

# Discovery Market Review

30 April 2026

## Market background

Financial markets surged in April, defying geopolitical tensions. Global equities delivered their strongest gain since late 2020, led by technology and AI-linked stocks, even as the US-Iran conflict kept oil prices elevated and complicated the inflation outlook. Government bonds weakened as higher energy prices pushed out rate cut expectations, while credit markets performed well in the risk-on environment. Commodities were mixed: industrial metals advanced, oil was volatile, and gold was flat. Investor sentiment improved as markets looked past near-term risks and focused on resilient earnings and structural growth themes.

## United States

US equities rebounded in April, as investors looked through geopolitical risk and returned to growth stocks. The US-Iran conflict kept oil prices elevated and complicated the inflation outlook, but it did not prevent a powerful recovery in risk appetite. The technology-heavy Nasdaq rose 15%, while the S&P 500 gained 10.5% over the same period. Semiconductor and AI-related shares led the rally, helped by strong earnings, renewed confidence in AI spending and improving sentiment towards mega-cap technology companies. The advance was not confined to technology, however: consumer discretionary also gained on the recovery of risk appetite, while industrials benefitted from optimism around AI infrastructure, automation and capital spending.

The macro backdrop remained challenging but did not derail the rally. The Federal Reserve maintained a cautious stance, leaving rates unchanged while signalling that persistent inflation pressure could keep policy tighter for longer. Markets nevertheless drew support from resilient corporate earnings, with first-quarter results generally stronger than expected and investors growing more confident that profit growth could help offset the drag from higher energy costs and tighter-for-longer monetary policy.

## South Africa

South African equity markets edged higher over the month, with the JSE All Share Index posting a modest gain despite significant volatility driven by the Middle East conflict. The geopolitical shock weighed on South Africa's trade balance and inflation outlook, as higher oil prices and rand weakness dampened sentiment. The index spent much of the month in negative territory before recovering. Resource and financial stocks bore the brunt of the selling, while energy-linked counters, notably Sasol, were an exception, benefitting from the surge in global oil prices.

A brief reprieve arrived mid-month when a temporary ceasefire between the US and Iran was announced, prompting a sharp relief rally in local equities. The index ultimately closed the month in positive territory, supported by this rebound and resilience in select industrial and energy counters, even as broader uncertainty continued to cap upside. South African government bond yields fell at the start of the month, with the curve bull-flattening as longer-dated yields led the move lower. This reflected improved prospects for a ceasefire and the reopening of the Strait of Hormuz, which pushed oil prices lower and eased inflation concerns. However, the move was largely reversed toward month-end as tensions resurfaced, reigniting inflationary pressures. The 10-year bond yield ended the month at 8.94%.



April saw the largest fuel price increases in South Africa's history, driven by soaring global oil prices and a weaker rand. Petrol prices rose by over R3 per litre, net of a temporary general fuel levy reduction introduced by the National Treasury to cushion the impact, while diesel increased by more than R7 per litre. The month also saw Eskom's new 8.76% electricity tariff hike take effect, creating a simultaneous energy cost shock for households and businesses. These twin pressures prompted widespread warnings of significant second-round inflation effects.

Inflation data published during April reflected conditions prior to the energy shock. South Africa's annual inflation rate edged up to 3.1% in March, from 3.0% in February, with housing and utilities the largest contributor. Food inflation eased for a second consecutive month to 3.6%, with meat prices beginning to moderate after months of pressure linked to persistent foot-and-mouth disease supply constraints. Economists cautioned that the March print did not capture the full impact of April's fuel and electricity increases, with materially higher inflation readings expected in the months ahead.

The rand remained under pressure throughout the month, finishing April at around R16.67 to the US dollar, reflecting the combined effects of global risk aversion and South Africa's vulnerability as a net oil importer..

## Europe and the United Kingdom

European equities advanced in April, but the month was defined by sharp swings as investors weighed the economic impact of the Iran war and the associated energy shock. Brent crude remained more than 50% higher by mid-April than at the start of the year, while disruption around the Strait of Hormuz kept inflation and growth risks firmly in focus.

