

ZITAPLUS

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RELIEF RALLY IGNITES AFTER CEASEFIRE NEWS



Contents

- 02 ECONOMIC CALENDAR
- 03 RELIEF RALLY IGNITES AFTER CEASEFIRE NEWS
- 05 TECHNICAL ANALYSIS
 - 05 XAUUSD
 - 05 XAUXAG
 - 06 DXY
 - 06 EURUSD
- 07 ENERGY COSTS SURGE AS FOOD STABILIZES
- 09 INFLATION FIRMS AS GROWTH BEGINS TO TIRE
- 10 EARLY APRIL OIL AND COMMODITY OUTLOOK
- 11 MARKET ROUNDUP
- 13 THE WEEK AHEAD

TIME	CUR.	EVENT	FORECAST	PREVIOUS
MONDAY, APRIL 13				
18:00		Existing Home Sales (Mar)	-	4.09M
TUESDAY, APRIL 14				
16:30		PPI (MoM) (Mar)	-	0.7%
WEDNESDAY, APRIL 15				
18:30		Crude Oil Inventories	-	3.081M
THURSDAY, APRIL 16				
06:00		GDP (YoY) (Q1)	5.0%	4.5%
10:00		GDP (MoM) (Feb)	-	0.0%
13:00		CPI (YoY) (Mar)	2.5%	1.9%
16:30		Philadelphia Fed Manufacturing Index (Apr)	-	18.1
16:30		Initial Jobless Claims	-	219K

RELIEF RALLY IGNITES AFTER CEASEFIRE NEWS



Image Credit: The Economic Times

Following reports of a two-week ceasefire between the United States and Iran, there has been a rapid shift toward risk assets. Equities across Europe and Asia recorded solid gains, while energy prices moved lower. The reaction stresses how quickly sentiment can turn when developments directly affect oil and gas supply expectations.

ENERGY PRICES FORCE THE MARKET REACTION

Energy markets stood at the heart of the move. Oil prices pulled back decisively, and European natural gas prices also declined as concerns about prolonged disruption eased. For Europe, the drop brought timely relief after weeks of high energy costs that had already begun feeding into inflation pressures and shaping interest rate expectations. Lower energy prices quickly filtered through to bond markets, with yields at the short end of the curve responding first.

A PAUSE RATHER THAN A RESOLUTION

Despite the strong market response, the broader situation remains unsettled. The ceasefire looks more like a temporary halt than a durable settlement. Political messaging from both sides continues to send mixed signals, underscoring how fragile the current environment remains. Optimism has returned to pricing, yet the risks tied to supply interruptions and renewed conflict have not been removed.

CENTRAL BANKS EYED FOR NEXT STEPS

If energy prices stay contained, some of the recent inflation pressure could ease, giving central banks room to slow or pause tightening cycles. A renewed disruption in oil flows, particularly through critical routes such as the Strait of Hormuz, would likely reverse that progress and push inflation expectations higher once again.

REASSURANCE TODAY, UNCERTAINTY TOMORROW

What markets are experiencing is best described as a relief rally rather than a decisive shift in direction. Prices are responding to the possibility of calmer conditions, not confirmation of lasting stability. With core risks still unresolved, volatility is likely to remain a defining feature across energy, interest rate, and currency markets in the weeks ahead.



XAUUSD

GOLD PRESSURED BELOW 4750 / 4795

Rising tension around the Strait of Hormuz continues to lift energy prices and weigh on risk sentiment, keeping gold under pressure. Prices slipped to 4645 at the open before attempting a modest recovery, signaling limited buying interest for now.

Technically, 4750 stands as the first resistance level, while 4795 remains the key barrier that must be cleared to shift momentum. The trading structure remains tight in the near term.

Key Levels

- **Narrow Range:** 4645 - 4795
- **Wide Range:** 4620 - 4860



XAUAG

SILVER RECOVERY HINGES ON 76.60

Rising energy prices and renewed inflation concerns continued to weigh on silver, pushing the metal down to 72.60 at the weekly open. The move reflects a shift toward tighter policy expectations and weaker risk sentiment.

Some stabilization is now supporting a potential gap-fill attempt.

Key Levels

- **Resistance:** 75.80 - 76.60
- **Support:** 72.60



\$ DXY

DXY EYES 99.50 GAP

The US Dollar Index (DXY) rebounded toward the 99 level as escalating US–Iran tensions and risks in the Strait of Hormuz pushed markets into a risk-off stance. Rising energy prices are reviving inflation fears and lowering expectations for near-term Fed rate cuts, providing a tailwind for the dollar.

