

# NEWSLETTER – MARCH 2026

Period covered: 01 – 31 March 2026



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## 1) Macro Summary

**Global context:** March 2026 was defined by one dominant force: the U.S.–Israel war on Iran, which erupted in the final days of February and reshaped every corner of global financial markets. The conflict triggered the largest disruption to global oil supplies since the 1970s Arab embargo, as Iran's closure of the Strait of Hormuz choked off approximately 20 million barrels per day of crude and LNG exports from the Persian Gulf. Brent crude surged from roughly \$73/barrel at the start of the war to a peak near \$120/barrel in mid-March before settling around \$92/barrel by month-end — a 63% gain for Brent in March alone, its strongest monthly rise since the 1970s (Source: IEA Oil Market Report, March 2026; CNBC). The energy shock instantly reignited inflation fears globally, forcing central banks into a "wait-and-see" posture just as easing cycles had been building momentum. Equity markets suffered accordingly: the S&P 500 posted its worst month since September 2022, declining approximately 5%. Treasury yields surged 40–50 basis points across the curve as investors repriced the inflation and rate outlook. Gold — which had surged to an all-time high of \$5,595/oz in late January — corrected sharply during March, falling approximately 16% from peak before stabilising near \$4,700/oz, as forced central-bank selling (including from Turkey) and profit-taking dominated. Bitcoin broke a five-month losing streak with a modest 1.2% gain, paradoxically resilient amid the chaos.

**Regional focus (UAE, UK, Turkey, U.S.):** The UAE found itself at the epicentre of the crisis, facing disruptions to food imports (over 80% of GCC caloric intake transits the Strait of Hormuz) alongside strained oil export logistics. The AED-USD peg held firm and Abu Dhabi's energy sector was boosted by high prices, but the humanitarian and logistical pressures were acute. The U.S. Federal Reserve held rates steady at 3.50%–3.75% on March 18, updating its economic projections to reflect 2.7% PCE inflation for 2026 (up from 2.4%) and signalling only one rate cut for the year. The Bank of England voted unanimously to hold at 3.75% on March 18 — a dramatic shift from the divided February vote — acknowledging that the energy shock would push near-term CPI materially higher. Turkey's CBRT paused its rate-cutting cycle on March 12, holding at 37% after five consecutive cuts; the bank had already covertly tightened by suspending one-week repo auctions (an effective 300bp shadow hike), and executed an historic \$18 billion drawdown of gold reserves during the week of March 13–20 to defend the lira.

## 2) Key Economic Indicators (snapshot as of late March 2026)

Indicator	Value / Latest	Notes
U.S. CPI (February 2026)	2.4% (year-over-year); +0.3% (monthly)	Released March 11, 2026. Both headline and core matched the Dow Jones consensus exactly. Core CPI +0.2% MoM / +2.5% YoY — unchanged from January. Shelter and services rose modestly; used vehicles and auto insurance fell. Report predates the full Iran war energy shock; analysts widely noted it was "the calm before the storm." Food prices +0.4% MoM / +3.1% YoY. Gasoline surged post-release. (Source: BLS, CNBC)
U.S. PCE Inflation (January 2026)	2.83% headline; 3.06% core (YoY)	Released March 13, 2026. The Fed's preferred inflation measure showed headline PCE at 2.83% YoY and core PCE at 3.06% YoY — well above the 2% target. 3-month annualised core PCE at 3.66%, signalling persistent underlying price pressures. Fed revised its year-end 2026 PCE forecast up to 2.7% at the March FOMC meeting. (Source: BEA; StreetStats)
U.S. Labour Market (February 2026)	Payrolls –92K; Unemployment 4.4%	February non-farm payrolls declined by 92,000 — a sharp reversal from the 126,000 gain in January. December and January data also revised lower by a combined 69,000. Unemployment rate rose to 4.4%, up 0.1pp. Long-term unemployed rose to 1.9 million. Job openings fell 358,000 in February to 6.88 million. Powell cited declining immigration and softer labour demand. (Source: BLS; First Financial Trust Q1 2026 Review)
U.S. Oil-Driven Inflation Outlook	Brent peaked ~\$120; settled ~\$92/bbl by month-end	Carson Group's chief macro strategist warned CPI data was "the calm before the storm" — oil-driven inflation expected to push March/April CPI materially higher. Wells Fargo modelling: if Brent averages \$100/bbl, CPI could reach 3.5% by year-end. Gasoline surpassed \$4.50/gallon in March (up from \$3.20)

