
Monthly Market Commentary - March 2026

Global equity markets fell sharply in March as US-Israeli military action against Iran triggered the closure of the Strait of Hormuz, unleashing a severe energy price shock. Risk assets and bonds sold off while commodities surged.

Global equities declined 5.4%. US equities were the most resilient, where energy independence and surging domestic energy stocks provided a meaningful buffer against the shock, falling 3.1%, with US technology large caps down 2.8%. UK equities declined 6.2%, partially shielded by the weighting of large energy companies within the market.

The steepest losses were felt by economies most reliant on Middle Eastern oil. European equities fell 8.8% and Japan declined 10.7%. Emerging markets also retreated 11.4%, whilst dollar strength raised the cost of servicing dollar-denominated debt on top of the oil price shocks.

Fixed income offered little shelter. The Fed, Bank of England and ECB all held rates in March, adopting a hawkish tone as the energy shock threatened to impact inflation. In the UK, markets swung from pricing cuts to pricing hikes. UK gilts fell 4.0% and the global aggregate bond index lost 1.8%.

Commodities surged 27.0%, led by Brent crude oil which rose 45.5% as the Hormuz closure threatened approximately 25% of global seaborne oil. Gold fell 10.3% as investors looked to raise cash, while Bitcoin posted a 5.4% gain on the month halting earlier falls.