Monthly Market Review
March 2026

Global investment markets weakened materially in March as geopolitical developments dominated sentiment. Escalated tensions between the U.S. and Iran, and the resulting disruption to energy flows through the Strait of Hormuz, prompted a broad reassessment of risk. This weighed on global equities, with losses more pronounced in Europe and Asia, reflecting the greater reliance on energy imports.

The Euro Stoxx 600 Index declined 8.0% (-1.5% in Q1 2026) and the Nikkei 225 Index fell 13.2% (+1.4% in Q1 2026). The U.S. market also declined, though was relatively better placed given its greater self-reliance in energy production. The S&P 500 Index fell 5.1% (-4.6% in Q1 2026), while the Nasdaq Composite Index declined 4.8% (-7.1% in Q1 2026). In Australia, the S&P/ASX 200 Accumulation Index fell 7.1% for the month and 1.6% for the quarter. Equity performance was highly differentiated across sectors, with energy companies the clear outperformers while technology and consumer-exposed sectors lagged.

The sharp rise in oil prices was the defining feature of the month amid concerns over sustained supply disruption. Brent crude rose 63.3% in March to US$118.35/bbl (+94.5% in Q1 2026), while West Texas Intermediate increased 51.3% to US$101.38/bbl (+76.6% in Q1 2026). Elsewhere, precious metals retreated in March, with Silver (USD) declining 19.9% and Gold (USD) falling 11.6% – although both delivered positive returns over the quarter (4.9% and 8.1% respectively).

Higher energy prices lifted inflation expectations and complicated the outlook for monetary policy: the U.S. Federal Reserve kept policy unchanged, while the Reserve Bank of Australia delivered a further rate increase. Currency markets reflected a risk-off tone, with the U.S. dollar strengthening against the euro and other major currencies, while the Australian dollar eased to 69.0¢ against the U.S. dollar, versus 71.20¢ at the end of February.

Australia

- The Australian equity market declined in March: the S&P/ASX 200 Accumulation Index fell 7.1%, bringing the decline over the quarter to 1.6%. Energy was the best performing sector (+18.5%), followed by Utilities (+3.5%) over the month. Materials (-14.1%) and Information Technology (-12.6%) lagged.
- Australian bonds ended the month lower, with the Bloomberg AusBond Composite Index (AUD) declining 1.4%, although losses were limited to 0.3% over the quarter.
- Australian CPI was 3.7% over the 12-months to February (down from 3.8% in January). The most significant price rises were Housing (+7.2%), Food and non-alcoholic beverages (+3.1%) and Recreation and culture (+4.1%). Trimmed mean inflation (ex-volatile items) was unchanged at 3.3%.
- The Reserve Bank of Australia lifted the cash rate by 0.25% to 4.10% at its March meeting. The Board noted that the *"labour market has tightened a little recently and capacity pressures are slightly greater than previously assessed."* These domestic developments, together with uncertainty related to the U.S.-Iran conflict, reinforced policymakers' view that inflation is likely to remain above target for some time.
- The Westpac-Melbourne Institute Consumer Sentiment Index increased 1.2% to 91.6 in March, indicating a modest improvement in confidence following recent declines. Survey detail pointed to greater unease around near-term economic conditions, while views on the medium-term outlook remained more stable.
- Nationally, residential property prices continued to rise, increasing 0.3% as measured by the PropTrack Home Price Index and up 9.4% over 12 months. Brisbane climbed 0.7%, followed by Perth (+0.5%) and Adelaide (+0.4%).

International

- The S&P 500 Index declined for the second consecutive month in March, falling 5.1% (-4.6% in Q1 2026) – Energy (+10.3%) outperformed, while Industrials (-8.5%), Health Care (-8.3%) and Consumer Staples (-7.7%) lagged. The technology-heavy Nasdaq Composite Index fell 4.8% (-7.1% in Q1 2026).
- Headline U.S. CPI increased 2.4% in February, in line with expectations. Core CPI, (which excludes volatile food and energy) was also in-line with estimates at 2.5% in the 12-months to February.
- The Federal Reserve (Fed) voted to hold policy rates steady in March at 3.50% – 3.75%, passed by an 11–1 vote within the Federal Open Market Committee, highlighting the challenge of managing elevated inflation pressures amid increased uncertainty. Fed Chair Powell commented the *"near term measures of inflation expectations have risen in recent weeks, likely reflecting the substantial rise in oil prices caused by the supply disruptions in the Middle East".*
- U.S. 10-year bonds increased 38 basis points in March to 4.32% (8 basis points higher over the quarter). The Bloomberg Global-Aggregate TR Index (AUD) fell 1.9% over the month and is 0.3% lower since the start of the year.
- The Nikkei 225 Index underperformed, falling 13.2% in March, partially reversing strong gains earlier in the year (+1.4% in Q1 2026). The Euro Stoxx 600 Index declined 8.0% over the month (-1.5% in Q1 2026), while the FTSE 100 Index fell 6.7% but remained up 2.5% for the quarter.
- Emerging market equities experienced a difficult month, with the MSCI Emerging Markets Index (USD) declining 13.3% (-0.5% in Q1 2026). The Korean KOSPI Index fell 19.1% in March but remained 19.9% higher over Q1 2026.
- The USD Index (the value of the U.S. dollar against a basket of widely recognised, publicly traded currencies) rose 2.4% in March (+1.7% in Q1 2026). The Australian dollar closed the month 3.1% lower against the USD, at 69.0¢ (+3.4% in Q1 2026).

