

### Highlights include US/Iran Talks, US Earnings Season, US PPI, Chinese GDP, Australian Jobs, UK GDP and ECB Minutes

- **SAT:** US/Iran Talks
- **SUN:** Hungary Election
- **MON:** OPEC MOMR (Apr), Chinese M2 Money Supply (Mar), US Existing Home Sales (Mar), US Monthly Budget Statement (Mar)
- **TUE:** IEA OMR (Apr), IMF World Economic Outlook Press Briefing (Apr), Chinese Balance of Trade (Mar), Japanese Industrial Production Final (Feb), German Wholesale Prices (Mar), Spanish HICP Final (Mar), US NFIB Business Optimism Index (Mar), US ADP Weekly Change, US PPI (Mar), South Korean Export/Import Prices (Mar), South Korean Unemployment Rate (Mar)
- **WED:** Indian WPI & Inflation (Mar), French HICP Final (Mar), EZ Industrial Production (Feb), US Export/Import Prices (Mar), Fed Beige Book (Apr), Japanese Machinery Orders (Feb), Indian Balance of Trade (Mar)
- **THU:** ECB Minutes (Mar), SNB Minutes (Mar), Australian Jobs Report (Mar), Chinese GDP (Q1), Chinese Industrial Production (Mar), Chinese Unemployment Rate (Mar), UK GDP (Feb), UK Industrial Production (Feb), Italian HICP Final (Mar), EZ HICP Final (Mar), US Jobless Claims (Apr/11), US Philly Fed Index (Apr), US Industrial Production (Mar), New Zealand Food Inflation (Mar)
- **FRI:** Italian Balance of Trade (Feb)

## WEEK AHEAD

**US-IRAN TALKS (SAT):** Talks between the US and Iran are due to begin in Islamabad on Saturday, April 11, and are seen as a make-or-break moment for the fragile two-week ceasefire, with uncertainty over whether Iran will take part amid ongoing Israeli strikes in Lebanon - although recent reports via Pakistan suggest an Iranian delegation has arrived. The meeting will be held under heavy security at the Serena Hotel, with Pakistan hosting and mediating and China offering indirect backing. Both sides are sending senior officials, including US Vice President JD Vance and Iran's Parliament Speaker Ghalibaf, alongside Foreign Minister Araghchi, signalling high-level engagement if the talks go ahead. It is currently unconfirmed whether the Iranian delegation reported to have arrived in Pakistan consists of Parliamentary Speaker Ghalibaf and Foreign Minister Araghchi. Negotiators are expected to focus on sharply conflicting proposals, with the US pushing a 15-point framework that includes strict nuclear limits, an end to proxy support and the reopening of the Strait of Hormuz, while Iran's 10-point plan calls for security guarantees, recognition of its right to enrich uranium, control over Hormuz transit and a halt to Israeli operations in Lebanon. Key obstacles include the dispute over whether the ceasefire covers Hezbollah, the risk of an Iranian boycott and disagreements over access to Hormuz. In scenario terms, the best case would be a temporary extension of the ceasefire and an agreement to keep negotiating, while the worst case would see the talks collapse quickly, triggering renewed escalation, including possible US strikes on Iranian infrastructure. Friction between the two sides is expected.

**HUNGARIAN ELECTION (SUN):** The contest has so far shaped up to be a two-man race between Fidesz leader Orban and Tisza's Magyar. Over the past 16 years, Orban has refined what he describes as an "illiberal laboratory", offering a model for nationalist allies such as US President Trump. However, voter anger over a stagnating economy, a cost-of-living crisis, corruption, and mismanagement has eroded his support and boosted Magyar as a challenger. Magyar is seeking a two-thirds supermajority to reverse rules enacted by Fidesz. The forint has been pricing in a Tisza win since polls turned positive for the party in early 2025, with the HUF set to strengthen further if that materialises. However, any outcome indicating Orban retains some degree of power would weaken the forint. All 199 parliamentary seats are up for election. Each voter has two votes: one for an individual candidate and one for a party. A total of 106 members are elected by first-past-the-post in single-member constituencies, while the remaining 93 seats are allocated via a closed-list proportional representation system in a single national constituency. Polls open at 06:00 CEST/05:00 BST and close at 19:00 CEST/18:00 BST. Ballots are counted throughout the day, with final results expected late on Sunday. However, if the result is close, some ballots may be recounted over the following week.