From a technical perspective, the 99.50 gap stands out as the key resistance level. Unless this zone is cleared, the recovery may remain limited, though a sustained move above it could shift momentum more decisively in favor of the dollar.

Key Levels

- **Resistance:** 99.50



EURUSD

EURUSD GAPS LOWER TOWARD 1.1665

The EURUSD opened with a downside gap, pulling prices back to 1.1665 as shifting risk sentiment weighed on the pair. Despite a previously strong close, this move reflects a rapid repositioning by investors in response to intensifying geopolitical tensions.

From a technical perspective, the 1.1720 zone now serves as the key resistance level to watch if the gap is filled. On a broader scale, price action remains contained within a 1.1585 to 1.1825 range, which continues to define the wider market structure.

Key Levels

- **Resistance:** 1.1720–1.1725



ENERGY COSTS SURGE AS FOOD STABILIZES

Table A. Percent changes in CPI for All Urban Consumers (CPI-U): U.S. city average

	Seasonally adjusted changes from preceding month							Un-adjusted 12-mos. ended Mar. 2026
	Sep. 2025	Oct. 2025	Nov. 2025	Dec. 2025	Jan. 2026	Feb. 2026	Mar. 2026	
All items	0.3	-	-	0.3	0.2	0.3	0.9	3.3
Food	0.2	-	-	0.7	0.2	0.4	0.0	2.7
Food at home	0.3	-	-	0.6	0.2	0.4	-0.2	1.9
Food away from home ⁽¹⁾	0.1	-	-	0.7	0.1	0.3	0.2	3.8
Energy	1.4	-	-	0.3	-1.5	0.6	10.9	12.5
Energy commodities	3.4	-	-	-0.3	-3.3	1.1	21.3	19.4
Gasoline (all types)	3.6	-1.3	2.7	-0.3	-3.2	0.8	21.2	18.9
Fuel oil	0.7	-	-	-0.8	-5.7	11.1	30.7	44.2
Energy services	-0.4	-	-	1.0	0.2	0.2	0.4	5.0
Electricity	-0.3	-	-	0.2	-0.1	-0.7	0.8	4.6
Utility (piped) gas service	-0.9	-	-	3.7	1.0	3.1	-0.9	6.4
All items less food and energy	0.2	-	-	0.2	0.3	0.2	0.2	2.6
Commodities less food and energy commodities	0.2	-	-	0.0	0.0	0.1	0.1	1.2
New vehicles	0.2	0.0	0.2	0.0	0.1	0.0	0.1	0.5
Used cars and trucks	-0.2	0.7	0.1	-0.9	-1.8	-0.4	-0.4	-3.2
Apparel	0.5	-	-	0.3	0.3	1.3	1.0	3.4
Medical care commodities ⁽¹⁾	-0.1	-	-	0.3	-0.1	0.0	-1.0	0.3
Services less energy services	0.2	-	-	0.3	0.4	0.3	0.2	3.0
Shelter	0.2	-	-	0.4	0.2	0.2	0.3	3.0
Transportation services	0.3	-	-	0.4	1.4	0.2	0.6	4.1
Medical care services	0.2	-	-	0.4	0.3	0.6	0.0	3.7

Footnotes

(1) Not seasonally adjusted.

NOTE: The Oct and Nov 2025 data values are not available due to the 2025 lapse in appropriations.

The latest Consumer Price Index (CPI) report reveals a strong divergence in U.S. price trends. While headline inflation has accelerated, the underlying data points to a "two-speed" environment where volatile energy costs are masking more stable conditions in other sectors.

ENERGY COSTS FUEL HEADLINE SURGE

Energy has emerged as the primary catalyst for rising price levels. Headline CPI climbed 0.9% in March, pushing the annual inflation rate to 3.3%. This jump was fueled almost entirely by an aggressive move in the energy index, which recorded its sharpest monthly increase since 2005.

Key developments in energy include:

- **Gasoline:** Prices surged more than 21%, accounting for the bulk of the monthly headline increase.
- **Fuel Oil:** Costs skyrocketed by 30.7%, the most dramatic rise within the sector.
- **Electricity:** Posted a modest gain, while natural gas provided a slight downward offset.

On a yearly basis, energy prices are up 12.5%, confirming that fuel and power remain the dominant sources of inflationary pressure.

CALM IN THE FOOD AISLES

In contrast to the volatility in energy, food prices remained exceptionally calm. The overall food index was unchanged for the month, as a slight dip in grocery costs

- **At-Home Costs:** Prices for dairy, meats, and cereals saw modest declines, though fruits and vegetables moved higher.
- **Away-from-Home Costs:** The trend of more expensive restaurant meals continued, rising steadily throughout the month.

