WEEKLY
MARKET INSIGHTS

THE WEEK'S BIG THEMES

ECONOMY:

- **Central banks: signal caution amid higher inflation risks** i/ The U.S. Federal Reserve maintained its interest rates within the 3.50%–3.75% range, indicating that any future rate cuts will depend on inflation trends. One more rate cut is expected by the central bank officials, unchanged from their prior projection. Nevertheless, forecasts for both economic growth and inflation were revised higher, ii/ The European Central Bank kept its rate at 2% while outlining the conditions that could lead to possible increases. The central bank raised its inflation forecast for 2026 to 2.6%, up from 1.9% in December, iii/ The Bank of England also left rates unchanged but adopted a more hawkish stance, iv/ Meanwhile, the Bank of Japan chose to keep its interest rates steady as well, as did the Swiss National Bank and the Swedish central bank.
- **Modest signs of improvement in the US housing markets:** Homebuilder sentiment improved as did pending sales. Nevertheless, new home sales felt to the lowest level since 2022.
- **Potential inflation worries in the US**: the Producer Price index (PPI) accelerated in February (+0,7%), the highest reading since July 2025.
- **Eurozone exports declines, cost pressures ease**: The euro area recorded a wider trade shortfall, reflecting weaker export performance in key sectors such as machinery, autos, and chemicals. In Germany, producer prices moved lower, mainly as a result of declining energy costs, particularly for gas and electricity.
- **Modest improvement in Chinese activity data**: Industrial activity strengthened, with output recording solid year-on-year growth of 6.3%, while consumer spending, reflected in retail sales, rose more moderately by 2.8%. Investment in fixed assets edged higher by 1.8%, largely supported by public infrastructure projects, whereas the real estate segment continued to underperform. That said, the property market showed tentative signs of improvement as policymakers rolled out gradual support initiatives

RISING GEOPOLITICAL TENSION

- **Escalating tension in the Middle East:** U.S. and allied strikes on key Iranian targets were met with retaliatory attacks across the region, raising fears of a broader confrontation. Disruption of shipping through the Strait of Hormuz intensified.
- **Russia-Ukraine conflict remained a key source of geopolitical risk**, with fighting continuing along multiple frontlines and no meaningful progress toward a ceasefire.
- **Tensions on the Korean Peninsula remained elevated but stable**, with no significant escalation over the period
- Trade tensions resurfaced with China pushing back against the U.S.'s new Section 301 investigations into the manufacturing policies of major trading partners, with a focus on excess capacity in strategic industries

CHARTS OF THE WEEK

Global Inflation Rates

Country/Region	CPI Inflation (YoY %)	Trend vs. Prior Reading
THAILAND	-0.9%	Lower
SWITZERLAND	0.1%	Unchanged
SWEDEN	0.5%	Unchanged
FINLAND	0.6%	Higher
FRANCE	0.9%	Higher
CHINA	1.3%	Higher
SINGAPORE	1.4%	Higher
ITALY	1.5%	Higher
JAPAN	1.5%	Lower
SAUDI ARABIA	1.7%	Lower
TAIWAN	1.8%	Higher
EUROZONE	1.9%	Higher
GERMANY	1.9%	Lower
SOUTH KOREA	2.0%	Unchanged
PORTUGAL	2.1%	Higher
POLAND	2.1%	Unchanged
CANADA	2.3%	Lower
SPAIN	2.3%	Unchanged
PHILIPPINES	2.4%	Higher
US	**2.4%**	**Unchanged**
NETHERLANDS	2.4%	Unchanged
IRELAND	2.7%	Unchanged
UK	3.0%	Lower
NEW ZEALAND	3.1%	Higher
INDIA	3.2%	Higher
SOUTH AFRICA	3.5%	Lower
AUSTRALIA	3.8%	Unchanged
BRAZIL	3.8%	Lower
MEXICO	4.0%	Higher
INDONESIA	4.8%	Higher
RUSSIA	5.9%	Lower
TURKEY	32%	Higher
ARGENTINA	33%	Higher

Data Source: Government Statistics (as of 3/17/26)

