

Crystal Wealth Partners Market Commentary – April 2026

Please find our commentary on investment markets to 30th April 2026.



April, like March this year, was shaped almost entirely by developments in the Middle East. The announcement of a tentative ceasefire framework between the United States, Israel, and Iran on April 7 and 8 was enough to bring investors back, with global share markets recovering much of what was lost in March. US markets led the way, with the Nasdaq 100 gaining approximately 15% and the S&P 500 rising close to 10%. Japan's Nikkei 225 was the standout, up around 16%. The ceasefire remained fragile throughout the month, but markets largely held onto their gains. A solid US corporate earnings season, renewed enthusiasm around artificial intelligence (AI), and the fading of some of the more extreme scenarios being canvassed in March all helped improve market sentiment.

The ceasefire framework included a commitment to reopen the Strait of Hormuz, which had been at the centre of the energy disruption that drove markets lower in March. Markets reacted immediately, with volatility easing back after having risen in March to levels not seen since the Trump Liberation Day tariff announcements in April 2025. The Strait was briefly declared open on 17 April, which pushed oil prices lower, but shipping traffic remained nearly non-existent for most of the month. Talks in Islamabad in mid-April failed to produce a binding agreement, and by month-end the United States had judged Iran's proposals for fully reopening the Strait to be insufficient, sending oil prices higher again. Despite all of this, risk assets held up reasonably well. Markets returned to optimistically pricing in a meaningful improvement in the outlook relative to March, even if the situation remains far from resolved.

However, inflation was the main economic story of the month as the energy price shock that began in March started showing up in official data across major economies. Jobs, activity data and GDP all held up, which was broadly reassuring. Overall, it is still too early to accurately determine the full impact of the war on the global economy. Markets are currently pricing lower growth, higher inflation and central bank policy rates but not a recessionary outcome as the base case. This will depend on the magnitude and duration of the oil price move from here.

US Markets

US share markets recovered solidly in April. The S&P 500 rose close to 10% for the month and reached new all-time highs in the final week of April. The Dow Jones Industrial Average gained approximately 7%, while the Nasdaq 100 rose around 15%, driven by ceasefire relief, strong technology company results, and continued investor enthusiasm for artificial intelligence (AI) developments.

The March quarter earnings season was a key part of the story. With most S&P 500 companies having reported by month-end, around 84% beat earnings estimates and 81% exceeded revenue expectations, with overall earnings growth running at roughly 15% year-on-year. The large technology companies reported particularly strong numbers. Microsoft posted quarterly revenue of US\$82.9 billion, up 18% year-on-year, with cloud revenue growing 29% and AI-related annualised revenue exceeding US\$37 billion, up more than 120% year-on-year. Goldman Sachs estimated that AI-related investment is on track to account for approximately 40% of S&P 500 earnings growth in 2026.

The US Federal Reserve left interest rates unchanged at 3.50% to 3.75% at its April meeting, as expected. The meeting was notable, however, for the degree of internal disagreement. The 8-4 vote was the most divided outcome in more than three decades, with members split between those wanting to remove the easing bias from the post-meeting statement and one member seeking an immediate cut. Chair Powell, widely expected to be serving his final meeting as Chair, noted that the Middle East situation was adding to an unusually high level of uncertainty, and that the inflation outlook would depend heavily on how the energy situation resolved. The Senate Banking Committee advanced Kevin Warsh's nomination as the next Fed Chair during the month.

Inflation data confirmed what had been widely anticipated. March CPI rose 0.9% for the month and 3.3% year-on-year, its highest annual reading since April 2024, with fuel prices the main driver. Core CPI, which strips out food and energy, rose just 0.2% for the month and 2.6% year-on-year. That is the more reassuring number; it suggests the inflation pressure is largely coming from energy rather than becoming more broadly embedded in the economy.

The jobs market provided a positive surprise. March non-farm payrolls rose 178,000, well above the consensus estimate of around 60,000 and a sharp turnaround from February's decline of 92,000. The unemployment rate edged slightly lower to 4.3%. The stronger jobs data helped keep markets supported through mid-April, even as headline inflation moved higher. The first estimate for March quarter real GDP showed the economy growing at 2.0% annualised, driven largely by business investment in technology.

US 10-year government bond yields rose over the month, closing near 4.41%, as markets adjusted to the reality that interest rate cuts in 2026 are looking increasingly unlikely while inflation concerns exist. The US dollar weakened as risk appetite improved and the interest rate gap between the US and other major economies narrowed.

World Markets

Japan's Nikkei 225 was the best-performing major share market globally in April, rising around 16% and recovering all of its March decline. Over three months the index is now up approximately 11%. The ceasefire was particularly welcomed in Japan given the country's heavy dependence on imported energy, with the Nikkei posting one of its largest single-day gains in years on 8 April. The index reached

a new all-time high of 59,518 on 16 April, as ceasefire optimism, the global technology rally, and a reassessment of Bank of Japan rate expectations all combined in support.

The Bank of Japan left its policy rate unchanged at 0.75% with its April meeting, though government ministers publicly signalled their discomfort with further near-term rate increases. The yen continued to trade around 158 Yen against the US dollar, with the weaker currency supporting Japan's large technology and automotive exporters.

Germany's DAX rose approximately 7% in April, recovering part of March's sharp fall, though the index remains modestly lower over three months, reflecting how steep the March sell-off was. Lower energy prices from their mid-March peaks provided some relief for Germany's energy-intensive industries. The UK's FTSE 100 gained a more modest 2% for the month, lagging most other developed markets. It initially benefited from the ceasefire news given its large weighting to energy companies but gave back some of those gains as oil prices became volatile again later in the month. Over three months the index has returned approximately 1.5%.

