



## Global Markets

### Oil Shock Triggers Broad Market Sell-Off

Global markets came under significant pressure in March as escalating geopolitical tensions in the Middle East, particularly the conflict involving Iran and the closure of the Strait of Hormuz, triggered a sharp spike in energy prices and a repricing of global risk. While the global economy entered this period on relatively solid footing, the surge in oil and gas prices reignited inflation concerns and tightened financial conditions. This resulted in a broad-based sell-off across asset classes, with equities, bonds, and even traditional safe havens declining, while energy-related commodities stood as the only positive performers, driven by a surge of over 40% in crude oil prices. Equity markets corrected broadly, with the MSCI World declining -6.3%, led by deeper losses across Asia (ex-Japan -13.7%) and Japan (-12.3%), while the US proved relatively more resilient with S&P 500 down -5.1%.

### Risk-Off Rotation Dominates as Global Equities Correct

March marked a clear shift to a risk-off environment, with investors rotating away from equities amid rising uncertainty and higher discount rates. Unlike previous months, the sell-off was broad-based, impacting both developed and emerging markets, with EM equities declining -13.0%. European equities were particularly affected (-10.4%) given their higher sensitivity to energy costs, while market leadership narrowed as cyclical and growth assets both came under pressure. Despite still-resilient earnings expectations, as highlighted in the earnings upgrade trends, valuations are increasingly being reassessed considering higher risk premia and geopolitical uncertainty.

### Bonds Weaken as Yields Rise and Dollar Strengthens

Fixed income markets also faced headwinds, with global bonds declining -3.1% and the DJ Sukuk Index down -2.17% as yields rose sharply in response to inflation fears driven by higher energy prices. The repricing was most pronounced in Europe and the UK, where bond indices fell -4.9% and -5.4%, respectively, reflecting a more hawkish shift in rate expectations. At the same time, the US dollar strengthened +2.0% as investors sought safe-haven assets, further tightening global financial conditions. Overall, the combination of rising yields, stronger dollar, and geopolitical risk underscores a more challenging environment for both equities and fixed income in the near term, with volatility likely to remain elevated.



## Regional Markets

### Saudi Equities Outperform amid Global Sell-Off

Saudi equities stood out as one of the best-performing markets globally in March, demonstrating strong resilience despite heightened geopolitical tensions in the region. The Tadawul All Share Index rose +5.0%, closing at 11,250, in stark contrast to broad-based declines across global equity markets. This outperformance was primarily driven by the sharp surge in oil prices, which supported energy and petrochemical sectors, while also improving fiscal expectations. Performance was broad-based, with 16 out of 21 sectors posting gains, led by healthcare, food & beverages, and energy, highlighting the market's ability to generate positive returns even in a risk-off global environment.

### Domestic Liquidity and Market Structure Reinforce Resilience

Beyond energy, Saudi market strength was supported by robust domestic liquidity and strong institutional participation, which helped offset foreign outflows during the month. Trading activity increased meaningfully, reflecting active local investor engagement, while key index heavyweights such as Aramco and leading banks provided strong support to overall performance. Compared to regional peers, which saw sharp declines, the Saudi market benefited from its more insulated economic structure and lower sensitivity to external shocks, reinforcing its role as a relative haven in periods of elevated global uncertainty.





