GLOBAL MARKETS ANALYSIS
Monetary and Capital Markets

Global Markets Monitor

FRIDAY, APRIL 17, 2026

LEAD EDITOR: JOHANNES S. KRAMER

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Better Headlines Continue Lifting Markets

Markets ended the week with a firmer tone as better headlines continued to support risk appetite. US equities pushed higher after President Trump said prospects for a deal with Iran were "looking very good," with the latest news reports from Axios pointing to discussions around a broader framework that could include the release of frozen Iranian funds in exchange for limits on Tehran's enriched uranium stockpile. That helped extend the recent move into risk assets and added to the drop in oil prices, even as the durability of any ceasefire or broader settlement remains uncertain. Outside the United States, market performance was more mixed. Europe stayed relatively firm, while parts of Asia and Latin America lacked a clear regional direction. Investors also remained alert to pockets of domestic political risk, most notably in the UK, where fresh questions around PM Starmer's standing added to concerns about fiscal credibility.

Key Global Financial Indicators

Last updated: 4/17/26 8:55 AM	Level		Change from Market Close				
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD
Equities				%			%
S&P 500		7041	0.3	3	5	33	3
Eurostoxx 50		5970	0.6	1	3	21	3
Nikkei 225		58476	-1.8	3	10	68	16
MSCI EM		62	0.4	4	6	49	14
Yields and Spreads				bps			
US 10y Yield		4.23	-7.9	-8	3	-9	7
Germany 10y Yield		2.97	-6.7	-9	6	49	11
EMBIG Sovereign Spread		244	0	-17	-25	-131	-9
FX / Commodities / Volatility				%			
EM FX vs. USD, (+) = appreciation		47.8	0.5	1	3	7	3
Dollar index, (+) = $ appreciation		98.0	-0.2	-1	-2	-1	0
Brent Crude Oil ($/barrel)		95.2	-4.2	0	-8	40	56
VIX Index (%, change in pp)		17.7	-0.3	-2	-5	-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: 4/17/26 8:56 AM	Level Last 12m	Level Latest	Change from Market Close 1 Day	7 Days	30 Days	12 M	YTD
Oil and Gas			%				%
Brent Crude Oil ($/barrel)		94	-5.3	-1	-9	39	55
WTI Crude Oil ($/barrel)		89	-6.0	-8	-7	38	55
Natural Gas (Netherlands TTF)		39	-8	-11	-25	9	45
Breakeven Inflation		%	bps				
USD: 2Y		2.8	-3.9	-1	2	0	54
USD: 5Y		2.5	-7.0	-7	-6	12	18
USD: 5Y5Y		2.4	-1	0	1	3	-6
EUR: 2Y		2.6	-12.0	-7	-3	109	91
EUR: 5Y		2.2	-7	-5	-6	53	43
EUR: 5Y5Y		2.1	-4	-4	-5	7	3

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

Mature Markets

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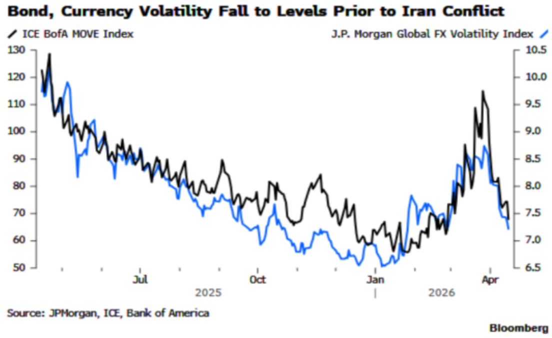
United States

This morning's risk-on move gathered pace after fresh signs of de-escalation in the Middle East. In addition to Axios reporting this morning that the US and Iran are discussing a framework to end the war, markets were further supported after a statement of Iran's foreign minister that commercial vessel passage through the Strait of Hormuz would be fully open for the remainder of the ceasefire period. The reaction was sharp across assets: US equity futures pushed to fresh highs, crude fell around 6–7% to below $90/bbl for WTI, and Treasury yields declined across the curve, with the 10-year yields down sharply (-7 bps) to 4.23%, driven by a combination of lower real yields and breakevens. Taken together, the move points to a market increasingly leaning toward a longer ceasefire and at least some near-term relief on energy supply risk.

