

MONTHLY NEWSLETTER – March 2026

February was shaped by a mix of supportive economic signals and renewed political uncertainty. Business surveys confirmed a continued broadening in global growth, while easing inflation pressures in the US, UK and Japan reassured investors. However, as we write these lines, the outbreak of war in Iran is likely to have a short-term impact on energy prices (oil and gas), which could generate more inflation than expected in the coming months and push central banks to maintain the status quo rather than ease their monetary policies.

Furthermore, the US Supreme Court ruled against the use of the IEEPA to justify the April 2025 reciprocal tariffs, while tensions between the US and Iran escalated towards month-end.

Equity markets experienced a notable rotation. Strong earnings were overshadowed by growing scrutiny over AI-related capital expenditure, weighing on large US technology names. Performance broadened across regions and styles, benefiting value sectors, emerging markets, Japanese equities and UK large caps. Small caps and real estate also outperformed, supported by lower bond yields.

In fixed income, moderating inflation and rising geopolitical risks pushed yields lower, resulting in positive returns across global bond markets, particularly in Europe.

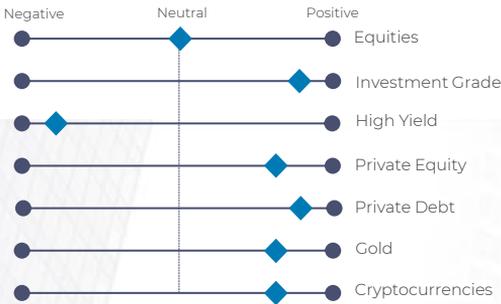
Commodities posted modest gains overall. Precious metals rebounded strongly after their January correction, while energy markets were weighed down by rising US inventories, before geopolitical tensions triggered a spike in oil prices at the very start of March.

Overall, February was constructive for diversified investors. Beneath the surface, however, dispersion and volatility increased, reinforcing the importance of maintaining broad diversification across regions, sectors and asset classes in an environment still heavily influenced by geopolitical developments.



Jean-Philippe PETIT
Founder - CIO

OUR MARKET VIEWS



POTENTIAL MARKET CATALYST

- Strong macroeconomic data
- Abundant liquidity in financial market
- Positive corporate earnings
- Contained geopolitical risks

KEY INDICATORS

Equities (%)	Level	Jan. 2026	Feb. 2026
S&P 500	6,879	1.40	-0.87
Nasdaq 100	24,960	1.20	-2.32
Eurostoxx 50	6,138	2.70	3.20
FTSE 100	10,911	2.90	6.72
China SI 300	4,711	1.70	0.09
Emerging markets	1,611	8.80	5.41

Currencies (%)	Level	Jan. 2026	Feb. 2026
EUR / USD	1.1812	0.9	-0.33
GBP / USD	1.3482	1.6	-1.49
CHF / USD	1.2999	2.5	0.49

Volatility	Level	Jan. 2026	Feb. 2026
Euro Stoxx 50	19.68	35.84	-1.52
Nasdaq 100	19.86	16.66	13.88

Bonds (rate spreads)	Level	Jan. 2026	Feb. 2026
Spread change level			
10 year government bonds			
US	3.94	0.07	-0.30
Europe	2.64	-0.01	-0.20
Corporate – 5 years spread (change level)			
Investment Grade US	55.95	-0.61	6.55
Investment Grade Europe	96.83	1.42	4.16
High Yield US	332.02	-20.26	35.78
High Yield Europe	260.48	3.08	13.16

Commodities (%)	Level	Jan. 2026	Feb. 2026
Gold	5,279	13.31	7.86
Brent	72	16.17	2.53
Copper	606	4.26	1.30
Aluminium	3,139	5.04	0.33

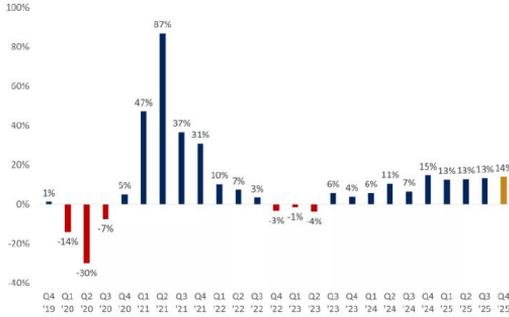
Cryptos (%)	Level	Jan. 2026	Feb. 2026
Bitcoin	66,724	-10.78	-14.67
Etherum	1,958	-18.81	-18.99



CHART OF THE MONTH

EARNINGS ARE A POSITIVE BACKDROP FOR STOCKS

Q4 Earnings are up 14%.



