

# The monthly letter

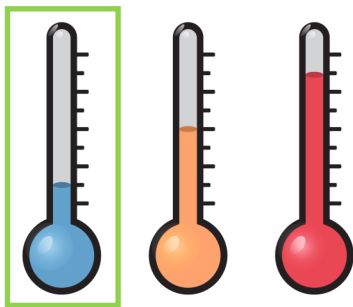


TACTICAL SITUATION  
REPORT  
MARCH 2026

# Global landscape

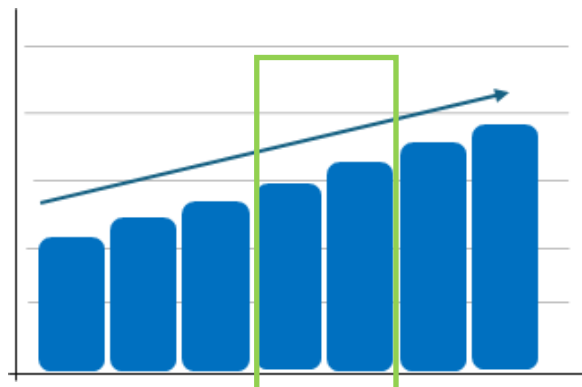
## Global framework conditions

**Inflation in the next 6 months**



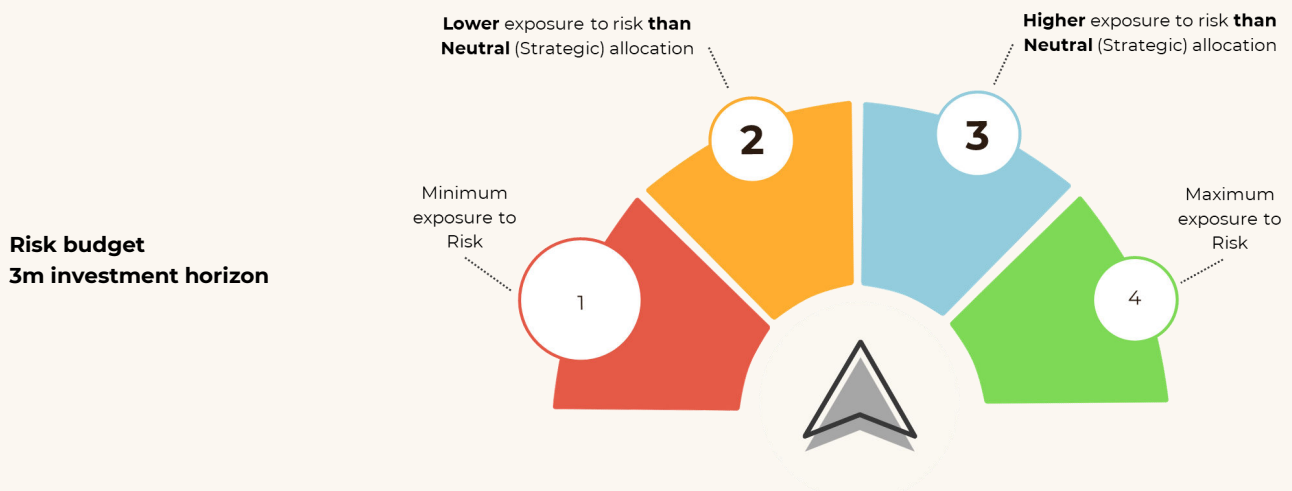
Stance: in line with central banks targets (ex-Japan)  
Trend: Decelerating

**Economic growth in the next 6 months**



Stance: below LT potential  
Trend: stable

## Global view

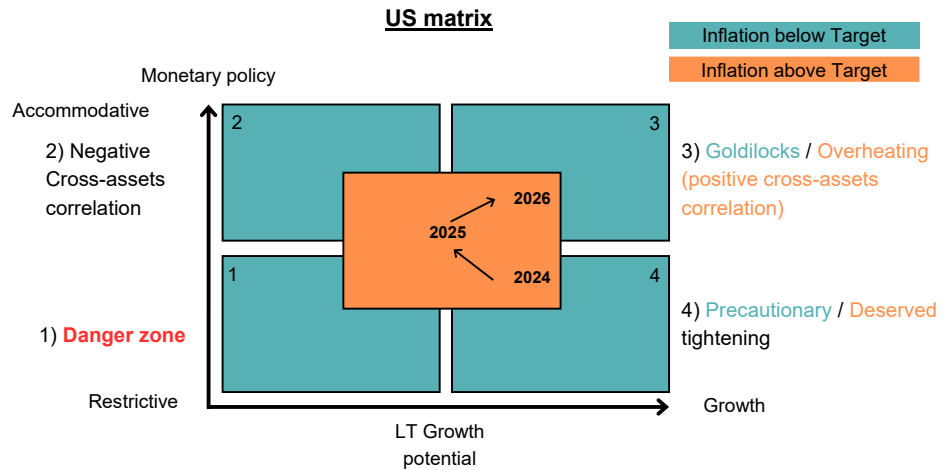


### Macro - Cyclical outlook

The US Supreme Court ruling is a marginal domestic macro event: slight support for growth, small decrease in inflation, moderate improvement in purchasing power. The biggest 'gift' goes to China, several emerging Asian countries, the EU, part of Latin America.

