

## March Review

A summary of key events and market trends during the month of March.

### Geopolitical risk recedes ?

March has been a turbulent month for global economies and markets with the core and determinative issue being the availability of crude oil.

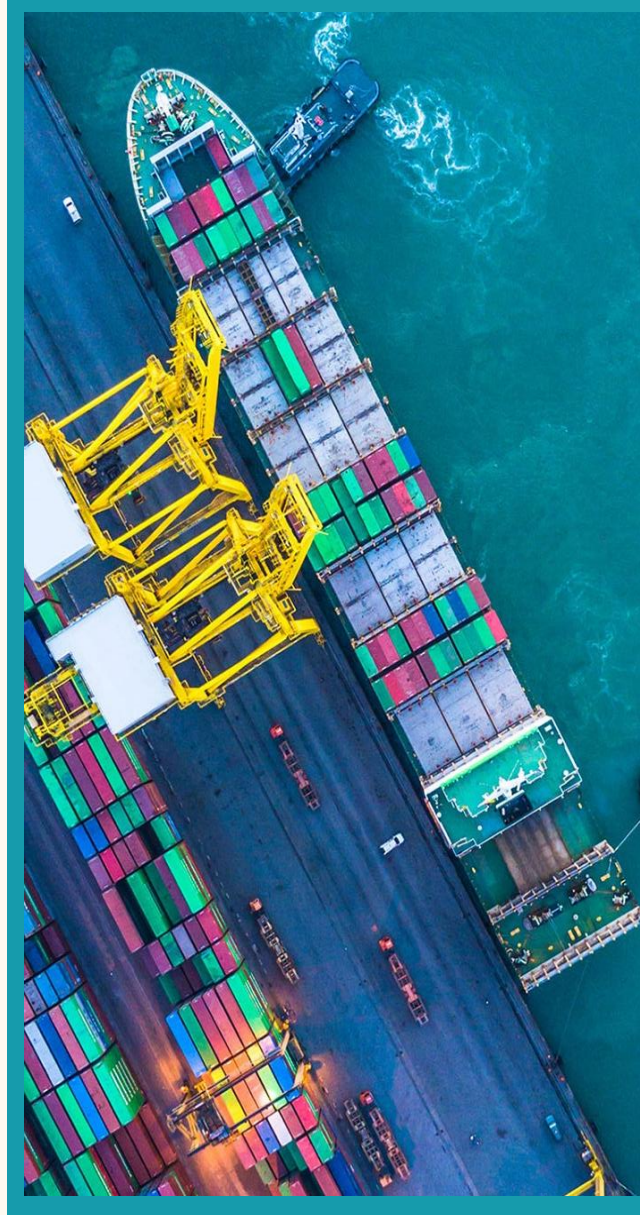
The month has ended on a speculative note of optimism and the US stance on the way forward will drive markets in April.

### HIGHLIGHTS

1. Global investors have rightfully been focused on developments in the Middle East as the war has progressed and spread to involve key energy and other infrastructure in the region. It is more the availability of crude rather than the price per se which has been a bigger driver and there is clearly some demand destruction at play currently.
2. Multiple objectives have been stated for the campaign, and it latterly appears that the US is indicating that it is close to winding down its action. We would wait for official confirmation and until then will be on watch in the region.
3. The volatility markets too, through the VIX Index, appear to be taking the cue that the campaign would be wrapped up sooner rather than later. The index from a high of 35 closed at 25 for the month.

# Global Markets Update

- **NVIDIA's annual GPU Technology Conference**, held March 10–14, marked a meaningful shift in tone from prior years. Rather than centering on hardware benchmarks and raw compute metrics, GTC 2026 was dominated by production deployment case studies and enterprise agentic frameworks — including NVIDIA's NeMoCLAW, which was demonstrated running 47-agent pipelines handling end-to-end procurement workflows for a major manufacturing customer. The conference underscored that AI infrastructure conversations have moved decisively from the lab to the boardroom, with real operational deployments now setting the agenda. Nvidia's dominance of the AI landscape and Jensen Huang's portrayal of the company as an AI Factory is coming into sharp relief.
- **The scale of AI's commercial footprint came into view this month** with new projections showing that AI-driven advertising is on course to grow 63% in 2026, reaching \$57 billion and accounting for a significant share of total U.S. ad spend, as platforms that automate targeting, bidding, and campaign optimisation gain rapid adoption among both large and small advertisers. The numbers are a useful reminder that AI's economic impact is not confined to technology companies — it is quietly restructuring the cost base and competitive dynamics of virtually every consumer-facing industry.



