

Monthly Market Report



March 2026

Index	Open	Close	% Change
JSE FTSE ALSI Top 40	120296.3	106291.9	-11.64
S&P 500	6878.88	6528.52	-5.09
Nasdaq Composite	22668.21	21590.63	-4.75
Dow Jones Industrial	48977.92	46341.51	-5.38
FTSE 100	10910.55	10176.45	-6.73
Nikkei	58850.27	51063.72	-13.23
Hang Seng	26630.54	24788.14	-6.92
DAX	25284.26	22680.04	-10.30
CAC 40	8580.75	7816.94	-8.90

Commodity	Open	Close	% Change
Gold	5278.93	4668.06	-11.57
Platinum	2369	1953.65	-17.53
Iron Ore	98.36	105.48	7.24
Brent Crude Oil	72.48	118.35	63.29

Currency	Open	Close	% Change
USD-ZAR	15.94	16.94	6.27
EUR-ZAR	18.82	19.58	4.04
GBP-ZAR	21.49	22.4	4.23

Source: Bloomberg

Local and Global Macro Economic Perspectives



South Africa

26.1029°S, 28.0576°E

The outbreak of conflict in the Middle East delivered a sharp supply shock that sent oil prices soaring above \$100/barrel and jolted global markets. South Africa, as an oil importer, will feel the pinch: the South African Reserve Bank (SARB) forecasts fuel inflation to spike above 18% YoY in Q2, threatening to lift headline inflation from February's 3.0% to around 4% in the coming months. Notably, February CPI had eased to 3.0% YoY, right at the SARB's new 3% inflation target, thanks to prior declines in fuel and food costs. However, March's oil shock reversed the disinflationary trend and prompted upward revisions to the SARB's inflation forecast.

The SARB's Monetary Policy Committee kept the repo rate unchanged at 6.75% during its March meeting. Governor Lesetja Kganyago underscored a "cautious" approach amid heightened global uncertainties. The decision was unanimous, marking a second consecutive hold following late-2024 rate cuts. Policymakers acknowledged improved domestic fundamentals – Q4 2025 GDP growth surprised to +1.1% for full-year 2025 and the National Budget signalled a "fiscal turning point" – but warned that a prolonged conflict could derail growth and ignite second-round

inflation pressures. We expect the war risk to delay rate cuts this year, with our forecast now showing only one possible cut in late 2026.

The rand depreciated sharply in March, with USD/ZAR spiking to R17.24 per USD at one point before settling around R16.94, about 6% weaker than end-February. Risk-off sentiment sparked broad equity sell-offs, making March the JSE's worst month since 2008. Johannesburg's All-Share Index plunged 11.2% in March. Resource stocks were especially hard hit as precious metals prices collapsed – a dramatic reversal from February's rally. By end-March, gold was down 11.5% and platinum down 17.5% month-on-month. This triggered a 21.7% rout in the precious metals and mining index, with heavy losses for major gold and platinum miners (see *Equities* section). In contrast, Sasol – South Africa's synthetic fuels giant – surged on the back of oil's meteoric rise, emerging as March's top gainer. The bond market saw increased volatility with the local 10-year yield spiking 119 basis points higher, reflecting investor concerns about inflation and potential delays to monetary easing.



United States

40° 42' 24.7572" N, 74° 0' 40.554" W

U.S. economic momentum softened further in March as the outbreak of the Iran conflict weighed on sentiment and activity. The economy had already begun to lose traction, with Q4 2025 GDP growth slowing sharply to +0.7% annualised from +4.4% in Q3. While household consumption and business investment remained broadly constructive, weaker exports and softer government spending dragged on growth, and the emergence of geopolitical risk has materially clouded the outlook. Growth expectations for Q2 2026 have been revised down meaningfully, with consensus now pointing to sub-0.5% quarter-on-quarter growth, versus expectations closer to ~1.5% at the start of the year. The labour market, while still relatively resilient, is beginning to show early signs of moderation: the unemployment rate edged up to 4.4% in March (for February), from 4.3% previously, while job creation has slowed from an average of ~220k per month in 2025 to closer to ~150k more recently.

