

## European Market Wrap - 23rd April 2026

- US President Trump posted that no ship can enter or leave Hormuz without US approval until Iran makes a deal.
- US President Trump ordered the US Navy to shoot and kill any boats laying mines in Hormuz.
- European equities clambered off earlier lows to trade mixed towards session-end. Gilts lag post-PMIs.

### EQUITIES

- **European bourses** opened mostly lower, and price action has been fairly tentative throughout the session so far. Sentiment has been pressured, given mixed geopolitical headlines and higher crude prices. The **IBEX 35** (-0.7%) underperformed whilst the **SMI** (+1.2%) outperformed, thanks to post-earnings strength in heavyweights **Roche** (+3%) and **Nestle** (+6%); the latter reported a beat in Q1 sales.
- **European sectors** opened with a negative tilt, but are set to end the European day mixed. **Telecoms** took pole position, led higher by **Nokia** (+7%) and **Orange** (+3.2%); the former reported 4% sales growth in Q1, benefiting from the recent AI boom. **Food, Beverage & Tobacco** took second spot, helped by **Nestle**, whilst **Consumer Products & Services** completed the top three.
- **Individual movers**: **STMicroelectronics** (+9.5%, Q1 results topped expectations and Q2 guidance was strong), **WH Smith** (-7%, suspended guidance), **EssilorLuxottica** (-3.9%, strong rev. growth, though fell short of expectations).
- **US equity futures** are mixed with the **ES** and **NQ** extending losses of around 0.3%, whilst the **RTY** holds around the unchanged mark. In terms of key movers today: **Tesla** (-3%, Rev. light & said spending would be higher than prev. guided), **IBM** (-8%, Better-than-exp. results were overshadowed by unchanged FY guidance), **ServiceNow** (-13%, Middle East conflict delayed several large on-premise deal closings & weighed on subscription revenue growth; software names continue to be hit by AI-driven disruption).
- Focus has been on the geopolitical situation, with recent reports suggesting that talks between the **US-Iran may see a breakthrough, either "tonight or tomorrow"**, according to CCTV, citing Iranian sources. This helped to lift sentiment at the time. Thereafter, **US President Trump announced that he had ordered the US Navy to shoot any boat attempting to mine the Strait.**

### FX

- **G10 FX reflected elevated energy prices throughout the entire London session** - USD outperformed, while **NOK** proved more vulnerable than the former after it pared its 0.7% gains against net importer currency SEK due to the slew of geopolitical headlines.
- On the latter, there were several headlines throughout the session. IRNA reported that Somalia had closed the Bab al-Mandab Strait to Israeli shipping. UKMTO also reported an incident 83 nautical miles southeast of Eyl, Somalia. Also, US sources said that after the ceasefire ends, an overwhelming military strike is expected to go ahead, with even greater force than the one the US has inflicted on Iran so far". In recent trade, POTUS said he ordered the US to shoot boats laying mines in the strait, and reiterated the US blockade stands until Iran makes a deal.
- **DXY chopped throughout the session** but succeeded in staying above its 100 and 200 DMAs around 98.50.
- In terms of individual performance, **NZD was the worst performer** on the day with the Antipodean cross +0.3% after strong Aussie PMIs. Markets are continuing to add to tightening bets: 90bps expected by year-end, 50/50 in May meeting, first fully priced in July. The cross is set to hand over to the US at session highs of 1.2163 after bouncing from Wednesday's low of 1.2105.
- This morning saw the release of EZ flash PMIs, which were broadly lower and led to **EUR pressure through the session**. The ECB will welcome the French print, which noted passthrough to prices charged for goods and services was contained. The German and EZ-wide figures put the council in a trickier place, where both noted price pressures not seen since the pandemic. Ultimately, the ECB will likely stand pat on rates until it can gauge second-round effects. EUR saw modest downside on the French figure, and there was no reaction to German and EZ print despite inflationary indications. EUR/USD was lower by a tenth and remains below the 1.17 mark.
- **GBP was resilient despite continued UK political developments**, where the PM's cabinet loyalists are said to have turned on the PM, according to the Telegraph. The pound shrugged off this update as the PM is broadly expected to remain in post up to the May local elections. This morning saw a stronger-than-expected PMI release, with internals pointing to marked inflationary pressures. GBP saw strength after PMIs, but only enough to erase the modest politically driven losses; as such, GBP is set to complete the domestic session unchanged against both the EUR and USD at 0.8665 and 1.35 respectively.

