



- **Stubbornly high oil prices continue to challenge markets** ([link](#))
- **Technology spending by US corporations at highest level in four years** ([link](#))
- **Yen has largest one day gain in two years after official intervention** ([link](#))
- **US private credit market hits \$3.5 trillion in size** ([link](#))
- **Central bank in Colombia surprises markets by not hiking** ([link](#))
- **Botswana is first African country to hike since the Middle East conflict began** ([link](#))

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

Global Markets Trade at Record Highs

The nearly 10.5% rally in the S&P 500 in April was one of the three largest April rallies of the 21st century, with the others being the April 2009 start of the post-GFC rally and April 2020 marking the start of the Covid recovery. Many other markets also saw strong gains in April, indicating that markets are confident that the fallout from the conflict in the Middle East will be limited. Some market participants are worried that investors may be too complacent as the closure of the Strait Hormuz enters its 63rd day and the disruptions to global supply chains gain momentum. Meanwhile, US equity index futures point to another record high, while many markets around the world are closed for the May Day holiday. Oil companies such as Exxon and Chevron reported large profits as a consequence of elevated oil prices. Meta issued \$25 billion of new bonds this week, with the order book nearing \$100 billion as eager investors flocked to the sale.

Key Global Financial Indicators

Last updated: 5/1/26 7:36 AM	Level		Change from Market Close				YTD
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	
Equities			%				%
S&P 500		7209	1.0	1	10	29	5
Eurostoxx 50		5882	1.1	0	3	14	2
Nikkei 225		59513	0.4	1	11	63	18
MSCI EM		64	2.1	3	12	46	17
Yields and Spreads			bps				
US 10y Yield		4.38	1.4	8	7	17	22
Germany 10y Yield		3.04	-7.3	3	0	59	18
EMBIG Sovereign Spread		247	3	5	-41	-121	-6
FX / Commodities / Volatility			%				
EM FX vs. USD, (+) = appreciation		47.3	0.0	0	2	4	2
Dollar index, (+) = \$ appreciation		97.9	-0.1	-1	-2	-2	0
Brent Crude Oil (\$/barrel)		110.8	0.4	5	10	78	82
VIX Index (% change in pp)		17.1	0.2	-2	-7	-8	2

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: 5/1/26 7:38 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)		111	0.4	5	10	78	82
WTI Crude Oil (\$/barrel)		104	-0.7	11	4	76	82
Natural Gas (Netherlands TTF)		46	-1	4	-15	42	74
Breakeven Inflation		%	bps				
USD: 2Y		3.0	-1.0	7	27	16	75
USD: 5Y		2.8	0.1	9	24	29	42
USD: 5Y5Y		2.4	0	4	7	9	-1
EUR: 2Y		3.0	-3.8	18	30	152	135
EUR: 5Y		2.5	0	14	22	80	73
EUR: 5Y5Y		2.1	-2	2	1	9	8

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

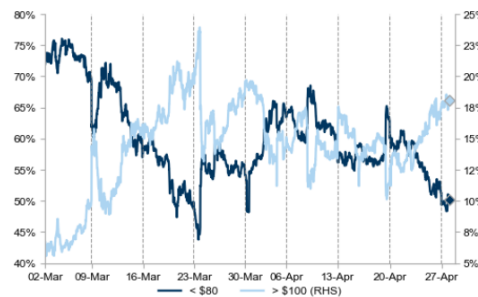
Mature Markets

[back to top](#)

Oil Markets

Stubbornly high oil prices remain a headwind for global markets. Growing shortages in Asia are becoming increasingly disruptive as hopes for a rapid decline in energy prices gradually fade away. The shortages are expected to move westwards towards Europe later this year as local reserves of petroleum, natural gas and other petrochemicals are used up. Based on the prices of options on Brent crude oil futures, markets think the probability of Brent remaining above \$100/barrel has risen to 20% from 10% just a few days ago. Goldman analysis finds that most asset classes are still negatively correlated with oil prices, and persistently high oil prices may eventually push markets lower. Strong corporate earnings around the world have created a broad based rally that has pushed equity markets to record highs, but investors are growing increasingly worried about the risk of higher inflation and interest rates. Tighter financial conditions could erode corporate profitability in the months ahead.