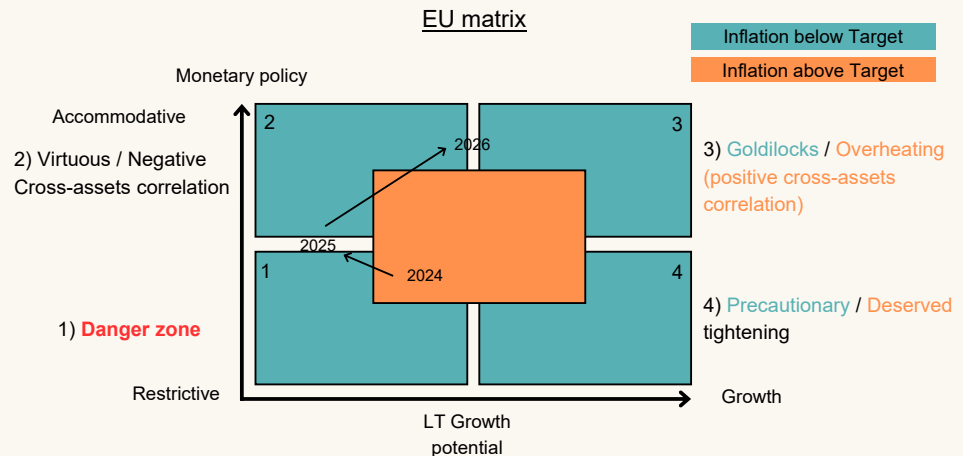
The US will drive global reflation. After its elections, Japan remains committed to 'Abenomics', but with more courage in fiscal stimulus and strategic investment.

- ⇒ Strong global nominal with variable regional components
- ⇒ A brief respite from rising prices



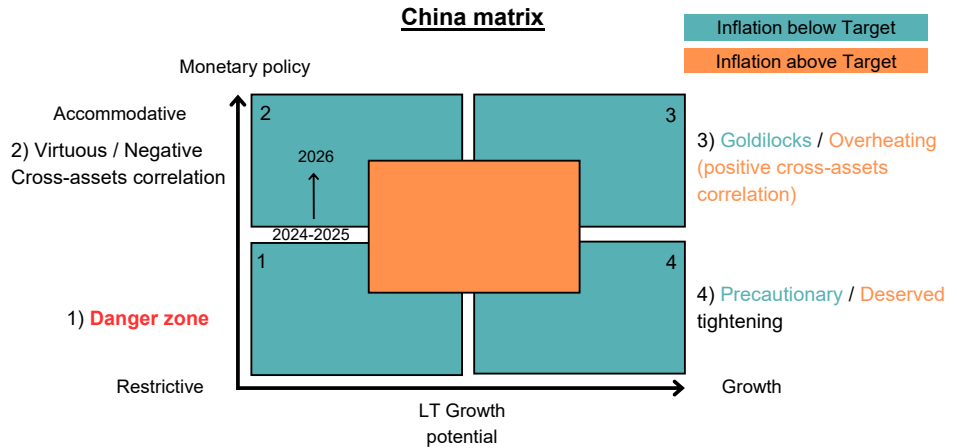
The US will experience solid nominal growth of over 5% in 2026.

- High nominal growth coupled with a neutral to accommodative Fed.
- Non-marginal odds of an "overheating" investment landscape from S2.



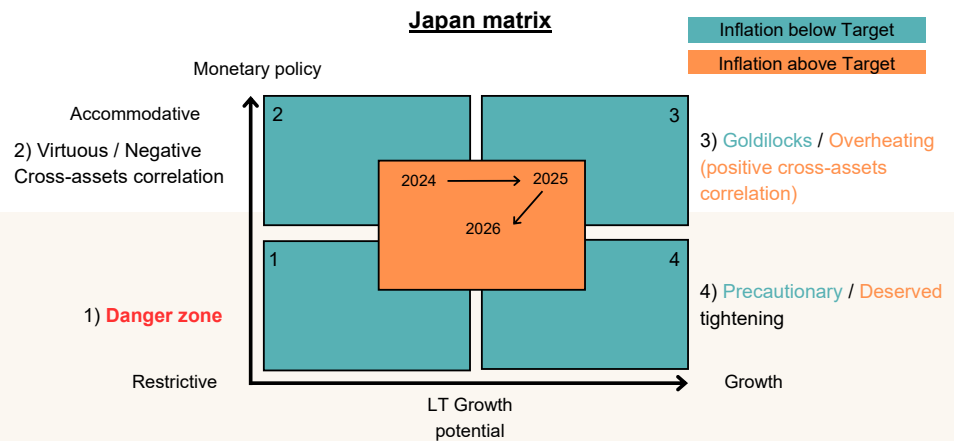
EU nominal growth will accelerate moderately in 2026 over 3%.  
 EU inflation will remain below / close to central bank's target.

