ICBC Standard Bank

Global Markets

EM Local Markets, Metals and Energy

01 May 2026

Global Market Themes

Markets repriced lower Fed rate cut expectations as geopolitical risks intensified.

Precious metals weakened under high rates, while supply tightness kept base metals elevated despite risks.

Oil Jumps to Four Year High as Military Strike Risks Re-emerge.

Local Markets

The Federal Reserve kept policy rates unchanged this week and reiterated that rate cuts remain firmly on hold. Meanwhile, the continued closure of the Strait of Hormuz has pushed oil prices above $120/bbl, keeping upside inflation risks front and centre. Against this backdrop, markets have effectively priced out any prospect of Fed easing over the next year. US Treasury yields have adjusted accordingly, with a bear-steepening of the curve: the front end remains relatively anchored, while longer-dated yields have moved higher as investors demand greater term premium amid heightened geopolitical uncertainty and persistent inflation risks. In a similar vein, both the Bank of England and the European Central Bank also held rates steady today, reinforcing the global "higher-for-longer" policy narrative.

The US dollar had traded largely rangebound and modestly firmer for most of the week. However, this dynamic shifted sharply today following the Bank of Japan's announcement signalling potential FX intervention, which triggered a broad USD pullback. The DXY fell around 0.75% on the day and is now down approximately 0.5% on the week. Emerging market FX traded broadly flat for most of the period but came under renewed pressure yesterday after headlines that former President Trump had rejected a new Iran proposal and confirmed the continuation of the naval blockade.

Equity markets in the US have remained resilient, with major indices hovering near recent highs despite ongoing volatility driven by geopolitical headlines. In contrast, European equities have underperformed slightly on the week, reflecting their greater sensitivity to elevated energy prices and the associated drag on growth and corporate margins.

Precious Metals

Gold extended its decline this week after falling 2.5% last week. US Iran peace negotiations remain stalled, and the Strait of Hormuz is still under a dual blockade, driving a sharp rise in oil and gas prices and adding to global inflationary pressures. This week, the Fed, the BOE and the ECB all kept interest rates unchanged, reflecting a collective shift by major central banks toward a wait and see stance amid rising uncertainty. High interest rates have weakened gold's attractiveness, putting prices under pressure. Gold briefly fell to $4,510 on April 29 before rebounding slightly. World Gold Council data show that central banks added to their gold holdings at the fastest pace in more than a year in the first quarter of 2026, as lower prices triggered a wave of buying. Although gold has fallen 13% since the Iran war began, medium to long term structural support for gold remains intact. Silver prices fell 6%, while platinum prices dropped 4.5% last week. Precious metal demand from Chinese investors has been weak ahead of the May Day holidays, while trading activity in Japan and South Korea has been relatively active. Overall, precious metals prices continued to trend lower this week.

Base Metals

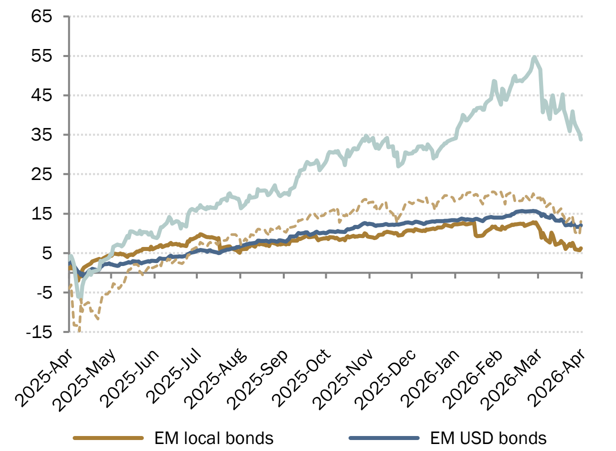
LME three-month copper and aluminium prices held firm at elevated levels last week, with overall movements remaining limited. Copper hovered above $13,300 a tonne last week, before decreasing slightly to $13,000 this week. Industry surveys showed that most smelters in the Democratic Republic of Congo reported sulphur inventories at relatively safe levels, generally above the three-week safety threshold, limiting the impact on continuous production in the near term. Aluminium edged higher, posting a weekly gain of 0.74%. The blockade of the Strait of Hormuz has severely constrained global sulphur supply, pushing up sulphuric acid prices and posing risks to HPAL nickel production. Indonesia's decision to sharply cut nickel ore mining quotas this year forced Eramet's Weda Bay nickel mine to halt output, providing additional support to nickel prices. LME three-month nickel prices surged by nearly 5% last week and have held firm above $19,400 so far this week. In the near term, US Iran peace talks remain stalled, and supply side tightness is likely to keep copper, aluminium and nickel prices elevated. Meanwhile, China's factory activity in April expanded more than expected, boosting investor sentiment. However, rising longer term recession risks could eventually trigger demand destruction and lead to price corrections.

