NEWS FLASH

Groupama ASSET MANAGEMENT

A fragile truce

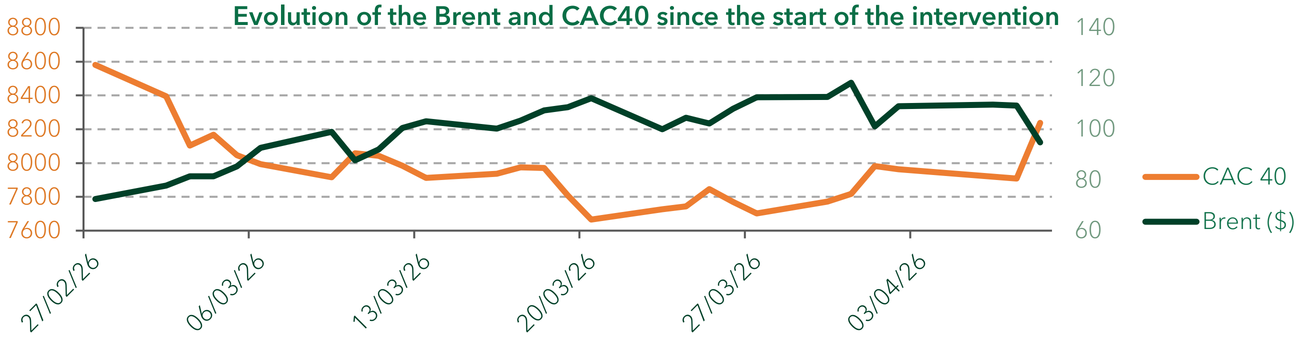
After five weeks of a conflict with unclear objectives and several ultimatums issued by D. Trump, a two-week truce has just been announced to allow negotiations to continue.
Markets are reacting very positively this Wednesday, April 8, across oil markets as well as bond and equity markets. However, caution is warranted, as the truce remains fragile.

Dashboard[1]:

Key indicators	Current level	Since start of the Year	Since start of the Intervention (27/02/26)
Brent crude oil	**95,05$**	**34,20**	**22,57**
US Equities (S&P 500 $)	**6616**	**-3,34%**	**-3,81%**
European Equities (Eurostoxx 50)	**5916**	**2,16%**	**-3,61%**
French equities (CAC 40)	**8260**	**1,36%**	**-3,74%**
US 10-year yield	**4,24**	**+0,07[2]**	**+0,30[2]**
German 10-year yield	**2,92**	**+0,07[2]**	**+0,28[2]**
French 10-year yield	**3,55**	**-0.01[2]**	**+0,33[2]**

Market Update – Wednesday, April 8, 2026[3]:

Following the announcement of the two-week truce, markets are reacting positively.
Oil prices, after peaking around USD 118 per barrel, are falling by more than 15%, opening at around USD 95.
Government bond yields are also easing sharply: Italian 10-year yields are down 35 basis points (from 3.96% at the close on Tuesday, April 7, to 3.61% at the open on Wednesday, April 8), French yields are down 26 basis points (from 3.78% to 3.52%), and German yields are down 19 basis points (from 3.08% to 2.89%). At the same time, market expectations for European Central Bank rate hikes have declined, falling from three hikes priced in yesterday to two this morning.
The reduction in stress is also visible in the corporate bond market, with a marked tightening in credit spreads, particularly in senior financial bonds (spreads down by around 8 basis points).
On the equity side, we are seeing a strong risk-on rebound, with Asian markets posting gains of between +3% and +7%. Europe is also opening sharply higher: the benchmark European equity index (Euro Stoxx 50) opened up +4.33%, while the French equity index (CAC 40) rose by +3.68%. In the US, futures are also sharply higher on both the S&P 500 and the Nasdaq (around +3%).
That said, caution is warranted, as the truce may prove fragile, as does the ultimate outcome of the conflict.



[1] Source: Bloomberg, 08/04/2026 (09:45), except for US equities as at 07/04/2026
[2] Percentage points : evolution of the interest rates. For example, an evolution of +0,4 percentage point implies that the interest rate moves from 3 to 3.04%
[3] Source : Bloomberg, 08/04/2026

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