		in February). Bloomberg Commodity Index rose 11.2% in March — its strongest monthly gain since May 2009. (Source: CNBC; IRU; BingX Research)
UK CPI Outlook / Import Prices	Energy shock complicates 2% path	UK import prices rose 1.3% in February (largest monthly increase since March 2022). BoE March MPC acknowledged the energy shock will push near-term CPI higher, delaying the path back to 2%. Private sector pay settlements revised up to 3.6% in 2026 (0.2pp above February forecast). Diesel pump prices in the UK rose ~13% since the start of the Iran war. BoE Agents' estimates pointed to higher business costs across energy, metals, insurance, and tariff-related inputs. (Source: BoE MPC Minutes March 2026; IRU)
Turkey CPI (February 2026)	31.53% (year-over-year); +2.96% (monthly)	First upward annual reversal since September 2025. Monthly print of 2.96% (bringing two-month cumulative to 7.95%) was driven by surging food and transport prices post-Iran war. Fresh fruit and vegetables +17.54% MoM; +43.44% YoY. Annual food inflation remained the key concern. Economists overhauled expectations from a March rate cut to a mandatory pause; some flagged risk of emergency hikes. CBRT suspended 1-week repo auctions, effectively tightening by 300bp. (Source: P.A. Turkey; TurkStat)
UAE/GCC Food & Energy Security	Strait of Hormuz closure: 80%+ food imports disrupted	The closure of the Strait of Hormuz (from ~March 4, 2026) disrupted over 80% of GCC caloric imports. Lulu Retail and other Gulf retailers began emergency airlifting of essential goods. Qatar declared force majeure on LNG export contracts. Gulf oil producers (Kuwait, Iraq, Saudi Arabia, UAE) collectively cut production by at least 10 mb/d by mid-March. IEA released 400 million barrels from strategic reserves globally. Saudi Arabia and UAE have limited alternative pipeline routes (Petrolina / ADCO pipelines), providing partial relief. (Source: Wikipedia / Economic impact of the 2026 Iran war; Al Jazeera)

### 3) Market Performance & Dynamics (focus: Mar 2026)

#### Equities

- **S&P 500:** –4.98% in March — worst monthly decline since September 2022. The index closed the month near 6,529. The S&P Equal Weight Index fell approximately 6%, with selling pressure broad-based across all styles. On March 31, a late-session relief rally (+2.91%) offered some respite on unconfirmed reports of Iranian openness to a ceasefire, but 10 of 11 sectors ended the month in the red. The five-week consecutive weekly decline was the longest losing streak since early 2022. (Source: CNBC; YCharts; Nasdaq.com)
- **Nasdaq Composite:** Declined approximately 5% for the month, closing near 21,591 on March 31 rally. Slid deeper into correction territory during the month's sell-off. Communication services (–1.7%) and Information Technology (–3.6%) were among the laggards. The Nasdaq posted its worst Q1 since the 2022 bear market in aggregate. (Source: YCharts Monthly Market Wrap)
- **Dow Jones:** Also fell approximately 5% over the month. Defence stocks (Northrop Grumman, Lockheed Martin) and oil majors (Exxon, Chevron) were notable outperformers. Consumer discretionary (–3.6%) and financials (–3.8%) dragged the index lower. (Source: CommunityAmerica Credit Union Monthly Insights)

