GLOBAL MARKETS ANALYSIS
Monetary and Capital Markets

Global Markets Monitor

THURSDAY, APRIL 23, 2026
LEAD EDITOR: JEFF WILLIAMS

- **Record-low oil inventories increase upside price risks** (link)
- **Hyperscaler capex booms, but issuer concentration limits bind** (link)
- **Flash April PMI data for the eurozone surprise to the downside** (link)
- **The RMB is poised to surpass yen in currency options trading** (link)
- **Lira steady after CBT kept rates unchanged yesterday as expected** (link)

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Lack of Peace Progress Leaves Markets Jittery

Global equity markets are lower this morning as peace talks between the US and Iran appear to have stalled. While the cease fire has been extended, no further negotiations are scheduled. The price of Brent crude has risen to above $103 per barrel this morning, its highest level in over two weeks—since before the initial cease fire was announced. European equities are 0.4% lower this morning with futures on the S&P 500 reflecting a similar drop. Since the conflict began, investors in US equities have largely looked past the turmoil despite the sharp rise in energy prices. Strong first quarter earnings results and a rebound in AI optimism have helped push the S&P 500 to new highs despite the conflict. Shares in semiconductor firms have done especially well with the sub-index rising over 20% over the past two months. In rates markets, pricing for hikes by the Bank of England have risen sharply, driven by this morning's stronger than expected PMI data and rising prices. Money markets now price 61 bp in hikes by the end of the year compared to about 50 bp yesterday.

Key Global Financial Indicators

Last updated: 4/23/26 7:45 AM	Level		Change from Market Close				
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD
Equities					%		%
S&P 500		7138	1.0	2	8	33	4
Eurostoxx 50		5867	-0.7	-1	5	15	1
Nikkei 225		59140	-0.7	-1	13	69	17
MSCI EM		63	1.8	2	11	47	16
Yields and Spreads					bps		
US 10y Yield		4.32	1.3	0	-3	-7	15
Germany 10y Yield		3.03	1.7	-1	2	53	17
EMBIG Sovereign Spread		241	0	-4	-33	-124	-13
FX / Commodities / Volatility					%		
EM FX vs. USD, (+) = appreciation		47.4	0.0	0	3	5	2
Dollar index, (+) = $ appreciation		98.8	0.2	1	0	-1	0
Brent Crude Oil ($/barrel)		103.0	1.1	4	3	56	69
VIX Index (%, change in pp)		19.7	0.8	2	-6	-9	5

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: 4/23/26 7:45 AM	Level Last 12m	Latest	Change from Market Close 1 Day	7 Days	30 Days	12 M	YTD
Oil and Gas				%			%
Brent Crude Oil ($/barrel)		103	1.1	4	3	56	69
WTI Crude Oil ($/barrel)		94	1.3	-1	7	51	64
Natural Gas (Netherlands TTF)		44	0	14	-22	31	66
Breakeven Inflation		%		bps			
USD: 2Y		2.9	0.0	-1	12	2	57
USD: 5Y		2.6	1.3	3	12	13	28
USD: 5Y5Y		2.4	0	-1	3	0	-5
EUR: 2Y		2.7	5.4	5	0	119	108
EUR: 5Y		2.3	3	5	1	61	55
EUR: 5Y5Y		2.1	-1	0	-1	9	6

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

Mature Markets

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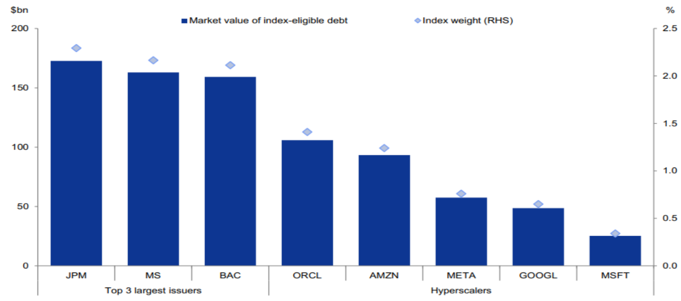
United States

Risk assets posted modest gains on Wednesday despite the gridlocked situation in the Middle East: The S&P 500 edged higher, supported by solid corporate earnings results. Bloomberg reports that 81% of the S&P 500 firms that have reported 1Q results have beaten estimates. Treasury yields were little changed, with the yield curve flattening, reflecting solid overseas demand at Wednesday's 20-year bond issuance.

