MONTHLY MARKET UPDATE | APRIL 2026

Geopolitics continues to cause volatility

Information contained in this report current as at 19 May 2026.

paragem GPS Wealth Count

Geopolitical developments across the Middle East remained a central focus for investors and continued to drive elevated volatility across commodity and currency markets in April. Share markets around the world bounced strongly from the weakness seen in March on optimism of a de-escalation of tensions. The ASX200 increased 2.18% and international markets as measured by the MSCI World Index increased by 9.45%. The Strait of Hormuz blockade has and will remain the dominant driver across share, interest rate and currency markets because there is no clear endgame in sight. The buffer from global oil inventories is shrinking fast. Hence, crude oil prices are vulnerable to more upside.

The Australian share market return was positive however also uneven in April. The share market faded at month end, as domestic inflation and an increase in interest rates dampened sentiment. The NAB survey pointed to a worsening growth-inflation mix. **Business conditions moderated to +3 from +6, a fourth consecutive decline that left the index firmly below its long-term average. Business confidence, the more forward-looking measure, rose 5 points to -24, but remains near its lowest level since 2020.** The Westpac-Melbourne Institute consumer sentiment survey decreased -12.5% to 80.1. This was the largest monthly fall since the pandemic and suggests weaker economic growth over the remainder of 2026.

Australia's employment and retail sales growth moderated, while profits were unchanged. Forward orders continued to fall and capital expenditure recorded the sharpest decline of the post-COVID period. Capacity utilisation also fell, although it remains above its long-term average. Price measures, meanwhile, accelerated and are approaching the high recorded in 2022. Input prices rose sharply and far outpaced output prices, pointing to margin pressure that should feed through to profits. The survey reinforced the message of slower growth alongside rising price pressures. **The RBA has increased monetary policy by 0.75% in response to inflation that was elevated even before the Middle East conflict.** Analysts are expecting another two interest rate rises of approximately 0.50%. It will be interesting to see if this occurs as economic growth is slowing which should limit the RBA's ability to tighten further.

The US economy recorded a 2% annualised growth rate in the first quarter of 2026 and is likely to see growth of around 2.6% in the second quarter with a large contribution from net trade, high-income household consumer spending and AI/technology-related investment. Despite the strong growth, consumer confidence is at or close

Emmanuel Calligeris
Chief Investment Officer

to an all-time low. The employment data show that the jobs market has softened considerably, and real household disposable income is flatlining. The high petrol prices are likely to create more headwinds by eating into spending power. On the investment front, business capital spending outside of technology has contracted for six consecutive quarters. Hence, while the US continues to post decent economic growth, it is very concentrated.

Consumer price inflation in the US was higher than analysts expected. The headline inflation reading increased to 3.8% from 3.3%, while core increased to 2.8% from 2.6%. Energy led the increase, with little passthrough to core inflation so far. However, given the size of the energy shock, both are likely to rise further. Leading measures point to higher goods inflation ahead. Services inflation should remain contained in the near term, as the labour market is near equilibrium. Kevin Warsh is expected to be sworn in as Federal Reserve chair in the coming days, formally taking over from Jay Powell. Mr. Warsh does not believe in forward guidance, blaming it for compounding the inflation is “transitory” mistake of 2021 and 2022. As such, expect Mr. Warsh to downplay the importance of the summary of economic projections and dot plots, at least until he can convince a majority of the FOMC to move away from them. However, a break from the current communication framework will be challenging and likely cause more volatility. For now, I expect the Federal Reserve to remain on hold for the near term. That could change if inflation starts spreading and second-round effects emerge, or if growth weakens meaningfully and the labour market starts to flail.

In China, consumer price inflation surprised to the upside led by higher energy prices while demand-sensitive components remain subdued, especially rents and food. Producer prices saw a very strong increase of 2.8% over the year, almost double consensus, once again driven by higher energy prices. **China’s GDP growth was 5.0% in the first quarter which was at the high end of the GDP growth target of 4.5-5.0%.** Consumption grew by 2.4%, investment by 1.9% and net exports (exports minus imports) by 0.8%. The growth acceleration was driven by new productivity in the work force, more fiscal spending and stronger exports. Anti-involution policy - an ambitious economic campaign by Beijing to eliminate destructive, cutthroat corporate price wars, seems to be working in the EV market where auto producer prices are rising for the first time since 2025. Much of this has been due to the oil shock.