#### Fixed Income & Rates

- **U.S. Treasury yields — sharp surge:** Treasury yields rose 40–50 basis points across most of the curve in March — the largest monthly yield increase since late 2022. 2-year UST yield rose 42 bps to 3.79%. 10-year UST yield rose 38 bps to 4.32%. The 30-year yield ended at 4.88%. Bear flattening characterised the move, driven not by upside core inflation data surprise, but by market repricing of energy-driven inflation and reduced Fed cut expectations. (Source: Nasdaq March 2026 Review; AdvisorPerspectives; Raymond James)
- **Fed outlook repriced:** Markets pared back rate-cut expectations dramatically. CME FedWatch shifted from two cuts to one cut in 2026 — with December 2026 as the most likely timing. The Fed's own updated dot plot (released March 18) showed a median projection of one cut in 2026 and one in 2027, with seven of 19 members expecting no cuts at all in 2026. (Source: Fed.gov; CNBC; AdvisorPerspectives)

- **Sector winners:** Energy (+9.54%) and Utilities (+10.36%) were the only major sectors to post meaningful gains. Industrials (+7.07%), Consumer Staples (+7.78%), and Materials (+8.40%) also outperformed. The Bloomberg Commodity Index surged 11.2% — its strongest month since May 2009. (Source: CommunityAmerica; Nasdaq March 2026 Review)
- **Global markets:** Emerging markets fell 13% — the worst monthly decline globally. European indices: DAX -3%, Stoxx 600 -2.76%. FTSE 100 fell 2% on the March 18 BoE/Fed day. Canadian S&P/TSX Composite outperformed, gaining 7.57%, bolstered by energy and materials. (Source: Yahoo Finance; YCharts)
- **Corporate credit:** High-yield spreads widened as growth fears compounded energy inflation. Investment-grade held up better but faced pressure. The MOVE Index (Treasury volatility) spiked sharply, reflecting elevated uncertainty across the rates complex. (Source: Nasdaq March 2026 Review)
- **UK Gilts:** Similarly sold off as the BoE unanimous hold signalled the easing path had been pushed out further. GBP rose 0.2% vs USD on the BoE day as hawkish tone supported sterling. (Source: Yahoo Finance Live Updates, March 18, 2026)

## Commodities

- **Oil — historic surge:** Brent crude rose 63% in March — its strongest monthly gain since the 1970s — touching \$119.50/bbl intra-month before settling around \$92/bbl by month-end. WTI rose 53%, its biggest monthly gain since May 2020, settling above \$102 for the first time since July 2022. The Strait of Hormuz closure (from ~March 4) disrupted ~20 million bpd of global oil and LNG flow. IEA released 400 million barrels from strategic reserves, providing roughly 20 days of buffer. (Source: IEA OMR March 2026; CNBC; IRU)
- **Gold — sharp correction after all-time high:** Gold fell approximately 16% from its all-time high of \$5,595/oz (set January 29) to near \$4,420–\$4,700 range by mid-to-late March. Turkey's CBRT executed an historic \$18 billion gold drawdown (equivalent to ~49 metric tonnes physically divested) in the week of March 13–20. Russia also continued gold selling. UBS maintained a bullish long-term view, calling current levels an "excellent opportunity for strategic accumulation," and adjusted average 2026 forecast to \$5,000/oz while maintaining its year-end target near \$5,500. (Source: BullionVault; TradingKey; UBS)

## Energy

- **Strait of Hormuz — greatest energy security crisis in history:** IEA described the situation as "the greatest global energy security challenge in history." Tanker traffic through the Strait collapsed by 90–95% after Iran closed it on ~March 4. Approximately 2,000 vessels were stranded on either side. Nearly 20 mb/d of crude and product exports were disrupted, with no short-term bypass alternative for most producers. QatarEnergy declared force majeure on all LNG contracts. (Source: IEA OMR March 2026; Al Jazeera; Wikipedia)
- **IEA emergency response:** IEA member states collectively released 400 million barrels of strategic petroleum reserves — the largest co-ordinated release ever — representing approximately 20 days of Hormuz-disrupted supply. Saudi Arabia and UAE began rerouting limited volumes via overland pipelines (Petrolina, ADCO capacity), but alternatives can only partially offset the blockade. (Source: IEA; IRU)

