Week 14: 30 Mar – 6 Apr 2026

CIO Views – Weekly Bulletin

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Finding resilience in Asia

The probability of higher for longer energy prices increases

US President Trump's refocus on Iranian control of the Strait of Hormuz over the weekend combined with his threats against Iranian infrastructure has increased uncertainty about when the hostilities might end. This increases the likelihood of the higher for longer energy price forecasts we discussed last week.

This new uncertainty has pushed Brent prices higher to $110.51bbl from as low as $100bbl following Trump's April 1st speech suggesting an impending end to US hostilities. However, December futures pricing of $78.88bbl still appears at risk of underestimating the impact of supply disruptions. The outlook from here will depend heavily on how Iran responds to any new US large scale strikes on Iranian infrastructure.

The practicalities of restarting shut-in wells, LNG trains, and petrochemicals facilities imply that continued delay in reopening the Strait will increase the length of disruption of the supply of energy and petrochemical products into late June or July. Spillovers into downstream plastics and other products are likely to worsen.

Additionally, if US President Trump reverts to his previous stance of being willing to end hostilities without forcing open the Strait of Hormuz, a new energy supply landscape for Asia may emerge. Most of the few ships that Iran has allowed through the Strait appear to be headed to countries it favours in Asia: China, India, Malaysia, and Pakistan stand out in this regard, although the Philippines and Japan may have secured safe passage for some ships.

One approach to managing this uncertainty is to reduce exposures and avoid risky assets. However, this strategy is not as defensive as it might seem. The outlook for rising inflation implies that the purchasing power of cash will fall in the future. Equally important, very defensive strategies risk missing opportunities that market stress creates for long-term investors. This consideration is important given that the strength of global AI capex growth currently underpins very strong Asian export growth.

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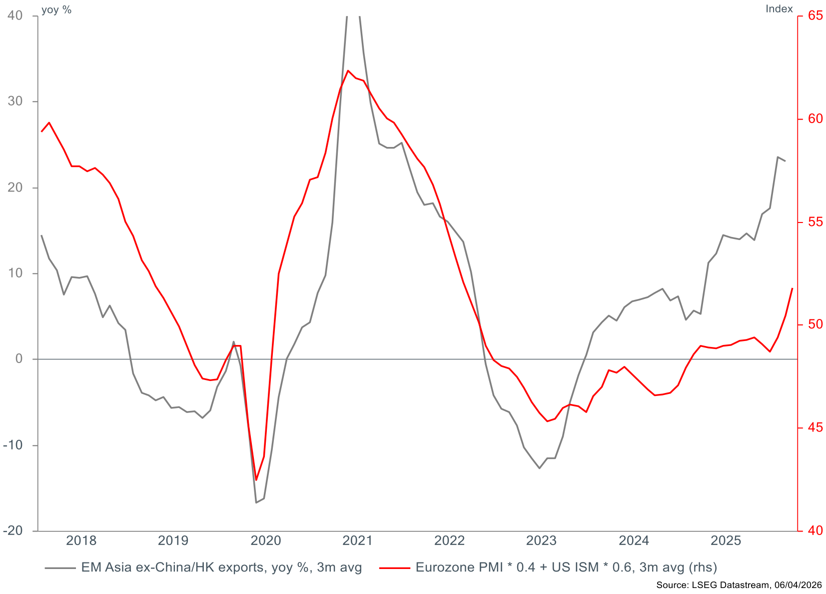
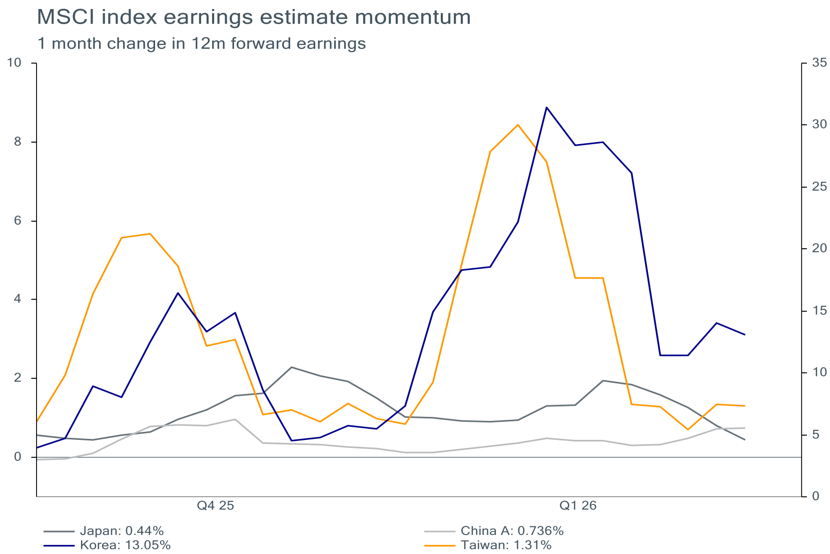


