

Monthly Market Report



April 2026

Index	Open	Close	% Change
JSE FTSE ALSI Top 40	106291.9	107229.4	0.88
S&P 500	6556.56	7209.01	9.95
Nasdaq Composite	21742.79	24892.31	14.49
Dow Jones Industrial	46396.12	49652.14	7.02
FTSE 100	10174.94	10378.82	2.00
Nikkei	51959.47	59284.92	14.10
Hang Seng	25357.23	25776.53	1.65
DAX	23326.89	24292.38	4.41
CAC 40	8004.81	8114.84	1.37

Commodity	Open	Close	% Change
Gold	4677.06	4617.85	-1.27
Platinum	1955.03	1987.75	1.67
Iron Ore	104.50	107.02	2.41
Brent Crude Oil	103.63	114.01	10.02

Currency	Open	Close	% Change
USD-ZAR	16.94	16.67	-1.60
EUR-ZAR	19.58	19.56	-0.11
GBP-ZAR	22.41	22.68	1.19

Source: Bloomberg

Local and Global Macro Economic Perspectives



South Africa

26.1029°S, 28.0576°E

Local headline CPI rose to 3.1% year on year in March from 3.0% in February, close to the SARB's 3% target and within its 2–4% band, but this captured only part of the oil shock. Economists expect April CPI to rise towards 4% as higher fuel prices feed through. Fuel prices jumped by about 25–30% in early April, prompting a temporary R3 per litre cut in the general fuel levy for April and May, while Eskom's 8% electricity tariff increase from 1 April will add further pressure. The SARB expects inflation to average about 4.0% in Q2 2026 before easing back towards 3% by mid-2027 if energy markets stabilise. Core inflation remains subdued at about 2.8%, so the near-term rise should be mostly energy-driven, though second-round effects remain a key risk.

The IMF cut its 2026 growth forecast for South Africa from 1.4% to 1.0% following the outbreak of war in the Middle East. This marks a reversal from the more positive momentum seen at the end of 2025 and early 2026, when forecasts had been gradually improving after the impact of US tariffs eased. The downgrade places South Africa at the bottom of all emerging and developing economies, performing even worse than Russia despite its ongoing war.

Globally, growth has also been revised down from 3.3% to 3.1% but South Africa is disproportionately affected. The conflict, and Iran's subsequent shutdown of the Strait of Hormuz, has driven oil prices from under \$60 to over \$110 a barrel, leading to record fuel price hikes of R3/litre for petrol and R7/litre for diesel in April.



United States

40° 42' 24.7572" N, 74° 0' 40.554" W

In its April meeting, the Federal Reserve left the federal funds rate unchanged at 3.5%–3.75%, as expected, but the meeting was defined by the most significant internal split since 1992. The Committee voted 8–4, with one dissent from the dovish flank arguing in favour of an immediate cut, while three regional presidents pushed back against retaining any implicit easing bias in the statement, reflecting growing discomfort with signalling further policy loosening while inflation remains sticky above target. Against this backdrop of rising internal fragmentation, attention also shifted to the political transition underway, with Kevin Warsh clearing a key Senate Banking Committee hurdle on a 13–11 party-line vote, advancing his nomination as the next Fed Chair to a full Senate confirmation vote expected in May, and reinforcing the sense that the policy and institutional backdrop is entering a more contested phase.

US inflation surprised to the upside in March, with headline CPI rising 0.9% m/m and 3.3% y/y, largely driven by a sharp spike in energy prices following the Iran conflict. However, the underlying picture remained more contained, with core inflation printing at just 0.2% m/m and 2.6% y/y, suggesting broader price pressures have yet to materially reaccelerate. Encouragingly, several key categories, including food-at-home and used vehicles, remained subdued, reinforcing the view that the inflation shock was predominantly energy-driven rather than reflective of a broad-based demand impulse. That said, there remains a risk that inflationary pressures firm in coming prints as higher energy costs gradually filter through the broader economy via transport, logistics and input costs.