The European Central Bank held its deposit rate unchanged at 2.0% in its April meeting, though post-meeting commentary acknowledged the governing council had debated whether a rate increase was warranted given the energy-driven inflation surge. The Bank of England similarly held the Bank Rate at 3.75% and publicly flagged that UK inflation could approach 6% in a worst-case scenario if energy prices stayed elevated.

Chinese share markets moved higher in April, with the Shanghai Composite up approximately 5.7% and the Hang Seng gaining around 4%. Both markets remain lower over three months, reflecting the heavy losses in March. As the world's largest crude oil importer, China had much to gain from even a partial reopening of the Strait of Hormuz. China's March quarter real GDP came in at 5.0% year-on-year, meeting the government's official target. Industrial output and export performance were the main drivers, while domestic consumer spending remained softer. The US-China trade truce, which holds tariffs at around 47.5% through November 2026, provided a stable backdrop for trade flows during the month.

Australia

Australian share markets rose in April but lagged global peers, with the S&P/ASX 200 gaining approximately 2.2%. Political uncertainty about potential tax changes in the upcoming Federal Budget in May also weighed on market sentiment. Both the ASX 200 and All Ordinaries remain in negative territory over three months, reflecting the losses from March. The more modest local gain reflected a few Australia-specific pressures: the Reserve Bank of Australia's increasingly firm stance on interest rates, a sharp rise in domestic inflation, and the reversal of the energy sector gains that had supported the ASX in March.

The March quarter CPI data, released on 30 April, confirmed the inflation concerns that had been building since the oil shock began. Headline CPI accelerated to 4.6% year-on-year, its highest reading since September 2023 and well above the RBA's 2% to 3% target band. The trimmed mean measure, which is the RBA's preferred gauge of underlying inflation, came in at 3.3% year-on-year. The main driver was transport costs, with fuel prices posting their strongest single-quarter increase since the monthly CPI series began in 2017. This was a direct consequence of the oil shock and confirms what had been anticipated since March.

The jobs market remained broadly resilient. The unemployment rate held at 4.3% in March, with all employment growth coming from full-time roles. A tight labour market makes it harder for the RBA to look past energy-driven inflation, and the Bank's messaging through April made clear it is not willing to allow inflation expectations to become entrenched.

Australian government bond yields continued to rise over the month, adding to March's sharp move. With the 10-year yield now approaching 5%, fixed income is offering returns not seen in well over a decade, which creates a genuine income opportunity within diversified portfolios. That said, if inflation stays elevated and yields keep rising, the capital value of existing bond holdings may remain under some pressure in the near term.

The Australian dollar was one of the more notable stories of the month, rising around 4.4% against the US dollar to above US\$0.72, its strongest level since mid-2022. The move reflected better global risk sentiment as the ceasefire took hold, a broadly weaker US dollar, the widening interest rate gap as the RBA tightens while other central banks hold, and Australia's commodity export exposure.

Sector performance on the ASX was quite different from March. The energy sector, which had been the standout performer in March, gave back some of those gains as oil became more volatile and the ceasefire reduced some of the war premium. Rate-sensitive sectors such as real estate and technology bounced back from their March lows, and mining stocks were broadly steady as iron ore and copper prices held up.

Other

Oil was the most volatile asset class of the month. WTI crude rose a further 3.6% in April and is now up approximately 61% over three months, capturing the full scale of the energy shock that began with the 28 February strikes. The monthly return, however, understates how much prices moved around. WTI traded between roughly US\$85 and US\$110 per barrel across the month as markets priced ceasefire and blockade scenarios in real time. OPEC+ decisions remained largely beside the point, with Gulf state production still constrained by the Hormuz disruption. The United Arab Emirates' announced exit from OPEC, effective 1 May, added another layer of complexity to the ongoing supply (and forward pricing) picture.

Gold fell approximately 1% for the month and is now down close to 5% over three months, continuing the pullback that began in March. Once the ceasefire was announced, some of the safe-haven demand that had driven gold sharply higher in early March came out of the market. Rising real bond yields also made gold comparatively less attractive, given that it produces no income. Iron ore posted a modest gain for the month, supported by China's 5.0% March quarter GDP result, seasonal restocking by the steel sector ahead of peak construction season, and some easing in freight costs as some Hormuz traffic gradually resumed. Iron ore prices holding in this range remains broadly positive for Australia's export revenues and fiscal position.

Index*	1 Month	3 Months
US – Dow Jones	7.14%	1.55%
US – Nasdaq (100)	15.29%	6.10%
US – S&P 500	10.42%	3.89%

Germany – DAX	7.11%	-1.00%
UK – FTSE 100	1.99%	1.52%
Shanghai Composite – SSE	5.66%	-0.14%
Hong Kong – Hang Seng	3.99%	-5.88%
Japan – Nikkei 225	16.10%	11.18%
S&P/ASX 200	2.17%	-2.29%
All Ordinaries Index	2.35%	-3.02%
Gold (USD)	-1.06%	-4.99%
Oil (USD) – WTI	3.64%	61.13%
Iron Ore (USD)	0.75%	1.48%
Δ 10 Year Aus Gov't Bonds (Yield)	2.09%	5.70%
Δ 10 Year US Gov't Bonds (Yield)	1.83%	3.51%
AUD/USD	4.35%	3.43%

* Percentage change in local currency unless stated otherwise

Given the uncertainty of trade flow through the Strait of Hormuz, markets remain highly sensitive to diplomatic efforts around a more permanent ceasefire. If the conflict remains protracted for an extended period of time, then markets will start to progressively price in recession risks. This adds to the range of scenario outcomes that need to be monitored here.

If you have any questions in relation to the above, or require any additional portfolio or investment information, please do not hesitate to contact your Adviser to discuss your particular circumstances.