



- **Week ahead will hinge on whether Middle East tensions stabilize after renewed pressure** ([link](#))
- **Large investment banks have begun trading CDS referencing major private credit funds** ([link](#))
- **Analysts remain constructive on Gilts ahead of the financing update this week** ([link](#))
- **EM bonds and equities draw inflows driven by more demand for Latin American assets** ([link](#))
- **Argentina secures 2026 financing but \$30bn hard currency debt maturities loom in 2027** ([link](#))
- **China launched ultra-long special bond sales, testing persistence of long-end demand** ([link](#))
- **In Romania, rising domestic political uncertainty is weighing on sovereign bond yields** ([link](#))

[Mature Markets](#) | [Emerging Markets](#) | [Market Tables](#)

Peace Hopes Hit a Wall

Weekend events reversed Friday's relief, leaving markets more cautious as conflicting signals from the US and Iran cast doubt on the path to de-escalation. Tensions rose after the US seized an Iranian vessel, while Iran threatened retaliation and pushed back on reports of Pakistan-mediated talks, underscoring how far apart the two sides remain and leaving uncertainty high ahead of Wednesday's ceasefire deadline. Brent is back near \$95/barrel, erasing much of Friday's drop, while equity futures point lower in Europe and the US and core yields are modestly higher. In equities, higher oil is supporting energy shares while airlines remain under pressure from fuel cost concerns, offering an early sign of how the shock could begin to feed into demand-sensitive sectors. Even so, the market reaction has been fairly contained, with rates trading choppy, volumes light, and investors still showing some willingness to look through the headline noise. This week's main macro focus is on global PMIs, though geopolitics is likely to remain the dominant driver alongside Tuesday's Senate hearing for Fed Chair nominee Kevin Warsh.

Key Global Financial Indicators

Last updated: 4/20/26 8:09 AM	Level		Change from Market Close				YTD
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	
Equities			%				%
S&P 500		7126	1.2	5	10	35	4
Eurostoxx 50		5977	-1.3	1	9	21	3
Nikkei 225		58825	0.6	4	10	72	17
MSCI EM		64	1.9	5	14	52	16
Yields and Spreads			bps				
US 10y Yield		4.26	0.9	-4	-12	-7	9
Germany 10y Yield		2.98	2.1	-11	-6	51	13
EMBIG Sovereign Spread		242	-2	-11	-25	-125	-11
FX / Commodities / Volatility			%				
EM FX vs. USD, (+) = appreciation		47.7	-0.1	0	4	6	2
Dollar index, (+) = \$ appreciation		98.2	0.1	0	-1	-1	0
Brent Crude Oil (\$/barrel)		94.7	4.7	-5	-16	39	56
VIX Index (% change in pp)		19.4	1.9	0	-7	-10	4

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: 4/20/26 8:09 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)		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.

The week ahead will hinge on whether Middle East tensions stabilize after weekend events renewed pressure on oil and risk sentiment. The Pakistan-mediated ceasefire between Iran and Israel is due to expire on Wednesday, with markets focused on whether talks can proceed after the brief reopening of the Strait of Hormuz was quickly reversed. EU leaders will meet in Cyprus on Thursday and Friday to discuss the Middle East and its energy and macro spillovers, while Ukraine and early guidance on the 2028–34 EU budget are also on the agenda. In the United States, Tuesday’s Senate Banking Committee hearing for Fed Chair nominee Kevin Warsh will be watched for clues on his policy stance. This week’s earnings calendar includes Tesla, Boeing, and Intel. Central banks in Indonesia, the Philippines, Turkey, and Russia will also announce policy decisions. On the data side, focus will fall on global purchasing managers’ indices, the UK labor market, US consumer data, and inflation in Japan, Canada, the UK, and New Zealand.

