

Global Markets Update

Global Macro, Fixed Income, Metals, Energy and DCM

March 2026

Global Market Themes

Geopolitical shocks drove risks, while EM and frontier markets remained resilient and risk-on.

Precious metals rebounded on safe-haven demand, while base metals stayed range-bound.

Middle East conflict disrupted energy supply, driving sharp oil and gas price spikes.

Global and Emerging Markets Macro Views

Geopolitics reasserted itself as the dominant late-month macro driver after US/Israel strikes on Iran prompted retaliation across the region, reviving near-term energy and inflation tail risks. Oil and select shipping costs rose immediately, raising the probability of a stagflationary impulse should the conflict persist, disrupt infrastructure, or impair flows through the Strait of Hormuz. That said, the global economy is structurally less energy-intensive than in prior cycles and renewables' rising share should dampen—though not eliminate—the growth hit from an oil shock. In the US, a 43-day government shutdown contributed to a sharp downshift in Q4 growth, while incoming data remained mixed: payrolls surprised to the upside, but large downward revisions imply cooler underlying labor momentum. Policy uncertainty also increased after the Supreme Court ruling against prior tariffs, followed by the administration's temporary tariff workaround. Elsewhere, the euro area posted modest growth with improving PMIs and sentiment, while Japan's election delivered political dominance but raised fresh questions over the pace of BoJ tightening. Inflation trends diverged across DMs—US disinflation continued, EA firmed, Japan slowed on base effects—supporting the view that the global easing cycle is near its endpoint.

In local markets, there was a mix of inflows and outflows with profit taking in some markets. Over the last two weeks, as tensions with Iran escalated, there were about USD2.5bn in outflows from Egypt with USD/EGP depreciating, marking a reversal from the appreciating trend in recent months. Despite that, bill and bond yields continue compressing with differing ferocity on the back of rate cuts. In Nigeria, there was yield compression of about 100bps in OMOs and bonds in addition to a 2% Naira appreciation which drove some clients to take profit. The flows are still balanced and constructive but with a bias to increasing positions. In Ghana, there was a sharp rally in bonds with 200-300bps yield compression

as bills and BOG OMO maturities not rolled. USD was still well bid in the FX auctions up until the last week of Feb, when we saw the auction demand briefly disappear and GHS appreciate 4% in a few days but this was short lived with offshore investors taking advantage of the dollar liquidity to take profit on their bonds. In Zambia, the environment remains constructive with increasing inflows and the Zambian kwacha appreciating. In Uganda, there was a strong bond auction this month but with some offshore investors taking profit after the auction. Bonds are now trading 40bps wider than the last auction and USD/UGX are well bid. In Kenya, bond yields are about 100bps tighter this month driven by both locals and internationals.

In other frontier markets, February was a risk-on month leading to general yield compression in both NDFs and local bills/bonds. The move in NDF yields over the last 3-6months has led that in local instruments in general and increased interest in weekly auctions across most jurisdictions. KZT appreciated around ~1% with offshore investors selling USD in both NDFs and buying local bonds. Yields still remain elevated compared to other frontier markets making it a popular carry trade among offshore investors which currently hold positions at all-time highs. In Uzbekistan, investors continue to be sellers of USD, but UZS was an outlier in EM as it depreciated about 2.5% vs USD after a long stretch of appreciation in previous months. This led to a better entry level for offshore investors causing implied yields to drop to negative levels in the front end of the curve. There was significant interest from investors in the local bills/bonds as the yield differential vs NDFs increased. In Georgia, spot remains unchanged and interest into bonds and NDFs remains. Despite yields being lower than in neighbouring jurisdictions, the stability in spot is expected to continue and in February GEL appreciated vs USD.

