

Monthly Investment Outlook

April 2026

Market Recap

- **Equities under pressure in March.** Global equities sold off in March as the intensifying Middle East conflict triggered risk-off sentiment. All major markets as well as nearly all sectors (except energy) were in the red for the month.
- **Fixed income returns were also negative.** The 10-year U.S. Treasury (UST) yield moved higher amid rising inflation risks. Notably, investors have pared back their rate cut expectations amid surging oil prices. Credit spreads also widened, reflecting the rising economic uncertainty.
- **Oil prices surged, while gold retreated.** Brent closed near USD 120 per barrel with the Strait of Hormuz blockage and attacks on oil infrastructures disrupting oil supply. In contrast, gold slumped more than 10% partly due to liquidity-driven deleveraging amid a stronger greenback.

Macro Outlook and Asset Allocation

- **Neutralising equity stance amid near-term uncertainty.** While we still expect the Middle East conflict to eventually de-escalate, there could be more twists and turns in the near-term. Hence, we have neutralised our stance on Asia ex-Japan and overall equities to manage downside risks. That said, we would caution against an overly aggressive shift into cash.
- **Pockets of opportunity remain within equities.** We continue to adopt a selective approach, focusing on structural growth themes rather than transient market trends, while prioritising areas offering a margin of safety. In this regard, China technology and high-quality dividend stocks remain key areas of interest. While energy stocks can still serve as a tactical hedge, the sector's recent outperformance warrants a more measured approach with greater emphasis on valuation.
- **Focus on quality credits and gold for portfolio resilience.** Higher UST yields are making fixed income carry more attractive, although we remain nimble on duration positioning amid the shifting rate expectations. We also continue to focus on quality credits for resilient income. Meanwhile, we stay constructive on gold as a strategic portfolio diversifier despite the recent price correction.

Tactical Asset Allocation			
Asset Class *		Segment*	
Equity	=	U.S.	=
		Europe	=
		Japan	=
		Asia ex-Japan	=
Fixed Income	=	U.S. Treasuries (UST)	+
		Developed Market (DM) Investment Grade (IG)	=
		Developed Market High Yield (HY)	-
		Emerging Market (EM) Asia	=
Hedge Funds	=		
Gold	+		
Cash	-		

* Overweight : +, Neutral : =, Underweight : -

Source: Maybank Group Wealth Management (GWM)

Asset Class	Changes to date (in USD currency)		
	1M	3M	YTD
MSCI AC World	-7.1%	-3.1%	-3.1%
MSCI USA	-4.9%	-4.5%	-4.5%
MSCI Europe	-9.8%	-2.7%	-2.7%
MSCI Japan	-12.3%	1.5%	1.5%
MSCI Asia ex-Japan	-13.7%	-1.1%	-1.1%
China	-7.7%	-8.9%	-8.9%
Hong Kong	-6.8%	5.5%	5.5%
Taiwan	-12.9%	9.1%	9.1%
South Korea	-25.4%	16.7%	16.7%
India	-14.9%	-18.1%	-18.1%
Singapore	-5.5%	-0.9%	-0.9%
Malaysia	-3.9%	2.5%	2.5%
Indonesia	-15.5%	-20.4%	-20.4%
Thailand	-10.0%	15.7%	15.7%
Philippines	-13.7%	-2.8%	-2.8%
BBG Multiverse	-3.1%	-1.1%	-1.1%
BBG U.S. Treasury	-1.7%	0.0%	0.0%
BBG Global IG	-3.0%	-1.3%	-1.3%
BBG Global HY	-2.5%	-1.3%	-1.3%
BBG EM Asia	-2.0%	-0.4%	-0.4%
BBG EM Asia IG	-1.8%	-0.4%	-0.4%
BBG EM Asia HY	-2.8%	-0.2%	-0.2%
Gold	-11.6%	8.1%	8.1%
WTI Crude	51.3%	76.6%	76.6%
Dollar Index (DXY)	2.4%	1.7%	1.7%

Source: Bloomberg | 31 March 2026



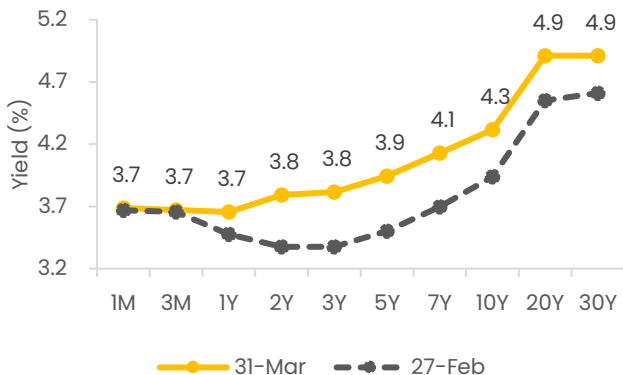
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Fixed Income Outlook