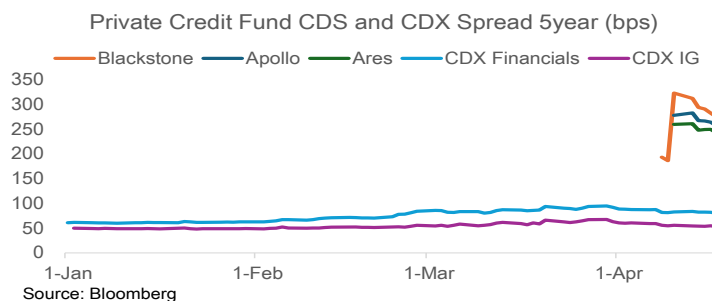
Mature Markets

[back to top](#)

United States

On Friday, risk assets advanced following headlines that the Strait of Hormuz would be “completely open” to commercial traffic. Investors viewed this as reducing the risk of a prolonged oil shock weighing on the global economy. Equity markets rose, credit spreads tightened, and the VIX edged lower. Bitcoin rallied to its highest level since early February, while gold also moved higher. In rates markets, traders repriced the outlook for policy easing, with two-year Treasury yields falling (-8 bps) to 3.71%. The dollar initially weakened on the headline but rebounded to end the day broadly unchanged.

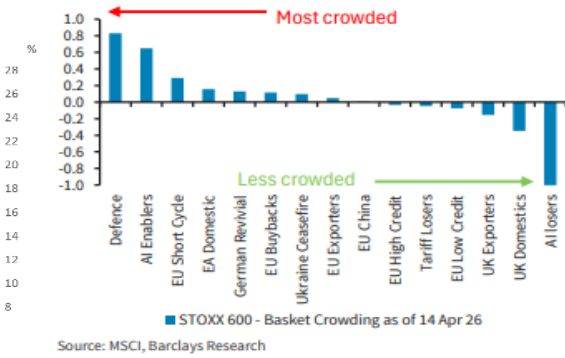
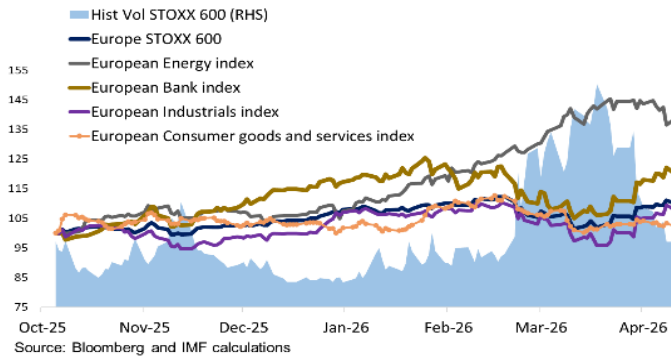
Large investment banks have begun trading credit default swaps (CDS) referencing major private credit funds. These include funds managed by Blackstone, Apollo Global Management, and Ares Management. CDS function as insurance against default risk; as concerns about the underlying credit fundamentals grow, the spreads—analogueous to insurance premia—tend to widen. To date, trading activity appears relatively modest.



Euro Area

European equities fell this morning as the standoff over the Strait of Hormuz lifted energy prices and weighed on cyclical sectors. The Stoxx 600 receded (-1.0%), led lower by banks (-1.9%), consumer discretionary (-1.8%), and industrials (-1.7%), while energy rose (+2.4%) as Brent gained (+5.7%) to \$95.58/barrel and European natural gas futures rose (+4.7%) to €40.59/MWh. According to Barclays analysts, the market is becoming more selective, with AI becoming more of a stock-picking theme than a broad market driver. The analysts highlight a roughly 40% ytd performance gap between AI enablers and losers, which could stay supported by strong earnings momentum, while many laggards now trade on cheaper valuations despite still-resilient near-term eps expectations.