**US EARNINGS SEASON:** Earnings season will kick-off on Monday, and around 70% of S&P 500 market cap will have reported Q1 results by the end of April. The S&P 500 is expected to see earnings growth of 13.2% Y/Y in Q1 2026, which would mark the sixth consecutive quarter of double-digit EPS growth, according to FactSet. Revenue growth is forecast to rise 9.7% Y/Y, which would be the highest since Q3 2022. All 11 GICS sectors are projected to report revenue growth, led by Tech, Communications, and Financials. Ahead, analysts see earnings growth of 19.1% Y/Y in Q2, 21.2% Y/Y in Q3, and 19.3% Y/Y in Q4, with total FY26 EPS growth see at 17.4% Y/Y. FactSet notes that, of the 110 S&P 500 companies that have issued EPS guidance for Q1, 59 issued positive updates vs 51 negative -- the highest proportion of positive guidance since Q3 2021 at 54%, and well above the five-year average of 42%. [Please click here for full preview](#)

**CHINESE BALANCE OF TRADE (TUE):** Consensus expectations point to a moderation in the surplus from the outsized January-February reading, with forecasts of about USD 110bln versus the prior USD 213.62bln. Exports are expected to remain a key driver, although growth may ease after the strong 21.8% Y/Y pace at the start of the year, while imports are likely to stay supported by policy efforts to boost domestic demand and rebalance trade. Analysts highlight several factors shaping the March data. Geopolitical

tensions, including the Iran-Israel conflict, may pose risks to supply chains, particularly via the Strait of Hormuz. A temporary reprieve on some US tariffs is also seen as encouraging front-loading of shipments. Meanwhile, continued strength in exports of electric vehicles, lithium-ion batteries and solar products is expected to underpin overall export performance. Higher crude prices in March are likely to have lifted the value of imports, potentially narrowing the surplus.

**US PPI (TUE):** The March PPI report will be published on Tuesday. February's report showed US producer prices unexpectedly accelerating by +0.7% M/M (exp. 0.3%), while core rose +0.5% M/M (exp. 0.3%). Analysts said the results reflected higher costs for goods and services prior to the war in Iran. On an annual basis, headline PPI rose to the highest since February 2025 at 3.4% Y/Y, while the core rate was at 3.9% Y/Y. The data reinforced the view that inflation remains sticky at the wholesale level. The services component drove much of the upside, rising 0.5%, with portfolio management fees up 1% and securities brokerage and investment advisory services accelerating 4.2%. Goods prices added 1.1%. Analysts note that the data came before the Iran-related energy shock, suggesting pipeline pressures may intensify further in March.

**ECB MINUTES (THU):** On 19th March, the ECB maintained its three key rates, with the deposit rate held at 2.00%. The accompanying statement and an unusually short press conference but President Lagarde stressed that policymakers were not pre-committing to a particular path and were well positioned to navigate Middle East uncertainty. Specifically, Lagarde said they were "well positioned and well equipped". The baseline forecasts, as of the 11 March cut-off, were contingent on market pricing at the time, which implied around 45bps of tightening across 2026; despite this implied tightening, the baseline showed a marked rise in HICP to 2.6% for 2026 (1.9% in the December MPR). However, the adverse and severe alternative scenarios saw this rise to 3.5% and 4.4%, respectively. These scenarios are notable as the conflict continues and the energy shock has increased markedly since mid-March, and given ECB sources on the day of the March announcement said the baseline was already outdated. From the minutes, participants will be attentive to any updates on what governors are looking for in terms of second-round effects and, by extension, any early insight into the timing of a hike. Since then, sources and some officials have said a move as soon as April could theoretically be appropriate, with ECB's Nagel, for instance, saying such a move would be warranted if the price outlook deteriorates.

