GLOBAL MARKETS ANALYSIS
Monetary and Capital Markets

Global Markets Monitor

TUESDAY, APRIL 21, 2026
LEAD EDITOR: JOHANNES S. KRAMER

- **Markets look through harder messaging ahead of Wednesday ceasefire deadline** (link)
- **Investor surveys suggest private credit is not yet a broader systemic concern** (link)
- **European stocks gained despite German ZEW expectations falling to 2022 lows** (link)
- **Canada headline CPI rose less than expected, while core signals stayed firmer** (link)
- **Fading volatility is drawing investors back toward higher-yielding EM currencies** (link)
- **India relaxed rupee trading restrictions, though cap on open FX positions remains** (link)

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Receding Volatility Steadies Broader Markets Outside Oil

Markets remain focused on the Middle East, but the broader response outside oil is still fairly contained. Harder US and Iran messaging ahead of Wednesday's ceasefire deadline kept crude oil elevated, yet moves in equities and rates stayed modest, reinforcing the sense that investors are becoming less reactive to incremental news. In Europe, markets largely looked through a sharp drop in Germany's ZEW expectations index, while in the United Kingdom mixed labor market data still points to only gradual easing of slack. Amid the Fed blackout period ahead of the meeting today, attention is on Kevin Warsh's Senate hearing, where investors will be watching how he frames Fed independence and near-term inflation risks. Apart from firm US retail sales released earlier this morning, consumer prices in Canada released yesterday have been a key focus, offering an early read on energy pass-through, which still looks concentrated in headline inflation. In emerging markets, India eased some rupee trading restrictions, but the main cap on bank positions remains in place, pointing to only partial normalization.

Key Global Financial Indicators

Last updated: 4/21/26 9:05 AM	Level		Change from Market Close				
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD
Equities					%		%
S&P 500		7109	-0.2	3	9	38	4
Eurostoxx 50		5981	0.0	0	9	21	3
Nikkei 225		59349	0.9	3	11	73	18
MSCI EM		63	-0.7	3	14	51	15
Yields and Spreads					bps		
US 10y Yield		4.27	1.6	2	-11	-14	10
Germany 10y Yield		2.98	-0.4	-5	-7	50	12
EMBIG Sovereign Spread		243	1	-11	-30	-124	-10
FX / Commodities / Volatility					%		
EM FX vs. USD, (+) = appreciation		47.7	-0.1	0	4	6	2
Dollar index, (+) = $ appreciation		98.3	0.2	0	-1	0	0
Brent Crude Oil ($/barrel)		95.2	-0.3	0	-15	44	56
VIX Index (%, change in pp)		18.9	0.1	1	-8	-15	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: 4/21/26 9:05 AM	Level		Change from Market Close				
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD
Oil and Gas			%				%
Brent Crude Oil ($/barrel)		95	-0.3	0	-15	44	56
WTI Crude Oil ($/barrel)		89	-0.3	-2	-9	42	56
Natural Gas (Netherlands TTF)		42	6	-1	-29	17	56
Breakeven Inflation		%	bps				
USD: 2Y		2.8	0.7	-5	6	5	52
USD: 5Y		2.6	0.9	-2	7	20	22
USD: 5Y5Y		2.4	0	-1	2	1	-7
EUR: 2Y		2.6	-1.1	-5	-16	110	92
EUR: 5Y		2.2	0	-1	-9	55	45
EUR: 5Y5Y		2.1	0	-1	-3	10	6

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

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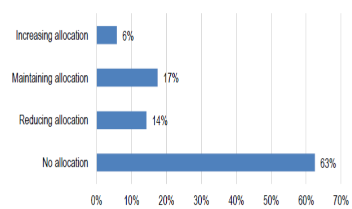
United States

US retail spending stayed firm in March. This morning, headline March retail sales released this morning came in stronger (1.7% m/m vs. 1.4% consensus). The control group was also firmer (0.7% m/m vs. 0.2% consensus). Treasury yields, which had already been trending higher ahead of the release, showed little reaction.

