

Daily Market View

Investment Strategy | March 25, 2026

March flash PMIs show synchronized slowdown and renewed inflation pressures

Macro headlines

President Trump said on Tuesday that the US was making progress toward negotiating an end to the Iran war, claiming Tehran had offered an “important concession.” Reuters reported that Washington sent Iran a 15-point settlement proposal. Mediators from Turkey, Egypt, and Pakistan are attempting to arrange a meeting between US and Iranian officials within 48 hours, though both sides remain far apart. At the same time, the US is preparing to deploy thousands more troops to the Middle East for potential land operations, underscoring the disconnect between diplomatic messaging and military posture. Iran circulated a letter to International Maritime Organization members stating that “non-hostile vessels” may transit the Strait of Hormuz if coordinated with Iranian authorities. Domestically, Trump suffered a symbolic political setback after Democrats flipped a Florida state legislature seat representing Palm Beach. US Treasury auctions showed soft demand, with the two-year note’s bid-to-cover ratio falling below recent averages. Minutes from the Bank of Japan’s January meeting revealed a hawkish tilt even before the Iran war intensified inflation pressures. Flash PMIs for March showed a broad global deceleration: the US, eurozone, UK, and Japan all slowed; France and Australia contracted; and India, while still expanding, lost momentum. Manufacturing was mixed, with Germany and the US seeing precautionary demand, while services – the global growth engine – showed signs of rolling over. Inflation pressures spiked across regions, marking the strongest synchronized price impulse since the post-pandemic energy shock. Türkiye’s leading indicators deteriorated sharply, with real sector confidence falling to 100 and financial services confidence plunging 16.9 points. Consumer confidence also weakened. Elsewhere, Ares Management became the latest private credit manager to cap withdrawals amid rising redemption requests. On the corporate side, SpaceX is preparing to file its IPO prospectus, while NASA announced it will redirect lunar station components toward a USD20bn moon-base project and develop a nuclear-powered spacecraft for Mars.

Market performances

Markets turned cautious on Tuesday as oil prices resumed their climb and uncertainty over Iran-US negotiations persisted. The Dow fell 0.18% to 46,124.06, the S&P 500 declined 0.37% to 6,556.37, and the Nasdaq dropped 0.84% to 21,761.89. Communication services and technology stocks led declines – as AI disruption came back into focus. Global equities edged up 0.09%, while the STOXX 600 rose 0.43%. Gulf markets ended mixed on Tuesday, with Qatar extending losses while other bourses steadied as investors parsed conflicting signals on potential US-Iran talks. Oil prices strengthened again on Tuesday. Brent settled at USD104.49/bbl, while WTI rose 4.79% to USD92.35/bbl. Wednesday morning, however, saw a sharp fall in oil prices. Treasury yields climbed, with the US 10-year rising to 4.36% and the 2-year continuing its upward trend after a weak auction. The dollar strengthened modestly, with the euro slipping to USD1.1576 and the yen weakening to 159.07. Fed Governor Waller said the inflation risk from the Iran war was strong enough to shift his stance toward keeping rates on hold rather than cutting. Markets now price a higher probability of a Fed hike later this year. Gold rose to USD4,388.7/oz as investors sought diversification amid geopolitical uncertainty.

What’s next

Wednesday’s agenda features a concentrated set of macro releases across regions. In the US, Q4 current account data and February export and import price indices are due. The UK publishes February inflation, while Germany releases its March Ifo business climate survey. Australia reports February inflation, and Taiwan publishes February industrial production and retail sales. ECB President Christine Lagarde delivers remarks at the IMFS “Its Watchers” conference in Frankfurt, while BoE MPC member Megan Greene speaks at a pan-European mid-cap forum in London. In the US, the Conservative Political Action Conference begins in Texas. Markets will also track early Wednesday trading after reports that Washington is seeking a month-long ceasefire and has sent a 15-point plan to Iran, which lifted global equity futures and pushed Brent down toward USD98/bbl in Asia.

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Global markets' performance snapshot

Performance snapshot*					
Rates	Latest	1D (bp)	1M (bp)	3M (bp)	
SOFR	3.62	0.00	-11.00	-6.00	
UAE Eibor 3m	3.69	2.21	10.30	9.53	
UAE Eibor 12m	3.84	7.31	20.66	20.10	
US 3m Bills	3.69	-0.29	0.01	7.93	
US 10yr Treasury	4.36	1.79	27.72	19.71	
German 10yr Bund	3.03	2.20	28.80	13.00	
UK 10yr Gilt	4.96	3.80	58.40	42.20	
Fixed Income		1D (%)	1M (%)	3M(%)	
Global Agg. Index	496	-0.14	-2.57	-0.65	
Global Treasuries	206	-0.10	-2.77	-0.83	
Global Corporate	300	-0.17	-2.69	-1.04	
EM USD Sovereign	450	-0.11	-3.49	-1.67	
EM LCY Sovereign	162	0.19	-2.35	0.27	
Global High Yield	1,841	-0.13	-2.51	-0.95	
Currencies					
Dollar Index	99.43	0.49	1.77	1.17	
EUR USD	1.1576	-0.22	-1.95	-1.55	
GBP USD	1.3378	-0.34	-1.06	-0.69	
USD JPY	159.07	0.39	2.94	1.42	
Equities					
S&P 500	6,556	-0.37	-4.72	-4.68	
Dow Jones	46,124	-0.18	-7.13	-4.63	
NASDAQ	21,762	-0.84	-4.36	-7.11	
STOXX 600	579	0.43	-7.86	-1.27	
DAX	22,637	-0.07	-10.45	-6.78	
Nikkei 225	52,252	1.43	-8.56	3.67	
FTSE 100	9,965	0.72	-6.75	1.01	
SENSEX	74,068	1.89	-11.54	-13.44	
Hang Seng	25,064	2.79	-6.15	-2.86	
MSCI World	4,274	-0.11	-5.89	-3.80	
MSCI EM	1,444	1.69	-7.49	4.34	
Regional Equities					
ADX	9,524	1.07	-11.45	-5.10	
DFM	5,471	1.63	-19.13	-11.16	
Tadawul*	10,949	0.03	2.24	1.21	
DSM*	10,151	-1.37	-8.18	-8.28	
MSM30*	7,916	1.94	7.07	27.19	
BHSE*	1,913	0.00	-7.19	-6.48	
KWSE*	8,435	-0.51	-1.60	-3.59	
Commodities					
BBG Commodity Index	130.8	1.59	11.06	19.14	
Brent USD/bbl	104.49	4.55	48.53	68.34	
WTI USD/bbl	92.35	4.79	41.66	59.20	
Gold USD/t oz	4,388.7	-0.85	-12.21	-1.13	
Silver USD/t oz	71.2	3.01	-7.75	3.15	
Platinum USD/t oz	1,931.1	2.66	-7.16	-9.36	
Aluminum	3,307.7	2.33	7.59	13.07	
Copper USD/MT	11,878.5	-0.11	-5.75	-0.52	
Digital Assets					
Bitcoin	70,061.1	-1.18	5.66	-20.59	
Ether	2,148.0	-0.63	10.65	-28.09	
Solana	90.0	-1.92	10.78	-28.06	
XRP	1.4	-1.97	-0.72	-25.66	
Volatility					
VIX	26.95	3.06	37.36	91.41	
MOVE	103.01	4.95	60.48	66.95	

Source: Bloomberg, and ADCB Asset Management | Notes: *Data as at 8AM UAE time - March 25, 2026 unless stated otherwise. Performance in local currency.

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