

# Weekly Market Wrap

Week Ending 13<sup>th</sup> March 2026



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## Executive Summary

Global markets experienced heightened volatility with VIX reaching 27.2 during the week as escalating geopolitical tensions in the Middle East triggered a sharp rise in oil prices and increased uncertainty around global energy supply. The resulting surge in crude prices pushed inflation expectations higher and drove a rise in government bond yields, weighing on equity markets across major regions. At the same time, the U.S. dollar strengthened amid safe-haven demand, while commodities such as oil and select agricultural products moved higher. Despite the broader risk-off environment, cryptocurrencies recorded modest gains, highlighting continued speculative flows into digital assets.

### Key Themes for the Week

- **Energy Shock Driving Global Market Volatility:** The escalation of the Iran-U.S.-Israel conflict and disruptions to shipping through the Strait of Hormuz triggered a sharp increase in oil prices, briefly pushing crude toward \$120 per barrel before stabilizing near \$100. Given that the strait accounts for roughly one-fifth of global oil shipments, concerns about supply disruptions became the dominant driver of global market sentiment during the week.
- **Rising Inflation Expectations Push Bond Yields Higher:** The surge in energy prices raised concerns about renewed inflationary pressure globally. U.S. Treasury yields moved higher as investors reassessed the trajectory of inflation and monetary policy, with markets increasingly expecting central banks to maintain restrictive policy settings for longer despite signs of slowing economic growth.
- **Broad Risk-Off Sentiment Across Global Equities:** Major equity indices declined during the week, with U.S., European, and Asian markets all facing selling pressure. Technology stocks were particularly sensitive to rising bond yields, while cyclical sectors such as financials and industrials underperformed amid concerns about higher input costs and slowing global growth.
- **U.S. Dollar Strength Amid Safe-Haven Demand:** Currency markets reflected a broad strengthening of the U.S. dollar, driven by higher Treasury yields and safe-haven flows amid geopolitical uncertainty. Energy-importing economies saw their currencies weaken, while emerging market currencies such as the Indian rupee came under pressure due to higher oil import costs and capital outflows.
- **Continued Structural Momentum in AI and Digital Assets:** Despite volatility in traditional markets, the technology sector remained active, with major developments in artificial intelligence including industry announcements and enterprise AI adoption trends. Cryptocurrencies also recorded modest gains during the week, reflecting continued speculative demand and increasing institutional participation in digital asset markets.

## Asset Class Performance

### Equity Market

	Week ending >>>				
	6-Mar-26	13-Mar-26	YTD Returns	Growth for the month	Growth for the week
<b>Equity Indices</b>					
S&P 500 (USD)	6,740.0	6,632.2	(3.3%)	(2.8%)	(1.6%)
NASDAQ (USD)	24,643.0	24,380.7	(3.3%)	(1.4%)	(1.1%)
Dow Jones (USD)	47,501.6	46,558.5	(3.8%)	(5.9%)	(2.0%)
SENSEX (INR)	78,918.9	74,563.9	(13.1%)	(9.8%)	(5.5%)
Stoxx 600 (EUR)	598.7	595.9	(0.0%)	(3.5%)	(0.5%)
Nikkei (JPY)	55,620.8	53,819.6	6.9%	(5.5%)	(3.2%)
Hang Seng (HKD)	25,757.3	25,465.6	(3.3%)	(4.1%)	(1.1%)

- **US Equities:**
  - US equities declined during the week, with the S&P 500 falling 1.6%, the NASDAQ declining 1.1%, and the Dow Jones Industrial Average dropping 2.0%.
  - The pullback marked the third consecutive weekly decline for major US equity benchmarks, reflecting rising geopolitical tensions in the Middle East and the resulting surge in oil prices, which briefly approached \$120 per barrel before

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stabilizing near \$98 by week-end. Elevated energy prices raised concerns about supply disruptions and their potential impact on global inflation and growth.

- The rise in yields increased the discount rate used to value future earnings, which weighed on equity valuations particularly for growth-oriented sectors such as technology that rely more heavily on long-term earnings expectations.
- Macroeconomic data also weighed on investor sentiment. The US economy expanded at an annualized rate of 0.7% in the fourth quarter, significantly below the earlier estimate of 1.4%, while the Federal Reserve's preferred inflation gauge, core PCE, rose to 3.1% year-on-year, reinforcing expectations that interest rates may remain elevated for longer.
- Sector performance diverged during the week. Energy stocks benefited from the surge in crude prices, while technology and cyclical sectors underperformed, reflecting concerns about higher interest rates and slowing economic growth.