In the US, the technology sector increased strongly with NVIDIA (+13.55%), Amazon (+26%), Google (+30%) and Broadcom (+33%) all performing well. Lockheed Martin (-17%) was sold on the news of a potential ceasefire while Abbott Laboratories shares fell to near decade lows after as management cut 2026 profits after completing the USD 21billion Exact Sciences acquisition. Device and diagnostics franchises (FreeStyle Libre, electrophysiology, structural heart) show strong profit growth, while Nutrition faces pressure and circa. 1,700 infant-formula lawsuits with recent jury awards adding legal uncertainty.

In the Australian share market, materials and financial sectors were the primary contributors to market gains, with resources supported by a recovery in commodity prices and short covering after the March energy shock, while iron ore held around US$107 per tonne and gold came under pressure as elevated inflation expectations weighed on rate-cut pricing. The small-cap index outperformed large caps over the month, and the AUD recovered meaningfully against the USD, partly reflecting the hawkish domestic rate outlook, though this provided a headwind for those companies with profits earned offshore. Information Technology stocks and property trusts outperformed, benefiting from renewed enthusiasm for AI infrastructure spending and data centre investment. Info Tech (+12.3%) was the best-performing sector over the month, led by NEXTDC (+27.8%) and WiseTech Global (+12.3%) while HealthCare (-8.3%), dragged down by Cochlear (-44.4%) and CSL (-11.6%), underperformed the broader market. At a stock level, the best performers included NEXTDC

(+27.8%), Mineral Resources. (+18.8%) and Greatland Resources (+17.9%) while Cochlear (-44.4%), The A2 Milk Company (-26.0%) and CSL (-11.6%) were amongst the largest underperformers.

The world economy has found some calm in the eye of the energy storm. However it is far from safe harbour. The ongoing Strait of Hormuz blockade remains the dominant market driver because there is no clear endgame in sight while the buffer from global oil inventories is shrinking quickly. As a result, crude oil prices are edging higher, weighing on both global bond and equity markets. Five percent of the world’s yearly oil supply has already been lost because the Strait of Hormuz is shut. Every day it remains closed the deficit grows by 14 million barrels. Since peace talks between America and Iran have stalled, a reopening still seems far away.

Returns 30th April 2026

ASSET CLASS RETURNS ARE BASED ON

Australian Cash
RBA Bank accepted Bills 90 Days

Australian Bonds
Bloomberg AusBond Composite 0+ Yr TR AUD

International Bonds Hedged
BarCap Global Aggregate TR Hdg AUD

Australian Listed Property
BarCap Global Aggregate TR Hdg AUD

International Property Hedged
FTSE EPRA/NAREIT Dv REITS TR Hdg AUD

Australian Shares
S&P/ASX 200 TR

International Shares
MSCI World Ex Australia NR AUD

Emerging Market Shares
MSCI EM GR AUD

RETURNS TO THE 30TH APRIL 2026

	1 month	3 months	6 months	1 year	3 years	5 years	7 years	10 years
Australian Cash	0.35	1.00	1.93	3.79	4.13	3.03	2.41	2.16
Australian Bonds	0.05	-0.50	-1.79	-0.14	2.01	0.05	0.04	1.77
International Bonds Hedged	0.34	-0.14	0.03	2.36	3.05	-0.11	0.29	1.56
Australian Listed Property	8.59	-7.00	-11.26	-0.20	9.19	6.18	3.68	5.88
International Property Hedged	7.91	6.54	9.06	15.82	8.36	2.93	2.00	4.21
Australian Shares	2.18	-1.22	-0.87	10.12	9.66	8.36	7.58	9.31
Emerging Market Shares	9.28	2.52	4.83	30.55	17.33	7.59	8.44	9.88
International Shares	4.44	0.71	-2.78	15.06	16.52	12.98	12.40	13.41

Hatch Financial Planning

Hatch Financial Planning
is a Corporate Authorised Representative CAR No. 301272
of GPS Wealth Ltd | AFSL 254 544 | ABN 17 005 482 726

PO Box 3030, Loganholme, Qld 4129

Phone: 07 3229 9662

Email: info@hatchfinplan.com.au

Website: https://hatchfinplan.com.au

The information contained in this newsletter is general in nature and provided for information purposes only. Any references to investment returns, performance, asset classes or market conditions are not intended to constitute personal financial advice. While reasonable care has been taken in preparing this material, no liability is accepted by Count, its related entities, agents or employees for any loss arising from reliance on this information. Past performance is not a reliable indicator of future performance and investment returns are not guaranteed. Clients need to assess the appropriateness of any information in light of their individual circumstances, consider the relevant Product Disclosure Statements (PDS) and other disclosure documents, and obtain personal financial advice prior to making any investment decision.