Yesterday, harder US and Iran messaging ahead of Wednesday's ceasefire deadline kept oil elevated, but the broader market response faded through the day. President Trump said he would not extend the truce with Iran if no agreement is reached and that the Strait of Hormuz would remain blocked until a deal is finalized, while signals from Iran also pointed to a less flexible stance. The headlines triggered a risk-off move at the Sunday Asia futures open, but most of that move reversed by Monday close even as oil held onto its gains. Brent rose (+5.1%) to $94.73/barrel, the S&P 500 edged lower (-0.2%), the VIX briefly touched 20 before closing below 19, and the 10-year Treasury yield ended little changed at 4.26% with the curve slightly flatter. Importantly, the S&P 500 still closed above Friday's open, while oil remained below its Friday morning level. That points to only a partial unwind of Friday's relief move and suggests investors are still looking through some of the geopolitical headline news outside oil.

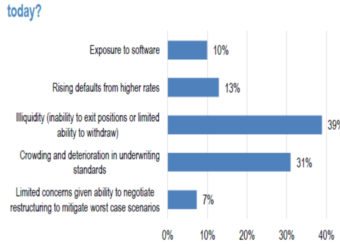
Investor surveys suggest private credit is not yet a broader systemic concern. In a JP Morgan survey conducted on April 6–16, a majority of 349 surveyed investors (63%) reported having no allocation to private credit, while a minority (14%) reported reducing exposure (left chart). That points to limited mainstream ownership and cautious positioning. Investor concerns center mainly on liquidity risk (39%) and on crowding and weaker underwriting standards (31%), while defaults tied to higher interest rates (13%) and software exposure (10%) rank lower (right chart). Separately, a Bank of America survey shows that more than half of respondents are holding cash above normal levels, while only a small minority report cash below normal levels. That broader positioning backdrop suggests forced selling risk remains limited for now.

Figure 17: What is your appetite for Private Credit at the current conditions?



Source: J.P. Morgan Strategic Research.

Figure 18: What is your biggest concern in Private Credit markets today?



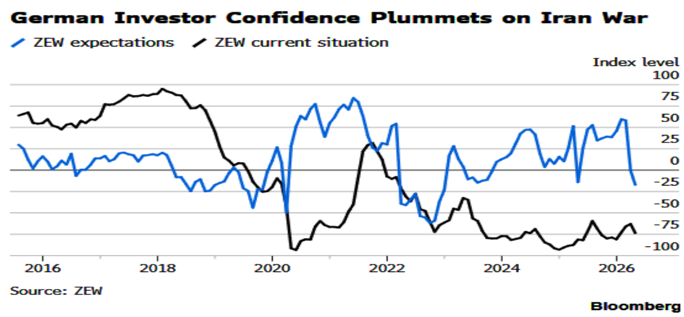
Source: J.P. Morgan Strategic Research.

Euro Area

This morning, stock markets gained amid hopes that Iran may resume negotiations with the US.

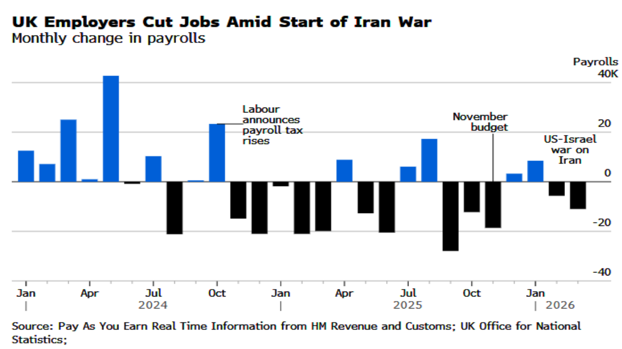
The Stoxx 600 index edged up (+0.2%), with regional stock exchanges advancing, led by Germany's DAX (+0.6%). European government bond yields were slightly higher with 2-year German bunds (+1bps) at to 2.47%. The euro mildly depreciated to the dollar (-0.2%), trading at $1.1759/€. Elsewhere, Bloomberg reports that UniCredit's CEO has said that he will pause his company's efforts to acquire German lender, Commerzbank if his takeover over bid fails to give him control.

