Caleb & Brown

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Cryptocurrency Brokerage

Inside the Markets

April 2026

Iran war, oil prices and inflation fears continue driving uncertainty

March saw further risk-off sentiment across crypto and TradFi assets as the Iran war continued, oil prices fluctuated, and inflation fears demanded caution. As a result, the ongoing uncertainty around global interest rates amid instability in the Middle East saw risk assets sell-off, though a small relief rally throughout the end of March came as a result of hopes of a resolution in the conflict and stronger than expected U.S. jobs data. March's market movements, like recent months, indicate that global macro is still in control of sentiment.

BTC Snapshot

12-month high	$126,080
12-month low	$60,001
Price (9 Apr 2026)	$77,450

Key Market Metrics

BTC Dominance	61.20%
ETH Price	$2,103
Total Crypto Mkt Cap	$2.58T
Alt-Coin Market Cap	$1.1T

Keep reading for the key catalysts shaping crypto in April.

S&P 500 and Dow have their worst quarters since 2022 before huge rebound

Geopolitical tensions, rising oil prices, subsequent inflation fears and volatility around artificial intelligence (AI) caused a sell-off across the major indexes in March, adding to a weak first quarter in risk assets following the January highs. The S&P 500 and the Dow Jones saw their worst quarter since 2022, with the indexes declining by 4.6% and 3.6%, respectively. Further, the Nasdaq declined over 10% from its late-January peak into early April, signalling the tech-heavy index was in correction territory. The major indexes have since regained momentum, breaking their January all-time highs as markets anticipate a longer-term solution to the Iran war and broader uncertainty in the Middle East.

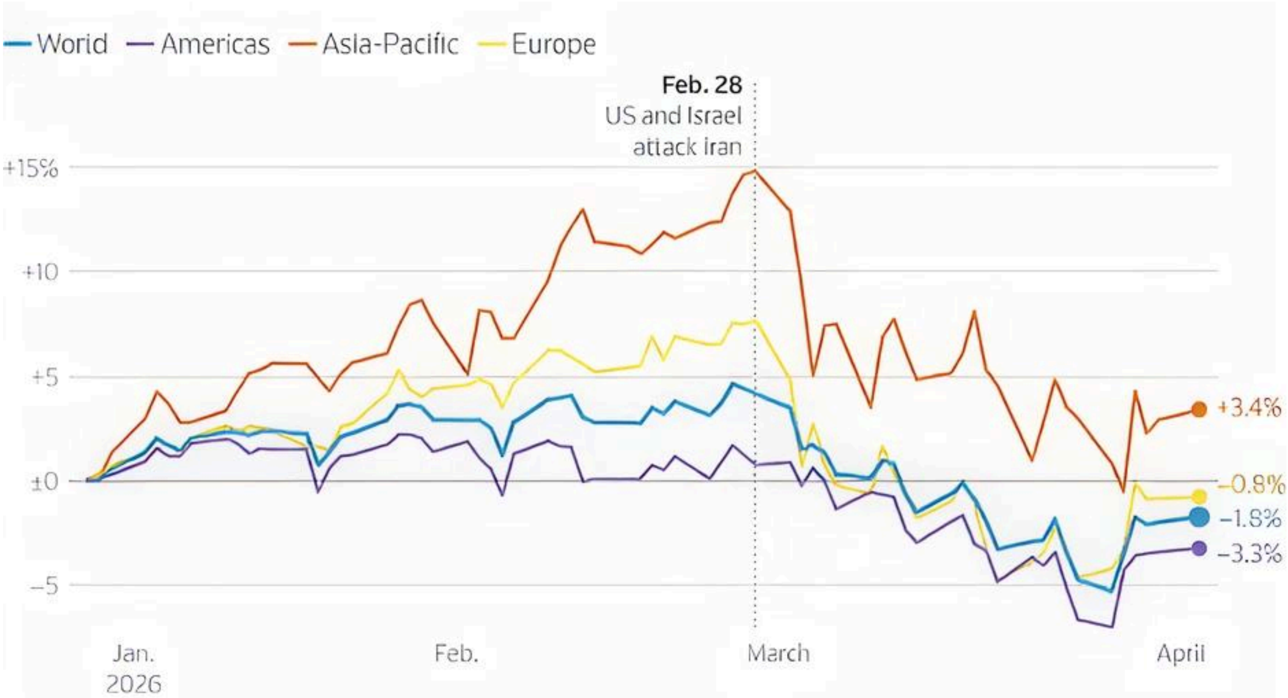
"Stocks have been following the lead of oil prices at an unprecedented rate over the last several weeks, and if the U.S. just walked away from the Middle East with the Strait still blockaded, energy markets would likely remain incredibly supply-constrained, keeping prices high."

