

Spinning tyres in the mud

Developments in the Middle East continued to dominate market movements. On Tuesday, US President Trump stoked fears after he said “a whole civilization will die tonight” if Iran did not agree to a deal before his deadline. That same evening, the US and Iran negotiated a two-week ceasefire, which significantly boosted investor sentiment. The price of oil tumbled and global equity markets surged on Wednesday as inflation fears and expectations for rate hikes started to dissipate. Bond yields in Europe dropped significantly and the US dollar was put on the defensive as safe haven demand declined.

The relief rally lost momentum towards the tail end of the week as the ceasefire looked more tenuous and the market became more cautious. There was uncertainty around the reopening of the Strait of Hormuz after officials in Tehran indicated their intentions to impose tolls on ships in exchange for passage. Additionally, reports emerged that the Strait couldn't be reopened since the Iranian military had lost track of the sea mines it had placed in blocking it.

Global equities finished the week up 2.1% in EUR terms, with the largest gains being seen in Australia (5.4%) and Europe (3.5%). However, over the weekend, peace talks between the US and Iran broke down, and the US has since said it will enforce a blockade on all Iranian ports in the Strait of Hormuz.

Economic releases during the week offered a snapshot of the impact that spiking energy prices have had. In the US, the PCE inflation rate for February came in at 2.8%, unchanged from January. Meanwhile, the US CPI inflation rate for March rose from 2.4% to 3.3%, driven by a 10.9% surge in energy costs. In Europe, the EU Sentix Index for investor morale dropped sharply in April from -3.1 to -19.2, lower than the projected -9.0.



Fact of the week

The preliminary reading for the US Michigan Consumer Sentiment Index sank to 47.6 in April, its lowest level since the survey began in 1946.

Our regular market information continues on the next page.

Snapshot



- Corporate Bonds
- World Equities
- Oil
- Gold
- Copper



- Sovereign Bonds

The week ahead

14 Apr	US PPI index for March is released.
15 Apr	US Empire State manufacturing index for April is reported.
16 Apr	UK GDP data for February goes to print.



	1 Week Return 03.04.26 to 10.04.26		Year to Date Return 31.12.25 to 10.04.26	
	Local Currency	Euro	Local Currency	Euro
World	3.7%	2.1%	1.4%	1.5%
U.S.	3.5%	1.9%	-0.4%	-0.3%
Europe	3.5%	3.5%	3.3%	3.3%
Ireland	5.6%	5.6%	-2.7%	-2.7%
U.K.	1.6%	1.7%	8.3%	8.6%
Japan	2.9%	1.5%	10.3%	8.8%
Hong Kong	3.5%	2.0%	12.0%	11.5%
Corporate Bonds	0.3%	0.3%	-1.0%	-1.0%
Sovereign Bonds	-0.3%	-0.3%	-0.6%	-0.6%

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Equities

- Global stocks finished up 2.1% in euro terms and up 3.7% in local terms last week.
- Year-to-date global markets are up by 1.5% in euro terms and up by 1.4% in local terms.
- The U.S. market, the largest in the world, finished up at 1.9% in euro terms and up at 3.5% in local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 4.3% last week. The German equivalent finished at 3.1%. The Irish 10-year bond yield finished at 3.3%.
- The Euro/U.S. Dollar exchange rate finished at 1.17, whilst Euro/GBP finished at 0.87.

Commodities

- Oil finished the week at \$97 per barrel and is up 68.5% year-to-date in euro terms.
- Gold finished the week at \$4,750 per troy ounce and is up 10.2% year-to-date in euro terms.
- Copper finished the week at \$12,819 per tonne and is up 3.1% year-to-date in euro terms.