

European Market Wrap - 22nd April 2026

- **Mixed trade across stocks amid conflicting further Iranian headlines.**
- **Pakistani sources outline that "good news" regarding a second round of talks could arise as soon as Friday, NY Post reported.**
- **Iran says it has seized two ships in Strait of Hormuz after vessels were attacked.**

EQUITIES

- **European bourses** opened with very mild gains, but slowly trundled lower as the session progressed, alongside a slight pick-up in the energy complex. From an index stand-point, the **IBEX 35** (-0.5%) lagged vs peers, whilst the **AEX** (+0.5%) outperformed, lifted by post-earnings strength in **ASM International** (+6%). In brief, the Co. reported strong Q1 results, driven by AI demand and resilient Chinese sales; the Co. also provided upbeat guidance.
- **European sectors** are set to end the session mixed. Unsurprisingly, **Energy** topped the pile given recent advances in the underlying complex, followed closely by **Utilities** and **Basic Resources**. The latter buoyed gains in underlying metals prices, alongside an upbeat production report from Australia's BHP; though more locally, Fresnillo's (+0.2%) update was mixed. **Travel & Leisure** sat at the foot of the pile, hampered by post-earning losses in **Evolution** (-2%) after Q1 revenue missed.
- **Other key movers:** **ABB** (+3%) benefited after strong results and after it boosted its revenue guidance, **Ferrexpo** (-22%) slipped after its proposed a minimum USD 100m fund raise, **Reckitt** (-5%) extended lower after revenue fell, and **Deutsche Telekom** (-4.3%) fell amidst reports of a possible merger with T-Mobile US.
- **US equity futures** are entirely in the green (**ES** +0.7%, **NQ/RTY** +0.9%), in contrast to the cautious mood in Europe. Some strength in contracts came after President Trump said talks with Iran are possible, as soon as Friday. In terms of key movers today, **Boeing** (+4.5%, Shallower loss per shr. than exp. & not as deep as exp. negative FCF), **Adobe** (+3%, Announces USD 25bln buyback) and **Phillip Morris** (+1.8%, top & bottom line surpassed exp. as did midpoint of FY profit view).

FX

- **G10 FX began the London session risk-on** after a Bloomberg headline this morning said, "Iran received 'some sign' the US is ready to break the blockade", desk looked into the headline and found it was likely in relation to comments made by the UN Ambassador Amir Saeid Iravani on Tuesday. It seems other desks were notified of this, which saw a modest and gradual reversal of the downward move. **The mood soured after Iran said it seized two vessels (@10:54), and fired upon another off the coast of Iran.** It appears with the re-running of these headlines in the London afternoon "Iran fires on a third ship in Hormuz escalation, WSJ reports citing sources.", the mood continued to sour. Finally on geopolitics, the **risk-on resumed after POTUS told NYP it was possible a second round of talks could occur as soon as Friday.**
- Given the aforementioned references to sentiment across markets, **DXY chugged higher from the late morning to approach 100 and 200 DMAs of 98.50, where the move stalled alongside the NYP sources.**
- **GBP modestly weakened** against the Buck on March inflation data, which was as expected on the headline level, while the core figures were cooler, but the services lifted from the prior by more than expected. Overall, the BoE will likely be willing to wait and see for more data at this stage, as the lack of overt second-round effects means they have time to assess and weigh the growth vs inflation situation. **GBP/USD set to complete the session unchanged**, and just about on a 1.35 handle, after dipping below briefly (session low 1.3492, surpassing the overnight low of 1.3503). **EUR/GBP retreated, marking April lows.** Following the UK inflation series, ING wrote, "The latest rise in UK headline CPI tells us virtually nothing about the scale and duration of the inflation wave to come... we think the BoE will prefer to keep rates on hold this year."
- **Kiwi outperformed the USD** for the entire session amid continued rate repricing for the RBNZ. Markets expect the OCR to be raised by 85bps by year-end, with the first cut fully priced for July, and around 50/50 for the May 27th meeting. AUD/NZD trickled lower overnight and into the European morning, set to hand over to the US session -0.2% despite **Aussie holding up** well amid firmer Gold (+1%) prices.
- **NOK powered higher, helped by elevated energy benchmarks and SEK weakness** (Sweden, a net importer). A Citi trader wrote this morning, "Despite the market being somewhat long, NOK/SEK may still be able to stay solid. As we break through 0.9850, the next key resistance is fast approaching at 0.9890."
- In EMFX, the **CBRT left rates unchanged at 37%**, in line with most expectations. The bank said, on inflation, the underlying trend declined in March, and that leading indicators suggest a slight increase in the underlying trend in April. Looking ahead, it said potential second-round effects of recent developments on the inflation outlook will be of importance. Therefore, the CBRT will likely rely on the Middle-East conflict to abate before resuming its cutting cycle. Commenting on the currency, a JPM trader said its desk believes that FX reserve accumulation will still be a priority in the short term which may limit any downside in spot.