– Analysts – Bespoke Investment Group

The chart below details global stock performance from January to early April, demonstrating the global impact of the Strait of Hormuz remaining closed, constrained oil supplies and subsequent inflationary fears, though these issues appear to be potentially moving toward a conclusion that may continue to boost risk assets.

Global stock performance 2026 to date

Percent change of the MSCI stock indexes



Global stock performance 2026 to date. Source: LSEG

The same catalysts are likely to continue influencing sentiment and move markets throughout April: developments in the Middle East, oil prices, and the subsequent impacts on the economy, monetary policy and global liquidity. To end March, the S&P 500 declined by 5.1%, the Nasdaq sold off 3.6%, and the Dow Jones declined by 5.4%. On Tuesday, April 7, a two-week ceasefire in the Iran war was agreed. Following protracted negotiations, President Trump has since announced an extension to the ceasefire, though a deadline has not yet been identified.

Fed expected to keep rates steady in April

While the above-forecast March non-farm payroll report, which saw 178,000 jobs added compared to a forecast 60,000 jobs and unemployment coming in slightly below forecast at 4.3%, indicated some economic strength, the potential for further inflationary impacts caused by oil prices is presumably prompting the U.S. Federal Reserve to keep rates on hold. It's a change in narrative, compared to earlier in March (before the strong jobs data was released), when markets were concerned that rate hikes would be required to quell rising inflation. Currently, it appears the Fed will keep rates on hold at its April 29 meeting. CME's Fed Watch tool puts the likelihood of rates remaining at 3.5% to 3.75% at 98.5%.

> "Against the backdrop of a noticeable but likely transient inflation bump and elevated uncertainty, we believe that the balance of risks has shifted to incentivise patience from the Fed."
>
> – Wells Fargo strategists

U.S. Treasury yields continued rising throughout March as markets priced in the potential for fewer (or no) rate cuts throughout the remainder of 2026. The U.S. two-year yield closed the month at 3.8%, while the ten-year yield was at 4.3%. Yields have continued to rise into early April as oil prices rise. At the time of writing, oil is around US$89 per barrel. Prices presumably won't stabilise until a long-term resolution over re-opening the Strait of Hormuz is reached.

In contrast, gold and silver sold off throughout the month, declining by 11.4% and almost 21%, respectively. These instances, where risk assets and safe-haven assets, such as precious metals, decline are a good indicator of the level of uncertainty throughout global markets. With no clear resolution on the conflict in the Middle East and the possibility that further rate cuts may be delayed or not come at all in 2026 indicate how markets are capitulating on the uncertainty. While it causes risk-off sentiment and prompts caution, it can also present value buying opportunities as assets decline from their recent highs.

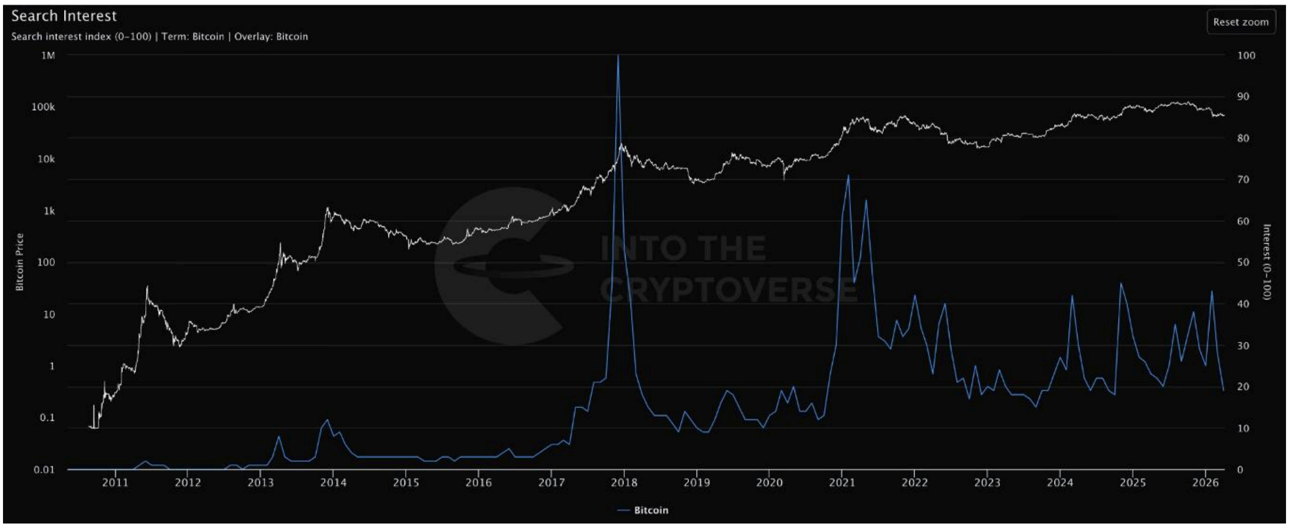
Bitcoin swings on global-macro developments in March

Bitcoin opened March at US$66,961. Throughout the first half of the month, bitcoin rallied to a high of US$76,022 on March 17 on market participants expecting resolution to the conflict in the Middle East. The liquidation of short-bitcoin positions around US$73,450 also presumably buoyed prices before a sell off occurred into the remainder of the month.

