THE WEEK AHEAD, 17 APRIL 2026

At last, earnings season is here again

The past few days have once again highlighted how volatile the news flow surrounding the Iran conflict remains. The latest round of negotiations between the US and **Iran** failed to deliver any tangible progress, leaving the key points of contention – Iran's nuclear programme and the Strait of Hormuz – unresolved. Despite this, with the ceasefire formally holding and markets apparently assuming that the US president would seek de-escalation if faced with excessive pressure from allies and market prices, equity markets have remained relatively calm. In fact, the leading US index, the S&P 500, has meanwhile returned to its pre-war level. Oil prices have most recently fallen back from their previous highs.

In Europe, **Hungary's** parliamentary elections brought a sense of political relief: Viktor Orbán's defeat after 16 years in power is widely seen in Brussels as opening the door to more constructive cooperation within the European Union (EU). While this result is unlikely to change everything overnight, it does reduce the risk, from an investor's perspective, of political deadlock – long regarded as a weakness in EU decision-making.

Now, with the **first-quarter earnings season getting under way**, at least some of this political noise may shift into the background. There appears to be a sense of anticipation among investors as attention returns to corporate results. This anticipation has translated into elevated expectations as the season kicks off, even though only a limited number of sectors are expected to deliver any meaningful increase in profits. According to FactSet, earnings growth of around 13% year on year is expected in the US, which would mark a sixth consecutive quarter of double-digit expansion. What is striking is that, unlike in a typical quarterly cycle, earnings estimates have, on balance, been revised upwards since the start of the year. This suggests that confidence among analysts has been persistently high, supported by above-average positive corporate guidance.

Stefan Rondorf
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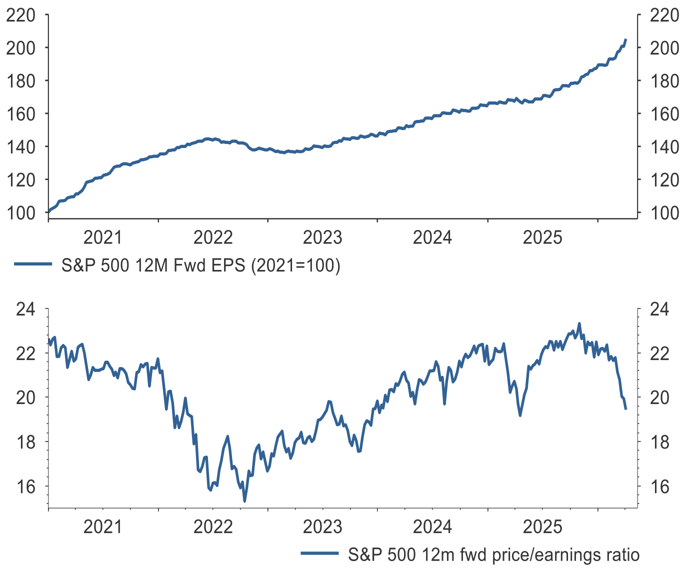
PUBLICATIONS

→ Dividends — your second income
The world is undergoing a profound and unprecedented transformation. While populations in industrialised countries have become wealthier and enjoy longer life expectancies, intelligent algorithms and robotics are increasingly permeating everyday life and the workplace. Against this backdrop, it is prudent to consider developing an additional source of income.

→ The US dollar, oil and gold: changing dynamics?
The Middle East crisis has disrupted the market dynamics of the US dollar, oil and gold, underscoring the need for tactical flexibility and for investors to build resilient portfolios that are not necessarily reliant only on historic correlations.

→ The Investment Multiverse
The world is being transformed at unprecedented speed. While the global economy is being decarbonised in an effort to achieve net zero emissions, trade wars are driving a trend towards deglobalisation and demographic change is leading to a shrinking workforce, the advancing pace of digitalisation is nothing but breathtaking. For investors, this means ensuring that their investments are broadly diversified across a constantly shifting "multiverse" of opportunities.

S&P 500: Combination of accelerating earnings dynamics and stalling index levels means lower valuation



EPS = (Index) earnings per share
Source: LSEG Datastream, AllianzGI Economics & Strategy, data as of 14 Apr 2026

Having said that, the upward momentum remains concentrated in a small number of sectors and industries. Most of the upward revisions are attributable to the **technology sector** and, within it, especially semiconductors and related equipment. Among technology stocks themselves, there is considerable divergence: while semiconductor firms are generating near triple-digit earnings growth, software and IT services are seeing far lower rates – as low as single digits in some cases. At sector level, the picture therefore appears broader than it actually is – and the importance of major suppliers to **artificial intelligence** remains exceptionally high.

Alongside technology, the **energy sector** has also made a meaningful contribution to higher earnings expectations. The obvious driver here is the sharp rise in oil prices over the course of the quarter. So far, however, the market has only partially translated this into higher valuations, suggesting that investors remain sceptical that elevated oil prices will prove sustainable. Outside these two sectors, the picture is uneven: **Financials** are delivering solid and broadly based earnings growth and are among the few sectors seeing positive revisions. In consumer-related sectors, uncertainty is rising; in healthcare, earnings depend very much on the specific segment. In **Europe**, where energy and financial stocks are also the main sectors driving growth, the breadth of the recovery remains limited and overall earnings growth is significantly more subdued.