Inflation dynamics have become more complex against this backdrop. Headline CPI eased to +2.4% YoY in February, down from +2.7% in January, marking a post-pandemic low, while core inflation remained sticky at +2.5% YoY. However, the disinflationary trend has stalled as the oil price shock feeds through, lifting near-term inflation expectations and complicating the policy outlook. The Federal Reserve maintained a cautious, data-dependent stance at its March meeting, leaving the federal funds rate unchanged at 3.50%–3.75%. While the decision was widely expected, forward guidance shifted modestly more hawkishly: the median rate path now points to a single cut in 2026, down from two previously, reflecting the inflationary impulse from higher energy prices.

U.S. risk assets came under sustained pressure through March, with the S&P 500 and Nasdaq Composite entering correction territory during the month. Sentiment improved into month-end, however, as growing signals that the conflict may be nearing its end triggered a sharp relief rally, including a strong rebound in the Dow Jones Industrial Average on 31 March. In rates markets, U.S. 10-year Treasury yields initially surged from below 4% to an intramonth peak of 4.46%, before retracing to close the month at 4.31% amid mounting growth concerns. Credit spreads widened modestly but remained orderly. The U.S. dollar strengthened broadly on safe-haven demand, gaining against both developed and emerging market currencies, before partially retracing into month-end as risk sentiment stabilised.



United Kingdom

51°30'32.39" N, 0°05'33.90" E

The U.K. economy faced a renewed cost-of-living squeeze in March as energy prices surged. Petrol climbed above £1.50 per litre, the highest in nearly two years, while diesel jumped even more sharply. Regions across the country felt the pinch, with fuel prices up 15–30 % since the outbreak of conflict in the Middle East. These higher costs quickly fed into transport and core services, reversing the gradual disinflation seen earlier in the year and adding pressure to household budgets already stretched by weaker real incomes.

Headline CPI remained at 3.0 % YoY in February, unchanged from January and above the Bank of England's 2 % target. At its 19 March meeting, the Monetary Policy Committee held its Bank Rate at 3.75 %, describing the decision as a cautious hold amid persistent external price pressures. Policymakers warned that prolonged energy shocks could spill into wages and broader consumer prices, delaying any near-term easing and complicating the inflation outlook for 2026.

Economic momentum stayed subdued. Q4 2025 GDP expanded just 0.1 %, underscoring weak underlying demand outside of public sector support. Early-year 2026 indicators suggest broadly flat output as higher living costs weigh on households and business investment remains cautious. The labour market has softened modestly, with the unemployment rate of 5.2% sitting at its highest level post the pandemic.

Markets reflected these pressures sharply. The FTSE 100 retraced part of its early-year gains in March, dragged down by cyclical and consumer-exposed stocks. Ten-year Gilt yields climbed toward multi-year highs, rising 68 basis points over the month, as investors recalibrated the balance between persistent inflation and fragile growth. Sterling weakened to \$1.31 at its lowest point, while credit spreads widened modestly, signalling elevated risk aversion.



Eurozone

50.1109° N, 8.6821° E

The Eurozone's recovery lost momentum in March as rising energy costs disrupted the disinflationary trend seen earlier in the year. Headline inflation had fallen below the ECB's 2% target to 1.9% YoY in February, but surged back to 2.5% in March, driven almost entirely by higher oil and gas prices. Core inflation remained relatively stable at around 2.3%, suggesting some pass-through into services and broader consumer prices, though underlying inflation pressures remain contained.

The European Central Bank left its deposit rate unchanged at 2.00% at its March meeting, continuing the pause in place since June. Growth momentum softened in March after a modest start to the year. Composite PMIs pointed to only marginal expansion, with manufacturing output stagnating and services activity moderating. Germany remained exposed to higher energy costs, weighing on its industrial base, while overall Eurozone activity remained consistent with just modest growth.

Labour markets remained firm, with unemployment holding at 6.2%, close to historic lows. This continues to support consumption, although elevated energy prices are eroding real incomes and slowing discretionary spending. European equities retraced early-year gains, particularly in cyclical and export-dependent sectors.



China

31° 14' 12.3" N, 121° 30' 31.5" E

China entered March 2026 on a cautious footing, with disinflationary pressures persisting despite a modest uptick in consumer prices. February CPI rose 1.3% YoY, up from 1.1% in January, largely reflecting seasonal Lunar New Year effects rather than a meaningful pickup in consumer demand. Core inflation, excluding volatile food and energy, remained more persistent (+1.8% y/y), suggesting that while headline figures fluctuate, underlying demand is stabilising at a moderate pace. Property transactions showed gradual improvement, particularly in tier-1 cities, as the real estate sector continues its long-term healing process.