## Currencies & Crypto

- **U.S. Dollar (DXY):** Dollar stabilised and regained some ground (DXY near 100) as global risk aversion drove safe-haven demand. The dollar had been near multi-year lows pre-crisis; the energy shock and flight to safety provided a temporary bid. DXY recovered above 99–100 level during peak crisis weeks. (Source: Investing.com)
- **Turkish Lira (TRY):** Hit fresh record lows repeatedly — the 11th consecutive record low since the Iran war began within just 16 trading days. USD/TRY rose sharply amid the crisis. CBRT conducted FX interventions and suspended repo auctions (effective 300bp shadow tightening). Turkey mulled tapping its \$135 billion gold reserves at the Bank of England for lira defence (Bloomberg). CDS spreads widened significantly. (Source: BullionVault; Bloomberg; P.A. Turkey)

- **Silver, fertilisers & base metals:** Silver rebounded above \$70/oz after a mid-month dip. Aluminium surged 5.5% on reports of Iranian attacks on two Middle Eastern producers. Fertiliser prices rose up to 40% as Iran/Gulf LNG exports — a key input for nitrogen fertilisers — were disrupted. Helium supplies (critical for semiconductor manufacturing and MRI) also constrained. (Source: CNBC; Wikipedia Iran war economic impact; Morningstar)
- **Outlook:** JPMorgan forecasts Brent at \$110/bbl through April, declining below \$80/bbl by Q3 if Hormuz reopens. Goldman Sachs raised near-term forecasts. EIA projects Brent above \$95/bbl through Q2, falling to \$70–80 by year-end on supply normalisation. OPEC+ agreed to add 206,000 b/d in March; April meeting scheduled to assess whether to increase further. Key risk: conflict duration. (Source: The Middle East Insider; Goldman Sachs; EIA)
- **Bitcoin:** Rose a modest 1.2% in March — to approximately \$66,699 — breaking a five-month consecutive monthly losing streak. Ethereum +4.8% to \$2,024. Crypto showed unusual resilience relative to equities, partly as a speculative hedge narrative gained traction. However, funding rates stayed deeply negative (traders aggressively short), and whale activity showed net selling of 25,500 BTC near local highs in late March. Overall sentiment: cautious, reactive to geopolitical headlines. (Source: YCharts; CoinPedia/Santiment)