US oil exports surged to a record 12.7 million barrels per day last week, according to Energy Information Administration (EIA), as global demand shifted sharply towards the US as an alternative supplier. Analysts, however, caution that some key Texas pipelines are already running at or above their operational capacity, suggesting limited scope for further increases in US export volumes.

Exhibit 6: Market saturation limits in USD IG may eventually be a binding constraint for the hyperscalers—further supporting the case for diversifying funding across sources and currencies
For select issuers in the Bloomberg USD IG Corporate Index: market value of index-eligible debt outstanding, and index weight



Note: As of April 19, 2026.

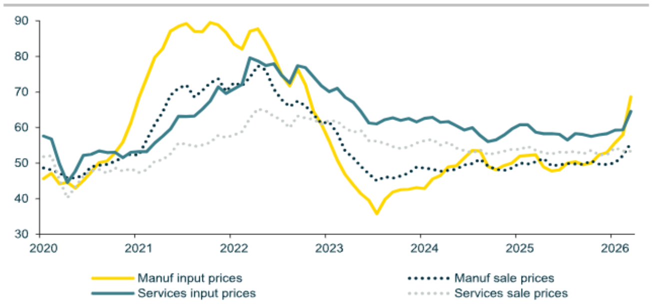
Source: Bloomberg, Goldman Sachs Global Investment Research

Hyperscalers' capex boom pushes against the practical limits of public credit markets. Goldman Sachs analysts estimate that hyperscaler capital expenditure—by Amazon, Alphabet, Meta, and Microsoft—could reach $700–$725 billion in 2026. Looking further ahead, they forecast $4.5 trillion in cumulative capex through 2030, a scale of investment that could push the technology sector's share of USD investment-grade (IG) corporate bond issuance well beyond its current 18% year-to-date, with little indication of near-term moderation. Hyperscalers typically exhibit very low net leverage, substantial cash balances relative to outstanding debt, and strong EBITDA generation, implying extraordinary theoretical debt-issuing capacity. Despite these strong fundamentals, however, analysts argue that hyperscalers are unlikely to fully exploit this capacity in the near term due to issuer concentration constraints in public debt markets. By way of comparison, the largest US bank has just over $170 billion in index-eligible debt outstanding, representing approximately 2.3% of the US IG corporate bond index—a level that analysts view as an effective upper bound for single-issuer concentration. As a result, hyperscalers are expected to diversify their financing strategies across a broad set of instruments, including multi-currency bond issuance, private-market financing solutions, and lease-based structures, rather than relying predominantly on USD public IG bond markets.

Euro area

European equities are trading lower amid a lack of progress on US-Iran peace talks and higher oil prices. The Stoxx 600 index is around 0.6% lower, with the banking sector index underperforming (-2.0%). Regional bourses are also lower on the back of disappointing preliminary April PMI data. European government bond yields are slightly higher across the curve while the euro is slightly weaker against a broadly stronger dollar. Intra-EMU spreads are slightly wider with the 10Y OAT-Bund spread at 66bp and the 10Y BTP-Bund spread at around 80bp.

