Weekly Report

Global Equities

U.S. stocks fell last week mainly because oil spiked on war risk, investors feared renewed inflation, and weak payrolls raised recession/slowdown concerns

Review: U.S. stocks fell last week mainly because oil spiked on war risk, investors feared renewed inflation, and weak payrolls raised recession/slowdown concerns.

Outlook: The broader 2026 backdrop remains supported by earnings, but the next few weeks will likely be driven by the oil shock, softer labor data, and uncertainty over how quickly the Fed can respond. U.S. equities may stabilize if oil and inflation cool, but could stay under pressure if inflation remains sticky or growth weakens further.

European stocks fell last week because investors priced in a Middle East-driven oil shock and the risk of higher inflation with weaker growth

Review: The MSCI Europe Index fell by 5.51% last week because investors priced in a Middle East-driven oil shock and the risk of higher inflation with weaker growth.

Outlook: Europe's heavy reliance on imported oil and LNG leaves its equity market particularly sensitive to any disruption through the Strait of Hormuz. European equities may recover from the recent selloff, but a sustained breakout over the next 4–8 weeks is unlikely unless oil prices ease and the ECB remains comfortably on hold.

China equities fell last week

Review: The Shanghai Composite fell 0.93% last week, while the Shenzhen Composite fell 2.36%. China equities fell last week on a mix of global risk-off and domestic policy disappointment: higher oil prices and geopolitical tensions hit sentiment, while Beijing's policy meeting underwhelmed expectations for stronger stimulus.

Outlook: Policy support remains in place, but the near-term macro picture is mixed: February's official manufacturing PMI fell to 49.0, signaling contraction, and the property slump remains a headwind. Markets may stay range-bound, with tech and consumer sectors likely to outperform on continued policy support.

Hang Seng Index fell last week

Review: Hang Seng Index fell 3.28% last week as Middle East tensions drove oil prices higher, worsening concerns over inflation and slower global growth, while China's policy meeting disappointed investors hoping for stronger stimulus.

Outlook: Policy support from China, improving local activity, and better IPO sentiment provide a supportive backdrop. However, the market is still likely to stay choppy and headline-driven, with the main swing factors being China's upcoming data, global risk sentiment, and whether energy prices stabilize.

Global Bonds

FTSE World Government Bond fell last week

Review: FTSE World Government Bond Index fell 1.90% last week.

Outlook: Major central banks are now at distinctly different stages of their monetary policy cycles. For passive investors, a barbell strategy may be worth considering, which combines short- to intermediate-duration U.S. Treasuries and high-grade USD corporates to capture prospective Fed easing, and includes selective EM local-currency bonds poised to benefit from a softer dollar and the current risk-on tone.

Both global high yield bond and EM bond fell last week

Review: The Bloomberg Barclays High Yield Bond Index dropped 1.04%, while Bloomberg Barclays EM USD Aggregate Total Return Index also dropped 1.09%.

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Commodities

U.S. WTI crude rose 35.63% last week

Review: U.S. WTI rose 35.63% last week to US$111.99/bbl, mainly due to the Middle East conflict triggered fears of a major supply disruption, especially around the Strait of Hormuz, a key route for global energy shipments. As exports and tanker traffic were disrupted and some producers cut output, markets priced in a much higher geopolitical risk premium, pushing crude sharply higher.

Outlook: The near-term surge is driven by war-related supply disruptions in the Middle East, with Brent and WTI at their highest levels since 2022. Still, prices could pull back sharply if the conflict stabilizes, as the market had already been leaning toward a softer supply outlook, with OPEC+ approving a 206,000 bpd increase for April.

Gold prices fell 2.03% last week

Review: Spot gold fell 2.03% last week to US$5,074.46/oz t, as a stronger U.S. dollar and higher Treasury yields reduced the appeal of non-yielding gold. While geopolitical tensions briefly supported safe-haven demand, markets focused more on oil-driven inflation and delayed Fed rate cuts, both of which are typically negative for gold.

Outlook: Demand from central banks to allocate a larger share of reserves to gold has effectively established a price floor, encouraging dip-buying even during periods of dollar strength or rising real yields. Moreover, with Trump in office as U.S. President, persistent policy uncertainty continues to support gold prices.

Wheat price rose 3.38% last week

Review: Wheat price rose 3.38% last week to US$6.1125/bushel, as the Middle East conflict lifted oil, fertilizer, fuel, and shipping costs, which increased inflation and supply concerns across grain markets. Weather and logistical risks in key producing and exporting regions also kept the supply outlook tight, adding support to prices.

Outlook: Wheat is expected to remain firm, with recent gains driven by weather risks in Europe and the U.S., as well as logistical disruptions in the Black Sea region. However, volatility is likely, as record global cereal production and comfortable stock levels continue to support the ample-supply narrative.