## 4) Long-Term Trends Shaping the Outlook

- **A new era of energy security risk** – The Iran war has fundamentally re-exposed the world's dependency on the Strait of Hormuz. Unlike the 2022 Russia–Ukraine energy shock — which was primarily sanctions-driven and allowed rerouting — the 2026 Hormuz crisis is a physical chokepoint closure that cannot be bypassed at scale. The IEA called it "the greatest global energy security challenge in history." If sustained, economists warn of a scenario approaching the 1973 oil crisis. This will accelerate strategic investment in alternative energy routes, LNG infrastructure, and regional supply chain diversification for decades. JP Morgan, Goldman Sachs, and the IEA have all significantly revised their medium-term energy security frameworks. (Source: IEA OMR March 2026; Al Jazeera)
- **Stagflation risk re-emerges for developed markets** – The combination of rising energy prices, weakening labour markets (U.S. payrolls –92K in February), and central banks frozen by inflation uncertainty closely mirrors the conditions of the mid-1970s. The Fed explicitly revised its 2026 GDP growth forecast down while raising its PCE inflation forecast to 2.7%. Powell refused to use the word "stagflation" but acknowledged the Fed had made "less progress on inflation than hoped." The BoE's February reference to "mild stagflation" looks prescient. BlackRock and Goldman Sachs now flag stagflationary risk as a primary scenario for 2026. (Source: Fed; BoE; CBS News; Goldman Sachs Asset Management)
- **Gold's bull market: structural vs. geopolitical correction** – Gold's sharp correction from \$5,595 to ~\$4,700 in March — driven by central bank selling (Turkey, Russia) and profit-taking — has tested investors' conviction in the structural bull case. UBS adjusted its 2026 average forecast to \$5,000/oz but maintained its year-end target near \$5,500, calling the sell-off an "excellent opportunity for strategic accumulation." JPMorgan targets \$6,300/oz; Deutsche Bank and Société Générale target \$6,000. The World Gold Council projects 750–850 tonnes of 2026 central bank purchases — structurally supportive even after the Turkey-driven sell-off. The fundamental drivers (dollar weakness, fiscal deficits, de-dollarisation, Fed easing expectation) remain intact. (Source: UBS; TradingKey; WGC; JPMorgan; Scottsdale Bullion)
- **Turkey's financial stability under severe stress** – The lira hit 11 consecutive record lows in 16 trading days. The CBRT's historic \$18 billion gold drawdown (roughly 13.4% of total gold holdings in a single week), suspension of repo auctions, and FX market intervention signal an economy under acute external pressure. If oil prices stay near \$90–100/bbl, every 10% increase adds ~1.0–1.5pp to Turkish CPI over 6–12 months. The risk of the easing cycle reversing into rate hikes — as occurred in April 2025 — has re-emerged. Markets are watching the \$105 billion FX reserve floor as a critical threshold. (Source: P.A. Turkey; Bloomberg; SPINN Consulting / TradingKey)
- **Central bank policy divergence deepens** – March 2026 has created an extreme policy dilemma globally: inflation is being re-ignited by an external supply shock simultaneously with softening growth and weakening labour markets. The Fed, BoE, and CBRT all chose to hold, prioritising inflation credibility. Goldman Sachs still sees room for one to two "normalization" cuts in 2026 for the Fed; the timing depends entirely on conflict duration. The longer the war continues, the more "higher-for-longer" becomes entrenched — compressing equity multiples, widening credit spreads, and raising recession risk. (Source: Goldman Sachs Asset Management; CBS News; U.S. Bank)

- **Geopolitical risk repricing across all asset classes** – The Iran war has triggered a systematic repricing of geopolitical risk that extends well beyond energy: fertiliser supply chains, semiconductor helium supply, food security for 50+ countries, shipping insurance markets (Lloyd's of London rates surged), and airline hedging costs (CPI for air fares projected to spike ~20%). BlackRock Investment Institute notes this represents "a fundamental shift in the geopolitical risk premium embedded in asset prices" — a shift that may prove structural if the conflict reshapes the Middle East's political order. The Ukraine war analogy suggests markets may eventually habituate to high oil prices; the Hormuz analogy suggests this shock is structurally different in kind. (Source: Nasdaq March 2026 Review; Wikipedia Iran War Economic Impact; Blackrock)

Refer to JPMorgan Asset Management "Guide to the Markets" Q2 2026, BlackRock Investment Institute "Geopolitical Risk and Portfolio Allocation," Goldman Sachs Global Economics Weekly, Vanguard Economic and Market Outlook 2026, Fidelity Investments 2026 Mid-Year Outlook, Charles Schwab "Market Perspective: March/April 2026," and the IEA Oil Market Report March 2026 for comprehensive thematic analysis.

