

Weekly Market Update

The US–Israel strikes on Iran, including the killing of its supreme leader, have sharply escalated conflict and energy risks, provoking global condemnation, fears of wider war, and increased volatility in oil markets and financial conditions.

US

The United States, alongside Israel, has launched major air and missile strikes on Iran since 28 Feb 2026, including the confirmed killing of Iran’s Supreme Leader Ayatollah Ali Khamenei, with Iran retaliating against US bases and regional allies, raising fears of a wider Middle East conflict.

US –Israel strikes on Iran sharply increased geopolitical risk, pushing oil prices higher and raising concerns about inflation and global energy supply disruptions.

The International Monetary Fund warned about rising US deficits and urged fiscal consolidation as debt risks continue to grow.

Markets turned more volatile as investors moved into Treasuries while reassessing the outlook for Federal Reserve rate cuts amid geopolitical shocks and persistent inflation risks.

UK

Prime Minister Keir Starmer and UK diplomats have condemned Iranian strikes across the region, called for de-escalation and a negotiated solution, and reiterated that Iran must never be allowed to develop nuclear weapons.

UK Defence Secretary John Healey said the US must explain the legal basis for its strikes on Iran and stressed Britain is not taking part in offensive action, while confirming that the UK has allowed US use of British bases for limited defensive strikes to protect its forces and allies in the region.

Governments are preparing repatriation and evacuation plans for citizens stranded in Dubai and across the UAE, highlighting the scale of travel disruption and the risk that Gulf aviation and business hubs remain constrained if the conflict escalates.

A Green Party by-election win increased political pressure on Prime Minister Keir Starmer, signalling shifting domestic political dynamics.

Europe

The European Commission and European Council leaders described the developments in Iran as “greatly concerning” and urged all parties to exercise maximum restraint, protect civilians, respect international law, and avoid further escalation.

The EU’s top diplomat Kaja Kallas and EU leadership have stressed that diplomatic channels should be pursued with regional partners, including Arab states, to prevent the conflict from widening and to prioritise negotiations and deescalation.

The EU has begun provisional implementation of a major trade deal with the Mercosur bloc of South America (Brazil, Argentina, Paraguay, Uruguay), creating one of the world’s largest free-trade zones despite pushback from farmers and environmentalists.

Danish prime minister Mette Frederiksen has announced general election on 24 March, campaigning on a wealth tax and European unity after a boost in polls linked to Arctic/Greenland geopolitics.

Global

China and Russia condemned the US–Israel strikes on Iran, calling them a violation of international law and sovereignty, urging an immediate ceasefire, restraint, and a return to diplomatic negotiations to prevent further escalation and protect regional stability.

An oil tanker was struck near the Strait of Hormuz (off Oman) on 1 March 2026, increasing market concerns that Middle East tensions could disrupt key supply routes and potentially push crude prices up by \$10–\$20 per barrel.

Japan announced plans to create a CFIUS-style foreign investment screening body to strengthen economic security.

The People’s Bank of China eased foreign exchange forward rules to temper a rapid yuan rally, aiming to balance export competitiveness with broader macroeconomic stability.

Performance

Asset Class/Region	Currency				
		Week ending 27 Feb 2026	Month to date	YTD 2026	12 Months
Developed Market Equities					
United States	USD	-0.4%	-0.8%	0.6%	18.4%
United Kingdom	GBP	2.2%	7.3%	10.6%	29.2%
Continental Europe	EUR	0.3%	3.5%	6.5%	14.7%
Japan	JPY	3.4%	10.5%	15.6%	47.5%
Asia Pacific (ex Japan)	USD	3.0%	6.1%	14.6%	42.6%
Australia	AUD	1.5%	4.1%	6.0%	14.8%
Global	USD	0.1%	0.7%	3.0%	22.6%
Emerging Markets Equities					
Emerging Europe	USD	0.5%	-1.5%	10.6%	53.5%
Emerging Asia	USD	3.4%	6.2%	15.0%	45.8%
Emerging Latin America	USD	-0.7%	3.8%	19.7%	69.2%
BRICs	USD	-0.9%	-2.6%	-0.1%	14.1%
China	USD	-0.8%	-5.8%	-1.3%	10.5%
MENA countries	USD	-2.0%	-2.7%	3.5%	1.4%
South Africa	USD	6.8%	9.6%	18.7%	94.0%
India	USD	-1.8%	0.2%	-4.7%	8.3%
Global emerging markets	USD	2.8%	5.5%	14.8%	46.4%
Bonds					
US Treasuries	USD	0.7%	1.9%	1.9%	5.8%
US Treasuries (inflation protected)	USD	0.6%	1.4%	1.7%	5.7%
US Corporate (investment grade)	USD	0.2%	1.2%	1.6%	7.0%
US High Yield	USD	-0.3%	0.1%	0.6%	7.0%
UK Gilts	GBP	0.9%	2.4%	2.2%	6.1%
UK Corporate (investment grade)	GBP	0.4%	1.3%	1.5%	7.1%
Euro Government Bonds	EUR	0.5%	1.4%	2.1%	2.3%
Euro Corporate (investment grade)	EUR	0.2%	0.5%	1.3%	3.3%
Euro High Yield	EUR	0.0%	0.3%	1.0%	4.5%
Global Government Bonds	USD	0.5%	1.3%	2.1%	7.0%
Global Bonds	USD	0.5%	1.2%	2.1%	9.0%
Global Convertible Bonds	USD	0.3%	1.6%	7.2%	28.8%
Emerging Market Bonds	USD	0.0%	1.4%	1.5%	11.7%

Performance

Asset Class/Region	Currency				
		Week ending 27 Feb 2026	Month to date	YTD 2026	12 Months
Property					
US Property Securities	USD	1.0%	7.9%	11.1%	8.8%
Australian Property Securities	AUD	-1.7%	-4.0%	-6.5%	-0.2%
Global Property Securities	USD	0.9%	6.7%	10.8%	19.3%
Currencies					
Euro	USD	0.3%	-0.5%	0.7%	13.5%
UK Pound Sterling	USD	-0.2%	-1.8%	0.1%	6.7%
Japanese Yen	USD	-0.7%	-1.0%	0.5%	-3.9%
Australian Dollar	USD	0.6%	2.1%	6.7%	13.9%
South African Rand	USD	0.9%	1.5%	4.2%	16.0%
Swiss Franc	USD	0.8%	0.4%	3.2%	17.0%
Chinese Yuan	USD	0.6%*	1.3%	1.9%	6.2%
Commodities & Alternatives					
Commodities	USD	1.8%	1.6%	11.6%	15.1%
Agricultural Commodities	USD	0.9%	1.9%	3.1%	-4.4%
Oil	USD	1.0%	2.5%	19.1%	-2.1%
Gold	USD	3.4%	7.9%	22.1%	83.1%

* Data as at 13 February 2026. Source: Bloomberg Finance L.P. Past performance is not indicative of future returns.

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