- **Sensex:**

- The SENSEX declined 5.5% week-on-week, marking one of the steepest weekly declines for Indian equities in recent years.
- The sell-off was primarily driven by the surge in crude oil prices, with Brent crude briefly rising above \$100 per barrel and approaching \$120. This significantly worsened India's inflation and current account outlook given its heavy dependence on imported energy, with around 85% of crude oil and nearly 60% of LPG consumption met through imports. Additionally, about 90% of India's LPG imports are sourced from Qatar, increasing vulnerability to supply disruptions and price volatility in the Middle East.
- Foreign institutional investors accelerated selling during the week, with equity outflows exceeding ₹7,000 (~\$0.76 Bn) crore in single trading session, intensifying downward pressure on domestic markets.
- Rate-sensitive sectors such as banking, automobiles, and real estate were among the worst performers, as investors priced in the potential for tighter monetary policy in response to rising inflation.
- The rupee also weakened during the week, further amplifying risk-off sentiment in domestic equities.

- **Stoxx 600:**

- The STOXX Europe 600 declined 0.5% week-on-week, slipping from 598.7 to 595.9 as investors assessed the economic implications of rising energy prices across the region.
- Europe's heavy reliance on imported energy made regional equities particularly vulnerable to the surge in crude prices following geopolitical tensions in the Middle East.
- Economic data reinforced concerns about slowing growth, with Eurozone industrial production declining 1.5% month-on-month, marking the largest drop since April 2025.
- Germany's manufacturing sector also showed signs of weakness, with factory orders falling 11.1% month-on-month, highlighting persistent fragility in Europe's industrial base.
- Rising energy costs have increased the risk of renewed inflation pressures, potentially complicating the European Central Bank's policy outlook.

- **Nikkei:**

- The Nikkei declined 3.2% week-on-week, as higher oil prices and currency volatility weighed on investor sentiment.
- Japan's heavy dependence on imported energy makes its economy particularly vulnerable to disruptions in Middle Eastern oil supply.
- The surge in crude prices raised concerns about higher domestic inflation and rising production costs across Japanese industries.
- At the same time, the yen weakened toward ¥159 per dollar, increasing import costs and reinforcing inflationary pressures within the economy.
- Despite the weekly decline, the index remains positive year-to-date, supported by strong corporate earnings and export-driven growth earlier in the year.

- **Hang Seng:**

- The Hang Seng declined 1.1% week-on-week, falling from 25,757 to 25,466, reflecting broader risk-off sentiment across Asian equity markets.
- Rising geopolitical tensions and the surge in oil prices led global investors to reduce exposure to emerging market equities.

- A stronger U.S. dollar and higher global interest rates also weighed on Asian markets by tightening financial conditions.
- Investor sentiment remained fragile amid ongoing concerns about China's economic recovery and weaker global trade momentum.
- Financial and property stocks, which make up a large share of the index, underperformed during the week as borrowing costs increased.

## Credit Market

	Week ending >>>				
	6-Mar-26	13-Mar-26	YTD Returns	Growth for the month	Growth for the week
<b>Credit</b>					
US Bond Yield (%)	4.1	4.3	2.1%	5.6%	3.3%
JGB yield	2.2	2.2	6.5%	(1.7%)	1.2%
S&P BDC Index	48.8	47.3	(14.4%)	(8.4%)	(3.1%)

### • US Bond Yield:

- The US 10-year Treasury yield rose to 4.3% from 4.1%, representing a 3.3% week-on-week increase as bond prices declined amid rising inflation expectations.
- The increase in yields was largely driven by a surge in oil prices during the week, which pushed inflation expectations higher and reduced demand for government bonds. Higher energy prices are typically viewed as inflationary, prompting investors to demand higher yields as compensation for inflation risk.
- At the same time, the bond market reacted to slowing economic growth indicators. U.S. GDP growth for the fourth quarter was revised down sharply to 0.7% from the earlier estimate of 1.4%, raising concerns that the economy may be entering a slower growth phase.

