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16TH - 20TH MARCH 2026

GLOBAL MARKETS

WEEKLY MARKET BRIEF

Highlights.

U.S. stock markets ended a volatile week lower, influenced by geopolitical tensions, fluctuating oil prices, ongoing inflation concerns, and a more hawkish interpretation of recent Federal Reserve signals. The Dow Jones Industrial Average shed 2.09%, followed closely by the Nasdaq Composite, which declined 1.98%. Within the S&P 500, the energy sector stood out as the top performer, benefiting from rising oil prices amid concerns over supply disruptions linked to tensions in the Middle East. Meanwhile, U.S. Treasury yields moved higher overall, with the 10-year yield climbing to about 4.38% by week's end. The Federal Reserve concluded its March policy meeting by keeping the federal funds rate unchanged at a range of 3.50% to 3.75%, marking the second straight meeting without a change. Updated projections indicated that officials still expect one rate cut later in the year, while their forecasts for both inflation and economic growth were revised upward. During the post-meeting briefing, Chair Jerome Powell highlighted elevated uncertainty, partly driven by geopolitical risks in the Middle East and the possibility of an energy-related shock that could influence inflation expectations. Adding to inflation concerns, the Bureau of Labor Statistics reported that producer prices rose faster than expected in February. The Producer Price Index increased 0.7% from the previous month—the highest rise since July 2025—while the annual rate climbed to 3.4%. Across the Atlantic, European markets declined notably, with the STOXX Europe 600 falling 3.61% for the week. Investor sentiment was weighed down by escalating Middle East tensions, including attacks on oil tankers in the Strait of Hormuz and damage to gas infrastructure in Qatar. In a similar fashion, the European Central Bank left interest rates unchanged but signalled vigilance in response to rising energy costs. President Christine Lagarde warned that higher oil and gas prices could significantly impact near-term inflation. The ECB also raised its 2026 inflation forecast to 2.6%. Economic indicators across Europe were generally soft. The eurozone's trade balance shifted to a deficit of EUR 1.9 billion in January, driven largely by declining exports in key sectors such as machinery and chemicals. Business sentiment in the UK also weakened, as a report from Make UK highlighted falling domestic demand and rising costs. Shifting the focus to Asia, Japanese equities declined in a shortened trading week, with the Nikkei 225 down 0.83% and the TOPIX slipping 0.54% as ongoing geopolitical tensions and oil price volatility continued to weigh on investor sentiment. Following the trend set by its peers, the Bank of Japan kept its policy rate unchanged at 0.75%, though the decision was not unanimous. The central bank emphasized the need to closely monitor global developments, particularly rising energy prices, which could push inflation higher after a temporary slowdown. Finally, Chinese stock markets closed the week lower as investors weighed higher energy prices alongside ongoing concerns about weak domestic demand and limited policy stimulus. The CSI 300 fell 2.19%, and the Shanghai Composite Index dropped 3.38%.

Data highlights: : USD PPI YoY (Feb) rose +50bps, from 2.9% to 3.4%, +50bps larger than the flat expectations. USD Fed Interest Rate Decision stayed the same at 3.75%, in line with expectations. CAD Inflation Rate YoY (Feb) fell -30bps, from 2.3% to 1.8%, -10bps decrease from the 1.9% expected. CAD Interest Rate Decision stayed the same at 2.25%, in line with expectations. CAD PPI YoY (Feb) fell -20bps, from 5.6% to 5.4%, +-10bps less than the 5.5% expected. EUR Interest Rate Decision stayed the same at 2.15%, in line with expectations. EUR Inflation Rate YoY (Feb) rose +20bps, from 1.7% to 1.9%, in line with expectations. GBP Interest Rate Decision stayed the same at 3.75%, in line with expectations. GBP Unemployment Rate (Jan) stayed the same at 0.75%, expectations wrongly assumed a +10bps increase to 5.3%. JPY Interest Rate Decision stayed the same at 0.75%, in line with expectations. AUD Interest Rate Decision rose 25bps, from 3.85% to 4.1%, in line with expectations. AUD Unemployment Rate (Feb) rose +20bps, from 4.1% to 4.3%, +20bps larger than the flat expectations. ZAR Core Inflation Rate YoY (Feb) fell -40bps, from 3.4% to 3%, -30bps less than the expected 3.3% landing.

Week ahead: JPY Inflation Rate YoY (Feb) - Tuesday | AUD Inflation Rate YoY (Feb), GBP Inflation Rate YoY (Feb), GBP Core Inflation Rate YoY (Feb), ZAR Interest Rate Decision - Wednesday

Global Markets Overview

Treasury yields: The U.S. 10-Year Treasury Note yield climbed around 10bps to 4.38% on Friday, reaching its highest level since July 2025, as investors weighed the inflationary implications of the ongoing conflict with Iran and braced for a more hawkish stance from the Federal Reserve. The Fed held the federal funds rate unchanged on Wednesday, while updated projections continued to signal one rate cut this year. However, policymakers emphasized heightened uncertainty arising from the economic fallout from the conflict and flagged upside risks to inflation, reinforcing a cautious tone. In Europe, the Germany 10-Year Bund yield rose to 3.04%, touching its highest level since July 2011, as surging energy prices and a more hawkish policy outlook from the European Central Bank drove expectations for tighter financial conditions. Markets are now pricing in at least two ECB rate hikes this year, with the possibility of a third, after the central bank held rates steady but revised inflation forecasts upward and downgraded growth expectations.

