



ALTUS

INVESTMENT

Market Update

March 2026

February Market Returns

Equity Indices

Index	1M Change %	YTD Change %	12M Change %
S&P 500	(0.87)%	(0.25)%	15.52%
NASDAQ Comp.	(2.32)%	(1.97)%	19.52%
FTSE 100	6.72%	9.76%	23.85%
Hang Seng Index	(2.76)%	3.00%	16.08%
Nikkei-225	10.37%	16.91%	58.39%
Euro Stoxx 50	3.20%	5.90%	12.35%
MSCI World Index	0.64%	2.21%	19.75%
MSCI EM	5.41%	14.84%	46.79%
Shanghai Comp.	1.09%	4.99%	25.35%
NIFTY 50	(0.56)%	(2.93)%	13.80%
Ibovespa Brazil	4.09%	17.17%	53.74%
S&P Merval Argentina	(17.42)%	(13.42)%	19.78%

Fixed Income Yields

Tenor	Yield %	1M Change (bps)	YTD Change (bps)
US 2Y	3.37%	(20) bps	(7) bps
US 10Y	3.94%	(34) bps	(18) bps
US 30Y	4.61%	(30) bps	(20) bps
UK 10Y	4.23%	(27) bps	(27) bps
JGB 10Y	2.12%	(12) bps	5 bps
DE 10Y	2.64%	(23) bps	(21) bps
ETF	Yield %	1M Change %	YTD Change %
LQD <small>(iShares Inv. Grade Corp. Bond ETF)</small>	5.25%	(0.11)%	(0.04)%
HYG <small>(iShares iBoxx High Yield Corp. Bond)</small>	7.19%	0.25%	0.35%
EMB <small>(iShares J.P. Morgan EM Bond ETF)</small>	6.19%	(0.15)%	(0.08)%
EMLC <small>(V.E. J.P. Morgan EM Local Currency Bond)</small>	6.81%	(0.20)%	(0.12)%

Other Assets & FX Rates

Asset	Price	1M Change %	YTD Change %
Brent	72.5	2.62%	17.17%
Gold	5,278.9	7.86%	21.65%
Silver	93.8	10.08%	22.93%
Uranium	86.3	(12.83)%	5.44%
Soft Commodities	26.0	1.44%	1.74%
Bitcoin	65,527.3	(22.14)%	(25.69)%
Currency Pair	Rate	1M Change %	3M Change %
EUR/USD	1.18	(0.33)%	0.55%
USD/JPY	156.1	0.82%	(0.23)%
GBP/USD	1.35	(1.49)%	0.10%
USD/CHF	0.77	(0.48)%	(2.83)%
USD/CAD	1.36	0.20%	(0.41)%
AUD/USD	0.71	2.21%	6.31%

March Outlook

- The situation in the middle east will dominate markets in the coming weeks. We do not foresee any near-term solutions that will bring this conflict to an end, and we will continue to expect volatility across asset classes, particularly Oil and Natural Gas.
- We have heard some murmurings of the risks that China takes advantage of the US's current distraction in Iran to regain control of Taiwan. At this point we would not discount anything!!!
- SpaceX is likely to submit its filing for a June IPO this month, with an expected valuation to be in the region of \$1.75tn. This will be the largest ever valuation for a company making an IPO, and will be eagerly watched by market participants given the pipeline of major Ai private companies.

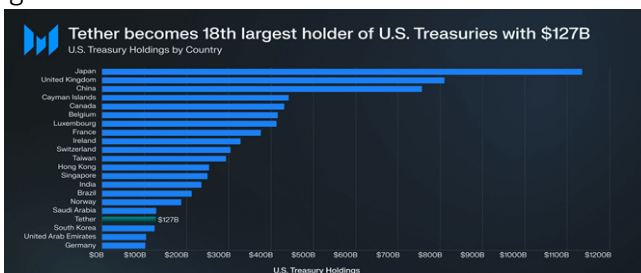
Interesting (Crazy) Numbers

- 33.9% YoY surge in South Korean exports, including 102.7% growth in chip shipments.**
- 290.2% projected inflation in Venezuela for 2026; highest in Latin America.**
- 2.6mm contracts/day average SPX one day to expiry volume; up 66% YoY.**
- 44% of all US Dollars ever were created in 2021 and 2022.**
- RMB 4.71 trillion in new Chinese loans in January alone; massive liquidity injection.**
- \$660bn combined 2026 capex from Alphabet, Amazon, Meta, and Microsoft, exceeding the GDP of many sovereign nations.**
- 34% divergence year to date between the best performing sector, Energy, and the worst performing, technology/software.**

What Has Caught Our Attention

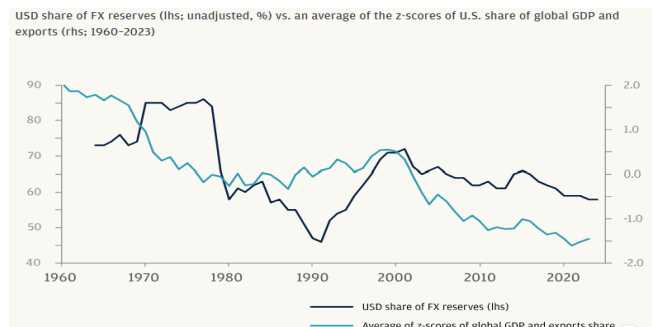
Is a government issued USD Stablecoin the path to maintain US Fiscal Dominance?

- Before you roll your eyes, this is not a piece on the idea that bitcoin, or some other crypto currency, is going to replace fiat currency, it's not. The core idea is that US government-regulated, dollar-backed stablecoins, digital tokens pegged 1:1 to the dollar, could become more than a crypto payments tool, they could become a structural part of U.S. public finance globally. If stablecoins are widely adopted across emerging markets, which as we have seen from Teather there is demand for this, then it would cause huge inflows into US-Treasuries; stablecoins are backed by a basket of assets, predominantly T-Bills. In that configuration, holders/users of the stablecoin becomes a steady marginal buyer of US government debt.



- The mechanism is straightforward. Policymakers create a regulatory framework that legitimizes stablecoins and defines their reserve assets conservatively, cash and bills. As adoption expands, particularly in jurisdictions where local currencies are weak and demand for dollar exposure is structurally strong, stablecoin issuers must accumulate more T-bills to back new issuance. This pushes demand toward the front end of the Treasury curve. If the scale becomes meaningful, T-Bill yields are lower than they otherwise would be, easing the Treasury's short-term financing costs and rollover risk.

- At the same time, stablecoins compete with bank deposits in these non-US jurisdictions. If they offer some economic return, whether explicit yield or fee rebating, and superior settlement functionality, they become a credible substitute for traditional local bank liabilities. That forces banks either to raise deposit rates, rely more on wholesale funding, or shrink balance sheets to remain solvent. The funding mix of the banking system shifts, and the transmission of monetary policy changes at the margin. Some intermediation migrates toward a quasi-shadow banking structure; privately issued dollar claims circulating outside the traditional bank regulatory perimeter but backed by government paper.



- As stablecoins scale, they create structurally embedded demand for short-term Treasuries. That lowers the US government's marginal funding cost. The US Stablecoin is essentially taking the savings of individuals in emerging markets who are using the stablecoin from their local banks in the corresponding country and placing them into US T-bills. This not only lowers the US financing cost but reduces liquidity in emerging markets local currencies; further reducing the appeal of holding local currencies versus the stablecoin. That is fiscal dominance; the fiscal authority's financing needs shaping the feasible set of monetary outcomes.