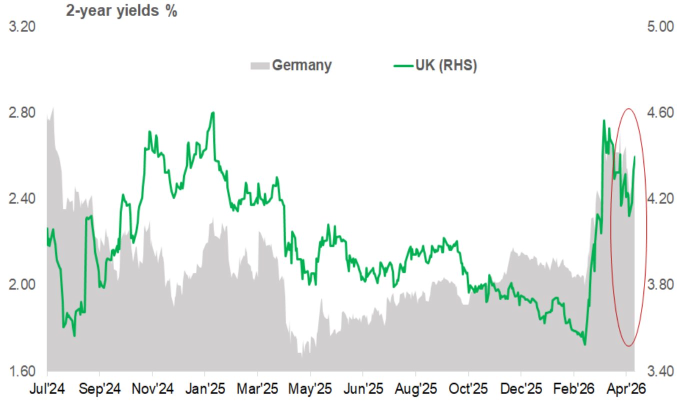
Firms are starting to feel higher input prices
€PMI subcomponents on input prices and selling price expectations



Source: S&P Global, Commerzbank Research

Flash April PMI data for the eurozone surprised to the downside. The preliminary April eurozone composite PMI printed at 48.6 vs 50.1 expected and 50.7 prior while the services PMI printed at 47.4 vs 49.8 expected and 50.2 prior. Immediately following the release, German bund yields were slightly higher with the 2Y yield +2bp at 2.58%. Similar data for France showed the composite PMI declining to 47.6 from 48.8 expected and below consensus expectations of 48.6. However, there was an upside surprise in the manufacturing PMI for France which rose to 52.8 from 50 in March and beat expectations of 49.5. Meanwhile, the flash April composite PMI for Germany fell to 48.3, down from 51.9 in March and below expectations of a 51.2 reading. Analysts at Bloomberg note that today's data and the deterioration will likely intensify the debate at the ECB in terms on how policymakers react to the prospect of higher inflation and weaker demand due to the energy price shock. Commerzbank analysts expect the ECB will likely keep its policy rate unchanged at next week's meeting, but describe the June meeting as "live," with updated staff projections and additional data on inflation pass-through expected to result in a "precautionary hike".

United Kingdom



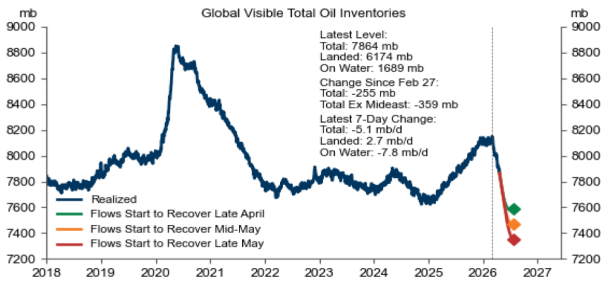
Source: Bloomberg and IMF calculations

UK flash April PMI data beat expectations and rising price pressures are pushing front-end yields higher. Data this morning showed the flash composite April PMI rose to 52, up from 50.3 in the prior month and ahead of consensus expectations of 49.8. The services and manufacturing PMIs also surprised to the upside at 52.0 and 53.6 respectively (vs expectations of 50 and 50.3 respectively). Deutsche Bank analysts highlight that, among the subcomponents, there were significant increases in both manufacturing and services output prices which may concern the MPC, following yesterday's inflation data for March which showed headline inflation rising to 3.3%y/y. Gilt yields were trading higher across the curve, underperforming European peers, with the 2Y yield +7bp at 4.40% and the 10Y +6bp at 4.97%. Money markets also scaled up expectations of BoE rate hikes, moving to price 61bp of hikes by December against 50bp priced yesterday. Elsewhere, the UK DMO announced a slight reduction in its latest gilt remit with sales of around £251bn expected in FY2026/27, around £6bn lower than announced at the Spring Forecast in March. The reduction in the supply would have normally been supportive of gilts, but it has been offset by domestic political developments, along with concerns around inflationary pressures.

Commodities

The deadlock in the Strait of Hormuz remains unresolved, keeping upward pressure on oil prices. AP reported on Wednesday that Iran fired on three vessels transmitting the strait and seized two of them. Brent crude futures rose 3% to above USD100/bbl. According to Goldman Sachs, global visible oil inventories—based on publicly available data sources—could fall to record-low levels even under an optimistic scenario in which flows through the Strait of Hormuz recover by the end of April. Low inventories imply that the oil market is operating without a safety buffer, leaving prices highly sensitive to shocks and skewing risks sharply to the upside.