CORE INFLATION AND FED IMPLICATIONS

Core inflation, which strips out the volatile food and energy sectors, remained steady at 0.2% monthly and 2.6% annually. While shelter, apparel, and airline fares moved higher, these gains were largely neutralized by falling prices for used cars, medical care, and personal care items.

For the Federal Reserve, this data presents a complex puzzle. While underlying demand-driven inflation is not accelerating, the massive energy shock keeps headline figures high. This persistent volatility could keep inflation expectations elevated, complicating any near-term plans to ease policy despite the relative containment of core components.



INFLATION FIRMS AS GROWTH BEGINS TO TIRE



New U.S. data indicate that price pressures are proving more persistent than initially expected. Core PCE, the Federal Reserve's preferred inflation gauge, rose by roughly 0.4% monthly for a third consecutive month, a pace that keeps inflation uncomfortably warm. The message is clear: progress is happening, but not fast enough to give policymakers confidence that the battle is nearly won.

SERVICES KEEP THE PRESSURE ALIVE

On an annual basis, core inflation remains close to 3%, still noticeably above the Fed's 2% target. Headline PCE followed a similar monthly path, yet the real concern sits within the details. Services inflation excluding housing continues to hold firm, suggesting that price increases are settling into the system rather than fading away. This persistence makes the final stretch toward stable inflation more demanding than earlier phases of the cycle.

CONSUMERS SHOW EARLY SIGNS OF FATIGUE

Demand, once the engine of resilience, is beginning to lose some speed. Personal spending, adjusted for inflation, came in softer than expected, hinting that households are becoming more selective with their purchases. Income data also disappointed, reinforcing the sense of a more cautious consumer backdrop. Spending has not collapsed, but the steady momentum that defined the past year is clearly slowing.

GROWTH SHIFTS INTO A LOWER GEAR

Revisions to economic output reinforce that shift. The final reading for fourth-quarter GDP was adjusted lower, signaling that underlying momentum was weaker than initially thought. Gross Domestic Income (GDI) provided some counterbalance with a stronger figure, yet the broader signal points to an economy moving forward at a steadier, more measured pace rather than charging ahead.

TROUBLE FOR THE FEDERAL RESERVE

Current signals leave policymakers walking a narrow line. Inflation remains firm enough to keep rate cuts on hold, while cooling demand limits the appetite for further tightening. The result is a policy outlook defined by patience and precision. Markets are no longer waiting for a quick pivot; they are adjusting to the reality of a slower, more deliberate path shaped by each new data release.

EARLY APRIL OIL AND COMMODITY OUTLOOK



The energy sector and broader commodity markets are entering a period of high sensitivity, driven by logistics bottlenecks and a fundamental shift in global investor sentiment.

STRAIT OF HORMUZ RISKS

JPMorgan warns that oil prices could return to crisis highs if shipping through the Strait of Hormuz doesn't normalize by July. With Brent and WTI currently trading just under \$100, a disruption-driven spike of \$15–20 would push the market back toward \$120.

The supply chain remains severely constrained despite diplomatic efforts:

- **Stranded Assets:** Roughly 346 energy vessels carrying crude, LNG, and LPG remain stuck in the Persian Gulf.
- **Fragile Ceasefire:** While a temporary US-Iran truce exists, traffic has not fully resumed, keeping the market tight.
- **Diplomatic Pivot:** Upcoming talks in Islamabad are seen as a critical turning point for restoring flow through this vital energy corridor.

THE RISE OF COMMODITIES

Bank of America strategist Michael Hartnett suggests a major macro shift is underway, with commodities increasingly outperforming traditional assets like bonds and equities. This "anything but bonds" trend is fueled by a desire to hedge against geopolitical instability and a weakening dollar.

MARKET PERFORMANCE & DRIVERS

The Bloomberg Commodity Index has climbed over 35% since early 2025, outpacing the S&P 500. This growth is supported by several distinct factors:

- **Geopolitics:** Tension-driven energy prices remain a primary catalyst.
- **Industrial Demand:** Silver and copper are benefiting from the rapid expansion of AI infrastructure.
- **Central Bank Activity:** Strong demand for gold continues to support precious metal valuations.

FUTURE OUTLOOK

The late 2020s may favor international markets and raw materials over US large-cap stocks. In this new era, economic power is expected to be defined by the control of energy and critical minerals.

Market Roundup

HORMUZ REMAINS THE MARKET'S PRESSURE POINT

Global markets continue to take their cues from developments around the Strait of Hormuz, where signals on supply and diplomacy remain mixed. Iraq announced it is ready to resume crude shipments to Asian buyers after securing an exemption that allows tankers to transit the waterway. Reports indicate that a proposal has been presented to both Iran and the United States outlining conditions for reopening the strait if hostilities subside.



