

RESEARCH UPDATE

MARKET *watch*

APRIL 2026



Global equity markets sold off sharply in March following the onset of the Iran war. The conflict has resulted in damage to oil and gas infrastructure and the effective closure of the Strait of Hormuz, which sees the transit of approximately one fifth of global oil supplies, leading to a spike in oil prices. Higher prices are expected to flow through to inflation and disrupt global growth. Other impacted commodities include fertiliser, aluminium and helium. US stocks outperformed most global equity markets, with the S&P 500 falling 5.1% and the Nasdaq Composite 4.8%. As a net exporter of oil, the US is more insulated from the energy crisis, whilst Japan, which is completely reliant on oil import for energy, is particularly exposed. Accordingly, the Nikkei 225 fell 13.2%. The Hang Seng Index fell 6.9%, driven by large-cap technology stocks, metal miners and semiconductors. The S&P/ASX 200 retreated 7.8%, with 8 out of 11 sectors falling over the month.

S&P/ASX 200 Sector Performance

Energy was the best-performing sector in March, driven by the energy crisis. The supply shortage has resulted in the Brent crude oil price now 63% higher than the price before the conflict. Accordingly, oil and gas producers Viva Energy Group Limited (45.2%), Karoon Energy Limited (33.3%), Woodside Energy Group Limited (23.8%) and Ampol Limited (19.6%) saw strong gains for the month. Viva Energy Group Limited and Ampol Limited also benefited from the federal government increasing the Fuel Security Services Payment Margin Marker cap

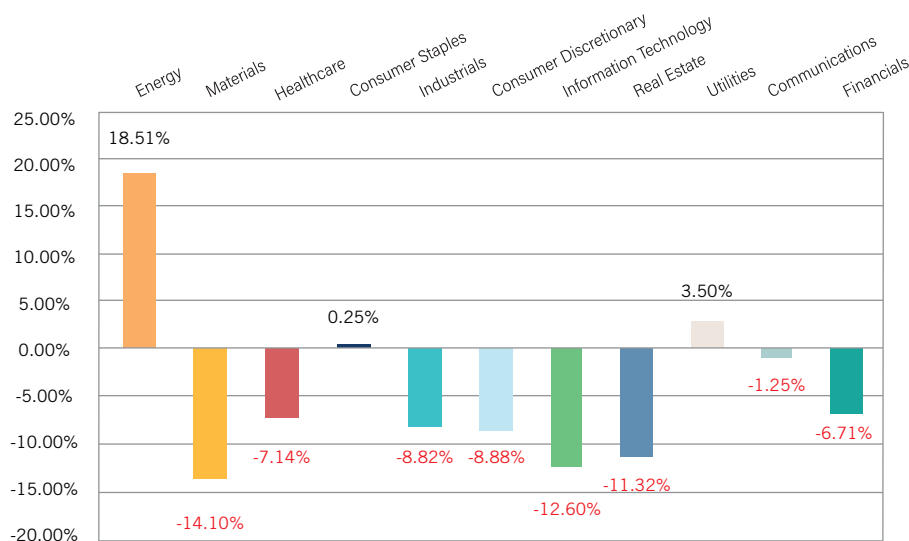
and collar to support domestic refining. The oil shortage has also created an increased reliance on coal for power, with coal prices rallying over the month. Coal producers Yancoal Australia Limited, New Hope Corporation Limited and Whitehaven Coal Limited rose 41.5%, 25.2% and 18.4% respectively.

The next best-performing sector was Utilities, driven by APA Group's 8.2% gain. APA Group divested its 20% stake in Allgas Network during the month for \$62 million, as the company continues to simplify its business.

Materials was the major laggard of the index, falling on a mixture of profit-taking after the strong rally over previous months and concerns that higher oil prices would erode profit margins. Gold and silver prices fell 11.4% and 20.0% respectively over the month as higher inflation and interest rate expectations increased the opportunity cost of holding non-yielding assets like precious metals. Accordingly, gold and silver producers IperionX Limited (-47.8%), Pantoro Gold Limited (-42.3%), Kingsgate Consolidated Limited (-37.6%), Northern Star Resources Limited (-32.8%), Regis Resources (-29.6%) and Vault Minerals (-29.1%) were heavily sold off. Capstone Copper Corp. retreated 29.8% despite reporting record

production and earnings in the fourth quarter. Media also reported that Capstone Copper Corp. were considering selling its Cozamin mine in Mexico, which produces approximately 10.5% of total copper production but has the shortest life remaining out of all its mines. Information Technology also dragged on the index, driven by artificial intelligence (AI) disruption fears and concerns around higher long-term bond yields, which reduces the value of higher-growth companies. Life360 Inc. led losses, down 23.6%, followed by Silex Systems Limited (-23.3%), WiseTech Global Limited (-20.0%), NEXTDC Limited (-18.4%) and Megaport Limited (-17.5%).

S&P/ASX 200 Sector Performance



Data Source: Desktop Broker, 1 April 2026

Highlights

Australia: The Australian Bureau of Statistics (ABS) published personal fraud data for the 2024–25 financial year. The ABS reports that 15% of Australians aged 15 years and over experienced personal fraud over the year, 10% experienced card fraud, 2.7% experienced a scam and 1.0%

experienced identity theft.