Exhibit 1: Global Visible Total Oil Inventories Have Declined by 255mb Since the Start of the Conflict and Are Likely to Reach All-Time Lows Even if the Strait Reopens by Late April



Total Ex Mideast stocks is the sum of landed Mideast stocks and floating storage from the Persian Gulf.

Emerging Markets

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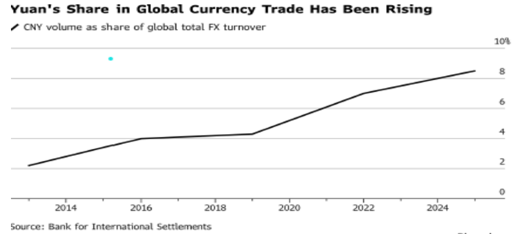
Asian currencies weakened broadly against the dollar. The Indonesian rupiah (-0.8%), Thai baht (-0.7%) and Philippine peso (-0.5%) underperformed. Meanwhile, the Indian rupee extended its depreciation (-0.3%) to INR 94.08/$ and reportedly prompted intervention from the central bank, according to Bloomberg. **The Philippine central bank raised its benchmark interest rate for the first time in more than two years to 4.50% (+25 bp)** as the spike in energy prices drove inflation past the BSP's target. Meanwhile, JPMorgan Chase indicated that it will add Philippine's local-currency bonds to its EM index early next year. The inclusion will be phased in until the bonds reach an index weight of 1.78%. **EMEA equities and currencies are mostly lower this morning**. In CEE equities, Poland is underperforming (-1.2%) on declining consumer confidence (the index came toady at -14.1pts for April, vs. est. -12.3pts, from prior -12.2pts). Meanwhile, shares in Romania rose (+1%) on domestic political developments. CEE currencies edged lower against the euro, with the Hungarian forint sliding the most (-0.3%). The South African rand retreated (-0.5% against the dollar), with the stock market losing -1.5% on a lower gold price. Governor Kganyago reiterated that the central bank will respond to inflationary pressures from higher energy prices if these prove persistent. **Latin American equities were mixed Wednesday**, with Brazil (-1.7%) and Chile (-1.1%) falling while Mexico and Colombia were little changed. The Chilean peso (+0.6%) and Colombian peso (+0.4%) were the best performing EM currencies, while the Brazilian real was flat and the Mexican peso fell slightly. Argentina's economic activity fell 2.6% m/m in February, its largest drop since 2023.

China

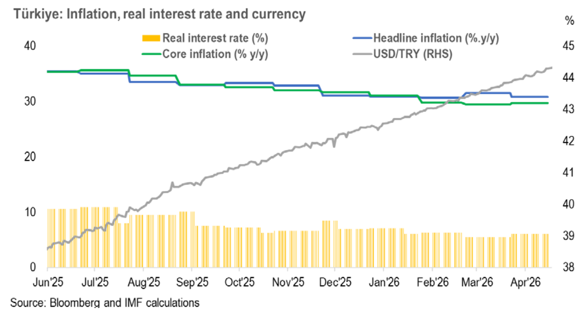
Yuan's Share in Global Currency Trade Has Been Rising



The RMB is poised to surpass the yen in currency options trading. The yuan is on track to overtake the yen as the second most traded currency against the dollar in the foreign exchange options market, with the dollar-offshore CNH currency pair poised to move to second place behind just the euro-dollar, according to London-based clearing house LCH. The latest triennial survey released by the Bank for International Settlements shows that average daily global volume of foreign-exchange options using the RMB was $82 billion, compared with $102 billion for the yen and $236 billion for the euro. RMB use has also been bolstered by the war in the Middle East, with China's cross-border yuan payment system, CIPS, processing its largest ever single-day volume in early April. The CNY weakened on the day to 6.835/$ (-0.2%). Meanwhile, CGB yields rose modestly following the recent market rally. The yield on the 30-year CGB rose 1 bp to 2.23% while the 10-year yield rose 3 bp to 1.76%.