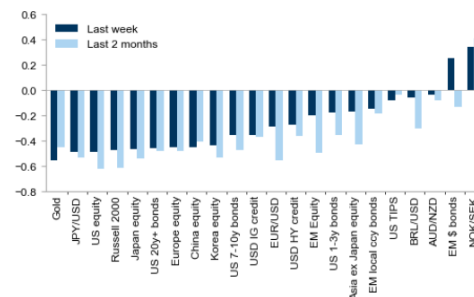
Exhibit 1: Market prices a c.20% chance of Brent > \$100 in December
Option-implied probability of Brent prices on December 23rd



Source: LSEG Data & Analytics, Goldman Sachs Global Investment Research

Exhibit 2: Most assets remain negatively correlated with oil prices

Correlation of intra-day returns to 12th Brent future price



Source: LSEG Data & Analytics, Goldman Sachs Global Investment Research

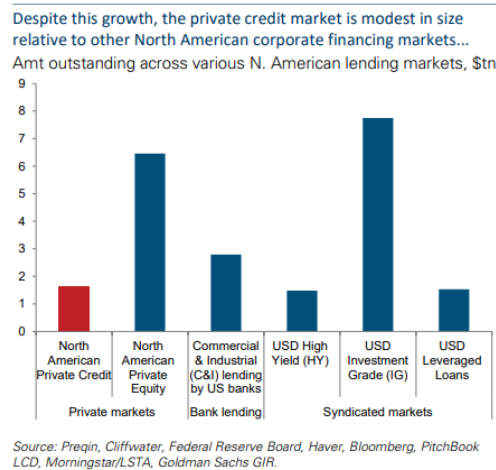
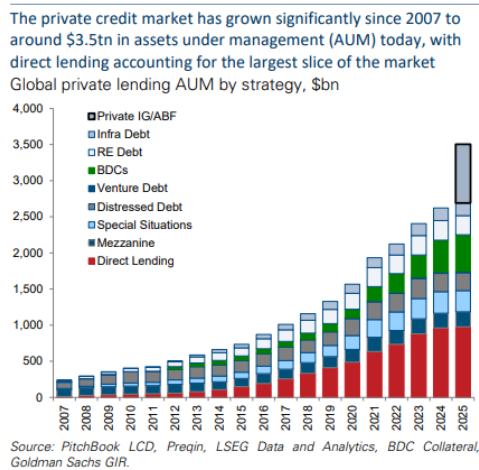
United States

Technology spending by US corporations reached the highest level since 2022 in Q1 2026, led by spending on AI. S&P Global reported that its proprietary Technology Demand Indicator (TDI) went up to 56.67 by the end of March. The TDI is based on survey data regarding corporate technology spending plans, and S&P notes that it “typically predicts revenue performance” for technology companies for a few

months in future. A number above 50 indicates expansion and a number below 50 indicates contraction. This is the first quarter when AI spending took first place ahead of information security and cloud infrastructure. Technology shares staged a major rebound from the war-related selloff, with semiconductors taking the lead along with the makers of cloud infrastructure. However, the pace of growth in technology spending seems to be slowing down, perhaps due to the continued uncertainty about the conflict in the Middle East and the associated supply chain constraints that have not yet come to pass.



The US private credit market has grown to \$3.5 tn, with direct lending to corporate borrowers accounting for the largest portion of the market. However, infrastructure debt has come to play an important role, with AI-related borrowing increasing at a rapid pace. Worries about credit problems in private credit have caused the share prices of companies active in these sectors to decline by 30-50%, and many analysts are worried that private credit could trigger a broader system-wide credit meltdown. The use of potentially less reliable credit ratings from smaller agencies, and the lack of visibility into mark-to-market valuations of individual deals further cloud the outlook. Others are less concerned, pointing out that the private credit market is relatively small given the vast size of US debt markets. Private credit tends to have low loan-to-value (LTV) ratios and are the seniormost assets in the capital structure; the equity tranches that comprise 60–70% of these deals would have to be completely wiped out before the private credit tranches take any losses. In his latest letter to investors, JP Morgan CEO Dimon took the view that due to the relatively small size of the sector, it “probably does not represent a systemic risk.”

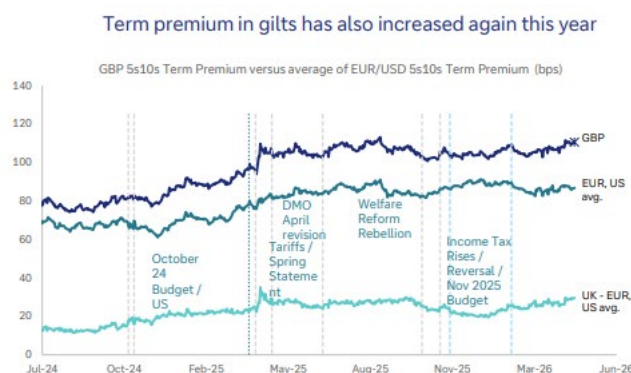


Euro area

Most European markets are closed for Labor Day, with the exception of UK markets, which will be closed on Monday for the Early May Bank Holiday. The FTSE100 index traded -0.5% lower this morning, whilst gilt yields increased, led by the front end (+3 bps at the 2-year maturity). NatWest (-3%) weighed on the FTSE index, despite reporting strong earnings. The bank emphasized uncertainty in the outlook, and the impact of rising energy costs on the near-term growth outlook for the UK.