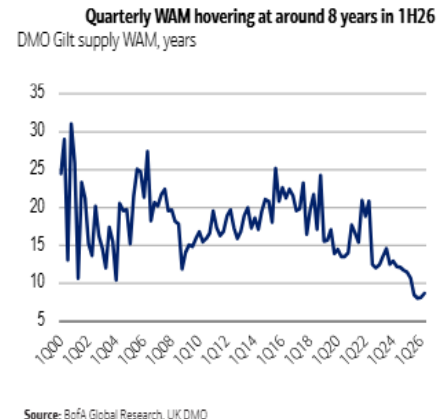
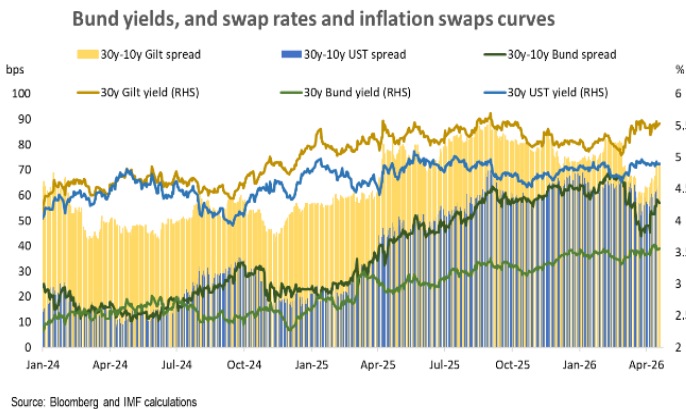
European Stocks (Sep 2025= 100)



The euro held steady even as euro area government bonds (EGBs) came under pressure and ECB tightening expectations moved higher. The euro traded at \$1.1765/€. Bunds partly retraced Friday's late rally, with yields rising at the 2-year tenor (+5bps) to 2.45% and the 10-year tenor (+3bps) to 2.99%. Markets now price a cumulative amount of 47bps of ECB tightening by year-end, up from 38bps on Friday. Southern spreads widened modestly, with the 10-year BTP-Bund spread (+2bps) at 74bps and the OAT-Bund spread at 63bps. Belgian bonds underperformed, with the 10-year spread over Bunds widening (+5bps) to 55 bps as Moody's downgraded Belgium's credit rating to A1 from Aa3 and changed the outlook to stable, citing rising debt and tighter fiscal constraints.

United Kingdom

Gilts yields rose this morning, with longer maturities leading the move. Yields rose across the curve, with 2-year yields (+3bps) at 4.15%, 10-year (+5bps) at 4.80%, and 30-year (+4bps) at 5.53%. Sterling was little changed, trading at \$1.3513/£. Ahead of the Debt Management Office's April 23 financing update, Bank of America analysts remain constructive on gilts, expecting only small headline supply changes through a shorter issuance mix. Deutsche Bank analysts also see scope for a friendlier supply outcome, with total gilt sales for 2026/27 potentially falling to £240 bn from £252.1 bn in the March plan.



Emerging Markets [back to top](#)

This morning, EMEA equities and currencies were lower. In CEE, Romanian equities were slightly underperforming, with equities in Türkiye and South Africa lower, reflecting the risk-off tone as Brent crude prices rose almost 6% to \$95/barrel. CEE currencies mostly weakened against the euro, and the Turkish lira and South African rand were also trading weaker against a stronger dollar. Local currency government bond yields were higher. Türkiye’s 10-year local currency bond yield was higher (+19bps) at 29.75%, while South Africa’s 10-year local currency bond yield rose (+14bps) towards 8.48%. Despite the elevated geopolitical uncertainty, Bloomberg reports that sales of euro and dollar denominated bonds from EM sovereigns and corporates have risen in April with around \$46bn raised through last Friday

Asian equities posted modest gains while most regional currencies held steady amid shifting headlines. The Korean won underperformed, losing as much as -1.5% on the day against the dollar (end of day, -0.9%), driven in part by risks of foreign outflows linked to dividend payouts. These payouts are concentrated in April, which according to DB Securities currently makes the won particularly vulnerable to depreciation pressure. Meanwhile, market positioning has remained light, with muted trading volumes across most Asian markets. In Korea, for example, trading on the Kospi stock index was about 33% lower than the average of the past month.

Latin American markets traded without a clear regional pattern. In equities, Mexico rose (+1.1%), while Colombia (-1.3%), Brazil (-0.6%), and Chile declined. In currencies, the Chilean peso (+1.1%), Colombian peso (+0.6%), and Brazilian real strengthened against the dollar, while the Mexican peso weakened. In Mexico, pension assets recovered \$22 bn in early April after losses of \$24 bn in March tied to the Iran war, according to pension regulator Consar.