European equities edged higher this morning as hopes of renewed US-Iran talks helped steady risk sentiment. The Stoxx 600 edged up (+0.2%), with Germany's DAX leading the gains (+0.6%) across regional stock exchanges. European government bond yields were slightly higher, with the 2-year bund up (+1bps) to 2.47%, while the euro depreciated (-0.2%) against the US dollar to $1.1759/€. In corporate news, Bloomberg reported that UniCredit CEO Andrea Orcel said the bank would pause its pursuit of Commerzbank if the bid does not deliver control. That adds to the sense of a contested deal, with Commerzbank rejecting the approach as hostile, Berlin still opposed, and the market continuing to price Commerzbank above UniCredit's offer.



Germany's April ZEW survey was much weaker than expected, but markets largely looked through it. The expectations component fell to -17.2 (exp. -5.8 from -0.5), the lowest reading since 2022. According to ZEW, concerns about long-term energy shortages are weighing on investment and blunting the impact of government stimulus. Even so, bund yields were little changed after the release, with the 2-year yield at 2.47%. Overnight forwards still price around 50 bps of ECB hikes by year-end, with a 69% odds of a 25bps hike in June while expecting a firm hold at the April 30 meeting.

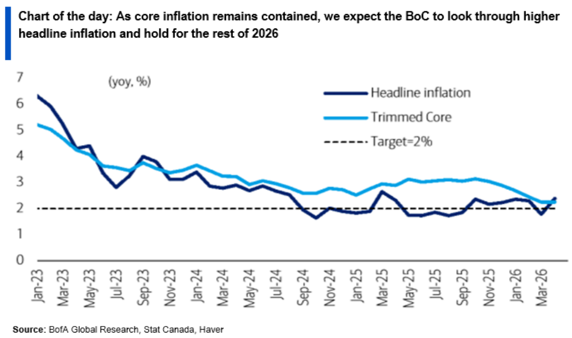
United Kingdom

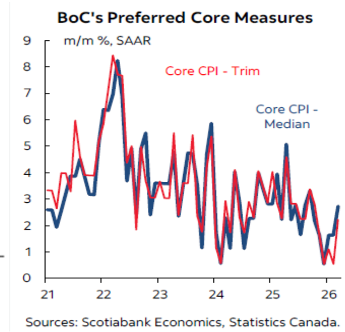


Labor market data this morning point to softer hiring, though not a clean easing in labor market pressure. Monthly payrolls fell by 11k in March (exp. 0k), and February's reading was also revised down to -6k from +20k. The unemployment rate dropped to 4.9% in the three months to February (exp. 5.2% from 5.2%), while private sector regular pay growth eased to 3.2% 3m/yr from 3.3%. HSBC analysts argue that the lower unemployment rate may overstate labor market strength if it is reflecting an increase in the number of people inactive. That should help keep the Bank of England cautious, with HSBC analysts expecting Bank Rate to remain unchanged through year-end. Overnight forwards are pricing -32bps of tightening by year-end, down from -51bps at end-March. Gilts were little changed, with the 10-year yield at 4.83%, while sterling weakened slightly against the US dollar to $1.3507/£.

Canada

March data show that higher energy prices are feeding into headline inflation, though less than expected. Canada's March CPI, released on Monday, rose to 2.4% y/y (exp. 2.6% from 1.8%). CPI excluding gasoline increased to 2.2% y/y, suggesting the rise in headline inflation was still concentrated in energy rather than broadening across the basket (left chart). The initial market read was dovish, with CIBC noting that bond yields fell as investors pared back rate hike bets after the release. But Scotiabank took a more cautious view, arguing that higher-frequency core measures firmed and that price pressures remained fairly broad beneath the softer headline. The Canadian dollar appreciated (+0.3%) against the US dollar to CAD1.3647/$, while markets now price in around 25 bps of tightening by year-end, with the December implied forward rate near 2.5%.