### • JGB Yield:

- The Japanese Government Bond yield remained broadly stable at 2.2% but stayed elevated as investors priced in higher inflation risks.
- Yields remained close to recent highs as rising global oil prices raised concerns about imported inflation in Japan, particularly given the country's heavy reliance on energy imports.
- Currency movements also contributed to upward pressure on yields. The Japanese yen weakened toward ¥159 per dollar, increasing the cost of imported commodities and reinforcing inflationary pressures.
- Investors are closely watching the Bank of Japan's upcoming policy meeting, as policymakers face the challenge of balancing inflation risks against the need to maintain supportive monetary conditions for economic growth.
- The bond market's reaction reflects expectations that Japan may gradually move toward policy normalization if inflation pressures persist.

### • Private Credit / BDCs:

- The S&P BDC Index declined 3.1% week-on-week, falling from 48.8 to 47.3 and extending its year-to-date decline to 14.4%.
- Business Development Companies (BDCs), which primarily lend to middle-market firms, have faced increasing pressure from rising interest rates and tightening financial conditions.
- Higher borrowing costs raise the risk of credit stress for highly leveraged borrowers, particularly in sectors sensitive to economic slowdowns.
- Sentiment toward private credit also weakened following comments from Partners Group warning that default rates in private credit could potentially double over the coming years, highlighting growing concerns around credit quality in the rapidly expanding direct lending market.
- At the same time, redemption pressures in semi-liquid private credit funds and rising scrutiny of liquidity conditions in leveraged lending markets have added to investor caution toward the asset class.
- The index's sharp year-to-date decline reflects a broader reassessment of risk across alternative credit markets as investors evaluate the impact of tighter financial conditions and slowing economic growth on leveraged borrowers.

## Currencies

Week ending >>>					
	6-Mar-26	13-Mar-26	YTD Returns	Growth for the month	Growth for the week
<b>Currency</b>					
EUR/USD	1.1618	1.1417	(2.6%)	(3.8%)	(1.7%)
GBP/USD	1.3413	1.3230	(1.7%)	(3.1%)	(1.4%)
USD/INR	91.7450	92.4575	2.5%	2.0%	0.8%
CHF/USD	1.2886	1.2640	0.2%	(2.9%)	(1.9%)
USD/JPY	157.7800	159.7300	1.8%	4.6%	1.2%

### • Currencies:

- Currency markets were largely characterized by broad US dollar strength during the week, with EUR/USD declining 1.7%, GBP/USD falling 1.4%, CHF/USD dropping 1.9%, while USD/JPY and USD/INR rose 1.2% and 0.8% respectively.
- The appreciation of the US dollar was primarily driven by safe-haven demand and higher US Treasury yields, as geopolitical tensions and rising oil prices increased volatility across global markets.
- Energy-importing economies were particularly vulnerable to the oil price shock. The euro and British pound weakened as investors assessed the potential economic impact of higher energy costs on Europe's growth outlook, especially given weaker manufacturing data across the Eurozone.
- In emerging markets, the Indian rupee depreciated to around ₹92.46 per dollar, reflecting higher oil import costs and foreign investor outflows from Indian equities during the week.
- Meanwhile, the Japanese yen weakened toward ¥159 per dollar, approaching levels that previously triggered government intervention, as widening interest rate differentials between the United States and Japan encouraged capital flows into dollar-denominated assets.

## Commodities

Week ending >>>					
	6-Mar-26	13-Mar-26	YTD Returns	Growth for the month	Growth for the week
<b>Commodities</b>					
Gold (USD per troy ounce)	5,171.7	5,019.5	15.9%	(0.4%)	(2.9%)
Silver (USD per troy ounce)	84.5	80.6	10.7%	4.1%	(4.7%)
Oil (USD per barrel)	90.9	98.7	72.2%	57.0%	8.6%
Natural Gas (Henry Hub)	3.2	3.1	(13.5%)	(3.5%)	(1.7%)
Copper (US cents per pound)	575.7	571.5	0.4%	(1.5%)	(0.7%)
Aluminium (USD per metric tonne)	3,494.6	3,470.4	15.7%	14.0%	(0.7%)
Wheat (US cents per bushel)	611.3	618.5	22.1%	12.7%	1.2%
Sugar (US cents per pound)	14.1	14.4	(1.6%)	4.3%	1.9%