The Fair Work Commission has ended junior or discounted rates for 18–20-year-olds working in fast food, retail and the pharmaceutical industries. They will eventually be paid the full adult rate, but this will be gradually phased in

over four years. The change will affect more than half a million workers, with their pay to increase by up to 42%.

The Organisation for Economic Co-operation and Development (OECD) has raised its inflation forecasts for Australia, driven by the energy crisis from the Iran war. The OECD now forecast inflation to come in at 4.1% for 2026 and 2.5% for 2027. Despite this, the OECD upgraded its growth forecast for the Australian economy, coming in at 2.3% for 2026 and 2.4% for 2027.

US: Consumer sentiment fell 6% in March to a reading of 53.3, a three-month low and near all-time lows. The fall was driven by the spike in gas prices and instability in financial markets caused by the conflict in the Middle East. Falls in consumer sentiment were broad across political affiliations and age groups.

After a bidding war between Netflix and Paramount Skydance for Warner Bros. Discovery (WBD), Paramount has won out with a proposal at US\$31 per share, valuing WBD at US\$110.9 billion or approximately a \$156 billion at the time of the deal. The deal is still subject to regulatory and shareholder approval.

Canada: Canadian Prime Minister Mark Carney visited Australia in March. Carney spoke to the shared values of our countries, including democracy, multiculturalism and equality. From the visit, Canada and Australia agreed to cooperate in advancing economic security and prosperity, partner to strengthen critical mineral supply chains and enhance defence and security cooperation.

United Kingdom: The UK Ministry of Justice has revealed its asylum appeals backlog has reached a record high of 80,333 appeals at the end of 2025, an increase of 38,346 from a year prior. It is also the first time that the number of appeals on backlog was higher than the backlog of initial cases. The average wait time has increased from 48 weeks to 63 weeks.

Ireland: The Irish government has cut the excise duty on petrol and diesel by 15 cents per litre and 20 cents per litre respectively to help people against the spike in fuel prices. There will also be a diesel rebate scheme for hauliers and bus operators.

Nepal: Nepal held its first election since the youth uprising and protests in September 2025, which saw the resignation of the prime minister. The Rastriya Swatantra Party (RSP) won 182 seats of the 275-seat parliament and have nominated rapper and ex-mayor Balendra Shah to become the new prime minister.

China: The Chinese Ministry of Finance and the State Taxation Administration are revoking export tax rebates for the value-added tax of photovoltaic products from April and for battery products at the start of 2027. The decision was in response to overcapacity in the industry and is expected to push Chinese product prices higher, evening the playing field for foreign companies.

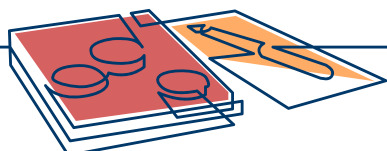
Japan: Japanese inflation has fallen for the fourth consecutive month, down to 1.3%, its lowest since March 2022. Core inflation (excluding food) was lower than expected at 1.6%, whilst 'core-core' inflation, which excludes both food and energy, was 2.5%.

What to watch out for

The federal government has halved the fuel excise on petrol and diesel for three months, starting from 1 April. This should see the cost of

fuel fall by 26.3 cents a litre. The heavy vehicle road user charge will be paused over the same period.

Conclusion



Global equity markets retreated in March as conflict broke out in the Middle East. The closure of the Strait of Hormuz, an oil shipping choke point, and damage to energy infrastructure has resulted in supply shortages and a spike in oil prices. High oil prices are expected to accelerate inflation globally as its effects flow through to other parts of the economy. Most Central Banks are shifting towards a more hawkish stance as they await the effects of the conflict.

During periods of uncertainty, clients should:

- **Stick to the plan:** Focus on your long-term goals. Our investment approach is focused on the long term and designed so that your portfolio can ride out any downturns – including this one. Staying the course, despite how uncomfortable it may feel right now, will prove to be the better option when looking back five years from now.

Investors who stayed the course while equity markets declined in the depths of the COVID-19 pandemic in early 2020 have benefited from one of the fastest market turnarounds with equity markets. Investors who sold equities during the downturn and waited until economies started to show recovery before buying back into the market missed a large part of the recovery.

- **Maintain a buffer of safety:** Holding a buffer of cash and term deposits has been a key strategy to provide a cushion against market downturns and to protect capital.
- **Take advantage of the weakness:** Market downturns provide buying opportunities to invest in long-term, quality investments.
- **Focus on quality investments:** Invest in companies that generate stable cash flows to support distributions, which are not connected to the movements in asset prices, and partner with fund managers who share the same investment philosophy and objectives.
- **Diversify:** Spread investments across asset classes, industries, sectors and geographies.
- **Regularly rebalance the portfolio back to your risk profile:** Ensure the portfolio is not exposed to unwanted risks to lock in profits.
- **Remain calm and speak to your Apt adviser:** It is important that you speak to your Apt adviser before making any financial moves. Your adviser understands your long- and short-term goals and will have been planning for these types of scenarios already, so they are best placed to explain any impact and discuss the best options and opportunities for you personally.

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