Türkiye

The central bank of Türkiye (CBT) kept its benchmark one-week repo rate at 37% yesterday in line with expectations. The lira was firm against the dollar. HSBC notes that inflation was relatively benign in March (at 30.8%, a touch softer than in February), with limited FX purchases from residents helping reserves recover after $60bn had been spent in interventions to support the lira since the beginning of the year. HSBC now expects the easing cycle to restart in September and forecasts inflation close to 25% if oil prices continue to hover near $100/bbl. JP Morgan expected a 300bp hike yesterday and believes the effective funding rate will stay at 40% (as the CBT pushes banks to tap marginal lending facilities at a rate 300bp higher than the one-week repo-rate) until tensions ease, with the policy rate declining in 2H to end 2026 at 34%.



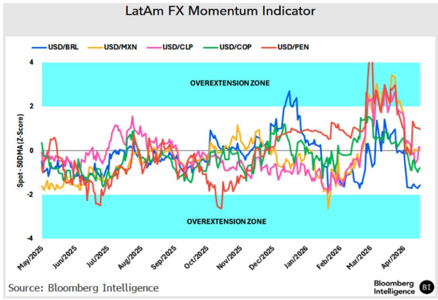
Indonesia

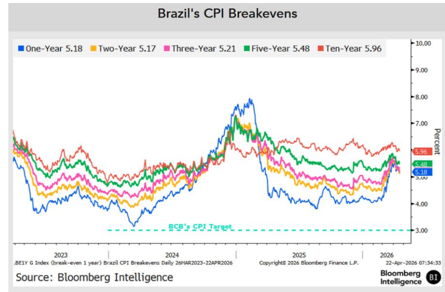
The Indonesian rupiah fell to its weakest level in seven months on rising oil prices. The cost of government subsidies for fuel and cooking gas have increased, adding to fiscal concerns. The rupiah fell as much as 0.6% on Thursday, set for its largest single-day drop since last September. Meanwhile, Indonesia's yield curve bear flattened after the central bank's hawkish decision on Wednesday. The 1-year yield rose by about 9 bp to 5.59%, while the 5-year jumped 13 bp to 6.46%. (The longer end of the curve had smaller increases, 10-year note rising 8 bp). Bank Indonesia said on Thursday that it would continue to increase the intensity of its interventions to maintain rupiah stability, reinforcing Governor Perry's comments a day earlier. The Jakarta Composite Index fell 2.2%.

The oil price shock is amplifying cost pressures across key commodity sectors. Indonesia's nickel downstream sector is facing particular pressure, especially companies producing electric-vehicle battery precursor materials, with HPAL-based smelters most affected as sulfur prices have tripled from a year ago to above $960/ton, while HPM-linked ore prices have risen and industrial diesel has doubled in price. The New York Times estimates that Indonesia's nickel producers are slated to lower their production by 10%.

Brazil

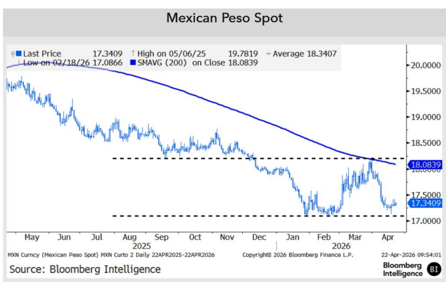
Carry continues to support the Brazilian real, though momentum looks stretched ahead of a potential test of 4.80 per dollar (left chart). The 10yr-2yr swap spread remains flat despite the current easing cycle, as risk premiums on the front end remain sticky following March's stop-outs. Activity cooling due to high real rates is feeding front-end receiving flows, creating steepening pressure that has yet to fully materialize. Short-term breakevens have risen above the upper inflation target band of 4.5% y/y with the one-year rate at 5.18% (right chart), as high fuel prices and lingering electoral risks keep inflation risk premiums elevated.