Currencies

USD rose 1.41% last week

Review: The US Dollar Spot Index rose 1.41% last week as investors moved into the dollar as a safe haven amid Middle East-driven market stress. Higher oil prices also weighed more heavily on currencies such as the euro and yen, while rising inflation concerns reduced expectations for near-term Fed cuts and supported the dollar.

Outlook: The USD is likely to stay neutral to mildly bullish near term, supported by safe-haven demand, higher oil prices, and reduced expectations for Fed cuts. Over the next 1–2 months, however, it could turn choppier and give back some gains if geopolitical tensions ease and weaker U.S. data revives rate-cut expectations.

EUR fell against the USD last week

Review: The EUR fell 1.50% against the dollar last week as investors moved into the dollar as a safe haven amid Middle East-related market stress. Higher oil and energy prices also weighed more heavily on sentiment toward Europe, as markets feared the shock would lift inflation while weakening euro-area growth.

Outlook: EUR/USD is neutral to mildly bearish in the near term, because higher oil prices and Europe's energy exposure are supporting the U.S. dollar more than the euro. Over the next 1–2 months, though, EUR/USD could stabilize or partially recover if geopolitical tensions ease, oil retreats, and markets shift back toward weaker U.S. growth and eventual Fed easing.

Weekly Report

Major market indexes

Index Name	Price	Return (Weekly)	Return (Monthly)	Return (Annual)	Return (YTD)	Return (3Y)	Return (5Y)	Return (10Y)
Hang Seng Composite	25757.29	-3.28	-7.44	3.24	-2.39	25.55	-13.05	28.71
Hang Seng China Enterprise	8628.13	-2.61	-7.98	-5.35	-5.35	26.88	-23.11	1.45
Shanghai Composite	4124.19	-0.93	-1.26	20.71	2.57	24.26	21.19	42.15
Shenzen Composite	2698.32	-2.36	-2.26	26.87	4.28	24.89	22.14	54.14
Dow Jones Industrial	47501.55	-3.01	-5.25	10.98	-1.17	47.27	49.22	180.01
S&P 500	6740.02	-2.02	-3.23	16.81	-1.54	72.01	73.92	240.53
NASDAQ COMPOSITE	22387.68	-1.24	-3.66	23.03	-3.68	97.45	71.24	381.58
FTSE 100	10284.75	-5.74	-0.98	18.49	3.56	30.52	52.81	67.90
DAX	23591.03	-6.70	-5.69	2.53	-3.67	50.90	63.40	143.39
NIKKEI 225	55620.84	-5.49	-8.43	39.92	2.53	80.32	77.81	231.41

Source: Bloomberg 2026/3/6

Economic data

Country	Event	Previous	Forecast	Actual	Expectation
China	CPI YoY (February)	0.2%	0.9%	1.3%	Above
China	PPI YoY (February)	-1.4%	-1.1%	-0.9%	Above
Japan	Jobless Rate (January)	2.6%	2.6%	2.7%	Above
U.S.	Unemployment Rate (February)	4.3%	4.3%	4.4%	Above
South Korea	CPI YoY (February)	2.0%	2.1%	2.0%	Below
South Korea	Industrial Production YoY (January)	-0.3%	3.2%	7.1%	Above

Source: Bloomberg 2026/3/6

Bond/Forex

Bond Instrument	Price	Change(%)	Yield (%)
US Treasury Bond 30Y	99.86	-2.20	4.76
US Treasury Note 10Y	99.88	-1.51	4.14
US Treasury Note 5Y	98.97	-0.96	3.73
US Treasury Note 2Y	99.64	-0.29	3.56
US Treasury Bill 3M	3.58	0.47	3.67
China Govt Bond 10Y	99.91	0.21	1.79
Japan Govt Bond 10Y	2.17	-0.39	2.17
German Bund 10Y	100.35	-1.78	2.84
UK Gilt 10Y	100.94	-2.35	4.54

Source: Bloomberg 2026/3/6

ps: The tick size for the US 30-year Treasury Bond is 1/32 of a point, while the US 10-year Treasury Note's tick size is 1/64 of a point. These are represented in decimals.

Currency	Price	Return (Weekly)	Return (Monthly)	Return (YTD)
USD/HKD	7.8223	-0.06	0.01	0.43
HKD/CNH	0.8830	0.49	0.20	-1.08
USD/CNH	6.9030	0.41	0.21	-0.66
USD/JPY	157.7800	0.83	1.81	1.27
USD/CAD	1.3568	-0.65	0.21	-1.00
GBP/USD	1.3413	-0.86	-2.93	-1.36
AUD/USD	0.7030	-1.72	-1.72	4.47
EUR/USD	1.1618	-1.50	-3.37	-1.98

Source: Bloomberg 2026/3/6