Some Asian countries and sectors benefit

Our preference is to try to use the current price weakness to look for better valuations for assets with growing earnings streams that are likely to prove resilient to the current shock.

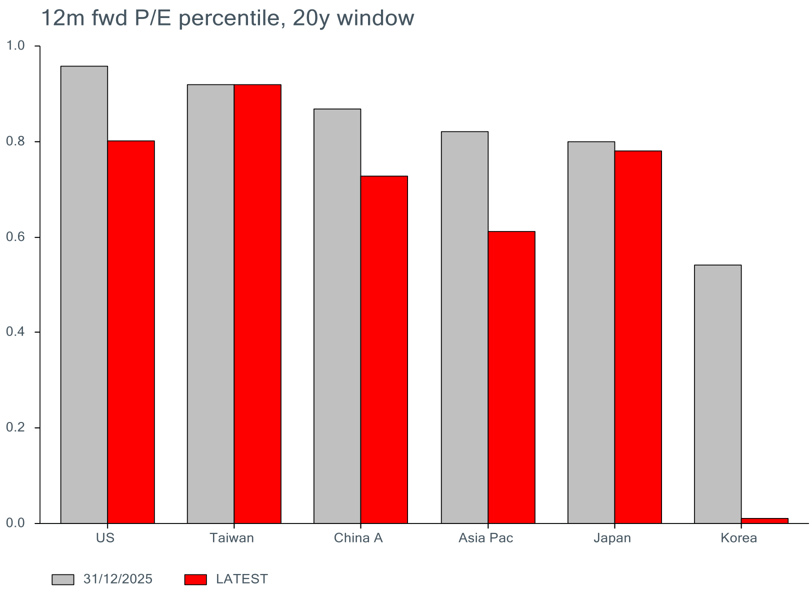
- Companies supplying the boom in AI investment stand out because the AI capex boom appears likely to continue despite higher energy prices. This favours the tech sectors in Korea, Japan, and Taiwan as well as select companies in China.
- Power generation and transmission equipment suppliers in China, Korea, and Japan are also benefiting from the AI capex growth.
- The current energy shock is likely to support demand for China's renewable energy and EV producers.
- China's petrochemical producers may derive comparative advantage from China's superior oil reserves and access to oil supply. A similar story may emerge for aluminium if Middle Eastern producers are forced to curtail output more significantly.
- Producers of energy storage hardware will likely benefit.
- Coal producers.

Reflecting these themes, we note that earnings estimates for China A shares, Korea, Japan, and Taiwan continue to rise.



Source: LSEG Datastream, 6 April 2026, Korea (RHS), Taiwan, China A and Japan (LHS)

This is combining with falling prices to improve valuations for most of these markets.



