



- Brent crude rises back towards USD100/bbl watermark amid uncertainty around peace talks ([link](#))
- Remarks from Warsh and Waller put Fed leadership, governance, and credibility in focus ([link](#))
- UK March CPI rose in line with expectations, while sticky services seen as hawkish for BoE ([link](#))
- “HALO trade” gives fresh support to Latin America’s commodity-heavy equity markets ([link](#))
- Fresh liquidity support extends China bond rally ahead of more ultra-long supply on Friday ([link](#))
- **Special Feature: Bank exposures to Nonbank Financial Institutions** ([attached](#))

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A Fragile Ceasefire with no Clear Political Endpoint

Markets are pondering whether an open-ended ceasefire can hold while the Strait of Hormuz blockade stays in place. Since yesterday, Iran indicated it would not send delegates to the planned talks, prompting Vice President Vance to keep his Pakistan trip on hold, following which President Trump announced the ceasefire to continue without a new deadline, even as the Strait of Hormuz remains closed. Oil remains elevated, keeping pressure on risk sentiment, front-end yields, and central banks already dealing with sticky inflation. That became evident in the UK, where March CPI matched expectations but firm services inflation leave the Bank of England with a sticky inflation mix even before the oil pass-through fully unfolds in the data. Concerns around private credit continue to linger, with Deputy Governor Breeden warning of the risk of a private credit crunch, while a Financial Times news report indicates that some UK pension funds had been advised not to sell illiquid assets because of steep exit penalties. In the US, remarks from Warsh and Waller kept the focus on Fed leadership, governance, and credibility, but added little to the near-term policy outlook amid the blackout period. Across EM, markets remained selective, while in China added liquidity kept the bond rally going ahead of Friday’s ultra-long supply.

Key Global Financial Indicators

Last updated: 4/22/26 8:37 AM	Level		Change from Market Close					
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD	
Equities			%					%
S&P 500		7064	-0.6	1	9	34	3	
Eurostoxx 50		5934	0.1	0	8	20	2	
Nikkei 225		59586	0.4	2	16	71	18	
MSCI EM		62	-1.5	0	12	46	14	
Yields and Spreads			bps					
US 10y Yield		4.27	-1.9	-1	-11	-13	11	
Germany 10y Yield		3.00	-0.7	-5	-5	55	14	
EMBIG Sovereign Spread		241	-2	-7	-32	-125	-12	
FX / Commodities / Volatility			%					
EM FX vs. USD, (+) = appreciation		47.5	-0.1	0	3	5	2	
Dollar index, (+) = \$ appreciation		98.4	0.0	0	-1	-1	0	
Brent Crude Oil (\$/barrel)		99.3	0.8	5	-12	47	63	
VIX Index (% change in pp)		18.9	-0.6	1	-8	-12	4	

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

Key Global Inflation and Energy Indicators

Last updated: 4/22/26 8:37 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)		99	0.8	5	-12	47	63
WTI Crude Oil (\$/barrel)		90	0.6	-1	-8	40	57
Natural Gas (Netherlands TTF)		43	-1	10	-28	24	59
Breakeven Inflation		%	bps				
USD: 2Y		2.8	0.9	-3	10	1	55
USD: 5Y		2.6	0.2	-1	9	16	25
USD: 5Y5Y		2.4	1	-1	4	2	-5
EUR: 2Y		2.7	-0.7	-1	-9	113	99
EUR: 5Y		2.3	0	0	-6	56	48
EUR: 5Y5Y		2.1	-1	-2	-3	9	5

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

On Tuesday, uncertainty around peace talks weighed on risk assets. Oil futures surged after the US Vice President called off his trip to Pakistan for ceasefire negotiations, while Iran informed the US that it will not attend talks scheduled for Wednesday, citing frustration over the US naval blockade of the Strait of Hormuz. Subsequently, President Trump said he would extend the ceasefire with Iran—currently set to expire Wednesday—while maintaining the blockade of the strait. Equities declined across sectors, with the S&P 500 down (-0.6%). Elevated oil prices pushed Treasury yields higher (2-year: +8bps to 3.80%, 10-year: +3bps to 4.29%) and contributed to curve flattening, while the dollar strengthened against major currencies (+0.4%). Despite the stronger dollar, one-month implied volatility of the dollar index, measured traded at 6.32% (see chart), near lows seen since the conflict began, suggesting markets remain focused on assuming a smooth resolution as the base case.



