GLOBAL INSTITUTIONAL ADVISORS

Weekly Market Wrap

Week Ending 6th March 2026

Office@giagcc.com

Executive Summary

Global markets moved into a risk-off phase during the week ending 6 March 2026, driven by escalating geopolitical tensions in the Middle East, a sharp surge in oil prices, and weaker-than-expected U.S. labour market data. The combination of rising energy prices and slowing employment growth complicated the macro-outlook, increasing volatility across equities and rates. Meanwhile, developments in private credit and continued investment in AI infrastructure highlighted structural shifts occurring alongside the near-term macro uncertainty.

Key Themes

- **Geopolitical escalation increased market volatility:** The conflict involving the United States, Israel, and Iran intensified during the week, raising concerns about broader regional instability. The developments triggered a broad risk-off move across global equity markets as investors reassessed geopolitical risks.
- **Oil price surge revived inflation concerns:** Energy markets reacted sharply to geopolitical tensions, with oil prices rising significantly as markets priced in supply disruption risks. Higher energy prices increased inflation expectations and contributed to rising government bond yields.
- **Weak US labour data raised growth concerns**: February U.S. nonfarm payrolls unexpectedly declined by ~92,000, signalling a slowdown in labour market momentum. The data increased uncertainty around the outlook for economic growth and the timing of potential Federal Reserve policy easing.
- **Private credit sector developments drew investor scrutiny:** Redemption pressures across several large private credit funds highlighted liquidity considerations in semi-liquid lending vehicles, prompting increased market attention on liquidity management and valuation practices within the sector.
- **AI investment cycle remains a structural market theme:** Technology companies continued expanding capital spending on AI infrastructure and computing capacity, reinforcing expectations that AI-driven demand will remain a key driver of growth across the semiconductor and cloud computing sectors.

Asset Class Performance

Equity Market

	Week ending >>>				
	27-Feb-26	6-Mar-26	YTD Returns	Growth for the month	Growth for the week
Equity Indices					
S&P 500 (USD)	6,878.9	6,740.0	0.3%	(2.8%)	(2.0%)
NASDAQ (USD)	24,960.0	24,643.0	(2.2%)	(1.7%)	(1.3%)
Dow Jones (USD)	48,977.9	47,501.6	(1.8%)	(5.2%)	(3.0%)
SENSEX (INR)	81,287.2	78,918.9	(8.0%)	(5.6%)	(2.9%)
Stoxx 600 (EUR)	633.9	598.7	0.4%	(3.0%)	(5.5%)
Nikkei (JPY)	58,850.3	55,620.8	10.5%	2.5%	(5.5%)
Hang Seng (HKD)	26,630.5	25,757.3	(2.2%)	(3.0%)	(3.3%)

- **US Equities:**
  - Geopolitical escalation triggered a broad risk-off move. U.S.–Israeli strikes on Iranian targets pushed oil prices sharply higher toward ~$90/bbl, raising concerns about renewed energy-driven inflation. Higher inflation expectations led to a rise in U.S. Treasury yields, compressing equity valuations and driving a broad sell-off across U.S. indices.
  - Weak labour market data reinforced growth concerns. February nonfarm payrolls unexpectedly declined by roughly 92,000, while unemployment rose to around 4.4%. The data raised questions about employment momentum and consumer spending, contributing to the decline across equity markets.

- Energy stocks outperformed the broader market amid the oil price surge. While major U.S. equity indices declined during the week (S&P 500 −2.0%, Dow −3.0%), the S&P 500 Energy sector rose ~1.0% WoW, supported by the sharp increase in crude oil prices following escalating Middle East tensions.