DIPLOMACY ADVANCES, MILITARY OPERATIONS CONTINUE

Trump confirmed that discussions with Tehran are ongoing and described recent responses from Iranian officials as meaningful. He noted that the American public has little appetite for extended overseas involvement, yet reiterated interest in maintaining influence over Iranian oil resources. Military operations remain active, underscoring the complexity of the situation, while the rescue of two downed pilots added another layer of urgency to the unfolding developments.



Image Source: Mark Schiefelbein/The Associated Press

ENERGY PRICES REFLECT SUPPLY ANXIETY

Energy markets remain highly reactive to shifts in supply risk. Saudi Arabia raised the official selling price of its flagship crude to a record premium of \$19.5 above the benchmark, signaling growing concern about supply security. Aramco's increased reliance on alternative export routes such as Yanbu illustrates how pricing decisions are directly tied to geopolitical conditions. In a further sign of disruption, liquefied natural gas cargoes from Qatar were unable to leave the Gulf through Hormuz, reinforcing concerns about restricted energy flows.



Market Roundup

INFLATION RISKS MOVE BACK INTO FOCUS

JPMorgan CEO Jamie Dimon warned that the conflict could produce sustained volatility in oil and commodity markets, raising the likelihood of more persistent inflation and firmer interest rate expectations. The warning reflects a broader concern that higher energy costs may spread across sectors, influencing pricing behavior well beyond the energy complex.



Image Source: AP Photo / Rebecca Blackwell / File

CHINA'S BOND MARKET SIGNALS A SHIFT

China's bond market is showing early signs of adjustment. As deflation pressure begins to ease and expectations for policy support diminish, yields are projected to rise, with the 10-year government bond potentially moving above 2%. When combined with rising oil prices, this shift could place additional upward pressure on borrowing costs across emerging markets.



CORPORATE STRAIN EMERGES IN THE EV SECTOR

Tesla reported a 22% reduction in its workforce at the Texas facility, extending a period of adjustment following two consecutive years of declining sales. The company has invested more than \$6.3 billion in the site, yet the latest restructuring highlights ongoing challenges within the electric vehicle sector, where demand growth has slowed, and cost pressures remain visible.



Image Source: Getty Images

The Week Ahead

Ceasefire negotiations in the Middle East will remain a major driver of market direction as energy exports continue to face disruption. In the United States, producer price data will offer early clues on how rising energy costs are affecting producers.

AMERICAS

US-Iran negotiations will stay central next week alongside the start of earnings season, with results due from major firms including Goldman Sachs, JPMorgan Chase, Bank of America, Wells Fargo, Citigroup, Morgan Stanley, BlackRock, Johnson & Johnson, Abbott Laboratories, PepsiCo, Taiwan Semiconductor Manufacturing Company, and Netflix. Key data includes the March PPI, expected to rise 1.2% month-on-month with core at 0.5%, while industrial production is projected to slow to 0.1% and existing home sales to ease to 4.01 million from 4.09 million. Additional releases include the NAHB Housing Market Index, capital flows, and regional surveys such as the NY Empire State and Philadelphia Fed indexes. In the wider region, Canada's housing starts and Brazil's retail sales will also be tracked.

EUROPE

A lighter data calendar will keep attention on developments in Ukraine and tensions across GCC countries, both important energy suppliers for Europe. Final March inflation readings across the Eurozone, major members, the UK, Sweden, and Norway will help gauge the early effect of higher energy prices, while Germany's wholesale price data will offer further insight into pressure from tight LNG supply. The Eurozone and the UK will release February trade balances and industrial production, while the European Central Bank will publish minutes from its latest meeting. Corporate earnings from ASML, LVMH, Hermès, and BMW will also draw focus, and Hungary's parliamentary elections could influence EU policy direction.

ASIA-PACIFIC

China's data will provide key signals on momentum, with Q1 GDP growth expected to rise to 5.0% from 4.5% in Q4 2025, and the trade surplus projected to widen to \$112 billion. Industrial production and retail sales are likely to slow, unemployment is seen edging down to 5.2%, and new yuan loans are forecast at CNY 3.4 trillion. Japan will release machinery orders and final industrial production figures, while India's inflation is expected to be at 3.48% and wholesale prices at 3.0%. Australia's labour market is projected to add about 20,000 jobs, with unemployment steady at 4.3%. Singapore will publish GDP and trade data, South Korea's unemployment and inflation figures will follow from Malaysia, Israel, and Saudi Arabia.





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