Remarks from Warsh and Waller put Fed leadership, governance, and institutional credibility in focus, but drew little market reaction as geopolitical headlines dominated. With the Fed in its blackout period ahead of next week’s FOMC meeting, neither Warsh nor Waller used their appearances to signal near-term rate views. Instead, Warsh used his confirmation hearing to stress Fed independence, argue that interest rates should remain the main policy tool, and state a preference for using balance sheet policy only

in emergencies, while criticizing the Fed’s post-pandemic inflation record and calling for a new framework. Under sharp questioning, he avoided major mistakes and came through without a clear stumble, while also giving away little that was new, often pivoting from direct questions about the White House’s preferred rate path back to process, credibility, and the Fed’s balance sheet. That left the main issue unchanged: Senator Tillis still says he will block the nomination until the Department of Justice drops its probe tied to Chair Powell, which keeps open the possibility that Powell remains in place beyond May 15 and prolongs uncertainty around Fed leadership. In a separate speech, Waller made a parallel case for change, arguing that the Fed should centralize more of its operations, reduce duplication, and put greater weight on efficiency, accountability, and taxpayer value.

Euro Area

This morning, Euro area assets remained steady. The STOXX Europe 600 traded sideways, while euro area sovereign bond yields remained in a tight trading range with 10-year Bunds yielding 3%. At an event at Athens University of Economics and Business, ECB chief economist Philip Lane said that “*from a public finance perspective, it is natural to match European-wide public goods with common debt,*” adding that “*common policy imperatives such as the urgent funding of Ukraine also warrant joint borrowing*”.

United Kingdom

As expected, consumer prices edged up in March while sticky services inflation kept the focus on the part of the basket the BoE appears likely to care about most. Headline CPI printed at 3.3% y/y (exp. 3.3% from 3.0%), while services inflation came in at 4.5% y/y (exp. 4.3% from 4.3%). Higher fuel and heating costs lifted the headline reading as expected (left chart), while a temporary dip in core goods prices, helped by seasonal sales, offset some of that pressure. Gilt yields remained flat this morning (2-year: 4.27%, 10-year: 4.87%), suggesting the release did little to shift the near-term rates picture. Overnight forwards continue to price close to two rate hikes for the remainder of this year, while Bank of America’s latest FX and Rates Sentiment Survey showed respondents see the BoE as the major central bank most likely to deliver less tightening than priced (right chart). Today’s inflation mix sits uneasily with that view, however, as Morgan Stanley analysts read the details as hawkish for the BoE.

