

Daily Market View

Investment Strategy | March 23, 2026

Global markets slide as central banks turn more hawkish amid renewed inflation risk

Macro headlines

Israeli officials said Iran fired long-range missiles for the first time, expanding the conflict beyond the Middle East. Iran warned it would strike energy and water infrastructure across the Gulf if President Trump follows through on threats to attack its electricity grid, raising fears of mass disruption in a region dependent on desalination. The International Energy Agency said it is consulting with Asian and European governments on further emergency reserve releases “if necessary,” as the war continues to roil global energy markets. China pushed back against the US’s new Section 301 investigations into excess industrial capacity, signaling rising trade tensions. Mid-week last week the FOMC held the federal-funds rate at 3.50-3.75% for a second consecutive meeting, with an 11–1 vote. Governor Miran dissented in favor of a 25bp cut. The policy statement changed little, though it acknowledged uncertainty from the Middle East conflict. The updated Summary of Economic Projections showed slightly higher PCE and core PCE inflation forecasts, a modest upward revision to 2026-2028 GDP, and unchanged median “dots,” implying one 25bp cut this year and one next year. Chair Powell emphasized the unusually high uncertainty surrounding the outlook. The Bank of Canada held rates at 2.25%, citing war-related uncertainty. Brazil’s central bank cut rates by 25bp to 14.75%. The Bank of Japan held its policy rate at 0.75% with an 8-1 vote, while the SNB, Riksbank, and ECB all kept rates unchanged. The ECB warned that the conflict poses “significant” upside risks to inflation. The BoE held rates at 3.75% with a unanimous vote and struck a more hawkish tone than expected.

Market performances

Global equities slumped for a third straight session on Friday as the Iran war escalated and oil prices surged to their highest levels since 2022. The Dow fell 0.96% to 45,577.47, the S&P 500 dropped 1.51% to 6,506.48, and the Nasdaq declined 2.01% to 21,647.61. The S&P 500 recorded its fourth consecutive weekly decline, its longest since February 2025. Energy was the only sector to post weekly gains, rising 2.8% for its 13th straight weekly advance. MSCI World fell and is down more than 7% over the past three weeks, its steepest decline in nearly a year. Oil markets tightened further. WTI rose 2.27% to USD98.84/bbl, while Brent surged 3.26% to USD112.19/bbl. Iraq declared force majeure on all foreign-operated oilfields as military operations disrupted navigation through the Strait of Hormuz. Natural gas prices in Europe jumped as much as 35% after strikes hit key regional infrastructure. Bond yields climbed sharply. The US 10-year yield rose to 4.384%, its third straight weekly gain, while the 2-year yield rose to 3.894% as markets began pricing in the possibility of Fed hikes this year. Markets now price roughly 4bp of tightening for 2026, compared with 50bp of cuts expected only weeks ago. European yields also surged, with the UK 10-year gilt reaching its highest level since 2008. The dollar strengthened, with the dollar index rising to 99.58. The euro fell to USD1.1558, and the yen weakened to 159.31. Gold fell to USD4,492.4/oz.

What’s next

The week ahead brings flash PMIs for major developed economies and India, alongside inflation data for the UK and Japan and consumer confidence releases in the eurozone and US. Markets will focus on how quickly higher energy prices are feeding into firms’ input costs and whether these are being passed on to consumers – especially in the US, UK, and eurozone, where central banks have adopted a more hawkish stance in response to the war. Retail sales in the UK and industrial production in Japan are also due, though forward-looking survey data will dominate market attention. Rate decisions from Norway and Mexico are expected, with investors watching for signs that policymakers are shifting from expectations of a brief conflict to preparing for a more prolonged and disruptive Middle East war. Monday’s releases include Mexico’s January retail sales, the US Chicago Fed National Activity Index for February, Türkiye’s March consumer confidence, Spain’s January trade balance, eurozone flash consumer confidence, and Singapore’s February inflation.

Mohammed Al Hemeiri

Senior Specialist

Tel: +971 (0)2 812 6450

mohammed.alhemeiri@adcb.com

Kishore Muktinutalapati

Head - Investment Strategy

Tel: +971 (0)2 812 6457

kishore.muktinutalapati@adcb.com

Visit [Investment Strategy Webpage](#)