Metals and Energy

In the precious metal markets, February saw a strong rebound after a sharp late January correction triggered by President Trump's nomination of the more hawkish Kevin Warsh as the next Fed Chair, which initially strengthened the US dollar and pushed gold and silver sharply lower. Sentiment quickly reversed as geopolitical risks escalated in the Middle East, US Iran negotiations stalled, and Washington increased its military presence while warning vessels to avoid the Strait of Hormuz. Meanwhile, Trump announced a temporary 10% global tariff – which could potentially rise to 15%—after the Supreme Court struck down a broader tariff framework; the policy is subject to a 150-day review period, leaving markets facing significant uncertainty and adding volatility. Against this macro and geopolitical backdrop, precious metals—particularly gold—benefited from safe-haven demand and posted a moderate recovery through February. Gold rose 7.9% during the month and closed the final trading day at \$5,278, supported by continued central bank buying, and global central bank purchases in 2025 reached 860 tons, underscoring resilient investor interest. Silver experienced even greater volatility, collapsing from \$117 at end January to a monthly low of \$73 before rebounding to \$93 by month end. Speculation, retail investment demand, and strong photovoltaic sector consumption—which locks up significant volumes of silver for the long term—continue to support its structural outlook. Platinum and palladium showed similar price patterns, weakening early in the month before recovering toward month end; platinum reached a February high of \$2,369 and palladium peaked at \$1,799, posting monthly gains of 7.91% and 4.42%, respectively. Rhodium also trended higher, rising 7.2% in February and ending the month at \$12,250—its highest level since April 2023.

In the base metal markets, market prices softened at the start of February after Donald Trump's nomination of the more hawkish Kevin Warsh as the next Fed Chair strengthened the US dollar, pressuring dollar denominated commodities and contributing to a broader macro driven sell off with no meaningful change in underlying fundamentals. Throughout the month, copper, aluminium, and nickel traded within relatively narrow ranges. Copper remained broadly stable at elevated levels after last year's strong rally, fluctuating within an USD 850 band. Long term demand prospects remain constructive—supported by energy transition trends, grid investment, and accelerating AI data centre construction—yet February activity was subdued due to the Lunar New Year holiday, thin trading conditions, and weak downstream operating rates amid high prices. Physical appetite softened notably, with the Yangshan copper premium falling to its lowest since August 2024, while both SHFE and LME inventories increased and China boosted scrap copper imports to meet domestic demand. Aluminium held above USD 3,000 and moved within a USD 143 range. China's domestic aluminium production is approaching its capacity ceiling this year, implying that incremental supply will increasingly rely on overseas projects; however, many of Indonesia's planned aluminium smelters are greenfield developments whose construction and ramp up timelines may fall short of expectations, adding uncertainty to future supply. Nickel, which rallied sharply in December after Indonesia drastically reduced its 2026 mining quota guidance, remained broadly steady through February but displayed wider volatility than copper and aluminium, with a USD 1,258 trading range. Upside also appears limited as stainless steel demand remains subdued. As Chinese markets reopened after the holiday, liquidity improved and industrial activity entered its seasonal peak, offering some support to prices. Even so, investor positioning remains cautious due to Trump's temporary 10% global tariff—subject to a 150-day review—and persistent geopolitical risks in the Middle East, both of which have reinforced a wait and see stance across the base metals complex.

Metals and Energy

Crude oil prices jumped higher in Feb after the US and Israel launched a joint attack on Iran, who retaliated with a series of missile strikes on various countries around the Arab Gulf. Prices had remained relatively stable with Brent just above \$70 while the US and Iran were negotiating over a nuclear deal, and although the US was building a large naval armada around the Gulf, traders had been somewhat nonchalant about the risk of war breaking out. That has now changed, with an effective closure of the Strait of Hormuz with vessels unable to find insurance and unwilling to run the risk of attack in a narrow shipping lane. This has left much of the area's crude production stranded, causing the knock-on effect of production shutdown once tanks are filled. Although Brent has reached \$85, it is refined products that are really spiking with diesel cracks reaching \$60/bbl and jet cracks over \$100 – an all-time record. If Hormuz remains closed for a prolonged period, the effect on prices will be even more severe.

In the gas markets, price jumped sharply higher last month as disruptions in the Strait of Hormuz escalated, most notably following the shutdown of Qatar's mega LNG export facility. QatarEnergy formally declared force majeure on cargoes, pointing to at least a four-week recovery timeline from restart to full production. Drone attacks on tankers and energy infrastructure remain the main source of uncertainty despite US plans for to bolster protection and provide insurance support. Front-month TTF reached a high of €65.80/MWh but spikes at month-end have been quickly sold on nervous positioning and the market swinging +/-10% on headlines very rapidly. In the Pacific, JKM/TTF also surged with May26 reaching a high of \$6.50/mmbtu on physical/paper short covering and freight soaring above \$280k/day. Several Asian end users have tendered for lost volumes, with India paying \$21-22/mmbtu for a cargo. Russia is meanwhile considering diverting flows away from Europe to "premium markets" after a shadow fleet LNG tanker was struck and with EU import restrictions nearing.