- **Sensex:**
  - Index declined (2.9%) WoW as oil price shock weighed on emerging markets. India imports roughly 85% of its crude oil consumption, making the economy particularly sensitive to energy price spikes. Higher oil prices raise inflation expectations and can widen the current account deficit, putting pressure on equities.
  - Global capital flows weakened. Foreign portfolio investors (FPIs) were net sellers of roughly ~$2.3bn (₹21,000 crore) in Indian equities during the first week of March, as rising geopolitical tensions in the Middle East and higher oil prices reduced global risk appetite. Domestic institutional investors partly offset the selling, but the outflows contributed to the decline in Indian equities during the week.
  - The U.S. issued a 30-day waiver allowing continued purchases of Russian crude, providing temporary relief for India's energy imports. The development followed diplomatic engagement and public pushback from Indian officials emphasizing the country's energy security needs.
- **Stoxx 600:**
  - The Stoxx 600 declined by 5.9% WoW, as European equities were particularly impacted by the surge in energy prices. The region's high dependence on imported energy increased concerns over rising input costs and inflation, which weighed on corporate earnings expectations.
  - Inflation risks complicated monetary policy expectations. Rising energy prices increased concerns that eurozone inflation could reaccelerate, potentially delaying interest rate cuts by the European Central Bank.
  - Broad-based sell-off across major markets. Major European indices including the DAX, CAC 40, and FTSE MIB declined between roughly 6–7% during the week, reflecting widespread risk reduction across the region
- **Nikkei:**
  - The Nikkei index declined 5.5% WoW, as rising geopolitical tensions and the surge in oil prices weighed on sentiment. Japan's heavy reliance on imported energy makes the economy particularly sensitive to supply disruptions in the Middle East, with higher crude prices raising concerns around inflation and growth.
  - Bond yields moved modestly higher. Japanese government bond yields edged up as investors reassessed inflation expectations, contributing to equity market volatility.
  - Currency weakness added to uncertainty. The yen weakened toward ~157.8 per USD, increasing imported inflation pressures and contributing to cautious investor sentiment.
- **Hang Seng:**
  - Global risk-off sentiment drove the decline. Hong Kong equities moved broadly in line with other global markets as investors reduced exposure to risk assets during the geopolitical escalation.
  - China's policy signals suggested slower growth. China's 2026 GDP growth target of roughly 4.5–5% indicated a moderation in economic expansion relative to previous years, limiting investor optimism.
  - Weak domestic demand indicators persisted. Mixed manufacturing PMI readings highlighted uneven recovery dynamics between export-oriented industries and domestically focused sectors.
- **Other Markets:**
  - Stocks in Dubai and Abu Dhabi sank on Wednesday as markets reopened after a two-day halt following the Iran's war. Dubai's main share index (.DFMGI), slid 4.7%, its biggest intraday drop since May 2022, in broad-based declines led by blue-chip developer Emaar Properties (EMAR.DU) 4.9%, while budget airline Air Arabia (AIRA.DU) retreated 5%.
  - Most large Gulf bank stocks have dropped sharply since the war broke out, the war's impact on the region's real estate sector is among the largest risks to its banks, particularly in the UAE.

Credit Market

Week ending >>>					
	27-Feb-26	6-Mar-26	YTD Returns	Growth for the month	Growth for the week
Credit					
US Bond Yield (%)	3.9	4.1	(1.3%)	(1.6%)	5.1%
JGB yield	2.2	2.2	5.3%	(2.7%)	0.3%
S&P BDC Index	48.2	48.8	(11.7%)	(5.4%)	1.3%

- **US Bond Yield**:
  - Inflation expectations increased sharply. Oil prices rising to around $90/bbl raised concerns about higher energy inflation feeding into the CPI basket, prompting a sell-off in government bonds.
  - Bond prices declined as yields rose. Investors demanded higher yields to compensate for inflation risk, pushing the 10-year Treasury yield up roughly 20 basis points within days.
  - Fed policy outlook became more uncertain. While weak payroll data might normally support rate cuts, the inflationary implications of the energy shock complicated expectations for monetary easing.
  - Traders in the futures market now see the US central bank only lowering interest rates once or twice this year, with the first cut not coming until September. Last week, that same market had priced in two or three cuts starting in July.

Commented [SS1]: Added

- **JGB Yield:**
  - Policy normalization remains gradual. Despite global volatility, markets continue to expect the Bank of Japan to maintain a cautious tightening path following years of ultra-loose policy.
  - Domestic yield stability limited volatility. The relative stability of JGB yields helped anchor Japanese financial markets compared with the sharper moves observed in U.S. Treasuries.

- **Private Credit / BDCs:**
  - The S&P BDC Index rose 1.3% WoW, indicating a short-term rebound post a sustained sell-off rather than indication of underlying changes in credit risks, as it is 9% down in 1M and 20% down in 1Y time periods.
  - BlackRock's HPS Corporate Lending Fund (~$26bn) limited withdrawals after redemption requests exceeded its quarterly cap, highlighting the structural liquidity mismatch inherent in private credit structures.
  - Liquidity measures by major managers highlighted emerging pressure in parts of the private credit market. Blue Owl Capital halted regular redemptions in one of its retail-focused private credit vehicles and sold approximately $1.4bn of loan assets to institutional investors to meet liquidity needs. Meanwhile, Blackstone's ~$82bn Blackstone Private Credit Fund (BCRED) faced elevated redemption requests and recorded net outflows, signalling a moderation in investor demand after several years of strong inflows. Notably, BCRED increased its quarterly redemption limit to 7% from 5%, moving against the broader trend of tightening withdrawal terms across the sector.
  - Recent redemption pressures across the big names have raised questions about liquidity management, valuation practices, and leverage levels within retail-oriented private credit vehicles.