Energy

Oil prices have accelerated higher with Brent briefly hitting a four-year high over $126 as hopes recede for a prompt re-opening of the Strait of Hormuz. While the ceasefire is generally holding, Trump has indicated he is prepared to maintain the naval blockade for a prolonged period of time to force Iran to re-open the Strait via economic pain. However, this strategy was built on an assumption that Iran would quickly fill storage tanks within days and be forced to curtail production – whereas most analysts expect it would take weeks to fill storage. Trump now appears to be pivoting back towards considering further military strikes, which was the catalyst for the spike to $126 as it would obviously invite retaliation from Iran, probably against production facilities in neighboroughing Gulf states. An unexpected development this week was UAE announcing they would be leaving OPEC (and OPEC+) so they would be free to increase their production levels having invested in spare capacity over the past few years. This will have limited immediate impact with the majority of exports shut-in but will limit the pricing power of OPEC in future, particularly with the membership of Iran and Venezuela also in doubt after recent events.

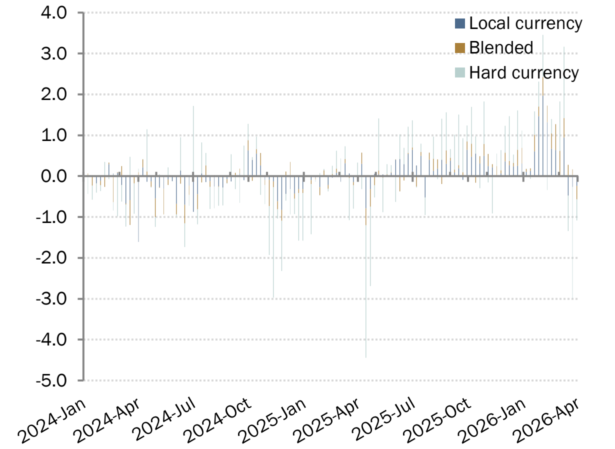
European gas and LNG markets rebounded last week, marking a distinct shift in sentiment as the market begins to price in the risk of continued disruptions into Q326. Prompt TTF rallied to a high of €48.95/MWh, driven by the return of Northeast Asian importers, European gas storage auctions (despite several unsuccessful tenders with injection spreads inverted) and a reduction in speculative risk exposure following the prior week's decline in both notionals and volatility. JKM/TTF differentials were steadily bid throughout the week especially in Aug and Sep, which rose almost $0.30/mmbtu as focus turned to opening the interbasin arb further out the curve. In contrast, the prompt and to a lesser extent Jul26, remained under pressure.

