

Weekly Market Update

Energy-driven geopolitical risk dominated global markets, with the Iran conflict pushing oil above \$100, reigniting inflation concerns, and forcing a sharp repricing of growth and interest rate expectations worldwide.

US

Iran conflict escalates further: Donald Trump intensified rhetoric around potential strikes on Iranian energy infrastructure, while signalling a short timeline for action, keeping markets on edge and oil prices elevated.

Oil-driven inflation fears reshape policy expectations: The surge in crude prices above \$100 pushed investors to reassess the outlook for the Federal Reserve, with rate cuts increasingly delayed amid renewed inflation risks.

Equity markets turn volatile: US equities sold off mid-week before stabilising, as energy shocks and geopolitical uncertainty outweighed corporate and macroeconomic data.

US presses allies on Hormuz security: Washington increased diplomatic pressure on Europe and Asia to support efforts to secure shipping lanes, widening the geopolitical dimension of the crisis.

UK

Energy shock hits UK economy: Rising oil and gas prices driven by the Iran conflict pushed inflation expectations higher, worsening the cost-of-living crisis and squeezing household finances.

BOE: The Bank of England voted unanimously to keep interest rates on hold at 3.75% and said it "stands ready to act" to tackle any inflation surge triggered by war in the Middle East.

Growth outlook downgraded: Forecasts for 2026 GDP growth were revised down sharply (to around ~0.7%), reflecting weaker consumption and higher borrowing costs.

Government steps up crisis response: COBRA emergency meetings focused on energy security, supply disruption risks, and potential fiscal support measures. UK EU alignment debate increases.

Europe

Energy-driven inflation pressures intensify: European economies saw a renewed rise in inflation expectations as higher oil and gas prices filtered into industrial and consumer costs.

Policy coordination intensifies: EU leaders discussed joint measures on energy security, including coordinated reserve use and contingency planning for supply disruptions.

Growth risks mount across core economies: Germany and France reported weakening industrial momentum, with energy-intensive sectors particularly exposed to rising input costs.

Strategic autonomy debate re-emerges: The crisis revived discussions on reducing dependence on external energy sources and strengthening intra-EU resilience.

Global

Beijing pushes diplomatic stance on Iran: China opposed escalation and called for de-escalation, resisting US pressure to support military involvement.

US-China economic engagement continues: Preparatory talks for a Trump-Xi summit focused on trade frictions, export controls, and supply chains.

Energy import risks increase: Japan faced a dual shock from external energy risks and weak domestic demand, increasing policy challenges.

Global energy crisis fears: The Strait of Hormuz tensions triggered warnings of a supply shock potentially exceeding past oil crisis. Countries begin emergency responses (fuel-saving policies, reserve releases, alternative supply strategies).

Performance

Asset Class/Region	Currency				
		Week ending 20 Mar 2026	Month to date	YTD 2026	12 Months
Developed Market Equities					
United States	USD	-1.9%	-5.4%	-4.8%	15.9%
United Kingdom	GBP	-3.3%	-8.6%	1.1%	18.1%
Continental Europe	EUR	-3.9%	-9.9%	-4.1%	3.9%
Japan	JPY	-0.5%	-8.4%	5.9%	32.3%
Asia Pacific (ex Japan)	USD	-0.2%	-8.2%	5.2%	30.2%
Australia	AUD	-2.2%	-7.7%	-2.2%	9.9%
Global	USD	-2.0%	-6.8%	-4.0%	16.4%
Emerging Markets Equities					
Emerging Europe	USD	0.1%	-8.9%	0.8%	30.7%
Emerging Asia	USD	-0.1%	-8.6%	5.2%	31.7%
Emerging Latin America	USD	-1.5%	-10.6%	7.0%	42.8%
BRICs	USD	-2.3%	-7.4%	-7.4%	1.7%
China	USD	-2.8%	-5.4%	-6.6%	1.4%
MENA countries	USD	0.4%	-3.7%	-0.3%	-0.1%
South Africa	USD	-5.5%	-22.1%	-7.5%	42.1%
India	USD	-1.5%	-10.9%	-15.1%	-7.2%
Global emerging markets	USD	-0.3%	-9.0%	4.5%	31.0%
Bonds					
US Treasuries	USD	-0.6%	-2.3%	-0.5%	2.8%
US Treasuries (inflation protected)	USD	-0.4%	-1.5%	0.1%	3.5%
US Corporate (investment grade)	USD	-0.3%	-2.5%	-1.0%	4.1%
US High Yield	USD	-0.3%	-1.4%	-0.8%	5.9%
UK Gilts	GBP	-1.0%	-4.6%	-2.4%	1.9%
UK Corporate (investment grade)	GBP	-1.0%	-4.1%	-2.6%	3.3%
Euro Government Bonds	EUR	-0.5%	-3.0%	-0.9%	1.4%
Euro Corporate (investment grade)	EUR	-0.5%	-2.2%	-0.9%	2.1%
Euro High Yield	EUR	-0.5%	-2.2%	-1.3%	2.8%
Global Government Bonds	USD	-0.2%	-3.3%	-1.2%	2.7%
Global Bonds	USD	-0.2%	-3.2%	-1.2%	4.6%
Global Convertible Bonds	USD	-0.3%	-3.8%	3.2%	23.0%
Emerging Market Bonds	USD	-1.1%	-3.3%	-1.9%	7.6%

Performance

Asset Class/Region	Currency				
		Week ending 20 Mar 2026	Month to date	YTD 2026	12 Months
Property					
US Property Securities	USD	-3.8%	-7.1%	3.3%	4.5%
Australian Property Securities	AUD	-1.5%	-10.6%	-16.5%	-8.7%
Global Property Securities	USD	-2.5%	-9.0%	0.9%	10.3%
Currencies					
Euro	USD	1.0%	-2.2%	-1.5%	6.6%
UK Pound Sterling	USD	0.7%	-0.9%	-0.9%	2.9%
Japanese Yen	USD	0.2%	-2.0%	-1.5%	-6.6%
Australian Dollar	USD	0.4%	-1.2%	5.4%	11.7%
South African Rand	USD	-0.9%	-6.8%	-2.9%	6.4%
Swiss Franc	USD	0.1%	-2.5%	0.6%	11.9%
Chinese Yuan	USD	0.0%	-0.6%	1.2%	5.0%
Commodities & Alternatives					
Commodities	USD	0.5%	15.4%	28.8%	32.5%
Agricultural Commodities	USD	-0.6%	2.7%	5.9%	-1.1%
Oil	USD	8.8%	54.8%	84.4%	55.8%
Gold	USD	-9.4%	-13.4%	5.8%	50.4%

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



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