United Kingdom

With the BOE decisions behind us, market focus shifts to next week's UK local elections. Next Thursday's local elections are critical as a real-time test of support for PM Starmer's government, with the scale of potential Labor losses likely to shape perceptions of political stability and directly influence the UK's embedded risk premium. According to Deutsche Bank, sterling continues to trade with a clear political risk premium, currently around 2% on measures comparing EUR/GBP to relative BOE-ECB rate pricing, reflecting persistent uncertainty around the UK political outlook and fiscal trajectory. This premium has narrowed from post-Budget peaks but remains material, supported by higher gilt yields and rising term premia, particularly at the long end. Sufficiently large losses for Labor would likely keep risk premia elevated or push them wider. Conversely, any credible signals of fiscal restraint, including potential welfare reforms, could offer a partial offset by supporting gilt market confidence.



Japan

The yen jumped as much as 3% on Thursday amid reports of official intervention, marking its largest intraday gain in about 2 years, hours after Japanese authorities delivered a “final” warning to investors against selling the currency. According to the Nikkei newspaper, which cited a government official, the authorities intervened in the foreign exchange market by buying yen, after the currency had weakened to its weakest level since mid-2024 following a reassessment of the US rate outlook triggered by the Fed's hawkish-hold decision on Wednesday. Earlier in the day, Finance Minister Satsuki Katayama said that the timing to take bold action in the FX was “nearing,” while Vice Minister for international Affairs Atsushi Mimura described his remarks as a “final warning” to markets. Following the reported intervention, USD/JPY broke sharply below its pre-intervention 158–161 trading range, briefly falling to around 155.6 yen per dollar—its strongest level since late February. Thin liquidity conditions during Japan's Golden Week holiday period (April 29-May 6) may have amplified the size of the move. Market participants, however, remain skeptical about the durability of yen strength. Recent depreciation pressures have been driven primarily by wide domestic-foreign interest rate differentials, which are unlikely to narrow materially given a repricing toward a more hawkish US policy outlook alongside more cautious normalization prospects in Japan, amid ongoing uncertainties over the sustainability of wage growth and heightened Middle East-related cost pressures.

Yen Surge Prompts Intervention Speculation

Currency rallies as much as 3% to strongest mark since February

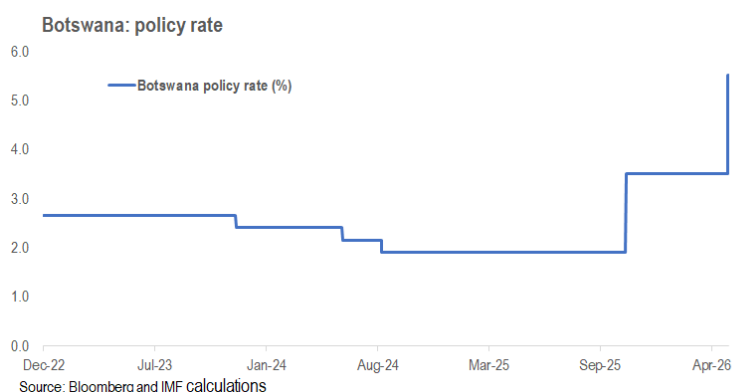
**Emerging Markets**

[back to top](#)

Most markets across EMEA were closed due to the May holiday. Elsewhere, the National Bank of Ukraine kept its policy rate unchanged at 15.00% yesterday, in line with expectations. **Many markets in Asia were also closed. Yesterday, Latin American equities, currencies and bonds followed US markets higher.** The Colombian peso was the outlier, weakening after the central bank surprised markets by not raising its policy rate.

