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The market loses its energy

Global equities fell -1.3% in EUR terms amid the developing conflict in the Middle East. The market priced in higher inflation expectations as the price of oil surged 37.9% in EUR terms, its largest weekly gain in futures trading since 1983. Equities in Europe (-5.8%) and Japan (-4.7%) were the hardest hit due to their economic reliance on energy imports, while stocks in the US, which benefits from greater oil independence, finished flat for the week in EUR terms.

The prices of gold and silver were also down -0.4% and -8.4% respectively in EUR terms as expectations for rate cuts were weakened. In the UK, markets are anticipating only one rate cut this year, down from two before the start of the conflict. In the US, expectations for rate cuts have been pushed out from July to September.

Heightened inflation expectations and a diminishing economic outlook also spurred a global bond market sell off. 10-year government bond yields (which move inversely to prices) rose from 3.94% to 4.14% in the US, from 2.64% to 2.86% in Germany, and from 4.23% to 4.63% in the UK. In response to unsettled financial markets, G7 finance ministers are reportedly preparing to discuss the release of emergency oil reserves with the International Energy Agency (IEA) in order to stabilise oil prices.

Meanwhile, the US ISM Manufacturing PMI index shrank marginally from 52.6 to 52.4 in February, higher than forecasts for 51.8 and marking its second consecutive month in expansion territory. Conditions looked less optimistic in the labour market, with US non-farm payrolls falling by 92,000 in February, having been expected to rise by 59,000. This caused the unemployment rate to tick up to 4.4% from 4.3% in January.

In Europe, the annual inflation rate in the Euro Area unexpectedly rose from 1.7% to 1.9% in February, reversing the downward trend since September.

Snapshot

- Copper
- Oil
- Gold

- Corporate Bonds
- Sovereign Bonds
- World Equities

The week ahead	
09 Mar	Chinese inflation data for February is reported.
11 Mar	US inflation data for February is released.
13 Mar	UK GDP data for January goes to print.

Fact of the week

The price of oil briefly rose above $110 per barrel this weekend, its highest level since July 2022.

Our regular market information continues on the next page.

	1 Week Return 27.02.26 to 06.03.26		Year to Date Return 31.12.25 to 06.03.26	
	Local Currency	**Euro**	**Local Currency**	**Euro**
World	-3.3%	-1.3%	-0.4%	1.1%
U.S.	-2.0%	0.0%	-1.6%	-0.2%
Europe	-5.8%	-5.8%	0.3%	0.3%
Ireland	-5.4%	-5.4%	-6.6%	-6.6%
U.K.	-5.5%	-4.3%	4.5%	5.3%
Japan	-5.7%	-4.7%	8.8%	9.7%
Hong Kong	-2.7%	-0.8%	10.6%	11.7%
Corporate Bonds	-1.3%	-1.3%	0.1%	0.1%
Sovereign Bonds	-2.3%	-2.3%	0.7%	0.7%

Warning: Past performance is not a reliable guide to future performance.
Warning: The value of your investment may go down as well as up.
Warning: Benefits may be affected by changes in currency exchange rates.
Warning: If you invest in this product, you may lose some or all of the money you invest.

Equities

- Global stocks finished down -1.3% in euro terms and down -3.3% in local terms last week.
- Year-to-date global markets are up by 1.1% in euro terms and down by -0.4% in local terms.
- The U.S. market, the largest in the world, finished flat at 0.0% in euro terms and down at -2.0% in local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 4.1% last week. The German equivalent finished at 2.9%. The Irish 10-year bond yield finished at 3.1%.
- The Euro/U.S. Dollar exchange rate finished at 1.16, whilst Euro/GBP finished at 0.87.

Commodities

- Oil finished the week at $91 per barrel and is up 60.1% year-to-date in euro terms.
- Gold finished the week at $5,172 per troy ounce and is up 21.1% year-to-date in euro terms.
- Copper finished the week at $12,817 per tonne and is up 4.1% year-to-date in euro terms.

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