AUEB Students' Investment & Finance Club

Market Report – Volume 22, March 2026

Authors:

Panagiotis Souli (Vice President)
Apostolos Dimas (Treasurer)
Ilias Balatsouras (BoD Member)

Antonis Papapolyzos (Head of FX/Fixed Income)
Andreas Tsapnidis (Global Markets - Fixed Income)
Aristomenis Kalentis (Global Markets - Fixed Income)
Andreas Vasilopoulos (Global Markets - Fixed Income)
Xristoforos Gogolos (Global Markets - Fixed Income)
Manolis Zervoudakis (Global Markets- FX)
Petros Karadimas (Global Markets- FX)
Orestis Fytros (Global Markets- FX)
Panagiotis Georgantellis (Global Markets- FX)

Angelos Chasapis (Head of Commodities/Equities)
Panagiotis Georgantellis (Global Markets - Equities)
Petros Karadimas (Global Markets - Equities)
Aristomenis Kalentis (Global Markets - Equities)
Spyros Kardamis (Global Markets - Commodities)
Theodoros Kourtalis (Global Markets - Commodities)

Our purpose

AUEB Students' Investment and Finance Club is a non-political and non-profit student initiative, and the first Finance Club amongst Greek Universities, founded in 2013.

It aims to promote the social dimension of Finance, demonstrate the potential positive impact of investments on society, train and inspire its members on different functions of Finance.

For this purpose, we plan and implement innovative activities which are mainly related to:

- Investments and Stock Markets
- Consulting
- The broad universe of finance through activities such as insight days, internships, workshops and involvement in research
- Building a strong network with other European finance clubs and maintain a strong alumni base

Last but not least, we emphasize on the cultural fit of our members, in order to ensure the Club's success, and for this purpose we have established a selection process. Thus, our members are well-rounded and highly motivated individuals with a genuine interest in Finance.

Organizational Structure

General Assembly	Management Board	Audit Committee

- The **General Assembly** consists of the members of the Club as well as honorary members. It is held annually and decides on any matter of the Club.

- The **Management Board** is consisted of 6 members of the Club with one year incumbency. It is elected by the Annual General Assembly and their role is the management of the Club and achieving the objectives of the Club.

- The **Audit Committee** is elected by the Annual General Assembly as well with one year incumbency. Their role is to supervise and monitor the financial management of the Club.

Table Of Contents

Global Markets Summary

Foreign Exchange

In March, FX markets were dominated by a flight to safety and a "higher-for-longer" rate narrative as Middle East tensions sparked a global energy shock. The US Dollar Index (DXY) rose nearly 3%, briefly reaching 100.50 as investors sought liquidity amid rising oil prices and fading expectations for Federal Reserve cuts. This strength pushed EUR/USD through support levels, falling from around 1.1760 to 1.1574, reflecting sustained bearish momentum and limited upside catalysts throughout the period. Despite a hawkish ECB tone, the Eurozone's exposure to energy costs and weak growth kept the euro under pressure, with investors remaining cautious about the region's outlook. The British pound also weakened as the Bank of England held rates at 3.75%, with GBP/USD falling to 1.3244 amid declining global risk appetite and subdued investor confidence. In Asia, the yen was highly volatile, briefly dropping past 160.00 before recovering after hawkish signals from the Bank of Japan. Although rates stayed at 0.75%, dissent for a hike and energy concerns helped USD/JPY settle near 158.59. Overall, the dollar remained dominant, supported by safe-haven demand, strong domestic performance, and continued resilience in key economic indicators.

Fixed Income

Global bond markets transitioned into a sharp bear-reacceleration throughout March, as the disinflationary optimism of February was abruptly eclipsed by a geopolitical energy shock and a hawkish recalibration of central bank expectations. The US Treasury market saw the 10-year yield surge toward 4.31%, erasing the previous month's gains after the FOMC held rates steady at 3.50%–3.75% and Chair Powell warned that stalled progress on inflation would delay any policy easing. In the Eurozone, sovereign yields followed suit with Germany's 10-year Bund yield climbing above 3.00% for the first time in months; despite the ECB maintaining its refinancing rate at 2.15%, upwardly revised inflation projections led markets to aggressively price out previous cut expectations. The UK Gilt market faced even more pronounced pressure, with the 10-year yield spiking toward 4.96% as the Bank of England's unanimous 9–0 vote to hold rates at 3.75% signaled a hardening stance against persistent wage growth. Meanwhile, Japan's 10-year JGB yield broke higher to reach 2.35% as a dissenting vote for an immediate hike and hawkish rhetoric from the BoJ regarding the energy shock forced a repricing of the country's tightening trajectory. Overall, March concluded with a global sell-off in duration as the earlier consensus of cooling prices gave way to a "higher-for-longer" reality driven by structural supply-side risks.

Commodities
In March 2026 the gold market faced a sharp reversal as the Federal Reserve signaled a more aggressive stance on interest rates. Bullion retreated from its February records falling back toward the 4500 dollar level as the dollar index gained fresh momentum. Simultaneously the energy sector endured a massive supply shock following the closure of the Strait of Hormuz during naval drills. Brent crude prices spiked violently toward 110 dollars per barrel as traders scrambled to price in the loss of critical transit. This geopolitical premium completely overshadowed previous concerns regarding a global economic slowdown and high inventory levels. Natural gas markets followed the upward trajectory with prices jumping over fifty percent as European LNG import fears returned. Investors pivoted from defensive gold positions into high yielding cash or volatile energy futures to capture short term gains.

Equities
In March 2026 the global equity landscape shifted from February's rotation into a broad-based retreat as geopolitical shocks overwhelmed market fundamentals. The S&P 500 and Nasdaq both declined nearly five percent as the U.S.-Iran naval escalation triggered a massive surge in energy-driven inflation. High-multiple technology leaders faced intense selling pressure as rising Treasury yields forced investors to drastically discount future earnings growth. European markets suffered even deeper losses with major indices falling eight percent as the energy crisis threatened to derail the regions fragile recovery. Asian markets experienced the most severe divergence as the initial semiconductor rally collapsed under the weight of surging regional oil import costs. Japan's Nikkei plummeted over eleven percent while South Korea's Kospi initially crashed twenty percent before a late-month technical recovery on export data. Diversification provided little protection during the month as correlations rose across all sectors except for a booming and volatile energy complex. By month end global equities remained in a defensive crouch awaiting signs of de-escalation while grappling with a new high-inflation macro regime.

References: Investing.com, CNBC, Financial Times, Bloomberg,Reuters

Macro Overview

Monetary Policy

In March, global monetary policy was jolted out of its "watchful waiting" phase by an escalating energy shock in the Middle East, forcing a hawkish recalibration across most major central banks. The Federal Reserve held the federal funds target range steady at 3.50%–3.75% during its March 18th meeting, but the tone shifted markedly as Chair Powell emphasized that the disinflationary trend seen in early 2026 had been interrupted by rising commodity costs. Despite a weak February payrolls report, the FOMC remained focused on the "inflation tug-of-war," with members warning that high oil prices and AI-driven infrastructure demand could push the neutral rate higher than previously anticipated. Across the Atlantic, the Bank of England's Monetary Policy Committee voted unanimously (9–0) on March 18th to maintain the Bank Rate at 3.75%, a striking shift from February's split as even the most dovish members paused calls for cuts to assess the risk of a new inflationary spiral. Similarly, the European Central Bank held its main refinancing rate at 2.15% on March 19th, while upwardly revising its 2026 inflation projections to 2.6%, effectively signaling that the "restrictive for longer" era would persist through the summer. In Asia, the Bank of Japan became a primary source of hawkish speculation; although it kept its policy rate at 0.75% on March 19th, a dissenting vote for an immediate hike and a subsequent "Summary of Opinions" on March 30th highlighted the urgent need to counter the Yen's sharp depreciation and surging domestic energy costs. The People's Bank of China remained the global outlier, maintaining an accommodative stance by keeping its benchmark Loan Prime Rates steady to support a fragile recovery. Overall, March concluded with the synchronized easing hopes of late 2025 effectively dismantled, replaced by a fractured landscape where most central banks are once again prioritizing price stability, while China remains focused on proactive stimulus to shore up internal growth.

Growth & Inflation

The global economic landscape in March shifted from a period of "watchful waiting" to a state of heightened alert, as an escalating energy shock in the Middle East disrupted the disinflationary trends of early 2026. In the US, the economy continued to show surprising resilience, though the labor market exhibited its first major cracks with a surprise loss of 92,000 jobs in the February report. Despite this cooling, US inflation remained a focal point as February CPI held at 2.4%, with rising energy costs mid-month threatening to stall further progress and forcing the Federal Reserve to maintain its restrictive policy stance. In the UK, the growth narrative deteriorated as the British Chambers of Commerce downgraded the 2026 GDP forecast to a stagnant 1.0%, citing weak productivity and the "inflationary tax" of surging oil and gas prices. UK headline inflation, which had been trending toward the target, faced renewed upward pressure, reaching 3% by month-end and dashing hopes for an early Spring rate cut from the Bank of England. This trend was mirrored in the Eurozone, where a flash estimate showed annual inflation jumping to 2.5% in March from 1.9% in February, driven largely by the energy component. The ECB was forced to revise its 2026 inflation projections upward to 2.6%, signaling that the "restrictive for longer" era would persist even as industrial production continued to struggle. In Asia, the regional outlook became increasingly bifurcated. Japan faced an urgent inflation-growth dilemma as the Yen's sharp depreciation and rising energy imports threatened to push Tokyo CPI back above the 2% threshold, increasing pressure for a hawkish pivot. Conversely, China's recovery remained the global outlier; while Beijing contended with its own energy import costs, the PBOC prioritized domestic stimulus to counter persistent property sector weakness and weak consumer demand, keeping growth targets near 4.5% despite the darkening global backdrop. Overall, March reflected a pivot back toward inflation-fighting, as the "soft landing" hopes of February were challenged by structural supply-side risks and a renewed cost-push shock.