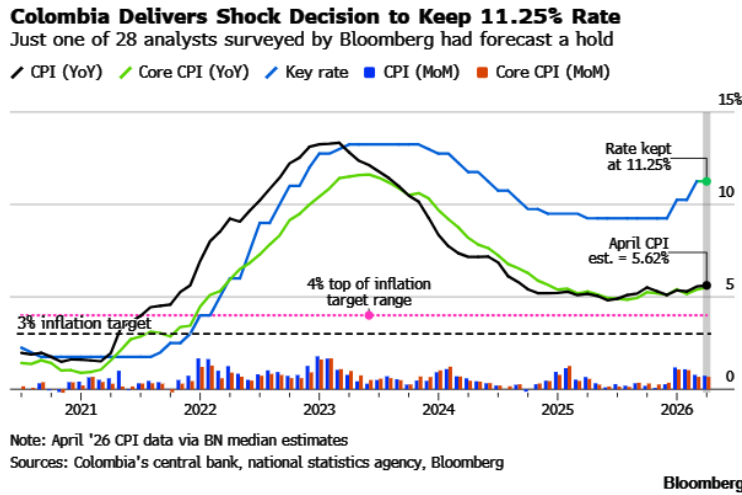
Botswana

Bank of Botswana hikes rates by 200bp. Yesterday, the Bank of Botswana raised interest rates by 200bp from 3.5% to 5.5%, becoming the first African central bank to hike since the outbreak of the Iran war. The MPC expects inflation to rise above the upper band of the 3–6% target range in the second quarter of this year on the back of higher energy prices as well as public transportation fares and medical aid premiums. For 2026, inflation is expected to average 8.7% before declining to 5.6% in 2027. The MPC cited greater upside risks to inflation due to potential second-round effects and the need to strengthen policy transmission for the rate hike. Analysts at Oxford Economics note that with fiscal pressures likely to remain elevated in the near term, rates may remain higher for longer in Botswana.

**Colombia**

Colombia's central bank unexpectedly paused its tightening cycle, keeping the policy rate at 11.25% in a unanimous decision that surprised nearly all analysts. The move followed strong pressure from the government, including actions and warnings from Finance Minister Germán Ávila and President Gustavo Petro, which raised concerns about potential disruptions to policymaking. Policymakers opted to hold rates amid risks of institutional conflict and additional policy measures, even as inflation rose to 5.6%, remaining

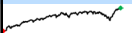

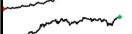


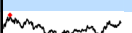
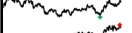


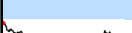
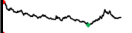



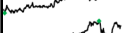
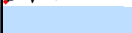


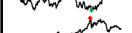






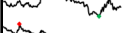
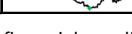
above target. The decision comes ahead of presidential elections and highlights concerns about central bank independence. S&P Global Ratings downgraded Colombia to BB- on April 8 and warned that further cuts could follow if central bank credibility weakens.



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), 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: 5/1/26 7:39 AM	Level		Change				YTD
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	
Equities			%				%
United States		7,209	1.0	1.4	9.6	28.6	5
Europe		5,882	1.1	0.0	2.6	14.0	2
Japan		59,513	0.4	0.6	10.7	63.3	18
China		4,807	-0.1	0.4	8.3	26.2	4
Asia Ex Japan		110	2.2	3.1	13.0	48.8	18
Emerging Markets		64	2.1	2.6	11.8	46.3	17
Interest Rates			basis points				
US 10y Yield		4.4	1	8	7	17	22
Germany 10y Yield		3.0	-7	3	0	59	18
Japan 10y Yield		2.5	-1	8	21	126	45
UK 10y Yield		5.0	1	11	19	54	55
Credit Spreads			basis points				
US Investment Grade		118	0	2	-14	-35	10
US High Yield		329	1	1	-67	-104	-7
Exchange Rates			%				
USD/Majors		97.9	-0.1	-0.6	-1.7	-2.3	0
EUR/USD		1.18	0.2	0.3	1.4	4.1	0
USD/JPY		156.5	-0.1	-1.8	-1.5	7.6	0
EM/USD		47.3	0.0	-0.2	2.2	4.5	2
Commodities			%				
Brent Crude Oil (\$/barrel)		110.8	0.4	11.8	18.5	78.9	84
Industrials Metals (index)		177.7	0.3	-1.5	3.7	27.1	9
Agriculture (index)		58.7	0.4	2.7	3.7	1.7	10
Gold (\$/ounce)		4575.9	-0.9	-2.8	-3.8	41.3	6
Bitcoin (\$/coin)		77349.5	1.2	-1.1	13.5	-19.8	-12
Implied Volatility			%				
VIX Index (% change in pp)		17.1	0.2	-1.7	-7.5	-7.6	2.1
Global FX Volatility		7.0	0.0	0.0	-1.0	-2.3	0.1
EA Sovereign Spreads			10-Year spread vs. Germany (bps)				
Greece		77	0	2	-2	-8	19
Italy		82	0	4	-2	-30	13
France		66	0	1	-3	-7	-5
Spain		46	0	1	-2	-21	3

