



APRICUS FINANCE

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Peak uncertainty reached?

When we published our last commentary, we were in the midst of a sell-off, in pretty much all asset classes but crude oil.

In the meantime, we witnessed a crescendo of military threats and delays to them by the Trump administration since the 4th week of March, often accompanied by a rhetoric and language that we are not going to comment on here. They culminated on April 7th with the announcement of a two-week ceasefire. That said, it seems obvious that the US administration is increasingly worried about the political repercussions of high domestic prices of energy and is therefore trying to contain them.

In the back of investors' minds, however, that meant that 'peak uncertainty' had been reached: this is usually a green light for investors to buy the market. The market did exactly that. They did indeed furiously accelerate upwards, led by investors reengaging into the AI-theme, and Emerging Markets. Since the 30th of March, Emerging Markets are up (in hard currency) 16%, the MSCI World 11%, and the semiconductor index 32%. In a similar fashion, a proprietary index from Goldman of hardware stocks exposed to data centers, (from energy to semis and data center REITs), is up over 37%.

So after almost two months of war, and an unresolved energy crisis, the MSCI World year-to-date is slightly positive, while the bond benchmark is slightly negative.

Are markets surprisingly calm? We believe so. Are there good reasons why equity markets are near or above all-time highs? Are they justifiable?

Yes, we can think about six of them:

- The first is the title of this publication: Peak Uncertainty: markets have already priced the worst-case scenario, and the US president is likely to look for an exit strategy from the mess he created.
- Earnings: US earnings are expected to grow 12%.
- As we wrote last month, from the energy perspective, the US and, in particular, Europe, are not in the same spot as in 2022.
- AI is back, and over recent weeks the announcements of increased spending and joint ventures kept piling back, reassuring investors about the theme.
- The dip-buying mentality is back. We had years of head-line driven volatility, and investors have generally been rewarded for buying the dip. On top, this time we also have the TACO trade, (Trump Always Chickens Out), and it has worked very well since last April.



And now?

The energy crisis is not yet resolved. Very limited traffic has continued through the Strait of Hormuz since the outbreak of war: the last vessel to depart pre-conflict did so on 28th of February, with the arrival at its destination expected this week.

So, this week effectively marks the point at which pre-closure supply is exhausted from the global pipeline. Signs are already emerging that the system is coming under acute strain, with European and Asian refiners competing aggressively for remaining cargoes and driving SPOT Brent prices to record highs. The difference in crude oil prices for immediate delivery versus one-month futures ordinarily sits within a 1 to 2 US Dollar per barrel range. Today it is dramatically wider at 10 to 20 US Dollars depending on the day, and it thus signals a large supply shock. At the same time the futures market continue to price a resolution further out.

Until transit routes normalize, however, upward pressure on spot premiums should show no sign of abating. According to experts, even if the Strait is fully reopened tomorrow, it will take months before the situation normalizes. That doesn't even consider the restoring of regional production facilities that were damaged during the conflict.

Hence the big question: what about the damage to the global economy.

Asia is the region that is currently most impacted by the strait of Hormuz disruptions, due to its heavy dependence from it, for example:

- The Philippines has declared a national energy emergency; with 98% dependence on imported oil, mostly from The Middle East.
- Taiwan has little LNG reserves and will likely need to prioritise gas allocation.
- Bangladesh is already experiencing fuel shortages.
- India has invoked emergency fuel and tax measures and has diverted gas from non-priority sectors to essential users. For example, from informal restaurants to households.

- Japan has requested the release of strategic oil reserves; 95% of its crude imports originate from the Middle East, with 70% through Hormuz.
- Vietnam has urged companies to allow remote work and asked citizens to limit private vehicle use as fuel prices climbed sharply and long queues formed at petrol stations in Hanoi.

What about the Gulf itself?

The Financial Times reports that Gulf states have been borrowing privately.

From an economic point of view, the Gulf economies are currently experiencing a COVID-style lockdown. Money is needed to keep economies moving, as they currently lack cash-flows from tourism and energy sales. Borrowing, backed by post-war oil revenues, and drawing on sovereign wealth funds will likely partially fund this.

The news that some states from the region, such as the UAE, obviously considered a rich state, are currently negotiating swap-lines with the US treasury to stay afloat is raising eyebrows, as it could amount to a bail out, both at home as well as internationally.