References: Investing.com, CNBC, Financial Times, Bloomberg, The Washington Post, Reuters

Pair	31/3 Close	MoM	YtD
USD Index	99.759	2.25%	1.89%
EUR/USD	1.1574	-2.03%	-1.42%
GBP/USD	1.3244	-1.79%	-1.72%
USD/JPY	158.59	1.62%	1.22%
USD/CHF	0.7978	3.76%	0.66%

EUR/USD

Montly Overview

The EUR/USD pair experienced a volatile March, ultimately posting a decline of approximately 2.21% for the month, dropping from an opening of 1.1791 on March 2 to 1.1553 by March 31. The period was dominated by a sharp escalation in the US-Israel conflict with Iran, which drove consistent safe-haven demand for the US Dollar (USD). Geopolitical tensions and the closure of the Strait of Hormuz exerted upward pressure on oil prices, complicating the inflation outlook for both the Federal Reserve and the ECB. In the Eurozone, inflation fell short of forecasts in March at 2.5% YoY(up from 1.9% in February), highlighting a persistent gap between headline figures and core price pressures. While sticky US inflation data and resilient wage growth kept the Fed in a "wait-and-see" mode, the Eurozone faced a challenging economic environment as energy-driven price pressures mounted alongside a notable loss of business momentum.

Weekly Breakdown

The month opened with a sharp "flight to safety" that triggered immediate downward pressure on the EUR/USD, causing the pair to slide 0.93% from an opening of 1.1791 to 1.1681.Initial sentiment was heavily impacted by the start of the US-Israel coordinated attacks on Iran, which triggered a rush toward the Greenback. On the data front, the US labor market provided mixed signals: ADP private employment rose by 62K, beating the 40K expectation and accelerating from January's 11K. However, this was contrasted by a lackluster Eurozone performance, where momentum remained modest as GDP was confirmed to have expanded by only 0.2% QoQ in the fourth quarter.
During the second week, the pair continued its depreciation, ultimately falling from 1.1569 to 1.1416, a total decline of 1.74% for the first half of the month. The US Nonfarm Payrolls (NFP) report showed a surprising decline of 92K jobs in February, sharply missing the forecast for a 59K increase, while the unemployment rate stood at 4.4%. Despite the weak jobs data, US inflation remained sticky; the CPI rose 0.3% MoM, holding the annual headline rate steady at 2.4% YoY and preventing any significant relief for the Euro.
As the second half of March commenced, the pair began a slight recovery, advancing from 1.1505 on March 16 to 1.1571 on March 20. This period was characterized by intense diplomatic maneuvering, including a 15-point US peace proposal. Both the Fed and the ECB held interest rates steady, with the Fed maintaining the 3.50%–3.75% range. However, the Eurozone faced internal headwinds as PMIs indicated a sharp loss of momentum; the Composite index fell to 50.5, marking a 10-month low and signaling near-stagnation in the region.
In the final stretch of the month, the EUR/USD pair settled at 1.1553, a 0.53% decrease from the previous week. US inflation concerns persisted as the PPI rose 0.7% MoM, pushing the annual rate to 3.4% YoY. However, the USD's strength was capped by a downward revision to US GDP, which showed an annualized growth rate of just 0.7%, missing the 1.4% forecast. Toward the month's end, the Greenback softened further as President Trump signaled openness to ending the conflict, allowing the Euro to stabilize and recoup a portion of its earlier losses.

EUR/USD

GBP/USD

Montly Overview

During March, the GBP/USD pair maintained a firm tone, primarily dictated by escalating Middle East geopolitics and shifting central bank expectations. Early in the month, the US-Iran conflict and surging oil prices intensified safe-haven demand for the Dollar. Conversely, Sterling faced pressure from domestic political uncertainty and the OBR's downward revision of the UK's 2026 growth forecast to 1.1%. Even softer US Nonfarm Payrolls did little to weaken the Greenback, as geopolitical risk remained the dominant market driver. A mid-month correction briefly saw inverse GBP/USD rebound toward 1.3430, yet this recovery was short-lived. Stronger-than-expected US inflation data, including a 2.4% CPI and robust PPI figures, reaffirmed Dollar strength. This was further solidified on 18 March, when the Federal Reserve opted to hold interest rates steady at 3.50%–3.75%. Although a unanimous 9-0 Bank of England hold on 19 March provided a temporary lift for Sterling by warning of rising inflation, renewed risk aversion and disappointing UK macro data eventually dragged the pair down to 1.3226 by month-end.

Weekly Breakdown

GBP/USD opened March strongly as the US-Iran conflict, higher oil prices and safe-haven demand lifted the dollar. Sterling was also pressured by UK political uncertainty and softer growth expectations. Although the pair briefly recovered toward 1.3400 on 4 March, helped by reduced expectations of a March BoE cut despite firm US data (ISM Services 56.1, ADP 62K), the move was short-lived. On 7 March, steady US Jobless Claims at 213K and the OBR's downgrade of 2026 UK growth to 1.1% from 1.4% added to sterling pressure. Stronger US labour signals and the UK growth downgrade quickly restored support for USD. The second week remained broadly USD-supportive. On 9 March, rising oil prices and fears around the Strait of Hormuz reinforced the risk-off tone. A temporary correction followed on 10 March, when markets priced around 40 bps of Fed easing for the year and GBP/USD rebounded toward 1.3480. However, US CPI at 2.4% YoY and core CPI at 2.5%, together with renewed war-related inflation concerns, soon pushed sentiment back in favor of the dollar. On March 12th , escalating conflict and oil-driven inflation also clouded the BoE outlook. On 13 March, flat UK GDP intensified stagflation fears, sending the pair below 1.3300. This was the month's pivotal policy week. On 18 March, the Fed held at 3.50%–3.75%, while stronger US PPI and Powell's firmer inflation message reinforced a higher-for-longer USD backdrop and pushed it back below 1.3300 once again. The next day, the BoE held at 3.75% in a unanimous 9-0 vote and signaled inflation near 3.5%, prompting a hawkish repricing of UK rates. In response, GBP/USD surged from around 1.3250 to 1.3430–1.3470, marking the month's clearest sterling rally. On 20 March, part of that move reversed as oil and risk aversion re-supported USD. The remainder of the month was more range-bound but still geopolitically driven. Hopes of Iran de-escalation briefly helped sterling on 23 March, lifting the pair back toward 1.3430–1.3460, but the move faded. Higher oil, firmer US yields, sticky UK inflation and weak UK data kept sterling fragile. Technically, recoveries repeatedly struggled near the 200-day SMA around 1.3434. By 30 March, GBP/USD had fallen to 1.3188, a four-month low. A small rebound followed on 31 March, closing the month at 1.3226, but the broader monthly structure remained USD-positive.

GBP/USD

USD/JPY

Montly Overview

The USD/JPY pair maintained a broadly bullish trajectory throughout March, underpinned by the escalating US-Iran conflict in the Middle East. Opening the month at 155.65, the pair breached the key 160.00 psychological resistance level on March 27 before closing at 158.72. While both currencies possess safe-haven characteristics, the geopolitical environment disproportionately favored the Dollar, as the US, being a net energy exporter, benefited from elevated oil prices, whereas Japan's heavy dependence on energy imports drove a rapid widening of its trade deficit. Over the same period, both the Federal Reserve and the Bank of Japan maintained hawkish stances in anticipation of sustained inflationary pressure, a signal markets interpreted as effectively eliminating the probability of a rate cut later in the year.

Weekly Breakdown

The USDJPY pair commenced the month of March on a decidedly bullish note, advancing 1.11% to settle around 157.80 by the end of the first week. This initial strength was largely predicated on the escalating geopolitical friction between the US and Iran in the Middle East, which bolstered the US Dollar's appeal. Structurally, the United States holds a distinct advantage during such conflicts; as a net energy exporter, it stands to benefit from the inevitable rise in global oil prices. In contrast, Japan's status as a heavy energy importer creates a significant economic headwind, providing a natural tailwind for the Greenback relative to the Yen.

As the month progressed into the second week, the pair extended its gains by an additional 1.22%. During this period, market participants began to pivot their focus from immediate geopolitical risks toward the underlying reality of persistent inflation. This shift reinforced the Federal Reserve's "Higher for Longer" monetary policy stance, further widening the interest rate differential that has long penalized the Yen.

The third week of March proved to be the most consequential for the currency pair, characterized by a rare simultaneous policy decision from both the Federal Reserve (FOMC) and the Bank of Japan (BoJ). While both central banks ultimately elected to hold interest rates unchanged, their respective forward guidance told a different story. The Federal Reserve maintained a significantly more hawkish tone, backed by a higher median dot-plot projection. This narrative provided the momentum necessary to push the pair through the critical 160.00 psychological and intervention threshold during the fourth week.

However, the month concluded with a sharp reversal. Sentiment shifted as signs of Middle East de-escalation emerged, coupled with coordinated hawkish rhetoric from senior Japanese officials. Statements from currency diplomat Atsushi Mimura, Finance Minister Satsuki Katayama, and BoJ Governor Kazuo Ueda effectively unwound the prior bullish trend, leading the pair to a final monthly close of 158.72.

USD/JPY

References: Reuters, Financial Times, Bloomberg, FXToday, DailyFX

USD/CHF

Montly Overview

The USD/CHF pair exhibited heightened volatility throughout March 2026, marking a decisive rally from its opening level of 0.7692. The US Dollar's dominance as the primary safe-haven asset was fueled by the escalation of the conflict with Iran, the closure of the Strait of Hormuz, and surging energy prices. While the Fed maintained interest rates at 3.75%, the SNB held at 0%, actively intervening in the foreign exchange markets to curb excessive Franc appreciation. This risk-off sentiment was confirmed by the DXY breaking above the 100.00 threshold, aggressively directing capital into Dollar-denominated assets.