FIXED INCOME

- **Overall, a relatively contained session for fixed income**. APAC trade was rangebound, and while there have been bouts of weakness and strength across the day, the net picture is still near enough flat.
- Initially, there was a **modest bullish bias from a Tasnim piece** re. Hormuz. This was enough to mark an early high, though it has since been surpassed with **USTs at 111-16+ peak, Bunds to 125.84 and Gilts at 88.19. Highs that were printed in proximity to**

reports around positive signals on the mediation efforts.

- Between those peaks, benchmarks were sent to lows after further **UKMTO reports around incidents in Hormuz**, with Iran seemingly taking control of two vessels.
- For **Gilts**, the moves are directionally in-fitting but with additional focus on the **March inflation report**. See the 07:00BST headline for analysis on this. Overall, though, for the BoE, they will likely be willing to wait for more data at this stage, given the lack of overt second-round effects.
- **At the time of publication, geopolitical newsflow has picked up** with the NY Post reporting that there could be some good news by Friday. An update that hasn't sparked much movement in fixed, leaving the benchmarks with modest gains **into an evening that features US 20yr, Bessent and Wright**.
- **Blackstone (BX)** Private Credit files to sell 5-year benchmark bonds.
- **Germany sold EUR 1.96bln vs exp. EUR 2bln 2.60% 2041 and 3.40% 2047 Bunds.** 2.60% 2041: b/c 2.7x (prev. 2.4x), average yield 3.34% (prev. 3.29%), retention 3.7% (prev. 14.0%). 3.40% 2047: b/c 2.4x, average yield 3.47%, retention 4.3%.