- **Uncertain Fed policy outlook amid rising inflation risks.** The renewed energy-driven inflation will likely constrain global central banks in their ability to ease policy further. Notably, the U.S. Federal Reserve (Fed) kept policy rates steady at 3.50% – 3.75% in March. Fed Chair Jerome Powell highlighted his concerns on inflation but did not see an immediate need to respond with rate hikes. We now expect only 25 basis points (bps) Fed rate cut by end-2026, instead of 50 bps previously.
- **More attractive carry with higher Treasury yields.** UST yields have risen across the curve, with the 10Y yield breaching 4.40% at one point. While we expect the 10Y UST yield to trend lower by year-end, rates volatility could persist in the near-term until clearer signs of de-escalation in the Middle East emerge. Hence, we would adopt a balanced curve exposure for now, allowing some buffer for potential market overshoots, which are typical in volatile market environments.
- **Focus on quality in European bank credits.** For European banks, we maintain our preference for the more defensive senior debt over Additional Tier 1 (AT1s) despite the steeper sell-off in AT1s. Nevertheless, we will selectively add risk (e.g. high-quality Global Systemically Important Banks (G-SIBs) AT1s with stronger reset features) should credit spreads widen further on headline-driven volatility, as underlying corporate fundamentals remain broadly supportive. Within corporates, we still favour the defensive telecommunications companies as they benefit from regulated operating environments leading to more stable and predictable cash flows.
- **Australia financials for defensive positioning.** In the current environment, Australia financial bonds provide a compelling defensive allocation within fixed income portfolios. Their appeal is supported by Australia’s sovereign AAA-credit rating and a highly regulated, resilient banking sector overseen by the Australian Prudential Regulation Authority (APRA). Looking ahead, APRA’s planned phase-out of AT1 securities in January 2027 is expected to create a positive technical backdrop for this segment, further enhancing its attractiveness.
- **Stay selective in GCC credits.** Gulf Cooperation Council (GCC) credits spreads have widened beyond Liberation Day levels. The 4-month phased removal of UAE from JP Morgan’s Emerging-Market Bond Indexes (EMBI) starting end-March may also dampen demand. Still, this could create selective buy-on-dip opportunities in high-quality GCC credits, particularly quasi-sovereigns and banks with strong fundamentals. In contrast, we remain cautious on GCC real estate credits.

Figure 1: The UST yield curve shifted higher suggesting more attractive carry



Source: Bloomberg | 31 March 2026

Figure 2: Added focus on Europe telecommunications for its defensiveness

Regions	Preferred Sectors
Developed Markets	<ul style="list-style-type: none"> • Europe banks • Europe telecommunications • Australia financials
Asia ex-Japan	<ul style="list-style-type: none"> • Hong Kong utilities • Hong Kong insurers • Singapore REITS • Singapore government-linked issuers

Source: Maybank GWM | 31 March 2026

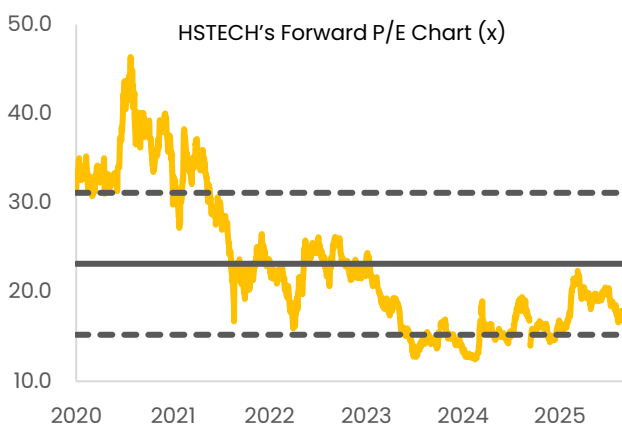
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Equity Outlook

- **Focus on quality long-term growth stocks in the U.S.** The Nasdaq Composite has declined over 10% from its October 2025 peak amid technology concerns and Middle East tensions. While volatility may continue to persist for now, we see scope to selectively accumulate high quality structural growth plays, including megatech stocks, at more attractive valuations. Meanwhile, we see utilities as a defensive way to gain exposure to the renewed interests in nuclear power, supported by the growing need for energy security.
- **Stay defensive in Europe with communication services and utilities.** Higher oil prices are likely to weigh on Europe's recovery and lift inflation, given its net oil-importer status. With central banks in the region turning less dovish, earnings risks are skewed to the downside - particularly for consumer discretionary - supporting a preference for defensive communication services and utilities, alongside selected industrials plays.
- **Opportunities emerging in Japan real estate.** The rising energy costs may erode Japanese corporates' profits by a mid-to-high single digit percentage point this fiscal year. Nevertheless, we see opportunities emerging in Japan real estate sector given the recent pull-back, supported by resilient demand and supply dynamics, as well as inflation protection as a real asset.
- **China technology plays still attractive.** While China has not been immune to the recent sell-off, its equity market has shown relative resilience compared with regional peers. We continue to see attractive risk-reward in China technology, supported by undemanding valuations and ongoing progress in areas such as artificial intelligence and robotics. Notably, the emphasis on "hard-core technology and innovation" at the latest "Two Sessions" reinforces expectations of continued policy support. We also expect further progress in renewables and broader energy-transition initiatives to enhance the economy's energy self-reliance.
- **Favour Singapore and Malaysia for resilience.** The risk of a prolonged conflict has sparked inflation concerns across ASEAN, with Indonesia, Thailand and the Philippines more exposed to energy shocks. In contrast, Malaysia's net oil-exporter status and low-beta profile should offer relative resilience. We also favour Singapore's defensive attributes, including the REITs, with the market likely to continue attracting inflows amid global uncertainty.