Source: C. Bilello

ECONOMIC EVENTS TO WATCH

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
• Inflation (SG) • Retail sales (MX) • Chicago Fed National activity index (US)	• Inflation, PMI (JP) • PMI (EZ) • PMI (UK) • ADP, Nonfarm productivity, Unit labor costs, PMI (US)	• BoJ Monetary policy minutes (JP) • Inflation (AU) • Inflation, PPI (UK) • IFO (DE) • Export & import prices (CA)	• Export & import prices (SA) • GfK consumer confidence (DE) • Initial Jobless Claims (US)	• GfK Consumer confidence, Retail sales (UK) • Inflation (ES) • Michigan inflation expectations (US)

13 Mar 2026 – 20 Mar 2026

WEEKLY MARKET INSIGHTS

MARKET'S REACTION

EQUITY

- **Global equities weakened over the week in a context of increasing geopolitical tensions and the ensuing volatility,** with developed markets under pressure and emerging markets showing more resilience.
- **US equities extended their decline,** with technology stocks underperforming and small caps entering correction territory. Per sectors, energy was the best performing sector as oil prices moved higher.
- **European equities declined over the week,** with core indices under pressure amid rising geopolitical risks and softer macro signals. Despite the recent pullback, most markets remain in positive territory year-to-date, with Germany leading the region's performance
- **Japanese equities also experienced some pressures** in a holiday-shortened week.
- **Mainland Chinese markets were more resilient,** but the slight decline reflects continued pressure on domestic demand and the property sector

FIXED INCOME

- **Global bonds delivered positive returns over the week**, supported by declining yields. The US 10-year benchmark declined by twelve basis points to c. 4,20%, as did the German 10-year yield, establishing itself at 2,32%.
- **Investment grade bonds continued to deliver positive returns**, supported by declining yields, while high yield segments lagged slightly amid wider credit spreads (c. 15bps).
- **Emerging market debt showed mixed performance**, with local currency bonds under pressure from currency moves, whereas hard currency debt remained more resilient

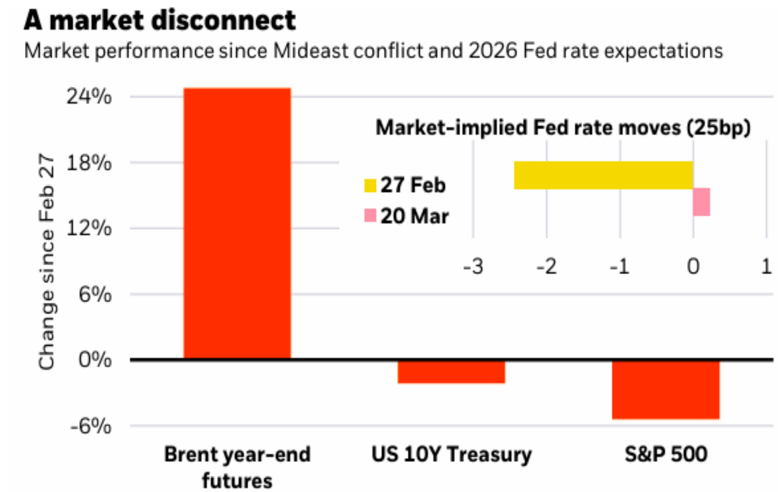
COMMODITIES

- **Commodity markets were supported over the period by rising geopolitical tensions**, particularly in energy markets where supply concerns pushed oil and gas prices higher.
- **Precious metals benefited from safe-haven demand**
- **Industrial metals lagged**, reflecting softer growth expectations