Weekly Breakdown

During the first week, the USD/CHF pair opened at 0.7692 and closed at 0.7759, recording an increase of 0.91%. The pair exhibited high volatility due to the SNB's intervention to weaken the Swiss Franc, the new US tariffs, and the Bilaterals III agreement with Europe. Additionally, the pressure on the US labor market must be highlighted, as the NFP (-92k) and the rise in unemployment to 4.4% created a sentiment of dollar aversion among investors, favoring the Swiss Frank. The second week USD/CHF pair rose by 2.00% this week, opening at 0.7786 and closing near 0.7914. While the Swiss Franc initially strengthened as a safe-haven asset due to Middle East tensions, the U.S. Dollar ultimately dominated. This reversal was fueled by U.S. inflation data (CPI at 2.4%, Core at 2.5%) and surging oil prices, which solidified expectations for a "higher-for-longer" Fed policy. Despite the CHF's defensive appeal, investors ultimately prioritized the superior yields and hawkish monetary outlook of the Greenback. The third week USD/CHF pair closed at 0.7880 (-0.43%), as profit-taking and technical resistance stalled the USD rally, overshadowing the bullish 0.7% PPI MoM and the Fed's hold at 3.75%, alongside safe-haven inflows fueled by geopolitical tensions in the Strait of Hormuz. While the SNB maintained its policy rate at 0%, opting for FX interventions over negative rates to manage CHF overvaluation, the upward revision of its long-term inflation forecast to 0.5% for 2026-2027 established a structural floor for the Franc, effectively capping aggressive downside momentum despite the Greenback's dominance. During the last week the USD/CHF pair extended its bullish trajectory to close at 0.7981 (+1.38%), driven by the DXY breaching the 100.00 psychological barrier and a collapse in US-Iran diplomacy, which pivoted safe-haven demand toward the Greenback. Fundamental support was reinforced by robust trade data, specifically Export Prices YoY at 3.5% (vs. 2.2% forecast), while soaring Brent Crude prices and the breakdown in Middle East negotiations forced a market shift into energy-driven dollar liquidity, allowing the USD to dominate risk-off sentiment despite the Swiss Franc's traditional defensive qualities. The Houthis engaged in the conflict over the weekend of March 29–30, threatening exports through the Red Sea, further intensifying dollar demand. In the final trading sessions, the pair extended losses and closed at 0,7994 for the month.

USD/CHF

References: Trading Economics, Yahoo Finance

Rates	31/3 Close	MoM	YtD
FED Funds Rate Target	3.50%-3.75%	No Change	No Change
ECB Main Refinancing Operations Rate	2.15%	No Change	No Change
ECB Deposit Facility Rate	2.00%	No Change	No Change
EURIBOR 1M	1.893 %	-2.27%	-3.07%
USA 3 Month Treasury	3.69%	0.74%	2.10%
USA 10 Year Treasury Bill	4.311%	8.81%	2.79%
Germany 10 Year Bond	3.007%	13.38%	3.76%
UK 10 Year Gilt	4.877%	15.13%	3.79%
Greece 10 Year Bond	3.884%	17.66%	11.61%

References: Reuters, Financial Times, Bloomberg, FXToday, DailyFX

Europe

During March, European sovereign bonds experienced pronounced volatility, with yields moving sharply higher amid escalating geopolitical tensions, persistent inflationary pressures, rising stagflation risks, and a shift in the monetary policy outlook, although some stabilization emerged toward the end of the month.

In Germany, the 10-year Bund opened March at 2.637% and moved sharply higher in yield amid a pronounced selloff, driven by escalating geopolitical tensions following coordinated U.S.–Israel strikes on Iranian regime targets. The subsequent closure of the Strait of Hormuz and suspension of Qatari LNG exports led to a significant surge in energy prices, reinforcing inflation expectations and prompting markets to price a more hawkish ECB policy path, against a backdrop of notably weak German retail sales. Attempts to calm markets, including President Trump's comments on a near- term resolution and the IEA's 400mb release, provided limited support amid mixed White House messaging and persistently elevated oil, crushing investor morale (ZEW Economic Sentiment Index at -0.5 vs 58.3 prior). On the macro front, German inflation rate surprised to the upside at 2.7% YoY, the ECB held rates steady as anticipated, and at the same time, German manufacturing activity remained resilient (S&P Global Manufacturing PMI at 52.2), while services underperformed (S&P Global Services PMI at 51.2). Toward month-end, improving expectations of de-escalation supported a recovery in demand, with the Bund settling at 3.007% as markets continued to price in at least two ECB rate hikes over the year.

In France, the 10-year OAT opened at 3.232% and moved materially higher, tracking the broader core bond selloff as geopolitical tensions in the Middle East intensified. February data indicated Eurozone headline inflation at 1.9% YoY and core inflation at 2.4%, both exceeding expectations, while oil prices surpassed $100 per barrel, reinforcing concerns that a prolonged conflict involving Iran could simultaneously elevate inflationary pressures and weigh on economic growth. ECB communication remained firmly hawkish, with President Christine Lagarde reiterating the Bank's commitment to maintaining price stability, alongside upward revisions to the 2026 inflation outlook and downward adjustments to growth projections, reflecting the adverse impact of higher energy prices on household incomes and confidence. March EU inflation accelerated further to 2.5%, the highest level in over a year, while French manufacturing remained marginally in expansion (S&P Global Manufacturing PMI Flash at 50) and services continued to contract (S&P Global Services PMI Flash at 48.3). Improved expectations around a potential easing in geopolitical tensions supported sentiment, allowing the OAT to close at 3.721% as markets recalibrated expectations for energy prices and the monetary policy outlook.

Italian 10Y Bond Yield

German 10Y Bond Yield

German 2Y Bond Yield

United Kingdom

UK government bonds faced severe selling pressure in March 2026, with the benchmark 10-year gilt yield opening at 4.324% and surging more than 75 basis points at one stage during the month. The primary driver was the dramatic escalation of Middle East tensions, specifically "Operation Epic Fury", which led to the closure of the Strait of Hormuz and a suspension of Qatari LNG exports. This supply-side shock triggered a massive rally in energy prices, UK retail fuel prices jumped over 10% in the first three weeks of March alone, reigniting fears of a prolonged inflationary cycle and forcing investors to demand a significantly higher risk premium on sovereign debt.

Early in the month, on March 3, the Office for Budget Responsibility (OBR) downgraded the UK's 2026 GDP growth forecast to 1.1%, down from the 1.4% projected in November, which further pushed the gilt yield to climb above 4.6% by the first week of March and mark its largest weekly rise since September 2022.

Mid-month, UK jobs data showed slower wage growth and unemployment holding at 5.2%, both missing expectations. The Bank of England's Monetary Policy Committee (MPC) voted unanimously (9-0) on March 19 to maintain the Bank Rate at 3.75%. This decision represented a hawkish shift from the narrow 5-4 split seen in February, as all members coalesced around a "watchful waiting" stance to assess the impact of energy prices. Governor Andrew Bailey highlighted that while monetary policy cannot reverse global energy price spikes, the Bank remains vigilant against persistent second-round effects on domestic inflation. The unanimous hold and cautious guidance effectively dashed earlier market hopes for a spring rate cut, further cementing the upward trajectory of yields. Meanwhile, the next day, the Office for National Statistics (ONS) released that UK public sector borrowing rose to £14.3 billion in February 2026, up from £12.1 billion a year earlier and well above forecasts of £8.5 billion. This marked the second-highest February borrowing on record, trailing only 2021.

Approaching the end of the month, the UK's 10-year gilt yield soared to 5.118% on March 23, reaching a monthly peak and a near 18-year high, but then hovered slightly below following reports of indirect negotiations between Washington and Tehran. It was suggested that a 15-point peace proposal was presented. February's headline inflation held steady at 3.0%, aligning with expectations, but core CPI edged up slightly to 3.2%, exceeding the 3.1% consensus and signaling stickiness. Additionally, UK retail sales dipped 0.4% in February and consumer confidence plunged to a near one-year low in March amidst rising cost-of-living concerns. The gilt yield closed the month at 4.877%, with markets now anticipating two or three BoE rate hikes in 2026, abandoning earlier bets of two cuts.

British 10 Year Gilt

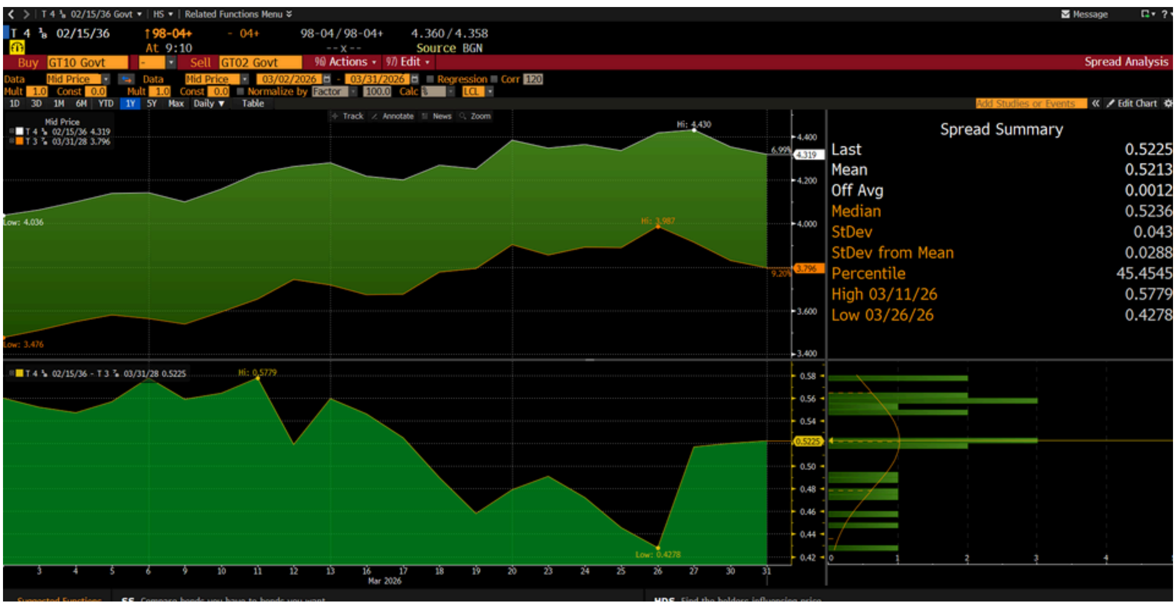
USA

During the transition from late February into March, U.S. Treasury yields exhibited heightened volatility. The 10-year yield initially opened at 3.932 bps and the 2-year at 3.373, before closing at 4.311% and 3.799% at the end of the month, following geopolitical escalation in the Middle East and a surge in oil prices. Weaker labor data, showing a loss of 92,000 jobs, alongside a 400-million-barrel release by the G7 and IEA, put even more pressure into US debt with the ICE BofA MOVE Index moving 50% since the start of March. CPI remained at 2.4%, the FOMC meeting concluded with no change in interest rates, Consumer sentiment index fell to 53.3 for March while the yield curve saw a sharp rise in short term debt.