Better Iran headlines supported risk appetite on Thursday. US equities moved higher after President Trump said prospects for a deal with Iran were '*looking very good*,' helping keep geopolitical concerns contained for the day. The S&P 500 rose (+0.3%), led by Energy (+1.5%). Treasury yields rose (+3 bps) across the curve, with the 2-year at 3.78% and the 10-year at 4.31%, while the dollar also strengthened, appreciating (+0.2%) against major currencies and (+0.3%) against emerging market currencies.

The broader improvement in risk sentiment is giving investors room to cautiously re-engage in strategies that benefit from lower volatility. As volatility across rates, currencies, and equities has continued to ease since late March, investors have been re-engaging in carry trades and other strategies that do well in a stable market environment. Equities have rebounded to record highs, Treasury trading conditions remain orderly, and lower realized volatility has made it easier to re-enter trades such as borrowing in low-yield currencies to invest in higher-yielding assets. Hedge funds have also added to relative-value positions, including trades that favor Treasuries over swaps, while options activity points to expectations for stable or lower yields and subdued volatility. Even so, the tone remains cautious rather than aggressive. Investors are keeping positions relatively modest, given the risk that renewed geopolitical headlines or still-elevated oil prices could quickly unsettle the recent calm.



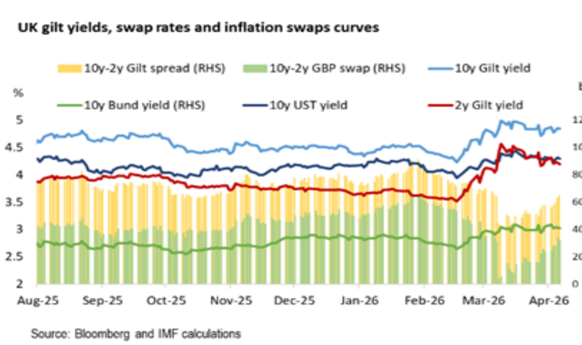
Banks are tightening leverage terms for private credit funds as risks in the asset class rise. According to a Bloomberg report, banks are raising borrowing costs, applying steeper collateral haircuts, and using their rights to mark down specific loans, especially in sectors seen as more vulnerable, including software borrowers facing ai-related disruption. That is forcing private credit funds to adjust portfolios, often by replacing weaker assets or posting more collateral, and is adding to tensions between lenders and fund managers. The move points to tighter bank risk controls rather than a broad willingness to keep extending leverage, with senior executives taking a more direct role and outcomes increasingly shaped by the strength of creditor protections. For private credit funds, tighter leverage terms pose a direct challenge to a business model that relies on borrowed money to lift returns. The availability of new lending facilities also is shrinking.

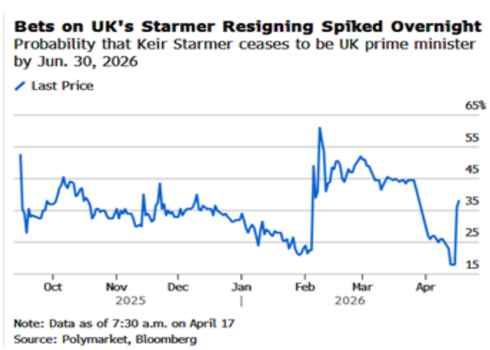
Euro Area

European equities edged marginally higher this morning. The Stoxx 600 was little changed, up (+0.1%) and on track to end the week up (+0.5%). The euro remained flat against the dollar at $1.1795/€. Euro area government bonds gained marginally, led by shorter tenors (2-year Bund yield -3bps to 2.51%; 10-year Bund yield -2bps to 3.02%). EGB sovereign spreads held steady, with the 10-year BTP-Bund spread at 76bps and the OAT-Bund spread at 64bps. According to Bloomberg, Portugal sold about €250mn of 8-year offshore bonds denominated in yuan yesterday, the first deal of this kind in the euro area, as part of a strategy to diversify funding sources and lower borrowing costs.