The STOXX Europe 600 recovered during the month after earlier weakness, supported by periods of relief around ceasefire and negotiation headlines. However, markets remained volatile, with energy-sensitive sectors and cyclicals swinging sharply in response to oil and gas prices. Financials and defensives were uneven, while growth and technology names benefitted from the broader rebound in risk appetite.

Inflation and policy remained central to the outlook. Eurozone inflation rose to 3.0% in April, driven by higher energy prices, while the European Central Bank held rates at 2% for a third consecutive meeting, balancing renewed inflationary pressure with a softer growth backdrop.

In the UK, equities also gained ground, although the market lagged other developed peers, as its heavier exposure to energy, financials and defensives proved less advantageous in a month that rewarded growth and technology stocks. Energy and bank shares were particularly volatile, tracking swings in oil prices, gilt yields and rate expectations against an unsettled geopolitical backdrop.

The UK's inflation outlook also deteriorated. CPI rose to 3.3% in March, from 3.0% in February, with motor fuels making the largest upward contribution to the monthly change. The Bank of England kept interest rates unchanged at 3.75% at its April meeting, with one member voting for a hike, highlighting the uncertainty created by the Middle East conflict for global energy prices.

## China

Chinese equities rebounded modestly in April 2026 but continued to lag the broader emerging-market rally, which was driven by AI and semiconductor leaders in North Asia. The MSCI China All Shares Index rose by about 5.8% in US dollar terms, supported by stabilising macro signals and selective investor positioning. However, performance remained uneven beneath the surface. A clear divergence persisted between onshore and offshore markets.

Mainland A-shares were relatively resilient, underpinned by ample domestic liquidity and investor preference for policy-aligned sectors, such as advanced manufacturing, industrial upgrading and energy security. The Politburo's latest communication reinforced a message of stability and structural reform rather than large-scale stimulus, anchoring expectations and supporting targeted opportunities rather than a broad-based re-rating. Economic data were mixed but not deteriorating, with manufacturing activity hovering around expansion territory, supported in part



by exports and resilience in segments of the clean-tech complex, even as weak domestic demand and ongoing property sector stress continued to weigh on sentiment.

Offshore equities, by contrast, were more volatile. Hong Kong-listed technology and platform companies faced pressure from weaker earnings momentum and ongoing scrutiny around margins and monetisation, with profit growth for the Hang Seng Tech cohort at multi-year lows. In addition, reduced expectations for near-term monetary easing weighed on sentiment, as policymakers signalled less urgency for aggressive support. Property sector fragilities, including refinancing pressures among major developers, also kept risk premia elevated.

## Global equities

Global equities rebounded in April, climbing a wall of geopolitical worry to deliver one of their strongest monthly returns since late 2020, despite the US-Iran conflict and its impact on energy markets. Disruption to traffic through the Strait of Hormuz kept oil prices elevated, reinforcing concerns about higher inflation and pushing out expectations for rate cuts from major central banks. Government bonds came under pressure as a result. But risk appetite proved resilient. Rather than extending March's derisking phase, risk assets responded to a gradual stabilisation in headlines and renewed optimism around corporate earnings and artificial intelligence. Global equities, as measured by the MSCI All Countries World Index (MSCI ACWI), returned 10.2% in USD over the month.

The US led developed markets, as investors returned to AI-linked companies and other growth stocks, while Japanese stocks also recovered. In emerging markets (EM), South Korea and Taiwan were the standout performers globally, both setting all-time highs on the back of the AI semiconductor cycle. Chinese equities also advanced, but continued to lag the broader EM recovery, as significant structural challenges remain in place. Elsewhere, European and UK equities posted positive returns but underperformed the broader global rally.

Sector performance reinforced the growth and AI narrative. Information technology was the standout performer, while communication services and industrials also gained strongly, supported by enthusiasm for AI infrastructure, automation and broader capital spending. Consumer discretionary benefitted from the recovery in risk appetite. Performance within energy reflected consolidation following outsized strength in March, while health care was broadly flat and consumer staples, utilities and materials delivered more modest gains.