UK Motor Fuel Costs Surged by Almost 9% in March

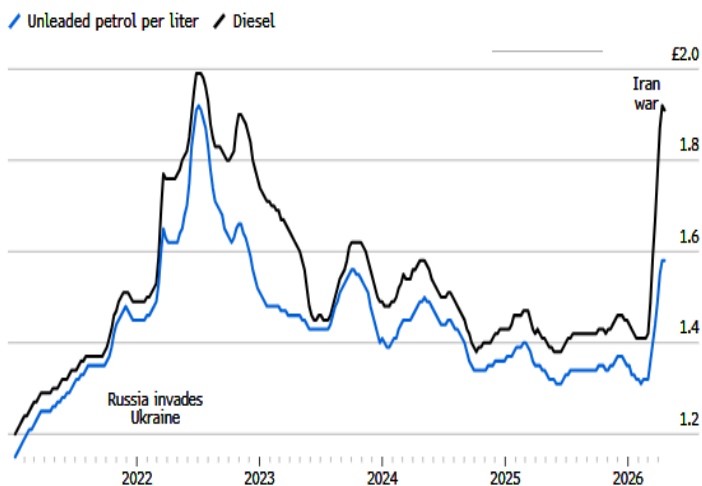
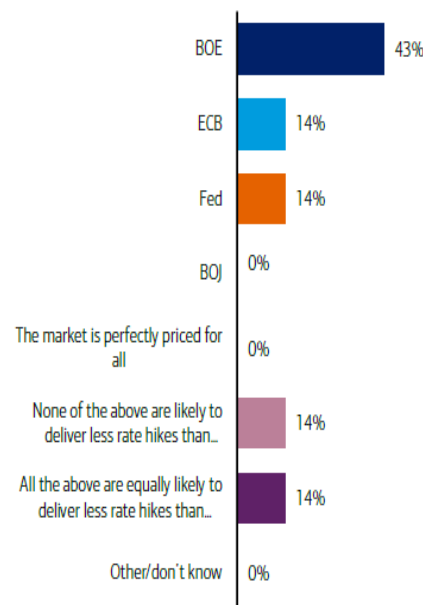


Exhibit 10: Which central bank is most likely to deliver LESS hikes (MORE CUTS) in 2026 than are currently priced?

BoE is considered least likely to deliver as many hikes as priced



Source: BofA Global Research FX and Rates Sentiment Survey

Emerging Markets [back to top](#)

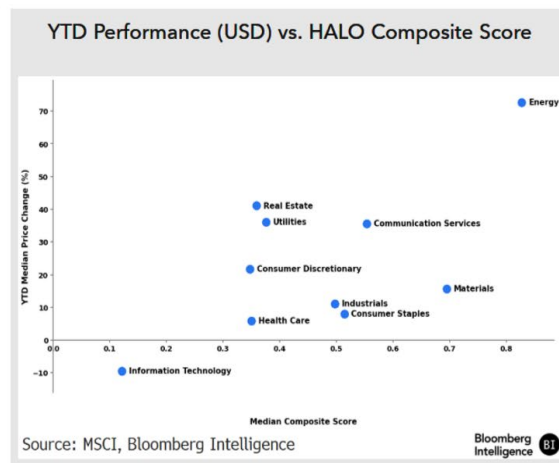
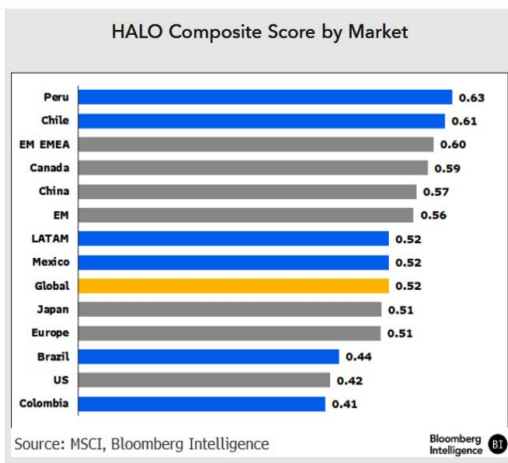
This morning, EMEA equity and currency markets are weighing whether the ceasefire extension changes much, while the Strait of Hormuz blockade remains in place. In CEE, equities fell in Czechia (-0.5%) and Poland (-0.5%), while rising in Hungary (+0.4%) and rebounding in Romania (+1.8%) after reports that President Dan will meet the four ruling parties today to ease tensions around PM Bolojan. CEE currencies were little changed against the euro. Equities in Türkiye rose marginally (+0.2%), whereas the lira remained largely stable against the dollar, trading at TRY44.92/\$. In South Africa, equities extended losses (-0.2%), while the rand remained at ZAR16.44/\$.

Most Asian equities declined as the ceasefire extension failed to allay investor concerns. The Hang Seng Index fell (-1%) amid a retreat in Chinese tech shares. Meanwhile, the Korean Kospi extended its gains from Tuesday (+0.5%). In currencies, the Indian rupee renewed its depreciation for a third straight day (-0.4%) after the Reserve Bank of India (RBI) rolled back some FX market restrictions it had imposed in early April. As mentioned in the GMM yesterday, the RBI's restrictions—which effectively closed the offshore FX market—were introduced to curb speculative trading that had pushed the rupee to record lows.