- Accommodative ECB.
- EU investment landscape: Favourable to goldilocks.



China activity is set to remain well below long term potential  
 China's nominal GDP growth for 2026 is projected around 5%

- PBoC growingly accommodative
- Exit from the danger investment zone for a more benign / favourable landscape



Japan nominal growth, of over 3%, will be essentially pulled by sticky inflation

- Behind the curve BoJ is reluctantly normalising.
- Investment landscape will remain hectic, complex.

### Geopolitics

Last year, China's rare earths' tentative embargo already showed US vulnerabilities (i.e. magnets for defence etc.). Similarly, on global trade, the Trump administration's power to coerce "partners" has been seriously weakened by the latest SCOTUS ruling.

Canada is skilfully and actively bringing together the 'middle powers'. Their gradual rise poses an additional significant challenge to Trump and his continental hegemony project (Monroe Doctrine 2.0).

On the domestic front, the GOP's unwavering support for Trump is beginning to waver as the midterms approach.

Watch for the oil factor, that could make a comeback in the coming months.

- ⇒ The US is losing ground to China.
- ⇒ Middle powers gain in importance.
- ⇒ US politics is back in the spotlight with a vengeance.

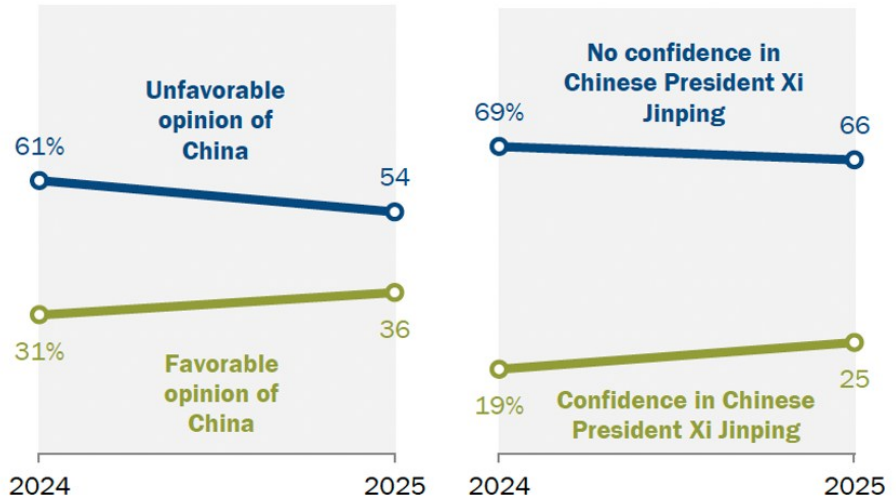


Chart. PEW research Center.

Note: Percentages are medians based on 25 countries surveyed in both 2024 and 2025.  
 Source: Spring 2025 Global Attitudes Survey.  
 "International Views of China Turn Slightly More Positive"

Views of China have improved since the beginning of Trump's second mandate.

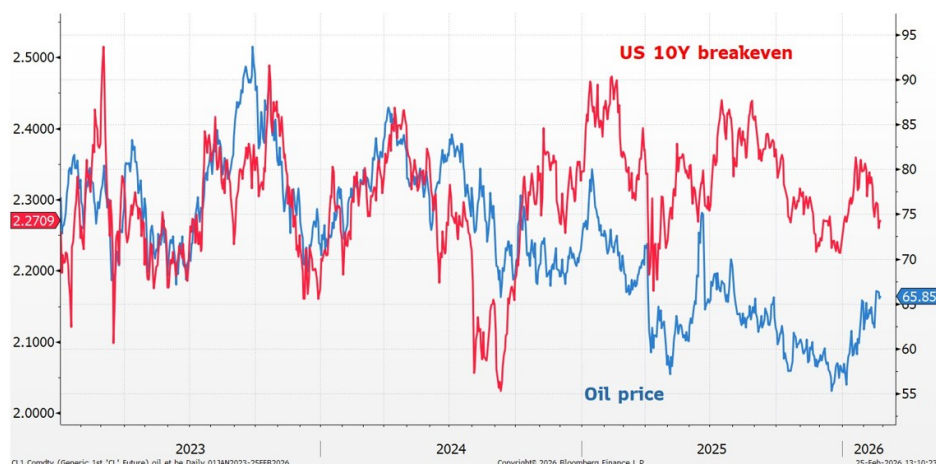
### Established and rising middle powers, 2024

Established Middle Powers	Rising Middle Powers
Australia	UAE
Brazil	Poland
Canada	Türkiye
Spain	Mexico
Netherlands	Indonesia
South Korea	Israel
Saudi Arabia	Ukraine
Belgium	
Sweden	

Chart. Fragmentation is increasing.