The end of February saw the yield of the 10-year treasury note fall to 3.952 bps, the 2-year treasure note at 3.949 bps and the 2s10s spread sat a healthy 0.58. However, on Saturday 28/2 the US and Israel started a joint bombing operation across Iran and at the same day they managed to neutralize the Supreme Leader of Iran, Ali Khamenei. This saw yield's jump to 4.140% by the end of the first week, as the conflict escalated. Combined with a sharp increase in Brent Oil and West Texas Intermediate (WTI) price per barrel, which saw their futures contracts jump 50%. Moreover the U.S. Labor of Statistics released a loss of 92,000 jobs in Non-Farm Payrolls for February while it was expected a positive 50,000, putting extra weigh in the American bond notes due to extended inflationary fears.

On March 11, with the Hormuz Strait closed and only 5% of the ships are allowed to go through, the G7 and the International Energy Agency (IEA) decided to release 400 million barrels to prevent supply disruptions and tame crude prices. That saw the 10-year to fall at 4.136% and the 2-year 3.569%. Strangely another driver was to be a social media post from a CBS News reporter that President Trump thinks a resolution to the war is near. CPI stayed at 2.4% YoY, as estimated by the analysts. In the FOMC meeting on March 18, the committee decided to maintain the existing credit rating at 3.75%, Fed Chair Jerome Powell reinforced the "economy is doing pretty well" narrative as Christopher Waller is essentially saying that the Fed is fully dependent on upcoming labor market data, with policy now a near coin flip between holding rates or cutting. With the addition of the ongoing political turmoil in the Middle East, the new Fed Chair will probably bring a decrease of 25 bps at interest rates until the end of the year, according to Chase analysts. This can also be interpreted by the fall of the Treasury Inflation-Protected Securities (TIPS) yields from the start of the month.

Going through March the war in Iran continues to be the catalyst into the US economy, while the Manufacturing PMI climbed to 52.7, S&P Global US Flash PMI came at a 11-month low 51.4 and both 15-year and 30-year mortgage rates climbed to 5.75% and 6.38% each. Those resulted in a disappointing 2-year Treasury action, as the bid-to-cover ratio fell to 2.44 on a $69 billion sale, the lowest point since May 2024. Further turmoil caused the 2-year Treasury yield to reach 4.00%, the highest it has had since October.



US 10 Year Bond Yield and 10Y-2Y Spread

References: Reuters, Financial Times, Bloomberg, FXToday, DailyFX

Asia

China

Chinese government bonds recorded some losses during March, as tensions in the Middle East led to a global bond selloff, but largely reversed them later in the month. The impact of rising oil prices was partially mitigated by China's strategic reserves and less severe reliance on oil for energy production. However, at the same time, domestic consumer-price growth recorded the highest pace in three years, at 1.3%, signaling that a long period of persistent deflationary pressure may be coming to an end and putting upward pressure on yields. Meanwhile, the Chinese economy showed signs of firmer growth to start the year, after cooling down in the last quarter of 2025. The rebound was primarily driven by an uptick in domestic investment and consumption. Retail sales increased by 2.8%, while industrial output rose 6.3%. Additionally, resilient external demand contributed to exports increasing by 21.8%, far exceeding expectations and leading to a trade surplus of USD 213.62 billion for the first two months of the year. Increased corporate lending led to a notable credit expansion, boosting domestic investment, which was further supported by increased public spending for infrastructure. Nonetheless, rising energy and commodity prices, as well as trade uncertainty driven by global geopolitical developments, jeopardize the sustainability of this economic upswing. Beijing set its growth target for the year in the range of 4.5% to 5%, its most modest goal in decades. With already rising inflation set for further increases, a lower growth target, and the economy rebounding, expectations for policy loosening and monetary stimulus by the PBOC were initially scaled back. This development, coupled with the prospect of a prolonged conflict in the Middle East weighing on bond markets, resulted in rising yields. However, towards the end of the month, as the government intervened to limit domestic fuel price increases and PBOC officials stated their intent to maintain a relatively loose monetary policy, this trend was largely reversed, with the 10-year yield closing the month at 1.818%, down from 1.882%.

Japan

Japanese government debt largely followed the global trend of rising yields in March, as the prolonged conflict in the Middle East led to elevated oil prices and anticipation of higher inflation rates. In its meeting on March 19, the Bank of Japan held rates steady, but highlighted that the prospect of growing inflationary pressure, resulting from a weakened yen and rising energy costs, could lead to a rate hike in April. Despite cooling down in February to 1.3%, inflation is expected to resurge as tensions in the Middle East linger for a prolonged period of time, despite government subsidies temporarily alleviating pressure on consumers. BOJ officials also cited the risk that geopolitical developments could negatively impact economic growth by severing the country's terms of trade, raising the need for monetary support. As a result, any policy tightening is expected to be gradual and handled with caution. The economy grew by 0.3% in the last quarter of the previous year, while the manufacturing PMI fell below the initial estimates in February. At the same time, the unemployment rate edged slightly lower to 2.6%. Closer to the end of the month, as tensions escalated and expectations of gradual policy tightening from the BOJ increased, bond prices retreated further, with short-term yields, more sensitive to monetary policy decisions, climbing to decades-high levels. The 10-year yield closed the month at 2.36%, up from 2.08%.

Japanese 10Y Bond

References: Reuters, Yahoo Finance, CNBC

Commodity	31/03 Close	MoM	YtD
Bloomberg Commodity Index	USD 135.25	9.24%	25.50%
Gold Continuous Cont	USD 4,678.60	-12.71%	7.80%
Crude WTI Continuous Cont	USD 101.38	35.17%	76.59%
Crude Brent Continuous Cont	USD 103.97	32.85%	70.84%
Natural Gas TTF Continuous	EUR 50.638	24.04%	77.80%

Gold (1M Future Contract)

Monthly Overview

Gold opened March at $5,360.00 on March 2, hit a monthly high of $5,434.10 on that same session, and closed the month at $4,557.50 on March 30, shedding 14.9%, marking its worst monthly performance since 2008. The monthly low of $4,124.00 was struck intraday on March 23. Three forces drove the selloff: the U.S.-Israeli military campaign against Iran and the Strait of Hormuz closure, a hawkish repricing of Federal Reserve rate cut expectations, and a stronger dollar competing with gold for safe haven flows. To put in the broader context, gold reserves now cover just 3% of US federal debt, one of the lowest readings on record and down from roughly 18% in 1980. Central bank demand held up throughout the month and bullion closed well off its lows.

Weekly Breakdown

In the first week of the month from March 2 to 6, gold opened at $5,360.00 and surged to a weekly high of $5,434.10 on March 2, eventually closing at $5,311.60 as U.S.-Israeli airstrikes on Iran drove safe haven demand. By March 3, global gold flows suffered major disruptions as the conflict halted most air traffic through Dubai, which accounts for around 20% of global flows, causing bullion to trade in its widest daily range of the week before closing at $5,123.70. Gold drifted through March 4 and retreated further on March 5 to a low of $5,058.90 as 10-year Treasury yields hit a three-week high, leading the week to close at $5,158.70. Moving into the second week from March 9 to 13, gold opened at $5,186.70 but dipped to $5,021.20 as the dollar became the preferred safe haven and physical gold in Dubai began trading at a discount to London. Although prices rebounded on March 10 to a high of $5,248.70 following signals of potential de-escalation and continued central bank purchases from China, the release of CPI data on March 11 cemented a higher-for-longer narrative. Despite Chile's central bank disclosing its first major gold purchase since 2000, the week settled at $5,061.70, marking a second consecutive weekly decline. During the third week from March 16 to 20, the metal opened at $5,010.00 and broke below the $5,000 level for the first time since the conflict began. The Fed's hawkish hold on March 18 deepened the slide, sending gold to a low of $4,809.30, and by March 19, the metal plunged to $4,505.00 intraday in one of the worst single-session declines on record. The week settled at $4,574.90, representing the largest single-week dollar decline in gold's history. Subsequently, in the fourth week from March 23 to 27, gold opened at $4,450.00 as ETF holdings continued to fall. Prices saw a brief recovery to $4,407.30 after strike postponements and a temporary break in the losing streak on March 25, though tensions over failed peace proposals kept the market volatile. The week closed at $4,492.50 after consumer sentiment fell and inflation expectations rose. Finally, as the month concluded on March 30, gold opened at $4,520.00 and rose to a settle of $4,557.50 as safe haven demand picked up once more. Despite China's net gold imports surging and analysts maintaining high year-end targets, gold ended March down 14.9% from its initial open, though it remained well above the lows reached earlier in the month.