Manufacturing activity edged higher, with the official PMI at 50.4 in March, signalling marginal expansion but highlighting a narrow recovery path. Export orders and domestic demand remained subdued, leaving industrial momentum tentative. The People's Bank of China held the 1-year and 5-year loan prime rates steady at 3.0% and 3.5%, maintaining an accommodative stance to support growth while monitoring financial stability.

Beijing also signalled targeted fiscal support, including accelerated infrastructure projects and potential subsidies for energy-intensive industries, aimed at offsetting external headwinds without exacerbating systemic debt. The government set a 2026 GDP growth target of 4.5–5.0%, reflecting ongoing structural adjustments and external pressures. Policy emphasis remains on stability, combining proactive fiscal measures with prudent monetary management, with authorities ready to deploy the PBoC's full toolkit if liquidity conditions tighten. The immediate priority is sustaining steady activity, managing the yuan, and cushioning the economy against global shocks, notably elevated oil prices and soft external demand.



Japan

35° 40' 34.55" N, 139° 46' 26.21" E

Japan's economy in March 2026 remained under pressure from weak domestic momentum and sharply higher import costs, as the global oil shock intensified an already fragile recovery. In Tokyo, core CPI excluding fresh food moderated to 1.7% YoY, down from 2.0% in February, marking its lowest reading since April 2024. "Core-core" inflation, stripping out both food and fuel, remained sticky at 2.5%, indicating that services and non-energy goods still retain modest pricing power. National headline CPI is expected to trend higher in coming months as elevated Brent crude above \$100 filters through energy costs, adding to household expenses and pressuring corporate margins.

The Bank of Japan held its short-term policy rate at 0.75% in March, maintaining an accommodative stance while signalling a clear tightening bias. Officials emphasized the difficulty of anchoring inflation expectations without stifling growth, noting that continued yen depreciation and imported inflation could justify further hikes toward 1.0% later in 2026. The BoJ also retained flexibility in its yield curve control framework, with 10-year JGB yields hovering between 2.35–2.40% late in March, the highest levels since 1998, as markets priced in duration risk and higher global terminal rates.

The Nikkei 225 fell 13%, erasing most of the early-2026 “Sanaenomics” gains, as investors weighed \$100+ Brent crude and its impact on corporate margins. The yen traded near ¥160 per USD, prompting repeated verbal interventions from the Ministry of Finance to curb disorderly moves, while domestic consumption remained cautious despite tight labour markets and firming wages.

Manufacturing, particularly in tech and electronics, showed resilience, but broader activity remained subdued, leaving markets focused on the prospect of a supplemental mid-year budget. Such a fiscal cushion is expected not only to offset higher energy costs for households but also to bolster business confidence and corporate investment, which could be critical in sustaining growth until uncertainty surrounding the Iran conflict and global commodity markets subsides.



India

20° 35' 16" N, 78° 57' 46" E

India entered March 2026 with solid growth momentum, but the escalation of the Middle East conflict and the associated surge in global oil prices are testing the resilience of its “goldilocks” macro environment. Real GDP for FY2025/26 printed at 7.6%, above the 7.1% recorded in FY2024/25. After a prolonged period of unusually low inflation — headline CPI hit a record low near 1.3% YoY in December 2025 — price pressures have begun to re-emerge as energy costs filter through. February CPI climbed to 3.2% YoY, driven in part by higher transport and fuel components reflecting elevated Brent crude trading above \$100/bbl, suggesting the pass-through from imported energy costs is now influencing the consumer price basket.

Under Governor Sanjay Malhotra, the Reserve Bank of India is maintaining a data-dependent neutral policy stance, with the repo rate widely expected to remain at 5.25% at the April meeting as the RBI balances upside inflation risks from imported commodity shocks against the need to support domestic demand. India’s substantial \$688 billion forex reserve buffer has been actively employed to temper volatility in the foreign exchange market; the rupee slid to a record low near ₹95.10 per USD in March before intervention helped stabilize the pair nearer ₹93.50 by month-end. The currency remains sensitive to further moves in oil prices and global risk sentiment.

External balances are under renewed pressure as India imports roughly 85% of its crude requirements; current estimates suggest that each \$10/bbl rise in oil prices can widen the current account deficit by around 0.4 percentage points of GDP, a dynamic now unfolding as energy costs remain elevated. While core non-fuel inflationary pressures remain contained and labour markets are broadly stable, the renewed cost shock is dampening real consumption growth and weighing on business confidence.