Middle powers, whether in emerging countries (Global South) or in so-called rich countries, are progressing. This is palpable in many fields like economics, defense and soft power / (political) influence.

Chart. LT, oil has forged inflation expectations.



Until early 2025, oil price movements dictated US inflation expectations. This relationship has weakened in recent months, and an unusual divide has emerged. In recent weeks, bond markets have even ignored the rebound in oil prices. For how long?

### Global Liquidity

Following the US Supreme Court's decision on tariffs in February 2026 and Takaichi's victory in Japan, few notable changes are expected in Q2/3 26. Still, the arrival of the new Fed chair needs careful monitoring.

The EU remains the most restrictive of the major regions. The new unknown is China and whether it will actually benefit from lower tariffs. If the negative impact of 'trade war 2.0' is less severe than expected, Beijing will have more leeway to be less accommodating (fewer RRR/rate cuts).

- ⇒ The idea of a 'soft landing for liquidity' still stands.
- ⇒ Albeit with slightly less favourable odds: tail risks are rising.

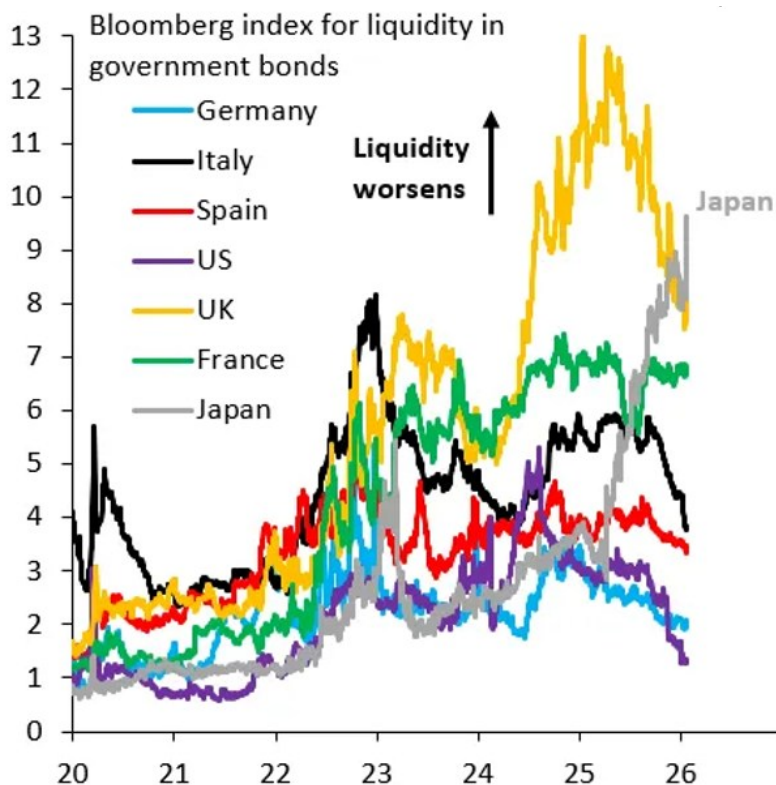
Chart. US Financial conditions.



Markets / The favourable and supportive trend in US financial conditions confirm that US domestic liquidity is currently abundant.

The main idiosyncratic risk for dollar liquidity from the end of 2026 onwards is not only the level of Fed funds, but also a possible Warsh programme of accelerated balance sheet reduction.

Chart. Watch out for the deterioration of JGB liquidity.



A second systemic liquidity risk lies in overly rapid normalisation by the BoJ (strong JPY, JGB >2%), which could trigger a massive unwinding of the yen carry trade and a sharp contraction in global liquidity.

The JPY sovereign bond market is also revolting. The government's denial of a structural debt issue could lead to spikes in its volatility and capital repatriation, causing global liquidity to evaporate.

### Tactical allocation - 3m view

In recent weeks, several mini-shocks have occurred simultaneously. While none of these factors is capable of triggering a recession or a dangerous spike in bond yields, it is evident that they are increasing the likelihood of a generalised rise in volatility and a lack of direction in major financial assets.

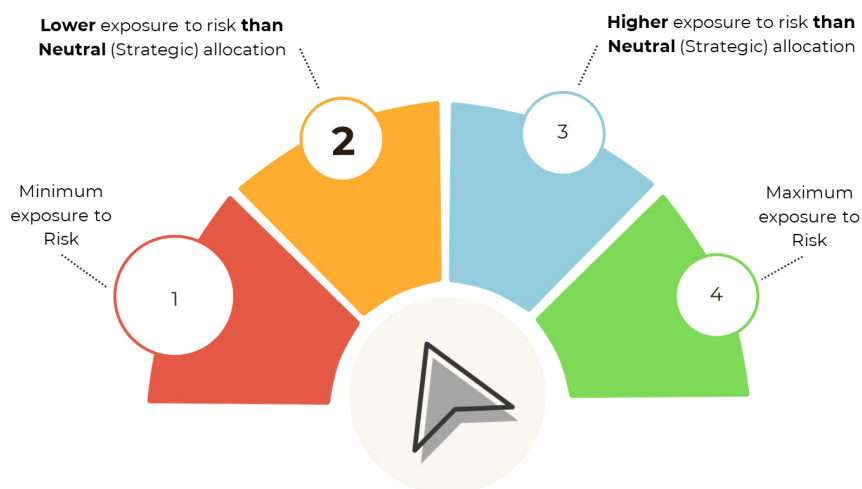
The current turmoil in the US private credit and CLO markets is not systemic either. At this stage, the likelihood of it causing a serious financial crisis is low.

