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23TH - 27TH MARCH 2026

GLOBAL MARKETS

WEEKLY MARKET BRIEF

Highlights.

U.S. stock markets ended a volatile, news-driven week with mixed results as investors focused mainly on developments in the Middle East, fluctuations in oil prices, and continued weakness in large-cap technology shares. Stocks started the week higher on hopes that tensions in the region might ease, but those gains faded later as conflicting reports reduced confidence in a quick resolution. By the end of the week, the S&P Midcap 400 and Russell 2000 posted gains, ending four-week losing streaks. In contrast, the S&P 500, Dow Jones Industrial Average, and Nasdaq Composite all declined for a fifth straight week. Large-cap value shares outperformed growth stocks for the third consecutive week. Preliminary data from S&P Global showed that U.S. business activity slowed in March. The Flash Composite Purchasing Managers' Index fell to 51.4, its lowest level in 11 months, from 51.9 in February. Activity in the services sector weakened the most, while manufacturing output improved slightly. The report also pointed to rising inflationary pressure. Input costs increased at the fastest pace in 10 months, and businesses raised prices at the quickest rate since 2022. Many firms linked these increases to higher energy costs and supply chain disruptions tied to the Middle East conflict. U.S. Treasury markets ended the week 1.10% higher, with yields exhibiting higher volatility midweek. Traders suggested that investors are beginning to consider the possibility of a future Federal Reserve rate hike if higher oil prices continue to intensify inflation risks. Meanwhile, European markets posted modest gains overall despite ongoing uncertainty. The STOXX Europe 600 rose 0.22% during the week, with investor sentiment heavily influenced by uncertainty surrounding the conflict in the Middle East and its implications for energy prices and regional growth. The European Central Bank indicated that it is prepared to adjust policy whenever necessary if inflationary pressures intensify. President Christine Lagarde said it remains too early to determine the full inflation impact of the Iran-related conflict, and policymakers will need to assess how severe and long-lasting those pressures become. Within Europe, overall business activity slowed. The S&P Global Eurozone Composite PMI fell to 50.5 from 51.9, with new orders declining for the first time since last summer and supply chains showing significant disruption. The UK's annual inflation rate remained at 3% in February, according to the Office for National Statistics. At the same time, the Organisation for Economic Co-operation and Development cut its 2026 growth forecasts for Europe to 0.8% and reduced the UK's projected growth to 0.7%, citing the effects of the Middle East conflict. Moving over to Asia, Japanese markets delivered mixed results. The Nikkei 225 ended the week essentially unchanged, while the TOPIX rose 1.1%. Elevated oil prices and ongoing conflict in the Middle East weighed on sentiment, given Japan's heavy reliance on imported energy. Japan began releasing oil from its strategic reserves during the week to mitigate the supply chain disruptions tied to the conflict. Key to note, the yen hovered near JPY 160 per U.S. dollar by the end of the week, a level that previously prompted intervention by Japanese authorities in 2024. Finance Minister Satsuki Katayama warned that the government would take firm and potentially aggressive action if speculative currency movements continue, especially those tied to oil market volatility.

Data highlights: : USD Initial Jobless Claims (Mar/21) rose +244bps, from 205K to 210K, in line with consensus. USD Continuing Jobless Claims (Mar/14) fell -173bps, from 1851K to 1819K, -168bps less than the expected 1850K. GBP Inflation Rate YoY (Feb) stayed the same at 3%, in line with consensus. GBP Core Inflation Rate YoY (Feb) rose +10bps, from 3.1% to 3.2%, +10bps more than the expected 3.1%. JPY Inflation Rate YoY (Feb) fell -20bps, from 1.5% to 1.3%, in line with consensus. AUD Inflation Rate YoY (Feb) fell -10bps, from 3.8% to 3.7%, -10bps less than the expectations to remain flat at 3.8%. ZAR Interest Rate Decision stayed the same, at 6.75%, in line with consensus.

Week ahead: JPY Unemployment Rate (Feb), EUR Inflation Rate YoY (Mar), EUR Core Inflation Rate YoY (Mar), EUR CPI (Mar) - Tuesday | EUR Unemployment Rate (Feb), USD ISM Manufacturing PMI (Mar) - Wednesday | CHF Inflation Rate YoY (Mar) - Thursday | USD Unemployment Rate (Mar), USD Nonfarm Payrolls (Mar), USD Non-Farm Payrolls Private (Mar), USD Unemployment Rate (Mar) - Friday

Global Markets Overview

Treasury yields: The U.S. 10-Year Treasury Note yield surged to an intraday high of 4.48% on Friday—it's highest since July 2025—before easing slightly to close at 4.43%, as investors grappled with the inflationary and growth implications of the ongoing conflict with Iran. With de-escalation prospects still unclear and oil prices hovering near 2022 highs, markets are increasingly bracing for the conflict to stretch into April. Against this backdrop, traders have dialled back expectations for Federal Reserve rate cuts this year, even as the Federal Reserve continues to project one 25bps cut in 2026. In Japan, the Japan 10-Year Government Bond yield climbed to 2.39%—it's highest since 1999—as oil- driven inflation pressures and a weakening Japanese yen reinforced expectations of imminent policy tightening by the Bank of Japan. While the BOJ held rates steady last week, Governor Kazuo Ueda maintained a tightening bias, leaving the door open for a potential April hike, with markets now pricing in a 25bps increase to 1% at the April 28 meeting.