DCM

February saw a continuation of the record start to the year in the primary markets on both sides of the Atlantic. In Europe, aggregate issuance volumes topped €500bn, 2 days ahead of when this milestone was reached in 2025 – hitherto, the busiest year on record. Issuance volumes in the US are on record pace too, with volumes boosted by a growing roster of jumbo (\$10bn+) financings from hyperscalers, which have been met with hugely impressive demand given concerns around hugely elevated AI-related CAPEX. These stats are all the more impressive given markets remained subject to periods of intense geopolitical

disquiet, in particular relating to US intentions towards Iran. Spreads have remains close to multi-year tights, and new issue concessions on both sides of the Atlantic have remained minimal. Put simply: IG/EM/HY credit remains firmly in investors' sweet spots, and primary is the only game in town to deploy their ongoing surfeit of liquidity. Towards the end of the month, rising tensions relating to Iran saw risk assets come under a degree of pressure, and hence spreads drifted wider. The conflict commenced on Feb 28th, raising the prospect of more challenging market conditions in March.



Figure 1. Key EM Risk Assets YTD Performance (change in %, Jan 1st 2024=100)

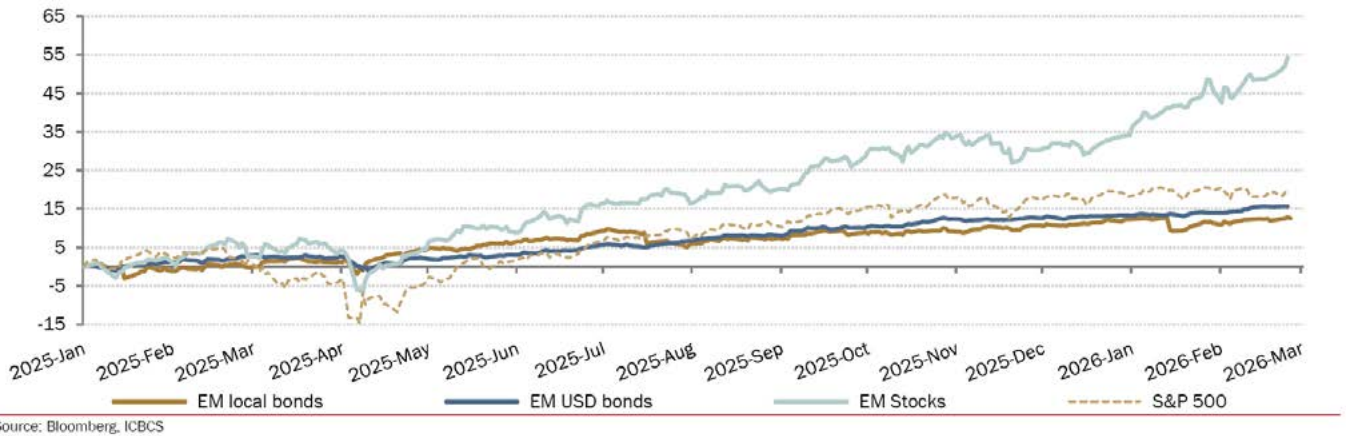


Figure 2. Flows into (ex-China) EM funds (in USD bn, monthly)