### • Oil:

- Oil rose 8.6% week-on-week, increasing from \$90.9 to \$98.7 per barrel amid escalating geopolitical tensions and supply disruption concerns. Prices were highly volatile during the week, briefly surging toward \$120 per barrel earlier in the week before stabilizing after governments signalled potential releases from strategic petroleum reserves, highlighting the market's sensitivity to developments around Middle Eastern energy supply.
- The conflict in the Middle East led to the effective closure of the Strait of Hormuz, through which roughly one-quarter of global oil trade flows, triggering fears of a significant supply shock.
- Higher oil prices have become the dominant macro driver across asset classes, pushing inflation expectations higher and contributing to volatility in equity and bond markets.
- The sharp rally has pushed oil prices up more than 72% year-to-date, reflecting the scale of the energy shock.

### • Gold:

- Gold declined 2.9% week-on-week, falling from \$5,171 to \$5,019 per ounce as rising bond yields reduced the attractiveness of non-yielding safe-haven assets.
- Higher Treasury yields increase the opportunity cost of holding gold, leading investors to shift toward interest-bearing assets during periods of rising rates.
- Despite the weekly decline, gold remains up 15.9% year-to-date, supported by persistent geopolitical uncertainty and strong central bank demand.
- Investors continue to view gold as a hedge against inflation and financial market volatility.
- **Silver:**
  - Silver declined 4.7% week-on-week, falling from \$84.5 to \$80.6 per ounce as concerns about global industrial demand weighed on prices.
  - Unlike gold, silver has significant industrial applications, making it more sensitive to economic growth expectations.
  - Weak manufacturing indicators from Europe and China reduced demand expectations for industrial metals.
  - Despite the weekly decline, silver remains up 10.7% year-to-date, supported by demand from renewable energy and electronics industries.
- **Natural Gas:**
  - Natural gas declined 1.7% week-on-week, falling from \$3.2 to \$3.1 as stable inventories and softer demand offset geopolitical risks.
  - Despite rising oil prices, natural gas markets remained relatively balanced due to adequate storage levels in major consuming regions.
  - Mild weather conditions and weaker industrial activity reduced near-term demand expectations.
- **Copper & Aluminum:**
  - Industrial metals declined modestly during the week, with copper falling 0.7% to 571.5 cents per pound and aluminium declining 0.7% to \$3,470 per metric tonne.
  - The decline reflected growing concerns about slowing global industrial activity, particularly in Europe where manufacturing indicators have weakened in recent months.
  - Copper, often viewed as a barometer of global economic health due to its widespread use in construction and manufacturing, came under pressure as investors reassessed demand expectations amid weaker macroeconomic data.
  - Aluminium prices also edged lower after strong gains earlier in the year, with the metal remaining sensitive to both industrial demand trends and energy prices, given the energy-intensive nature of aluminium production.
  - Despite the weekly decline, both metals remain supported by long-term structural demand drivers, including the global energy transition, infrastructure spending, and increased demand from electric vehicle and renewable energy supply chains.
- **Wheat & Sugar:**
  - Agricultural commodities recorded modest gains during the week, with wheat rising 1.2% to 618 cents per bushel and sugar increasing 1.9% to 14.4 cents per pound.
  - The increase in wheat prices was driven by concerns about potential supply disruptions and rising transportation and fertilizer costs linked to higher global energy prices.
  - Energy markets play a key role in agricultural pricing, as higher crude oil prices increase the cost of farming inputs and logistics, indirectly supporting crop prices.
  - Sugar prices were supported by tightening global supply expectations and strong demand from the ethanol industry, where sugarcane is used as a feedstock for biofuel production.
  - Weather-related production risks in key exporting regions also contributed to upward pressure on agricultural commodity prices during the week.

