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2ND - 6TH MARCH 2026

GLOBAL MARKETS

WEEKLY MARKET BRIEF

Highlights.

U.S. equity markets ended a turbulent week with losses as investors reacted to escalating tensions in the Middle East following military strikes by the U.S. and Israel on Iran. Among the major stock benchmarks, Dow Jones Industrial Average and the S&P 500 dropped 2.92% and 2.02% respectively. The Nasdaq Composite performed comparatively better but still slipped 1.27%. The conflict raised fears about disruptions to global oil supply, driving energy prices higher and increasing concerns about inflation. Uncertainty surrounding the length and broader consequences of the conflict also affected Treasury markets, pushing bond yields upward as investors reconsidered inflation expectations and potential actions by the Federal Reserve. Meanwhile, data from the Institute for Supply Management suggested that the U.S. economy continued expanding in February. In contrast, labour market indicators during the week produced conflicting signals. Payroll processor ADP reported that private employers added 63,000 jobs in February, surpassing expectations and improving significantly from January's revised total of 11,000. However, sentiment weakened later in the week when the Bureau of Labor Statistics reported that nonfarm payrolls declined by 92,000 in February, far worse than the expected gain of about 60,000. The unemployment rate also rose to 4.4%. The weaker data complicates the Federal Reserve's policy outlook as officials weigh a cooling labour market against the inflationary impact of rising energy prices. Across the Atlantic Pond, European equities dropped sharply ending a two-week winning streak. The pan-European STOXX 600 fell 6.45% for the week as geopolitical tensions increased following the expansion of the Middle East conflict. Even before the escalation, data from Eurostat showed eurozone inflation rising to 1.9% in February, above both January's reading and market expectations. As a result, market participants began pricing in a higher probability—above 50%—that the European Central Bank could raise interest rates. Further, Eurozone unemployment fell unexpectedly to a record low of 6.1% in January, slightly below the previous month and analysts' forecasts. In the UK, the British pound weakened to its lowest level since early December, and the Office for Budget Responsibility warned the Middle East conflict could significantly affect the UK economy. Over in Asia, Japanese stocks joined in the decline as the Nikkei 225 fell 5.49%, while the broader TOPIX declined 5.63%. Investors were particularly concerned about rising oil prices given Japan's heavy dependence on energy imports from the Gulf region. Nevertheless, Kazuo Ueda, governor of the Bank of Japan, reiterated that the central bank would continue raising interest rates if economic and inflation conditions align with its projections. Meanwhile, Chinese equity markets also moved lower, with the CSI 300 falling 1.07% as investors evaluated the Middle East conflict alongside China's newly announced economic goals. At the National People's Congress, China outlined its economic agenda for 2026, setting a GDP growth target between 4.5% and 5%—the lowest target in decades and the first reduction since 2023.

Data highlights: : USD Non-Farm Payrolls (Feb) fell from 146K to -86K, consensus only priced a decrease to 59K. USD Non-Farm Payrolls Private (Feb) fell from 126K to -92K, consensus only priced a decrease to 65K. USD Unemployment Rate (Feb) painfully rose 10bps, from 4.3% to 4.4%, against the flat consensus. EUR Inflation Rate YoY (Feb) rose 20bps above the previous and flat expectation of 1.7%, to 1.9%. EUR Core Inflation Rate YoY (Feb) was 20bps above the previous and flat expectation of 2.2%, to 2.4%. EUR Unemployment Rate (Jan) pleasantly fell 10bps, to 6.1% from 6.2%, consensus held it still at 6.2%. EUR PPI YoY (Jan) shed 10bps, to -2.1% from -2%, consensus priced a 70bps decrease to -2.7%. EUR GDP Growth Rate YoY (Q4) fell 20bps, from 1.4% to 1.2%, consensus was shy by 10bps (1.3%). CHF Unemployment Rate (Feb) stayed still at 3.2%, when expected to fall -10bps to 3.1%. CHF Inflation Rate YoY (Feb) held still, at 0.1%. JPY Unemployment Rate (Jan) rose 10bps above the previous and flat expectation of 2.6%, to 2.7%.

Week ahead: JPY PPI YoY (Feb), Germany Inflation Rate YoY (Feb), USD CPI (Feb), USD Core Inflation Rate YoY (Feb), USD Inflation Rate YoY (Feb) - Wednesday | GBP GDP YoY (Jan) - Thursday | USD GDP Growth Rate QoQ (Q4), USD PCE Price Index YoY (Jan), USD Core PCE Price Index YoY (Jan), CAD Unemployment Rate (Feb) - Friday

Global Markets Overview

Treasury yields: The yield on the US 10-year Treasury note climbed back to 4.14%, rebounding from an early-week dip as a sharp rise in energy prices—led by oil—revived fears of a renewed inflationary cycle. These pressures largely outweighed the impact of softer US labour market data. the United States economy delivered a surprise setback, shedding 92,000 jobs last month while the unemployment rate edged up to 4.4%. Consumer activity also showed signs of softening, with January retail sales declining, partly reflecting weaker vehicle purchases. Against this backdrop, market expectations have shifted toward policy easing by the Federal Reserve. Traders are now pricing in the first interest rate cut in July, with markets assigning roughly equal odds of either a second rate cut or a pause by December.