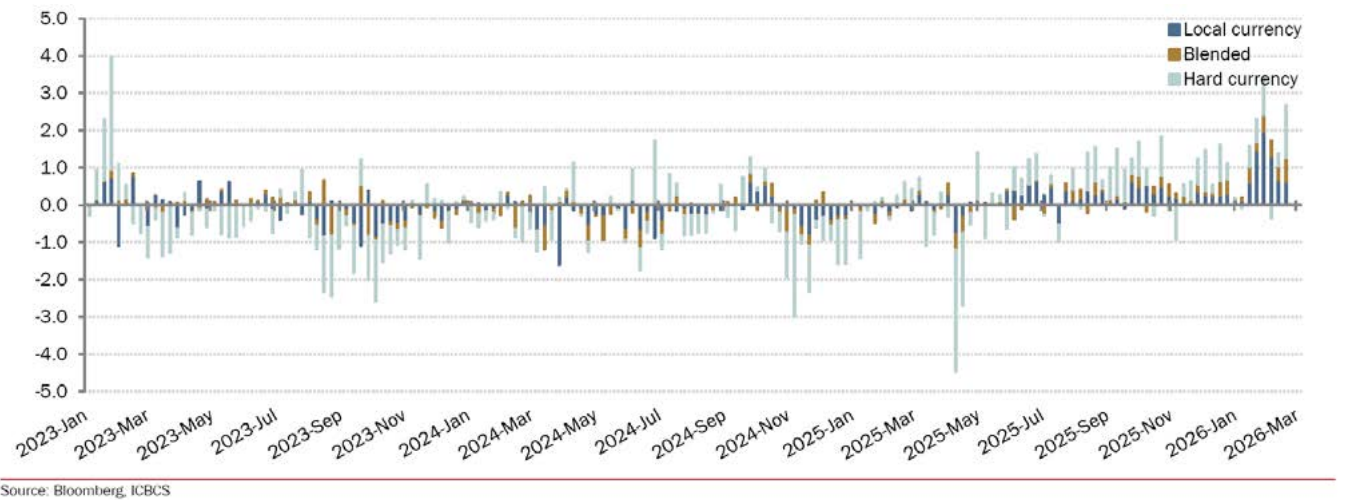


Figure 3. U.S. Dollar Index

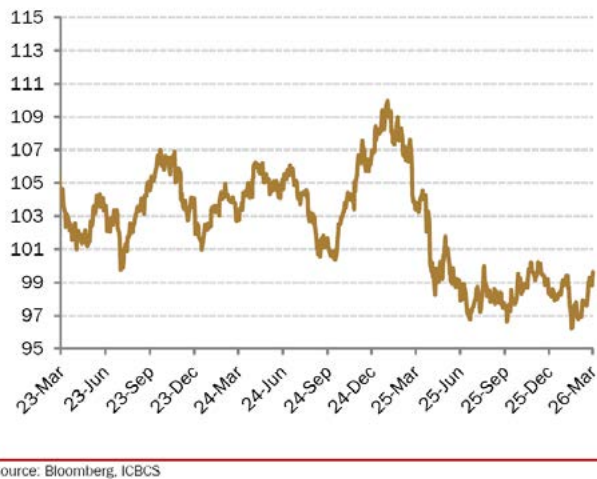


Figure 4. Key FX Cross Rates: USD/CNY, EUR/CNY and GBP/CNY

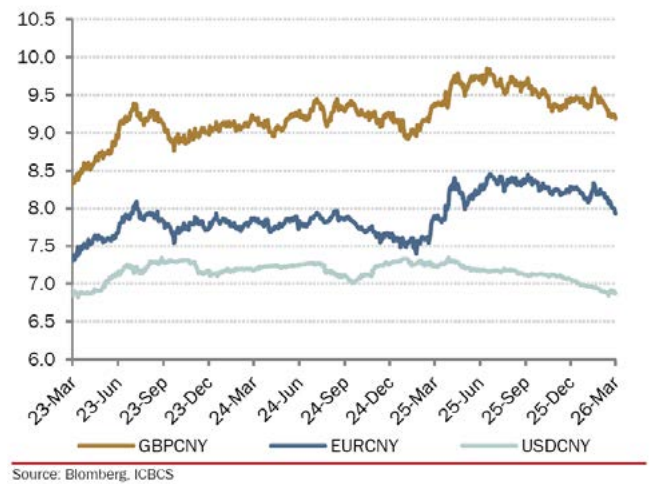
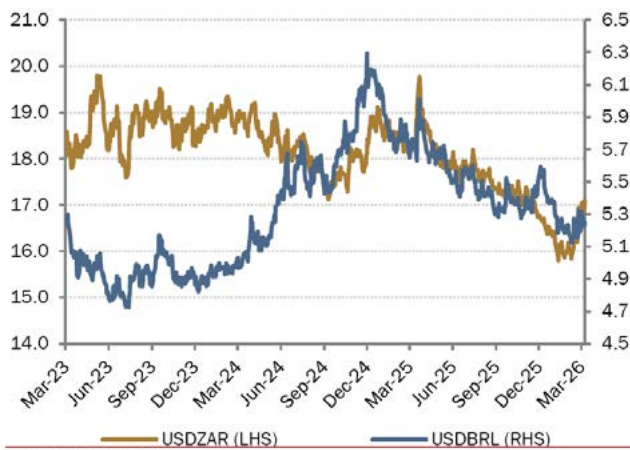
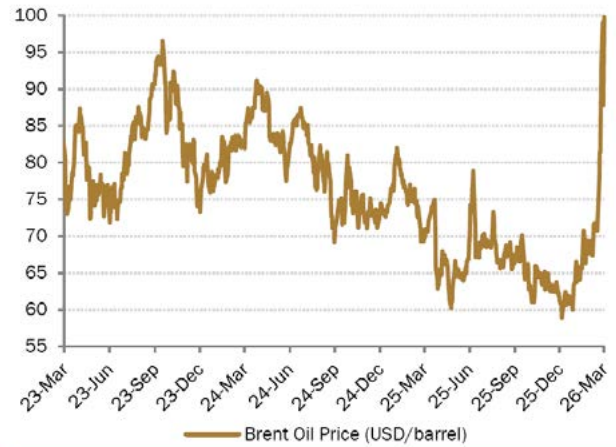


