



## Weekly Market Report For 9 – 13 March 2026



### Overview

- Global equities extend losses as Middle East tensions and volatile oil prices weigh on sentiment.
- Oil prices whipsaw - briefly nearing \$120 before easing to around \$103 a barrel - as tensions in the Strait of Hormuz and ongoing U.S.–Iran conflict stoke fears of prolonged energy price pressures.
- U.S. inflation shows signs of easing, with February CPI holding steady as shelter costs cool; January PCE prints at 2.8% and core PCE at 3.1%.
- Lagarde says the ECB stands ready to tackle inflation amid surging energy prices, while Europe’s economy remains resilient.
- Japan moves to release strategic oil reserves to cushion energy price shocks. GDP expands 1.3% in 4Q25 on resilient business investment and consumer spending.
- China’s February inflation climbs to the highest in over three years while PPI remain in deflation. Exports surged 21.8% y/y in the first two months of the year.

### Market Brief

- Global equities posted a third straight week of losses** as Middle East tensions and volatile oil prices rattled sentiment, overshadowing early signs of easing inflation. Rising crude revived concerns over renewed price pressures, pushing U.S. Treasury yields higher.
- Middle East tensions and oil prices**
  - Oil prices swung sharply last week, briefly nearing \$120 a barrel before easing after Donald Trump signaled potential de-escalation, only to rebound again as tensions in the Strait of Hormuz resurfaced. Crude held around \$103 despite the International Energy Agency’s release of 400 million barrels from emergency reserves.
  - The U.S. granted temporary permission for Russian oil purchases to stabilize global energy markets, yet crude remains about 45% above pre-conflict levels, fueling concerns that elevated energy prices could persist for an extended period.
  - Tensions between the U.S. and Iran persisted, with Washington striking targets on Kharg Island and pressing for the reopening of the Strait of Hormuz, while Tehran vowed to continue defending itself.
- U.S. economic data**
  - U.S. inflation held steady in February, with core CPI rising 0.2% from the prior month and 2.5% y/y, while headline CPI increased 0.3% m/m and 2.4% y/y.
  - Shelter costs, which make up roughly a quarter of the CPI basket, showed a positive sign as rents rose 3.2% y/y, marking the slowest pace since 2021.
  - U.S. January PCE data showed mixed inflation signals, with core PCE rising 3.1%, the highest since early 2024, while headline PCE increased 2.8%, coming in below market expectations.
- Europe**
  - STOXX Europe 600 index fell 0.47% last week.
  - ECB President Christine Lagarde signaled the central bank stands ready to take action as needed to rein in inflation as energy prices climb, while noting that the region’s economy is better equipped to absorb energy-price shocks than in previous years despite elevated uncertainty and volatility.
- Japan**
  - Last week, Nikkei 225 -3.2% and TOPIX -2.4%.
  - Japan’s Prime Minister Sanae Takaichi said the government will release crude from its strategic reserves and provide subsidies to cushion the impact of surging oil prices. The yield on 10-year Japanese government bonds climbed to 2.22% from 2.15% the week prior amid a weaker yen and concern that rising oil prices pose risk to import cost.
  - Japan’s economy grew 1.3% y/y in the fourth quarter, well above the initial estimate of 0.2%, supported by stronger business investment and resilient consumer spending.
- China**
  - China’s equities were mixed last week, with the CSI 300 edging up 0.2%, while the Shanghai Composite slipped 0.7% and Hong Kong’s Hang Seng Index fell 1.1%.
  - February inflation rose 1.3% from a year earlier, the fastest pace in more than three years, driven by Lunar New Year travel and service spending, while core inflation climbed to 1.8% y/y, the highest since March 2019.
  - China’s producer prices stayed in deflation for the 41<sup>st</sup> consecutive month, though the pace of decline continued to moderate.
  - China’s exports surged 21.8% y/y in January–February, far exceeding analyst expectations, driven by strong demand for technology products, electronics, and AI-related equipment. A drop in shipments to the U.S. was more than offset by robust growth in exports to Europe and Southeast Asia.
  - China’s imports rose 19.8% in the January–February period, bringing the country’s trade surplus to a new record high of \$213 billion.
- Thailand**
  - Thailand’s SET Index traded in a tight range last week, slipping 1 point to close at 1,409.35.
  - Foreign outflows persisted, with overseas investors selling a net 20 billion baht last week, while domestic institutional investors offset part of the pressure by purchasing a net 8.8 billion baht.

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