

GLOBAL MARKETS

WEEKLY MARKET BRIEF



Highlights.

Major U.S. stock indexes ended the shortened and highly volatile week in positive territory, helped by tentative signs that tensions in the Middle East might be easing. U.S. markets were closed on Friday for the Good Friday holiday. The Nasdaq Composite posted the strongest performance, surging 3.95% and recording its best weekly gain since November, while the S&P 500 and Dow Jones Industrial Average also rose notably by 3.36% and 2.98% respectively. Smaller-company indexes delivered solid gains as well. Stocks were initially weak on Monday but surged on Tuesday and Wednesday after President Donald Trump signalled that the U.S. might be more open to reducing its military role in Iran. However, market confidence faded later in the week after Trump's Wednesday night remarks failed to provide a firm timeline for easing tensions. That uncertainty pushed oil prices higher and pressured stocks early Thursday, although markets recovered enough by the close to finish the week with gains. Employment-related reports painted a picture of a strong U.S. labour market, reinforcing expectations of a higher-for-longer stance from the Federal Reserve. March nonfarm payrolls rose by 178,000, the strongest increase since late 2024, while unemployment unexpectedly fell to 4.3%, partly due to lower labour force participation—signalling a stabilizing labour market. Outside the labour market, consumer confidence rose slightly in March despite concerns about higher costs tied to tariffs and the conflict in the Middle East. Meanwhile, U.S. manufacturing expanded for a third straight month in March, according to the Institute for Supply Management. Still, employment in the sector continued to contract for the 30th consecutive month, and price pressures climbed to their highest level since June 2022. Across the Atlantic, European stocks also joined in the rally, with the pan-European STOXX 600 adding 3.77% in the week and notching a second consecutive week of gains. Investor sentiment improved as hopes grew that the Middle East conflict might prove shorter and less damaging than initially feared. On the data front, inflation in the eurozone accelerated to 2.5% in March from 1.9% in February, marking the fastest pace since January 2025. The main driver was a sharp 4.9% rise in energy prices. By contrast, inflation moderated in services, non-energy manufactured goods, and food-related categories. In Switzerland, retail sales remained positive, rising 0.9% year over year in February. Non-food sales were especially strong, while food, beverage, and tobacco sales declined. Meanwhile, in Asia, Japanese equities fell over the week through Thursday, with the Nikkei 225 down 0.47% and the broader TOPIX falling 0.12%. Because Japan depends heavily on Middle Eastern oil, rising energy prices remain a major concern for the economy. Many investors increasingly believed the Bank of Japan could raise interest rates at its April meeting, partly due to concerns that higher oil prices may push inflation upward. Chinese stock markets were mixed through Thursday, as investors weighed signs of improving domestic economic activity against ongoing external risks. The CSI 300 Index slipped 0.53%, while the Shanghai Composite Index edged up 0.14%.

Data highlights: USD Nonfarm Payrolls (Mar) rose from -133K to 178K while consensus only priced an increase to 60K. USD Non-Farm Payrolls Private (Mar) rose from -129K to 186K, consensus only priced in an increase to 70K. USD Unemployment Rate (Mar) dropped -10bps, from 4.4% to 4.3%, against a flat expectation. USD ISM Manufacturing PMI (Mar) rose 57bps, from 52.4 to 52.7, +18bps more than the 52.5 pencilled in. EUR Inflation Rate YoY (Mar) rose +60bps, from 1.9% to 2.5%, -10bps less than the 2.6% that was expected while EUR Core Inflation Rate YoY (Mar) dropped -10bps, from 2.4% to 2.3%, -10bps less than the flat expectations. EUR Unemployment Rate (Feb) rose +10bps, from 6.1% to 6.2%, against expectations to remain unchanged. CHF Inflation Rate YoY (Mar) rose 20bps, from 0.1% to 0.3%, -20bps less than the 0.5% consensus. JPY Unemployment Rate (Feb) dropped -10bps, from 2.7% to 2.6%, -10bps less than the flat expectation.

Week ahead: EUR PPI YoY (Feb), CHF Unemployment Rate (Mar) - Wednesday | USD PCE Price Index YoY (Feb) - Thursday | CAD Unemployment Rate (Mar), USD Inflation Rate YoY (Mar) - Friday

Global Markets Overview

Treasury yields: The U.S. 10-Year Treasury Note yield eased to 4.3% in a shortened Friday session following a surprisingly strong labour market report, which showed the US economy added 178K jobs in March—nearly triple expectations of 60K—while the unemployment rate dipped to 4.3% and wage growth moderated, reinforcing expectations that the Federal Reserve will keep rates unchanged this year. Markets simultaneously tracked escalating geopolitical risks, as Donald Trump ramped up rhetoric against Iran, threatening strikes on critical infrastructure, while reports indicated further Iranian attacks across Gulf states—developments that continue to fuel concerns over an energy-driven inflation spiral. In the UK, the UK 10-Year Gilt yield slipped to 4.83%, still hovering near multi-decade highs last seen in July 2008, as fading hopes of de-escalation and renewed threats of intensified US military action heightened uncertainty. This backdrop has prompted investors to reassess Bank of England policy expectations, now pricing in two rate hikes in 2026.