Bond Yields	Close	% W/W	% YTD
US 10Y	4.43	1.10	6.26
Bund 10Y	3.09	1.68	8.37
Gilt 10Y	4.97	-0.40	11.05
Japan 10Y	2.39	4.87	15.59

Equities: US equity markets ended the week under heavy pressure as escalating Middle East tensions and a sharp rise in energy prices triggered a broad-based selloff. The Dow Jones Industrial Average fell 0.90%, leaving it more than 10% below its recent peak, while the Nasdaq Composite slid 3.20%, deepening its correction, and the S&P 500 declined 2.12%. Technology stocks remained under sustained pressure amid deteriorating risk sentiment, while financials and other credit-sensitive sectors also struggled. In contrast, energy stocks outperformed, supported by WTI crude oil prices climbing above $99 per barrel. In Europe, markets showed relative resilience, with the EURO STOXX 50 edging up 0.08% to 5,506 and the STOXX Europe 600 gaining 0.22% to 587. However, underlying risks remain elevated as rising energy costs continue to feed into inflation. Sector performance across Europe remained weak, with banks extending losses amid a continued rise in sovereign bond yields, while industrial stocks also prolonged their downward trend as higher input costs and tighter financial conditions weighed on margins.

Indices	Close	% W/W	% YTD
S&P 500	6369	-2.12	-6.96
EU Stoxx 600	587	0.22	-4.06
FTSE 100	9967	0.49	0.36
Nikkei 225	53373	0.00	6.03

Currencies: The U.S. Dollar Index held firm at 100.15, posting a 0.51% weekly gain as safe-haven demand persisted amid the ongoing conflict with Iran, elevated oil prices, and mounting concerns over their impact on global inflation and growth. Against this backdrop, expectations for near-term monetary easing have been pared back, although the Federal Reserve still signals one 25bps rate cut in 2026. The dollar advanced notably against the British pound and Swiss franc, while remaining broadly stable versus the euro, Japanese yen, and Australian dollar. Sterling edged to $1.3259 amid cautious interpretation of diplomatic signals, including indirect US-Iran contacts and planned talks in Pakistan confirmed by Johann Wadephul, though market scepticism around a near-term resolution remains high. This uncertainty has driven a sharp reversal in Bank of England expectations, with traders now pricing in at least two rate hikes this year, and possibly a third, compared to earlier expectations of cuts.

Currencies	Close	% W/W	% YTD
EURUSD	1.1509	-0.54	-2.02
GBPUSD	1.3259	-0.61	-1.60
USDJPY	160.31	0.68	2.30
USD Index	100.15	0.51	1.86

Commodities: WTI crude oil futures climbed 1.34% to $99.64 per barrel on Friday, marking their highest level since July 2022, as renewed disruptions in the Strait of Hormuz overshadowed tentative diplomatic signals. While Donald Trump extended the deadline for strikes on Iranian energy infrastructure to April 6, market confidence remains fragile amid reports that the Pentagon is weighing the deployment of up to 10,000 additional US troops. Markets are now balancing the risk of a broader ground conflict against proposed insurance mechanisms aimed at stabilizing shipping activity. Meanwhile, Copper rose to $5.47 per pound, securing its first weekly gain since the onset of the conflict, supported by cautious optimism around diplomatic engagement after Iran permitted limited tanker movement. However, the broader metals complex remains under pressure, as elevated energy costs and ongoing supply disruptions continue to weigh on the outlook for global industrial demand.

Commodities	Close	% W/W	% YTD
Gold	4494	0.04	4.05
Copper	546.70	2.33	-3.78
WTI Crude	99.64	1.34	73.53
Wheat	605.00	1.64	16.68

Performance of Major Global Financial Assets

% Change.

	US 10Y	BUND 10Y	GILT 10Y	JAPAN 10Y	AUSSIE 10Y	ITALY 10Y	S&P 500	NASDAQ	EU STOXX 50	DAX INDEX	FTSE 100	NIKKEI 225	HANG SENG	USD INDEX	EURUSD	GBPUSD	USDJPY	USDCNY	USDZAR	WTI CRUDE	GOLD	COPPER	COFFEE	WHEAT
W/W	1.1	1.7	-0.4	4.9	1.4	2.1	-2.1	-3.2	0.1	-0.4	0.5	0.0	-1.3	0.5	-0.5	-0.6	0.7	0.1	0.5	1.3	0.0	2.3	-2.6	1.6
MTD	12.5	17.1	17.5	12.6	9.6	23.8	-7.4	-7.3	-10.3	-11.8	-8.6	-9.3	-6.3	2.6	-2.6	-1.7	2.7	0.7	7.5	48.7	-14.9	-9.0	7.5	2.3
YTD	6.3	8.4	11.1	15.6	7.5	14.0	-7.0	-8.4	-4.9	-8.9	0.4	6.0	-2.6	1.9	-2.0	-1.6	2.3	-1.1	3.4	73.5	4.0	-3.8	-9.5	16.7
	GOV. BOND YIELDS						EQUITY INDICES							CURRENCIES						COMMODITIES				

KEY: -100% +100%

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

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