United Kingdom

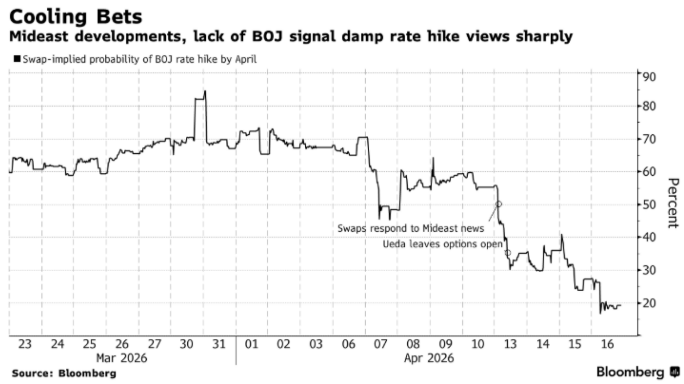
Gilt yields twist-steepened this morning as the front-end extended yesterday's reassessment of the BoE stance, while the long-end came under pressure on renewed fiscal credibility concerns. The 2-year yield edged lower, while longer maturities moved higher, leaving the curve steeper overall (2-year yield -2bps to 4.19%; 10-year yield +2bps to 4.84%; 30-year yield +7bps to 5.56%). According to a Bloomberg news article, PM Starmer acknowledged that the UK Foreign, Commonwealth and Development Office had granted security clearance last year to Peter Mandelson, the former UK ambassador to the US and a former Labour member, despite objections from vetting officials, a development that may raise fresh questions about Starmer's standing amid concern that any replacement for Starmer or Chancellor Rachel Reeves could prove less fiscally credible.





Japan

Japanese markets softened as a cautious message from Ueda and renewed Middle East concerns weighed on sentiment. The yen weakened (-0.2% to ¥159.5/$) before closing little changed at ¥159.14/$, after Governor Ueda avoided giving a clear signal on rates ahead of the April 28 policy meeting, highlighting the difficulty of weighing upside inflation pressure from higher energy prices against growing downside risks to activity. Markets further scaled back expectations for a near-term rate hike, with overnight forwards pricing only 17% odds for a move in April, although the odds for a hike by June remained firmly anchored above 70%. JGB yields remained stable (2-year flat at 1.36%; 10-year +1bp to 2.41%; 30-year flat at 3.60%). Equities retreated, with the Nikkei 225 down (-1.8%) after record highs in the previous session, as profit-taking and renewed concern about disruption in the Strait of Hormuz weighed on banks and other cyclical sectors.



Emerging Markets

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This morning, EMEA equities traded modestly firmer, while currency moves remained muted and Romania stood out in rates markets. This week, regional equities are up (+1.0%), lagging US equities (+3%) but outperforming the euro area (+0.6%). In rates, Romania underperformed, with euro- and dollar-denominated bonds selling off (e.g. the 10-year euro bond yield rose 40 bps over the past two days to 6.06%), amid reports that the largest coalition party may withdraw support for the prime minister. In FX, moves were limited, with the Hungarian forint the only notable mover, gaining (+0.4%) versus the euro.

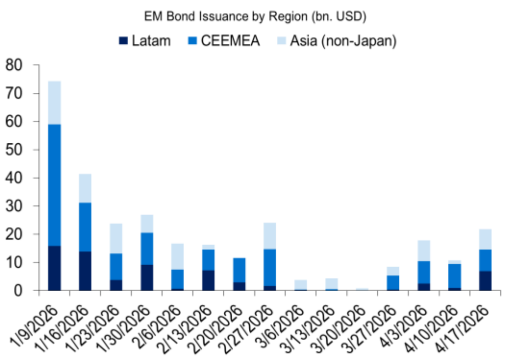
Asian markets lost momentum, with equities falling across the region and currencies mostly weakening as investors awaited clearer progress in ceasefire talks. On the day, Asian equities snapped a three-day rally (EM Asia: -1.4%), led lower by the Philippines (PSE Index: -1.1%), Hong Kong sar (Hang Seng: -0.9%), and Taiwan (TAIEX: -0.9%). Meanwhile, Asian currencies also mostly weakened, including the Indonesian rupiah (-0.3%) and Thai baht (-0.2%), although the Indian rupee rose (+0.3%) after reported curbs on oil refiners' foreign currency purchases, partly offsetting the broader regional weakness.