Gold

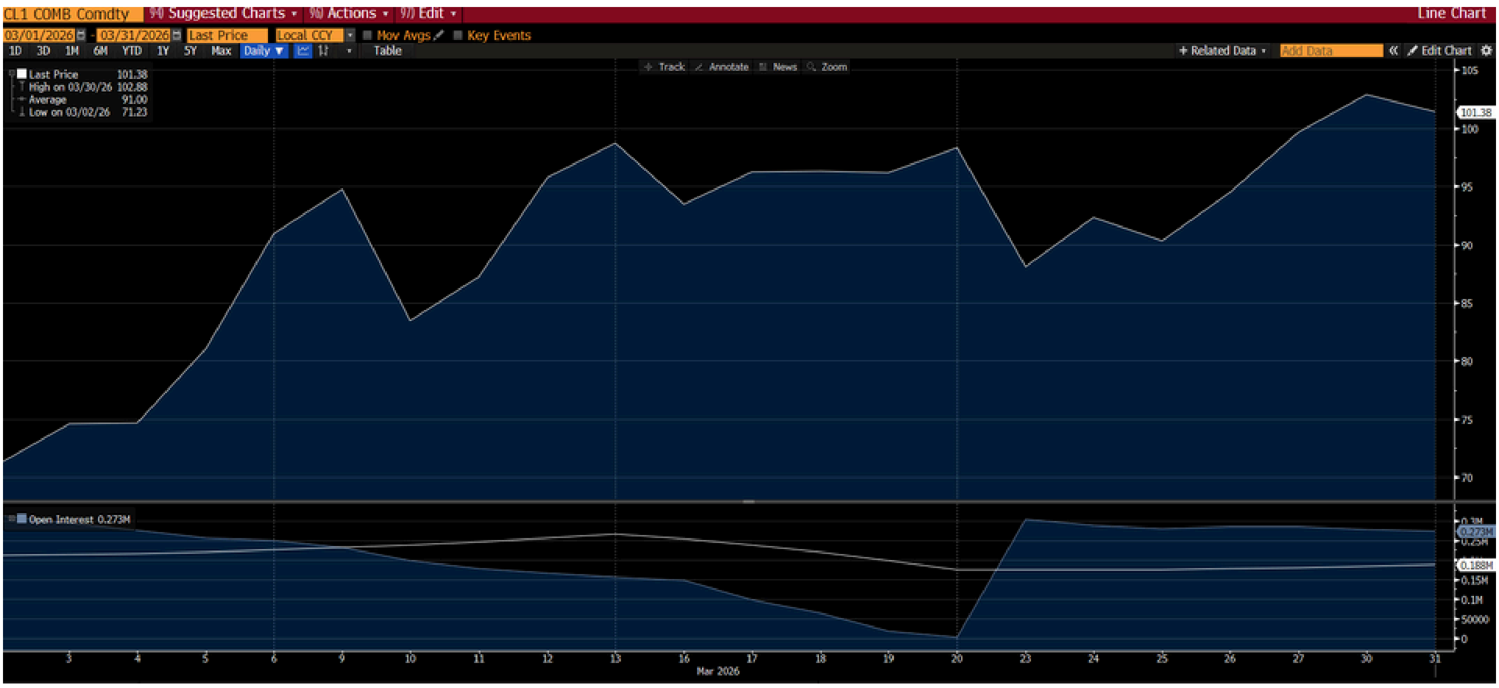
Crude Oil (WTI & Brent Crude 1M Future Contract)

Monthly Overview

In March 2026, the global oil market was mainly shaped by the closure of the Strait of Hormuz and the chaos that followed. With tanker traffic through the world's most critical oil chokepoint collapsing almost entirely, global supply fell by over 8 million barrels per day, creating the largest supply disruption in the history of the oil market. Brent crude opened the month near $70 and within days was already touching $120, driven by panic buying and the near-total withdrawal of war risk insurance for vessels operating in the Gulf. The IEA responded on March 11 with a record release of 400 million barrels from strategic reserves, but the market quickly brushed it off, understanding that the volumes were simply too small to fill the gap left by the Strait's closure. Saudi Arabia rerouted its exports through the Red Sea port of Yanbu, while the U.S. military launched air operations on March 19 in order to force the waterway back open, without decisive results. By month end, Brent settled at $103, posting its biggest monthly gain since the contract began in 1988, up roughly 55%. As we move into April, the market remains hostage to the conflict, with the Strait still closed and no political resolution in sight.

Weekly Breakdown

In the first week of March 2026, the world's oil market was hit by its biggest supply shock in modern history, starting on February 28 when the United States and Israel launched military strikes on Iran. In response, Iran moved quickly to block the Strait of Hormuz, the narrow waterway that carries 20% of the world's oil and gas, and within days shipping companies began pulling their tankers out of the Gulf as insurance coverage was cancelled across the board. Before the war, Brent crude was trading around $70 a barrel, but prices exploded almost immediately, touching nearly $90 as the scale of the disruption became clear to markets. In the second week, the focus shifted to damage control as the situation continued to deteriorate. On March 8, Brent reached close to $100 a barrel for the first time in four years, and three days later the IEA announced the biggest emergency oil release in its history, committing 400 million barrels from member countries' strategic reserves in order to calm the market. Prices briefly dropped on the news but quickly climbed back above $90, as traders recognized that the reserves could only cover about twenty days of lost supply from the Strait. Around the same time, the IEA cut its 2026 oil demand growth forecast to 640,000 barrels per day, as high prices were already pushing airlines to cancel flights and reduce fuel consumption at a pace that surprised even veteran market watchers. In the third week, Saudi Arabia quietly redirected its oil exports away from the Strait of Hormuz and through the Red Sea port of Yanbu, cutting off a significant portion of supply that had previously flowed toward Western markets. At the same time, the U.S. military began air operations on March 19 to reopen the Strait by force, targeting Iranian naval assets in and around the waterway, though Iran showed no signs of backing down and continued to assert control over the passage. In the fourth week, the situation became even more unstable as President Trump issued a direct ultimatum to Iran, pushing the market into a state of extreme stress where traders were scrambling to secure physical oil for immediate delivery. The Brent 1M-3M spread widened sharply, a clear sign that near-term supply was seen as critically tight, and volatility remained very high throughout the week as both sides exchanged warnings and any prospect of a negotiated solution appeared to be fading.



Crude Oil

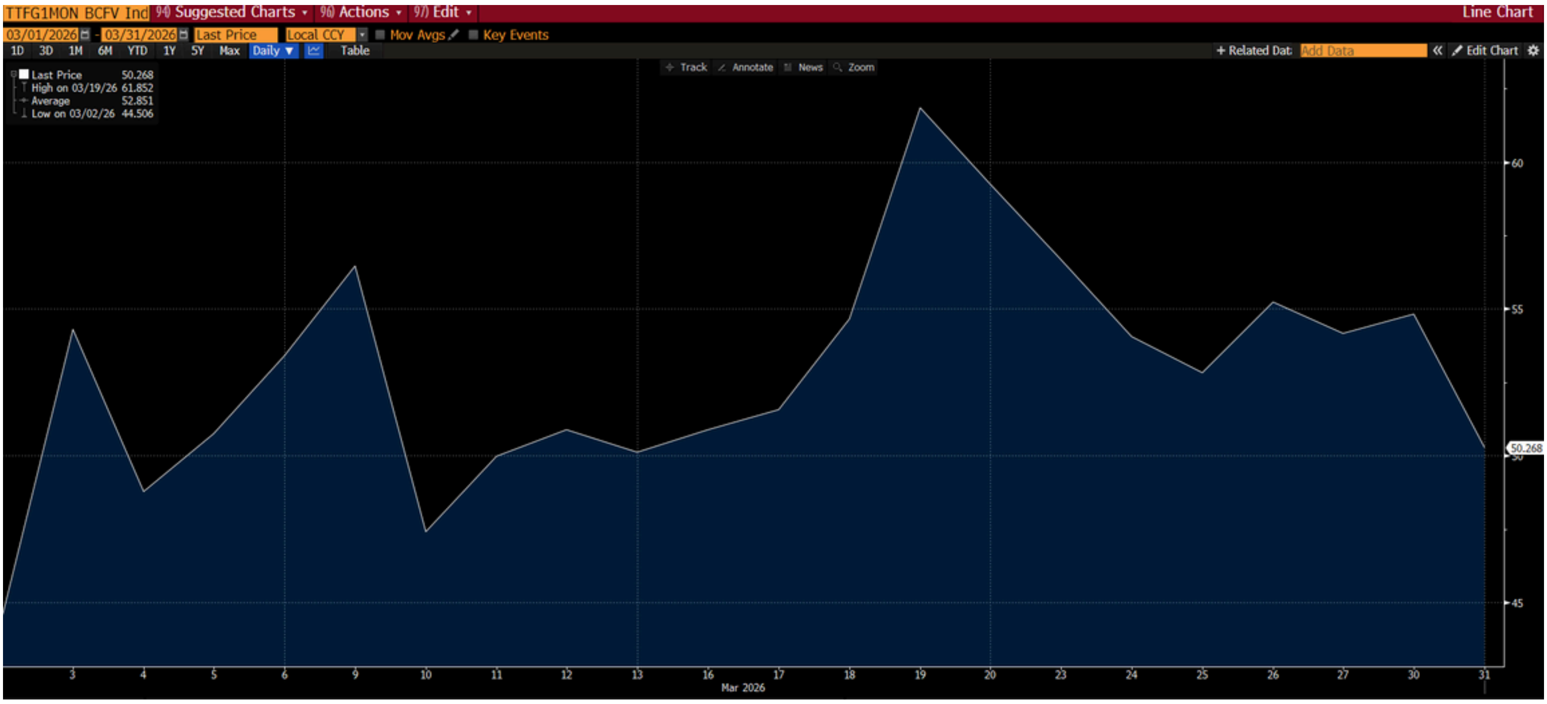
Natural Gas - Dutch TTF

Monthly Overview

The Dutch TTF natural gas market in March 2026 was defined by an unprecedented supply shock that transformed European energy security overnight. The month began explosively, with the closure of the Strait of Hormuz on February 28 immediately removing 20% of global LNG supply from the market, sending prices surging nearly 46% in the opening session of March 2 alone. The situation worsened mid-month as Iranian strikes caused catastrophic damage to Qatar's Ras Laffan facility, sidelining 12.8 million tonnes of annual liquefaction capacity with a repair timeline of three to five years. The European Central Bank, meeting on March 19, held rates at 2.00% while raising its 2026 inflation forecast to 2.6%, directly attributing the revision to soaring energy costs. By late month, unseasonably warm weather and strong renewable output pushed prices back toward €50/MWh, but the underlying picture remained deeply concerning. EU storage finished March at just 27.7% of capacity, leaving Europe facing its most difficult summer injection season in years and heading into Q2 without its traditional Qatari supply cushion.