### FIXED INCOME

- **Overall, a session of modest pressure for fixed income** though with **underperformance in Gilts** following an inflationary PMI set this morning and as political pressure on UK PM Starmer ramps up. Elsewhere, modest pressure was seen in benchmarks generally, as energy ticked higher on geopolitical updates throughout the day.
- A more detailed discussion of the PMIs in the 10:21BST update. But, the **French and German** figures were softer and mixed respectively, enough to lift fixed benchmarks off early lows while the French internal commentary noted price passthrough

was contained, while the German details showed widening inflationary pressures.

- Thereafter, the **EZ-wide** series pointed to the "biggest surge in cost pressures" since 2000 ex-COVID, pressuring Bunds from their early peak. A move that was exacerbated by the UK release, where the data pointed to significant price rises and has **modestly fanned BoE tightening expectations**.
- **Benchmarks got to lows of 110-31, 125.06 and 87.02 for USTs, Bunds and Gilts, respectively** . As mentioned, Gilts lag given the data and ongoing political turmoil around Starmer. **For the BoE, April pricing remains near-enough unchanged, but end-2026 implied tightening stands at 51bps vs 36bps this time last week.**
- **USTs flat overall, in a narrow 110-31 to 111-09 band** . Awaiting details on the ceasefire extension and starting to look ahead to next week's FOMC. Ahead of that, **S&P Flash PMIs point to the most worrying inflation picture in "almost four years"** .
- **UK DMO Remit, Revision: 2026/27 Gilt issuance of GBP 246.2bln (prelim. 252.1bln)**. Breakdown (GBP). T-bill: 5bln (prelim. 5bln). Short: (prelim. 97.3bln). Medium: (prelim. 57.8bln). Long: (prelim. 8bln). I/L: (prelim. 16.5bln).

## COMMODITIES

- **Crude futures** – Crude remained underpinned amid heightened geopolitical tension and shifting timelines around US–Iran negotiations. Overnight, prices spiked ~4% in under 10 minutes before fading on a lack of follow-through. During the European session, downturns were seen on reports, via an Iranian diplomatic source, that preparations for talks between Iran and the United States in Pakistan may see a breakthrough "tonight or tomorrow". That being said, upside was seen following punchy escalatory rhetoric from US President Trump. Brent Jun traded north of USD 102/bbl (USD 101.25–106.15), while WTI hovered around USD 93/bbl (USD 92.30–97.22/bbl).
- **Natural Gas** – Nat gas futures were firmer by ~4% at one point, trading around EUR 45/MWh before dipping under the level amid the aforementioned geopolitical reports.
- **Precious Metals** – Precious metals were softer as higher oil prices supported the USD. Spot gold dipped below its 100 DMA (USD 4,735.45/oz) and traded within a USD 4,684–4,754/oz range. Spot silver also remained below its 100 DMA (~USD 78.86/oz), holding within USD 75.24–78.38/oz.
- **Base Metals** – Base metals were mostly softer, pressured by USD strength and rising inflation/growth concerns linked to elevated oil prices. 3M LME copper remained within this morning's USD 13,208.20–13,486.00/t range.
- **ESPO Blend spot premiums for June delivery ease in China amid weak refining margins, Reuters sources say.**
- **Dangote discussing East Africa Oil Refinery with Tanzania and Kenya. This marks another big shift towards Africa refining its own oil instead of exporting crude and importing fuel, via Kpler's Bakr.**
- **IEA's Birol said expect nuclear power to get a "big boost" following Iran war, via CNBC TV.**
- **Slovakia said that as of 2AM CET, Druzhba flows have resumed, oil deliveries are currently proceeding in line with the agreed plan.**

