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## Weekly Market Report For 23 – 27 March 2026



# Overview

- Global markets turn risk-off as prolonged U.S. - Iran tensions fuel uncertainty.
- Energy price volatility fuels inflation pressures and weighs on investor confidence.
- U.S. treasury yields climb, boosting odds of Fed rate hike and pressuring equities, led by tech stocks.
- U.S. economy shows signs of slowing, while inflation stays elevated and consumer confidence weakens.
- Europe's GDP forecast cut to 0.8% for the year.
- Chinese stocks slide as oil price pressures mount, prompting government price controls.
- SET gains support from capital inflows despite energy price pressures.

# Market Brief

- Middle East conflict remains key driver of global risk-off sentiment**
  - U.S.–Iran tensions show little sign of easing, with Yemen's Houthi forces joining attacks on Israel.
  - Washington floats a 15-point peace plan that includes curbing Iran's nuclear program, limiting missile capabilities and reopening the Strait of Hormuz - proposals that Tehran has so far rejected.
- Prolonged conflict risks rattle bond markets and weigh on equities**
  - U.S. treasury yields climbed to their highest levels in months, driven by rising inflation concerns linked to higher energy prices, stoking fears the Federal Reserve may be forced to move rates higher.
  - Those worries have added pressure to equities, especially technology shares, with the Nasdaq sliding 3.2% last week, the S&P 500 down 2.1% and the Dow Jones Industrial Average falling 0.9%.
- U.S.**
  - Signs of a U.S. economic slowdown are emerging, with the composite PMI slipping to an 11 month low as services activity weakens and manufacturing shows only marginal expansion.
  - Inflation pressures remain elevated as input costs rise at their fastest pace in months, while consumer confidence slips and economic sentiment deteriorates, even as the labor market shows little sign of weakening.
  - President Donald Trump has tapped a high profile technology advisory panel featuring top executives including Meta CEO Mark Zuckerberg, Oracle founder Larry Ellison and Nvidia CEO Jensen Huang to help shape U.S. science and technology policy, aiming to bolster the country's strategic competitiveness on the global stage.
- Europe**
  - European stocks edged higher, with the STOXX Europe 600 up 0.35%, as investor sentiment remained closely tied to developments in the Middle East conflict.
  - Euro zone composite PMI slipped to 50.5.
  - The Organization for Economic Cooperation and Development (OECD) cut euro zone GDP growth forecast this year to 0.8% from 1.2% previously.
- Japan**
  - The Nikkei 225 little changed while the broader TOPIX climbed 1.1%.
  - The yen weakened to near 160 per dollar.
  - Japan's 10 year government bond yield climbed to about 2.34%, reflecting rising inflation pressures and expectations that the Bank of Japan may pursue a more restrictive monetary stance.
  - Japan's prime minister said the government is preparing measures to cushion the impact of rising energy prices, including reviewing oil procurement systems and tapping strategic petroleum reserves if needed.
- China**
  - Equities retreated, driven by rising energy prices and concerns over profit margins. However, underlying fundamentals remained resilient, with industrial earnings still posting solid growth.
  - The government moved to cap domestic fuel price increases at around 10%, well below normal market mechanisms, in a bid to cushion the economic impact of rising energy costs.
- Thailand**
  - Thailand's benchmark SET Index edged higher, supported by renewed foreign inflows, even as domestic institutional investors continued to trim exposure.
  - Domestic sentiment was mixed, with higher oil prices weighing on the outlook, partly offset by relief after Iran allowed vessels operated by Bangchak Corporation and SCG Chemicals to transit the Strait of Hormuz.

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Should you have any queries, please contact Krungsri Asset Management Company Limited or selling agents or mutual fund sales representatives.

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