

# Weekly Market Update

Geopolitical tensions in the Middle East, particularly the Iran conflict and Strait of Hormuz risks, dominated markets and politics worldwide, driving energy price volatility, shaping economic policy, and overshadowing domestic macroeconomic trends.

## US

Iran conflict dominates US politics and markets: President Donald Trump signalled potential further strikes on Iranian energy infrastructure as tensions in the Strait of Hormuz pushed oil prices above \$100 and increased global market volatility.

Congressional debate over war powers intensifies: Lawmakers from both parties are questioning the administration's authority to launch major military actions without explicit congressional approval, raising the prospect of legislative constraints.

Senior US-China economic talks held in Paris: Officials from the US and China met to prepare for a late-March summit between Donald Trump and Xi Jinping, discussing tariffs, export controls, and rare-earth supply chains.

Midterm political positioning begins: Early campaigning for the 2026 congressional elections is ramping up, with policy debates around election security and voting rules becoming a prominent partisan issue.

## UK

Energy price shock raises cost-of-living concerns: Rising oil prices tied to the Hormuz crisis are pushing up energy costs, prompting the government to consider household support measures.

UK debates military response in Hormuz crisis: The government is considering naval support to protect shipping routes amid Iranian threats to close the strait.

Economic data releases (GDP and labour indicators): UK macro data this week contributed to expectations around the Bank of England's monetary policy outlook.

Brexit reset discussions: UK policymakers are exploring limited policy adjustments to improve relations with the EU, including possible cooperation measures.

## Europe

European markets affected by energy price shock: Rising oil prices linked to Middle East tensions weighed on equities and investor sentiment across the region.

Trade balance data from major economies: Germany and France released trade figures, providing insight into export performance amid global demand uncertainty.

EU policymakers review strategic priorities: EU ministers and the European Parliament debated policy issues including investment initiatives and regulation of AI-related content.

Energy security debate intensifies: Concerns over supply disruptions renewed debate over the EU's long-term energy strategy and decarbonisation policies.

## Global

China's Government sets 2026 economic targets: Beijing reaffirmed GDP growth guidance around 4.5-5% and emphasised boosting domestic consumption amid property-sector weakness.

Diplomatic approach to Hormuz crisis: China prioritised diplomacy rather than military involvement despite potential energy supply risks.

Japan's Energy security concerns rise: Japan, heavily dependent on Middle Eastern oil, is evaluating participation in maritime operations to protect shipping routes in the Strait of Hormuz.

Global strategic oil reserves released: Members of the International Energy Agency agreed a coordinated release of roughly 400 million barrels from strategic petroleum reserves, including a 172 million-barrel draw down from the US Strategic Petroleum Reserve, to stabilise markets after oil prices surged following escalating tensions in the Strait of Hormuz.



# Performance

Asset Class/Region	Currency				
		Week ending 13 Mar 2026	Month to date	YTD 2026	12 Months
<b>Developed Market Equities</b>					
United States	USD	-1.6%	-3.5%	-2.9%	21.2%
United Kingdom	GBP	0.1%	-5.4%	4.6%	24.4%
Continental Europe	EUR	-0.5%	-6.3%	-0.2%	10.7%
Japan	JPY	-2.4%	-7.9%	6.5%	37.8%
Asia Pacific (ex Japan)	USD	-2.0%	-8.1%	5.3%	34.3%
Australia	AUD	-2.5%	-5.7%	-0.1%	14.9%
Global	USD	-1.7%	-4.9%	-2.1%	21.9%
<b>Emerging Markets Equities</b>					
Emerging Europe	USD	-0.7%	-9.0%	0.7%	28.4%
Emerging Asia	USD	-2.0%	-8.5%	5.3%	36.3%
Emerging Latin America	USD	-1.5%	-9.3%	8.6%	52.7%
BRICs	USD	-1.6%	-5.2%	-5.3%	8.6%
China	USD	0.4%	-2.6%	-3.9%	8.1%
MENA countries	USD	-1.6%	-4.1%	-0.7%	-0.2%
South Africa	USD	-3.5%	-17.6%	-2.2%	57.7%
India	USD	-5.8%	-9.5%	-13.8%	-1.8%
Global emerging markets	USD	-2.0%	-8.7%	4.8%	35.7%
<b>Bonds</b>					
US Treasuries	USD	-0.8%	-1.8%	0.1%	3.6%
US Treasuries (inflation protected)	USD	-0.6%	-1.1%	0.6%	4.5%
US Corporate (investment grade)	USD	-1.4%	-2.2%	-0.7%	5.1%
US High Yield	USD	-0.7%	-1.1%	-0.5%	7.0%
UK Gilts	GBP	-1.1%	-3.6%	-1.4%	3.3%
UK Corporate (investment grade)	GBP	-1.1%	-3.2%	-1.7%	4.8%
Euro Government Bonds	EUR	-0.8%	-2.5%	-0.4%	2.4%
Euro Corporate (investment grade)	EUR	-0.7%	-1.8%	-0.5%	3.0%
Euro High Yield	EUR	-0.9%	-1.8%	-0.8%	3.6%
Global Government Bonds	USD	-1.2%	-3.1%	-1.0%	3.1%
Global Bonds	USD	-1.2%	-3.0%	-1.0%	5.1%
Global Convertible Bonds	USD	0.2%	-3.5%	3.5%	25.9%
Emerging Market Bonds	USD	-1.0%	-2.2%	-0.8%	9.5%

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Asset Class/Region	Currency				
		Week ending 13 Mar 2026	Month to date	YTD 2026	12 Months
<b>Property</b>					
US Property Securities	USD	-1.2%	-3.4%	7.3%	11.4%
Australian Property Securities	AUD	-5.0%	-9.3%	-15.2%	-5.8%
Global Property Securities	USD	-3.0%	-6.7%	3.5%	15.7%
<b>Currencies</b>					
Euro	USD	-1.3%	-3.2%	-2.5%	5.4%
UK Pound Sterling	USD	-1.1%	-1.6%	-1.5%	2.4%
Japanese Yen	USD	-1.1%	-2.2%	-1.7%	-7.5%
Australian Dollar	USD	-0.1%	-1.6%	5.0%	11.6%
South African Rand	USD	-1.7%	-5.9%	-2.0%	8.4%
Swiss Franc	USD	-1.5%	-2.7%	0.5%	11.9%
Chinese Yuan	USD	-0.1%	-0.6%	1.2%	4.9%
<b>Commodities &amp; Alternatives</b>					
Commodities	USD	4.4%	14.8%	28.2%	33.1%
Agricultural Commodities	USD	0.8%	3.4%	6.6%	0.2%
Oil	USD	11.3%	42.3%	69.5%	47.6%
Gold	USD	-2.4%	-4.4%	16.8%	69.4%

Source: Bloomberg Finance L.P. Past performance is not indicative of future returns.



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