EM Fund Flows

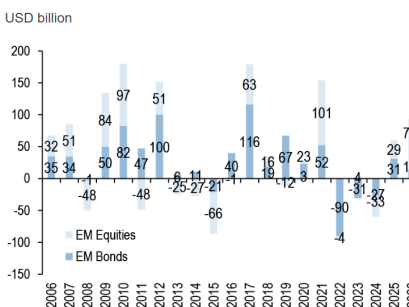
EM fund flows turned more supportive for the week ending April 17th, with both bond and equity funds posting net inflows. Bond funds took in +\$786mn, after outflows of -\$902mn the prior week, while equity funds saw inflows of +\$3.8bn, up from +\$741mn. Hard currency bond funds led the turnaround at +\$884mn, driven by broad EM funds, while outflows in the local currency bond fund category narrowed to -\$98mn from -\$513mn. In equities, inflows were driven by ETFs at +\$4.7 bn, while actively managed funds stayed in outflow at -\$850mn. Regionally, Latin American equity funds stood out with inflows of +\$2bn. Non-resident flows also remained positive, led by Hungary in local bonds at +\$1.2bn and Taiwan in equities at +\$5.2bn. Year-to-date, EM bond and equity flows total +\$14.6 bn and +\$78.2 bn, respectively.

Figure 1: Weekly cross-asset flows

Asset	8w flows (8w ago → current)	This wk	YTD
EM Bonds and Equities		4.6	92.8
EM Bonds		0.8	14.6
Hard Ccy		0.9	4.4
Local Ccy*		-0.1	10.1
o.w. EM ex-China		-0.1	11.0
o.w. China		0.0	-0.9
EM Equities		3.8	78.2
US HG		3.4	117.2
US HY		2.6	-3.6
Global Equities		21.4	179.1
EM Bond and Equity ETFs		4.9	82.4
EM Bond ETFs		0.3	2.3
EM Equity ETFs		4.7	80.1
Non-resident EM flows*		11.1	-47.9

*High-frequency non-resident EM portfolio flow data where available. *Local ccy split is retail only.
Source for all charts and data in this report: J.P. Morgan, EPFR Global, Bloomberg Finance L.P.

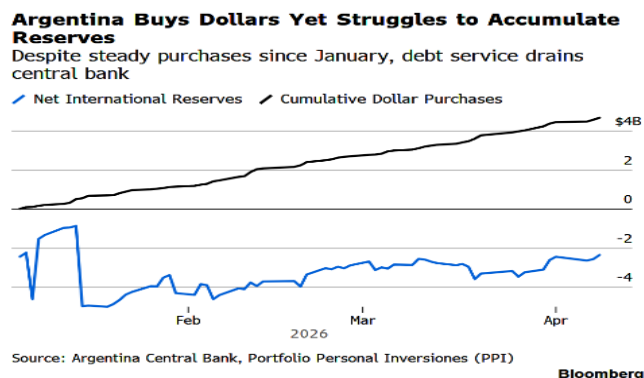
Figure 2: EM bond and equity fund flows



Argentina

While the near-term funding position improved, reserve rebuilding remains the key constraint. The central bank has bought about \$4bn since January, but net international reserves remain negative as debt

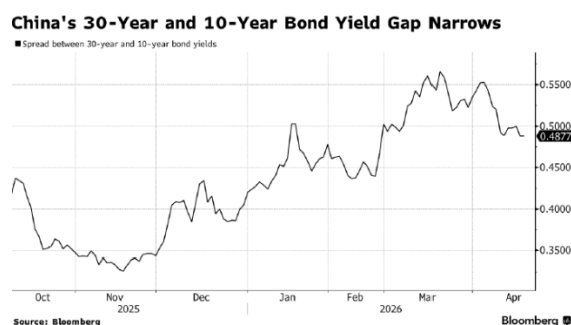
service continues to absorb those inflows. Economy Minister Caputo has largely covered this year's financing needs through support from the World Bank and IDB, along with repos, local debt issuance, and planned privatizations of state-owned companies. Even so, more than \$30bn in external debt payments fall due in 2027. That keeps pressure on the authorities to build reserve buffers, especially with market access still limited after they stepped back from external issuance in January over high borrowing costs.