COMMODITIES

- **Crude futures** – Crude was firmer as geopolitics remained the dominant driver. President Trump extended the ceasefire while maintaining the naval blockade, with talks in limbo after delays to US–Iran engagement and Iran signalling it may not honour the truce under blockade conditions. Additional tension stemmed from ship-targeting incidents in Hormuz. WTI traded towards the top of a USD 87.64–91.60/bbl range, while Brent held within USD 96.54–100.51/bbl.
- **Natural Gas** – Dutch TTF was modestly firmer, trading north of EUR 42/MWh but still well below war-driven peaks, with price action tracking broader geopolitical developments and energy flow uncertainty.
- **Precious Metals** – Precious metals were firmer as the USD eased. Spot gold rebounded after dipping below its 100 DMA (USD 4,730/oz) to a USD 4,668.62/oz low, before recovering to around USD 4,750/oz (USD 4,715–4,772 range). Spot silver met resistance at its 100 DMA (USD 78.68/oz), trading within USD 76.70–78.68/oz.
- **Base Metals** – Base metals were mostly firmer, supported by a softer USD and some relief following the ceasefire extension despite stalled talks. 3M LME copper traded within a USD 13,213.33–13,335.00/t range.
- **Oil transit to Europe via Ukrainian section of Druzhba pipeline has reportedly resumed, according to sources.**
- **China will improve efficiency of energy and resource output, Xinhua reported; is issuing guidelines on carbon reduction.** Will curb unreasonable growth of energy consumption. Will actively develop electric trucks.
- **EU Commission proposes actions to protect Europeans from the fossil energy crisis and accelerate the shift to clean, homegrown energy.** Proposals include: Heightened coordination. Formation of a fuel observatory. Accelerating the shift to homegrown clean energy, incl. an electrification plan. Increasing investments.
- **Japan has reportedly agreed to import 1mln bbls of crude oil from Mexico, due to arrive in July, Nikkei reported.** Comes as Japan seeks to reduce reliance on the Middle East after supply concerns linked to the de facto closure of the Strait of Hormuz. Japan and Mexico leaders also discussed broader energy and economic security cooperation, including critical minerals and supply chains.
- **Fire reported at an oil refinery in Erbil, Iraq, Al Hadath reported.**
- **Slovak Economy Minister** said Druzhba flows via Ukraine to Slovakia expected to restart on Thursday morning.
- **Fujairah, UAE crude inventory at 7.45mln barrels, a five year low.**
- **Hungary's MOL** said it received notice from Ukrtransnafta of its readiness to resume oil deliveries via Druzhba, TASS reported.
- **Hungarian officials have told Politico that a decision on the EU loan to Ukraine** is dependent on actual flows through the Druzhba pipeline.

EUROPEAN DATA

- **Germany cuts 2026 Growth forecast to 0.5% (prev. 1.0%), cuts 2027 growth to 0.9% (prev. 1.3%), sees inflation at 2.7% in 2026, 2.8% in 2027.**
- **UK Services Inflation Y/Y (Mar) 4.5% vs. Exp. 4.40% (Prev. 4.30%).**
- **UK Inflation Rate YoY (Mar) Y/Y 3.3% vs. Exp. 3.3% (Prev. 3%, Low. 3.1%, High. 3.5%).** ONS comments: "Inflation climbed in March, largely due to increased fuel prices, which saw their largest increase for over three years. Airfares were another upward driver, alongside rising food prices." "The monthly cost of both raw materials for businesses and goods leaving factories rose substantially, driven by higher crude oil and petrol prices."
- **UK PPI Output MoM (Mar) M/M 0.9% (Prev. -0.5%).**
- **UK PPI Core Output MoM (Mar) M/M 0.2% (Prev. -0.8%).**
- **UK PPI Core Output YoY (Mar) Y/Y 2.0% (Prev. 1.9%).**
- **UK PPI Input YoY (Mar) Y/Y 5.4% (Prev. 0.5%).**
- **UK PPI Input MoM (Mar) M/M 4.4% (Prev. 0.8%).**
- **UK PPI Output YoY (Mar) Y/Y 2.6% (Prev. 1.7%).**
- **UK Core Inflation Rate YoY (Mar) Y/Y 3.1% vs. Exp. 3.2% (Prev. 3.2%, Low. 2.9%, High. 3.3%).**
- **UK Core Inflation Rate MoM (Mar) M/M 0.4% vs. Exp. 0.5% (Prev. 0.6%, Low. 0.3%, High. 0.6%).**
- **UK Retail Price Index MoM (Mar) M/M 0.8% vs. Exp. 0.7%.**
- **UK Inflation Rate MoM (Mar) M/M 0.7% vs. Exp. 0.6% (Prev. 0.4%, Low. 0.5%, High. 0.8%).**
- **UK Retail Price Index YoY (Mar) Y/Y 4.1% vs. Exp. 3.9% (Prev. 3.6%).**
- **Swedish Employed Persons (Mar) 5.230M (Prev. 5.250M).**
- **Swedish Unemployment Rate (Mar) 9.7% (Prev. 8.8%).**