Bond Yields	Close	% W/W	% YTD
US 10Y	4.14	5.10	-0.69
Bund 10Y	2.86	8.21	0.18
Gilt 10Y	4.63	9.31	3.30
Japan 10Y	2.17	2.55	5.23

Equities: US equities closed the week sharply lower as markets grappled with rising geopolitical tensions and weakening economic signals. The S&P 500 declined 2.02%, the Nasdaq Composite fell 1.27%, and the Dow Jones Industrial Average slid 2.92%, reflecting a broad reassessment of the outlook for the United States economy. Investor sentiment was weighed down by persistently elevated WTI crude oil prices and the unexpected loss of 92,000 non-farm payroll jobs in February, developments that intensified concerns about the durability of the economic expansion. Geopolitical developments added further pressure. Risk aversion intensified across financial markets as investors moved to trim exposure, highlighted by BlackRock recording 10.14% in withdrawals from one of its private credit funds and imposing caps on redemptions for the first time. The move underscored growing unease around private credit exposure and the broader risk of economic stagnation. European markets mirrored the global risk-off tone. The EURO STOXX 50 dropped to 5,720, marking a 6.82% weekly decline, while the STOXX Europe 600 fell to 609, down 6.45% on the week.

Indices	Close	% W/W	% YTD
S&P 500	6740	-2.02	-1.54
EU Stoxx 600	609	-6.45	-0.57
FTSE 100	10285	-5.74	3.56
Nikkei 225	55621	-5.49	10.49

Currencies: The U.S. Dollar Index strengthened to 98.99 over the week, advancing 1.41% despite a weaker-than-expected US labour report that has increased pressure on the Federal Reserve to consider resuming rate cuts. Data showed that US payrolls unexpectedly declined by 92,000 in February, reinforcing concerns about softening labour market conditions. The dollar's resilience was largely driven by safe-haven demand, as escalating geopolitical tensions in the Middle East and rising oil prices unsettled global financial markets. Elevated crude oil prices have amplified fears of resurgent global inflation, further supporting the greenback. The dollar posted its strongest gains against the euro, reflecting Europe's significant dependence on Middle Eastern energy supplies. Elsewhere, the Swiss franc traded at 0.776 per USD, remaining close to historic highs as investors weighed intensifying safe-haven demand against the possibility of policy intervention.

Currencies	Close	% W/W	% YTD
EURUSD	1.1618	-1.64	-1.09
GBPUSD	1.3413	-0.51	-0.46
USDJPY	157.78	1.11	0.68
USD Index	98.99	1.41	0.68

Commodities: West Texas Intermediate crude oil futures surged 35% over the week to $90.90 per barrel, reaching their highest level since August 2022 as escalating tensions in the Middle East threatened to disrupt global energy trade. President Donald Trump demanded Iran's surrender as the conflict with the Islamic Republic entered its seventh day, intensifying concerns about disruptions in global energy supply. Saad al-Kaabi, Energy Minister of Qatar, told the Financial Times that Gulf exporters could halt production within days if tankers are unable to transit the Strait of Hormuz—a critical maritime chokepoint that typically handles around 20 million barrels of oil and petroleum products per day. In response to mounting supply risks, the United States signalled potential measures to stabilize markets, including the possible release of crude from strategic reserves and a temporary allowance for India to purchase certain shipments of Russia crude already at sea. Meanwhile, Saudi Arabia raised official selling prices for Asian buyers and began rerouting shipments through Red Sea ports to circumvent the Strait of Hormuz, underscoring the growing strain on global energy logistics as geopolitical tensions escalate.

Commodities	Close	% W/W	% YTD
Gold	5172	-2.03	19.73
Copper	575.70	-4.12	1.32
WTI Crude	90.90	35.63	58.31
Wheat	616.75	4.27	18.95

Performance of Major Global Financial Assets

% Change.

GOV. BOND YIELDS

	US 10Y	BUND 10Y	GILT 10Y	JAPAN 10Y	AUSSIE 10Y	ITALY 10Y
W/W	-3.6	-3.4	-2.8	0.0	-1.6	-2.1
MTD	-7.0	-7.0	-6.4	-5.9	-3.2	-5.4
YTD	-5.5	-7.4	-5.5	2.6	-1.9	-7.9

EQUITY INDICES

	S&P 500	NASDAQ	EU STOXX 50	DAX INDEX	FTSE 100	NIKKEI 225	HANG SENG
W/W	-0.4	-0.2	0.1	0.1	2.1	3.6	0.8
MTD	-0.9	-2.3	3.2	3.0	6.7	10.4	-2.8
YTD	0.5	-1.1	6.0	3.2	9.9	16.9	3.9

CURRENCIES

	USD INDEX	EURUSD	GBPUSD	USDJPY	USDCNY	USDZAR
W/W	-0.2	0.2	0.0	0.6	-0.6	-0.6
MTD	0.6	-0.3	-1.5	0.8	-1.4	-1.3
YTD	-0.7	0.6	0.1	-0.4	-1.8	-3.8

COMMODITIES

	WTI CRUDE	GOLD	COPPER	COFFEE	WHEAT
W/W	0.9	3.4	2.8	-1.7	1.9
MTD	2.8	7.9	1.4	-11.0	8.3
YTD	16.7	22.2	5.7	-15.8	14.1

KEY: -100% +100%

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

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