China

The PBoC kept policy settings unchanged, signaling steady support for growth while maintaining a cautious focus on currency stability. The 1-year loan prime rate was left at 3.00% and the 5-year rate at 3.50%, in line with expectations, after the upbeat release of the Q1 real GDP growth at 5.0% y/y on Wednesday last week. The authorities repeated that policy would remain supportive and moderately loose, while continuing to favor targeted tools over broad easing. Onshore markets reacted calmly, with the CSI 300 rising (+0.6%) and 10-year Chinese Government Bonds yielding 1.76%, close to an eight-month low, helped by abundant liquidity and lower global inflation premia.

China has begun this year's ultra-long special sovereign bond issuance, testing whether demand at the long end remains strong enough to absorb more supply. The program opens on April 24 with \$12.5bn (CNY85bn) of 30-year bonds and \$5.0bn (CNY34bn) of 20-year bonds, as part of a broader \$190.7bn (CNY1.3tn) plan. So far, the market has taken the supply in stride. With liquidity ample and the PBoC on hold, the 30-year CGB yield has fallen to around 2.25%, while the 10 to 30-year spread has narrowed to 49 bps after widening to a four-year high in March (see chart). That points to firm demand for duration and a market still priced for low rates and soft nominal growth. Since these bonds sit outside the headline deficit, they also serve as a key off-budget funding channel, reinforcing expectations of continued fiscal support.

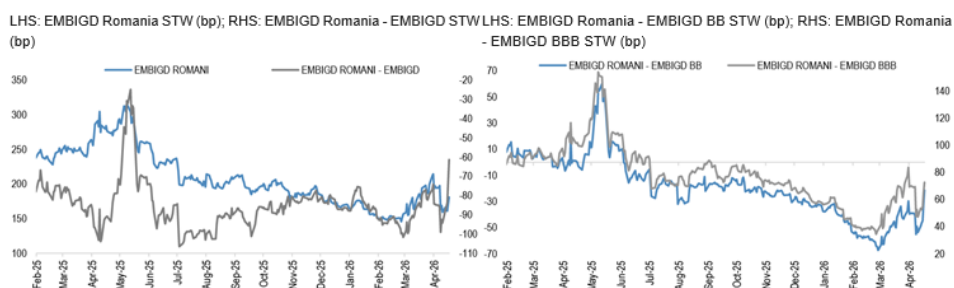


Romania

Romanian assets remained under pressure as rising political uncertainty pushed yields higher, weighed on equities, and left the leu relatively steady against the euro. The trigger was an expected

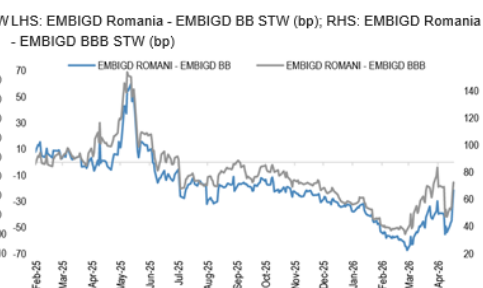
decision by the PSD, the largest party in the ruling coalition, to withdraw support for PM Bolojan, raising the risk of a weaker minority government and a more fragile reform path. On Friday, the yield on Romania's 2053-dollar bond rose sharply (+19bps) to an intraday high of 7.06%. This morning, yields continued to move higher across the curve, with the 10-year yield up (+8bps) to 7.03%, while the 10-year euro bond yield rose (+10 bps) to 5.76%. Romanian equities fell (-1.2%), while the leu held near 5.09/€. According to JP Morgan analysts, the most likely outcome seems to be a minority government that struggles to pass reforms, leaving prolonged political uncertainty and raising the risk of a no-confidence vote. The analysts do not expect outright fiscal slippage, while cautioning that the risk of a ratings downgrade has increased.