Emerging Markets back to top

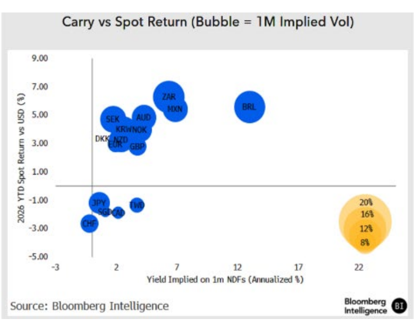
EMEA equities were mostly lower this morning, while currencies showed no clear direction as the Middle East ceasefire neared expiry without signs of renewed talks. In CEE, equities weakened across the region, led by Romania (-2%) after the Social Democratic Party withdrew support for PM Bolojan, increasing the risk of government collapse. CEE currencies were little changed against the euro. Outside CEE, equities rose in Türkiye (+0.6%) but fell in South Africa (-0.6%). Both the Turkish lira and the rand were little changed against the dollar (TRY44.89/$ and ZAR16.37/$). In Lebanon, the 10-year government bond yield rose sharply (+23 bps) to 41.5%, while March consumer price inflation increased to 17.2% y/y (from 12.2%).

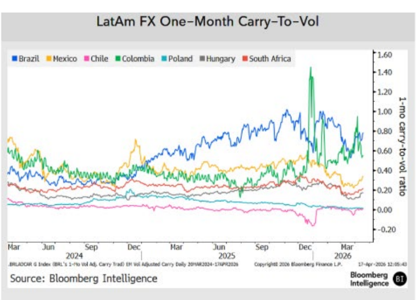
Asian equities were mostly steady on Monday, while Indonesia stood out as the regional laggard. Korea's Kospi reached a new high (+2.7%). By contrast, the Jakarta Composite fell as much as -1.1% intraday before paring losses (-0.7%), the weakest performance in the region on news that MSCI extended its market status review to June. MSCI had already frozen the inclusion of new Indonesian stocks in February over concerns about structural weaknesses and ownership opacity. The extension puts any immediate downgrade to Frontier Market status on hold, but it also keeps new stock additions frozen.

On Monday, Latin American markets took their cue from commodities. Mexico and Brazil advanced in equities, while Colombia (-0.7%) and Chile (-0.8%) underperformed. In FX, the Colombian peso appreciated (+0.5%) to COP3571.66/$ as higher oil offered support, while the Chilean peso depreciated (-0.6%) to CLP882.95/$ alongside softer copper. The Mexican peso was little changed, while the Brazilian real firmed.

Emerging Market Currencies

Fading Iran war volatility is drawing investors back toward higher-yielding currencies in Latin America. The Mexican peso and Brazilian real, which have been among the best-performing emerging market currencies since March 30, have attracted strong inflows. Bloomberg analysts note that lower implied volatility is helping renew demand for the peso and real by improving the appeal of holding them. By contrast, the Chilean and Colombian pesos have not

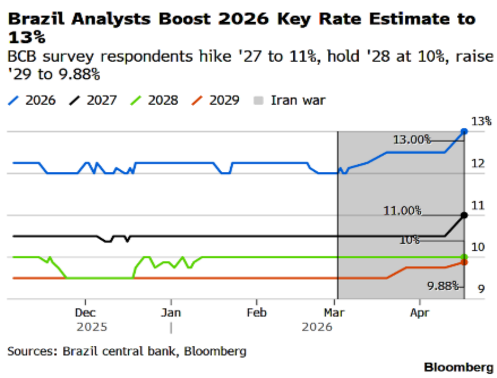


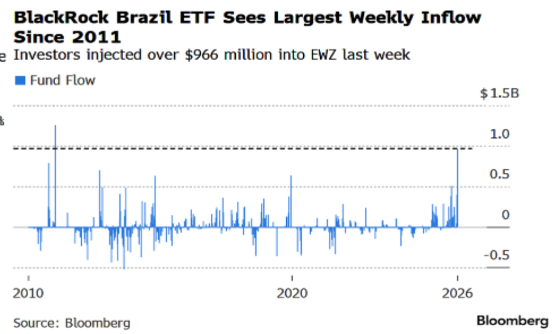


separated much despite their different oil exposure, suggesting broad risk sentiment is still dominating both. The Brazilian real has been a clear beneficiary, although the move is starting to look stretched near BRL5.00/$.

