Market Update: April 2026

Market Insights By Ben Snedeker

April was a strong month for share markets globally, with the US and Japan leading the rebound. Australia also moved higher, but not by as much. Looking ahead, inflation and central bank decisions are still doing most of the heavy lifting for markets. We are staying selective, focusing on quality, and keeping valuations front of mind as investors shift focus back towards company earnings.

April at a Glance

Key drivers

- Markets improved as ceasefires and renewed peace talks lifted hopes of a quicker end to the US–Iran conflict. Oil still pushed higher, though, with the Strait of Hormuz remaining closed.
- A solid US Q1 reporting season helped sentiment, and worries about what AI could mean for big tech names eased a little.
- In Australia, strong jobs data and stubborn inflation kept attention on interest rates—and what higher rates could mean for company earnings.

Key numbers

- **Global equities:** MSCI ACWI +9.4% (local); global equities +9.6% (USD).
- **Australia:** S&P/ASX 200 +2.2% (total return).
- **Rates:** US 10-year 4.37% (+0.05%); AU 10-year 5.06% (+0.09%).
- **FX:** AUD strengthened ~4.3% to ~US$0.72.
- **Commodities:** industrial metals stronger; WTI +3.6%; iron ore ~US$108/t.

Australian Equities

Australian shares rose in April, with the ASX 200 up 2.2% (total return), clawing back some of March's weakness. A hotter inflation print and a few negative trading updates kept gains in check, and the local market continued to lag global peers—largely because Australia has less exposure to hyperscalers/semiconductors and tends to be more sensitive to bond yields and domestic financial conditions.

Global Equities

Global equities rose 9.6% in USD terms in April, supported by better news flow around the US–Iran conflict and a strong US Q1 reporting season. In AUD terms, the MSCI World ex Australia rose 4.4% as the Australian dollar strengthened ~4.36% versus the USD.

The US led the move: the S&P 500 logged its best month since Nov 2020 and finished at a record high, and the Nasdaq also ended at a record (its best month since Apr 2020). The "Magnificent 7" were all higher, led by Alphabet +33.9% and Amazon +27.3%.

Looking forward, forward earnings are still expected to grow ~14% over the next 12 months, and the forward P/E ended April at ~18.1 (down from ~19.6 in October) as the March sell-off and rising forward earnings improved valuations.

Sector performance

In Australia, leadership came from Information Technology (+13%) and A-REITs (~+8–9%) as growth stocks regained some momentum. Materials (+4%) also contributed, supported by higher base metals prices and steady demand expectations.

On the other side of the ledger, Health Care (-8.7%) fell on stock-specific earnings disappointments (notably Cochlear -44%), while Consumer Staples (-4.1%) detracted as margin and volume concerns persisted.

In the US, Communication Services (+18.43%), Technology (+17.44%) and Consumer Discretionary (+11.72%) were standout performers, while Energy and Health Care lagged.

Monthly Quote

"Markets can remain irrational longer than you can remain solvent"

— John Maynard Keynes

Fixed Interest

Rate expectations were broadly steady in the US through April, while Australian pricing edged a little more hawkish (markets still anticipate one to two additional RBA hikes beyond the recently delivered May hike).

Bond yields moved slightly higher: the US 10-year rose 0.05% to 4.37% (range-bound), and the AU 10-year rose 0.09% to 5.06% (continuing the upward trend since late 2025). Bond returns were broadly flat in Australia and modestly negative in the US. In credit, global spreads narrowed again after widening in March, and local spreads remain contained.

Global economy

A US–Iran ceasefire reduced some near-term tail risks, but broader Middle East tensions continued to support higher energy prices, and the Strait of Hormuz blockade is still adding uncertainty around inflation.

In the US, economic data continued to point to resilient growth, which helped take the edge off recession concerns. Central banks stayed "data dependent": the US Fed held rates at 3.75%, and markets are now pricing no US rate cuts this year.

Australian economy

Australian inflation remains sticky, with headline CPI at 4.6% YoY in March, driven by fuel and construction costs. The labour market is still tight (unemployment ~4.3%), with a high employment-to-population ratio and solid nominal income growth.

Meanwhile, business and consumer confidence softened and auction clearance rates drifted down toward 50%. The Australian dollar strengthened ~4.3% in April to around US$0.72, supported by firmer commodity prices, a softer USD and local rate hike expectations

Commodities

Commodity prices generally strengthened in April, led by oil and industrial metals, while gold eased slightly and iron ore was relatively steady. Among base metals, copper rose ~5% and nickel ~14%, and lithium (+13%) extended recent gains. Iron ore was broadly flat around ~US$108/t. WTI crude oil rose 3.6% and remained elevated versus pre-conflict levels, keeping inflation risks in play even with some month-to-month moderation.

Company Earnings

Earnings revisions remained mixed, with upgrades in Resources and parts of Industrials, offset by downgrades in Health Care and Consumer sectors. At the index level, forward earnings expectations have stabilised, but confidence is still uneven as cost pressures and demand conditions vary across sectors.

In developed markets, revisions stayed positive overall, and a strong US Q1 reporting season supported sentiment. The "Mag 7" reinforced AI-related investment optimism, with hyperscalers lifting 2026 capex forecasts by ~US$100B to more than US$700B.

Outlook: what we're watching & key themes

Looking into next month, we'll continue to be focused on inflation and wages for clearer signs that price pressures are easing, and we'll be listening closely to central bank messaging as markets reassess the timing of any future interest rate moves.

We'll also watch earnings guidance, especially margins and demand trends. Keeping a close eye on energy prices and geopolitics given their influence on inflation expectations will also be a key focus.

In the background, a few themes remain in play: Resources and energy have been strong since mid-2025 (helped by higher gold, base metals, oil and LNG), although that strength cooled a little in April as peace-talk optimism improved. Within tech, hardware continues to benefit from AI-driven demand, while software has lagged amid disruption concerns. NASDAQ 100 relative performance has improved recently, but remains choppy versus the broader trend since mid-2025.

That's your April market wrap! If you've got questions or want to chat about your portfolio, feel free to reach out.

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