**SNB MINUTES (THU):** The SNB will release the minutes of its March meeting, when it kept rates steady at 0.00% as expected and formalised its stance on FX intervention. Soon after the US-Iran war began, the bank said it was "more prepared to intervene in the FX market", a position formalised at the March meeting, highlighting that the "willingness to intervene in the foreign exchange market has increased". Beyond FX, the statement and forecasts suggest the SNB expects higher energy prices to lift inflation in the short term. This should help ease concerns about a return to negative interest rates, although policymakers have long reiterated that the bar for such a move is high. Markets will scrutinise the minutes for clues on how policymakers view the current geopolitical environment, alongside any commentary on FX intervention.

**AUSTRALIAN JOBS (THU):** Markets will look for signs of resilience following a rebound in labour indicators, with job vacancies rising 2.7% in the February quarter to 337,900, pointing to solid underlying demand. Hiring has been led by the private sector, particularly construction, retail and accommodation, while public sector vacancies dipped slightly. The focus will be on whether the unemployment rate holds near 4.1% after the 4.3% print in February, and whether employment growth improves after a -30.5k full-time reading in February, alongside the participation rate at about 66.7% (versus 66.9% in February). Strong data could reinforce the Reserve Bank of Australia's hawkish stance on rates, while ongoing ABS modernisation means some detailed breakdowns will be phased out, with the March detailed release on April 23 set to be the final one in its current format.

**CHINESE GDP (THU):** Consensus sees Q1 GDP growth at about 4.8% Y/Y, with some indicators pointing to upside risk towards the 5.0-5.5% range after a strong start to the year. Industrial production is expected to remain firm after the 6.3% Y/Y pace in January-February, while the unemployment rate is seen holding near 5.3%, in line with the government's 5.5% ceiling. The release will test whether early-2026 momentum is sustainable beyond Lunar New Year effects. Manufacturing and exports remain key supports, while weakness in the property sector continues to weigh on fixed-asset investment, with development investment recently down 11.1%. External risks, including Middle East tensions, could lift energy costs and pressure margins, while a solid print may reduce the urgency for further stimulus. Markets will also watch for signs of easing deflationary pressures, with a shift towards firmer CPI and PPI seen as key to improving nominal growth.

**UK GDP (THU):** February's data will provide a useful benchmark for how the economy was faring before the Middle East energy shock hit and the narrative shifted towards stagflation. Survey data for February was strong, with S&P Global reporting a "solid expansion of UK service activity" and signalling stronger economic growth. February's M/M is expected at 0.3% (previous 0.0%). For the BoE, the data will provide a starting point to assess how severe an economic downturn to expect in the period ahead, shaping the upcoming policy debate. However, price developments will ultimately be the deciding factor for the MPC.

# WEEK IN REVIEW

**IRANIAN WAR REVIEW:** Between April 4 and April 10, 2026, the conflict shifted from intense military escalation to a fragile and contested ceasefire. Tensions peaked on April 6-7 as the US warned it could target Iran's remaining infrastructure if the Strait of Hormuz stayed closed, while Iran initially vowed to resist. In a post on Truth Social, US President Trump said, "A whole civilisation will die tonight, never to be brought back again". A two-week ceasefire brokered by Pakistan was announced on April 7, with both sides agreeing to pause hostilities and pursue talks, although shipping through Hormuz remained limited. The truce quickly came under strain as Israel continued strikes against Hezbollah in Lebanon, with disputes over whether the ceasefire covered proxy groups, alongside reports of heavy casualties and diplomatic pressure to contain escalation. As of the time of writing, talks are set to begin in Islamabad, but continued Israeli strikes and regional tensions, including accusations over a drone incident in Kuwait, threaten to derail the fragile agreement.

**OPEC+ REVIEW (SUN):** The "voluntary Eight" OPEC+ members met on 5 April and agreed to a modest production quota increase of 206,000 bpd for May, led by Saudi Arabia and Russia with 62,000 bpd each and Iraq with 26,000 bpd, while also warning about the critical importance of safeguarding maritime routes and highlighting damage to energy infrastructure. Analysts view the move as largely symbolic given the ongoing conflict involving Iran, with the Strait of Hormuz effectively shut since late February, disrupting exports from key Gulf producers and forcing shut-ins or force majeure declarations.

