



# MONTHLY MARKET REPORT SUMMARY: APRIL 2026



April 2026 saw a sharp reversal from the prior month, with global markets staging a strong rebound despite ongoing geopolitical tensions in the Middle East and the continued closure of the Strait of Hormuz. Investors looked through elevated oil prices and failed peace negotiations, instead focusing on resilient corporate earnings, particularly in the US, and optimism around a potential de-escalation in the conflict. The recovery was led by technology shares, driven by renewed enthusiasm for AI-related investment themes.

While global markets rallied strongly, Australian shares lagged due to a more hawkish RBA and limited exposure to technology. Bond yields continued to rise globally as inflation pressures persisted and central banks leaned toward tighter policy settings. Emerging markets outperformed, supported by strong gains in semiconductor-driven markets such as Korea and Taiwan. The AUD strengthened over the month, supported by higher commodity prices and widening interest rate differentials.



# KEY SECTOR TAKEAWAYS

## GLOBAL DEVELOPED SHARES



Unhedged global shares rose 4.4% in AUD terms in April, bringing 12-months returns to 15.1%, while hedged global shares rose 8.6% in April and returned 28.5% over the past 12 months. Markets rebounded as investors focused on strong earnings growth and AI-related investment themes. Technology (+17.5% USD) and communication services (+16.4% USD) led gains, supported by strong hyperscaler earnings and semiconductor demand, while energy (-2.1% USD) declined after a strong March.

## AUSTRALIAN SHARES



Australian shares rose 2.2% in April, bringing 12-month returns to 10.1%. The underperformance to global markets reflects a hawkish RBA and limited exposure to AI-driven sectors. Materials (+4.3%) benefited from stronger commodity prices, while financials (+0.7%) lagged and healthcare (-9.9%) continued to decline.



# KEY SECTOR TAKEAWAYS

## EMERGING MARKETS



Emerging market equities rose 9.3% in AUD terms in April, bringing 12-month returns to 30.5%. Gains were driven by semiconductor stocks, with Korea (+38.0% USD) and Taiwan (+26.0% USD) surging on the back of strong AI-related capex demand. Outside of Korea and Taiwan, performance was broad-based across regions.

## PROPERTY AND INFRASTRUCTURE



Hedged global listed property rose 7.4% in April, bringing 12-month returns to 16.2%. Hedged global listed infrastructure rose 2.5%, bringing 12-month returns to 18.6%. Australian listed property rose 8.6%, bringing 12-month returns to -0.2%. The rebound followed a weak March and was supported by the broader recovery in share markets. Global infrastructure continues to benefit from the high and sticky inflation environment and the demand for inflation hedges.



# KEY SECTOR TAKEAWAYS

## GLOBAL FIXED INTEREST



Bond yields continued to rise, with the US 10-year yield reaching 4.4%. Persistent inflation and expectations of tighter monetary policy resulted in a mixed month for bonds, with the global bonds index returning a modest 0.3% in April. Notwithstanding this, credit spreads narrowed over the month, after widening in March on stagflation concerns.

## AUSTRALIAN FIXED INTEREST



Australian 10-year bond yields rose to 5.09%, leaving the bond index flat (+0.1%) over April. Higher inflation and expectations of further RBA tightening drove yields higher, continuing to challenge bond market returns in Australia.

## COMMODITIES



Brent crude fell 3.0% to US\$114/bbl (USD) after a sharp rise in March, remaining highly volatile due to geopolitical uncertainty. Gold ended the month at US\$4,622/oz (USD), while iron ore held steady at US\$107/t (USD).