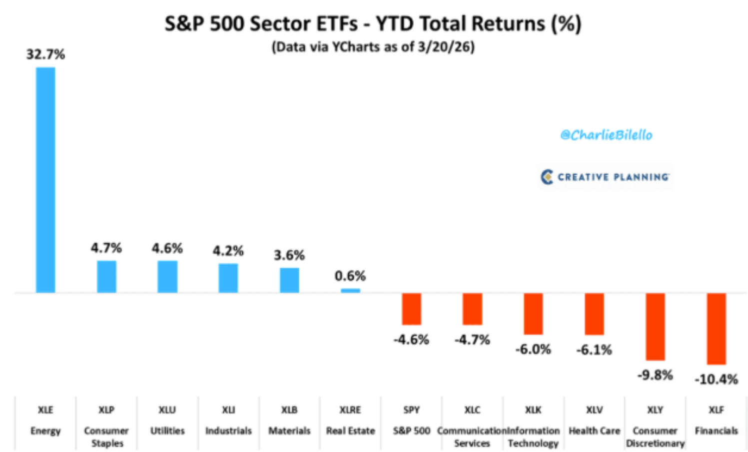
CURRENCIES & CRYTO

- The **US dollar strengthened** against its currencies basket. This led to broad-based weakness in major currencies, particularly commodity-linked currencies such as the Australian dollar, while the yen and Swiss franc showed relatively more resilience
- **Cryptocurrencies remained under pressure**, extending their year-to-date losses.

CHARTS OF THE WEEK



Source: BlackRock



Source: C. Bilello

WEEKLY MARKET INSIGHTS

13 Mar 2026 – 20 Mar 2026

WEEKLY MARKETS REVIEW (As of 20 March 2026)

EQUITY MARKETS

	WoW	MTD	YTD
MSCI World (USD)	-1,9%	-6,5%	+3,0%
MSCI Emerging (USD)	-0,3%	-8,7%	+4,5%
S&P 500 (USD)	-1,8%	-3,8%	-4,2%
NASDAQ (USD)	-2,1%	-4,6%	-6,5%
RUSSELL 2000 (USD)	-1,6%	-8,3%	-1,8%
STOXX 600 (EUR)	-1,7%	-5,2%	+4,2%
DAX (EUR)	-2,2%	-6,1%	+4,6%
CAC 40 (EUR)	-1,6%	-5,5%	+3,3%
FTSE 100 (GBP)	-1,2%	-3,6%	+2,2%
NIKKEI (JPY)	-2,1%	-6,2%	+5,6%
CSI 300 (CNY)	-0,7%	-7,2%	+1,8%
BOVESPA (BRL)	-1,0%	-4,5%	+6,5%
HANG SENG (HKD)	-1,3%	-7,8%	-2,0%

FIXED INCOME MARKETS

	WoW	MTD	YTD
Global Aggregate USD (Hedged)	+0,4%	+1,2%	+2,1%
Global Aggregate EUR (Hedged)	+0,3%	+1,0%	+1,8%
US Investment Grade	+0,3%	+1,1%	+2,0%
US High Yield	-0,2%	-0,7%	+0,7%
EU Investment Grade	+0,2%	+0,9%	+1,6%
EU High Yield	-0,1%	-0,5%	+0,5%
EM Local Ccy. Gov (Unhedged)	-0,4%	-2,9%	+1,1%
EM Hard Ccy. Aggregate (Unhedged)	+0,1%	+0,6%	+1,9%

CRYPTO CURRENCY MARKETS

	WoW	MTD	YTD
Bitcoin	-3,5%	-8,5%	-10,2%
Ethereum	-5,2%	-12,8%	-18,5%
Ripple	-4,0%	-10,5%	-7,8%

COMMODITY MARKETS

	WoW	MTD	YTD
Gold	+1,5%	+4,2%	+8,8%
WTI Crude	+3,2%	+6,8%	+10,5%
Brent Crude	+2,8%	+6,2%	+9,8%
Silver	+0,8%	+2,5%	+5,5%
Natural Gas	+4,5%	+9,0%	+12,0%
Copper	-0,5%	-2,0%	+3,2%

CURRENCY MARKETS

	WoW	MTD	YTD
US Dollar Index (DXY)	+0,8%	+2,1%	+3,5%
EURUSD	-0,9%	-2,2%	-3,0%
GBPUSD	-0,7%	-1,8%	-2,5%
AUDUSD	-1,1%	-2,8%	-4,0%
USDCHF	+0,6%	+1,9%	+3,2%
USDJPY	+0,5%	+1,5%	+2,8%

Source: Bloomberg

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