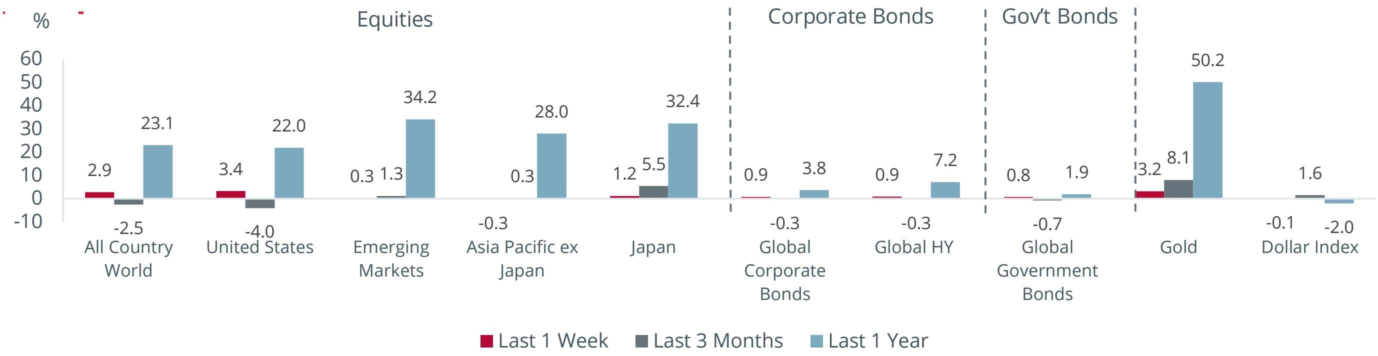
Source: LSEG Datastream, 6 April 2026,

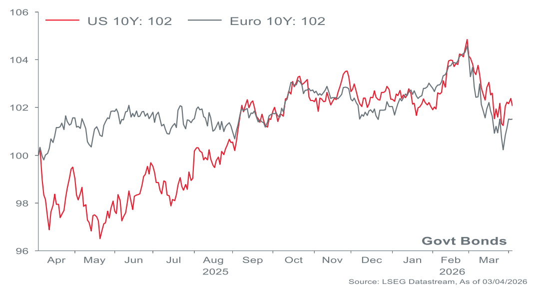
Market Review

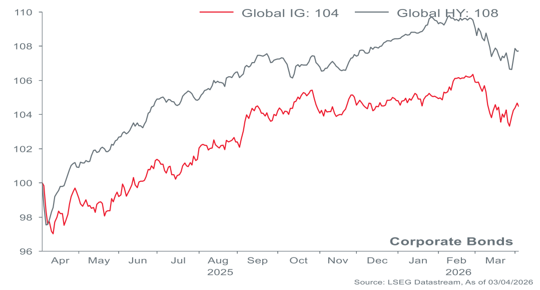
Global markets experienced mixed performance this week, with selective strength across regions but continued pressure in key developed markets. The MSCI AC World Index rose 2.9% over the week. The US markets showed resilience with S&P 500 gaining 3.4% and Nasdaq advancing 4.4%. European equities showed relative resilience posting a strong gain of 4.0%, while Asia Pacific markets were mixed. Emerging markets posted marginal gains of 0.3%.

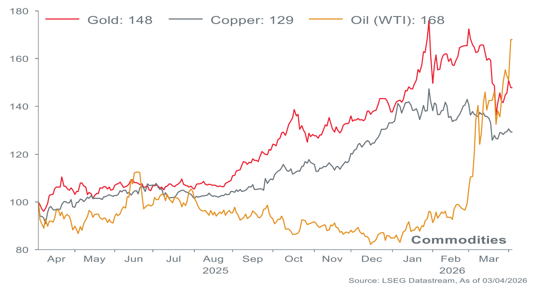
US Treasury yields closed at 4.31%, declining 2.86% over the week, indicating some easing in yields after recent highs. Global government bonds rose 0.8%. Gold witnessed a strong upside with 3.2% rise whereas the US Dollar Index declined by 0.1% during the week.