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

Emerging Market Financial Indicators

5/1/2026 7:41 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	0.2	0.0	1.0	6.5	2.3		1.8	1	2	-4	13	-10
Korea*		1474	0.2	0.1	2.6	-2.6	-2.0		3.8	9	13	-3	132	51
Indonesia		17337	0.1	-0.6	-2.0	-4.4	-3.8		6.7	-3	12	-4	-8	68
India		95	-0.1	-0.8	-0.1	-11.0	-5.3		7.9	0	16	25	125	86
Philippines		61	0.0	-1.2	-2.0	-9.2	-4.1		5.7	10	27	26	81	107
Thailand		33	-0.2	-1.1	0.2	2.9	-3.3		2.3	3	3	-17	28	53
Malaysia		3.97	0.0	-0.1	1.4	8.7	2.2		3.5	0	-1	-4	-10	4
Argentina		1391	0.0	0.0	-0.7	-15.8	4.3		0.0	0	0	-2924	-3292	-3237
Brazil		4.96	0.8	1.3	4.5	14.5	10.9		13.8	-14	8	-38	-25	25
Chile		900	0.9	-0.2	2.9	5.4	0.1		5.5	-1	12	-11	-4	17
Colombia		3639	-0.4	-2.2	0.9	16.1	3.7		13.6	1	40	32	154	73
Mexico		17.46	0.1	-0.4	2.1	12.3	3.2		9.2	-2	17	-16	-20	18
Peru		3.5	0.4	-1.1	-0.8	4.5	-4.1		6.7	-1	8	-26	18	94
Uruguay		40	0.2	-1.5	0.7	4.3	-2.9		7.5	1	11	-15	-214	-5
Hungary		310	0.2	0.5	6.8	15.5	5.6		5.9	0	-3	-129	-59	-61
Poland		3.62	0.2	0.0	2.1	4.8	-0.9		5.3	-1	19	-11	50	70
Romania		4.4	0.0	-1.9	-0.6	-0.4	-2.1		7.1	5	18	1	-28	39
Russia		75.0	0.1	0.4	7.4	9.3	5.0							
South Africa		16.7	-0.4	-1.3	0.5	11.0	-1.0		9.1	-5	18	-42	-175	47
Türkiye		45.18	0.0	-0.4	-1.6	-14.9	-4.9		34.4	-24	102	-98	-62	481
US (DXY; 5y UST)		98	-0.1	-0.6	-1.7	-2.3	-0.4		4.02	1	10	6	21	29

	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		4,807	0.0	0.4	8.3	26.2	3.8		89	-2	-11	-37	14
Korea*		6,599	0.0	1.9	22.7	157.8	56.6		29	0	-5	-4	7
Indonesia		6,957	0.0	-5.7	-1.0	2.1	-19.5		101	2	-22	-25	15
India		76,914	0.0	-1.0	4.9	-4.5	-9.7		90	0	-9	-42	0
Philippines		5,834	0.0	-2.5	-2.8	-9.0	-3.6		89	1	-18	-13	14
Thailand		1,494	0.0	2.2	2.7	24.6	18.6						
Malaysia		1,722	0.0	0.0	1.6	11.6	2.5		52	-2	-13	-43	-7
Argentina		2,832,851	-0.2	0.0	-5.6	34.8	-7.2		564	8	-77	-165	-5
Brazil		187,318	1.4	-2.1	-0.4	38.6	16.3		182	-5	-26	-53	-21
Chile		10,908	0.5	-0.8	1.6	35.7	4.1		87	-2	-21	-43	-4
Colombia		2,178	1.5	-3.3	-4.5	32.6	5.3		243	14	-45	-139	-34
Mexico		67,858	1.1	-1.1	-2.6	21.6	5.5		202	-3	-36	-137	-15
Peru		3,159	2.8	-0.1	-3.5	76.8	22.3		95	-6	-25	-55	-14
Hungary		133,788	0.0	-0.8	7.9	45.1	20.5		116	3	-43	-71	-23
Poland		128,509	0.0	-2.2	2.3	27.0	9.6		93	4	-11	-26	2
Romania		28,264	0.0	-2.4	1.3	64.9	15.7		197	6	-24	-98	22
South Africa		115,181	0.0	-2.4	-0.8	24.7	-0.6		241	8	-41	-122	23
Türkiye		14,443	0.0	0.7	11.6	57.5	28.2		276	13	-48	-83	42
EM total		64	0.4	2.6	11.8	46.3	17.0		263	8	-38	-154	-9

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](#)