**US ISM SERVICES PMI (MON):** headline PMI fell to 54.0 from 56.1, below the 55 forecast. The components saw business activity fall to 53.9 from 59.9, although new orders rose to 60.6 from 58.6. When looking at the prices and employment PMIs, both were concerning for the Fed. Prices Paid surged to 70.7 from 63.0 (reminder, March CPI is due on Friday) while the employment PMI dropped to 45.2 (albeit the March NFP was strong). Within the report, it highlighted that the data indicates a 1.9% increase in real GDP on an annualized basis. However, ING suggests it is consistent with a rise of 2.5% when compared with the manufacturing PMI. Also, the ISM Services PMI questions saw companies note how they are purchasing additional inventory to account for geopolitical issues, with oil derivative products being stockpiled in case of an extended conflict or closure of Hormuz.

**SWEDISH INFLATION (TUE):** A cooler-than-expected inflation report for March further underscored Sweden's disinflation process. CPIF Y/Y came in at 1.6% (expected 2.1%, previous 1.7%), while M/M was -0.6% (expected 0.00%) and core CPIF Y/Y also undershot expectations at 1.1% (expected 1.6%). Policymakers will remain mindful of developments in the Middle East, which are likely to create some short-term upward price pressures. For now, the Riksbank may avoid near-term cuts and follow the policy rate path set out in March, which points to keeping rates steady through 2026 - as a reminder, money markets started the year assigning some probability of a cut in the spring and summer. A prolonged conflict could prompt the bank to consider a hike this year, although SEB sees that as unlikely at this stage.

**FOMC MINUTES (WED):** The minutes of the FOMC's March policy meeting broadly validate the hawkish hold, but show a more explicit debate over two-sided risks beneath the unchanged decision. The key message from participants was that officials were not yet ready to react mechanically to the oil shock from the US-Iran war, with most judging it too early to know how developments in the Middle East would affect the economy and policy. Even so, the vast majority said progress back to 2% could now be slower and the risk of inflation remaining persistently above target had increased, perhaps explaining why the Fed held rates steady despite lifting its 2026 inflation outlook in the March SEP. Almost all saw the funds rate as broadly within plausible estimates of neutral after last year's 75bps of easing, and said policy was well placed to wait for more evidence on the implications of the energy shock. Given the heightened degree of economic uncertainty, policy was framed as data-dependent rather than on a preset path. The minutes are firmer than the statement on possible hikes, with some seeing a strong case for two-sided guidance and many saying persistently higher oil prices could justify rate rises if inflation remained elevated, though cuts would still be more likely if inflation eased as expected. On the other side of the mandate, most still saw the labour market as broadly balanced, but the vast majority judged risks to employment to be skewed to the downside, and most warned that a prolonged conflict could weaken sentiment and hiring enough to warrant cuts. On the Middle East, since the March meeting, participants have generally said that any short-lived oil shock could be looked through, while a more prolonged disruption would raise the risk of energy feeding into core inflation and expectations. Elsewhere, staff discussion of the USD described the currency as volatile, but roughly unchanged on net, with safe-haven flows and net energy exporter dynamics offering support. Analysts at Barclays said the March minutes were cautiously hawkish but not pivoting, noting that some favoured two-sided guidance, leaving open the possibility of hikes, though many still expected cuts if inflation declined. The bank says elevated oil prices and sticky core services are seen delaying the return of inflation to the Fed's 2% target, with upside risks predominating. Still, Barclays retained its call for a 25bps rate cut in September 2026, followed by another in March 2027.