NOTABLE HEADLINES

- **German government spokesperson** said working on alternative supply options, especially for jet fuel. Disruption of the Druzhba pipeline will not significantly restrict PCK refinery operations.
- **Italy** is reportedly considering extra borrowing to finance new energy aid, reported suggest.
- **Italy government** raises 2026 budget deficit to GDP to 2.9% (prev. 2.8%). Cuts 2026 GDP growth forecast to 0.6% (prev. 0.7%) due to Middle East conflict. Economy Minister said nation could tap the national escape clause to renegotiate deficit goals with the EU.
- **Bundesbank Monthly Report (Apr): German economy likely grew in Q1 but the Iran war weighs on the outlook for the current quarter.** "
- **POLITICO** said no resignation watch rumours are yet circulating in Westminster DMs, referring to UK PM Starmer. Chancellor Reeves publicly backed the PM at last night's Good Growth Foundation reception, POLITICO reported.

TRADE/TARIFFS

- **Germany's Economy Minister** is to visit China in May.

CENTRAL BANKS

- Sources around the Banking panel say it's unlikely the committee would expand its [Fed Chair Powell] probe as long as a separate, criminal inquiry by DOJ is ongoing, Punchbowl reported. Conversations are currently ongoing across the Trump administration and Congress about the path forward.
- ECB's Lane said it is too early to assess the duration of the Iran war shock, hard to know whether it is temporary or something bigger.
- ECB's Stournaras said ECB should wait on rate hikes, Middle-East was should end sooner rather than later.
- ECB's Stournaras said between ECBs baseline and adverse scenario regarding energy prices.
- ECB's Kocher said will discuss data until the upcoming council meeting, it is still too early to say what will be decided.
- ECB's Elderson: Speech on climate policy, conducted 15 April 2026.
- ECB's Simkus said should not raise rates at the April meeting, though cannot rule out one later in the year.
- ECB's Lane said countries could decide to finance investment in European-wide public goods through more common debt.
- BoE's Breeden said private credit liquidity risk threatens stability.
- Riksbank's Thedeen said if there is an increased risk of high inflation that could deviate permanently from target, monetary policy may need to act to prevent this. Risk has risen somewhat that inflation could be higher than we expected a few weeks ago. At the same time, our low inflation starting point means that we have some scope to try to get a clearer picture of the economic consequences.
- **Turkish CBRT Policy Announcement (Apr) 37% (exp. 37%, prev. 37%).** Inflation: The underlying trend of inflation declined in March. Leading indicators suggest a slight increase in the underlying trend in April. Amid geopolitical developments and the resulting uncertainties, energy prices remain elevated and exhibit notable volatility. While indicators point to a slowdown in economic activity, potential second-round effects of recent developments on the inflation outlook will be of importance. Policy: The tight monetary policy stance, which will be maintained until price stability is achieved, will strengthen the disinflation process through demand, exchange rate, and expectation channels.
- **South African Inflation Rate YoY (Mar) Y/Y 3.1% (Prev. 3%).**
- **South African Core Inflation Rate MoM (Mar) M/M 0.8% (Prev. 0.7%).**
- **South African Core Inflation Rate YoY (Mar) Y/Y 3.2% (Prev. 3%).**
- **South African Inflation Rate MoM (Mar) M/M 0.6% (Prev. 0.4%).**

