# Weekly Investment Insights

27 April 2026

## Key Market Highlights

- Investor sentiment has been calmer across the United States (US) and Asian markets, as markets priced out the worst-case geopolitical outcomes despite ongoing tensions in the Middle East. European markets, however, lost momentum on growth concerns.
- The S&P 500 and NASDAQ Composite indices have recorded fresh record highs, supported by resilient earnings momentum, particularly the technology sector which is fueled by the global artificial intelligence (AI) investment cycle.
- That said, energy prices remain elevated, driven by continued disruptions to shipping through the Strait of Hormuz. Brent crude oil traded around USD 107 per barrel (as of 24 April), keeping inflation risks in focus.
- Overall, financial markets continue to display a pattern of "climbing the wall of worry", with investor sentiment stabilising as worst-case scenario risks have eased, though global markets remain highly reactive to geopolitical and inflation-related headlines.

## Topics of the Week:

### Preview of the April Federal Open Market Committee (FOMC) meeting

- The US Federal Reserve (Fed) is widely expected to keep the Fed Funds Target Rate unchanged at 3.50% - 3.75% at this week's policy meeting, extending its current pause in interest rate adjustments. Policymakers are likely to reaffirm that economic activity remains solid, while inflation is still elevated but largely contained. The Fed will also likely view the US labour market as stable for now.
  - Considering this, investors expect no interest rate adjustments at this meeting.
  - Nonetheless, we continue to expect two rate cuts later in 2026, starting in June and again in the third quarter, as labour market conditions and consumer spending gradually soften.

### US Earnings Season in Full Swing

- The US earnings season has started on a strong note. Around 28% of S&P 500 companies have reported results so far, with 84% posting earnings above expectations. Overall, the S&P 500 is on track to deliver 15.1% year-on-year (y/y) earnings growth in the first quarter of 2026.
  - The technology sector continues to lead, with earnings expected to grow by more than 45% y/y, supported by sustained demand for AI-related products and services.
  - Importantly, companies have not flagged significant concerns about the Middle East conflict affecting their future earnings, highlighting resilient underlying demand.

## Technology Back in the Spotlight

- Global technology, semiconductor, and AI-related stocks have rebounded strongly after underperforming broader markets in the first quarter of 2026. This recovery has been driven by solid earnings results, ongoing investment in AI infrastructure, and more attractive valuations following the earlier price correction.
    - Notably, both US and Asian technology stocks have outperformed broader equity markets in recent weeks, reinforcing the long-term structural growth story for the AI sector.
    - Valuations in the US technology sector have become more reasonable. Forward price-to-earnings ratios have fallen sharply from around 39 times to approximately 20 times, levels last seen before the AI boom in 2022.
    - Even after the recent rally, technology stocks are trading at only a 15% premium to S&P 500, below their long-term average. This more attractive valuation backdrop is now supported by stronger earnings visibility and healthier profit margins.

## Investment Strategy

- Despite ongoing geopolitical risks, resilient corporate earnings continue to underpin risk assets. Investors should remain invested while maintaining a disciplined and well-diversified portfolio.
- Periods of market volatility can be used as opportunities to gradually accumulate quality assets and quality dividend-paying stocks.
- The long-term growth outlook for global technology remains compelling, driven by continued adoption of AI across infrastructure, hardware, and software.
- Opportunities extend beyond US technology to include China technology, Asia ex-Japan markets, and semiconductor supply-chain leaders that play a critical role in the global AI ecosystem.

## Asset Class Performance

| Equities | Current | Performance (%) | | | |
|---|---|---|---|---|---|
| | | 1 Week | 1 Month | 3 Months | Year-To-Date |
| S&P 500 (USD) | 7165.08 | 0.55 | 8.70 | 3.61 | 4.67 |
| Dow Jones (USD) | 49230.71 | -0.44 | 6.03 | 0.27 | 2.43 |
| NASDAQ 100 (USD) | 27303.67 | 2.37 | 13.00 | 6.63 | 8.13 |
| FTSE 100 (GBP) | 10379.08 | -2.70 | 2.69 | 2.32 | 4.51 |
| S&P/ASX 200 (AUD) | 8786.522 | -1.79 | 2.96 | -0.83 | 0.83 |
| DAX (EUR) | 24128.98 | -2.32 | 5.10 | -3.10 | -1.48 |
| Swiss Market Index (CHF) | 13169.7 | -1.91 | 3.55 | 0.17 | -0.74 |
| HSCEI Index (HKD) | 8775.62 | -0.78 | 2.25 | -4.20 | -1.55 |
| Hang Seng Index (HKD) | 25978.07 | -0.70 | 2.53 | -2.88 | 1.36 |
| Nikkei 225 (JPY) | 59716.18 | 2.12 | 11.10 | 10.90 | 18.63 |
| **Commodities & Currencies** | **Current** | **1 Week** | **1 Month** | **3 Months** | **Year-To-Date** |
| Brent Crude (USD) | 105.33 | 16.54 | 8.30 | 63.96 | 74.82 |
| Gold (USD) | 4709.5 | -2.50 | 4.52 | -5.57 | 9.03 |
| EURUSD | 1.1722 | -0.37 | 1.41 | -0.90 | -0.20 |
| GBPUSD | 1.3532 | 0.12 | 1.25 | -0.81 | 0.42 |
| USDJPY | 159.38 | 0.47 | -0.06 | 2.36 | 1.70 |
| **Bonds** | **Current (%)** | **Basis points Change** | | | |
| | | **1 Week** | **1 Month** | **3 Months** | **Year-To-Date** |
| US 10-year Treasury yield | 4.301 | 0.053 | -0.032 | 0.075 | 0.134 |
| German 10-year Bund yield | 2.994 | 0.034 | 0.036 | 0.088 | 0.139 |
| UK 10-year Gilts yield | 4.912 | 0.150 | 0.073 | 0.400 | 0.433 |
| Japan 10-year bond yield | 2.439 | 0.015 | 0.177 | 0.182 | 0.373 |

1 week for the period 17-Apr-2026 to 24-Apr-2026
1 month for the period 25-Mar-2026 to 24-Apr-2026
3 months for the period 23-Jan-2026 to 24-Apr-2026
Year-to-date for the period 31-Dec-2025 to 24-Apr-2026
*Source: Bloomberg (last update: Mon, 27 April 2026 9:50 AM SGT)*

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