- **March's Federal Reserve meeting** delivered no surprises on rates — but plenty of drama around everything else. The FOMC voted 11-1 to hold the benchmark federal funds rate at 3.50%–3.75%, as policymakers weighed stubborn inflation, a softening labour market, and the oil shock flowing from the Middle East conflict, which pushed crude above \$100 per barrel and market pricing from two cuts this year down to one with a brief interlude of a hike too. Jerome Powell's term expires in May, with Kevin Warsh — Trump's preferred successor and a known rate-cut advocate — waiting in the wings.
- **Currency markets** in March were shaped almost entirely by oil. EUR/USD fell roughly 4% as Europe's structural energy dependence once again transformed a geopolitical supply shock into simultaneous pressure on its currency and sovereign spreads. The dollar found support as a net energy exporter. USD/JPY pressed toward the critical 160 level — twice defended by Japanese intervention in recent years — with the pair and oil futures trading at near-perfect correlation through the month, leaving Tokyo's Ministry of Finance conspicuously watchful.



## Key markets

Index	Month to Date (%)	Year to Date (%)
Topix	-11.19	2.61
Hang Seng China Enterprises	-5.48	-6.05
Dax	-10.30	-7.39
Euro Stoxx 50	-9.26	-3.83
S&P 500	-5.09	-4.63
Dow Jones	-5.38	-3.58
Nasdaq 100	-4.89	-5.98
US 10 Year Treasury	0.38	0.15
Bloomberg Barclays Global Corporate Bond Index	-3.07	-1.07
Bloomberg Barclays Global Corporate Bond High Yield Index	-2.47	-1.31
EUR USD	-2.19	-1.64
USD JPY	1.71	1.28
Gold	-11.57	8.07

## SGMC Forward Views Highlights

SGMC Forward Views						
Asset Class	Avoid	Reduce	Hold	Add On	High Conviction	Notes
<b>Equities</b>						
US Equities						<b>Upgraded to Add on:</b> we see great opportunities in the market within our preferred industries after the recent correctios, even though these come with a heightened level of volatility
EU Equities						European equities are likely to continue being under pressure due to the energy supply and price shock due to Middle Eastern conflict. We remain neutral at the moment mostly due to the cheaper valuations after the strong declines
Chinese Equities						Cheap in relative and absolute terms, a catalyst is required to meaningfully move and maintain valuations higher
Emerging Market Equities						We remain positive on the area but extremely selective. Our top picks include <b>India, Indonesia and Brazil</b> .
<b>Bonds</b>						
High Yield						Happy to continue selectively adding to lock in yields but only with short duration
Investment Grade						<b>Downgraded to Reduce:</b> inflationary shocks and rising inflation expectations due to Middle Eastern conflict will weigh on longer dated corporate bonds. The still relatively tight credit spreads do not offer much cushion either - we downgrade and advise to reduce duration across portfolios
Government Bonds						<b>Downgraded to Hold:</b> While most developed Central Bnks are not in a rush to raise rates, inflationary shocks due to the Middle Eastern conflict put upward pressures on rates
<b>FX &amp; Alternative Asset Classes</b>						
US Dollar Index						Rangebound trading likely to continue in the short term with peaks in volatility linked to headlines risk
Commodities						<b>Upgraded to Add On:</b> The Iran conflict is likely to have an inflationary effect on commodities, both due to a lower supply and harder and more expensive transportation of them
Private Equity / Hedge Funds						We remain relatively underweight this sector
Real Estate						With a benign interest rate environment we see good potential for this sector over the coming months
Collectibles						Uncorrelated with markets

- **Upgraded US Equities from Hold to Add On:** Despite the current negative headlines the US appears to be well positioned across global equity markets. Multiple drivers that we have focused on (mainly Reindustrialization & AI) will play out with likely a higher intensity in the coming months. Heading into the mid-term elections one would expect the upside momentum to continue, albeit with a higher volatility due to ongoing conflict.
- **Downgraded Investment Grade and Government Bonds:** inflationary shocks and rising inflation expectations due to Middle Eastern conflict will weigh on longer dated issues. We downgrade and advise to reduce duration across portfolios.
- **Upgraded Commodities from Neutral to Add on:** The Iran conflict is likely to have an inflationary effect on commodities, both due to a lower supply and harder and more expensive transportation of them



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📅 March 9, 2026 | RTHK Money Talk podcast

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