Commented [SS2]: Shifted this and edited

Currencies

Week ending >>>					
	27-Feb-26	6-Mar-26	YTD Returns	Growth for the month	Growth for the week
Currency					
EUR/USD	1.1812	1.1618	(0.9%)	(1.7%)	(1.6%)
GBP/USD	1.3482	1.3413	(0.3%)	(1.5%)	(0.5%)
USD/INR	90.9775	91.7450	1.7%	1.2%	0.8%
CHF/USD	1.2999	1.2886	2.1%	(0.0%)	(0.9%)
USD/JPY	156.0500	157.7800	0.6%	0.4%	1.1%

- **Currencies:**
  - US dollar strengthened amid risk aversion. Geopolitical tensions and rising Treasury yields increased demand for dollar-denominated assets, leading to declines in EUR/USD (−1.6%) and GBP/USD (−0.5%).
  - Energy price shock pressured import-dependent currencies. The Indian rupee weakened (USD/INR +0.8%) as higher oil prices raised concerns around India's trade balance and inflation outlook.
  - Interest rate differentials supported the dollar. The widening yield gap between U.S. Treasuries and Japanese government bonds pushed USD/JPY higher (+1.1%), while the Swiss franc also weakened slightly against the dollar.

Commodities

Week ending >>>					
	27-Feb-26	6-Mar-26	YTD Returns	Growth for the month	Growth for the week
Commodities					
Gold (USD per troy ounce)	5,278.9	5,171.7	19.4%	4.2%	(2.0%)
Silver (USD per troy ounce)	93.8	84.5	16.1%	8.6%	(9.9%)
Oil (USD per barrel)	67.0	90.9	58.6%	43.0%	35.6%
Natural Gas (Henry Hub)	2.9	3.2	(11.9%)	(6.9%)	11.4%
Copper (US cents per pound)	600.5	575.7	1.2%	(2.1%)	(4.1%)
Aluminium (USD per metric tonne)	3,139.4	3,494.6	16.5%	13.8%	11.3%
Wheat (US cents per bushel)	591.3	611.3	20.7%	15.4%	3.4%
Sugar (US cents per pound)	14.3	14.1	(3.4%)	(0.1%)	(1.4%)

- **Oil:**
  - Crude oil surged ~36% WoW during the week ending 6 March, with WTI closing near $90.9/bbl as markets priced in supply disruption risks from the escalating U.S.–Israel conflict with Iran. Prices have since crossed the $100/bbl mark this week, with banks revising short-term forecasts higher. Goldman Sachs sees Brent in the $100–$110/bbl range with upside toward $120/bbl, while Qatar's energy minister Saad al-Kaabi warned prices could reach $150/bbl if tanker traffic through the Strait of Hormuz is disrupted, underscoring the elevated geopolitical risk premium.
  - Energy supply and shipping risks escalated during the week. War-risk insurance premiums for vessels transiting the Gulf reportedly rose by more than 1,000%, with some insurers suspending coverage for ships entering the region amid heightened conflict risk. The U.S. announced a $20bn government-backed insurance program for oil tankers in the Persian Gulf, while the U.S. Navy may escort commercial vessels to maintain flows through the Strait of Hormuz, which carries roughly 20% of global oil supply.
  - This drove rapid price repricing, even without confirmed production losses, markets quickly priced in the risk of shipping disruptions and higher insurance costs for energy transport.
  - Energy equities diverged across regions. Oil-exporting markets and energy producers outperformed as higher crude prices improved revenue expectations for upstream companies. In contrast, equities in energy-importing economies declined, as the surge in oil prices raised concerns around higher input costs, inflation pressures, and weaker economic growth.

- **Gold:**
    - Higher real yields reduced demand. Rising Treasury yields increased the opportunity cost of holding non-yielding assets such as gold.
    - Safe-haven demand was offset by rate dynamics. Although geopolitical tensions typically support gold prices, the sharp rise in yields outweighed defensive flows.
- **Silver:**
    - Industrial exposure amplified the decline. Silver is more sensitive to economic activity than gold, making it vulnerable to declining growth expectations.
    - Commodity risk reduction accelerated selling. Investors reduced exposure to cyclical commodities amid rising macro uncertainty.
- **Natural Gas:**
    - Natural gas prices rose by 11.4% WoW in response to the oil-driven energy shock, with European gas prices surging ~67% WoW amid heightened supply concerns and import dependence. In contrast, U.S. natural gas prices increased by ~11%, reflecting the country's position as a major LNG exporter and relatively stronger domestic supply dynamics.
    - Supply and seasonal factors added volatility. Weather-driven demand and storage levels also contributed to price movements in the natural gas market.
- **Copper & Aluminum:**
    - Divergent reactions reflected different supply dynamics. Copper declined (−4.1%) as global growth concerns weighed on industrial demand expectations, while aluminium rose (+11.3%) as higher energy prices increased production costs in energy-intensive smelting processes.
    - Industrial metals remained sensitive to macro sentiment. Geopolitical uncertainty and slower manufacturing momentum led to increased volatility across base metals markets.
- **Wheat & Sugar:**
    - Agricultural commodities reacted to energy costs and supply outlooks. Wheat rose (+3.4%) as higher oil prices increased fertilizer and transportation costs, supporting agricultural prices.
    - Improving production outlook weighed on sugar. Sugar declined (−1.4%) as favourable crop conditions in major producing regions increased expectations for global supply.