As long as liquidity does not contract, inflation does not pick up again and US institutions remain stable, a relatively supportive investment landscape will prevail.

⇒ *We remain fully invested over the next three months.*

## Currencies

**Risk budget**  
**3m investment horizon**



The DXY remains capped by its 50-day moving average, a level the index has failed to reclaim since USD sentiment soured in early January 2026. Uncertainty is creeping higher again, reinforcing the point that policy risk remains its biggest headwind. The USD is being pulled in 2 directions: a resilient US economy and fading near-term Fed cuts expectations are supportive, while a growing list of policy-related concerns is tugging it lower.

The policy backdrop has turned more awkward for the USD. The Fed should continue cutting, and the prospect of a more politically influenced leadership has introduced a risk premium around credibility. That is happening just as fiscal policy remains unanchored. Even higher nominal yields and a steeper curve have not offered the USD much support.

While long-dated inflation expectations remain anchored, recent data shows that price pressures remain stubborn. This has prompted a more cautious Fed tone, as members seem wary of cutting rates too quickly. Such a hawkish stance usually provides a solid floor for the USD.

Geopolitical tensions are also keeping the volatility elevated as markets watch developments between the US and Iran. Oil prices reached new annual highs, creating a delicate balance for a presidency that campaigned on avoiding new conflicts while maintaining a strong international presence.

Trade policy has not helped clarify matters either. Ordinarily, higher tariffs would tighten the inflation narrative and lend support to the USD, but the market treats recent announcements with a degree of caution. The reversals, the unpredictability, and the simple fact that these things take time to feed through the system have meant the FX impact has been muted.

- Given this backdrop, it is no surprise that traditional valuation anchors feel less dependable.
- Too many competing forces (policy, flows, and politics) are pulling at once. If the Fed keeps cutting and differentials narrow, a softer USD is the natural outcome.

US dollar index 3-month risk reversal



Chart. USD extreme bearishness has recovered. A good point.

### The US–EU trade picture is murkier

Tariff uncertainty is giving the EUR an undercurrent of support. It should be noted that every EUR/USD dip since the Liberation Day turmoil last April has been shallow and short-lived. The EUR slide from late January also looks to be losing momentum.

3-month EUR/USD cross-currency basis



Chart. Gauge of EUR demand is near highest in 5 years.

One gauge of demand in the sprawling global currency markets shows the USD trading near the biggest discount to the EUR in more than 5 years, signalling softer appetite for the greenback and more appetite for the common currency. On the macro side, the question now is whether Germany is finally entering the long-awaited cyclical upswing. The IFO index jumped in February to its strongest since last summer, both the current and expectations components improved in tandem, signalling a firmer sentiment. The message is clear: the upswing is being driven by fiscal support, particularly in defence and infrastructure, and is now showing up in improving order books and falling inventories. This momentum could offer a structural support to the EUR.

- The EUR is hovering around its 50-day moving average, a key near-term support.

### A data dependent BoJ

The yen has come under pressure again after reports of PM Takaichi's concerns about further rate hikes. The BoJ board has welcomed 2 new members. They are academic candidates with reflationist views. The overall dove-hawk balance is likely to be slightly tilted toward the dovish side but unlikely to change significantly. Owing to weak demand and the need to maintain nominal GDP growth in the region of 3.0% to deliver fiscal sustainability, the BoJ has limited scope to raise rates this year. A rate hike in the next months, when inflation is expected to slow sharply, is unlikely. We expect only another 25bps hike, this year. A return to solid above-potential growth and/or a resumption of sustained JPY depreciation are required to justify a more hawkish monetary policy framework.

