

News Recap

Elevated Energy Prices Persist as United States Extends Russian Oil Sanctions Relief Amid Iran Conflict

Global energy markets remain under pressure as geopolitical tensions in the Middle East coincide with shifting sanctions policy from the United States. In an effort to stabilize global supply, Washington has extended limited sanctions relief on Russian oil, even as risks tied to the conflict involving Iran continue to intensify. The decision reflects concerns that stricter enforcement could further tighten an already fragile market environment.

Since the Russia-Ukraine War, Western sanctions have significantly altered global oil flows. Nevertheless, Russian crude continues to reach international markets through alternative trade routes, often at discounted prices. By allowing these flows to persist to a limited extent, policymakers aim to avoid sudden supply shortages that could drive prices even higher, particularly as oil markets remain supported by a strong geopolitical risk premium. At the same time, rising tensions with Iran have increased concerns over potential disruptions in critical transit routes such as the Strait of Hormuz, a key artery for global energy shipments. Even without direct supply interruptions, uncertainty alone has been sufficient to trigger market volatility, with prices reacting quickly to new geopolitical signals and developments.

The economic effects are already becoming visible, particularly in the European Union. Higher energy costs are feeding into inflation, complicating the policy outlook for the European Central Bank. At the same time, rising fuel prices are increasing costs for transport, industry, and agriculture, putting pressure on corporate margins and consumer spending, and raising concerns about a potential slowdown in economic activity.

Overall, the U.S. approach highlights a more pragmatic balance between geopolitical objectives and market stability. Looking ahead, energy prices are likely to remain elevated and volatile, with further movements largely dependent on how tensions involving Iran evolve.

(Sources: Bloomberg, Financial Times, International Energy Agency, Reuters)

Hormuz Strait Remains Closed as Iran-U.S. Standoff Continues

The Strait of Hormuz remains closed to commercial shipping after Iran withdrew its earlier signal to reopen the key maritime route. The decision comes amid ongoing tensions with the United States and was confirmed this week following the stoppage of several oil tankers in the region. The waterway, located between Iran and Oman, is one of the most important transit routes for global energy supplies.

According to reports, Iranian authorities halted tanker traffic despite prior indications that passage might resume. Around 20% of globally traded crude oil passes through the strait, amounting to roughly 21 million barrels per day. The renewed closure has forced shipping companies to delay deliveries or consider alternative routes, which are significantly longer and more expensive. Market observers highlight that even short-term disruptions in the Strait of Hormuz can lead to noticeable price movements in oil markets, reflecting the route's central role in global supply chains.

The latest developments underline the geopolitical sensitivity of the Persian Gulf and its impact on international trade. Although no direct military confrontation has been reported, the continued blockage of the strait emphasizes its strategic importance for both regional stability and global energy security.

(Sources: Tagesschau, Handelsblatt)

ECB keeps markets guessing on rates as energy volatility clouds the outlook

As of 20 April 2026, the European Central Bank is just 10 days away from its 30 April policy meeting, and policymakers are going out of their way to avoid giving markets a clean signal on what comes next. The common thread in recent remarks is not a shift in the ECB's inflation goal, but a shift in confidence about the path: energy prices are volatile, the macro outlook is "foggy," and the Governing Council wants to keep every option open.

That caution is rooted in the ECB's own March assessment. At its 19 March meeting, the ECB kept rates unchanged and warned that the war in the Middle East had "significantly" increased uncertainty, creating upside risks to inflation and downside risks to growth, with higher energy prices expected to push up near-term inflation. The ECB also reiterated that decisions would be data-dependent and taken meeting by meeting, explicitly not pre-committing to a particular rate path.

Since then, investor speculation has swung toward whether the ECB might have to raise rates to prevent an energy shock from seeping into wages and broader pricing. ECB President Christine Lagarde has pushed back on "calendar-based" certainty,

saying the ECB has not made up its mind and stressing that the situation does not determine a rate path she can confirm. She also pointed to the ECB's own scenario work, where an adverse case assumed a sharper energy-price shock and materially higher inflation than in the baseline.

Behind the scenes, the debate is increasingly framed around second-round effects. Latvian central bank chief Martins Kazaks told Reuters that "every meeting is a live meeting," underlining that "quite a lot can happen" before April 30 - and that it's not appropriate to provide forward guidance based on the calendar. He said the ECB has not yet seen large second-round impacts from the energy surge, but warned that doesn't mean they won't emerge, especially if firms and unions react faster than in the past, accelerating wage and price dynamics.