Figure 5. Key EM FX Cross Rates: USD/ZAR, USD/BRL



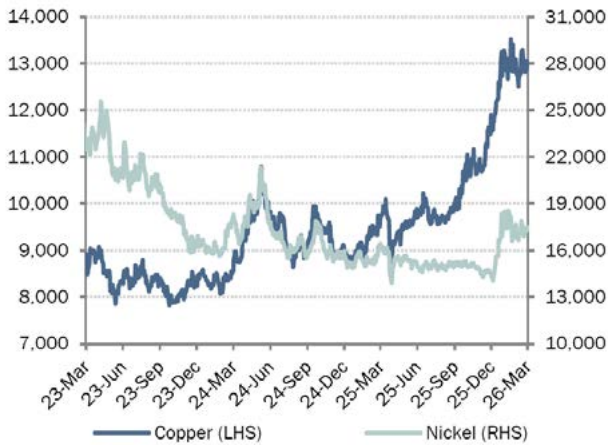
Source: Bloomberg, ICBCS

Figure 6. Brent Oil Price (USD/barrel)



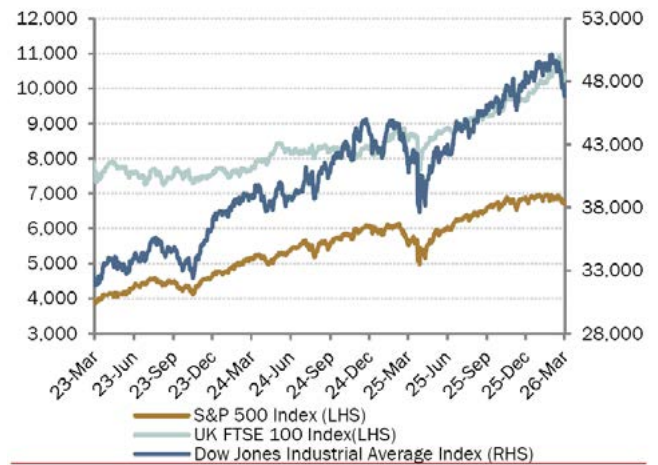
Source: Bloomberg, ICBCS

Figure 7. Key Metals Prices: Copper and Nickel



Source: Bloomberg, ICBCS

Figure 8. Key US and UK Equity Indices: S&P 500, DJI and FTSE 100



Source: Bloomberg, ICBCS

Figure 9. Economic Calendar: 1 – 28 February 2026

Date	Country	Event	Survey/Actual Data	Prior
February 18	US	Durable Goods Orders	-0.014	0.053
		Industrial Production MoM (Jan)	0.007	0.002
	UK	CPI YoY	0.03	0.034
	SA	CPI YoY	3.50%	3.60%
February 19	US	Trade Balance (25 Dec)	-\$70.3bn	-\$53.0bn
February 20	US	GDP Annualised QoQ (25-Q4)	0.014	0.044
February 24	CN	5-Year Loan Prime Rate	0.035	0.035
		1-Year Loan Prime Rate	0.03	0.03
February 26	US	Initial Jobless Claims	212k	208k
	JP	Industrial Production MoM (Jan)	5.50%	-0.10%
February 27	SA	Trade Balance	USD 332mn	USD 1.4bn

Source: Bloomberg, WIND, ICBCS

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