## 5) Central-Bank Decisions/Signals (focus: US, UK, UAE, Türkiye)

Bank	Decision/Signal	Date	Notes
Federal Reserve (U.S.)	Held federal funds rate at 3.50%–3.75%. Updated dot plot: 1 cut in 2026.	18 Mar 2026	Second consecutive pause. FOMC statement acknowledged: "The implications of developments in the Middle East for the U.S. economy are uncertain." Updated economic projections raised 2026 PCE inflation to 2.7% (headline and core, up from 2.4%/2.5%); GDP outlook revised slightly faster at 2.4%. Dot plot: median projects one 25bp cut in 2026; seven of 19 members project no cuts at all. Market pricing: one cut in December 2026 (CME FedWatch). Powell said the Fed would "look through the fog of conflict, for now" but noted the energy shock complicates the inflation path. He confirmed he intends to remain on the Fed Board until the DOJ investigation is resolved — an important signal on institutional continuity ahead of the Kevin Warsh nomination process. (Source: Federal Reserve; CNBC; CBS News; U.S. Bank)
Bank of England (UK)	Held Bank Rate at 3.75%; unanimous 9–0 vote — sharp reversal from February's 5–4 split.	18 Mar 2026	The unanimous vote reflected the MPC's collective recognition that the Middle East energy shock fundamentally changed the near-term inflation outlook. MPC statement: "Conflict in the Middle East has caused a significant increase in global energy and other commodity prices, which will affect households' fuel and utility prices and have indirect effects via businesses' costs." Prior to the shock, domestic disinflation had been progressing — private sector pay growth had fallen to 3.3% (Jan) below the February MPC forecast. The MPC noted it was "too early to judge" second-round effects from the new energy shock. Governor Bailey and hawkish MPC member Catherine Mann both cited the risk that sustained energy prices could re-embed inflation persistence through wage contracts and firm pricing behaviour. Next MPC meeting: April 30, 2026. Easing cycle effectively suspended pending conflict resolution. (Source: BoE MPC Minutes March 2026)
CBUAE (UAE)	No independent policy change; AED-USD peg maintained. Emergency economic measures activated.	–	CBUAE continued aligning with the Fed's pause. However, the UAE faced unprecedented economic stress from the Hormuz closure. Saudi Arabia and UAE activated limited overland pipeline alternatives (Petroline; ADCO capacity) to partially maintain exports. The UAE government co-ordinated emergency food airlift operations as 80%+ of GCC food imports were disrupted through the Strait. Abu Dhabi's oil sector benefits from higher prices — Brent near \$100/bbl materially boosts fiscal revenues — but the logistical and humanitarian dimensions dominated regional policymakers' focus. The UAE government moved swiftly to reassure international investors that financial markets, the dirham peg, and banking system stability were unaffected. (Source: Wikipedia Iran War Economic Impact; Al Jazeera)
CBRT (Türkiye)	Held one-week repo rate at 37%; first pause	12 Mar 2026	The CBRT paused its easing cycle in response to war-driven energy price inflation and lira weakness. Before the formal decision, the CBRT had already tightened liquidity by suspending one-week repo

after five consecutive cuts. Shadow tightening via repo suspension.

auctions, lifting the overnight TLREF rate by approximately 300bp — an effective shadow rate hike. The MPC statement warned it was "prepared to further tighten the policy stance" if the inflation outlook deteriorated significantly. During the week of March 13–20, the CBRT executed an historic \$18 billion drawdown of gold reserves (approx. 49 metric tonnes physically divested, plus the impact of a 7.87% gold price fall), representing a ~13.4% reduction in total official gold holdings in a single week — the largest single-week reduction in modern CBRT history. Turkish lira hit 11 consecutive record lows in 16 trading days post-Iran war. Year-end policy rate consensus among economists: 30%, suggesting a gradual return to cuts once tensions stabilise. Next MPC meeting: April 22, 2026. (Source: Trading Economics; Bloomberg; P.A. Turkey; FocusEconomics; SPINN Consulting)