Other policymakers have echoed that stance. Estonian rate-setter Madis Müller argued that the April meeting may be too soon to have hard evidence on second-round effects, with June likely to offer a fuller data set including additional inflation prints and new projections - while still refusing to rule out action in April if the war's trajectory changes. Finland's Olli Rehn similarly said what matters most is not the immediate price jump, but whether it becomes persistent, adding that decisive action could be needed if inflation expectations or wage dynamics start to move.

For markets, the practical implication is a central bank that is trying to stay nimble in a "shock-prone" environment. Recent reporting suggests investors have been guided away from treating April as a foregone conclusion, even as they continue to price tightening later in the year. In the near term, that keeps euro rates and FX highly sensitive to energy moves, inflation surprises, and any sign that the shock is migrating from headline into underlying inflation and wages.

(Source: MSN)

Eurozone Inflation Surges: Energy Shock Reignites Monetary Policy Risks

Eurozone inflation has reaccelerated sharply, complicating the European Central Bank's (ECB) disinflation strategy and reviving concerns over stagflation risks across the currency bloc. According to Eurostat, annual euro area inflation rose to 2.6% in March 2026, up from 1.9% in February, moving decisively above the ECB's 2% medium-term target. The primary driver was a reversal in energy prices, with energy inflation surging 5.1% year-on-year after having been negative the previous month. Services inflation, while easing slightly to 3.2%, remains elevated, while food inflation persisted at 2.4%.

The immediate catalyst is an externally driven supply shock tied to geopolitical disruption in the Middle East, which has tightened oil and gas markets and raised import costs across the euro area. This matters disproportionately for Europe given its structural dependence on imported energy. The inflation shock therefore reflects cost-push rather than demand-pull dynamics, a distinction critical for monetary policy. Core inflation, excluding volatile energy and food components, edged lower to approximately 2.3%, suggesting underlying domestic price pressures have not accelerated in parallel with headline inflation.

This divergence between headline and core inflation lies at the center of the ECB's policy dilemma. Conventional monetary tightening is poorly suited to neutralizing supply-driven inflation when higher prices originate from commodity shocks rather than excess domestic demand. Raising rates too aggressively risks suppressing already fragile growth while doing little to reduce imported energy costs. Yet failing to respond carries risks of second-round effects, particularly if firms pass higher input costs into broader prices or wage negotiations begin embedding higher inflation expectations. ECB officials have so far favored caution. Policymakers have signaled limited evidence that the recent inflation spike has become entrenched, and markets have shifted expectations toward a possible rate increase later in 2026 rather than an immediate response. Meanwhile, the ECB's March 2026 projections foresee headline inflation averaging 2.6% this year, before returning closer to target over the medium term.

For investors, the implications are significant. First, bond markets face renewed volatility as inflation uncertainty increases the risk premium embedded in sovereign yields, particularly in rate-sensitive markets such as German Bunds and peripheral eurozone debt. Second, equity sector dispersion is likely to intensify. Energy producers and commodity-linked sectors may benefit from pricing power, while consumer discretionary, transport, and rate-sensitive growth sectors face margin compression from rising costs and tighter financial conditions. Third, persistent inflation uncertainty may support a stronger euro if markets price in further ECB tightening, though growth deterioration could offset this effect.

More structurally, the inflation resurgence reinforces a broader investment theme: the return of macro volatility as a defining feature of European markets. Investors who assumed a linear path back to low inflation and lower rates may need to reassess duration exposure, sector allocations, and inflation hedging strategies. Inflation-linked bonds, selective real assets, and companies with demonstrable pricing power may warrant renewed attention.

A further risk lies in the interaction between inflation and growth. The IMF recently downgraded eurozone growth expectations while projecting potential ECB tightening



later this year, underscoring the possibility of a policy environment where inflation remains above target even as economic momentum weakens. This is the classic stagflationary risk scenario investors had largely discounted.

Ultimately, whether the current inflation surge proves transitory or persistent depends on whether energy shocks spill over into wages, services, and inflation expectations. For now, the ECB remains data-dependent rather than reactionary. But the resurgence in price pressures has made clear that the eurozone's disinflation process is neither complete nor linear. For investors, that means monetary policy risk has returned as a central driver of European asset pricing.