Indices	April 2026 net return (USD)
S&P 500	10.5%
Nasdaq Composite	15.3%
MSCI ACWI	10.2%
Nikkei 225	16.1%
EuroStoxx 600	4.8%
FTSE 100	2.3%
Hang Seng Index	4.1%
SSE Composite	5.7%

Indices	April 2026 net return (ZAR)
FTSE JSE All Share Index	1.6%
FTSE/JSE Financials Index	2.6%
FTSE/JSE Industrials Index	2.3%



FTSE/JSE Resources Index	-2.4%
FTSE/JSE ALBI	3.3%
STEFI	0.5%

Source: Bloomberg, as at 30 April 2026.

## Global fixed income

### US

US Treasury yields ended the month slightly higher across the curve, reflecting a combination of ongoing geopolitical uncertainty, inflation risks and a more hawkish Federal Reserve (Fed). Signs of strength in the US economy – a surprisingly robust rise in non-farm payrolls (March report) and a slight fall in the unemployment rate – contrasted with troubling inflation dynamics. The headline CPI rose 3.3% year-on-year in March, driven primarily by surging energy prices, while the Fed's preferred measure (core PCE) rose to 3.2%, well above the Fed's 2% target. At its late-April meeting, the Federal Open Market Committee held rates at 3.50% to 3.75%, with three members refusing to support an easing bias in the statement given the growing risks to inflation. This dashed hopes of rate cuts in 2026. Markets now price no rate cuts this year.

### Europe

Despite yields ending the month broadly unchanged, volatility continued in the European sovereign bond market, reflecting the energy price shock stemming from conflict in the Middle East. At one point, the 10-year German Bund yield rose to 3.1%, its highest level since 2011. While the ECB held its deposit rate at 2% for a seventh consecutive meeting, its messaging was less hawkish than expected, as policymakers stopped short of signalling that a June hike was guaranteed. Rising energy costs drove eurozone annual inflation to 3% in April, up from 2.6% in March, however core inflation edged lower to 2.2%. The eurozone economy expanded by just 0.1% in the first quarter. Against this backdrop, markets are pricing in around three rate hikes by year-end.

### UK

UK government bond yields rose further over April, notably in longer-dated gilts – the 10-year gilt yield climbed above 5%, and at one stage reached levels last seen in 2008. The driver was renewed inflation pressure from the Middle East conflict: CPI rose to 3.3% in March, up from 3.0% in February, led by higher fuel prices, while services inflation ticked up to 4.5%. The Bank of England's Monetary Policy Committee voted 8–1 to hold rates at 3.75%, with one member voting for a 25bps hike. Although the messaging was less hawkish than feared and caused yields to fall, market participants forecast two to three quarter-point rate hikes this year.

### Japan

Japanese government bond yields rose over the month, with the 10-year yield reaching its highest level since 1997, driven by ongoing fiscal concerns and inflationary pressures. At its April meeting, the Bank of Japan (BoJ) kept its policy rate unchanged at 0.75% in a closely watched 6–3 vote, with the three dissenting members calling for an immediate hike to 1.0%. The split decision was interpreted by markets as a hawkish hold, with two rate hikes expected over 2026. The BoJ raised its core inflation forecast for fiscal year 2026 while cutting its growth outlook, citing the economic impact of the Middle East conflict and surging energy prices.