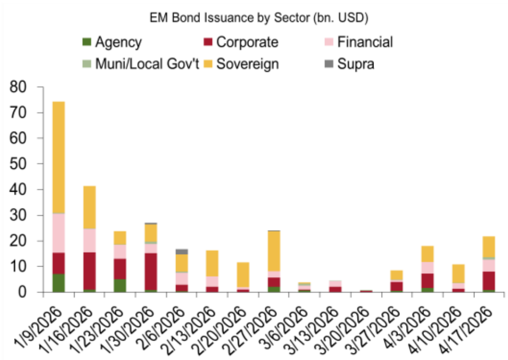
Latin American markets traded without a clear regional pattern, although currencies broadly strengthened over the week. Yesterday, the Argentine peso (+0.2%) modestly outperformed, while the Chilean peso (-0.2%) lagged. On the week through Thursday, the Argentine peso gained (+1.1%), leading regional gains against the dollar, whereas the Peruvian sol (-1.3%) bucked the broader trend and ranked among the weaker emerging market currencies, amid evolving expectations around the June presidential runoff election as the race for second place remained tight with 93% of votes counted. Equity markets diverged across the region. Stocks rose in Chile (+1.5% yesterday; +3.6% on the week) and Colombia (+1.3% on the week) but declined in Mexico (-0.7% yesterday; -1.3% on the week), Brazil (-0.5% yesterday; -0.3% on the week), and Argentina (-2.5% on the week). Earlier this week, Argentina's March inflation surprised to the upside, following Brazil's print the previous week, suggesting the Middle East energy shock may be starting to feed through more clearly into regional inflation.

EM Bond Issuance

Weekly primary market activity rebounded to its highest level since before the Middle East conflict, reaching an issuance volume of $21.7bn through Thursday as the ceasefire continues to hold. Regionally, the issuance was broadly balanced, with CEEMEA accounting for 36%, followed by Asia ex-Japan at 33%

and Latam at 31%. Sovereigns (37%) led the issuance by sector, followed by corporates (33%) and financials (22%). Notable sovereign issuers included Kuwait, Brazil, and Türkiye, with all deals featuring fixed coupons and maturities ranging from four to seven years.





Sources: Bond Radar and IMF staff calculations

China

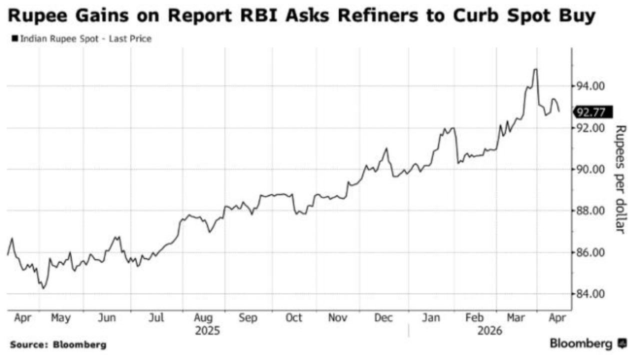
The tech-heavy ChiNext Index extended its rally as listing reform announcements supported sentiment, but the move appears increasingly narrow. The index rose (+1.4%) on Friday after gaining (+3.2%) on Thursday, reaching its highest point since 2015 and outperforming the CSI300 Index since end-March (+15.5% vs. +6.3%) and ytd (+14.8% vs. +2.1%). Authorities announced broader listing options for fast-growing firms, including a new listing route that complements existing standards, an early initial public offering review process, refinements to new-share pricing, the introduction of market makers, and faster execution of large block trades. Even so, the rally has become more concentrated, with the top seven constituents accounting for around 47% of the ChiNext Index by weight in April, up from 43% in November 2021 and 23% in June 2015, versus around 20% for the top seven members of the CSI300. Trading concentration has also risen, with the most traded 5% of ChiNext stocks accounting for 46% of turnover last week.

Hungary

Hungarian assets have rallied since the election, as investors increasingly focus on reform prospects, renewed access to EU funds, and a stronger long-term convergence story. Today's price action remained supportive, with the forint appreciating (+0.4%) to HUF363.34/€ and the 10-year yield falling (-6 bps) to 6.07%, adding to gains since last week. Over that period, the value of the forint has increased by 3% versus the euro, while the 10-year yield fell by 50 bps. According to Bloomberg, Magyar's large victory has quickly shifted the market narrative, helping compress Hungary's risk premium and pushing bond spreads to multi-year lows. Poland offers a useful regional comparison, as it also benefited from improved EU relations under Tusk and regained access to EU funds. However, absent any near-term plan to adopt the euro, its convergence story looks less supportive for further spread tightening than Hungary's.