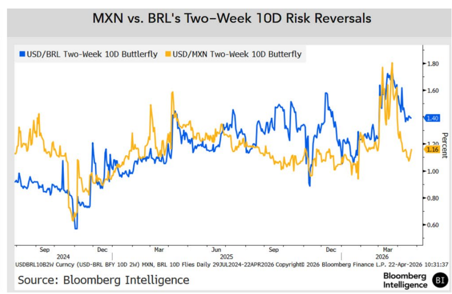




Mexico

As the initial impulse of the Middle East conflict fades, the Mexican peso has settled into a 17.10-18.20 range (left chart). One-month implied volatility has dropped below 10%, the lowest among major LatAm pairs, and the two-week 10-delta risk reversal has normalized to 1.16%, a sharper move than the Brazilian real (right chart). Thursday's data slate, including CPI, retail sales, and economic activity, will provide an updated read on the response of growth and inflation to lower rates. No cuts are priced in the near-term, though a similar setup last month did not prevent a 25 bp cut.





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: 4/23/26 7:46 AM	Level: Last 12m	Level: Latest	Change: 1 Day	7 Days	30 Days	12 M	YTD
Equities					%		%
United States		7,138	1.0	1.6	8.5	32.8	4
Europe		5,867	-0.7	-1.1	5.2	15.1	1
Japan		59,140	-0.7	-0.6	13.2	68.8	17
China		4,786	-0.3	1.0	7.0	26.5	3
Asia Ex Japan		108	2.2	2.8	10.3	49.4	16
Emerging Markets		63	1.8	1.9	10.6	47.3	16
Interest Rates					basis points		
US 10y Yield		4.3	1	0	-3	-7	15
Germany 10y Yield		3.0	2	-1	2	53	17
Japan 10y Yield		2.4	3	2	12	109	36
UK 10y Yield		5.0	5	11	4	40	48
Credit Spreads					basis points		
US Investment Grade		116	-1	0	-14	-41	8
US High Yield		328	-2	-5	-46	-113	-9
Exchange Rates					%		
USD/Majors		98.8	0.2	0.6	-0.2	-1.1	0
EUR/USD		1.17	-0.2	-0.8	0.6	3.2	-1
USD/JPY		159.7	0.1	0.3	0.8	11.3	2
EM/USD		47.4	0.0	-0.3	2.7	5.4	2
Commodities					%		
Brent Crude Oil ($/barrel)		103.0	1.1	3.7	7.4	61.6	71
Industrials Metals (index)		179.8	-0.7	-0.1	10.6	24.6	10
Agriculture (index)		56.8	0.3	0.4	0.6	-2.6	6
Gold ($/ounce)		4705.2	-0.7	-1.8	6.8	43.1	9
Bitcoin ($/coin)		77615.3	-1.1	2.4	9.5	-17.2	-11
Implied Volatility					%		
VIX Index (%, change in pp)		19.7	0.8	1.7	-6.5	-8.8	4.7
Global FX Volatility		7.0	0.0	-0.2	-1.5	-2.6	0.1
EA Sovereign Spreads					10-Year spread vs. Germany (bps)		
Greece		76	1	1	-10	-11	17
Italy		79	2	2	-8	-34	9
France		66	1	1	-5	-9	-5
Spain		46	0	1	-5	-21	3