**RBNZ POLICY ANNOUNCEMENT (WED):** RBNZ left the OCR unchanged at 2.25%, as expected, marking a second consecutive pause, while the language leaned hawkish as it said inflation was expected to rise and the economic recovery to weaken in the near term, and that the Committee was focused on ensuring inflation returned to the 2% target midpoint over the medium term. RBNZ added that this required core inflation and wage growth to remain contained and medium- and long-term inflation expectations to stay around 2%, and said decisive and timely increases in the OCR would be required if these conditions were not met. The minutes showed the Committee was vigilant to any generalised inflationary pressure and stood ready to act to return inflation to target, with some members placing more emphasis on the case for an early monetary policy response, while others emphasised downside risks to growth and argued for more time to judge the extent to which weaker growth offset the second-round effects of higher fuel prices. It also said any signs of significant second-round inflationary effects or rises in medium-term inflation expectations would require decisive and timely increases in the OCR to re-anchor inflation expectations. RBNZ Governor Breman said in the online post-meeting press conference that the decision to hold rates was unanimous, and that policymakers discussed raising rates at the meeting but were not close to hiking, with no strong advocates for a move. She also said tighter financial conditions were expected to modestly dampen growth and that the frequency of rate hikes could be at every meeting or every second meeting, depending on conditions, while Breman maintained the hawkish tone the following day, saying inflation was expected to rise considerably in the near term and that the RBNZ would 'act decisively' if core prices picked up.

**RBI POLICY ANNOUNCEMENT (WED):** RBI kept its Repurchase Rate unchanged at 5.25%, as expected, with the decision unanimous, and maintained a neutral stance, while the Standing Deposit Facility Rate held at 5%, and both the Marginal Standing Facility Rate and the Bank Rate were also unchanged at 5.5%. RBI Governor Malhotra said safe-haven flows had exerted

depreciation pressure on currencies of major economies and that global growth faced downside risks, although he added that India's economy was on a stronger footing at present and noted that upside risks to the inflation outlook had increased. The RBI statement said geopolitical uncertainties had intensified significantly and headline inflation remained below target, but upside risks to the outlook had increased, driven by higher energy prices and possible weather-related disruptions to food prices. It also said core inflation pressures remained muted, although supply chain disruptions and the risk of second-round effects rendered the future inflation path uncertain.

**US PCE (FEB) (THU):** The February PCE is seen as stale because it came before the US-Iran war. Nonetheless, headline PCE rose 0.4% M/M, in line with expectations and up from 0.3% in January. That left the Y/Y rate at 2.8%, matching both expectations and the prior reading. Core measures also rose 0.4%, in line with forecasts and the prior month, while the Y/Y rate eased to 3.0% from 3.1%, also in line with forecasts. Overall, the report was broadly as expected, but headline inflation is certain to jump in March because of the spike in energy prices. It had already picked up in February to 0.4% from 0.3%, pointing to a firmer underlying price level before the shock. Looking at core inflation, which excludes energy and food, the dip to 3.0% will be welcome, but it remains well above the Fed's 2% target. The WSJ's Timiraos noted that core PCE was firm in February because of goods, with goods inflation rising 0.84%, the biggest increase since January 2022, while core goods prices rose 2.3% over 12 months. Elsewhere in the report, personal income fell 0.1% (exp. 0.3%, prev. 0.4%), while spending held at 0.4%, despite expectations for a rise to 0.5%. Pantheon Macroeconomics said the report showed consumer spending was already weak before the shock from higher petrol prices and will probably slow further in Q2, while the price data support the view that inflation was already picking up before petrol prices surged. Pantheon added, however, that the core PCE deflator has risen in February at an above-average pace in the past four years and that the increase was driven by some rises that are unlikely to be repeated.

**BOK POLICY ANNOUNCEMENT (FRI):** BoK held its base rate at 2.50%, as expected, in a unanimous decision, marking a seventh consecutive pause and the final rate decision under Governor Rhee's term. BoK said the Middle East conflict posed risks to growth and that it would thoroughly assess external and domestic conditions, including the conflict, while closely monitoring the impact on inflation, growth and financial stability. The central bank stressed the need to remain cautious about FX volatility and noted that trade uncertainties, the Middle East conflict and momentum in the chips sector would influence growth ahead. Governor Rhee said the growth path would hinge on developments in the Middle East and trade conditions, with board members in a wait-and-see mode given the volatility of the situation, adding it was too early to judge the direction of the shock, noting that a temporary shock would not warrant a policy response but a prolonged shock might require action. He also reiterated that it was too early to discuss a rate hike, with policymakers focused on assessing the size and duration of the impact, while adding that the recently introduced dot plot guidance supported policy transparency, although its future use would be determined by the incoming governor.