On Tuesday, selling pressure picked up across Latin American markets. In equities, losses were led by Chile (-1.9%) and Mexico (-1.8%), while Colombia also traded lower. In currencies, the Chilean peso underperformed across EM (-1.3%), while the Mexican peso and Colombian peso also weakened against the dollar. Markets in Brazil were closed for a national holiday. In Colombia, Finance Minister Avila questioned in a monetary policy webcast whether interest rate hikes can do much to contain inflation driven by energy costs.

Latin America

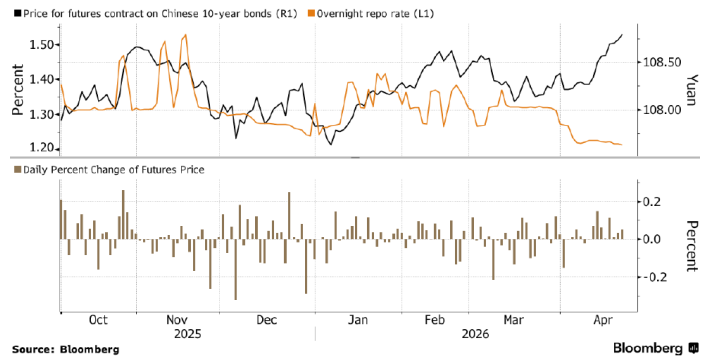
A global shift out of tech is giving Latin America's commodity-heavy equity markets fresh support. The so-called "HALO trade" (for Heavy Assets and Low Obsolescence) is up 14% ytd versus a 7% decline for capital-light peers, as investors favor sectors tied to physical assets, less exposed to disruption risk, and better placed in a world of higher discount rates. Peru and Chile rank among the most exposed markets, with HALO composite scores of 0.63 and 0.61, respectively (left chart). These sectors also tend to derive more of their value from near-term cash flows and hard assets, which can help anchor valuations if the recent oil shock proves more persistent. The trend was already in place before the Iran war, with Latin American energy stocks outperforming the broader regional index from January. Energy remains the best-performing HALO sector ytd, while technology is the clear laggard (right chart).



China

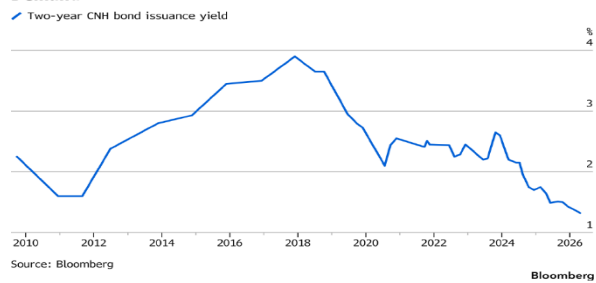
Fresh liquidity support helped extend the bond rally as investors looked ahead to more ultra-long government bond supply. The PBoC injected a net \$1.4 bn (CNY9.5 bn) through 7-day reverse repos on Tuesday and Wednesday, the largest addition since late March, according to Bloomberg. The move surprised market participants given that money-market rates are already near three-year lows. In reaction, the 10-year CGB future rose for an eighth straight day (+0.1% to 108.825), the longest winning streak since September 2024, while cash yields fell by 2-3 bps across the curve, led by the long end (30-year: -3 bps to 2.21%). That suggests ample liquidity is continuing to support demand ahead of Friday’s auction of ultra-long special government bonds.