Cryptocurrency

	Week ending >>>				
	27-Feb-26	**6-Mar-26**	**YTD Returns**	**Growth for the month**	**Growth for the week**
Crypto					
Bloomberg Crypto Index	1,804.8	1,851.1	(31.1%)	(4.0%)	2.6%
Bitcoin (USD)	65,527.3	68,284.0	(25.0%)	(2.9%)	4.2%
Ripple	1.4	1.4	(34.9%)	(4.4%)	(0.4%)
Solana	85.0	84.7	(36.7%)	(2.2%)	(0.3%)

- **Cryptocurrency:**
    - Partial recovery in digital assets. The Bloomberg Crypto Index rose 2.6% while Bitcoin increased 4.2% during the week, indicating stabilization following earlier volatility.
    - Safe-haven narrative supported Bitcoin demand. Some investors positioned Bitcoin as an alternative store of value during geopolitical uncertainty.
    - Altcoins remained subdued. Ripple and Solana traded largely sideways as market attention remained concentrated on Bitcoin and macro developments.

Updates in AI sector over the week

- **Hyperscalers accelerating AI capital expenditure:** Large technology firms including Microsoft, Amazon, Alphabet, and Meta continued expanding capital spending on AI infrastructure, including data centers, GPUs, and networking equipment. Industry estimates suggest hyperscalers are committing hundreds of billions of dollars to AI compute capacity over the coming years, reinforcing the structural demand cycle for semiconductor, power, and data-center infrastructure companies.
- **Launch of a new frontier AI model:** OpenAI released an upgraded frontier model with improved reasoning capabilities and significantly expanded context windows, highlighting the continued rapid evolution of large language models. The development reflects the intensifying competition among leading AI labs—including OpenAI, Anthropic, and Google—to build increasingly capable foundation models.
- **AI distribution and monetization models evolving:** Technology platforms are expanding distribution channels for AI services. Meta announced that third-party AI chatbots will be allowed on WhatsApp in certain markets, enabling external AI developers to distribute conversational agents through large messaging platforms. At the same time, AI companies are experimenting with monetization models such as advertising and enterprise subscriptions.

Geopolitical News & Outlook for the upcoming week

- **Escalation of US–Israel Military Strikes on Iran:** The most significant geopolitical development during the week was the escalation of conflict between the United States, Israel, and Iran. Coordinated strikes targeted Iranian military infrastructure, triggering retaliatory missile and drone attacks across the region and raising concerns about broader regional involvement.
  - Latest Developments (over the weekend)
    - Diplomatic activity increased over the weekend as major powers including the U.S., EU, and regional Gulf states began emergency consultations aimed at preventing further escalation.
    - Markets are closely monitoring whether the conflict remains contained or spreads to additional actors in the region, particularly Hezbollah or other Iranian-aligned groups.
- **Rising Risks to Global Energy Supply:** The Middle East conflict shifted investor focus to the Strait of Hormuz, a critical global energy chokepoint through which roughly one-fifth of global oil supply passes. Concerns about shipping disruptions led to a sharp increase in oil prices during the week.
  - Latest Developments (over the weekend)
    - Energy markets remain on alert for any disruptions to tanker traffic or energy infrastructure in the Gulf.
    - Several shipping companies have reportedly begun reassessing routes and insurance premiums for vessels operating in the region, which could keep a geopolitical risk premium embedded in oil prices.
- **Weak US Labour Market Data Added Macro Uncertainty:** U.S. employment data surprised to the downside, with February nonfarm payrolls declining by roughly 92,000, significantly below expectations. The unemployment rate edged up to around 4.4%, raising concerns that labour market momentum may be slowing.
  - Latest Developments (over the weekend)
    - Attention is shifting to upcoming U.S. inflation releases, including CPI and PCE data scheduled for the coming week.
    - These readings will be closely watched to determine whether rising energy prices begin feeding into broader inflation dynamics.

Disclaimer