## EUROPEAN DATA

- **UK CBI Industrial Trends Orders (Apr) -38 vs. Exp. -30 (Prev. -27).**
- **UK S&P Global Manufacturing PMI Flash (Apr) 53.6 vs. Exp. 49.5 (Prev. 51.0, Low. 48, High. 51.8).**
- **UK S&P Global Services PMI Flash (Apr) 52.0 vs. Exp. 49.9 (Prev. 50.5, Low. 49, High. 50.7).**
- **UK S&P Global Composite PMI Flash (Apr) 52.0 vs. Exp. 50.2 (Prev. 50.3, Low. 49, High. 50.2).**
- **UK Public Sector Net Borrowing Ex Banks (Mar) 12.6B vs. exp. 10.4bln (Prev. 14.3B, Low. -7.4B, High. 16B); the lowest March borrowing since 2022.**
- **EU S&P Global Manufacturing PMI Flash (Apr) 52.2 vs. Exp. 50.9 (Prev. 51.6, Low. 49.6, High. 51.6).**
- **EU S&P Global Composite PMI Flash (Apr) 48.6 (Prev. 50.7, Low. 49.5, High. 51); "If the Covid-19 pandemic is excluded, this is the biggest surge in cost pressures that we have recorded since 2000".**
- **EU S&P Global Services PMI Flash (Apr) 47.4 vs. Exp. 49.9 (Prev. 50.2, Low. 49.2, High. 50.5).**
- **German S&P Global Services PMI Flash (Apr) 46.9 vs. Exp. 50.4 (Prev. 50.9, Low. 49.5, High. 51.5).**
- **German S&P Global Composite PMI Flash (Apr) 48.3 (Prev. 51.9, Low. 50.2, High. 52); "Faced with rapidly increasing costs, firms raised average prices ... at the quickest rate in over three years in April, in a sign of widening inflationary pressures".**
- **German S&P Global Manufacturing PMI Flash (Apr) 51.2 vs. Exp. 51.2 (Prev. 52.2, Low. 50.5, High. 52.2).**
- **French S&P Global Manufacturing PMI Flash (Apr) 52.8 vs. Exp. 49.5 (Prev. 50.0, Low. 48.8, High. 50).**
- **French S&P Global Services PMI Flash (Apr) 46.5 vs. Exp. 48.5 (Prev. 48.8, Low. 48, High. 49.5).**
- **French S&P Global Composite PMI Flash (Apr) 47.6 (Prev. 48.8, Low. 48, High. 49.5); "What's most notable is that the passthrough to prices charged for goods and services remains contained".**
- **French Business Confidence (Apr) 100 vs. Exp. 98 (Prev. 99, Low. 96, High. 99).**
- **French Business Climate Indicator (Apr) 94 (Prev. 97, Low. 96, High. 98).**
- **Norwegian Unemployment Rate (Mar) 4.9% (Prev. 4.9%).**

## TRADE/TARIFFS

- **A number of EU member countries have resisted** called from the French to overhaul a US trade deal, Politico reported citing people familiar with the matter.
- **China's He said MOFCOM advises Chinese firms to seek a refund of US tariffs; US tax refund measures are a positive step in correcting mistakes.**