**CHINESE CPI (FRI):** China's March CPI data, released on April 10, showed cooling consumer inflation and a return to positive producer prices, with headline CPI at 1.0% Y/Y (previously 1.3%, expected 1.2%) and core CPI slowing to 1.1% from 1.8%, while monthly CPI fell 0.7%. In contrast, PPI rose 0.5% Y/Y, ending a 41-month deflation streak. The data point to a mixed backdrop, with easing CPI reflecting post-Lunar New Year normalisation and weak demand, while higher energy and commodity costs drove PPI, indicating margin pressure as firms struggle to pass on rising input costs.

**NORWEGIAN INFLATION (FRI):** Norway's March inflation report echoed trends seen across several European economies, with headline inflation rising from the previous month but showing few signs of second-round effects feeding into core measures. Headline M/M came in at 0.2% (expected 0.2%, previous 0.6%). With the Middle East situation keeping attention on core metrics, CPI-ATE M/M printed at 0.1% (expected 0.2%, previous 0.7%), while CPI-ATE Y/Y was 3.0% (expected 3.1%, previous 3.00%, Norges Bank forecast 3.00%). Despite the broadly in-line to cooler-than-expected report, inflation remains elevated and well above Norges Bank's target, making it unlikely to alter the bank's hawkish stance. At its most recent meeting, it said that "it will likely be appropriate to raise the policy rate at one of the forthcoming monetary policy meetings", and SEB therefore reiterated its call for a hike in May.

**CANADIAN JOBS (FRI):** The Canadian jobs report showed a net 14.1k jobs added in March, broadly in line with the 14.5k forecast and an improvement from February's 83.9k job loss. The composition was soft, however, with full-time jobs declining by 1.1k, although this was a smaller drop than the prior 108.4k fall. Part-time employment led gains, rising by 15.2k, but easing from the previous 24.5k increase. While not the strongest in terms of job creation, the report was less weak than those seen in February and January. Meanwhile, the unemployment rate held at 6.7%, despite expectations for a rise to 6.8%. Employment rose in the 'other services' industry (+15,000; +1.9%), which includes personal and repair services, and also increased in natural resources (+10,000; +3.0%). Employment declined in finance, insurance, real estate, rental and leasing (-11,000; -0.8%). Average hourly wages among employees rose 5.1% Y/Y, accelerating from the prior 4.2%. The BoC is likely to take some comfort that job creation did not weaken further after a poor start to 2026. However, the BoC is largely on hold at present given ongoing uncertainty from US-Canada trade tensions and the Middle East conflict.

**US CPI (FRI):** US headline CPI jumped in March, as expected, amid the Middle East war, with M/M at 0.9% (exp. 0.9%, prev. 0.3%) and Y/Y at 3.3% (exp. 3.3%, prev. 2.4%), as the energy index rose 10.9%, led by a 21.2% increase in gasoline that accounted for nearly three-quarters of the monthly rise in the all-items index. Excluding volatile energy components, core M/M rose 0.2% (exp. 0.3%, prev. 0.2%) and Y/Y 2.6% (exp. 2.7%, prev. 2.5%). Overall, the release is likely to have little sway on the Fed for now, which had anticipated a significant rise and remains in wait-and-see mode to assess how far the Iranian conflict pushes oil prices higher, and for how long, given the ongoing ceasefire. For the Fed, the base case remains that the FOMC will look through any hump in headline inflation over the coming months. As the WSJ's Timiraos writes, "Recent cease-fire reduces risks of dramatic price increases but paradoxically increases the likelihood of a longer rate pause, as it removes growth hits more than it eliminates inflation pressure, especially if shipping bottlenecks persist." Money market pricing turned marginally more hawkish, with 14bps of cuts priced in by year-end versus 12bps before the release. On PCE, Pantheon Macroeconomics provisionally estimates the core PCE deflator rose 0.26% in March, lifting the inflation rate to 3.1% from 2.9% in February.