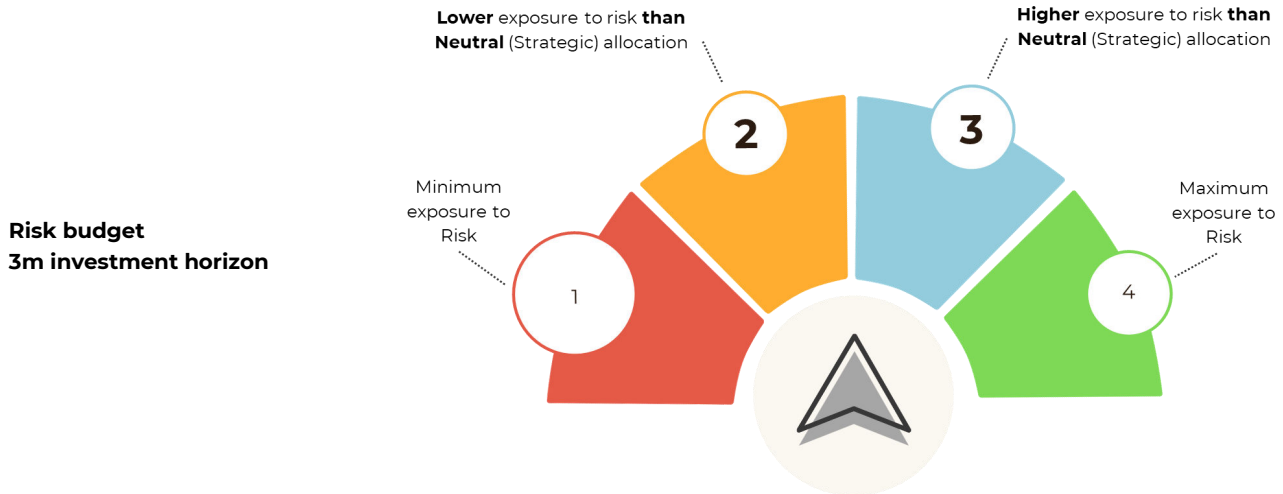
- Domestic economic conditions are consistent with gradual disinflation. A rate hike will occur in S2.

### Don't fight the trend

Historically, CNY tends to weaken or consolidate after the Spring Festival, but the appreciation has gathered pace instead. Its strengthening is driven by higher capital inflows and an increase in foreign-currency earnings conversion. Foreign holdings of onshore Chinese equities have increased. The balance of payments showed a record \$42bn inflows in Q3 2025. This is a big turnaround from persistent outflows in the last few years. China is expected to benefit from the US Supreme Court ruling. According to Global Trade Alert, the tariff rate on China will drop from 36.8% to 29.7%. President Trump will make an official visit to China at the end of March. In its State of the Union speech he did not directly mention China, indicating that relations will remain stable. The gap between the fixing and market expectations has widened to a record low of 610 pips. The authorities are trying to smooth the yuan strengthening. Whether or not the authorities would want to use heavier artillery to prop up growth should become clearer at the National People's Congress on March 5th, where the policy agenda for the next 5 years will be defined.

- We see scope for more CNY appreciation.

## Bonds



Kevin Warsh was nominated to be the next Fed chair. A lot is still unknown about how he will influence Fed policy, some points stand out from his most recent remarks.

One of them is his unease with Quantitative Easing but this will likely be a long and gradual process.

In the nearer term, we should expect less transparency, less communication and less guidance from Board members. Most important is his idea of conviction-based policy. He has been clear; he has a bullish outlook on the back of AI productivity gains and pro-growth policies from the Trump administration. The US will grow at a strong pace, with limited inflation risk, offering room for lower rates. In the long run, the question is can the economy grow faster without generating inflationary pressure. Some of the recent data may be interpreted that way. Beyond an AI productivity boost, it could be labour scarcity pushing firms to extract more out per worker, or tariffs and a weaker USD to boost competitiveness.

We share the bullish US economic outlook supported by fiscal and monetary easing. We still see 3 rate cuts this year. While that may seem inconsistent, it lies in a more dovish Fed reaction function, gradually revealed over the past year. The past 18 months Fed's easing looks inconsistent with history. Historical reaction function implies a hike or a hold. The FOMC has recently shown it is quite open to ease despite elevated inflation. It continues to interpret the current inflation level in the most benign of ways. On track towards 2% appears to be still the target.

A recalibration of the reaction function that matches the recent Fed path with Fed projections provides a more dovish reaction function, even

without a Warsh effect. With the current median Fed forecasts, there is room to continue easing. The resilient inflation prevents this continued easing in the near term, but the implied policy rate converges to 3.0% by year end.

Regarding the balance sheet, a Warsh likely outcome is a more market-neutral balance sheet. The Fed will shorten its portfolio maturity, to be more consistent with pre-2008 levels. The most obvious way to reach it is a gradual roll-off maturing debt into T-bills. An active sell-off seems unlikely, as it would bring unacceptable upward yield pressures, as a moment there is a substantial refinancing agenda. The Fed held \$691bn of government debt maturing in 2026.

### Fed holdings have a strong long-term tilt



Source: Bloomberg, ABN AMRO Group Economics

### Fed Treasury holdings historically low



Source: Bloomberg, ABN AMRO Group Economics

President Trump has made housing affordability a cornerstone of his economic agenda. He wants lower mortgage rates. Shrinking the Fed's balance sheet outright would put upward pressure on Treasury and hence mortgage yields. There is a fundamental inconsistency. Warsh wishes a Fed with less of a footprint in the government bond market, to encourage fiscal discipline and therefore lower yields.