Weekly Breakdown

The Dutch TTF natural gas market experienced extreme volatility and a 72% monthly price surge throughout March 2026 as the outbreak of war in the Middle East triggered severe global supply disruptions. At the beginning of the period, the conflict involving the United States and Iran led to the closure of the Strait of Hormuz, which immediately removed 20% of global liquefied natural gas supply and caused prices to spike nearly 46% during the March 2 opening session alone. This supply shock intensified mid-month following kinetic damage to Qatar's Ras Laffan facility, which sidelined 12.8 million tonnes of liquefaction capacity and pushed front-month futures toward the €69/MWh range. During this time, the European Central Bank held interest rates at 2.00% while raising inflation forecasts to 2.6% to account for rising energy costs. Late-month prices eventually retreated toward the €50.00 range because unseasonable warmth reduced heating demand and record renewable output from solar and wind displaced gas-fired generation. However, storage levels fell to a precarious 27.7% of capacity by month end, well below seasonal norms. This inventory depletion, exacerbated by emerging political risks regarding the stability of US LNG exports, indicates that the upcoming summer injection season will be exceptionally challenging for market participants. The continent's economic stability now depends on its ability to refill storage for the next winter without the traditional Qatari supply cushion.



Natural Gas

Index	31/3 Close	MoM	YtD
S&P 500	6,528.52	-5.09%	-5.49%
NASDAQ 100	23,777	-3.65%	-5.94%
DJIA	46,341.51	-5.38%	-3.67%
FTSE 100	10,176.45	-6.73%	+2.47%
DAX	22,680.04	-10.30%	-7.43%
CAC 40	7,816.94	-8.90%	-3.82%
STOXX 600	583.14	-8.00%	-1.55%
ATHEX GD	2.065,04	-9.33%	-1.90%
HANG SENG	24,788.14	-2.68%	-3.61%
NIKKEI 225	51,063.72	-13.23%	+0.10%

References: Investing.com, CNBC, Financial Times, Bloomberg, The Washington Post, Reuters

American Market - Indices

Monthly Overview

March proved to be the worst-performing month for U.S. equities in over a year, a deterioration largely attributable to the ongoing U.S.-Iran conflict in the Middle East. Throughout the month, markets remained in a state of persistent uncertainty regarding the duration of the war. A recurring pattern emerged: equities staged a recovery at the outset of each week as President Donald Trump sought to temper volatility through a series of de-escalatory measures ranging from diplomatic statements and the reopening of the Strait of Hormuz to the initiation of ceasefire negotiations with Iran. However, these gains were systematically erased in subsequent sessions as Iran rejected each ceasefire proposal, compounding investor concerns over deteriorating macroeconomic conditions, sharply rising oil prices driven by the closure of the Persian Gulf passage, mounting stagflationary pressures, and supply chain disruptions weighing on corporate profitability. With respect to index performance, through March 30th, the S&P 500 had declined by approximately -5.09%, the Nasdaq by more than -3.07%, the Dow Jones Industrial Average by -5.38%, and the Russell 2000 had sustained losses of -5.17%. On the final trading day of the month, March 31st, markets staged a broad-based rally that reversed a significant portion of prior losses, as both parties, for the first time, signaled mutual willingness to reach a ceasefire agreement. In summary, despite this notable single-session recovery, the major indices closed the month with substantial losses across the board.

Weekly Overview

U.S. major equity indices posted sharp losses in the first week of March, with the S&P 500 down 2.11%, the Nasdaq down 1.24%, the Dow Jones down 3.01%, and the Russell 2000 down 4.07%. Despite an early rally driven by hedge fund and institutional rotation back into domestic equities, markets reversed course as geopolitical escalation, rising oil prices, and inflation concerns weighed on sentiment. President Trump sought to stabilize oil markets by pledging to escort tankers through the Strait of Hormuz and cover associated damages. In the second week, an initial rally driven by optimism about a potential end to the conflict proved short-lived. Markets remained volatile as investors weighed competing signals: OPEC confirmed that Saudi Arabia had increased oil production, and the IEA agreed to release 400 million barrels from strategic reserves, while Iran continued attacking vessels in the Strait of Hormuz amid reports of an attempted sea mine deployment. In the end, the indices extended losses to 1.60%, 1.26%, 1.99%, and 1.79%, respectively. The third week marked the fourth consecutive week of declines, with the S&P 500 falling below its 200-day moving average, the Nasdaq and Dow approaching correction territory, and the Russell 2000 officially confirming it. Early optimism following the reopening of the Persian Gulf passage and the stabilization of the supply chain faded after the FOMC meeting, when Fed chair Powell's unexpectedly hawkish tone triggered further sell-offs. In the fourth week, markets briefly rebounded, posting their second-best session of the month, with all indices initially advancing by more than 1%. However, gains were fully reversed by week's end as two of the month's worst trading sessions pushed the Nasdaq and Dow into official correction territory. Furthermore, an OECD report projects inflation rising to 4.2%, should oil prices remain at current levels.

References: Investing.com, CNBC, Financial Times, Bloomberg, The Washington Post, Reuters

American Market – Indices

INDU Index

SPX Index

NDX Index

European Market - Indices

Monthly Overview

The exuberance that defined February's record inflows evaporated in March as European markets buckled under the weight of a dual-track crisis in energy and credit. Reflecting the region's acute dependence on energy imports, the STOXX 600 plunged 8% for the month, while the DAX and CAC 40 fell 10.30% and 8.90%, respectively. The banking sector took a heavy hit as the combined pressure of geopolitical fallout, AI disruption worries, and private credit stress, exposed by several high-profile underwriting failures, severely weighed on valuations. Concurrently, the ECB maintained a cautious stance by holding interest rates steady, leaving investor sentiment further burdened by reignited inflation fears and elevated volatility tied to derivatives expiries.

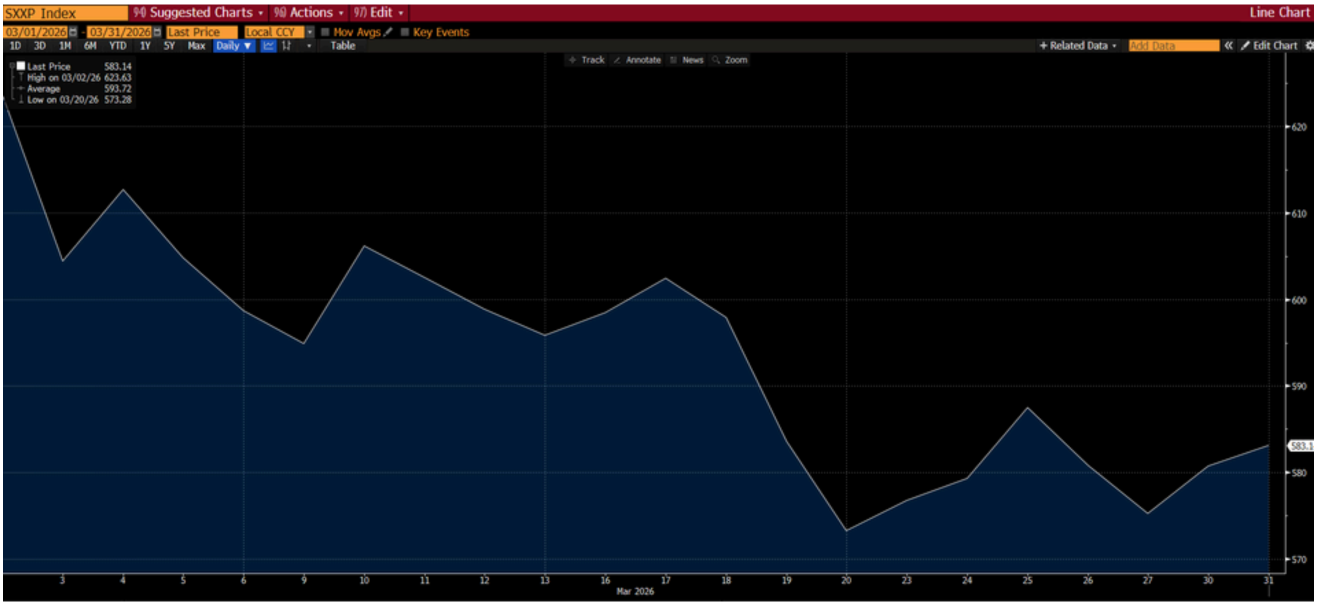
Weekly Overview

European equity markets opened March under heavy pressure following a sharp escalation in the Middle East, as coordinated US–Israel strikes on Iran that neutralized senior leadership sent shockwaves through global markets and raised concerns over energy supply and macro stability. Risk assets sold off broadly, led by travel and leisure amid flight cancellations, while financials, insurers, chemicals, and luxury names also took a notable hit, further weighed by renewed US tariff concerns. In contrast, defense and energy stocks outperformed, supported by a surge in oil and gas prices driven by disruptions around the Strait of Hormuz, reinforcing inflation fears. Against this backdrop, the STOXX 600 fell 5.55%, with the CAC 40 and DAX posting their weakest weekly performance since last April at -6.84% and -6.70% respectively. The volatility continued into the second week, as oil prices spiked above $100 before the G7 signaled a potential intervention. That relief was short-lived as fresh threats to energy infrastructure and escalating US–EU trade frictions kept investors firmly on the defensive. Between the persistent energy swings and growing concerns over consumer credit, the European benchmark and its regional peers finished the week with modest losses. Geopolitical risks remained the primary driver in the third week as the pan-European index fell 3.79% and the DAX lagged further with a 4.55% drop. Initial optimism from Iraq's export deal quickly faded when fresh attacks on energy infrastructure reignited supply and inflation fears. Conflicting signals from Washington and Tehran, combined with Houthi involvement, kept geopolitical risks front and center through the end of the month. The continued closure of the Strait of Hormuz maintained heavy pressure on oil markets, leaving the DAX and CAC 40 to close at 22,680.04 and 7,816 respectively. While tentative signs of de-escalation offered a brief lifeline, sentiment stayed fragile due to ongoing attacks and policy ambiguity. Adding to the defensive tone, softer German services data highlighted slowing European growth momentum and pushed the STOXX 600 to finish the period at 583.14.

