WEALTH PERSPECTIVES

RCBC Wealth

APRIL 2026

Monthly Investment Summary

Executive Summary

Geopolitical Crisis: April was defined by the Hormuz Gap, a systemic shutdown of the Strait of Hormuz. The resulting maritime paralysis halted ~20% of global oil transit, driving crude to multi-year highs and injecting extreme volatility into global supply chains.

False Dawn Volatility: Markets experienced a classic roller coaster month. Mid-month optimism surrounding the 10-day Israel-Lebanon ceasefire pushed equities toward record highs, only to see these gains evaporate following the collapse of peace talks in Islamabad.

Divergent Monetary Policy: Philippines: Inflation breached the 4% ceiling (reaching 4.1%), triggering a preemptive 25 bps hike by the BSP to 4.5%.

United States: The Fed maintained a look-through stance, treating energy-driven inflation as a transitory supply shock rather than a catalyst for rate hikes.

Earnings as a Bulwark: Strong fundamentals provided a floor for valuations. With 89% of S&P 500 companies beating estimates, robust corporate health offset some geopolitical de-risking.

Equity Markets	Level	1M	YTD
MSCI World	4,674.25	8.21%	4.70%
MSCI Asia	261.78	11.83%	5.39%
MSCI EM	1,649.62	14.58%	18.85%
Dow Jones	49,499.27	6.44%	2.99%
S&P 500	7,230.12	9.84%	5.62%
Nasdaq	25,114.44	14.79%	8.06%
PSEi	5,833.84	-0.94%	-1.83%
Currencies		**1M**	**YTD**
USD/EUR	1.17	1.57%	0.19%
USD/JPY	156.89	1.77%	-0.12%
USD/PHP	61.53	-2.45%	-4.11%
Fixed Income		**1M**	**YTD**
PH 10-Year	6.9581	From 6.96	From 6.03
US 10-Year	4.372	From 4.31	From 4.172
Commodities		**1M**	**YTD**
Gold (Spot $)	4,612.50	-1.62%	6.16%
Oil (WTI $/bl)	101.94	-7.88%	70.07%
Oil (Brent $/bl)	108.17	-0.01%	79.28%
Nickel	19,365	13.55%	16.33%
Copper	12,996.50	6.52%	6.62%
Macro	**2026E**	**2027E**	**2028E**
GDP	4.50-5.00%	5.3-5.8%	6.0-6.5%
Inflation	5.50-6.50%	4.5-5.50%	3.2-3.7%
BSP Policy Rate	4.50-5.50%	4.5-5.50%	4.50-5.00%
US Fed Rate	3.50-3.75%	3.25-3.50%	3.00-3.50%
USD/PHP (end)	59.25-60.25	59.75-60.75	60.25-61.25
USD/PHP (avg)	59.50-60.50	60.00-61.00	60.50-61.50
PSEi	6,500-7,000	7,000-7,500	7,500-8,000

Key Market Developments

Energy & Geopolitics: The Hormuz Paralysis

The total blockade of the Strait of Hormuz dominated the risk narrative. While the mid-month 10-day ceasefire offered a brief reprieve, the failure of high-stakes negotiations in Islamabad led to a renewal of maritime friction. WTI crude peaked significantly higher YTD, though it softened slightly toward month-end on cooling demand expectations.

Macroeconomic Policy & Inflation

US Resilience

Fed Chair Jerome Powell signaled a commitment to prioritizing growth over supply-side shocks. Markets currently price a 99.5% probability of a pause (3.5%–3.75%) in the upcoming FOMC meeting.

PH Policy Tightening

Domestic price pressures forced the BSP's hand. The 25 bps hike, coupled with S&P Global Ratings' revision of the Philippines' outlook from Positive to Stable, suggests a more challenging environment for local sovereign debt.

Corporate Performance

The Q1 earnings season was a notable bright spot. Aggregate earnings tracked 10.2% above expectations, led by the Technology, Financials, and Communication Services sectors. This earnings cushion prevented a deeper correction during the late-month geopolitical escalation.

Curious how these insights will work for you?
*Contact your **Wealth Relationship Manager** today.*

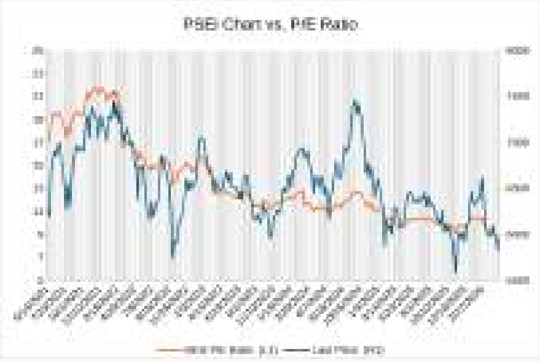
Asset Class Views

Fixed Income: The fixed-income landscape is currently defined by a widening divergence between US and local policy. In the US, the 10-year Treasury yield is reflecting a wait-and-see approach from the Fed, making long-duration assets risky as supply-side inflation lingers.

Global Equities: Global equity markets are currently caught in a tug-of-war between stellar corporate fundamentals and escalating systemic risks. While the Q1 earnings season proved that the 'Magnificent 7' and broader financial sectors possess immense pricing power and operational resilience, these gains are being challenged by the Hormuz Gap risk premium.

Local Equities: The Philippine Stock Exchange index (PSEi) remains under pressure as domestic headwinds mount. The breach of the inflation target and the subsequent BSP rate hike have dampened investor sentiment, particularly for interest-rate-sensitive sectors like Real Estate

Commodities: Commodities have transitioned from a tactical trade to a necessary portfolio hedge. The Strait of Hormuz crisis has reaffirmed Gold's status as the ultimate safe haven, with prices reaching new psychological milestones as a hedge against geopolitical collapse.



Investment Strategy and Recommendation

Global Equities	Cautious	Reduce exposure to US. Diversify capital toward Defensive sectors and Emerging Markets (EM).
Local Equities	Defensive	Maintain a defensive stance on select sectors (select utilities and telco).
USD Fixed Income	Defensive	Shorten duration. Shift to T-Bills and 1–3 year notes to minimize price drops and stay liquid for higher future yields.
PHP Fixed Income	Cautious	Stay short-dated. Focus on short-term RTBs and floating-rate notes to hedge against BSP rate hike risks.

Disclaimer: The information, data, tables, views, and analysis presented in this report are based on primary and secondary sources deemed reliable by RCBC and are prepared solely for informational purposes only. This report should not be deemed as providing advice, recommendations, endorsements to purchase or sell any security or product. Any statements made should not be considered as representing the bank's views, strategies, or recommendation.