China's Cheap Cash is Fueling Extended Bond Rally



Hong Kong’s offshore renminbi market saw its biggest sovereign bond sale in three years. China’s Ministry of Finance issued \$2.3 bn (CNY15.5 bn) of 2-, 3-, 5-, and 15-year Dim Sum bonds on Wednesday, exceeding the \$2.05 bn (CNY14 bn) sold in February and marking the ministry’s largest single batch in Hong Kong since October 2023, according to Bloomberg. The 2-year and 15-year notes priced at record low yields of 1.32% and 2.08%, respectively. Liquidity in the offshore market has remained abundant, with 3-month offshore renminbi borrowing costs in Hong Kong falling to a fresh record low of 1.68% (-11 bps on the day). The sale is therefore seen as helping absorb part of that excess offshore liquidity.

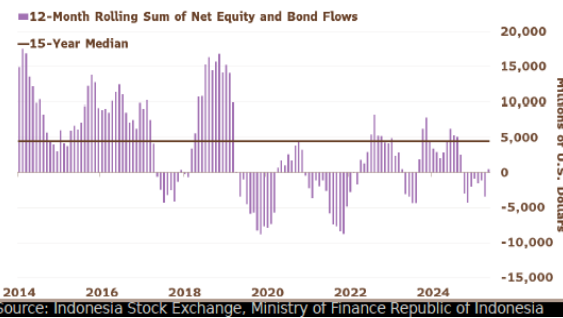
China's Latest Yuan Bond Sales in Hong Kong Attract Strong Demand



Indonesia

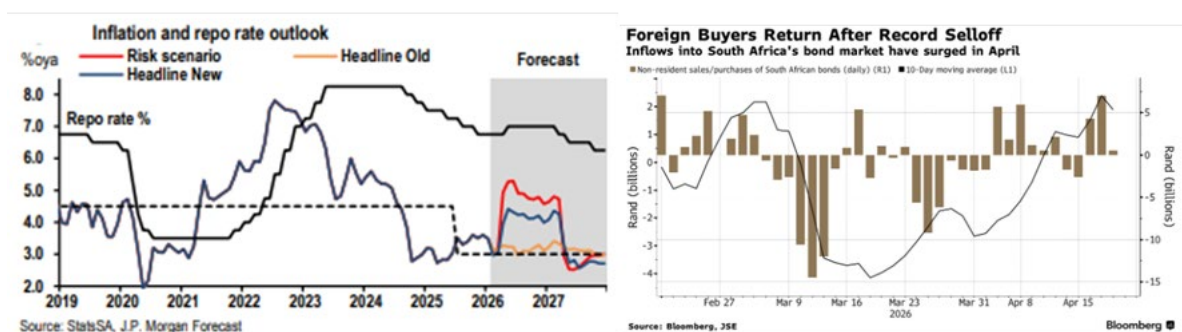
Pressure on the rupiah kept Bank Indonesia on hold, with policymakers prioritizing stability over support for growth. The central bank left its policy rate at 4.75%, with the decision driven mainly by the need to support the rupiah and contain imported inflation. The rupiah has come under heavy pressure, falling nearly -1% in April and weakening beyond IDR17,000/\$ to its softest level since the Asian financial crisis, making it Asia’s worst-performing currency (left chart). Higher state subsidies to cushion rising oil prices have added to fiscal and downgrade concerns, while also feeding foreign outflows (right chart). Governor Perry said earlier this month that room to ease is “closing” as stability becomes the central bank’s “top priority.” Even so, the case for immediate tightening remains limited with core inflation still benign, and analysts continue to see a high bar for rate hikes given the government’s pro-growth stance. The rupiah weakened further (-0.2%) on the day to IDR17,181/\$.

Rupiah Has Been Weakening Since The Iran War



South Africa





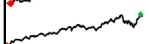
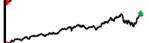