Commodities

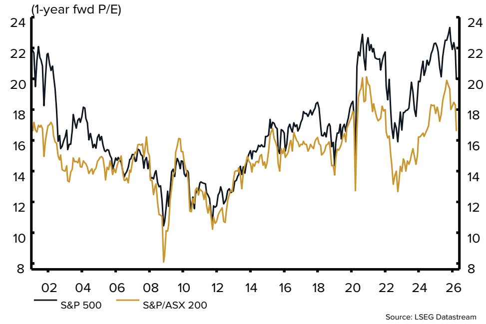
- Commodity markets were mixed in March, led by strong gains in energy. Brent Crude rose 63.3% (+94.5% in Q1 2026), and West Texas Intermediate Crude rose 51.3% (+76.6% in Q1 2026). Precious metals weakened in March, with Gold declining 11.6% and Silver falling 19.9%. Despite the monthly pullback, both metals recorded solid gains over Q1 2026 – Gold +8.1%, Silver +4.9%.

Global Markets – 31 March 2026

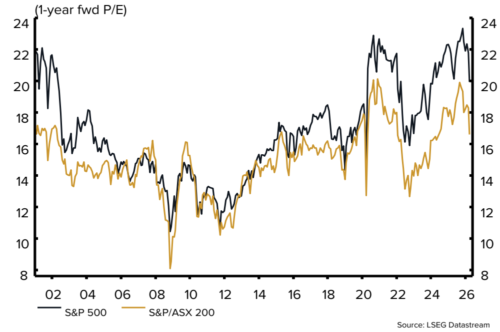
Equities	CYTD	1 Month	3 Months	1 Year	3 Years (p.a.)	5 Years (p.a.)
S&P /ASX 200 Accumulation Index (AUD)	-1.6%	-7.1%	-1.6%	11.7%	9.5%	8.6%
S&P/ASX Small Ordinaries Index (AUD)	-11.7%	-11.6%	-11.7%	10.8%	5.6%	1.2%
S&P 500 Index (USD)	-4.6%	-5.1%	-4.6%	16.3%	16.7%	10.4%
Nasdaq Composite Index (USD)	-7.1%	-4.8%	-7.1%	24.8%	20.9%	10.3%
Russell 3000 Index (USD)	-4.3%	-5.1%	-4.3%	16.6%	16.3%	9.3%
FTSE 100 Index (GBP)	2.5%	-6.7%	2.5%	18.6%	10.1%	8.7%
Euro Stoxx 600 (EUR)	-1.5%	-8.0%	-1.5%	9.2%	8.4%	6.3%
Nikkei 225 (JPY)	1.4%	-13.2%	1.4%	43.4%	22.1%	11.8%
Hang Seng (HKD)	-3.3%	-6.9%	-3.3%	7.2%	6.7%	-2.7%
MSCI Emerging Markets Index (USD)	-0.5%	-13.3%	-0.5%	26.9%	12.2%	1.2%
MSCI World Ex Australia (AUD)	-6.2%	-2.5%	-6.2%	8.1%	16.0%	12.7%
Bonds						
Bloomberg AusBond Composite Index (AUD)	-0.3%	-1.4%	-0.3%	1.5%	2.1%	0.2%
Bloomberg Global Agg Bond Index (AUD)	-0.3%	-1.9%	-0.3%	3.0%	3.1%	-0.1%
Currency						
AUD/JPY	4.7%	-1.4%	4.7%	16.9%	7.3%	5.4%
AUD/USD	3.4%	-3.1%	3.4%	10.5%	1.1%	-1.9%

Source: Bloomberg 31 March 2026 (All returns are in local currency terms.)

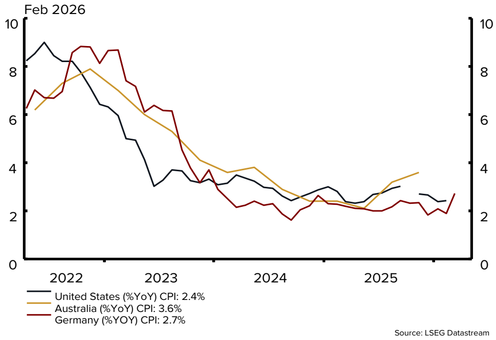
Global Equity Valuations



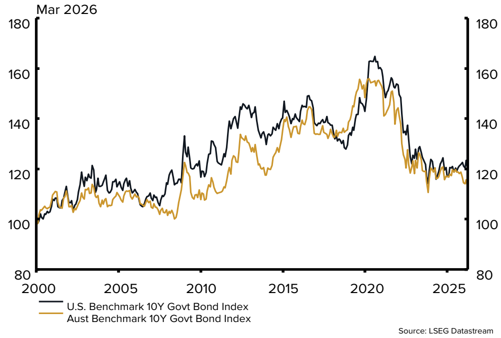
Global Equity Valuations



U.S., Aust & German Headline Inflation



U.S. & Aust 10 Yr Government Bond Index



AUD/USD FX Rates

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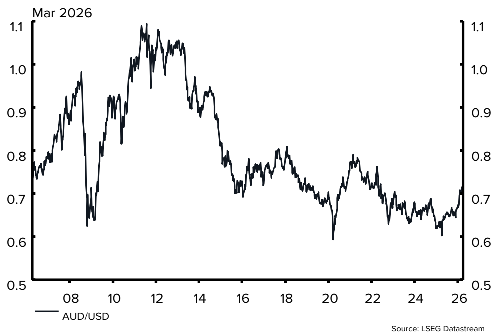

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Melbourne
Level 32
360 Collins Street
Melbourne VIC 3000
T +61 3 9605 9500

Sydney
+61 2 9224 7600

Brisbane
+61 7 2115 1100

Adelaide
+61 8 7082 3900

Perth
+61 8 9230 7788

info@mutualtrust.com.au
www.mutualtrust.com.au

ABN: 71 004 285 330 AFSL: 234590

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