Brazil

A wedge is emerging between a tougher inflation outlook and stronger investor appetite. As higher energy prices cloud the easing cycle that began with a 25 bp cut in March, economists in the Central Bank of Brazil's weekly Focus survey, published on Monday, raised their end-2026 forecasts for the Selic rate to 13% and for inflation to 4.8% y/y, above the 4.5% upper end of the target range (left chart). Even so, the iShares MSCI Brazil ETF took in $966 mn last week, its largest weekly inflow since 2011 (right chart). Investors appear to be focusing instead on Brazil's commodity exposure and on expectations of a more market-friendly policy mix after October's presidential election. That suggests markets may be willing to look through near-term inflation pressure if stronger terms of trade and political optimism remain supportive.



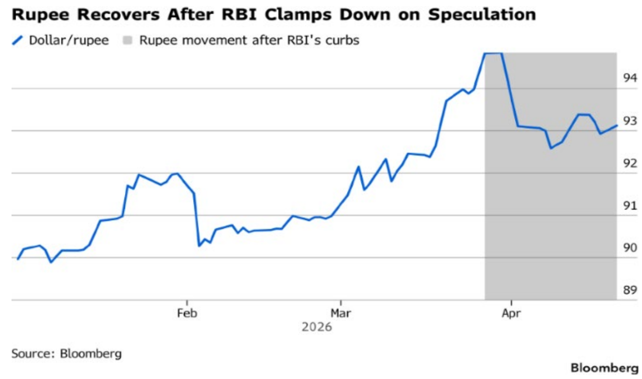


China

The renminbi continued to strengthen as the PBoC signaled more tolerance for appreciation. The onshore yuan briefly touched 6.8152/$, its strongest level since April 2023, after the PBoC set the daily fixing at 6.8594/$ from 6.8648/$ previously. That was the first stronger fixing in four sessions and was read as a sign that the central bank is comfortable with further gradual currency gains. The onshore CNY has appreciated steadily since breaking below 7.00/$ in late January, helped by safe-haven inflows as investors diversify away from the dollar amid continued Middle East uncertainty.

Hong Kong SAR capital markets activity remained strong. IPO activity stayed robust, with the latest listing by Chinese Nvidia supplier Victory Giant Technology Huizhou Co raising $2.6 bn (HKD 20 bn), the largest IPO in Hong Kong SAR in seven months. The shares rose 57% on debut, while the offer was oversubscribed 431 times, pointing to very strong retail demand. Bond issuance was also firm, with an HKD multi-tranche corporate deal being marketed at around $1.9 bn (HKD 15 bn) and orders already above $3.8 bn (HKD 30 bn). That adds to a record $4.35 bn (HKD 34.1 bn) of publicly announced HKD bond issuance year to date.

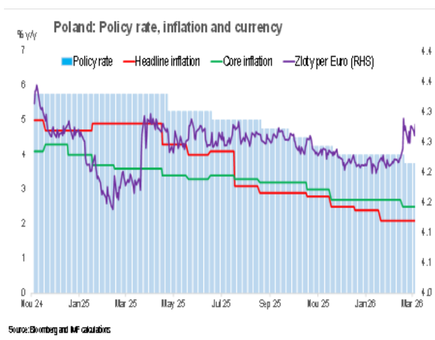
India



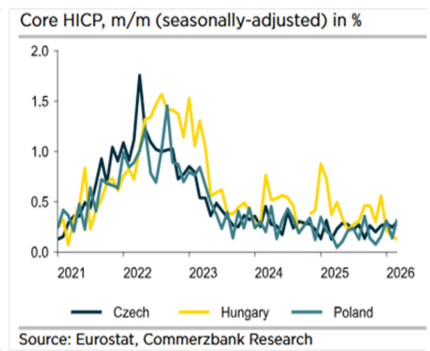
Source: Bloomberg

India relaxed some rupee trading restrictions after market close on Monday, though the main constraint is still in place. The Reserve Bank of India (RBI) withdrew its April 1 restriction preventing lenders from offering rupee-linked NDFs to clients and also allowed more flexibility in related-party trades, including the cancellation and rollover of existing contracts. But the $100 mn cap on banks' open positions, imposed on March 27, remains unchanged. The rupee depreciated (-0.45%) against the dollar to INR93.4975/$, underperforming regional peers, partly due to dollar demand from private-sector oil importers. Meanwhile, the gap between 3-month forward implied yields in offshore and local markets narrowed to -20 bps from about -35 bps before the April 1 measures. That suggests some easing in market distortion, but not yet full normalization. Analysts still do not expect a major change in the rupee outlook while the open-position cap remains in place, and Shinhan Bank noted that aggressive RBI actions since late March have also discouraged speculative positioning. Even so, the rupee has appreciated (+1.4%) since March 27, suggesting the broader policy push has still helped stabilize the currency (see chart).