India

The Indian rupee outperformed its Asian peers on news reports that the Reserve Bank of India (RBI) had taken steps to ease pressure from broader regional dollar strength. Reuters reported that the RBI had asked state-run oil refiners to route their dollar purchases through a special credit facility rather than the FX spot market. Following the report, the rupee strengthened (+0.3%) to 92.93/$ on Friday, while most other Asian currencies weakened against the dollar. By channeling refiners' currency demand through the State Bank of India, the move was widely seen as an effort to ring-fence genuine import-related dollar demand and reduce pressure on the USD/INR pair in the FX spot market. This measure also adds to a broader tightening in FX market conditions following recent steps to curb speculative positioning, including limits on banks' onshore open positions and restrictions on activity in the non-deliverable forward market. While these measures have helped ease near-term volatility and stabilize sentiment, they do not appear to change the rupee's medium-term outlook, which remains constrained by a widening current account deficit and weak portfolio flows.



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Global Financial Indicators

Last updated: 4/17/26 8:57 AM	Level: Last 12m	Level: Latest	Change: 1 Day	Change: 7 Days	Change: 30 Days	Change: 12 M	YTD
Equities					%		%
United States		7,075	0.3	3.8	5.3	33.9	3
Europe		5,969	0.6	0.7	3.5	20.9	3
Japan		58,476	-1.8	2.7	9.6	68.4	16
China		4,729	-0.2	2.0	3.5	25.3	2
Asia Ex Japan		106	0.6	3.6	5.3	50.3	14
Emerging Markets		62	0.4	3.6	6.3	49.0	14
Interest Rates					basis points		
US 10y Yield		4.2	-8	-9	3	-9	6
Germany 10y Yield		3.0	-7	-9	6	49	11
Japan 10y Yield		2.4	1	-1	15	111	36
UK 10y Yield		4.8	-10	-9	6	18	27
Credit Spreads					basis points		
US Investment Grade		117	0	-3	-13	-38	9
US High Yield		333	1	-6	-36	-111	-3
Exchange Rates					%		
USD/Majors		97.9	-0.3	-0.7	-1.7	-1.5	0
EUR/USD		1.18	0.4	0.9	2.5	4.1	1
USD/JPY		158.5	-0.5	-0.5	-0.3	11.2	1
EM/USD		47.8	0.5	1.1	3.0	6.6	3
Commodities					%		
Brent Crude Oil ($/barrel)		93.7	-5.8	-1.6	-5.8	44.2	55
Industrials Metals (index)		180.6	0.3	4.0	6.3	27.6	11
Agriculture (index)		56.4	-0.4	1.1	1.1	-3.9	5
Gold ($/ounce)		4843.7	1.1	2.0	-3.2	45.6	12
Bitcoin ($/coin)		76186.2	1.3	6.8	2.2	-10.5	-13
Implied Volatility					%		
VIX Index (%, change in pp)		17.7	-0.2	-1.5	-4.7	-11.9	2.8
Global FX Volatility		7.2	0.0	-0.2	-1.1	-2.4	0.3
EA Sovereign Spreads					10-Year spread vs. Germany (bps)		
Greece		70	-5	-5	-5	-21	11
Italy		72	-5	-6	-3	-45	3
France		62	-2	-3	-3	-15	-9
Spain		42	-3	-4	-6	-28	-1

