6	16.8	5.7		6.1	-8	-85	-101	-69	-42
Poland		3.60	-0.2	1.4	3.1	5.8	-0.3		5.0	-2	-34	-27	13	40
Romania		4.3	-0.1	1.1	2.5	2.1	0.3		6.6	-10	-28	-48	-69	-6
Russia		75.6	0.2	3.8	7.7	9.0	4.1							
South Africa		16.4	-0.3	0.0	1.7	16.1	1.0		8.7	-15	-71	-37	-238	12
Türkiye		44.75	-0.1	-0.5	-1.3	-14.9	-4.0		33.1	-33	-108	0	-216	353
US (DXY; 5y UST)		98	0.1	-0.9	-2.1	-2.0	-0.1		3.88	2	-4	2	-10	16

	Equity Markets							Bond Spreads on USD Debt (EMBIG)						
	Level		Change (in %)				YTD	Level		Change (in basis points)				YTD
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M		Last 12m	Latest	7 Days	30 Days	12 M		
	basis points													
China		4,685	-0.3	2.0	0.3	24.2	1.2		95	3	-11	-24	20	
Korea*		6,091	2.1	3.7	9.8	148.9	44.5		30	0	1	-6	8	
Indonesia		7,624	-0.7	4.7	8.6	19.1	-11.8		104	-14	-7	-37	18	
India		78,111	-0.7	4.7	3.5	1.4	-8.3		96	-4	-1	-35	6	
Philippines		6,063	0.8	1.8	0.9	-1.2	0.2		90	-10	-2	-24	15	
Thailand		1,507	0.0	2.8	7.2	32.3	19.6							
Malaysia		1,683	-0.3	-0.8	-0.8	14.0	0.2		57	-8	-5	-43	-2	
Argentina		2,950,635	-1.4	-0.7	11.7	29.2	-3.3		532	-87	-55	-199	-37	
Brazil		198,657	0.3	5.5	11.8	53.7	23.3		193	-13	-10	-42	-10	
Chile		11,336	1.8	4.4	8.3	47.3	8.2		94	-12	2	-39	3	
Colombia		2,359	0.5	3.2	8.2	47.1	14.1		246	-42	-36	-133	-31	
Mexico		68,941	-0.9	0.6	5.0	31.0	7.2		205	-19	-15	-141	-12	
Peru		3,407	-0.6	6.1	8.2	96.2	31.9		99	-14	-13	-56	-10	
Hungary		139,498	0.4	7.5	14.6	59.9	25.6		120	-32	-30	-69	-19	
Poland		133,284	0.3	3.2	10.7	41.6	13.7		97	-9	3	-25	6	
Romania		28,839	0.7	3.4	2.2	68.6	18.0		174	-34	-14	-108	-2	
South Africa		119,689	-0.1	0.1	4.1	33.7	3.3		234	-30	-19	-139	16	
Türkiye		14,277	0.5	5.5	9.0	52.0	26.8		261	-46	-31	-69	27	
EM total		62	-0.1	8.6	9.6	47.9	13.8		262	-35	-17	-144	-9	

Colors denote tightening/easing financial conditions for observations greater than ±1.5 standard deviations. Data source: Bloomberg.

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