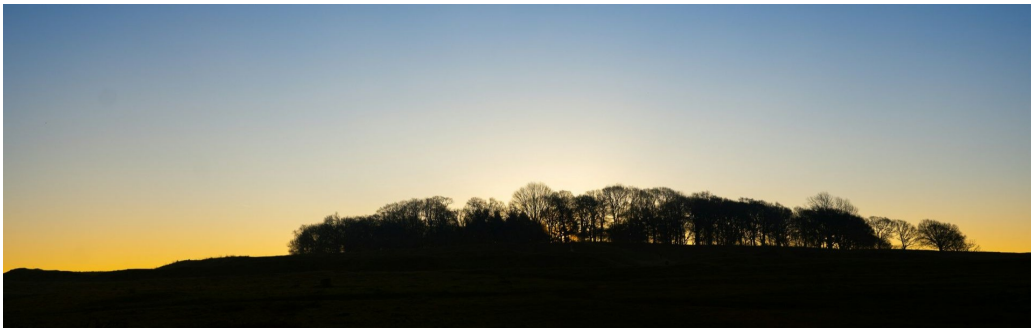


April 13, 2026

Weekly Investment Insights



MARKET SNAPSHOT

Last week, oil prices slumped and equities rallied after the US and Iran agreed a two-week ceasefire. However, hopes for de-escalation were quickly dashed, when negotiations between the two countries in Islamabad broke down. President Trump ordered a blockade of the Strait of Hormuz, sending Brent crude back above \$100 per barrel. Traders are now gearing up for another week of geopolitically-driven volatility, with energy flows through the Strait taking precedence over macroeconomic releases.

On the corporate front, earnings season is about to kick into gear, and market participants will be eager to hear how companies expect the deepening energy crisis to impact their operations. AI and private credit will also be key topics.

In politics, Hungary's Prime Minister Viktor Orbán conceded defeat in Sunday's parliamentary elections after voters delivered a sweeping landslide victory to Peter Magyar's opposition party, Tisza. The latter secured a projected 138 of the 199 seats, thus achieving a two thirds majority. With the pro European Tisza now poised to lead, Hungary is expected to move toward smoother cooperation with the EU.

The Hungarian forint surged in early trading, reaching its strongest level in four years against the euro. Orbán's loss ends his 16 year dominance of Hungarian politics and closes a long chapter marked by contentious EU summits and last minute standoffs in Brussels.

	Friday Close	5 Day Percentage Change	MTD Percentage Change	YTD Percentage Change
S&P 500	6816.89	3.56	4.42	-0.42
Nasdaq Composite	22902.89	4.68	6.08	-1.46
EuroStoxx 50	5926.11	3.10	5.38	1.34
CAC40	8259.6	2.69	4.60	0.33
DAX	23803.95	1.81	4.01	-3.68
CSI 300	4636.565	4.62	4.41	0.35
US 10 Year Yield (%)	4.317	0.05	0.38	3.98
Germany 10 Year Yield (%)	3.058	2.34	1.93	7.25
Gold Spot (\$/Oz)	4749.75	1.75	1.35	9.53

Source: Bloomberg, BIL as of April 13

MACRO SNAPSHOT

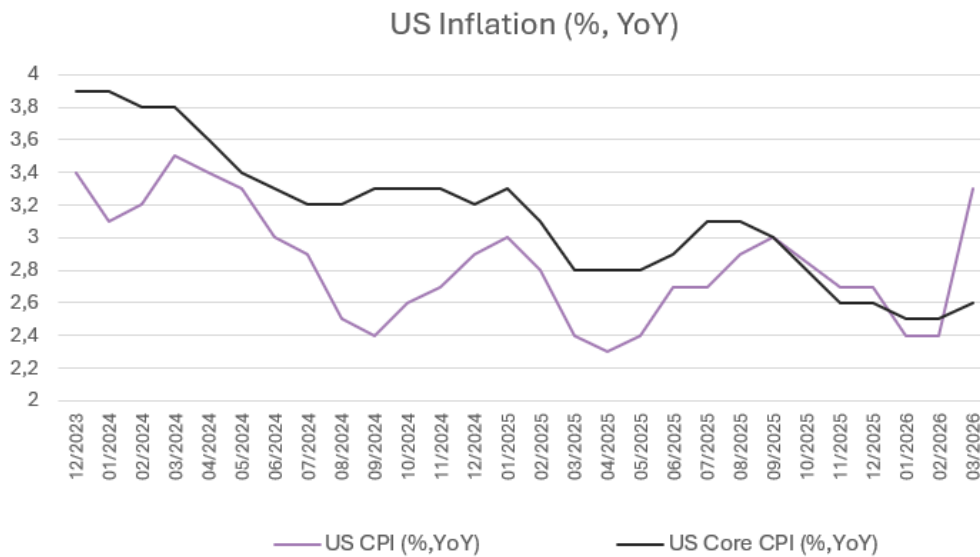
US inflation hits a two-year high

The annual inflation rate in the US rose to 3.3% in March, its highest level since May 2024 and up sharply from 2.4% in both February and January. The figures matched expectations, with the acceleration largely driven by higher energy prices (+12.5%), particularly gasoline (+18.9%) and fuel oil (+44.2%), against the backdrop of the conflict in the Middle East.