## Cryptocurrency

Week ending >>>					
	6-Mar-26	13-Mar-26	YTD Returns	Growth for the month	Growth for the week
<b>Crypto</b>					
Bloomberg Crypto Index	1,851.1	1,942.5	(27.7%)	2.3%	4.9%
Bitcoin (USD)	68,284.0	71,357.2	(21.7%)	3.6%	4.5%
Ripple	1.4	1.4	(33.1%)	(4.7%)	2.8%
Solana	84.7	88.9	(33.6%)	3.1%	4.9%

- **Cryptocurrency:**

- Cryptocurrencies traded higher during the week, with Bitcoin rising 4.5%, while the broader digital asset market also recorded modest gains despite heightened volatility across traditional financial markets.
- The rise in crypto prices occurred against a backdrop of geopolitical tensions and elevated volatility in global equities and commodities, suggesting that digital assets continued to attract speculative flows even as traditional risk assets declined. During the week, Bitcoin moved higher reflecting renewed demand from both retail and institutional participants.
- Part of the strength in cryptocurrencies was driven by technical positioning and momentum trading, with investors increasing exposure after the asset class showed resilience during recent risk-off episodes. This contrasted with declines across global equity indices, including the S&P 500 and Nasdaq, highlighting crypto's increasingly idiosyncratic short-term trading dynamics.
- At the same time, macroeconomic factors continued to influence sentiment. Rising oil prices and persistent inflation have increased uncertainty around the Federal Reserve's rate path, which typically affects liquidity conditions for speculative assets such as cryptocurrencies. However, expectations that monetary policy could remain stable in the near term helped support risk appetite in digital asset markets.

## Updates in AI sector over the week

- **NVIDIA expands AI infrastructure investment ecosystem:**

- NVIDIA announced a \$2 billion investment in AI cloud provider Nebius, highlighting the rapid expansion of AI infrastructure and data-center capacity globally.
- Nebius plans to build up to 5 gigawatts of AI computing infrastructure by 2030, including large-scale "AI factories" powered by NVIDIA GPUs and networking systems.
- This investment highlights a broader trend where chipmakers are increasingly financing and partnering with cloud providers to accelerate AI infrastructure buildouts.

- **OpenAI released GPT-5.4:**

- OpenAI introduced GPT-5.4, a new frontier model designed for professional and enterprise tasks such as spreadsheet modeling, document creation, and coding workflows.
- GPT-5.4 also integrates coding capabilities from GPT-5.3 Codex and supports extremely large contexts (up to 1 million tokens in experimental mode).
- This release signals the industry's shift toward "AI for real professional work", particularly in finance, engineering, and data analysis.

- **AI adoption accelerating across industries and enterprise software:**

- Global investment in artificial intelligence continues to expand rapidly, with industry estimates suggesting AI spending could reach ~\$2.5 trillion in 2026, representing a roughly 44% increase from 2025.
- Enterprises are increasingly integrating autonomous AI agents and specialized models into workflows such as software development, automation, and customer support.
- Technology companies have pushed back against fears that generative AI will replace traditional software firms, arguing that proprietary enterprise data remains a key competitive moat for enterprise platforms.
- The industry is gradually shifting from general-purpose models to task-specific AI systems optimized for particular business applications.

## Geopolitical News & Outlook for the upcoming week

- **Escalation in the Iran–U.S.–Israel conflict:**
  - Geopolitical tensions intensified as the United States and Israel continued military strikes on Iranian targets, while Iran responded with missile and drone attacks across the Gulf region and against allied facilities.
  - One of the most significant developments was a U.S. airstrike on Kharg Island, Iran’s primary oil export hub through which roughly 90% of Iranian crude exports pass, escalating fears of energy market disruptions.
- **Strait of Hormuz disruption and global energy shock:**
  - The conflict has effectively disrupted tanker traffic through the Strait of Hormuz, one of the world’s most critical energy chokepoints, through which roughly 20% of global oil and LNG shipments pass.
  - The disruption has created a global energy supply shock, pushing crude prices higher and increasing volatility across commodities and financial markets.
  - Rising fuel prices have already started impacting global consumers, with U.S. gasoline prices rising sharply to around \$3.70 per gallon amid supply concerns.
- **Military mobilization and global response:**
  - Several countries began taking precautionary measures to protect energy supply chains.
  - The United States reportedly deployed naval forces to escort commercial oil tankers through the Strait of Hormuz, effectively militarizing the shipping corridor.
  - Asian economies that rely heavily on Middle Eastern energy imports have begun contingency planning. For example, South Korea announced measures to boost coal and nuclear power output to stabilize energy supply.
  - Regional militaries have also launched maritime protection operations to safeguard shipping lanes and energy imports.

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