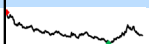








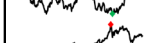

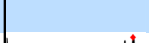

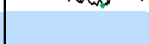



Latest consumer prices broadly confirmed South Africa's near-term inflation picture, but the extent of pass-through from higher oil prices remains a key question for the coming months. In March, headline CPI printed at 3.1% y/y (exp. 3.1% from 3.0%), while core inflation rose to 3.2% y/y (exp. 3.1% from 3.0%). That left the near-term inflation backdrop contained for now, though JP Morgan expects price pressures to build further and looks for the SARB to lift the policy rate by 25 bps in May from 6.75% (left chart). Policymakers stated that South Africa appears now better equipped than it was in 2022 to manage an energy shock. However, they also cautioned that if oil prices rise above \$100 per barrel—especially with a weaker rand—it could push inflation higher. That keeps the currency and local bond market in focus as channels through which a more persistent oil shock could feed into the inflation outlook. After the inflation print, the rand appreciated to the dollar (+0.2%) to ZAR16.44/\$. While the rand also remained stronger against the dollar both ytd (+0.5%) and mtd (+2.7%), Deutsche Bank analysts note that foreign investors sold about \$4.0 bn (ZAR65 bn) of South African local bonds in March, the largest monthly outflow on record, pushing foreign ownership down to 24.4%, near historical lows. Some of that pressure has reversed in April (right chart), with Bloomberg reporting foreign purchases of about \$1.4 bn (ZAR22.7 bn), helping the 10-year yield fall to 8.67% (from 9.41% at end-March).



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: 4/22/26 8:38 AM	Level		Change				YTD
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	
Equities			%				%
United States		7,096	-0.6	1.0	9.1	34.2	4
Europe		5,935	0.1	-0.1	7.9	19.6	2
Japan		59,586	0.4	2.5	15.7	70.9	18
China		4,800	0.7	2.4	8.6	26.7	4
Asia Ex Japan		106	-1.3	0.5	10.9	48.1	14
Emerging Markets		62	-1.5	0.0	11.9	46.3	14
Interest Rates			basis points				
US 10y Yield		4.3	-2	-1	-11	-13	10
Germany 10y Yield		3.0	-1	-5	-5	55	14
Japan 10y Yield		2.4	1	-2	13	109	34
UK 10y Yield		4.9	-2	5	-13	32	38
Credit Spreads			basis points				
US Investment Grade		116	-1	0	-14	-41	8
US High Yield		330	0	-2	-44	-111	-6
Exchange Rates			%				
USD/Majors		98.4	0.0	0.4	-1.2	-0.5	0
EUR/USD		1.17	-0.1	-0.6	1.0	2.7	0
USD/JPY		159.3	-0.1	0.2	0.5	12.5	2
EM/USD		47.5	-0.1	-0.4	3.5	5.2	2
Commodities			%				
Brent Crude Oil (\$/barrel)		99.4	0.9	4.7	-6.6	54.1	65
Industrials Metals (index)		179.8	0.8	0.2	11.3	25.3	10
Agriculture (index)		57.2	0.6	1.3	0.7	-1.7	7
Gold (\$/ounce)		4749.7	0.6	-0.9	7.8	40.5	10
Bitcoin (\$/coin)		78238.5	3.3	1.1	14.8	-14.2	-11
Implied Volatility			%				
VIX Index (% change in pp)		18.9	-0.6	0.7	-7.9	-11.7	4.0
Global FX Volatility		7.0	0.0	-0.3	-1.6	-3.0	0.1
EA Sovereign Spreads			10-Year spread vs. Germany (bps)				
Greece		73	0	-1	-17	-17	14
Italy		77	0	-1	-15	-40	7
France		65	-1	1	-7	-13	-6
Spain		45	-1	0	-8	-24	2