In contrast, prices for used cars and trucks continued to fall (-3.2%), while inflation was stable for shelter (3%) and eased for food (2.7% vs 3.1%). Core inflation, which excludes food and energy, also edged higher, reaching 2.6%, slightly below the 2.7% expected.

The cost of living remains the top concern for US voters in polls. In a post on X, White House spokesperson Kush Desai noted that although gas and energy prices have been volatile, prices for items such as eggs, beef, dairy, prescription drugs, and other household staples are declining or holding steady, crediting President Trump's policies. Desai also highlighted strong US oil production and the expected support to household finances from tax cuts.

Financial markets largely looked past the inflation report, focusing instead on the weekend talks between the US and Iran in Islamabad. Traders now assign roughly a one in three probability to a quarter point rate cut this year, little changed from before the data release.



Source: Bloomberg, BIL

Luxembourg price pressures accelerated in March

The annual inflation rate in Luxembourg rose to 2.4% in March, up from 1.3% in the previous month, marking the highest level this year. Costs increased for housing and utilities, transportation, recreation, sport and culture, restaurants and hotels and furnishing and household equipment. Energy prices rose by 12.2% compared to the month before, driven higher by the conflict in the Middle East and the closure of the Strait of Hormuz. Fuel prices in particular recorded a sharp increase, rising 15.6% in one month, the sharpest monthly increase on record. Diesel prices rose by 22.2% per litre, while petrol increased by 10.7%. Conversely, gas and electricity prices remained unchanged.

Meanwhile, prices were stable for food and non-alcoholic beverages, and education. Price pressures eased for alcoholic beverages and tobacco, and health.

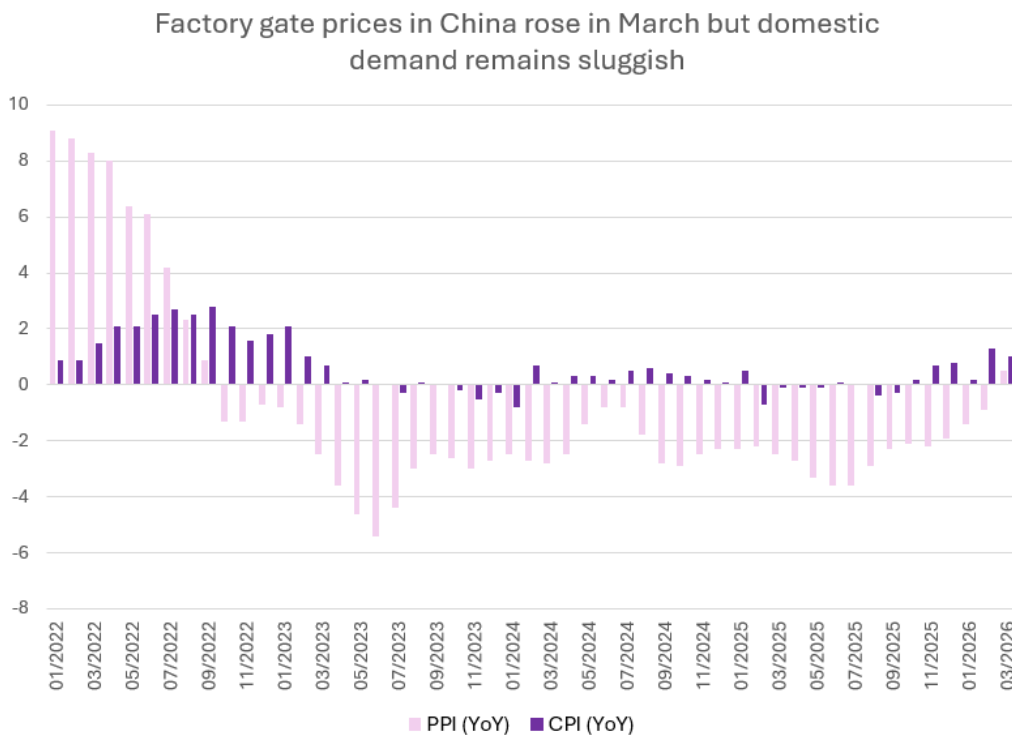
Overall, the increase in inflation in March mainly reflects higher energy prices, particularly fuel, rather than a widespread spike in cost pressures across the economy. Inflation remains contained in several key categories, suggesting that underlying price dynamics are still relatively stable.