Bond Yields	Close	% W/W	% YTD
US 10Y	4.38	2.41	5.10
Bund 10Y	3.04	2.01	6.58
Gilt 10Y	4.99	3.55	11.50
Japan 10Y	2.28	0.75	10.21

Equities: US equities extended their decline, with the S&P 500 falling 1.9%, the Nasdaq-100 dropping 1.98% to six-month lows, and the Dow Jones Industrial Average losing 2.09% to four-month lows for the week. The selloff pushed major indices deeper into correction territory, as escalating Middle East tensions and surging energy prices weighed heavily on investor sentiment. Sentiment deteriorated further as the Pentagon prepared to deploy additional Marines to the region, while the Federal Reserve maintained interest rates within the 3.50%–3.75% range earlier in the week, reinforcing a cautious policy backdrop. European markets mirrored the global risk-off tone, closing lower on Friday as energy supply risks triggered a surge in prices and heightened concerns over stagflation across the Eurozone. The EURO STOXX 50 fell 3.77% to its lowest level since September, while the STOXX Europe 600 dropped 3.61% to 586. At the same time, hawkish signals from European Central Bank policymakers prompted rate markets to price in two rate hikes this year, further tightening financial conditions across the region.

Indices	Close	% W/W	% YTD
S&P 500	6506	-1.90	-4.95
EU Stoxx 600	586	-3.61	-4.27
FTSE 100	9918	-3.34	-0.13
Nikkei 225	53373	-0.83	6.03

Currencies: The U.S. Dollar Index eased to 99.65, as the conflict with Iran dragged on with little visibility toward a near-term resolution. Despite heightened geopolitical uncertainty, the dollar ended the week down nearly 1%, even as it strengthened broadly against major peers—most notably the Japanese yen. The Federal Reserve left the federal funds rate unchanged on Wednesday, with updated projections still pointing to one rate cut this year. However, policymakers emphasized heightened uncertainty about the economic impact of the conflict and flagged elevated upside risks to inflation, reinforcing a cautious policy stance. In the UK, the British pound edged up to $1.3341 by the end of a turbulent week, though broader market dynamics reflected continued demand for dollar safety. Fiscal dynamics also added to concerns, with UK public sector borrowing rising to £14.3 billion in February 2026, up from £12.1 billion a year earlier and significantly above consensus expectations of £8.5 billion.

Currencies	Close	% W/W	% YTD
EURUSD	1.1572	1.36	-1.48
GBPUSD	1.3341	0.84	-0.99
USDJPY	159.23	-0.31	1.61
USD Index	99.65	-0.71	1.35

Commodities: Gold prices plunged 10.5% to $4,492 per ounce, marking their largest weekly decline since 1983. The sell-off comes as surging energy prices and escalating conflict have diminished expectations for near-term monetary easing. The traditional safe-haven asset has now declined for consecutive weeks since the US-Israel strikes on Iran last month, weighed down by rising Treasury yields, a stronger dollar, and broad-based profit-taking as investors liquidate positions to cover losses elsewhere. Meanwhile, US crude inventories at Cushing, Oklahoma rose to 27.52 million barrels, reflecting localized stock builds even as global supply tightens. Geopolitical tensions remained elevated after Donald Trump rejected the prospect of a ceasefire with Iran, expressing confidence that the Strait of Hormuz would eventually reopen. The International Energy Agency released 400 million barrels from strategic reserves, yet the impact has been overshadowed by collapsing tanker traffic through key routes.

Commodities	Close	% W/W	% YTD
Gold	4492	-10.50	4.01
Copper	534.25	-6.51	-5.98
WTI Crude	98.32	-0.40	71.23
Wheat	595.25	-3.01	14.80

Performance of Major Global Financial Assets

% Change.

GOV. BOND YIELDS

	US 10Y	BUND 10Y	GILT 10Y	JAPAN 10Y	AUSSIE 10Y	ITALY 10Y
W/W	2.4	2.0	3.5	0.8	1.5	4.6
MTD	11.2	15.1	18.0	7.4	8.0	21.2
YTD	5.1	6.6	11.5	10.2	6.0	11.6

EQUITY INDICES

	S&P 50C	NASDAQ	EU STOXX 5C	DAX INDEX	FTSE 10C	NIKKEI 225	HANG SENG
W/W	-1.9	-2.0	-3.8	-4.6	-3.3	-0.8	-0.7
MTD	-5.4	-4.3	-10.4	-11.5	-9.1	-9.3	-5.1
YTD	-5.0	-5.4	-5.0	-8.6	-0.1	6.0	-1.4

CURRENCIES

	USD INDEX	EURUSD	GBPUSD	USDJPY	USDCNY	USDZAR
W/W	-0.7	1.4	0.8	-0.3	0.0	0.6
MTD	2.1	-2.0	-1.0	2.0	0.6	6.9
YTD	1.3	-1.5	-1.0	1.6	-1.2	2.9

COMMODITIES

	WTI CRUDE	GOLD	COPPER	COFFEE	WHEAT
W/W	-0.4	-10.5	-6.5	8.6	-3.0
MTD	46.7	-14.9	-11.0	10.3	0.6
YTD	71.2	4.0	-6.0	-7.1	14.8

KEY: *-100%* *+100%*

Data Sources: Bloomberg, Investing.com, TradingEconomics, T.RowePrice, Standard Investment Bank

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Headquarters

JKUAT Towers (Formerly ICEA Building),
16th Floor , Kenyatta Avenue, Nairobi, Kenya.

Telephone: +254 20 227 7000, +254 20 227 7100

Email: clientservices@sib.co.ke