Monthly **Market Commentary** - April 2026

Global markets rebounded sharply in April as Middle East tensions eased, with expectations growing for a resolution, softening the blow from the initial impacts of the March energy shock. Global equities rose 6.9%, recovering much of March's losses, while fixed income lagged: global aggregate bonds and sterling corporate bonds each gained 0.3%, while UK gilts fell a further 0.5% on lingering inflation concerns.

US technology large caps led the rally, up 11.9%, as easing geopolitical risk drove a sharp rotation back into the long-duration growth names worst hit in March. US large caps gained 7.2%, supported by resilient corporate earnings and the broader risk-on tone.

Emerging Markets surged 11.3% as a weaker dollar and normalising oil imports relieved pressure on dollar-denominated debt and supported commodity-importing economies.

Japanese equities rose 5.9%, benefiting strongly from cooling oil prices given the country's near-total reliance on imported energy and the easing of March's input cost pressures.

European equities rebounded 4.5%, similarly benefiting from easing energy costs given the region's exposure to Middle Eastern oil. Recession fears receded as inflation expectations improved.

UK large caps lagged at 2.3%, giving back the energy-sector premium that had cushioned March. Their heavy weighting to oil majors turned from buffer to headwind as crude oil prices moderated.

Crude oil added 3.0% at a sharply slower pace than March's surge, as Hormuz's partial reopening eased immediate supply concerns, though some risk premium remained with tensions unresolved. Gold fell 1.4% as safe-haven demand unwound and investors rotated back into risk assets.