China records first factory gate price increase since 2022

The impact of the war in the Middle East has started to seep into the global supply chain, with China's producer prices rising 0.5% year on year in March, after more than three years in deflation. China has been battling with deflation for years amid the prolonged property crisis and industrial overcapacity that has led to intense price wars that have eroded company profits. However, with energy prices soaring as a result of the near closure of the Strait of Hormuz, factory gate prices have been pushed higher. Despite China being relatively insulated from the energy shock with its vast crude stockpiles and investments in alternative energy sources, the

disruption of global energy flows is nevertheless driving costs higher for producers. While prices no longer falling will be welcomed, it could cause issues for manufacturers who are already struggling to raise prices due to weak domestic demand.

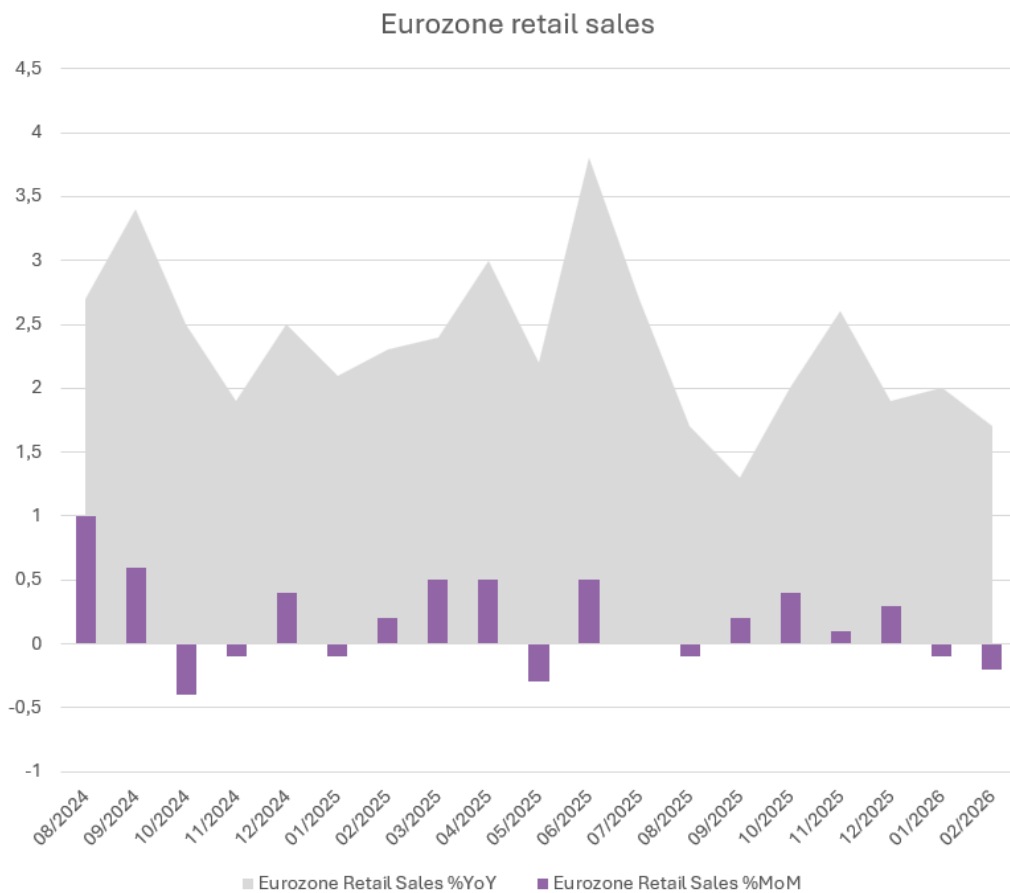
Consumer inflation, on the other hand, cooled more than expected to 1%, down from 1.3% in February, as the seasonal boost from holiday spending disappeared, suggesting that the direct pass-through from higher oil prices remains limited.



Source: Bloomberg, BIL

February sees Eurozone retail sales decline

Even before the outbreak of the Iran war, the anticipated rebound in household spending across the Eurozone was failing to materialise, with retail sales slipping by 0.2% in February. Sales of food, drinks, and tobacco declined by 0.5%, undoing two months of prior gains, while sales of non food products remained unchanged after two consecutive monthly decreases. On a year over year basis, retail trade growth slowed to 1.7% in February. Among EU countries, Luxembourg recorded the strongest annual increase in retail trade volume. Retail activity here in the Grand Duchy rose by 11.9% year on year.



Source: Bloomberg, BIL

Calendar for the week ahead

Monday – US Existing Home Sales. IMF/World Bank Spring Meetings. China M2 Money Supply. OPEC Monthly Report.

Tuesday – **China Balance of Trade**. US NFIB Business Optimism, PPI. **IMF World Economic Outlook**.

Wednesday – Eurozone Industrial Production. US NAHB Housing Market Index, EIA Gasoline Stocks, Fed Beige Book, Import and Export Prices.

Thursday – **China** House Price Index, **GDP Growth**, Retail Sales, Industrial Production, Unemployment, Fixed Asset Investment. UK GDP MoM (February), Industrial Production, Balance of Trade. Eurozone Inflation (Final, March). US Weekly Jobless Claims, Industrial Production.

Friday – Eurozone Balance of Trade.

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