PRIMIS® INVESTMENT

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WEEKLY MARKETS ROUND-UP

Executive Summary

13th April 2026

Top news: US/Iran negotiations fail, US aims to enforce Hormuz control, as earnings season kicks off - last week saw a powerful risk assets relief rally as the US-Iran ceasefire took hold. The S&P500 surged back to within -2.3% of its January all-time high while Brent collapsed 20% from its own recent highs. Yet, as of Saturday, the US-Iran talks in Islamabad reached a dead end, and Washington is now moving to enforce control over the Strait of Hormuz, making Tehran's response the dominant risk variable this week. On the macro front, the picture was mixed last week. ISM Services PMI held up, confirming resilience in the dominant sector of the economy. The belated Core PCE printed a rather higher yet expected +0.4% MoM, while the Final Q4 GDP was revised down again to +0.5% QoQ vs +0.7% exp. March CPI was then received with complacency despite headline coming in at +0.9% MoM (yet as +1.0% was exp.), pushing the YoY figure back to 3.3% from 2.4% in February. Core, however, was below forecast at 0.2% vs 0.3% exp. Then, on Friday, the Univ. of Michigan final Consumer Sentiment shocked by hitting a new all-time low of 47.6, while 12m inflation expectations surged from 3.8 to 4.8%. In this context, Tuesday's PPI will be very much scrutinized (Headline exp. +1.2% MoM vs +0.7% prev., Core flat at +0.5%) as Hormuz developments and their potential supply chain impacts will continue to dominate risk pricing. On the earnings front, releases from Goldman Sachs are exp. on Monday, JPMorgan, BlackRock, Citi and Wells Fargo on Tuesday, BofA on Wednesday, Netflix and Alcoa on Thursday.

Equities: S&P500 is now only -2.3% from its January high, the Nasdaq100 and the EuroStoxx50 are less than -4% down. The failed talks will now test whether the rally has legs or was a purely mechanical short covering spree.

Fixed Income: following a couple of weeks of shallow consolidation, the US and Bund 10Y seem to be resuming higher already and are resp. 10 and 20 bps from their recent highs. US High Yield made new highs last week. Will it hold?

Forex: USD retreated sharply last week on the risk-on dynamics yet could reverse up if uncertainty escalates again.

Commodities: Brent at 95.2 $/bbl is -20% off its 118.6 intraday war high yet still up 57% YTD and only slightly Overbought. Gold has stabilized around 4'750 $/oz. Hormuz developments will dominantly impact both going forward.

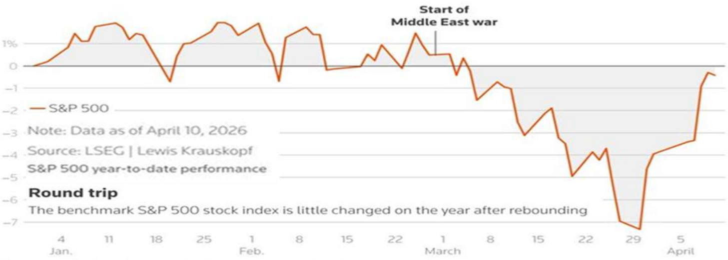
	Currencies	Price	Performance since 52 Week Low			Performance since 52 Week High			Performance	Trend	Exaggeration
			Date Low	Low Price	Rise %	Date High	High price	Decline %	YTD in %	last 6m[1]	OB / OS[2]
S&P500 Index	USD	6 815	Apr-25	5 158	32,1%	Jan-26	6 979	-2,3%	-0,4%	neutral	neutral
Nasdaq100 Index	USD	25 121	Apr-25	17 808	41,1%	Oct-25	26 120	-3,8%	-0,5%	neutral	neutral
Dow Jones Industrials Index	USD	47 904	Apr-25	38 170	25,5%	Feb-26	50 188	-4,6%	-0,3%	neutral	neutral
EuroStoxx50	EUR	5 933	Apr-25	4 911	20,8%	Feb-26	6 173	-3,9%	2,5%	neutral	neutral
Swiss Market Index	CHF	13 189	Apr-25	11 499	14,7%	Feb-26	14 014	-5,9%	-0,6%	neutral	neutral
Nikkei225	JPY	56 928	Apr-25	33 920	67,8%	Feb-26	58 850	-3,3%	13,1%	neutral	neutral
Shanghai Composite	CNY	3 987	Apr-25	3 263	22,2%	Mar-26	4 185	-4,7%	0,5%	neutral	neutral
US 10Y Treasury Yield	%	4,32%	Oct-25	3,95%	0,4%	May-25	4,61%	-0,3%	0,1%	neutral	neutral
German 10Y Bund Yield	%	3,05%	Apr-25	2,44%	0,6%	Mar-26	3,10%	-0,0%	0,2%	up	neutral
US 20Y Treasuries (TLT ETF, 17-18Y duration)*	USD	86	May-25	79	9,4%	Feb-26	90	-3,4%	0,8%	neutral	neutral
US Investment Grade (LQF ETF - 8-9Y duration)*	USD	109	Apr-25	100	9,3%	Mar-26	110	-1,1%	0,7%	neutral	neutral
US High Yield (HYG ETF, 3-4Y duration)*	USD	80	Apr-25	72	10,4%	Apr-26	80	-0,4%	0,8%	neutral	neutral
EM USD Sovereigns (EMB ETF, 7-8Y duration)*	USD	96	Apr-25	83	14,6%	Mar-26	97	-1,4%	0,7%	neutral	neutral
EUR/USD		1,17	May-25	1,11	5,7%	Jan-26	1,20	-2,5%	-0,2%	neutral	neutral
GBP/USD		1,35	Nov-25	1,30	3,4%	Jan-26	1,38	-2,8%	-0,1%	neutral	neutral
USD/JPY		159	Apr-25	141	13,1%	Mar-26	160	-0,6%	1,7%	neutral	neutral
USD/CHF		0,79	Jan-26	0,76	3,5%	May-25	0,85	-6,7%	-0,4%	neutral	neutral
AUD/USD		0,71	Apr-25	0,63	11,8%	Mar-26	0,72	-1,2%	5,9%	neutral	slightly OB
Brent Oil (per Barrel)	USD	95	Dec-25	59	61,6%	Mar-26	113	-15,4%	56,5%	up	slightly OB
Gold Spot (per Ounce)	USD	4 750	May-25	3 177	49,5%	Jan-26	5 416	-12,3%	10,0%	up	neutral