Risk asset performance in recent months is typical of a late-stage business cycle environment, where liquidity is tight and financial conditions are fragile. As bitcoin's dominance rises, it means that capital is leaving altcoins and moving back to the safest crypto asset. This is detailed in the chart below, which shows bitcoin dominance rising steadily from 2023 to today, as market participants liquidate capital that was allocated to altcoins.

Bitcoin dominance 2014 to 2026. Source: [Benjamin Cowen]

Notably, the [steady rise of bitcoin dominance] in recent years shows how speculative retail capital that may have moved markets in previous cycles is not committing to the market in the same size. The introduction of crypto exchange-traded funds and governments around the world proposing legislation to establish strategic bitcoin and crypto reserves demonstrates that crypto is becoming a longstanding part of financial markets, though it's still finding structure, following several years of retail-dominant movement. Currently, search interest in bitcoin is also relatively low around 20, as outlined in the chart below.



Bitcoin search interest. Source: [Benjamin Cowen]

These periods can be solid accumulation zones before speculative retail capital hits the markets and monetary policy loosens again. Given the several factors that indicate risk is beginning to cascade through markets (more on that below) have occurred while employment, particularly in the U.S., remains unscathed at this point, it indicates a late-stage business cycle environment, where research, evaluating your positions and being proactively positioned for when expansion begins again is key.

"Since the start of the war, the best-performing asset class has been energy stocks. However, the second best performing asset was Ethereum, followed by Bitcoin. Both assets not only gained value in absolute terms but also managed to outperform equity markets."

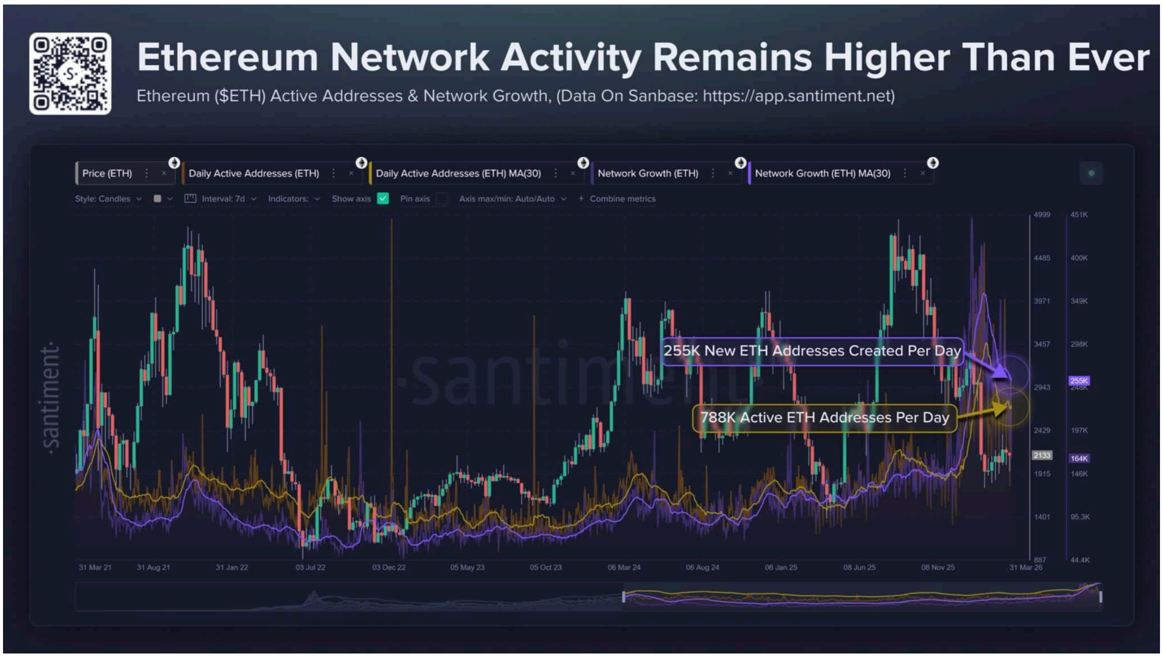
– Tom Lee, Founder and Chief Strategist – Fundstrat Global Advisors

Bitcoin closed March at US$68,221 (+1.8%). Heading into April, further uncertainty is expected, though hopes of a de-escalation in the Middle East has seen bitcoin rise to seven-month highs in mid-April to around US$77,450. While it

Ethereum gains on validator demand in March

Ethereum opened the month at US$1,964, rallied to a monthly high of US$2,386 on Monday, 16 March, and later sold off as risk-off sentiment prevails. While price has been going through sell offs or trading sideways, on-chain metrics emphasise the long-term strength of the network. Active addresses and smart contracts hit record highs in March, and over 255,000 new Ethereum addresses are being created each day.