Figure 3: The Hang Seng Tech Index is trading at attractive valuation



Source: Bloomberg | 31 March 2026

Figure 4: Focus on long-term growth themes and areas with a margin of safety

Regions	Preferred Equity Sectors
U.S.	<ul style="list-style-type: none"> • Comm. Svs • Industrials • Healthcare • Utilities
Europe	<ul style="list-style-type: none"> • Comm. Svs • Materials • Industrials • Utilities
Japan	<ul style="list-style-type: none"> • Financials • Real Estate • Industrials
Asia ex-Japan	<ul style="list-style-type: none"> • China: Comm. Svs, Financials, Industrials, and Technology • Singapore: Banks, Internet, REITs, Telco • Malaysia: Banks, Construction, Healthcare, REITs

Source: Maybank GWM | 31 March 2026

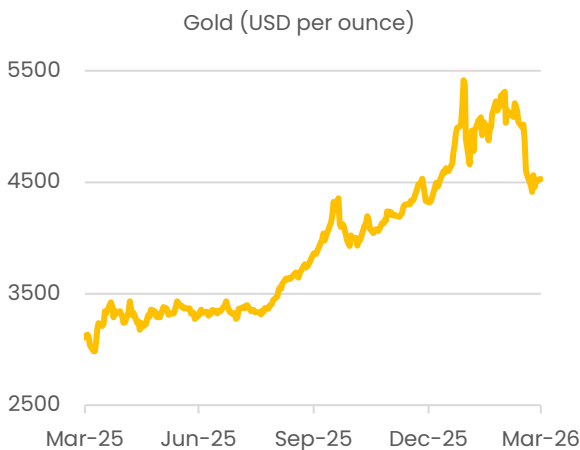
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Commodities Outlook

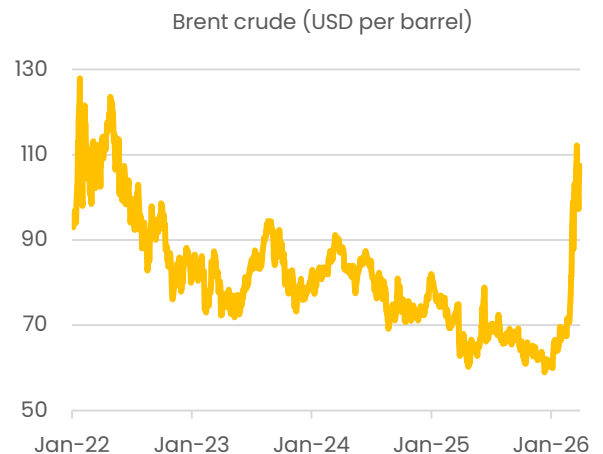
- **Remain constructive on gold despite recent correction.** Gold witnessed sharp swings over the past month. The precious metal initially benefitted from safe-haven demand, with prices rising to over USD 5,400 per ounce at the onset of the U.S.–Iran conflict in early March. Nevertheless, it subsequently moved lower, driven by higher inflation and interest rate fears, as well as forced deleveraging and liquidity-driven selling. Despite the near-term headwinds, gold’s long-term fundamentals remain unchanged in our view. Beyond its traditional role as a portfolio diversifier, structural tailwinds – including sustained diversification demand from global central banks – provide a solid valuation floor for the precious metal. In addition, our expectation of another Fed rate cut later this year should support a rebound in gold prices to above USD 5,000 per ounce over the medium term.
- **Oil may spike further in the near-term.** Rising tensions in the Middle East have driven Brent crude up by more than 70% year-to-date, as repeated strikes on critical energy infrastructure across the Gulf have heightened concerns over potential supply disruptions. Risks of further escalation have also increased, including missile attacks by Iran-backed Houthi militants in Yemen on Israel. Attention is now focused on whether the U.S. will indeed bring the conflict to an end within the next “2–3 weeks” without further strikes on Iranian energy infrastructures. Even if the U.S. were to step back, a ceasefire would still require willingness from both Iran and Israel. While we continue to expect an eventual de-escalation, conditions may deteriorate further before improving. In the near term, Brent crude could revisit levels above USD 120 per barrel – last seen during the Russia-Ukraine war in 2022 – before easing once clearer signs of de-escalation emerge.

Figure 5: Gold retreated in March partly due to forced selling



Source: Bloomberg | 31 March 2026

Figure 6: Brent crude may revisit the highs witnessed during Russia-Ukraine war



Source: Bloomberg | 31 March 2026

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