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

Emerging Market Financial Indicators

4/17/2026 8:58 AM	Exchange Rates							Local Currency Bond Yields (GBI EM)						
	Level		Change (in %)					Level		Change (in basis points)				
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD
		vs. USD	(+) = EM appreciation						% p.a.					
China		6.82	0.1	0.2	1.0	7.0	2.5		1.8	0	-3	-7	13	-9
Korea*		1467	0.8	1.1	1.4	-3.5	-1.9		3.6	1	-1	-6	107	28
Indonesia		17190	-0.3	-0.5	-1.2	-2.1	-2.9		6.5	-2	-7	-26	-46	46
India		93	0.3	-0.2	-0.6	-8.1	-3.3		7.6	-1	3	12	97	54
Philippines		60	-0.1	-0.2	-0.5	-5.5	-2.1		5.4	0	-4	5	42	73
Thailand		32	-0.3	0.2	0.9	3.8	-1.8		2.1	-4	-3	-5	11	40
Malaysia		3.95	0.1	0.4	-0.8	11.6	2.8		3.6	1	-1	2	-13	7
Argentina		1356	0.2	1.9	3.0	-16.1	7.0		0.0	0	0	-3119	-3488	-3237
Brazil		4.95	0.8	1.0	4.8	17.2	10.5		13.6	10	-1	-26	-102	-1
Chile		878	1.0	2.1	3.3	9.9	2.5		5.3	2	-12	-12	-21	-2
Colombia		3608	0.0	1.0	2.5	19.3	4.7		13.1	4	-22	-49	94	23
Mexico		17.17	0.5	0.8	2.8	14.8	4.9		8.9	2	-8	-38	-52	-5
Peru		3.4	0.2	-1.7	-0.5	8.5	-2.2		6.7	-6	######	-3	7	91
Uruguay		40	0.1	1.4	1.9	6.5	-2.0		7.4	-2	-10	-18	-222	-11
Hungary		305	1.7	5.1	10.5	17.8	7.4		6.1	-5	-57	-101	-73	-48
Poland		3.57	0.7	1.5	3.3	5.3	0.4		5.0	-1	1	-16	15	42
Romania		4.3	0.4	0.8	2.4	1.6	0.6		6.8	14	6	-38	-50	10
Russia		75.9	0.6	1.4	8.4	8.1	3.7							
South Africa		16.3	1.0	1.0	2.6	15.7	1.9		8.8	7	-11	-37	-229	17
Türkiye		44.86	-0.1	-0.5	-1.5	-15.3	-4.2		33.1	13	-3	-8	-276	347
US (DXY; 5y UST)		98	-0.4	-0.8	-1.7	-1.5	-0.5		3.83	-9	-12	4	-11	10

	Equity Markets							Bond Spreads on USD Debt (EMBIG)					
	Level		Change (in %)					Level		Change (in basis points)			
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD	Last 12m	Latest	7 Days	30 Days	12 M	YTD
								basis points					
China		4,729	-0.2	2.0	3.5	25.3	2.1		94	3	-12	-27	19
Korea*		6,226	-0.5	7.8	10.4	152.0	47.7		29	-1	0	-7	8
Indonesia		7,621	0.2	4.3	7.2	18.4	-11.9		97	-9	-14	-39	11
India		77,989	0.2	0.5	2.5	-0.7	-8.5		92	0	-5	-37	2
Philippines		6,064	-1.1	-0.4	0.6	-1.2	0.2		84	-6	-8	-25	9
Thailand		1,490	-0.5	2.5	3.9	30.5	18.3						
Malaysia		1,690	0.3	0.2	-1.2	13.9	0.6		55	-3	-7	-45	-4
Argentina			-1.1	-2.7	12.0	34.0	-4.4		534	-47	-53	-203	-35
Brazil		197,738	-0.5	1.3	9.9	54.1	22.7		193	-7	-10	-45	-10
Chile		11,314	1.4	3.2	6.9	46.7	7.9		92	-6	0	-44	1
Colombia		2,325	0.4	1.3	6.4	42.9	12.4		233	-36	-49	-152	-44
Mexico		69,635	1.0	-0.8	6.1	31.3	8.3		206	-7	-14	-140	-11
Peru		3,217	-5.6	-4.2	0.4	85.8	24.5		100	-4	-12	-55	-9
Hungary		136,738	2.2	6.8	13.2	57.0	23.2		117	-16	-33	-73	-22
Poland		132,944	0.4	2.6	9.9	41.2	13.4		93	-2	-1	-27	2
Romania		29,304	-1.1	3.9	3.5	71.8	19.9		173	-2	-16	-109	-3
South Africa		119,158	0.4	0.8	2.2	32.8	2.9		231	-6	-22	-140	13
Türkiye		14,267	0.4	4.2	10.1	54.0	26.7		263	-8	-29	-66	29
EM total		62	0.7	3.6	6.3	49.0	14.1		259	-17	-20	-146	-13

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

*Not an EM Under IMF Classification.

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