- Warsh's conviction-based policy drive puts downward pressure on rates.
- We still favour short/medium maturity exposure.

### Healthy credit market

The credit market remains very resilient despite its recent weakness. Spreads started the year strong and widened because of the recent turmoil. This widening has been a reaction to the ongoing macro concerns which ranges from the potential disruption of AI on different industries (software, technology, and others), to geopolitical worries (tensions with Iran) and trade disruption.

However, the hurdles, particularly the uncertainties around trade following the US Supreme Court decision to strike down the tariffs, and the subsequent response from the White House, means that companies are still facing an uncertain future, which makes it hard to plan. And in that sense, companies are likely to remain defensive for longer, spending cautiously, at least until there is some certainty about the economic environment.

- We have already seen how companies seem to be holding off, with leverage levels falling again. Healthy financial management means stable spreads.

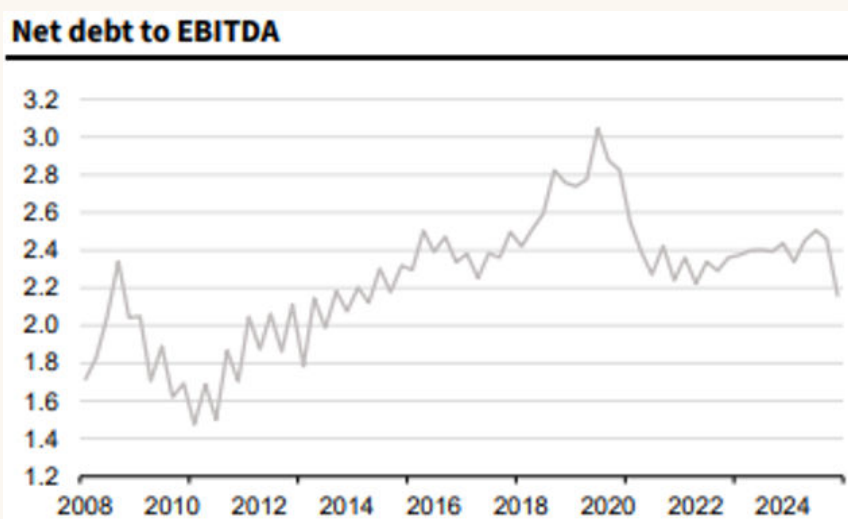


Chart. Excluding hyperscalers, other issuers are still deleveraging.

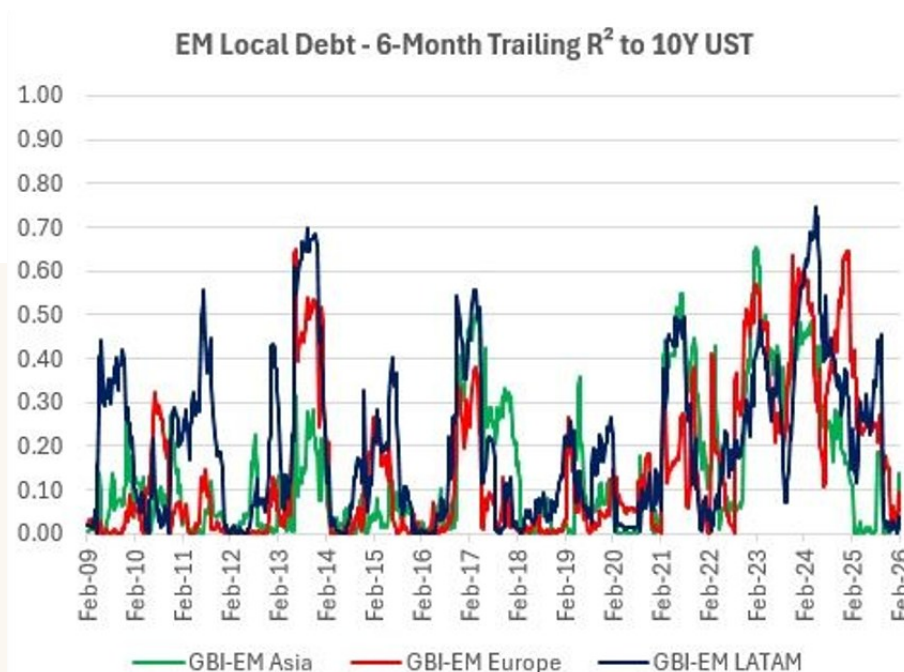
### A new paradigm for emerging debts

Most Emerging markets are taking latest developed markets-related turbulence in stride. The bullish narrative is fuelled by their fastest growth and decelerating inflation. EM currencies posted nice gains since

Liberation Day, reversing only a tiny portion of the multi-year slide against the greenback. This decline was a necessary element of economic adjustment and the widespread adoption of orthodox policies, which entailed less FX intervention and a more free-floating fixing. Using FX as an escape valve and eliminating past overvaluations allowed EMs to accumulate reserves and improve external balances. Higher EM real rates are another positive side-effect, which now look especially appealing against the backdrop of lower volatility and better fundamentals than in DM.