* These large fixed income ETFs are used as proxies to assess the state of duration trades as well as of credit markets

Source: Primis Investment (Suisse) SA

Equity focus: countertrend bounce or new uptrend, the Strait of Hormuz is the key

S&P500 has rebounded to near-neutral YTD, sitting circa 2.3% below its late-January all-time high (top-left). The move seems very much driven by short covering rather than fresh strategic buying. The key question is whether this is a technical one-off bounce or the beginning of a genuine re-rating. For now, the answer remains binary: US-Iran talks in Islamabad reached a dead end over the weekend, yet for now the two-weeks truce still holds. The US intends to force a reopening of the Strait of Hormuz, a world's crucial chokepoint for energy and petrochemical products, and Tehran's response is the dominant risk variable this week (top-right, showing a 95% drop in traffic). That said, technical support is arguably stronger than the geopolitics would suggest. US earnings growth estimates remain robust, contrasting sharply with equity positioning which has turned negative versus its historical average (bot-left). This disparity should historically resolve either through earnings downgrades or strategic re-buying. Systematic CTAs add a further mechanical bid as they are apparently still circa 37 bn USD net short US equities (bot-right). Any sustained positive tape would hence force additional covering. This asymmetry is worth noting as a Hormuz stabilization would trigger both fundamental and mechanical buying, while a renewed conflict would probably be cushioned, at least partially, by earnings momentum and institutional buy the dips flows in coming weeks.



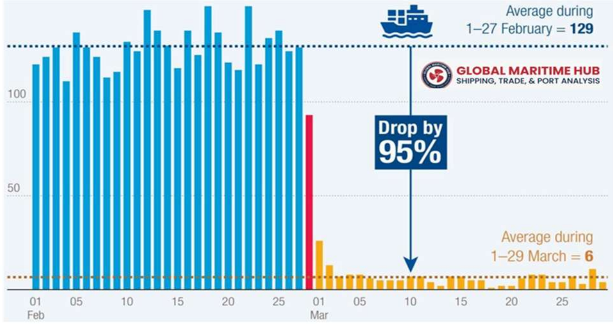
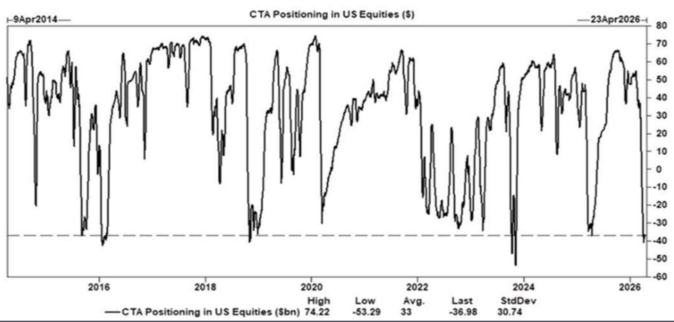


Figure 16: Equity positioning has historically been well correlated with earnings growth, but is now in line with growth turning negative, contrasting with strong forward growth expectations …

Source : Bloomberg Finance LP, Deutsche Bank Asset Allocation

We estimate the systematic community is still short ~$37bn of US equities.



Notes:

1. **Trend last 6 months:** this Primis original algorithm, weighs the slope of the trend over the last 6 months vs the slope of the trend over the last 3 months yet factorised by the Fibonacci retracement ratio (0.618). Values are normalised using the average price over each period. If this combined slope is above +0.08% the trend is then "up", below -0.08% then "down", otherwise it is "neutral".
2. **Overbought (OB) / Oversold (OS) measures:** this Primis original algorithm is computed by comparing the difference between the 8 days moving average and the 100 days combined with the 3 days vs the 15 days one and normalises this difference by dividing it by the 1 year standard deviation (circa 260 open market days). Values above 225% or under -225% are Overbought "OB", resp. Oversold "OS", values above 100% or under -100% are "slightly OB", resp. "slightly OS", otherwise there is no relevant exaggeration and the situation is then "neutral".

Primis Investment (Suisse) SA
5 rue Jacques-Balmat, 1204 Geneva –Switzerland
T: + 41 22 570 60 80
wealth-management@primis.swiss www.primis.swiss