And what about the global economy and the international equity markets?

Well, we do not know yet the extent of the damage, because evidently there will be some, or a lot.

Inflation is likely to stay higher for longer, particularly in the US. Europe is countering the energy impact fiscally, (for example some states temporarily lowered the taxes at the pump), but that will also impact national debt, which, in some cases, has already deteriorated.

Growth will also be impacted. A couple of quarters of lower growth with a brighter outlook will not derail the equity market. But sustained lower growth will. It will also determine the path for central banks. So, the central question is whether the shock is short term, with a quick resolution in sight, medium term with some stagflation for a few quarters, or whether the situation doesn't improve that quickly and the world economy tethers on the brink of recession with stubborn inflation, (worst case scenario).



Well, it is too early to assess that, and we thus stay in the camp of the 'cautiously optimistic'.

Trump's polls and the outlook for the Republicans at the midterms continue to deteriorate, and we can't thus exclude some kind of spur-of-the-moment decision, or a decision based on 'his gut instinct'.

Korea: it is more than just SK Hynix and Samsung

We think that the Korean market deserves special mention this month. Its main index, the KOSPI, trades at a forward PE of just 8.5 times, near the lows in Spring 2009. The consensus for earnings growth is 200% for this year. As we observed in the past, the index is dominated by two stocks: Samsung Electronics and SK Hynix together account for over 42% of the index.

Their earnings and stock price progression have been nothing short of spectacular: since August of last year Samsung shares have doubled while SK Hynix's almost quadrupled, as chip and memory prices skyrocketed. Taiwan's TSMC trails far behind with a gain of 80%. Net income of 151 billion US Dollars is projected for Samsung this year and 115 billion for SK Hynix, eclipsing TSMC's 81 billion.

Well, now, of course, comes the key question: what does it look like when you strip out the two heavyweights from the index? Well earnings are still expected to grow a massive 48%. On top, the government is busy implementing structural reforms that are meant to increase the attractiveness of the market for foreign investors.

It's notable that memory valuations are still so low even after their massive outperformance in recent months. The reason of course is the history of memory in general: cyclicity of the earnings is just extreme. That is, of course, why those names are trading at a big discount to Nvidia or AMD.

Our Asian equity basket has 25% exposure to Korea.

Following up on the earnings front, a quick note on the US market. Wall Street analysts currently forecast S&P 500 EPS growth of 12% this year.

The increase in consensus S&P 500 earnings estimates, so far this year, has been driven by narrow pockets of strength. The energy and technology sectors have accounted for nearly the entire positive revision, with the median S&P 500 company experiencing no revision to 2026 earnings' estimates over the past couple of months. Micron and Exxon Mobil alone, have together accounted for more than 60% of the consensus revision to S&P 500 2026 estimates since the start of the war, (source Goldman Sachs).



Strategy

At the start of the war in March, we cut our gold exposure as it had lost its status as a portfolio diversifier and was behaving more like a risk asset, albeit with a much higher volatility than equities, (cf. March monthly comment). With the benefit of hindsight, that was the right decision: as of yesterday, equities are back at pre-war levels, while gold is down 10%.

As highlighted above, the cross-asset pattern from late March is broadly consistent with what we would expect from a 'relief scenario', based on a fall in oil prices and some reversal of growth and central bank policy fears. But that relief has come with less of a fall in oil prices and in interest rates, so oil prices and bond yields are still significantly higher than they were before the war began. At the time of writing, crude oil (Brent) is trading at 107 US Dollars per barrel versus around 70 pre-war, while US and German two-year bond yields are respectively 45 and 60 basis points higher.

We are thus cautiously optimistic and are currently running a neutral position in equities. In view of the uncertainty tied to the future evolution of the economy, and thus central bank rates and bond yields, we maintain between 9 & 12% of cash and cash equivalents, (depending on the currency and the profile), ready to deploy.

On a side note, as of yesterday, all our internal products and strategies are positive year-to-date, and above their respective benchmarks.

Equity

We are neutral. We keep an overweight in Eurozone and Asian ex Japan equities versus the US ex. Mega Caps.

Fixed income

We continue to favor exposure to credit versus duration. However, we have increased the quality of our holdings. We have exposure to investment grade credit, European high yield, hybrids, financials' subordinated debt.