Poland



Source: Bloomberg and IMF calculations



Source: Eurostat, Commerzbank Research

Stronger domestic data helped keep the zloty stable, even as the external backdrop remained less supportive. Poland's March data surprised on the upside, with industrial output rising 9.4% y/y (exp. 4.2% from 1.3%), while PPI came in softer than expected at -0.8% y/y (exp. 0.0% from -2.0%). Wage growth also picked up to 5.7% m/m (exp. 5.3% from 1.5%). Commerzbank argued that signs of second-round inflation effects from higher energy prices remain limited, a view supported by the softer PPI print. Santander also noted that the industrial output print was the first positive reading since mid-2023, even if construction remained soft at 0.4% y/y (exp. 0.8%). That mix points to firmer activity without much evidence yet of broader price pass-through, which helps explain why the zloty held steady at PLN4.23/€ after the release. Even so, the currency may still face some near-term pressure if the external backdrop worsens.

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.

Global Financial Indicators

Last updated: 4/21/26 9:05 AM	Level: Last 12m	Level: Latest	Change: 1 Day	Change: 7 Days	Change: 30 Days	Change: 12 M	YTD
Equities					%		%
United States		7,121	-0.2	2.2	9.4	38.0	4
Europe		5,981	0.0	-0.1	8.7	21.2	3
Japan		59,349	0.9	2.5	11.2	73.4	18
China		4,768	0.2	1.4	4.4	26.0	3
Asia Ex Japan		108	-0.5	4.0	12.4	52.4	15
Emerging Markets		63	-0.7	3.5	13.6	50.8	15
Interest Rates					basis points		
US 10y Yield		4.3	2	2	-11	-14	10
Germany 10y Yield		3.0	0	-5	-7	50	12
Japan 10y Yield		2.4	0	-2	12	111	33
UK 10y Yield		4.9	2	8	-14	29	38
Credit Spreads					basis points		
US Investment Grade		116	0	-1	-14	-45	8
US High Yield		327	-4	-7	-47	-134	-10
Exchange Rates					%		
USD/Majors		98.3	0.2	0.1	-1.4	0.0	0
EUR/USD		1.18	-0.2	-0.3	1.3	2.1	0
USD/JPY		159.2	0.2	0.2	0.4	13.0	2
EM/USD		47.7	-0.1	0.0	3.9	5.8	2
Commodities					%		
Brent Crude Oil ($/barrel)		95.2	-0.3	0.5	-10.5	49.9	58
Industrials Metals (index)		178.9	0.2	0.4	10.7	26.5	9
Agriculture (index)		56.5	0.1	0.6	-0.6	-2.9	6
Gold ($/ounce)		4777.2	-0.9	-1.3	8.4	39.5	11
Bitcoin ($/coin)		75942.2	-0.5	0.9	7.8	-13.1	-13
Implied Volatility					%		
VIX Index (%, change in pp)		18.9	0.1	0.6	-7.9	-14.9	4.0
Global FX Volatility		7.1	0.0	-0.3	-1.5	-3.1	0.2
EA Sovereign Spreads					10-Year spread vs. Germany (bps)		
Greece		71	0	-1	-19	-20	13
Italy		75	0	-1	-18	-43	5
France		63	0	0	-8	-14	-8
Spain		44	0	0	-9	-26	1