## Global Market Indices

Global Data: As End Of: 31-Mar-26

Saudi Market Data: As End Of: 31-Mar-26

Region/sector	Index	Quote	MTD (%)	YTD (%)	1Y (%)	2Y (%)	3Y (%)	5Y (%)	10Y (%)	2023 (%)	2024 (%)	2025 (%)
World	DJIM World TR	12,503.89	(7.6)	(4.0)	21.5	11.6	15.8	8.8	12.4	27.0	18.0	19.4
Developed	DJDEV TR	7,183.74	(7.3)	(4.3)	21.5	11.2	16.2	9.8	12.9	29.4	18.5	19.2
Emerging Markets	DJIEMG TR	6,327.48	(10.5)	(1.4)	22.1	15.7	11.9	0.6	8.1	6.4	13.3	21.8
Saudi	TASI	11,249.54	5.0	7.2	(6.4)	(4.8)	2.3	2.6	6.1	14.2	0.6	(12.8)
NAREIT	All REITS TR	3,345.77	(9.3)	0.9	10.2	7.3	7.4	2.1	3.6	9.8	1.6	11.0
GSCI	All Commodities	745.18	22.0	35.9	31.2	13.1	9.1	9.8	8.7	(12.2)	2.6	(0.2)
Currencies	Euro	1.16	(2.2)	(1.6)	6.8	3.5	2.1	(0.3)	0.2	3.1	(6.2)	13.4
	Yen	158.72	(1.7)	(1.3)	(5.5)	(2.3)	(5.8)	(6.9)	(3.4)	(7.0)	(10.3)	0.3
	GBP	1.32	(1.9)	(1.8)	2.4	2.4	2.3	3.4	1.9	5.4	(1.7)	7.7

## IMPORTANT INFORMATION

### You should read this

This document is only intended for the persons to whom SEDCO Capital or one of its affiliates ("SEDCO Capital"), or its designated representatives, has given it directly. This document is not to be distributed, published, copied, transmitted or otherwise given in whole or in part to other parties without the express written consent of SEDCO Capital. These materials are not intended for distribution to, or use by, any person or entity in any jurisdiction or country where such distribution or use is contrary to local law or regulation. Persons into whose possession this document comes are required by SEDCO Capital to inform themselves about and to observe any restrictions as to the offer or sale of the interests described herein under the laws and regulations of any territory in connection with any applications for such interests, including obtaining any requisite governmental or other consent and observing any other formality prescribed in such territory. No action has been taken or will be taken in any jurisdiction by SEDCO Capital that would permit a placing of the relevant interests in any jurisdiction where action for that purpose is required, nor has any such action been taken with respect to the possession or distribution of this document.

The information and opinions in this document were prepared by SEDCO Capital. The information herein is believed by SEDCO Capital to be reliable and/or has been obtained from public sources believed to be reliable. SEDCO Capital makes no representation or warranty as to the accuracy or completeness of any of the information contained herein. This document is not exclusive to any recipient and SEDCO Capital may undertake business in respect of any of the concepts represented by this document with other parties other than a particular recipient. SEDCO Capital may also undertake business which is inconsistent with the trading suggestions made in this document. This material has been prepared solely for purposes of illustration and discussion. Under no circumstances should the information contained herein be used or considered as an offer to sell, or solicitation of an offer to buy any security. Any security offering is subject to certain investor eligibility criteria as detailed in the applicable offering documents. The information contained herein is confidential and may not be reproduced or circulated in whole or in part.

Opinions, estimates and projections in this document constitute the current judgment of SEDCO Capital and are subject to change without notice. SEDCO Capital has no obligation to update, modify or amend this document or to otherwise notify a reader thereof in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate. Prices and availability of financial instruments also are subject to change without notice.

This document is provided for informational purposes only. It is not to be construed as an offer to buy or the solicitation of an offer to sell any security or to participate in any particular investment strategy in any jurisdiction. Any such investment activity must only be made on the basis of final form offering materials which will only be made available to those who demonstrate the capacity to evaluate the risks and merits of this investment. Under no circumstances should the delivery of this document, irrespective of when it is made, create an implication that there has been no change in the affairs of SEDCO Capital or any of its products since the date of this document. Prospective investors should not treat the contents of this document as advice relating to legal, Shari'ah, taxation, investment or any other matters.

Any financial instruments discussed in this document may not be suitable for all investors and investors must make their own investment decisions using their own independent advisors as they believe necessary and based upon their specific financial situations and investment objectives. An investment in certain financial products may only be suitable for certain sophisticated investors who have no need for immediate liquidity in their investment. Income from an investment may fluctuate and the price or value of financial instruments described in this document, either directly or indirectly, may rise or fall and an investor may lose all moneys invested. Furthermore, past performance is not necessarily indicative of future results.

The accompanying documents are produced solely for the specified recipient. By accepting this information, you agree: (i) not to transmit, reproduce or make available to any other person all or any part of the accompanying documents; and (ii) to all of the terms of the foregoing.

26C53