## 6) High-Impact Events Scheduled – April 2026 & near-term

Date	Event	Why it matters
Apr 5, 2026	OPEC+ Ministerial Meeting	OPEC+ agreed to add 206,000 b/d in March; the April meeting will assess whether to increase further. Competing pressures: high prices argue for more supply, but Hormuz disruptions limit actual export volumes from Gulf members. A decision to hold or cut production would further spike oil prices; an increase would be more hawkish for inflation. Key variable for energy markets and central bank outlook. (Source: The Middle East Insider)
Apr 9, 2026	U.S. PCE Inflation (February 2026)	The Fed's preferred inflation measure, including the first post-war data. February PCE will begin capturing the early impact of energy price passthrough. Any acceleration toward or above 3.5% would further delay rate cut expectations and complicate the Fed's stance ahead of the April/May meetings. (Source: Cleveland Fed; StreetStats)
Apr 10, 2026	U.S. CPI (March 2026)	First CPI report capturing the full energy shock from the Iran war. Analysts expect a sharp jump in gasoline and energy components. Carson Group (and others) forecast March CPI could exceed 3.0%+ if oil prices are sustained near \$100/bbl. This will be the most important inflation data point of Q2 for global markets. (Source: BLS; Carson Group; CNBC)
Apr 14, 2026	U.S. PPI (March 2026)	Producer prices will also reflect the energy shock — particularly energy, transportation, and fertiliser components. A hot reading would compound CPI concerns and further reprice rate cut expectations. (Source: BLS calendar)
Apr 22, 2026	CBRT MPC Meeting (Türkiye)	First Turkey rate decision after the historic March pause. The outcome depends almost entirely on the oil price environment and lira stability. If conflict continues with Brent above \$90/bbl, CBRT may hold again or formally hike. If tensions show credible signs of de-escalation, the bank may signal a return to cautious easing. The \$105 billion FX reserve floor and lira record lows are the key risk parameters. (Source: P.A. Turkey; Bloomberg; Trading Economics)
Apr 30, 2026	Bank of England MPC Meeting	Now the earliest plausible date for a BoE rate cut — but only if the Iran war shows credible signs of resolution and energy prices fall materially. The March unanimous hold and MPC's explicit citation of the energy shock suggests April is more likely a second consecutive hold. April CPI data (released mid-April) and wage growth figures will be decisive inputs. Markets and Berenberg have pushed rate cut expectations toward June or later. (Source: BoE; CNBC; Morningstar)
May 2026	Fed Chair Transition (Powell → Warsh)	Jerome Powell's term as Fed Chair ends in May. Kevin Warsh's Senate confirmation was being delayed by Sen. Thom Tillis pending resolution of the DOJ renovation probe. Powell confirmed he will remain on the Board as Governor until the investigation is resolved. The transition, if it occurs amid active conflict and elevated inflation, carries significant policy communication risk. Markets will closely scrutinise Warsh's first communications for shifts in the Fed's reaction function. (Source: CBS News; Fox Business)

Ongoing	Iran War / Strait of Hormuz Re-opening	The single most consequential variable for all asset classes. On March 31, Iranian President Pezeshkian signalled openness to ending the war "with guarantees," triggering a +2.91% S&P 500 rally and +3.83% Nasdaq surge. President Trump told the New York Post: "We're not going to be there too much longer." However, Tehran flatly denied peace talks were underway. Every credible de-escalation signal will drive sharp risk-on rallies; every escalation will spike oil and compress equities. Monitor: ceasefire talks, Hormuz shipping data, IEA reserve release updates, and OPEC+ emergency meeting signals. (Source: CNBC; The Middle East Insider; Yahoo Finance)
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Check official release calendars — timing subject to change based on geopolitical developments, data availability, and policy decisions.