The week ahead

Alongside corporate results, next week's data calendar will be dominated by **sentiment and inflation indicators**. In the euro area in particular, the preliminary purchasing managers' indices (Thursday), advance consumer confidence figures (Wednesday), and Germany's ZEW survey (Tuesday) and Ifo index (Friday) should offer a clearer picture of how the war in Iran and higher petrol prices have affected business sentiment and consumer confidence. Purchasing managers' indices will also be released on Thursday for Japan, the UK and the US. March inflation data are due from the UK (Wednesday) and Japan (Friday). Depending on developments, particularly in energy prices, these releases could have implications for the respective central banks' monetary policy outlooks. In the US, attention will focus on retail sales on Tuesday and the final University of Michigan consumer sentiment data on Friday.

A combination of earnings optimism and equity markets that have fallen, or at least stopped rising, due to the war points to a gradual normalisation of previously stretched valuation levels (see our chart of the week). In addition, Bank of America's latest fund manager survey suggests that confidence in economic growth and interest rate cuts has evaporated completely. Investor confidence heading into the earnings season rests above all on the technology sector. It is there, more than anywhere else, that the direction capital markets take in the weeks ahead is likely to be determined.

Let us hope that this anticipation proves justified.

Yours,
Stefan Rondorf

UPCOMING POLITICAL EVENTS 2026

27–28 April	BoJ	Central Bank Meeting
28–29 April	FED	Central Bank Meeting
30 April	EZB	Central Bank Meeting
30 April	BoE	Central Bank Meeting

Calendar Week 17

Monday			Consensus	Previous
CN	Loan Prime Rate 1Y	Apr	--	3.00%
CN	Loan Prime Rate 5Y	Apr	--	3.50%
JN	Tertiary Ind Act NSA	Feb	--	-9.2%
GE	Producer Prices YY	Mar	--	-3.3%
Tuesday				
UK	ILO Unemployment Rate	Feb	--	5.2%
UK	Employment Change	Feb	--	84k
UK	Avg Wk Earnings 3M YY	Feb	--	3.9%
UK	Avg Earnings (Ex-Bonus)	Feb	--	3.8%
UK	HMRC Payrolls Change	Mar	--	20k
GE	ZEW Economic Sentiment	Apr	--	-0.5
GE	ZEW Current Conditions	Apr	--	-62.9
US	Retail Control	Mar	--	0.5%
Wednesday				
JN	Exports YY	Mar	--	4.0%
JN	Imports YY	Mar	--	10.3%
JN	Trade Balance Total Yen	Mar	--	44.3B
UK	Core CPI YY	Mar	--	3.2%
UK	CPI YY	Mar	--	3.0%
UK	RPI YY	Mar	--	3.6%
UK	RPIX YY	Mar	--	3.5%
UK	PPI Input Prices YY NSA	Mar	--	0.5%
UK	PPI Output Prices YY NSA	Mar	--	1.7%
UK	PPI Core Output YY NSA	Mar	--	1.9%
EC	Consumer Confid. Flash	Apr	--	-16.3
Thursday				
GE	HCOB Mfg Flash PMI	Apr	--	52.2
GE	HCOB Services Flash PMI	Apr	--	50.9
GE	HCOB Composite Flash PMI	Apr	--	51.9
EC	HCOB Mfg Flash PMI	Apr	--	51.6
EC	HCOB Services Flash PMI	Apr	--	50.2
EC	HCOB Composite Flash PMI	Apr	--	50.7
UK	Flash Composite PMI	Apr	--	50.3
UK	Flash Manufacturing PMI	Apr	--	51.0
UK	Flash Services PMI	Apr	--	50.5
UK	CBI Business Optimism	Q2	--	-19
US	Initial Jobless Clm	13 Apr, w/e	--	--
US	Cont Jobless Clm	6 Apr, w/e	--	--
US	S&P Global Mfg PMI Flash	Apr	--	52.3
US	S&P Global Svcs PMI Flash	Apr	--	49.8
UK	Nationwide house price yy	Apr	--	2.2%

US	Durable Goods	Mar	--	-1.3%
US	Durables Ex-Transport	Mar	--	0.9%
Friday				
JN	CPI, Core Nationwide YY	Mar		1.6%
JN	CPI, Overall Nationwide	Mar		1.3%
JN	Service PPI	Mar		2.7%
UK	Retail Sales YY	Mar		2.5%
UK	Retail Sales Ex-Fuel YY	Mar		3.4%
GE	Ifo Business Climate New	Apr		86.4
GE	Ifo Curr Conditions New	Apr		86.7
GE	Ifo Expectations New	Apr		86
US	U Mich Sentiment Final	Apr		47.6

The calendar data for the current week comes directly from LSEG Datastream. They are published in the week in which "The Week Ahead" appears. These are economic data that come from official sources. Where available, the previous figure is collected together with the consensus estimate. The consensus estimate is collected by LSEG Datastream through a survey of analysts and economists. It is the average of all estimates submitted.

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