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

Emerging Market Financial Indicators

4/21/2026 9:06 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	0.0	0.0	1.0	7.0	2.5		1.8	0	-2	-7	10	-11
Korea*		1473	-0.1	-0.1	1.0	-3.6	-2.3		3.6	-2	-3	-6	109	30
Indonesia		17144	0.2	-0.1	-0.9	-2.0	-2.6		6.5	0	-4	-24	-43	47
India		93	-0.4	-0.1	0.5	-8.9	-3.9		7.6	-2	-1	-8	103	54
Philippines		60	0.1	-0.1	0.6	-5.5	-1.9		5.4	0	0	-28	40	74
Thailand		32	0.0	0.2	2.8	3.1	-1.8		2.2	8	6	2	25	50
Malaysia		3.95	0.1	0.0	-0.4	10.6	2.8		3.6	-1	-2	0	-10	5
Argentina		1378	-0.1	-0.8	1.0	-20.4	5.4		0.0	0	0	-2935	-3488	-3237
Brazil		4.97	0.3	0.6	7.1	16.9	10.3		13.4	-2	-9	-80	-112	-18
Chile		885	-0.2	0.2	2.9	8.7	1.8		5.3	1	-6	-40	-24	-5
Colombia		3571	0.0	0.3	4.1	19.9	5.8		13.0	0	-24	-69	82	10
Mexico		17.31	-0.1	-0.3	2.7	14.0	4.0		8.8	1	-16	-53	-63	-16
Peru		3.4	0.1	-1.8	1.4	8.0	-2.1		6.5	0	-6	-28	-12	75
Uruguay		40	-0.1	1.3	2.7	6.2	-1.8		7.5	6	-4	-20	-218	-6
Hungary		308	-0.5	0.0	8.3	14.7	6.1		5.9	-2	-31	-142	-86	-64
Poland		3.60	-0.2	-0.1	2.0	3.1	-0.2		4.9	6	-9	-45	9	32
Romania		4.3	-0.2	-0.4	1.3	-0.4	0.0		7.0	10	28	-7	-28	32
Russia		75.0	0.1	1.0	9.4	8.3	5.0							
South Africa		16.4	-0.1	-0.2	2.7	14.4	1.1		8.6	11	-23	-77	-244	3
Türkiye		44.89	0.0	-0.4	-1.3	-14.9	-4.3		32.6	17	-89	-178	-247	297
US (DXY; 5y UST)		98	0.2	0.1	-1.4	0.0	-0.1		3.88	3	2	-13	-9	16

	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		4,768	0.2	1.4	4.4	26.0	3.0		96	1	-7	-28	21
Korea*		6,388	2.7	7.0	10.5	156.9	51.6		29	-1	-6	-6	7
Indonesia		7,559	-0.5	-1.5	6.4	15.6	-12.6		101	-6	-11	-30	15
India		79,273	-0.5	3.2	6.4	-0.4	-7.0		95	-2	1	-36	5
Philippines		6,019	0.0	0.1	0.0	-2.1	-0.6		88	-6	-9	-17	13
Thailand		1,484	0.1	-0.4	3.5	29.7	17.8						
Malaysia		1,715	0.8	1.6	-0.3	15.4	2.1		55	-4	-4	-43	-4
Argentina		2,931,701	1.5	-0.6	7.6	43.3	-3.9		536	1	-98	-196	-33
Brazil		196,132	0.2	-0.9	11.3	50.3	21.7		192	-3	-14	-54	-11
Chile		11,344	-0.8	0.1	10.4	46.3	8.2		91	-5	-8	-45	0
Colombia		2,287	-0.7	-3.1	2.5	41.2	10.6		226	-30	-52	-164	-51
Mexico		70,084	0.4	0.7	9.3	30.4	9.0		204	-6	-24	-140	-13
Peru		3,304	-0.6	-3.6	12.6	92.7	27.9		102	2	-13	-52	-7
Hungary		136,609	0.2	-1.6	11.9	56.9	23.0		117	-4	-43	-68	-22
Poland		133,803	-0.2	0.7	12.2	40.6	14.1		93	-3	-6	-19	2
Romania		28,316	-1.3	-1.2	1.0	65.9	15.9		195	17	-12	-83	19
South Africa		119,115	-0.7	-0.6	8.2	33.1	2.8		229	-12	-43	-136	11
Türkiye		14,466	-0.1	1.9	10.9	55.2	28.5		265	-4	-45	-61	31
EM total		63	0.5	3.5	13.6	50.8	15.5		256	-10	-31	-143	-15

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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