## 7) Other Notable Trends/Highlights

- The Hormuz "toll booth" — a new geopolitical dynamic:** Reports emerged that Iran's Islamic Revolutionary Guard Corps (IRGC) was operating a de facto "toll booth" system, charging tankers up to \$2 million per crossing in Chinese yuan for escorted passage through Iranian waters. This extraordinary development — if sustained — represents a structural shift in global energy geopolitics, effectively weaponising one of the world's most critical commercial corridors. The use of yuan (not USD) as the settlement currency for these passages has added a new dimension to the de-dollarisation debate. (Source: The Middle East Insider)
- Defence stocks and energy majors surge:** While broader markets fell ~5%, defence contractors (Northrop Grumman, Lockheed Martin) and energy majors (ExxonMobil, Chevron) posted strong gains. Aluminium also surged on attacks on Middle Eastern producers. The Bloomberg Commodity Index rose 11.2% — its strongest month since May 2009. This rotation into war economy stocks has begun reshaping sector weightings, with energy now approaching its largest share of the S&P 500 since 2014. (Source: CNN; CNBC; YCharts)
- U.S. consumer resilience versus rising precautionary savings:** Despite surging gas prices (exceeding \$4.50/gallon) and geopolitical uncertainty, the Conference Board's Consumer Confidence index held at 91.8 in March — above the 87.5 consensus. The present situation index improved to 123.3. Analysts attributed this partly to incoming tax refunds injecting purchasing power into households. However, labour market expectations worsened, with more consumers anticipating fewer jobs ahead. The divergence between current and future sentiment bears watching as energy cost pressures accumulate. (Source: CNBC; Raymond James)
- U.S. corporate earnings resilience — but forward guidance cloud:** FactSet projects double-digit earnings growth for the sixth consecutive quarter as Q1 2026 earnings season begins. Sixty S&P 500 companies issued positive EPS guidance versus 50 negative — a better-than-average ratio. However, analysts widely expect Q1 2026 forward guidance to be cautious, given energy cost uncertainty. Energy sector earnings are set to surge dramatically; consumer discretionary, transport, and manufacturing will face the most pressure from fuel and input cost increases. (Source: First Financial Trust Q1 2026 Quarterly Review)
- Turkish lira and gold reserve crisis — sovereign stress indicators:** Turkey's CBRT gold drawdown of approximately 49 metric tonnes in a single week — the largest in the bank's modern history — was a stark signal of the severity of external pressure on the lira. Analysts at SPINN Consulting warned that if reserves fall below the \$105 billion critical threshold, the CBRT may be forced into aggressive rate hikes or even capital controls. Bloomberg reported Turkey was mulling tapping its ~\$135 billion in gold held at the Bank of England for lira defence. The situation is being closely monitored by IMF and institutional investors as a potential EM contagion trigger. (Source: Bloomberg; P.A. Turkey; BullionVault; SPINN Consulting via TradingKey)
- Fertiliser and food crisis — second-order war impact:** With the Gulf supplying ~50% of global urea and sulfur exports, and 20% of global LNG (a key nitrogen fertiliser feedstock) transiting the Strait, the conflict has driven fertiliser prices up 40% since the start of the war. Morningstar analyst Seth Goldstein projected nitrogen fertiliser prices could roughly double from 2024 levels. The UN World Food Programme warned of a repeat of the 2022 global food crisis, with the most acute impacts in countries dependent on Gulf-region exports. This second-order inflation vector will take 3–6 months to fully appear in consumer food prices globally — a critical forward-looking risk for all our client markets. (Source: Wikipedia Iran War Economic Impact; The Fertilizer Institute; Morningstar)

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- Bloomberg — "Turkey Pauses Rate Cuts as Iran War Poses Inflationary Pressures," March 12, 2026; "Iran War Forces Turkey to Rethink Rates Path and Put Cuts on Ice"
- FocusEconomics — Turkey Monetary Policy March 2026 (Goldman Sachs, ING analyst commentary)
- TradingKey / UBS — "Is the Era of Global Central Bank Gold Buying Really Coming to an End?" (UBS gold analysis, April 2, 2026)
- The Middle East Insider — "Oil Price Today & 2026 Forecast" and "Gold Price Forecast 2026" (JPMorgan, Goldman Sachs, EIA forecasts compilation)
- StreetStats — Inflation Indicators as of March 18, 2026 (PCE, CPI, PPI, wages, commodities); <https://streetstats.finance/>
- CoinPedia/Santiment — "Crypto Market March 2026: War, Whales, and Whiplash Define the Month"
- Major asset manager research: JPMorgan Asset Management (Guide to the Markets Q2 2026; gold price outlook); Goldman Sachs Asset Management (FOMC commentary; oil forecasts); BlackRock Investment Institute (geopolitical risk framing); Vanguard Economic Outlook 2026; Fidelity Investments; Charles Schwab Market Perspective; U.S. Bank "Federal Reserve holds interest rates steady" analysis

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