Ethereum network activity



Ethereum network activity. Source: Santiment

These metrics, combined with a long validator entry queue reaching 3.4 million ETH, demonstrate the network's strong fundamentals despite weak price action and fear across the crypto market. Institutional buying still remains strong, with firms like BitMine now owning around 4% of Ethereum's supply.

"Productivity comes from the ability to earn more of the asset by utilising it in some sort of beneficial action for another participant or the ecosystem at large. You could think of dollars being productive when they're put into a certificate of deposit and allowing the bank to go and use it."

Matthew Sheffield, Chief Investment Officer – Sharplink

Ethereum closed March at US$2,103 (+7%) and is now trading around US$2,230. With price ranging between US$1,790 and US$2,210 since early February, it's clear there could be a floor and supply is being absorbed when ETH is sold, though there hasn't been a strong enough catalyst or trading volume at this point to sustain a breakout back above US$2,350. Market participants would be wise to use this time for research and proactively identifying their accumulation criteria before market sentiment meaningfully improves.

Risk takes time to work through markets

In previous outlooks, we have noted research that highlights the economy and financial markets are in a late-stage business cycle environment, where liquidity is tight, risk assets are declining, and other external forces are driving persistent risk-off sentiment.

There are typically five stages to risk cascading through markets:

- Speculative retail participation declines.
- The highest risk assets, such as altcoins, weaken.
- TradFi risk assets decline.
- Financial conditions tighten further (e.g., dollar strength, rising energy prices).
- The labour market declines and unemployment rises.

Based on what's emerged in crypto and TradFi markets since bitcoin's recent all-time high in October 2025, the major U.S. indexes declining from their early-2026 highs and precious metals making strong gains throughout 2025, the cycle appears to be in stages 3 to 4. Crypto and TradFi risk assets are experiencing volatility, the U.S. Dollar Index has seen recent strength (though it dropped following the announcement of the Iran ceasefire on April 7), and rising oil prices are causing inflationary fears. Importantly, it's too soon to understand whether these conditions are passing or a longer term issue.

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Patience is key as geopolitical uncertainties and tight liquidity persist. Using this time of lower volume across crypto and declines in TradFi risk assets to research, assess your positioning, and identify opportunities to proactively capitalise on as conditions improve is both prudent and can help market participants be positioned with smart money before further big moves occur.

If you have questions about your portfolio as you navigate the weeks ahead, speak to your Caleb & Brown broker.

April key dates and crypto catalysts

The Iran war, U.S. Federal Reserve's rate trajectory, U.S. trade policy and global liquidity are expected to influence sentiment in the weeks ahead.

April 29	May 21
U.S. FOMC meeting	U.S. FOMC April meeting minutes

U.S. trade policy

What's at stake? President Trump's universal tariffs were announced following the Supreme Court's ruling, though developments in this area have slowed since the Iran War started.

What to consider? Expect volatility in risk assets around trade announcements. Engage with your broker to understand how tariff changes may affect your positions.

U.S. Federal Reserve rate decision (April 29)

What's at stake? The next FOMC meeting is on April 29. The meeting minutes from the FOMC's March meeting were released on April 8.

What to consider? The U.S. Fed's rate trajectory will affect market sentiment. Discuss potential outcomes with your broker.

Crypto policy and legislation

What's at stake? The Senate's crypto market structure bill, the Digital Asset Market Clarity Act of 2025, stalled since late-January when crypto industry stakeholders withdrew support due to debate around stablecoin yields. The U.S. Senate Banking Committee will complete a markup vote on the bill in the second half of April. Polymarket currently puts the odds of the Act becoming law in 2026 at 69%.

The Securities Clarity Act was reintroduced to the House and referred to the House Committee on Financial Services on March 26. It remains before the Committee at the time of writing.

Senator Lummis introduced the Lummis Crypto Tax Bill and the 21st Century Mortgage Act in 2025. Both bills remain before the Senate.

State-based crypto legislation remains before Congress in several U.S. states.

What to consider? If you're assessing your exposure to stablecoin-related or U.S.-based crypto projects, now may be a good time to reach out to your broker to revisit your strategy.

Need help navigating the markets? Speak with your Caleb & Brown broker to align your portfolio with evolving macro and crypto developments.

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