Foreign Exchange

The US Dollar and the Japanese YEN exposure is entirely hedged.

Gold

We keep our allocation to Gold at approximately 3%.



Positioning

Overall Exposure

We are now Neutral Equities, and Neutral Fixed Income, with a Gold position, JPY and US Dollars hedged.

Equity: Neutral

We have an Overweight to the Eurozone and an Underweight in US equities, Underweight US technology, Overweight Nasdaq 100 equal weight, Overweight S&P 500 equal weight, Neutral UK, Neutral Japan, Overweight Asia ex Japan.

Thematic Equities

European Family Holdings, Asian Technology, European Champions.

Fixed Income: Neutral

Long 1 to 3 years US Treasury Notes. Long 20+ years US Treasuries, Underweight Sovereigns. Overweight Investment Grade EUR and USD Bonds. Overweight High Yield in EUR and Underweight in USD. Long US inflation linker.

Thematic Fixed Income

Long Hybrids, Long Subordinated Financial Credit, Long subordinated European insurance bonds.

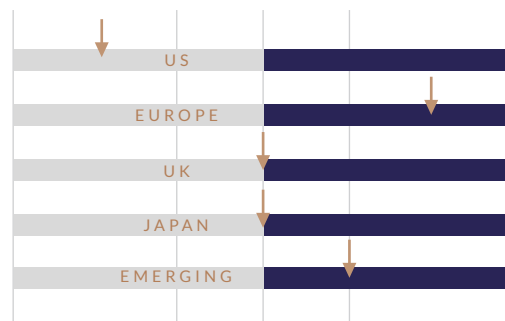
Currencies: Non USD-referenced portfolios are fully hedged against USD and YEN. USD-referenced portfolios are long EUR.

Commodities: Overweight

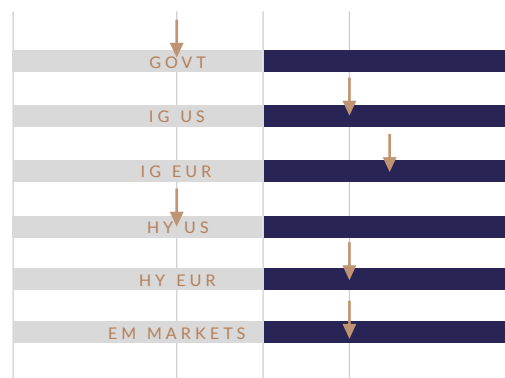
Long Gold.

Conviction thermometer

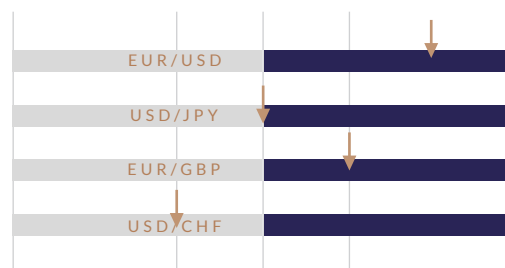
Equities



Bonds



Currencies



Commodities



■ Negative view ■ Positive view



Market Overview As Of April 23, 2026

Equities (local ccies)	Level	5D	MTD	YTD
MSCI WORLD HEDGED EUR	502,99	0,48%	7,70%	3,86%
US S&P500	7 108,40	0,96%	8,94%	4,20%
MAGNIFICENT 7 (CAP WEIGT.)	208,83	0,72%	13,45%	0,70%
NASDAQ 100	26 782,63	1,71%	12,84%	6,27%
EUROPE EURO STOXX 50	5 894,73	-0,41%	6,34%	2,64%
GERMANY DAX	24 155,45	0,00%	6,51%	-1,37%
FRANCE CAC40	8 227,32	-0,19%	5,50%	1,32%
BELGIUM BEL20	5 392,03	-1,67%	6,29%	6,23%
SWISS MARKET INDEX	13 248,06	1,38%	5,03%	2,48%
UK FTSE100	10 457,01	-1,16%	3,05%	6,59%
RUSSELL 2000	2 775,10	2,05%	11,20%	12,23%
JAPAN TOPIX	3 716,38	-2,57%	6,25%	10,08%
MSCI EMERGING	1 599	-0,19%	14,65%	14,51%
MEXICO MEXBOL	68 631,16	-0,56%	0,29%	7,19%
HONG KONG HANG SENG	25 915,20	-1,82%	4,61%	1,50%
CHINA CSI 300	4 786,33	1,13%	7,65%	3,67%
INDIA SENSEX	77 664,00	-0,42%	7,95%	-8,70%
KOREA KOSPI	6 475,81	4,01%	28,19%	54,43%
HANG SENG TECH	4 865,52	-4,45%	4,83%	-11,57%
AUSTRALIA ALL-SHARE	5 607,72	-1,03%	3,58%	6,08%