# KEY SECTOR TAKEAWAYS

## CURRENCIES

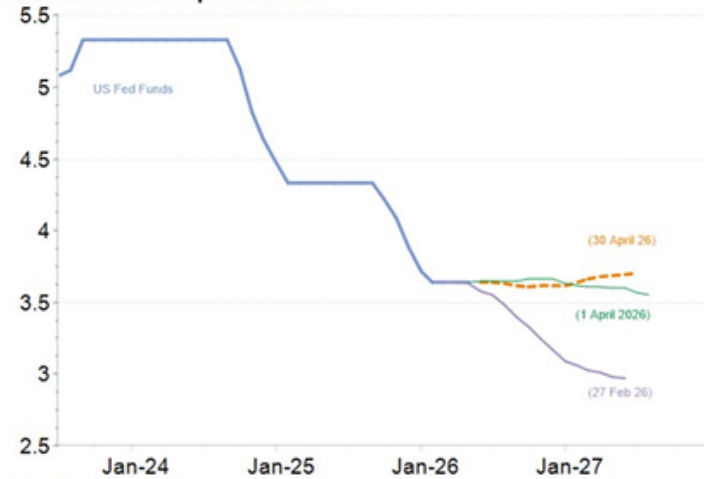


The AUD strengthened by over 4.0% against the USD, rising above US\$0.72. The gains were supported by higher commodity prices, a hawkish RBA outlook and a risk-on market environment.



# ECONOMIC HIGHLIGHTS

US Fed funds expectations



Source: CME, St. Louis Fed

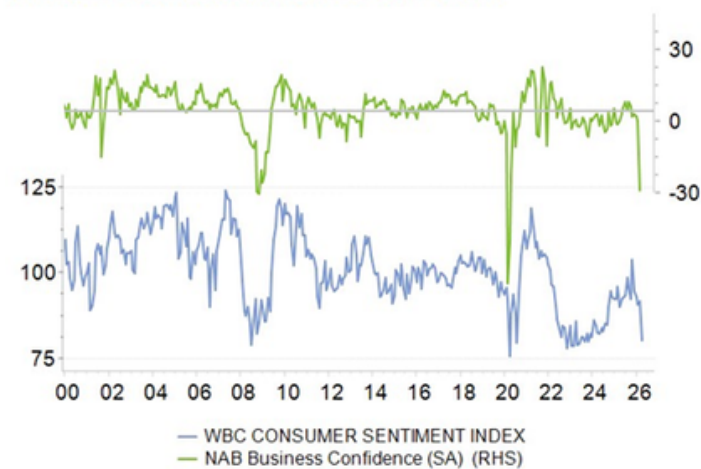
## UNITED STATES: INFLATION AND AI-DRIVEN GROWTH

US core inflation rose to 3.2%, remaining well above the Fed's 2% target. At the same time, capital expenditure on information processing and computer equipment remained a key driver of growth, increasing by almost 20% over the year and contributed meaningfully to GDP. Despite elevated inflation, markets expect the Fed to remain on hold, reflecting expectations of a more dovish policy stance under incoming chairman Kevin Warsh.



# ECONOMIC HIGHLIGHTS

Australia Business & Consumer confidence

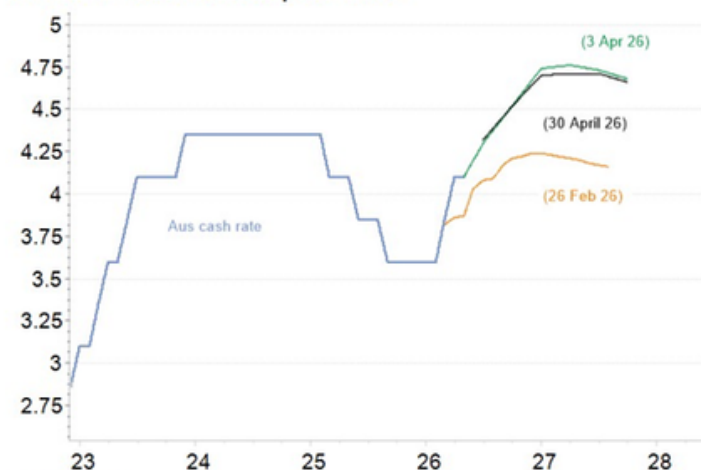


Source: NAB, WBC

## AUSTRALIA: RISING INFLATION AND TIGHTENING POLICY

Australian inflation rose to 4.6% in March, driven by a sharp increase in fuel prices. The RBA lifted the cash rate to 4.35% in early May and signalled further tightening may be required, with inflation expected to remain elevated through mid-2026. Business and consumer confidence declined sharply, although economic activity and the labour market remain relatively resilient.

