



Monthly market commentary | March 2026

Markets experienced quite a sharp “risk-off” reversal in March, primarily driven by escalating conflict between the US, Israel and Iran, which dominated market sentiment and catapulted volatility. Oil prices spiked, substantially increasing inflation concerns and halting central bank rate-cut expectations. Equity markets experienced increased drawdowns and risk, while safe-haven assets like the US dollar (USD) saw strong demand.

Technology stocks continued to have a challenging start to the year as investors’ concerns grew around new AI capabilities threatening the software as a service (SaaS) model. The S&P 500 ended March with its second consecutive negative return in ten months, down 5%¹ in USD terms. The Nasdaq Composite also followed suit, moving in the negative direction and detracting 4.7%¹ in USD terms. Overall, the sell-off was broad based with all major global asset classes coming under pressure. Global equities (MSCI ACWI) took their largest knock for the year, down 7.2%¹ in USD terms, but down only 0.6%¹ in rand terms, due to the offsetting effects of the strengthening USD.

Off the back of being the strongest performing regional market over the previous two months, the Japan TOPIX index was down 12%¹ in USD terms for the month, but still ended the quarter in positive territory, up 2.1%¹ in USD terms. Emerging markets (MSCI EM) underperformed their developed market counterparts for the first time this year, down 13.1%¹ in USD terms and 6.4%¹ in rand terms. EM equities came under pressure as markets evaluated Asia’s exposure to energy exports, with a significant portion of oil and gas that is routed through the Strait of Hormuz being destined for Asia. Global property (FTSE EPRA Nareit) ended the month 9.4%¹ lower in USD terms and 2.4%¹ in rand terms.

Global bonds (FTSE WGBI) ended the month 3.2%¹ lower in USD terms, impacted by volatile equity markets and inflation concerns. The rand was the worst performing major currency, pressured by geopolitical risk and capital fleeing to safe havens, which further supported the USD, and ended the month 7.1%¹ weaker against the USD.

Local equities (FTSE/JSE Capped All Share Index) also experienced a major reversal, down 10.6%¹ for the month. This drop marked a significant end to a long streak of positive returns, as the market suffered one of its worst monthly drawdowns since the 2008 global financial crisis. However, the good run up to March meant that the asset class is still comfortably in positive territory over the last 12 months, up 34.1%¹. The Resources sector took a sharp dive, as the sell-off hit miners hard, and ended the month 15.2%¹ lower, but still positive over the last year, with a notable return of 91%¹. Industrials were the best-performing sector in March, despite being down 5.2%¹. Financials had their first negative month in the last six months, down 9.9%¹, as expectations around further rate cuts faded. Listed property (FTSE/JSE All Property) also followed suit, down 12.2%¹ for the month, but remains materially positive over the last 12 months, up 29.1%¹.

Local bonds (FTSE/JSE All Bond) sold off, impacted by increasing inflation concerns. The asset class recorded its second-largest monthly decline in over twenty years, down 6.8%¹, but still up 19.2%¹ over the last 12 months. The least material detractors were bonds in the one to 3-year spectrum, down 0.7%¹ for the month. Longer-dated instruments in the three to 7-year and seven to 12-year maturities ended the month 3.9%¹ and 6.6%¹ lower, respectively, while bonds in the 12+ year spectrum ended the month 9.3%¹ lower. Local cash (STeFI Composite) was 0.6%¹ higher in March and 7.3%¹ over the last 12 months.

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