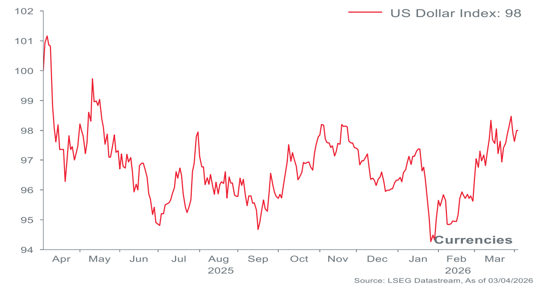
Asset Performance

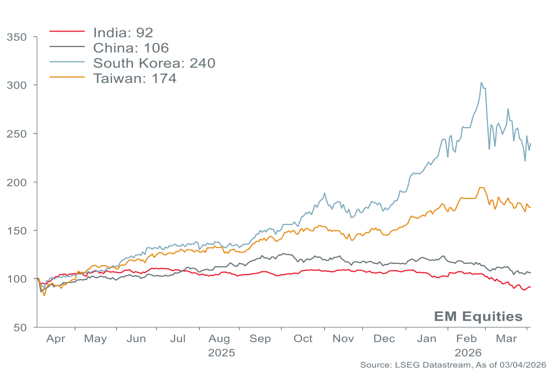


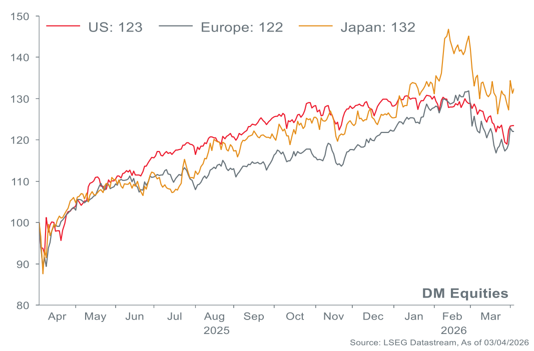












Market Data

Government Bonds	Close	1 week change (%)	1 month change (%)	3 month change (%)	1 year change (%)	YTD change (%)	52 week high	52 week low
US Treasury Yield (%)								
10 Year	4.31	-2.86	6.31	2.96	6.36	3.85	4.60	3.95
10 Year Bond Yield (%)								
Japan	2.38	0.25	10.85	15.02	77.03	15.02	2.39	1.12
China	1.82	-0.05	5.14	-2.31	0.78	-2.31	1.93	1.63
Australia	5.04	-1.29	5.62	4.74	18.59	5.88	5.11	4.10
Singapore	2.24	-6.86	13.20	0.77	-12.54	0.72	2.74	1.75
Malaysia	3.62	-0.44	2.58	3.49	-3.26	3.61	3.77	3.36
Indonesia	6.62	-3.27	1.10	8.25	-5.10	8.25	7.14	5.92

	Close	1 week change (%)	1 month change (%)	3 month change (%)	1 year change (%)	YTD change (%)	52 week high	52 week low
Bond Indices								
Bloomberg Global Aggregate USD	93.68	0.58	-1.45	-0.77	-0.98	-1.02	95.69	93.14
Bloomberg U.S. Aggregate USD	93.17	0.64	-1.55	-0.67	0.25	-0.96	95.21	90.43