The U.S. labour market showed signs of stabilisation in March, with nonfarm payrolls increasing by 178k, well ahead of expectations and a notable rebound from February's decline. However, beneath the stronger headline print, underlying conditions remained softer, with the unemployment rate easing to 4.3% largely due to a decline in labour force participation, while wage growth moderated further to 3.5% y/y, its slowest pace since 2021. Job creation also remained heavily concentrated in healthcare, suggesting labour demand across the broader economy continues to cool. Overall, the data reinforced the view of a labour market that is slowing rather than deteriorating sharply.



United Kingdom

51°30'32.39" N, 0°05'33.90" E

Latest UK data point to a mixed outlook. The inflation shock from the Iran war is hitting an already fragile economy, leaving the Bank of England balancing higher prices against weaker growth. On 30 April, the MPC held rates at 3.75% in an 8–1 vote, with Huw Pill the only member to favour a rise to 4.0%. The Bank adopted a hawkish hold, signalling concern about inflation while acknowledging pressure on growth and employment. Its scenario-based forecasts showed that, if oil prices stay high, CPI could exceed 6% by early 2027 and require further tightening. For now, however, policymakers appear willing to look through the immediate inflation spike unless it becomes more persistent. Markets took the decision calmly, with expectations for further 2026 rate rises easing slightly.

CPI rose to 3.3% year on year in March from 3.0% in February, ending the earlier disinflation trend. The increase was widely expected and was driven mainly by higher fuel prices, with food and airfares also adding pressure. Core inflation edged down to 3.1% from 3.2%, suggesting domestic price pressures remain contained. This supports the Bank's decision to pause, although inflation is still likely to rise in the near term if energy prices remain elevated.

Economists expect CPI could exceed 4% by autumn, a level the BoE sees as increasing the risk of second-round effects.

Unemployment eased to 4.9% in the period from December to February, but this partly reflected higher inactivity rather than strong hiring. Employment rose only modestly; vacancies fell to their lowest since 2021 and wage growth slowed to around 3.6% year on year. These trends suggest labour demand is cooling, and wage pressures are easing, which should help contain underlying inflation. Even so, the labour market remains relatively tight by historical standards, supporting the BoE's view that rates are restrictive enough for now, unless inflation expectations worsen.



Eurozone

50.1109° N, 8.6821° E

Eurozone headline inflation surged to 3.0% year on year in April (flash estimate), up from 2.6% in March and 1.9% in February, mainly due to a 10.9% rise in energy prices. Core inflation eased slightly to 2.2%, suggesting the increase is still largely energy-driven rather than broad-based. Even so, persistent energy costs could keep headline inflation above target and increase pressure on the ECB.

The European Central Bank (ECB) left its three key interest rates unchanged at its April 30 meeting, with the deposit rate remaining at 2%. ECB president Christine Lagarde noted that while the Eurozone showed some resilience with 0.1% GDP growth in Q1, the upside risks to inflation and downside risks to growth have "intensified". High energy costs are expected to weigh heavily on real incomes, and the Governing Council debated a rate hike at length during the April meeting, suggesting a hike in June is increasingly possible.

The labour market remains a key support. Unemployment fell to 6.2% in March, matching a record low, although there are early signs of softening as employment and vacancies ease. Wage growth remains moderate at around 3%, suggesting limited second-round inflation pressure for now. This gives the ECB some room to stay cautious, even though a still-tight labour market could keep inflation risks alive if price pressures persist.



China

31° 14' 12.3" N, 121° 30' 31.5" E

China's latest GDP figures show that growth picked up modestly in the first quarter of 2026, with output rising 1.3% from the previous quarter, slightly faster than the 1.2% increase in Q4 and the strongest pace in over a year. The improvement is largely attributed to ongoing government support. However, the statistics agency cautioned that the economy still faces an imbalance between strong production capacity and weak domestic demand, alongside a more uncertain global environment. Services continue to carry much of the expansion as manufacturing and construction remain under strain, and policymakers are expected to meet soon to reassess the outlook and adjust their approach if needed.

