Market Update - April 2026

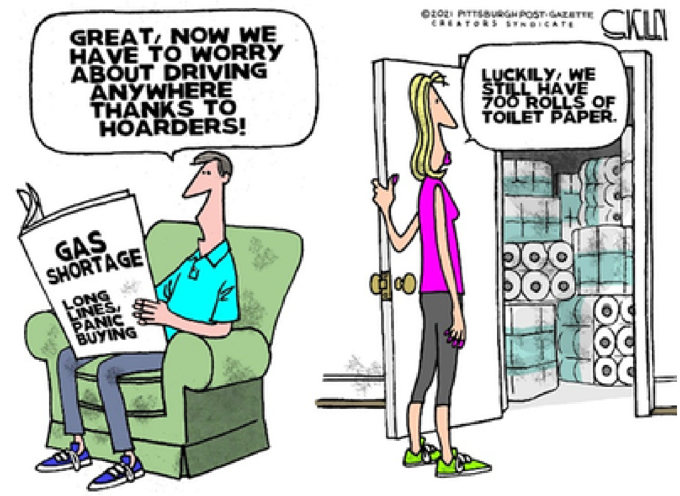
Behaviour shapes outcomes as much as markets do

Tim Fairbrother
Financial Adviser

Fuel prices have everyone's attention at the moment

Markets remind us how short our memories can be. When oil prices briefly dropped to –$37 USD in April 2020, there was no expectation that this was a permanent shift or that low fuel prices were here to stay.

Periods of market volatility are uncomfortable and that discomfort is what influences behaviour. When prices fall from previously higher levels, it is normal to feel uneasy and to want to do something that restores a sense of control. Behavioural science shows that humans are not naturally wired to be long-term investors. We tend to feel the discomfort of losses more strongly than gains, seek safety when uncertainty rises, and feel compelled to act during periods of market stress. Selling during periods of market decline often means locking in losses and missing future recoveries, which reduces long-term return potential.



These same behavioural patterns are not limited to financial markets. They show up throughout the wider economy as well. A common example is how people respond to dramatic price changes. There is often a rush to act before an increase, which triggers a fear of scarcity.

That behaviour can actually create the very shortages people are trying to avoid, reinforcing the fear of missing out and amplifying the response eg petrol hoarding. As more people observe and copy what others are doing, the behaviour spreads. While this kind of herding can feel rational in the moment, it is often irrational when viewed over the longer term.

Market declines are not unusual

"I've found that when the market's going down and you buy funds wisely, at some point in the future you will be happy. You won't get there by reading 'Now is the time to buy'."
Peter Lynch - Renowned long-term investor and fund manager.

Markets fall, and they do so regularly. Since 1928, so over 98 years, the US S&P 500 has;

- Experienced over 56 declines of 10% or more.
- Of those corrections, about 22 have turned into bear markets, defined today as declines of 20% or more.
- That means a full bear market shows up roughly once every 5 years.

Investing successfully requires being prepared, both financially and emotionally, for markets to fall, and recognising that those who are able to act rationally during these periods tend to benefit most over time.

Brett Tulloch
Portfolio Manager

The behaviour behind successful investing

At RIVAL Wealth, our focus is on helping clients build, manage and protect long term wealth through disciplined portfolio management
While market headlines tend to focus on short-term events and daily price movements, history shows that investor behaviour has a far greater influence on long-term outcomes than news cycles or timing decisions.

For actively managed portfolios, price declines often allow us to:

- Rebalance portfolios
- Add to quality assets at lower prices
- Improve long-term expected returns

This approach requires confidence in the investment strategy and patience through periods of market noise, both of which sit at the core of how we manage portfolios.

Row Smith
Financial Adviser

Investing isn’t that different to shopping

Most of us already understand value instinctively in our everyday lives. When there’s a product you really want, such as a new phone, a pair of shoes, or a household item, you don’t typically rush out and buy it at the highest price available. Instead, many of us:

- Keep a watchlist
- Monitor the price over time
- Feel pleased when it goes on sale
- Often act quickly when it does

Importantly, when the price falls, we don’t assume the product is suddenly ‘bad’. In fact, the lower price often reinforces its value. Investing works in much the same way.

When we believe in the long-term value of a company or a fund, based on fundamentals, diversification and portfolio role, falling prices are not automatically a negative. In many cases, they provide opportunities.

Global outlook right now

In the short term, the conflict with Iran is likely to create an inflation shock, and it’s important to understand that this isn’t simply the extra expense you notice at the petrol pump. The real impact comes through higher transport and shipping costs, which feed into the price of getting groceries to supermarkets and consumer goods from places like China onto shelves. When energy and freight costs rise, those increases work their way through the entire supply chain.

If this conflict drags on, the risk slowly shifts from higher prices to slower growth in the form of oil tax, as households and businesses begin to pull back under sustained cost pressure. The longer uncertainty lasts, the greater the chance the global economy starts to cool rather than just wobble.

Support for every stage of your investment journey

The Investment team

Markets shift, and sometimes your goals do too. Whether you're planning for retirement, wanting your money to work smarter, or thinking ahead with succession planning, your investment journey is unique. It might need a tweak now and then. We're here to support that journey, helping you stay informed, confident, and focused on what matters most.

If you'd like to talk about how market trends affect your portfolio or revisit your goals, just reach out. We're only a phone call or email away.

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