Figure 1. Key EM Risk Assets YTD Performance (change in %, Jan 1st 2025 =100)



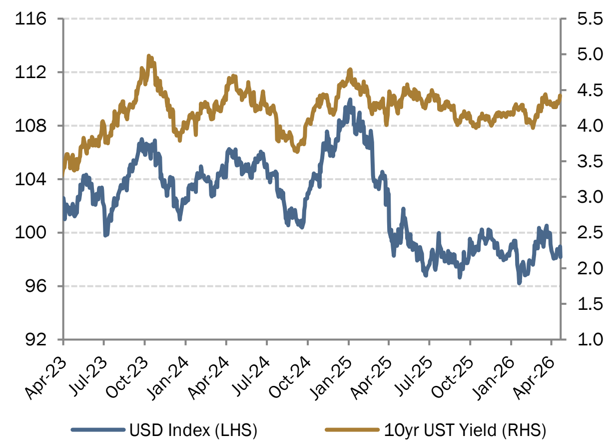
Source: Bloomberg, ICBCS

Figure2. Flows into EM funds(in USD bn, monthly)



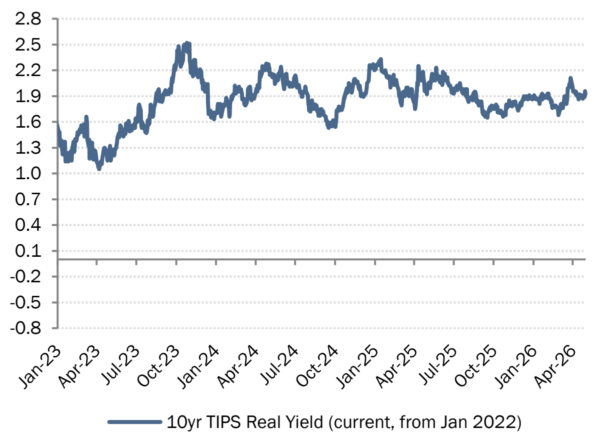
Source: Blomberg, ICBCS

Figure 3. US Dollar Index and US 10-year Treasury Yield (%)