References: Investing.com, CNBC, Financial Times, Bloomberg, The Washington Post, Reuters

European Market – Indices

DAX Index



SXXP Index

CAC Index

References: Investing.com, CNBC, Financial Times, Bloomberg, Reuters

United Kingdom-Indices

Monthly Overview

March was marked by significant geopolitical turbulence, nevertheless, the FTSE 100 demonstrated notable resilience, remaining broadly flat year-to-date despite recording a monthly decline of 6.73%, outperforming most peers. Market dynamics were primarily driven by the escalation of conflict in Iran and the sharp rise in energy prices following the closure of the Strait of Hormuz. At the same time, elevated borrowing costs, now at their highest levels since 2008, combined with an increasingly hawkish stance from the Bank of England, continued to weigh on sentiment and the broader equity outlook.

Weekly Overview

During the first week of the month, markets experienced heightened volatility, with the FTSE 100 declining by 5.74%, marking its steepest weekly drop since the tariff-driven turmoil last April and snapping a five-week rally that had repeatedly pushed the index to record highs. The sell-off was primarily driven by escalating geopolitical tensions following a joint US–Israel strike on Iran targeting its nuclear capabilities, prompting a broad shift away from risk assets. At the same time, rising gas prices intensified inflation concerns and weighed further on sentiment. Financials led the decline, while aviation and domestically focused stocks also came under pressure. In contrast, defense, mining, and energy companies outperformed the broader market, supported by a sharp rally in oil and gas prices. The following week saw a brief recovery in sentiment, supported by easing oil prices and improved momentum in housing stocks on the back of solid sales and earnings. However, gains proved short-lived as geopolitical tensions resurfaced and the Strait of Hormuz remained closed, leaving the index to close the week marginally lower at -0.23%. The third week of March opened with a constructive bias, helped by a pause in the oil rally amid expectations of increased tanker flows via the Strait of Hormuz and further strategic stockpile releases. Sentiment deteriorated mid-week as the conflict escalated, while a hawkish tone from the Bank of England shifted rate expectations. As a result, the FTSE 100 declined by 3.34% over the week. During late March, the FTSE 100 initially moved higher, supported by easing energy prices and improving expectations around US–Iran negotiations. This was followed by a pullback as uncertainty surrounding the talks and concerns over potential regional escalation weighed on sentiment. The index subsequently recovered during the last days of the period, ultimately posting a weekly gain of 2.60%, aided by stabilization in oil prices, although performance remained relatively muted compared to broader European markets due to its significant exposure to the energy sector.

UKX Index

References: Investing.com, CNBC, Financial Times, Bloomberg, The Washington Post, Reuters

Asian Markets-Indices

Monthly Overview

March 2026 was a month of intense geopolitical pressure, as the closure of the Strait of Hormuz triggered an energy shock and a flight of capital from Asia. The KOSPI exhibited the highest volatility, with the EWY ETF (-18.74%) reacting with extreme volatility, driven by the regional crisis. In Japan, the EWJ (-8.59%) and DXJ (-6.49%) ETFs retreated due to surging import costs and the Bank of Japan's hawkish rhetoric regarding interest rate hikes toward 1.0%. Conversely, China FXI (-3.7%), ASHR (-4.25%) demonstrated remarkable resilience, as state support measures and the 15th Five-Year Plan allowed it to function as a "safe haven" against regional instability.

Weekly Overview

During the first week, intense volatility was observed due to the energy shock from the conflict in the Middle East and the closure of the Strait of Hormuz. The KOSPI recorded a historic two-day collapse of -18.4% , with a record daily drop of -12.06%, but recovered and closed with a significant weekly loss of -10.56%. Adding to the geopolitical pressure, investors seized the opportunity to lock in profits following the KOSPI's recent highs and rotate to safe haven assets.The Nikkei 225 retreated by -5.49% and the Topix by -5.63%, pressured by energy costs and the weakening of the yen. In China, the HSI closed at -3.28% and CSI 300 -1.07%, demonstrating resilience thanks to the announcements regarding the 15th Five-Year Plan and investments of 1.3 trillion yuan in technology. Massive outflows of foreign capital exacerbated the decline in Korea and Japan. The second week is characterized by continued pressure with signs of stabilization. The KOSPI was supported by an explosive increase in semiconductor exports (+176%) and the $68 billion Stabilization Fund,ending this week with a loss of 1.75% . The Nikkei fell by -3.24% and the Topix by -2.36% , with oil prices increasing by over 25% and with the BoJ expected to raise interest rates to 1.0% by April, while the government released 80 million barrels from strategic reserves to control the increase in production costs and inflation. In China, the HSI retreated marginally by -1.1%, while the CSI 300 noted a +0.19% gain, supported by PBoC liquidity interventions through the REPO market, CSRC short selling restrictions, and the stability of the CNH. In the third week Asian markets delivered a divergent performance over the week, with Japanese and Chinese indices retreating under macroeconomic pressures while South Korea recorded substantial gains. Specifically, Japan's Nikkei 225 (-0.83%) and Topix (-0.54%) reversed early export-led gains (+4.2%) as the BoJ warned of Middle East-driven inflationary pressures despite holding rates at 0.75%, while China's CSI 300 (-2.20%) and Hang Seng (-0.74%) buckled under geopolitical uncertainty, unchanged LPR rates, and weak corporate earnings. Conversely, South Korea's KOSPI surged by +5.36%, as AI-driven euphoria following Nvidia's announcements and a spike in semiconductor exports effectively decoupled the index from broader geopolitical concerns and a strengthening US Dollar.During the last week, Asian equity markets displayed sharp divergence, ranging from Chinese resilience to a South Korean slump. The CSI 300 (-1.41%) and Hang Seng (-1.29%) led the region as strategic AI integration and PBoC liquidity injections offset global energy volatility, while Japanese indices saw a mixed, high-volatility close with the Nikkei 225 (0%) and TOPIX (+1.12%) struggling against fluctuating oil prices and geopolitical tensions in the Strait of Hormuz. In stark contrast, the KOSPI plummeted -5.92%, succumbing to a perfect storm of failed US-Iran negotiations, surging Brent crude prices, and a massive de-risking sell-off in the semiconductor sector triggered by escalating wartime developments.During the final days of the month, Asian markets closed under significant pressure as the Nikkei 225 and TOPIX dropped to 51,063.72 and 3,497.86 points respectively, while China's HSI settled at 24,788.14, the CSI 300 at 5,106.81, and the KOSPI retreated to 5,052.46 points. This downturn was triggered by the escalation of conflict involving Houthi threats to block the Red Sea straits, creating a high-risk environment and driving investors away from economies heavily exposed to geopolitical instability and maritime trade disruptions.

References: Investing.com, CNBC, Financial Times, Bloomberg, The Washington Post, Reuters