(Sources: ECB, Eurostat, Reuters)

Iran War Threatens Housing Transition

The renewed Iran conflict is increasingly becoming a housing story, not just an energy story. On April 20, 2026, oil and gas prices moved higher again as fears over disruptions in and around the Strait of Hormuz resurfaced, weighing on European markets and reviving inflation concerns. The IMF's April 2026 outlook warns that even under a relatively short-lived conflict scenario, global growth would slow to 3.1% in 2026, while a more severe scenario with oil around \$110 per barrel would push growth down to 2.6% and lift global inflation to 5.4%.

For the housing sector, this means that higher energy prices raise production costs for cement, bricks, concrete, glass, and steel, all of which are highly energy-intensive. ING notes that in March, a net 18% of EU building material producers expected to raise sales prices over the next three months, the highest reading in three years. That raises the risk of more expensive new-builds, delayed renovations, and tighter project economics across Europe.

This is especially critical because buildings are central to Europe's decarbonization pathway, accounting for around 40% of EU energy use and roughly half of gas consumption, while technologies such as heat pumps can sharply reduce demand. The Iran-driven energy shock therefore creates a double effect: it strengthens the strategic need for better insulated homes and electrified heating, but makes the transition harder to finance in the short-term through higher costs and weaker affordability. Governments are responding with support measures, yet broad subsidies risk undermining long-term incentives and straining public budgets. Overall, the conflict may slow Europe's housing transition in the near term, even as it reinforces its long-term importance.

(Sources: European Commission, IMF, ING Bank, Reuters)

M&A/VC News

Thoma Bravo's \$1.5 Billion Acquisition of Everbridge

Private equity firm Thoma Bravo agreed to acquire Everbridge for approximately \$1.5bn, reflecting continued sponsor appetite for software assets with mission-critical applications. Strategically, the deal allows Thoma Bravo to leverage its operational playbook to improve margins and accelerate product development in a niche but resilient segment of critical event management software. The transaction also highlights the ongoing trend of public-to-private deals in the technology sector, driven by valuation dislocations and the ability of financial sponsors to unlock value outside public markets.

(Source: Reuters)

Synopsys' \$35 Billion Acquisition of Ansys Under Regulatory Review

Synopsys' planned \$35bn acquisition of Ansys continues to progress through regulatory scrutiny, representing one of the largest strategic software deals in the engineering simulation space. The transaction aims to create an integrated design and simulation platform, enhancing cross-selling opportunities and strengthening customer lock-in. Strategically, the deal reflects consolidation in high-value engineering software markets, where scale and ecosystem integration are key competitive advantages.

(Source: Reuters)

Apollo's \$5.2 Billion Acquisition of Arconic Nears Closing

Apollo Global Management's acquisition of Arconic continues to move through final stages, underscoring sustained private equity interest in industrial and aerospace supply chain assets. The deal provides Apollo with exposure to long-term aerospace demand recovery while offering operational improvement potential. Strategically, the transaction reflects a broader trend of financial sponsors targeting cyclical industrial assets with turnaround upside.

(Source: Reuters)

AI startup funding momentum led by large-scale rounds

Recent Reuters coverage highlights continued strong venture funding into AI companies, with large-scale rounds dominating capital allocation. Investors are increasingly concentrating capital in fewer, later-stage companies with proven scalability and access to compute infrastructure. Strategically, this reflects a shift from broad early-stage diversification toward high-conviction bets on platform leaders, reinforcing market consolidation dynamics in the AI sector.

(Source: Reuters)

European climate tech funding resilience

European climate tech startups continue to attract venture funding despite broader VC slowdown, driven by regulatory support and long-term decarbonization demand. Investors are prioritizing technologies with clear commercialization pathways, particularly in energy and industrial decarbonization. Strategically, this indicates that thematic investing remains strong where policy tailwinds and structural demand align.

(Source: Reuters)

Fintech funding stabilization in mature markets

Reuters reports stabilization in fintech venture funding, with capital flowing toward established players rather than early-stage disruptors. Investors are focusing on profitability and unit economics following a period of aggressive growth funding. Strategically, this reflects a normalization of venture markets, where discipline and sustainable business models regain importance.

(Source: Reuters)

Outlook

Earnings and key events

- 22.04.: AT&T, Boeing, IBM, ServiceNow, Tesla
- 23.04.: Intel, SAP
- 28.04.: Airbus, Coca-Cola, Novartis, VISA
- 29.04.: Alphabet, Amazon, Microsoft, Meta Platforms, Qualcomm
- 30.04.: Apple, Caterpillar, Euro Area HICP Flash, Mastercard, Samsung Electronics
- 01.05.: Chevron, ExxonMobil, US NFP

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