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

Emerging Market Financial Indicators

4/22/2026 8:38 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		6.83	0.0	-0.1	0.9	7.1	2.4		1.8	-1	-3	-9	7	-12		
Korea*		1481	-0.1	-0.4	0.5	-3.8	-2.8		3.6	-3	0	-9	108	27		
Indonesia		17175	-0.2	-0.2	-1.1	-1.9	-2.8		6.5	0	-4	-25	-44	47		
India		94	-0.3	-0.5	0.2	-9.2	-4.2		7.7	5	6	-2	107	59		
Philippines		60	-0.3	-0.1	0.3	-5.7	-2.2		5.4	0	1	-28	37	73		
Thailand		32	-0.3	-0.1	2.5	3.2	-2.1		2.2	-2	4	0	26	48		
Malaysia		3.95	-0.1	0.1	-0.4	11.1	2.7		3.6	-1	-1	0	-12	5		
Argentina		1375	0.1	-0.6	1.2	-20.2	5.6		0.0	0	0	-2935	-3380	-3237		
Brazil		4.98	-0.3	0.3	5.1	14.9	9.9		13.4	0	-5	-80	-112	-18		
Chile		891	0.3	-0.7	2.1	5.7	1.0		5.3	2	0	-37	-23	-3		
Colombia		3578	-0.2	0.1	3.9	19.7	5.6		13.0	2	-9	-67	84	12		
Mexico		17.34	-0.1	-0.5	2.6	13.1	3.8		8.9	8	3	-45	-63	-8		
Peru		3.4	-0.1	-1.3	0.7	7.9	-2.2		6.5	0	-29	-29	-16	75		
Uruguay		40	0.3	0.9	2.2	6.5	-1.5		7.4	-6	-4	-26	-226	-12		
Hungary		312	-0.6	-1.2	7.2	14.9	5.0		5.9	0	-23	-143	-86	-65		
Poland		3.62	-0.3	-0.9	1.3	3.6	-0.9		4.9	6	-1	-39	15	38		
Romania		4.3	-0.1	-0.7	1.0	0.3	-0.2		7.0	-3	35	-11	-31	29		
Russia		75.1	-0.2	0.9	9.3	8.6	4.9									
South Africa		16.5	-0.1	-0.8	1.9	12.8	0.3		8.7	9	0	-68	-235	12		
Türkiye		44.93	-0.1	-0.4	-1.4	-14.8	-4.4		33.0	39	-17	-139	-207	336		
US (DXY; 5y UST)		98	0.0	0.4	-1.2	-0.5	0.1		3.89	-2	-1	-12	-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		4,800	0.7	2.4	8.6	26.7	3.7		94	-1	-9	-30	19		
Korea*		6,418	0.5	5.4	18.7	154.1	52.3		29	-1	-6	-6	7		
Indonesia		7,542	-0.2	-1.1	6.1	13.7	-12.8		98	-6	-14	-26	12		
India		78,516	-0.2	0.5	8.0	-2.0	-7.9		92	-4	-2	-39	2		
Philippines		5,990	-0.5	-1.2	1.5	-2.9	-1.0		82	-8	-15	-14	7		
Thailand		1,480	-0.3	-1.8	5.9	28.3	17.5								
Malaysia		1,710	-0.3	1.6	-0.6	13.9	1.8		56	-1	-3	-40	-3		
Argentina		2,940,100	0.3	-0.4	7.9	35.9	-3.7		541	9	-93	-208	-28		
Brazil		196,132	0.2	-0.9	11.3	50.3	21.7		189	-4	-17	-55	-14		
Chile		11,128	-1.9	-1.6	8.3	42.4	6.2		88	-6	-11	-45	-3		
Colombia		2,282	-0.2	-1.8	2.3	39.9	10.4		231	-15	-47	-164	-46		
Mexico		68,809	-1.8	-0.2	7.3	25.6	7.0		204	-1	-24	-143	-13		
Peru		3,190	-3.5	-6.4	8.7	82.1	23.5		100	1	-15	-52	-9		
Hungary		136,436	0.6	-2.2	11.7	53.9	22.9		110	-10	-50	-71	-29		
Poland		132,893	-0.2	-0.8	11.4	36.8	13.4		89	-8	-10	-15	-2		
Romania		28,757	1.8	-0.7	2.6	67.5	17.7		188	14	-19	-86	12		
South Africa		118,214	-0.2	-1.0	7.4	31.5	2.1		229	-5	-43	-133	11		
Türkiye		14,311	-0.4	0.4	9.7	53.7	27.1		262	1	-48	-61	28		
EM total		62	-0.1	0.0	11.9	46.3	13.8		254	-8	-33	-147	-17		

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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