US: Sectors	Level	5D	MTD	YTD
COMMUNICATION SVCS	471,88	-0,88%	12,39%	4,59%
CONSUMER DISCRETIONARY	1 929,02	0,32%	10,36%	0,22%
CONSUMER STAPLES	945,13	2,96%	2,17%	10,01%
ENERGY	872,22	0,43%	7,51%	27,87%
FINANCIALS	861,40	-0,51%	4,87%	-5,06%
HEALTH CARE	1 703,91	-0,29%	-0,25%	-5,12%
INDUSTRIALS	1 473,52	2,16%	7,61%	12,57%
INFORMATION TECHNOLOGY	5 989,19	2,21%	16,14%	5,54%
MATERIALS	651,15	-0,08%	3,77%	13,87%
REAL ESTATE	279,89	0,34%	7,78%	10,76%
UTILITIES	468,64	-0,50%	0,50%	8,80%

EUROPE: Sectors	Level	5D	MTD	YTD
BASIC MATERIALS	3 513,52	1,12%	7,10%	20,29%
CONSUMER GOODS	3 795,74	1,34%	2,06%	-0,63%
CONSUMER SERVICES	1 343,21	0,90%	6,16%	11,73%
FINANCIALS	1 559,79	-1,01%	8,49%	1,97%
HEALTH CARE	3 751,37	-1,19%	0,76%	-0,49%
INDUSTRIALS	5 300,18	-0,32%	9,28%	5,52%
OIL & GAS	2 224,09	0,54%	-1,59%	34,76%
TECHNOLOGY	2 203,41	0,67%	10,47%	6,99%
TELECOMS	777,71	-1,13%	1,45%	18,51%
UTILITIES	3 068,19	1,36%	3,36%	17,86%



Market Overview As Of April 23, 2026

Fixed Income	Level	5D	MTD	YTD
Pan-Euro 3-5 yrs IG	219,22	0,02%	0,87%	-0,02%
Euro Aggregate	246,74	0,12%	0,62%	-0,03%
Pan-Euro HY Hedged Eur	479,28	0,24%	1,97%	0,41%
Global Inflation hedged EUR	240,48	0,11%	0,35%	0,70%
US Corp High Yield	2 950,54	0,04%	1,74%	1,24%
EM USD Aggregate TR	1 401,59	0,17%	2,44%	1,06%
EM Aggregate TR Local Ccy	165,42	-0,27%	2,87%	1,73%
EUR Banks CoCo Tier 1	176,57	0,33%	2,63%	1,01%
EU GOVT HEDGED EUR	214,72	0,02%	0,42%	-0,58%
Global Aggregate Hedged EUR	219,41	0,00%	0,47%	-0,14%

Commodities	Level	5D	MTD	YTD
GOLD	4 694,14	2,00%	0,56%	8,68%
COPPER	608,15	0,08%	8,33%	7,03%
OIL WTI	95,85	1,23%	-5,45%	66,93%
OIL BRENT	105,07	5,71%	-11,42%	72,67%

Currencies	Rate	5D	MTD	YTD
EURUSD	1,1683	-0,83%	1,13%	-0,54%
GBPUSD	1,3467	-0,44%	1,81%	-0,06%
USDJPY	159,7100	0,34%	0,62%	1,91%
USDCHF	0,7864	0,33%	-1,64%	-0,78%
AUDUSD	0,7128	-0,46%	3,30%	6,82%
EURCHF	0,9188	-0,47%	-0,53%	-1,28%
USDCNY	6,8313	0,13%	-0,92%	-2,24%
USDKRW	1 471,95	-0,07%	-2,69%	
USDBRL	6,1774	0,50%	-3,13%	
USDTRY	44,9733	0,39%	1,16%	4,70%
BITCOIN	77 905,64	3,54%	14,24%	-11,11%



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