Global Markets Bulletin: March 2026 Issue #3

🌍 Three points worth noting heading into April:

1. Trump Vows "Extremely Hard' Hits Coming

What seemed to be an off-ramp to the Iran war has rapidly unravelled. Earlier this week, Trump's forecast of a resolution "within two to three weeks" triggered a sharp relief in global equities. But in his prime-time address on April 2nd, Trump reversed course entirely, threatening to target electricity plants if no deal materialises. Asian equities fell 0.9%, US futures dropped 0.8%, and Brent crude surged 4% to above $105/bbl, erasing the week's optimism in a single session. With 10,000 US strikes failing to neutralise Iranian retaliatory capacity and the Administration signalling that reopening the Strait of Hormuz may not even be a prerequisite for ending hostilities, the prospect of durable energy market disruption has repriced upwards.

Photo Credit: Official White House Photo

2. Softening US Labour Market

February JOLTS data confirmed a broad-based cooling in US labour demand, with job openings falling to 6.88 million from 7.24 million in January. Hiring has fallen to its lowest level since April 2020. Layoffs remain contained for now, but war-driven inflation is complicating the Fed's calculus, making the April 3rd payrolls print a critical read on whether a more pronounced downswing is underway.

3. Asia's Energy Scrambles Intensifies

Japan and South Korea are facing the squeeze from both Hormuz disruptions and Beijing's ban on refined fuel exports, pushing both countries to sign critical energy supply deals across Southeast Asia. Russia has also emerged as a short-term stopgap, with several nations racing to transact before a US sanctions waiver expires April 11. At the margins, the pain is acute: the Philippines has declared a national energy emergency; Sri Lanka has moved to a four-day work week.

Broad Performance Recap by Asset Class:

Asset	Price / Level	Monthly Returns	YTD Returns
S&P 500	6,575.32	-4.3%	-4.0%
NASDAQ Composite	21,840.95	-4.2%	-6.0%
Straits Times Index	4,936.75	+1.9%	+6.3%
Hang Seng	25,017.23	-1.2%	-2.4%
WTI May 2026	105.11	+33.7%	+84.4%
Brent June 2026	107.20	+32.4%	+78.0%

Gold ($/oz)	4,666.10	-8.2%	+7.8%
DXY (USD Index)	100.007	+0.7%	+1.7%

Notable Events: 26 March – 2 April 2026

US Economy/Politics

- **Fed policy stayed restrictive:** The Federal Reserve kept rates unchanged in March, and commentary around the meeting pointed to ongoing concern about inflation and sticky price pressures.
- **Markets were under pressure:** Higher rates and inflation risks drove equities selloff reflected a mix of sticky inflation, cautious growth expectations, and uncertainty about how quickly rate cuts may arrive. Attention remains firmly anchored to jobs, wages, and inflation prints.
- **Trump escalates, markets reverse:** In an abrupt pivot from Tuesday's ceasefire optimism which had sparked a sharp equity rally, Trump's prime-time address remarks saw an immediate market reaction with Asian equities falling 0.9%, US futures dropping 0.8%, and Brent crude surged 4% to above $105/bbl. Treasury yields rose. Iran denied requesting a ceasefire.

EMEA Economy/Politics

- **Europe's policy debate stayed centered on competitiveness and industrial resilience:** The EU continued stressing growth-supportive measures, including defence capacity, strategic industry support, and green industrial policy. Europe is trying to stay competitive while managing energy, trade, and fiscal constraints.
- **Cautious ECB backdrop:** Inflation had eased from earlier peaks, but officials were still warning about trade uncertainty and geopolitical spillovers.

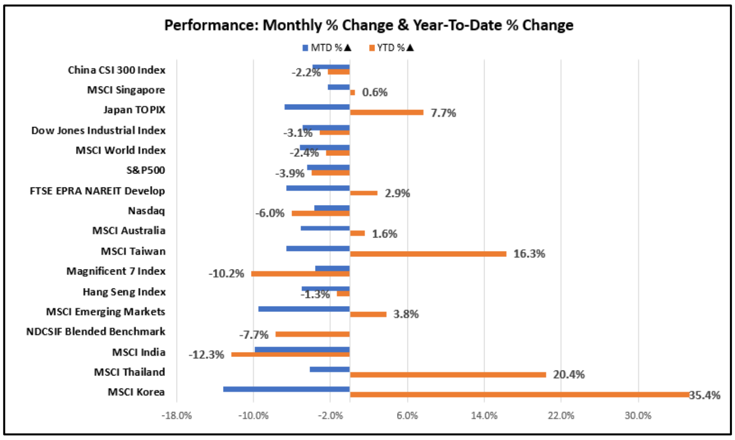
APAC Economy/Politics

- **Regional energy security:** Governments were dealing with the tension between affordability, supply stability, and geopolitical risk. Major economies such as China, Japan, and South Korea have leaned more heavily on coal at times to ensure baseload stability when gas markets are tight or prices are volatile.
- **Policy responses leaning towards pragmatism:** Several APAC governments were discussing or implementing fuel support measures, price controls, and emergency planning. A common thread here for policymakers is to prevent energy shocks from spilling into broader inflation and household stress.