Figure 2: Romania's sovereign bond spreads have widened to levels last seen in May against the overall spreads versus similarly-rated peers are only near index amid PSD vote concerns



Source: J.P. Morgan.

Figure 3: However, Romania's sovereign bond spreads versus similarly-rated peers are only near Oct-Nov 2025 levels

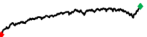
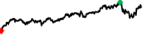










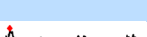



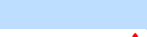
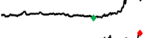
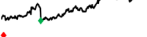

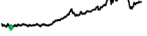

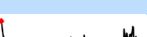

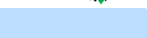
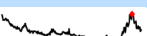



Source: J.P. Morgan.

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.

Disclaimer: *This is an internal document produced by the Global Markets Analysis Division (GA) of the Monetary and Capital Markets Department. It reflects GA staff's interpretation and analysis of market views and developments. Market views presented may or may not reflect a consensus of market participants. GA staff do not independently verify the accuracy of all data and events presented in this document.*

Global Financial Indicators

Last updated: 4/20/26 8:09 AM	Level		Change				YTD
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	
Equities			%				%
United States		7,104	1.2	3.2	9.2	34.5	4
Europe		5,977	-1.3	1.2	8.6	21.1	3
Japan		58,825	0.6	4.1	10.2	71.6	17
China		4,757	0.6	2.4	4.2	25.7	3
Asia Ex Japan		108	1.8	5.3	12.9	53.1	16
Emerging Markets		64	1.9	5.1	14.4	51.8	16
Interest Rates			basis points				
US 10y Yield		4.3	1	-4	-12	-7	9
Germany 10y Yield		3.0	2	-11	-6	51	13
Japan 10y Yield		2.4	-3	-7	12	110	33
UK 10y Yield		4.8	5	-6	-19	24	33
Credit Spreads			basis points				
US Investment Grade		116	0	-2	-13	-38	9
US High Yield		329	-1	-11	-45	-115	-7
Exchange Rates			%				
USD/Majors		98.2	0.1	-0.2	-1.4	-1.2	0
EUR/USD		1.18	0.0	0.0	1.6	2.1	0
USD/JPY		158.9	0.2	-0.3	-0.2	12.8	1
EM/USD		47.7	-0.1	0.4	4.0	6.3	2
Commodities			%				
Brent Crude Oil (\$/barrel)		94.7	4.7	-4.7	-11.0	45.8	57
Industrials Metals (index)		178.5	-0.6	0.9	10.5	26.1	9
Agriculture (index)		56.4	0.3	1.0	-0.9	-3.9	5
Gold (\$/ounce)		4808.1	-0.5	1.4	7.0	40.4	11
Bitcoin (\$/coin)		75365.1	0.9	0.7	7.6	-11.5	-14
Implied Volatility			%				
VIX Index (% change in pp)		19.4	1.9	0.2	-7.4	-10.3	4.4
Global FX Volatility		7.2	0.0	-0.3	-1.4	-2.5	0.3
EA Sovereign Spreads			10-Year spread vs. Germany (bps)				
Greece		71	2	-5	-20	-20	12
Italy		74	2	-5	-18	-43	4
France		63	1	-3	-8	-14	-8
Spain		44	1	-2	-10	-26	1