Inflation remains subdued. Headline CPI rose 1.0% year on year in March, down from February's three-year high of 1.3%, keeping inflation well below the official 3% ceiling and leaving room for policy support if needed. The moderation was driven mainly by a deceleration in food inflation (fresh vegetables, fruit, and pork all saw weaker or negative price momentum) while non-food inflation was broadly steady, with modest increases in clothing,

healthcare, and education costs. Transport prices rebounded, but housing costs continued to decline. Core inflation softened to 1.1% from February's unusually strong 1.8% print, which had been the fastest rise since 2019. On a monthly basis, CPI fell 0.7%, the first drop since November, after a 1.0% gain in February. Authorities have also capped domestic fuel price increases to shield households and firms from volatile global oil markets, following sharp swings in crude prices since late March.

The People's Bank of China (PBoC) kept the loan prime rate (LPR) unchanged for an 11th straight month in April. The one-year LPR remained at 3.0% and the reserve requirement ratio at 10.75%. Policymakers continue to favour stable growth without large-scale stimulus, leaving the PBoC in a wait-and-see mode. However, the Bank instructed several major lenders to increase loan issuance in April, aiming to avoid a sharp deceleration in credit growth at a time when external risks are rising and domestic demand remains fragile. According to sources, the People's Bank of China held a meeting urging banks to ensure that outstanding loan balances show positive month-on-month growth, an unusual step that reflects policymakers' concern about an uneven recovery and weakening financing appetite.



Japan

35° 40' 34.55" N, 139° 46' 26.21" E

The Bank of Japan (BoJ) left its policy rate unchanged at 0.75%, but the decision was divided, with three of the nine board members pushing for an immediate hike to 1.0% amid concerns that the Middle East conflict is adding upward pressure to inflation. The central bank raised its price forecasts and warned of the risk that inflation could overshoot, signalling that a rate increase in the coming months is increasingly likely. The yen strengthened after the announcement as markets priced in the possibility of a June hike. Governor Kazuo Ueda said the bank opted to wait in order to better assess the economic impact of the conflict and to look through what it still views as a temporary, supply-driven inflation spike, but he emphasised that the BOJ stands ready to raise rates if inflation risks intensify and the broader economy remains resilient.

Japan's core inflation, which strips out prices of fresh food, picked up for the first time in five months, rising to 1.8% in March as the Iran conflict pushed up energy-related cost pressures. Headline inflation also edged up to 1.5%, though it remained below the Bank of Japan's 2% target for a second month. Meanwhile, the "core-core" measure, excluding both fresh food and energy, eased slightly to 2.4%, its lowest level since late 2024. The government has been trying to cushion households from rising fuel costs through subsidies and crude-stockpile releases, helping energy prices fall 5.7% in March despite the geopolitical shock. Analysts warn that if oil prices stay elevated and subsidies are not expanded, inflation could approach 3% later in the fiscal year, though higher energy costs may still weigh on consumer spending and keep underlying inflation softer.



India

20° 35' 16" N, 78° 57' 46" E

India remains one of the world's fastest-growing economies, but the Iran war's energy shock is testing its resilience. Growth is still strong, with FY2025/26 GDP estimated at about 7.6%, but higher oil prices are lifting inflation. India imports about 85% of its oil, and Brent's rise above \$100 has pushed March CPI up to 3.4% year on year from 3.2% in February, driven mainly by fuel and food. Inflation is still within the RBI's 2–6% target band, but rising fuel costs,

LPG price increases and rupee weakness point to further pressure ahead, with April CPI expected to move close to 4.0%.

Against this backdrop, the RBI's Monetary Policy Committee kept the repo rate unchanged at 5.25% on 8 April. The RBI stressed a patient, data-dependent approach, arguing that the war-driven inflation shock is largely supply-side and cannot be addressed directly through tighter policy. It also revised its outlook, raising its FY2026/27 inflation forecast to 4.6% from 4.2% and cutting its growth forecast to 6.9% from 7.4%. The tone remained neutral: further easing is unlikely until inflation uncertainty fades, while upside risks from oil and food prices have pushed expected rate cuts into 2027. Markets took the decision in stride, with little reaction in bond yields or the rupee, while equities remained supported by domestic growth optimism.