Source: FactSet, Edward Jones. Past performance does not guarantee future results. An index is unmanaged, cannot be invested into directly and is not meant to depict an actual investment.

February: From Tariffs to Tensions, Investors Navigate a Renewed Risk Environment

In February, **solid macroeconomic data** and **resilient corporate earnings** supported financial markets. This backdrop helped most asset classes deliver positive returns over the month. Within equities, however, **performance dispersion** remained significant. **Growth stocks underperformed value**, as investors continued to rotate away from mega-cap US technology names.

In the United States, the **Supreme Court ruled against** the use of the International Emergency Economic Powers Act to justify the previously **announced tariffs**. However, this decision does not necessarily imply a full return to the pre-Trump trade framework. President Trump has since indicated his intention to raise general tariffs from 10% to 15% under alternative emergency legislation, albeit with certain conditions and for a limited period. As a result, **trade uncertainty** remains a factor for markets.

Geopolitical risks resurfaced at the very end of February and into early March, with a joint **US-Israeli strike on Iran** that escalated tensions in the Middle East. **Oil and gas prices moved higher**, reflecting renewed uncertainty, although the **reaction has so far remained contained**. Importantly, the global oil market remains relatively well supplied, with increased production from the United States, Guyana and OPEC+ expected to exceed global demand growth this year. While such **geopolitical shocks** can trigger **short-term volatility**, history shows that markets have repeatedly absorbed major crises — from the 9/11 attacks to the global financial crisis, the pandemic and the war in Ukraine — with equity indices ultimately recovering their prior levels. The recent pullback once again highlights **market sensitivity to geopolitical events**, but these phases have typically **proved temporary** and have often created selective entry opportunities for disciplined investors.

On the **monetary policy** front, **central banks** are likely to remain **cautious**. The Federal Reserve, in particular, is expected to stay on hold, especially if sustained higher oil prices were to complicate the inflation outlook. Concerns about a renewed rise in inflation could also influence expectations for rate cuts and exert upward pressure on bond yields. After declining in February, **sovereign yields may face renewed volatility** if inflation risks intensify, underscoring the importance of active duration management within fixed income portfolios.

NK VIEWS

Corporate earnings should continue to **drive markets**, although **elevated valuations and concentration risks** linked to AI call for caution and diversification. **Caution** is warranted with regard to **geopolitical risks**, as illustrated by the escalation of tensions between the US and Venezuela, and more recently between the US-Israel and Iran.

In this environment, our positioning remains balanced and selective. Within equities, we **remain neutral and favour diversification** beyond US mega-cap technology. The global economy is moving towards a **multi-bloc structure**, calling for **greater diversification across regions and currencies**, including **gold**. In fixed income, we continue to favour **investment-grade bonds** in both the US and Europe, which offer an attractive risk-adjusted return profile. We integrate **private debt** into our portfolios as a substitute for high-yield exposure, focusing on carefully selected deals.

Private markets play an important role in portfolio diversification and decorrelation, while **gold** remains a **strategic hedge**. **Cryptocurrencies** are approached selectively, given their high volatility.



RISKS AND OPPORTUNITIES



AI bubble risk and potential market and market concentration



- In-depth analysis and selectivity
- Focus on assets with reasonable valuations



Geopolitical uncertainty & Midterm elections in the US



- Anticipate impacts on portfolios
- Currency diversification



Inflation risks & interest rate policies



- Alternative investments
- Pre-IPO segment / private debt
- Real estate opportunities



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MAYFAIR**



LUXEMBOURG



**PARIS
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**FRENCH
RIVIERA**



GENEVA



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