Australian Cash Rate expectations



Source: ASX, RBA

# ASSET CLASS RETURNS

|                                 | Month Return (%) | 1 Year Return (%) | 3 Year Return (p.a %) | 5 Year Return (p.a %) |
|---------------------------------|------------------|-------------------|-----------------------|-----------------------|
| Australian Cash                 | 0.3              | 3.8               | 4.2                   | 3.0                   |
| Australian Bonds                | 0.1              | -0.1              | 2.0                   | 0.1                   |
| Global Bonds (Hedged)           | 0.3              | 2.4               | 3.1                   | -0.1                  |
| Australian Shares               | 2.2              | 10.1              | 9.7                   | 8.4                   |
| Global Shares (Unhedged)        | 4.4              | 15.1              | 16.5                  | 13.0                  |
| Global Shares (Hedged)          | 8.6              | 28.5              | 18.9                  | 11.0                  |
| Emerging Markets                | 9.3              | 30.5              | 17.3                  | 7.6                   |
| Global Infrastructure (Hedged)  | 2.5              | 18.6              | 10.6                  | 7.3                   |
| Australian Listed Property      | 8.6              | -0.2              | 9.2                   | 6.2                   |
| Global Listed Property (Hedged) | 7.4              | 16.2              | 8.2                   | 2.1                   |
| AUD / USD                       | 3.9              | 10.9              | 2.5                   | -1.8                  |

# GLOBAL SECTOR RETURNS

|                        | Month Return (%) | 1 Year Return (%) | 3 Year Return (p.a %) | 5 Year Return (p.a %) |
|------------------------|------------------|-------------------|-----------------------|-----------------------|
| Consumer Staples       | 3.0              | 6.0               | 5.3                   | 5.4                   |
| Consumer Discretionary | 9.7              | 16.8              | 14.3                  | 4.7                   |
| Energy                 | -2.1             | 55.3              | 16.8                  | 21.8                  |
| Financials             | 7.7              | 20.7              | 23.1                  | 12.8                  |
| Health Care            | -0.2             | 6.0               | 4.0                   | 4.4                   |
| Industrials            | 9.1              | 33.1              | 21.8                  | 12.2                  |
| Information Tech       | 17.5             | 46.9              | 30.5                  | 17.7                  |
| Materials              | 4.0              | 34.0              | 13.3                  | 7.4                   |
| Telecom                | 16.4             | 46.9              | 31.8                  | 12.0                  |
| Utilities              | 3.3              | 26.3              | 15.4                  | 10.0                  |



# AUSTRALIAN SECTOR RETURNS

|                        | Month<br>Return<br>(%) | 1 Year<br>Return<br>(%) | 3 Year<br>Return<br>(p.a %) | 5 Year<br>Return<br>(p.a %) |
|------------------------|------------------------|-------------------------|-----------------------------|-----------------------------|
| Consumer Staples       | -3.8                   | 1.1                     | -0.6                        | 2.7                         |
| Consumer Discretionary | 1.1                    | -13.8                   | 5.3                         | 2.9                         |
| Energy                 | -2.7                   | 56.7                    | 7.0                         | 13.3                        |
| Financials             | 2.9                    | 12.5                    | 19.5                        | 13.5                        |
| Health Care            | -8.4                   | -37.6                   | -15.4                       | -8.1                        |
| Industrials            | 1.7                    | 6.6                     | 10.0                        | 9.3                         |
| Information Tech       | 12.3                   | -23.9                   | 4.1                         | -3.1                        |
| Materials              | 4.5                    | 46.5                    | 12.1                        | 11.3                        |
| Telecom                | 1.9                    | 3.3                     | 6.9                         | 7.9                         |
| Utilities              | -0.3                   | 19.5                    | 13.5                        | 17.3                        |



# CONCLUSION

- Global markets rebounded strongly as investors focused on earnings growth and AI-driven themes despite ongoing geopolitical risks.
- Technology and semiconductor-related shares led the recovery, while energy lagged following prior gains.
- Australian shares underperformed due to tighter monetary policy and limited exposure to growth sectors.
- Bond yields rose globally as inflation pressures persisted and central banks maintained a tightening bias.
- Emerging markets outperformed, driven by strong gains in Korea and Taiwan.
- The AUD strengthened on higher commodity prices and a widening interest rate differential.

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