Indices	April 2026 total return in local currency
Bloomberg US Treasury Index	-0.1%
Bloomberg Global-Aggregate Total Return	1.2%

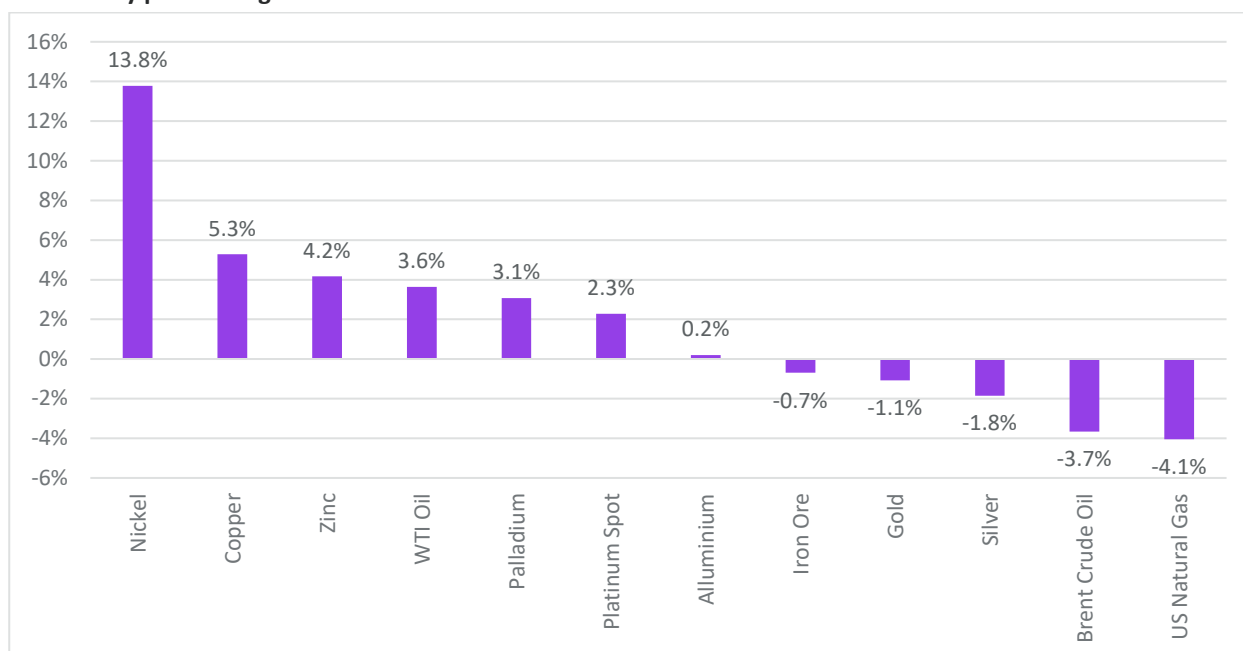


Source: Bloomberg, as at 30 April 2026.

## Commodity markets

Oil was volatile in April, with the price of a barrel of Brent crude ranging from about US\$90 to more than US\$120 as hopes that the Strait of Hormuz would reopen to tanker traffic rose and faded. Over the full month, Brent declined by 4%, closing at US\$114. Some analysts raised their long-term price forecasts during the month, reflecting not only the prospects of a prolonged conflict, but also the additional expected time it will take to repair infrastructure and rebuild stockpiles. As at the end of April, about 850 million barrels had been lost from supply since the start of hostilities. Gold was little changed, ending April 1% lower at US\$4,618 per Troy ounce. The shares of gold producers slightly underperformed gold (gold equities usually trend in the same direction as the precious metal, but with amplified moves), declining 3%. Total known holdings of gold by exchange-traded funds, often used as a proxy for desire to hold the precious metal, rose by 1% to 98.8 million ounces. The silver price declined 2%, while platinum gained 2%. Industrial metals had a mixed month. The price of aluminium was little changed, but the commodity has moved sharply higher since the US-Iran conflict began. The initial impact of disruption to shipping has been compounded by reduced output at major smelters in the Middle East, which produces about one-tenth of global aluminium supply, and the market is now in significant deficit. Copper gained about 5%, with market tightness due to supply disruption outweighing worries that the inflationary impacts of the Middle East conflict could weaken economic activity and copper demand. Agricultural commodities also moved higher, with corn, wheat and soybeans all gaining, with the Middle East conflict driving up the price of farming inputs including fuel and fertilisers.

### Commodity price changes



Source: Bloomberg, as at 30 April 2026.