Equity Indices	Close	1 week change (%)	1 month change (%)	3 month change (%)	1 year change (%)	YTD change (%)	52 week high	52 week low
World								
MSCI AC World Index (USD)	994.20	2.88	-3.46	-2.50	23.10	-2.01	1,061.41	742.96
North America								
US S&P 500 Index	6,582.69	3.36	-3.43	-4.02	21.98	-3.84	7,002.28	4,835.04
US Nasdaq Composite Index	21,879.18	4.44	-2.83	-5.84	32.20	-5.86	24,019.99	14,784.03
Europe								
MSCI Europe	2,619.20	3.97	-1.60	-1.61	18.21	-0.89	2,845.88	1,976.06
Asia Pacific								
MSCI Asia Pacific ex Japan	737.55	-0.26	-6.52	0.33	28.04	2.13	829.20	513.60
Japan Nikkei 225	53,123.49	-0.47	-5.61	5.53	52.94	5.53	59,332.43	30,792.74
Shanghai Stock Exchange Composite	3,880.10	-0.86	-5.88	-2.24	16.10	-2.24	4,197.23	3,040.69
Hong Kong Hang Seng	25,116.53	0.66	-2.53	-4.64	9.92	-2.01	28,056.10	19,260.21
Taiwan TAIEX	32,572.43	-1.63	-5.10	10.98	52.93	12.46	35,579.34	17,306.97
Korea KOSPI	5,377.30	-1.13	-7.16	24.77	116.24	27.60	6,347.41	2,284.72
India NIFTY 50	22,713.10	-0.47	-8.66	-13.73	-2.31	-13.08	26,373.20	21,743.65
Australia Stock Exchange 200	8,579.50	0.74	-5.48	-1.70	9.16	-1.55	9,202.90	7,169.20
Indonesia Jakarta Composite	7,026.78	-0.99	-11.50	-19.68	7.93	-18.74	9,174.47	5,882.61
Thailand SET	1,454.00	0.48	-0.85	15.43	25.15	15.43	1,545.31	1,053.79
Malaysia FTSE Bursa KLSE	1,695.50	-1.00	-0.96	1.54	11.63	0.92	1,771.25	1,386.63
Philippines Stock Exchange PSE	5,998.68	0.43	-6.93	-2.22	-2.39	-0.90	6,673.61	5,584.35
Singapore FTSE Straits Times Index	4,947.50	1.01	0.63	6.26	25.50	6.48	5,041.33	3,372.38

Currencies (vs USD)	Latest	1 week Change	1 Month Ago	3 Months ago	1 Year Ago	YTD	52 week high	52 week low
Developed Markets								
EUR	-0.19	0.06	-0.84	-1.74	4.21	-1.96	1.20	1.09
GBP	-0.26	-0.51	-1.24	-1.98	0.71	-2.11	1.38	1.27
CHF	0.29	0.29	2.47	1.10	-6.79	1.07	0.86	0.76
JPY	-0.02	-0.47	1.17	1.75	9.24	1.86	160.31	140.85
Asia								
CNY	-0.05	-0.42	-0.25	-1.58	-5.48	-1.58	7.35	6.84
HKD	-0.02	0.04	0.41	0.58	0.75	0.69	7.85	7.75
INR	-0.28	-2.20	0.72	3.00	8.73	3.16	94.78	84.27
MYR	-0.20	0.40	2.16	-0.59	-9.28	-0.69	4.49	3.88
KRW	0.05	0.16	2.06	4.73	4.14	4.86	1,517.25	1,352.45
SGD	0.11	-0.16	0.73	0.06	-3.47	0.08	1.35	1.26
TWD	0.14	-0.13	0.76	1.98	-3.19	2.06	33.16	28.90
IDR	-	0.18	0.83	1.65	2.63	1.92	16,990.00	16,106.00

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Sources

Asset performances: (bar charts) Eastspring Investments, Refinitiv, as of 3 April 2026. Equities: using MSCI indices in USD, United States is using the S&P 500. Corporate Bonds: using ICE BofA indices in USD. Government Bonds: using the FTSE Global Sovereign Bond index, in USD. Gold is London Bullion Market US Dollar per Metric Tonne. DXY is US Dollar Index. **(line charts**) Eastspring Investments, Refinitiv, as at the end of the prior week, rebased to 100 as at 1 year ago. Equities: MSCI indices, in USD. Corporate Bonds: using Bloomberg indices in USD. Government Bonds: using ICE BofA US 10 Year US Treasury and ICE BofA 7-10 Year Euro Government indices. Commodities: Gold is London Bullion Market US Dollar per Metric Tonne Ounce. Copper is LME Copper Grade A Cash US Dollar per Metric Tonne. Oil is Crude Oil WTI Spot Cushing US Dollar per Barrel. US Dollar is US Dollar Index.

Market data: Eastspring Investments, Refinitiv, as of 3 April 2026. Equities: MSCI indices in USD, other indices in local currency. Other indices or assets as stated. Please note that there are limitations to the use of such indices as proxies for the past performance in the respective asset classes/sector. The historical performance or forecast presented in this slide is not indicative of and should not be construed as being indicative of or otherwise used as a proxy for the future or likely performance of the Fund.