Noteworthy Upcoming Market Dates

- **3rd April:** Non-Farm Payrolls for March
- **9th April**: US FOMC Minutes
- **9th April:** US GDP Growth Rate QoQ Final for Q4
- **10th April:** China Inflation Rate YoY for March
- **10th April:** US Core Inflation Rate (MoM & YoY) and Inflation Rate (MoM & YoY) for March

Monthly Data Monitor



Key Observations:

- **MSCI Korea** continues to dominate YTD with a standout +35.4% gain despite a sharp monthly pullback
- **MSCI Thailand** and **MSCI Taiwan** are strong YTD performers at +20.4% and +16.3% respectively
- Monthly performance across all tracked indices is **unanimously negative** as a direct result of the Iran war, notably seen in strong rotation out of the **Magnificent 7** (-10.2% YTD) and the **Nasdaq** (-6.0% YTD)

Fund Commentaries

I. Private Credit

The $1.8 trillion market is facing intense scrutiny from the Democratic faction of the House Financial Services Committee, prying into how the firms and their investment funds are marketing, valuing and handling the asset class. Congress has grilled heavyweights like Blackstone, Ares, Apollo, and Blue Owl regarding sales practices, the use of payment-in-kind (PIK) loans, and the handling of retail redemptions.

The Bull Case: Despite the headlines and isolated fraud-related bankruptcies, analysts view the private credit fears as significantly overblown. Retail capital only makes up 15-20% of the private credit market, and redemption restrictions are functioning as designed. Consumer credit health remains resilient, providing a strong backdrop for digital lenders.

II. Real Estate

US / North American Housing: US home-price growth slowed to just 0.9% year-over-year in January 2026, with inflation outpacing appreciation as 6% mortgage rates constrained buyers. In contrast, the Canadian and Ontario governments are injecting $8.8 billion into housing infrastructure to slash development fees and stimulate new supply.

S-REITs: Asset recycling within the Singapore REIT sector is accelerating in 2026, fuelled by a favourable, depressed domestic interest rate environment. Significant market moves include Hongkong Land acquiring a 10.8% stake in Suntec REIT, and the S$5B-6B listing of Marina One’s mixed-use development by a Khazanah and Temasek joint venture, with the latter offering high structural flexibility and premium tenants like PwC and Mitsubishi UFJ.

US / North American REITs: J.P. Morgan Research shows data centers and cell towers remain the most highly concentrated REITs (55.9% top-five tenant exposure), while industrial REITs remain the least concentrated despite heavy exposure to Amazon and FedEx.

III. Infrastructure

Tech Funding US Grid Investments: The massive energy consumption of AI data centers is forcing tech giants to pay for their own power infrastructure. On 27 March 2026, Meta agreed to fund seven new natural gas power plants, transmission lines, and battery storage for its $27 billion Northeast Louisiana data center to ensure local consumer grids are not burdened.

Supply Chain: The US Department of Transportation announced a $489 million funding initiative specifically targeted at restoring "maritime dominance" and revitalizing domestic ports and shipyards.

Chart of the Week

Yields on 10-year bonds across developed markets have risen since the start of the Iran war, with the UK Gilts leading at +68 bps, followed by Germany (+36 bps), the US (+34 bps), and Japan (+15 bps).

Rising energy prices are stoking inflation fears, while surging US federal debt (now above $39 trillion) has added pressure on Treasuries, with the 10-year yield briefly touching 4.4%.

China is the notable outlier, up just 4 bps to 1.84%, a move attributed to PBOC accommodation and a diversified energy mix. That said, several structural factors should be kept in mind when interpreting this data. China imports around 70% of its oil, which limits the thesis for full insulation from global energy price volatility. Onshore bonds markets remain closed to foreign capital, while the country continues to face deflationary pressures, and Beijing trimming its official growth target. Taken together, China's muted yield signal signals stability but one that is heavily shaped by structural and policy factors.