## GEOPOLITICS

## MIDDLE EAST

- Pakistani mediation ongoing between Iran and America, Al Arabiya reported.
- US President Trump posted that Iran is having a hard time determining who their leader is and "We have total control over the Strait of Hormuz. No ship can enter or leave" without US approval until Iran makes a deal.
- Russia's deputy foreign minister and China's special envoy for Middle East affairs held a secret meeting today on the sidelines of the BRICS meeting, IRNA reported.
- Pakistani official to Al Arabiya envoy noted of cautious optimism and ongoing communications, but Iran's response has not arrived yet.
- Divisions within Iran's leadership prevented a negotiating team from traveling to Islamabad for talks with the US, Iran International reported citing sources.
- Pakistan officials blame US blockade, not Iran divisions, for stalled talks; Pakistani proposal to open Strait of Hormuz in exchange for partial lifting of sanctions on Iran, according to reported.
- An Iranian diplomatic source stated on the 23rd that preparations for talks between Iran and the United States in Pakistan may see a breakthrough "tonight or tomorrow.", according to CCTV.
- US military seizes another Iran-linked oil tanker, AP reported.
- Fars News noted that speculations indicate the possibility of preparations for a new attack, and on the other hand, the United States is trying to pursue negotiations to achieve unfulfilled goals on the battlefield.
- Based on information obtained by Iran International, a disagreement between the team close to the government and the spokespersons close to Mojtaba Khamenei's office has prevented the Islamic Republic's negotiating delegation from traveling to Islamabad.
- Iran Parliament Deputy Speaker said the first payments from Hormuz Strait toll has been transferred to Iran's central bank, Tasnim reported.
- Iran's Supreme Leader Khamenei opposes extending negotiations under current conditions, according to an Iranian parliament national security member.
- "Somalia closes Bab al-Mandab Strait to Israeli shipping", IRNA reported; "The move comes as a direct response to Israel's recognition of the breakaway region of Somaliland, Yemen Press Agency reported on Wednesday". "external meddling could lead to countermeasures, such as restricting access to the key maritime route of Bab al-Mandab."
- Sources familiar with Trump admin's moves say "the next stages have already been set"; "After the ceasefire ends, an overwhelming military strike is expected to go ahead, with even greater force than the one the US has inflicted on Iran so far". According to the source, the ceasefire that Trump decided to extend will end within a few days. After that, an overwhelming military strike will be launched, with even greater force than the one the US has inflicted on Iran so far. That attack will continue for several days, after which the military operations against Iran will come to an end.
- Israel and Lebanon talks in the US are slated for Thursday at 16:00EDT/21:00BST.
- Pakistani Interior Minister said "We expect to make progress with Iran regarding the negotiations", Al Hadath reported.
- UKMTO said it received a report of an incident 83 nautical miles southeast of Eyl, Somalia.
- US War Ministry said forces yesterday boarded the hull of a ship in the Indian Ocean subject to sanctions that was transporting oil from Iran, according to Al Jazeera.

## RUSSIA-UKRAINE

- Russian President Trump said they are ready for cooperation in the Arctic, not seeking confrontation, but will protect Russian interests, Tass reported. Northern Sea route is becoming more important given global disruptions.

## NOTABLE NORTH AMERICAN NEWS

- Japanese Finance Minister Katayama said Japan has a "free hand" in conducting interventions; deputies in US and Japan are in close touch on forex. Past FX interventions had an influence every time. Attentive to the market view on JGBs.
- US Senate Majority Leader Thune said he does not have assurances from Speaker Johnson that the House will pass it as-is, Punchbowl reported. Thune expressed frustration with the House over the broader DHS funding bill too and wants the White House to get more engaged.
- US Senate has reportedly approved a USD 70bn funding blueprint for ICE and border patrol, according to reported.
- Sainsbury's (SBRY LN) CEO said since the US-Iran war started, not seeing issues with availability or meaningful changes in customer behaviour. Co. had a strong easter.

## NORTH AMERICAN DATA

- US Continuing Jobless Claims (Apr/11) 1821k vs. Exp. 1820k (Prev. 1818k, Low. 1800k, High. 1899k).
- US Jobless Claims 4-week Average (Apr/18) 210.75K.
- US Initial Jobless Claims (Apr/18) 214k vs. Exp. 212k (Prev. 207k, Low. 205k, High. 220k).
- BofA institute Total Card Spending (w/e Apr 18) +3.3% (vs last week's +2.6% Y/Y; vs +4.3% during March).
- US Chicago Fed National Activity Index (Mar) -0.20 (Prev. -0.11).
- Canadian Manufacturing Sales MoM Prel (Mar) M/M 3.5%.
- Canadian PPI YoY (Mar) Y/Y 7.8% (Prev. 5.4%).
- Canadian PPI MoM (Mar) M/M 2.4% vs. Exp. 1.8% (Prev. 0.4%, Low. 0.4%, High. 2.0%).