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

Emerging Market Financial Indicators

4/23/2026 7:46 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		6.83	-0.1	-0.2	0.7	6.6	2.3		1.8	-1	-4	-10	7	-13
Korea*		1482	-0.1	-0.1	0.4	-3.7	-2.5		3.6	3	3	-6	107	30
Indonesia		17286	-0.6	-0.9	-1.7	-2.4	-3.5		6.5	2	1	-23	-42	48
India		94	-0.3	-1.0	-0.1	-9.2	-4.5		7.8	8	12	5	111	67
Philippines		60	-0.6	-0.8	-0.3	-6.5	-2.6		5.5	5	5	-23	44	78
Thailand		32	-0.6	-1.3	-0.2	3.5	-2.9		2.2	0	4	-1	23	48
Malaysia		3.97	-0.3	-0.3	-0.7	10.7	2.4		3.6	0	-2	-1	-11	5
Argentina		1378	-0.3	-1.4	0.9	-20.0	5.3		0.0	0	0	-2935	-3367	-3237
Brazil		4.96	0.1	0.6	5.5	15.3	10.7		13.5	14	7	-66	-103	-4
Chile		889	0.6	-0.4	2.3	6.0	1.3		5.3	1	3	-36	-24	-1
Colombia		3564	0.4	1.2	4.2	20.5	5.9		13.1	10	4	-56	115	22
Mexico		17.38	-0.3	-0.7	2.3	12.9	3.6		8.9	-3	-3	-48	-61	-10
Peru		3.4	-0.3	-0.1	0.4	7.3	-2.4		6.6	8	-21	-17	-4	83
Uruguay		40	-0.1	0.4	2.1	6.0	-1.3		7.4	1	-3	-25	-224	-11
Hungary		313	-0.4	-0.9	6.8	15.4	4.6		5.9	3	-18	-139	-76	-61
Poland		3.63	-0.2	-1.0	0.9	4.1	-1.2		5.0	5	0	-34	24	43
Romania		4.4	-0.2	-0.7	0.7	0.9	-0.5		6.8	-14	20	-25	-48	15
Russia		75.0	0.0	1.8	9.4	10.6	5.0							
South Africa		16.5	-0.3	-0.7	1.8	12.9	0.2		8.8	12	15	-56	-226	24
Türkiye		44.93	0.0	-0.3	-1.4	-14.7	-4.4		33.4	43	45	-96	-122	379
US (DXY; 5y UST)		99	0.2	0.6	-0.2	-1.1	0.5		3.94	1	2	-3	-9	21

	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		4,786	-0.3	1.0	7.0	26.5	3.4		93	-1	-10	-29	18
Korea*		6,476	0.9	4.0	16.6	156.7	53.7		29	0	-6	-5	7
Indonesia		7,379	-2.2	-3.2	3.8	11.6	-14.7		98	1	-14	-28	12
India		77,664	-2.2	-0.4	4.9	-2.7	-8.9		91	-1	-3	-38	1
Philippines		5,984	-0.1	-1.3	0.8	-2.8	-1.1		87	3	-10	-16	12
Thailand		1,461	-1.2	-1.9	3.6	27.4	16.0						
Malaysia		1,722	0.7	1.9	0.8	14.3	2.5		54	-1	-5	-43	-5
Argentina		2,898,692	-1.4	-0.7	4.3	29.4	-5.0		541	7	-93	-169	-28
Brazil		192,889	-1.7	-2.9	6.0	45.9	19.7		187	-6	-19	-51	-16
Chile		11,002	-1.1	-2.8	7.6	38.9	5.0		88	-4	-11	-43	-3
Colombia		2,284	0.1	-2.1	2.4	39.0	10.4		232	-1	-46	-158	-45
Mexico		68,837	0.0	-1.1	6.9	23.4	7.0		203	-3	-25	-140	-14
Peru		3,225	1.1	0.2	6.7	81.4	24.8		99	-1	-16	-51	-10
Hungary		135,203	-0.8	-0.8	10.2	48.9	21.8		112	-5	-48	-67	-27
Poland		130,908	-1.4	-1.8	9.2	31.3	11.7		88	-5	-11	-22	-3
Romania		28,918	1.2	-1.5	3.7	66.9	18.3		186	14	-20	-90	10
South Africa		116,198	-1.6	-2.1	5.2	29.3	0.3		230	-1	-42	-131	12
Türkiye		14,335	0.0	0.6	10.9	51.0	27.3		261	-2	-49	-61	27
EM total		63	-1.0	1.9	10.6	47.3	15.8		253	-5	-34	-143	-18

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

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