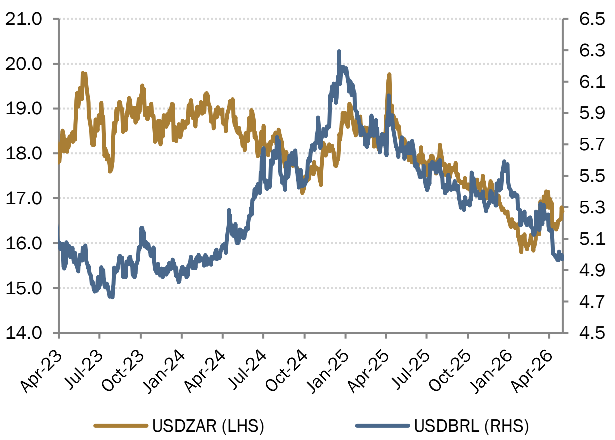
Source: Bloomberg, ICBCS

Figure 4. 10-year US TIPS Real Yield: 2023-2026



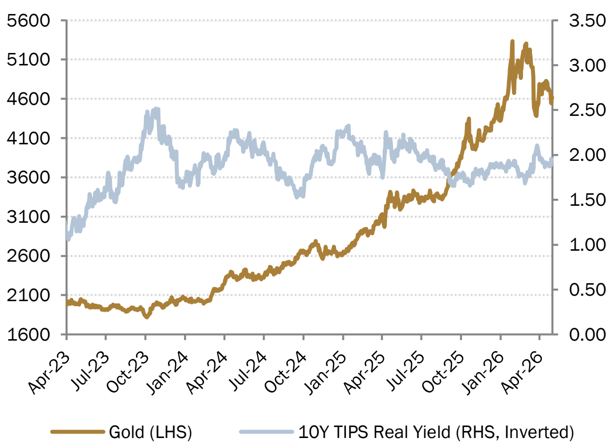
Source: Bloomberg, ICBCS

Figure 5. Key EM FX Cross Rates: USD/ZAR, USD/BRL



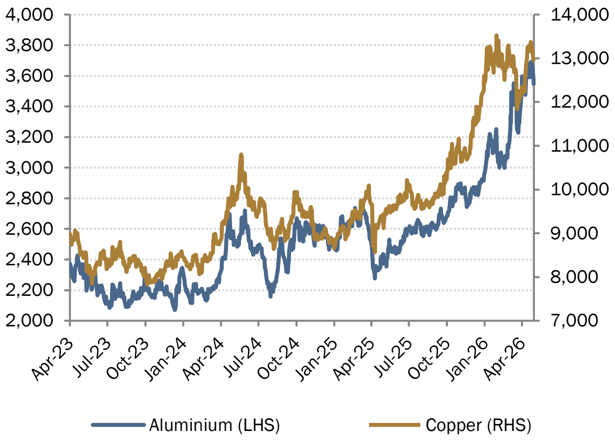
Source: Bloomberg, ICBCS

Figure 6. Gold price and 10-year US TIPS real yield



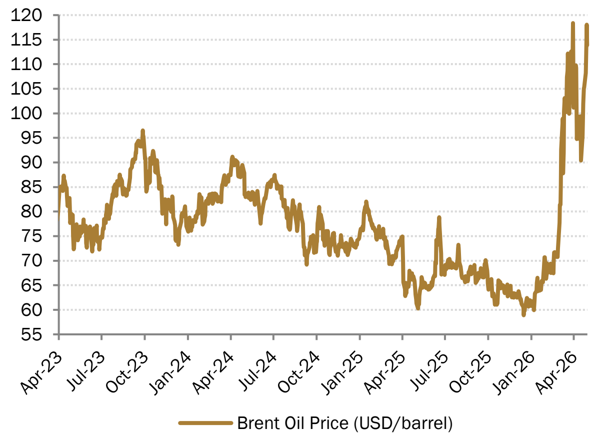
Source: Bloomberg, ICBCS

Figure 7. Key Base Metals Prices: Copper and Aluminium (USD per Ton, USD per Ton)



Source: Bloomberg, ICBCS

Figure 8. Brent Oil Price (USD/barrel)



Source: Bloomberg, ICBCS

Figure 9. Metal Prices – Apr 30 (USD/Oz or USD/mt)

Metal	Auction /3Mo	Mth Avg	Qtr Avg	Yr Avg
Gold	4611.4	4723.9	4872.9	4837.0
Silver	73.6	75.7	84.3	82.3
Platinum	1959.0	2027.5	2207.9	2164.4
Aluminium	3482.0	3545.7	3199.2	3282.7
Copper	13090.0	12969.9	12893.7	12912.0
Nickel	19475.0	18193.3	17560.9	17713.3

Source: Bloomberg, ICBCS

Figure 10. Energy Prices – Apr 30

Energy	Settlement	Mth Avg	Qtr Avg	Yr Avg
Brent $/bbl	114.0	102.5	78.4	84.4
WTI $/bbl	105.1	98.7	72.7	79.6
Gasoil $/mt	1307.3	1269.6	859.0	961.6
TTF €/MWh	46.0	45.0	40.2	41.4
HH $/MBtu	2.8	2.7	3.5	3.3

Source: Bloomberg, ICBCS

Figure 11. Economic Calendar: 1– 30 April 2026

Date	Country	Event	Survey/Actual Data	Prior
April 2	US	Initial Jobless Claims	202k	211k
April 3	US	Change in Nonfarm Payrolls	178k	-92k
April 10	CH	CPI YoY	1.00%	1.30%
		PPI YoY	0.50%	-0.90%
	US	CPI YoY	3.30%	2.40%
April 15	NG	CPI YoY	15.40%	15.10%
April 16	CH	GDP YoY	5.00%	4.50%
		Industrial Production YoY	5.70%	--
		Retail Sales YoY	1.70%	--
	Eurozone	CPI YoY	2.60%	2.50%
April 28	JN	BOJ Target Rate	0.75%	0.75%
April 29	US	FOMC Rate Decision (Upper Bound)	3.75%	3.75%
April 30	CH	Manufacturing PMI	50.3	50.4
	UK	Bank of England Bank Rate	3.75%	3.75%
	SA	Trade Balance	$14.5bn	$13.9bn

Source: Bloomberg, WIND, ICBCS

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