NKY Index

HSI Index

AUEB Students’ Investment & Finance Club

Greek Market

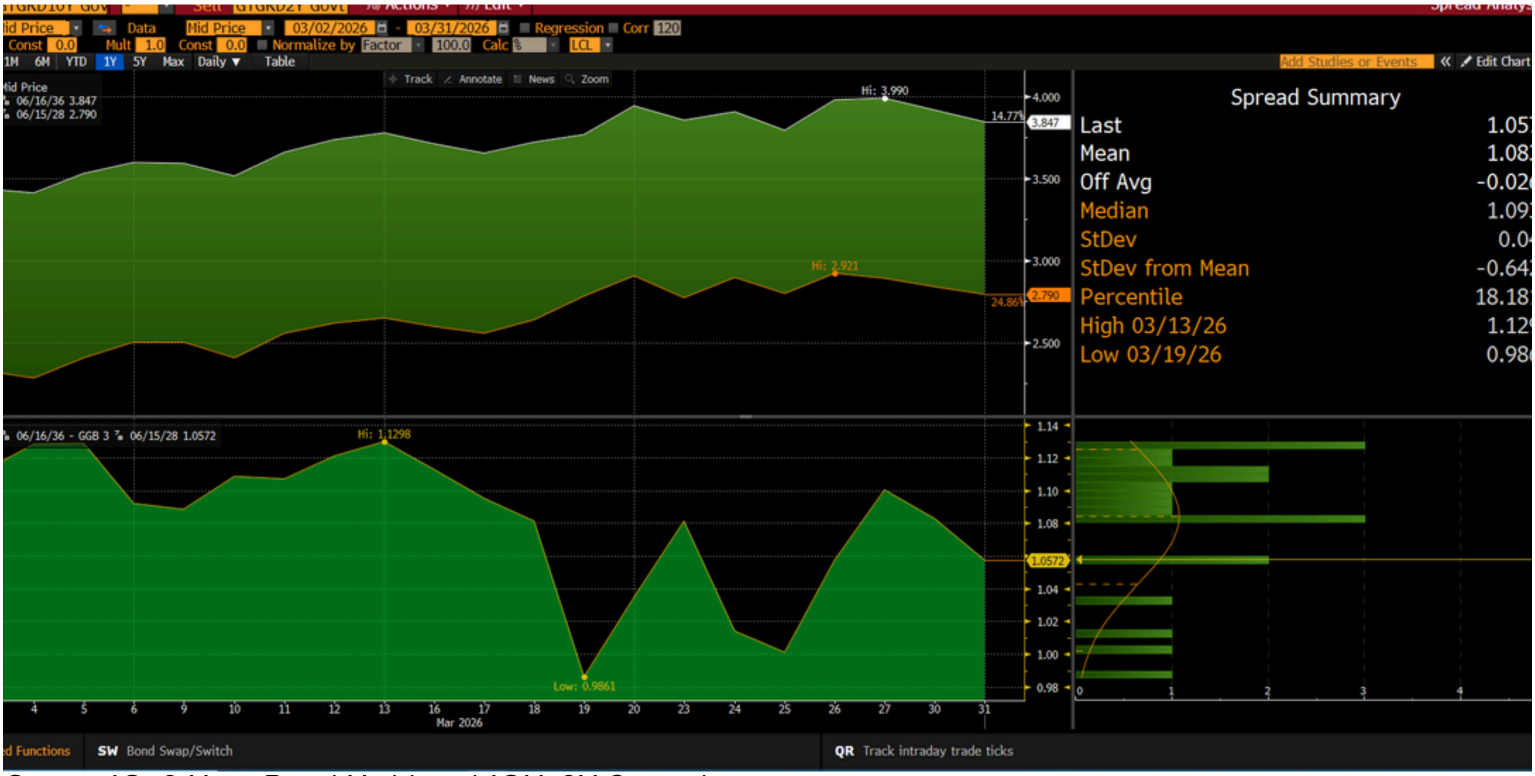
Macroeconomic Environment

The Greek economy in March 2026 faced a more challenging external environment as geopolitical volatility in the Middle East interrupted the disinflationary path established in early 2026. Despite these headwinds, the manufacturing sector continued to lead the Eurozone, with the S&P Global Greece Manufacturing PMI edging up to 54.5. This sustained expansion highlighted the economy's structural resilience, driven by a persistent influx of new orders and a strong output index that remained well above the 50.0 neutral threshold, even as input costs began to rise due to renewed energy supply constraints. Inflationary dynamics underwent a significant reversal mid-month. After reaching 2.5% in January, headline inflation spiked back to 2.7% in February, primarily driven by a 40% surge in global energy prices following the outbreak of conflict. This "cost-push" inflation shock saw electricity and liquid fuel components transition from a stabilizing force to a primary driver of price growth. Nevertheless, core inflation (excluding energy and food) showed relative stability at 3.2% (vs 3.3% in January), suggesting that domestic demand-side pressures remained contained. The labor market continued its positive trajectory, with the unemployment rate settling at 8.5% in February, remaining near its lowest levels in nearly two decades despite the broader European slowdown. Fiscal performance remained a cornerstone of investor confidence throughout the first quarter. Preliminary data for the January-February period revealed a state budget primary surplus of €2.99 billion, significantly outperforming the target of €1.96 billion. This €1 billion overperformance was fueled by robust tax revenues and the successful execution of the Egnatia Odos concession, providing the government with substantial fiscal space to absorb the impact of the energy crisis. With the Public Debt Management Agency (PDMA) leveraging a €39 billion cash buffer to front-load debt repayments, Greece's debt-to-GDP ratio is increasingly positioned to fall below 140% by 2027, maintaining the country's status as a top performer in fiscal discipline within the Eurozone.

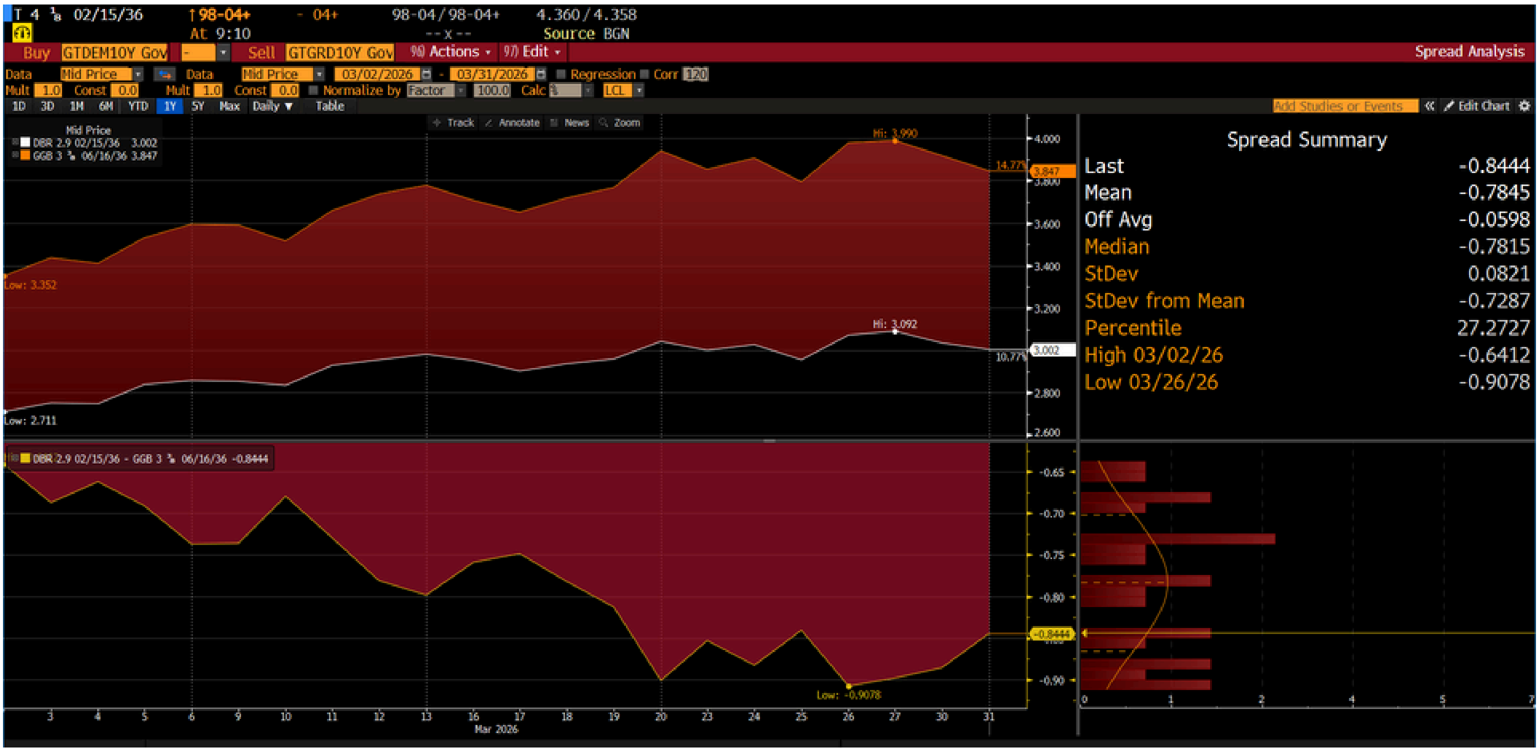
Greek Sovereign Bonds

The Greek 10-year government bond market experienced a sharp reversal in March, as the consolidation of February gave way to a "bear-steepening" of the yield curve driven by a global energy shock. The benchmark 10-year yield opened the month near 3.28% but faced immediate upward pressure as escalating Middle East tensions triggered a flight to liquidity and a repricing of inflation risks across the Eurozone. By mid-month, the yield surged toward 3.65%, mirroring the broader sell-off in European sovereign debt following the ECB's upward revision of 2026 inflation projections. Secondary market activity turned volatile during the third week of March, with the spread against the German 10-year Bund widening slightly as investors demanded a higher risk premium for peripheral debt amid heightened geopolitical uncertainty. Despite this, Greek bonds maintained a degree of relative resilience compared to other Mediterranean peers, supported by the government's strong primary surplus data and the Public Debt Management Agency's (PDMA) robust cash buffer. By the final week of March, the 10-year yield stabilized near 3.88%, marking a significant net increase of 17.66% from the February close. Overall, March was characterized by a regime shift from price gains to yield expansion, as Greek sovereign credit was swept up in a global "higher-for-longer" narrative, though the country's improved fiscal fundamentals prevented a more disorderly decoupling from core Eurozone benchmark.

References: Investing.com, CNBC, Financial Times, Bloomberg, The Washington Post, Reuters



Greece 10-2 Year Bond Yield and 10Y-2Y Spread



German-Greek10Y Yield Spread

Athens General Index

Montly Overview

March 2026 proved a turbulent month for the Athens Stock Exchange, with the General Index (GD) declining approximately 9.33% amid a broad risk-off environment. Sentiment was weighed down by escalating Middle East geopolitical tensions, which drove oil prices higher and exerted meaningful pressure on Greece's economy, prognosticating slower economic growth (every $10 increase in oil prices compresses GDP by an estimated 0.15%), given the country's status as a net energy importer. The resulting inflationary impact, combined with the supply chain squeeze, prompted foreign capital outflows from Greek equities and led domestic investors to reassess their outlooks, accounting for the duration of the conflict. A brief technical recovery attempt late in the month was insufficient to offset the broader decline.

Weekly Overview

Greek equity markets came under significant pressure in the first week of March, as rising oil and gas prices, amid inflation concerns, drove hedge funds and institutional investors out of global equities, particularly in energy-importing countries, and into safe-haven assets such as the US Dollar. The ATG fell 6.81%, the FTSE Large Cap Index dropped 7.07%, and the Banking Index (DTR) led losses with a 8.35% contraction. Energy stocks outperformed on the back of higher fossil fuel prices, while low-beta ones benefited from the broader risk-off environment. In the second week, the Athens Stock Exchange (ATHEX) stabilized following the prior sell-off, with the General Index posting a marginal weekly gain. The banking sector continued to underperform, contracting 1.55% due to its elevated exposure to foreign capital flows, while the Energy & Utilities was the top performer, advancing 4.41%. Towards the end of the month, ATHEX experienced intense volatility, with the ATG constantly breaking key support levels, extending its losses, and closing at 2,065.04 pts, a multi-week low and below all key moving averages (20/50/100/200-day). The FTSE Large Cap Index fell 1.94%, while the DTR declined 1.19%. The Energy & Utilities sector posted the sharpest weekly loss at -5.16%, driven by weakness in METLEN Energy & Metals following the company's announcement of a 9-day delay for the release of its 2025 financial results.

ASE Index

Our emblem, a symbol of the creation and the deeper mentality of our club.

In the center, there is the legendary mermaid, the Medusa's head, which had the ability to turn into stone whoever dared to look it in the eyes. It's undoubtedly an Ancient Greek element. The choice of the mermaid is a kind of allegorical gate. Looking Medusa is like looking into yourself in the eyes and putting the greatest effort to overcome your biggest fears. You can either step back or proceed forward in a way that will make you considerably stronger.

At the bottom, the phrase «esse est percipi» is written. The deeper meaning of this expression is that the perception of something, is what really establishes the foundations of its existence. It consists of an element of the philosophy of "plasticity" that describes the world, or in other words it is a basis that highlights the fundamental importance of the power of ideas and analytical thinking in its creation, by providing many different alternative dimensions and perspectives.

Last but not least, the background is dominated by the exciting wheel of luck (rota fortunae). As it is lyrically mentioned in the poem collection Carmina Burana of the 13th century, "Fortune rota volvitur; descendo minoratus; alter in altum tollitur; nimis exaltatus; rex sedet in vertice; caveat ruinam!"