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

Emerging Market Financial Indicators

4/20/2026 8:10 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	0.0	0.2	1.3	7.0	2.5		1.8	-2	-3	-8	10	-11
Korea*		1470	-0.7	0.8	2.3	-3.4	-2.1		3.6	4	2	-2	108	32
Indonesia		17170	0.1	-0.4	-1.1	-2.1	-2.8		6.5	1	-3	-25	-44	47
India		93	-0.2	0.3	0.6	-8.6	-3.5		7.6	2	1	9	105	56
Philippines		60	0.2	0.3	0.2	-5.6	-1.9		5.4	0	-5	-4	40	73
Thailand		32	0.0	0.2	2.2	3.1	-1.8		2.2	2	-2	-4	16	42
Malaysia		3.95	-0.1	0.6	-0.5	10.5	2.7		3.6	-2	-4	0	-14	5
Argentina		1365	-0.6	0.5	2.3	-16.6	6.4		0.0	0	0	-3154	-3488	-3237
Brazil		4.98	-0.1	0.3	6.7	16.5	9.9		13.4	-15	-14	-41	-111	-16
Chile		877	1.1	2.2	3.4	10.1	2.6		5.2	-3	-9	-14	-24	-6
Colombia		3586	0.6	1.3	3.0	20.1	5.3		13.0	-12	-24	-56	82	10
Mexico		17.35	-0.2	-0.2	3.2	13.7	3.8		8.8	-11	-19	-39	-64	-17
Peru		3.4	0.1	-1.2	-0.5	8.5	-2.1		6.6	0	10	-20	-1	83
Uruguay		40	0.3	1.5	2.1	6.8	-1.7		7.4	-1	-9	-23	-223	-12
Hungary		308	-0.3	0.2	10.3	14.8	6.2		5.9	-15	-61	-105	-84	-63
Poland		3.60	-0.2	0.3	2.6	3.0	-0.3		4.8	-16	-11	-23	3	27
Romania		4.3	-0.1	-0.2	1.5	-0.4	0.0		6.9	12	18	-14	-38	22
Russia		75.3	0.9	1.1	10.6	7.9	4.5							
South Africa		16.3	-0.2	0.4	4.2	14.7	1.3		8.5	-25	-22	-51	-255	-8
Türkiye		44.88	0.0	-0.4	-1.3	-14.9	-4.3		32.4	-66	-69	-56	-262	280
US (DXY; 5y UST)		98	0.1	-0.1	-1.4	-1.2	-0.1		3.86	1	-5	-15	-8	13

	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		4,757	0.6	2.4	4.2	25.7	2.8		97	5	-13	-27	22	
Korea*		6,219	0.4	7.1	7.6	149.9	47.6		29	-1	-4	-6	7	
Indonesia		7,594	-0.5	1.3	6.9	17.8	-12.2		102	-2	-16	-29	16	
India		78,520	-0.5	1.3	5.3	-1.1	-7.9		93	1	-5	-38	3	
Philippines		6,016	0.3	-0.6	0.0	-2.0	-0.6		87	-2	-16	-18	12	
Thailand		1,482	0.0	-0.2	3.4	30.6	17.6							
Malaysia		1,702	0.4	1.3	-1.1	13.5	1.3		50	-7	-15	-48	-9	
Argentina			-1.2	-3.7	6.0	32.7	-5.3		529	-30	-70	-203	-40	
Brazil		195,734	-0.6	-0.8	11.1	51.0	21.5		193	-2	-13	-53	-10	
Chile		11,429	-0.4	2.7	11.2	46.2	9.0		92	-3	-6	-44	1	
Colombia		2,302	-1.3	-1.9	3.2	41.5	11.3		229	-30	-50	-161	-48	
Mexico		69,826	1.1	-0.3	8.9	31.7	8.6		205	-5	-18	-139	-12	
Peru		3,323	0.2	-1.2	13.2	94.0	28.6		102	2	-11	-52	-7	
Hungary		137,745	-0.8	-1.2	12.8	58.2	24.1		119	-12	-37	-66	-20	
Poland		133,762	-1.1	1.9	12.1	40.6	14.1		93	1	-6	-19	2	
Romania		28,849	-1.3	1.3	2.9	69.0	18.0		193	22	-2	-85	17	
South Africa		119,920	-1.1	1.2	8.9	34.0	3.5		228	-7	-33	-137	10	
Türkiye		14,523	-0.4	3.3	11.3	55.9	29.0		261	-2	-40	-65	27	
EM total		64	-1.2	5.1	14.4	51.8	16.3		255	-12	-27	-145	-17	

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

*Not an EM Under IMF Classification.

[back to top](#)