Equities: In the US, markets balanced robust domestic data against escalating geopolitical risks, as the economy added 178K jobs in March, far exceeding forecasts of 60K, while unemployment edged down to 4.3% and wage growth moderated—reinforcing expectations that the Federal Reserve will keep rates unchanged this year. At the same time, tensions in the Middle East remained front of mind, with Donald Trump intensifying rhetoric against Iran, including threats to target critical infrastructure, as Iran reportedly launched further strikes across Gulf states. Despite these risks, US equities posted strong weekly gains, with the S&P 500 rising 3.36%, the Dow Jones Industrial Average advancing 2.98%, and the Nasdaq Composite surging 3.95%. In Japan, equity markets were more subdued, with the Nikkei 225 slipping 0.47%, even as sentiment improved on global efforts to restore disrupted oil flows through the Strait of Hormuz. Hopes of a partial reopening helped ease crude prices in Tokyo, offering some support to equities—particularly given Japan's reliance on imported energy—while optimism over AI-driven growth lifted expectations for a strong earnings season.

Currencies: The U.S. Dollar Index eased to 100.03, slipping 0.12% on the week despite a robust US labour report that reinforced expectations of a higher-for-longer stance from the Federal Reserve. Geopolitical risks remained front and center, with Donald Trump threatening strikes on key Iranian infrastructure amid reports of continued attacks across the Gulf, keeping oil prices elevated and inflation concerns in focus. Meanwhile, the Japanese yen strengthened modestly, gaining 0.40% for the week and hovering near the 160-per-dollar level, even as uncertainty around the Bank of Japan's policy outlook persisted. Governor Kazuo Ueda has signalled the possibility of a rate hike at the upcoming April 28 meeting, with markets pricing in roughly a 70% probability, though any decision to hold could unsettle already fragile global sentiment.

Commodities: WTI crude oil futures surged 11.94% to \$111.54 per barrel, marking their highest level in nearly four years, as markets sharply repriced the scale of supply disruption risks stemming from the escalating conflict in the Persian Gulf. Sentiment turned decisively bullish after Donald Trump warned of intensified strikes on Iran and its infrastructure in the coming weeks should ceasefire terms be rejected, prompting retaliatory rhetoric from Tehran. Earlier optimism—driven by reports that Oman and Iran were coordinating a toll system for tanker transit through the Strait of Hormuz—briefly eased prices, but hopes for normalized flows quickly faded. As a result, dated Brent crude spiked above \$140 per barrel, reaching levels not seen since 2008, underscoring the severity of the supply shock. Efforts to stabilize the situation are underway, with the United Kingdom hosting multinational talks to secure shipping routes, while OPEC+ is weighing a potential output increase—though any incremental supply is unlikely to materially alleviate tightness in the near term.

Bond Yields	Close	% W/W	% YTD
US 10Y	4.30	-2.78	3.31
Bund 10Y	2.99	-3.30	4.80
Gilt 10Y	4.83	-2.83	7.90
Japan 10Y	2.39	-0.08	15.49

Indices	Close	% W/W	% YTD
S&P 500	6583	3.36	-3.84
EU Stoxx 600	610	3.77	-0.44
FTSE 100	10436	4.70	5.08
Nikkei 225	53123	-0.47	5.53

Currencies	Close	% W/W	% YTD
EURUSD	1.1519	0.09	-1.93
GBPUSD	1.3202	-0.43	-2.03
USDJPY	159.67	-0.40	1.89
USD Index	100.03	-0.12	1.74

Commodities	Close	% W/W	% YTD
Gold	4677	4.06	8.27
Copper	558.35	2.13	-1.73
WTI Crude	111.54	11.94	94.25
Wheat	598.25	-1.12	15.38

Performance of Major Global Financial Assets

% Change.

W/W	-2.8	-3.3	-2.8	-0.1	-1.2	-4.9	3.4	3.9	3.4	3.9	4.7	-0.5	0.7	-0.1	0.1	-0.4	-0.4	-0.4	-0.9	11.9	4.1	2.1	-2.1	-1.1
MTD	-0.3	-0.4	-1.7	1.4	1.3	-1.4	0.8	1.3	2.2	2.2	2.6	4.0	1.3	0.1	-0.3	-0.2	0.6	-0.2	0.2	10.0	0.2	-0.5	-1.0	-2.9
YTD	3.3	4.8	7.9	15.5	6.3	8.5	-3.8	-4.8	-1.7	-5.4	5.1	5.5	-2.0	1.7	-1.9	-2.0	1.9	-1.5	2.5	94.3	8.3	-1.7	-11.4	15.4
	US 10Y	BUND 10Y	GILT 10Y	JAPAN 10Y	AUSSIE 10Y	ITALY 10Y	S&P 500	NASDAQ	EU STOXX 50	DAX INDEX	FTSE 100	NIKKEI 225	HANG SENG	USD INDEX	EURUSD	GBPUSD	USDJPY	USDCNY	USDZAR	WTI CRUDE	GOLD	COPPER	COFFEE	WHEAT
	GOV. BOND YIELDS					EQUITY INDICES							CURRENCIES					COMMODITIES						

KEY: -100%



+100%

Data Sources: Bloomberg, Investing.com, TradingEconomics, T.RowePrice, Standard Investment Bank

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