to read our other reports

Daily Market View

Investment Strategy | March 23, 2026

Global markets' performance snapshot

Performance snapshot*				
Rates	Latest	1D (bp)	1M (bp)	3M (bp)
SOFR	3.62	0.00	-4.00	-4.00
UAE Eibor 3m	3.69	0.00	13.30	0.97
UAE Eibor 12m	3.70	0.00	-0.32	5.19
US 3m Bills	3.70	0.96	2.83	9.64
US 10yr Treasury	4.38	13.03	33.13	25.79
German 10yr Bund	3.04	8.10	28.90	19.30
UK 10yr Gilt	4.99	15.10	59.50	51.30
Fixed Income		1D (%)	1M (%)	3M(%)
Global Agg. Index	496	-0.53	-2.80	-0.95
Global Treasuries	206	-0.53	-2.99	-1.25
Global Corporate	299	-0.62	-3.04	-1.36
EM USD Sovereign	450	-0.73	-3.33	-1.65
EM LCY Sovereign	162	-0.10	-2.30	0.45
Global High Yield	1,838	-0.40	-2.60	-0.93
Currencies				
Dollar Index	99.65	0.42	2.82	1.24
EUR USD	1.1572	0.10	-2.33	-1.25
GBP USD	1.3341	-0.47	-2.10	-0.30
USD JPY	159.23	0.90	3.75	2.31
Equities				
S&P 500	6,506	-1.51	-4.82	-3.96
Dow Jones	45,577	-0.96	-7.93	-4.95
NASDAQ	21,648	-2.01	-3.99	-5.91
STOXX 600	573	-1.78	-7.31	-2.06
DAX	22,380	-2.01	-9.76	-7.52
Nikkei 225	53,373	0.00	-6.04	8.92
FTSE 100	9,918	-1.44	-5.30	0.82
SENSEX	74,533	0.44	-10.50	-11.78
Hang Seng	25,277	-0.88	-5.35	-0.87
MSCI World	4,244	-1.46	-5.86	-3.16
MSCI EM	1,463	-0.87	-6.07	7.74
Regional Equities				
ADX	9,571	0.00	-9.91	-4.30
DFM	5,550	0.00	-17.19	-8.72
Tadawul*	10,946	0.00	2.22	1.18
DSM*	10,292	0.00	-6.90	-7.01
MSM30*	7,765	0.00	5.03	24.77
BHSE*	1,913	0.00	-7.19	-6.48
KWSE*	8,478	0.00	-1.10	-3.10
Commodities				
BBG Commodity Index	134.1	0.31	14.28	24.04
Brent USD/bbl	112.19	3.26	63.42	87.55
WTI USD/bbl	98.32	2.27	56.34	75.10
Gold USD/t oz	4,492.4	-2.68	-10.00	3.67
Silver USD/t oz	67.9	-6.70	-11.31	3.77
Platinum USD/t oz	1,928.6	-2.26	-5.69	0.10
Aluminum	3,254.8	-1.04	7.88	12.44
Copper USD/MT	12,021.5	1.65	-5.77	2.56
Digital Assets				
Bitcoin	70,041.3	-0.64	1.77	-18.16
Ether	2,133.4	-0.62	6.75	-24.55
Solana	89.0	0.03	3.53	-25.87
XRP	1.4	-0.93	-3.68	-21.03
Volatility				
VIX	26.78	11.31	26.32	58.74
MOVE	108.84	28.23	55.26	81.37

Source: Bloomberg, and ADCB Asset Management | Notes: *Data as at 8AM UAE time - March 09, 2026 unless stated otherwise. Performance in local currency.

Disclaimer

ADCB Asset Management Limited ("AAML"), is a member of ADCB Group, licensed by Financial Services Regulatory Authority in Abu Dhabi Global Markets under financial services permission number 170036.

This publication is intended for general information purposes only. It should not be construed as an offer, recommendation or solicitation to purchase or dispose of any securities or to enter in any transaction or adopt any hedging, trading or investment strategy. Neither this publication nor anything contained herein shall form the basis of any contract or commitment whatsoever. Distribution of this publication does not oblige ADCB Group to enter into

transaction.

The content of this publication should not be considered as legal, regulatory, credit, tax or accounting advice. Anyone proposing to rely on or use the information contained in the publication should independently verify and check the accuracy, completeness, reliability and suitability of the information and should obtain independent and specific advice from appropriate professionals or experts regarding information contained in this publication. Investment products are not available to US persons.

Information and opinions contained herein is are based on various sources, including but not limited to public information, annual reports and statistical data that AAML considers accurate and reliable. However, AAML makes no representation or warranty as to the accuracy or completeness of any statement made in or in connection with this publication and accepts no responsibility whatsoever for any loss or damage caused by any act or omission taken as a result of the information contained in this publication. This publication is intended for customers who are either retail or professional investors.

Charts, graphs and related data or information provided in this publication are intended to serve for illustrative purposes only. The information contained in this publication is prepared as of a particular date and time and will not reflect subsequent changes in the market or changes in any other factors relevant to their determination. All statements as to future matters are not guaranteed to be accurate. AAML expressly disclaims any obligation to update or revise any forward looking statement to reflect new information, events or circumstances after the date of this publication or to reflect the occurrence of unanticipated events.

ADCB Group does and may at any time solicit or provide commercial banking, investment banking, credit, advisory or other services to the companies covered in its publications. As a result, recipients of this publication should be aware that any or all of foregoing services may at time give rise to a conflict of interest that could affect the objectivity of this publication. Opinions expressed herein may differ from opinions expressed by other businesses or affiliates of ADCB Group.

Past performance does not guarantee future results. Investment products are not bank deposits and are not guaranteed by ADCB Group. They are subject to investment risk, including possible of loss of principal amount invested. This publication may not be reproduced or circulated without ADCB Group written authority. The manner of circulation and distribution may be restricted by law or regulation in certain jurisdictions. Persons who come into possession of this document are required to inform themselves of, and to observe such restrictions. Any unauthorized use, duplication, or disclosure of this document is prohibited by law and may result in prosecution.