GEOPOLITICS

MIDDLE EAST

- ECB's Lane said it is too early to assess the duration of the Iran war shock, hard to know whether it is temporary or something bigger.
- Iran fires on a third ship in Hormuz escalation, WSJ reported citing sources.
- **Pakistan sees positive signals in Iran-US mediation efforts, Al Mayadeen reported; positive signals emerging that could yield results within hours.** "Within Pakistani circles, there is talk of positive signals that may yield results within the coming hours, the correspondent added.". However, so far no Iranian delegations have arrived in Pakistan, not even at the media level. As of now, no Iranian preparatory or logistical delegations have arrived, and no coordination steps within the framework of negotiations have been reached,.
- **Hezbollah representative in the Lebanese Parliament** said direct negotiation with Israel is rejected and against national principles, Nournews reported.
- **Lebanon to request one-month truce extension in Israel meeting, official said to AFP.**
- **"The Saudi Al-Arabiya channel reported that Pakistani officials are in constant contact with Iran and are warning it that the hourglass for negotiations is running out", Kan's Kais reported.** Full post: "The Saudi Al-Arabiya channel reported that Pakistani officials are in constant contact with Iran and are warning it that the hourglass for negotiations is running out. According to the report, the Iranian prime minister is expected to meet today with the Iranian ambassador to Islamabad, and that the Pakistani chief of staff (the country's strongest man) is holding talks with senior military officials in Iran".
- **IRGC Navy said it has seized two offending ships and transported them to the coast of Iran, Tasnim reported.**
- **Russia has lengthened fertiliser export quotas until December as global shortages worsen due to the Iran war.**
- **UKMTO said it has received a report of an incident 8 nautical miles west of Iran; A master of an outbound cargo ship reported having been fired upon and is now stopped in the water, no reported damage.**

- Pakistani Journalist Mallick posted "To my understanding, while there might be some roadblocks for the second round of US - Iran in person talks to go ahead, but Diplomacy is not dead and its currently at play."
- US President Trump is reportedly willing to Iran give another three to five days of ceasefire, Axios reported citing sources; "It certainly looks like Trump doesn't want to use military force anymore and has made a decision to end the war,". US officials and Pakistani mediators are waiting for Khamenei to break his silence in the next day or two and give his negotiators a clear directive to return to the table. Ceasefire is not going to be open-ended, the source added.
- Iran received 'some sign' the US is ready to break the blockade, Tasnim reported.
- Iranian foreign ministry spokesperson said the naval blockade on Iranian ports is still in place, and it is an aggressive measure.
- Pakistani sources outline that "good news" regarding a second round of talks could arise as soon as Friday, US President Trump when questioned said "It's possible", NY Post reports citing sources.
- Iran currently has no decision to negotiate with the US on Friday , Tasnim reports.

RUSSIA-UKRAINE

- Russian Deputy PM Novak said they will be diverting oil supply that was previously planned for Germany through the Druzhba pipeline to different logistic routes, as of the 1st of May.
- EU's EUR 90bn Ukraine loan to move ahead after Hungary lifts block, according to Bloomberg.
- "EU countries agree to unlock a EUR 90bn loan to Ukraine and new sanctions on Russia, as Hungary signals it is ready to drop its months-long opposition", DPA reported.
- Russia reportedly mulls a windfall levy on some businesses amid war spending, Bloomberg reported.
- Slovak Economy Minister said Druzhba flows via Ukraine to Slovakia expected to restart on Thursday morning.
- Ukraine's Foreign Minister said they want a meeting between President Zelensky and Russian President Putin, have made enquiries to see if Turkey could host this.

OTHERS

- US President Trump is reportedly mulling consequences for NATO allies on a "naughty list", Politico reported; according to European diplomats familiar with the plans, the US aims to place members into separate tiers.

NOTABLE NORTH AMERICAN NEWS

- Six current and former US national security officials, as well as one tech lobbyist, told POLITICO "at least some tech companies would balk at continuing to turn over their customers' data".

NORTH AMERICAN DATA

- US MBA 30-Year Mortgage Rate (Apr/17) 6.35%.
- US MBA Mortgage Applications (Apr/17) 7.9%.
- Canadian New Housing Price Index MoM (Mar) M/M -0.2% vs. Exp. 0.2% (Prev. 0.3%).

APAC

- Moody's Ratings changes New Zealand's outlook to negative from stable; affirms Aaa ratings. The change reflects higher fiscal risks, persistent inflation pressures, weaker growth and rising debt-servicing costs. Debt is expected at 53.9% of GDP in FY ending June 2026, with fiscal surplus now forecast in 2029-30.
- Tencent (TCEHY) and Alibaba (BABA) are in talks to invest in DeepSeek, The Information reported.

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