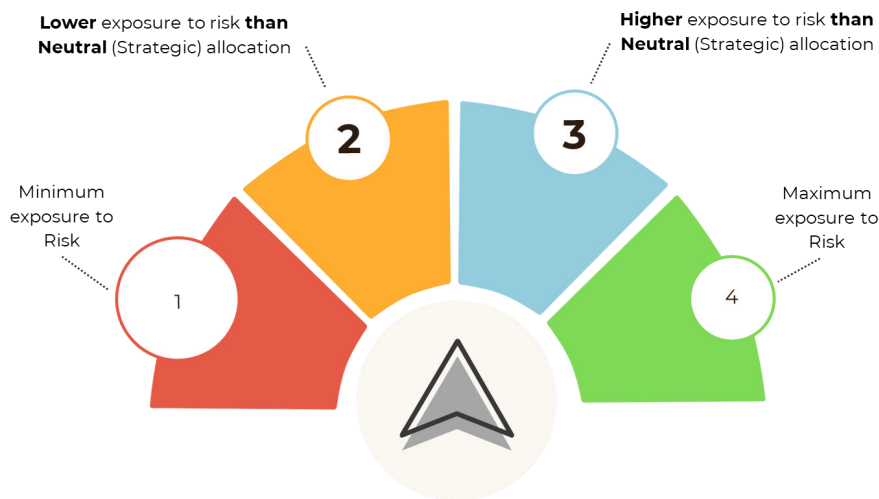
Emerging market hard-currency debt issuance started the year at a record pace. Falling US yields and a weaker USD have driven over \$176bn of new supply over the first 9 weeks. All 3 main EM bond indices – sovereign, corporate and local – posted low correlation to US rates. It suggests that EM-specific factors are dominating right now.

- Nothing lasts forever, but uncertainty about the US policies and commodities boom support EM outperformance.



# Equities

**Risk budget**  
**3m investment horizon**



## Legitimate anxieties. We remain confident about 2026

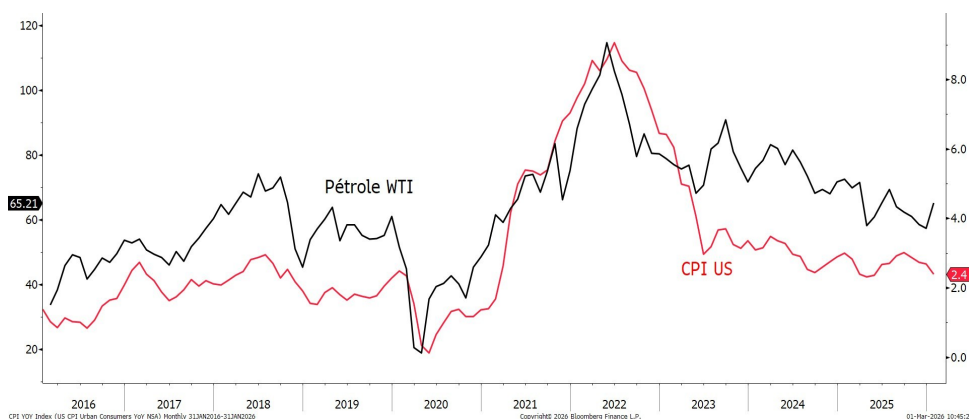
Before Saturday, February 28, 2025, two factors made investors more nervous: massive investments in AI with its circular economy and, more recently, alternative financing through private debt and private equity, where tensions are emerging.

**Iran.** On Saturday, February 28, the United States and Israel bombed Iran, killing Ayatollah Ali Khamenei, Supreme Leader of the Islamic Republic, and other key officials, including the Minister of Defense and the head of the Islamic Revolutionary Guard Corps. Iran is seeking to regionalize the conflict by bombing the oil monarchies. Air traffic has been completely shut down throughout the Arabian Gulf, including Dubai and Abu Dhabi, which are important hubs linking Europe to Asia. Will this conflict last? What is Iran's true military capability? Beijing is Iran's largest customer, exporting over 80% of its oil to China. 25% of the world's oil and liquefied natural gas passes through the Strait of Hormuz, primarily destined for China, India, Indonesia, and Japan. In the event of a prolonged closure, whereas Iran accounts for only 3% of global crude oil production, financial markets would begin to anticipate a global recession and a resurgence of inflation, a situation unfavorable to stock markets. In the immediate term, crude oil prices will rise to around \$100 a barrel, and to \$150 and beyond if the regionalization of the conflict would materialize, if the Strait of Hormuz would remain closed for a long time and if Iran would strengthen its attacks on monarchies' oil facilities.

In terms of investments, the focus is on US oil companies and global defense. In previous geopolitical events, shipping companies benefited

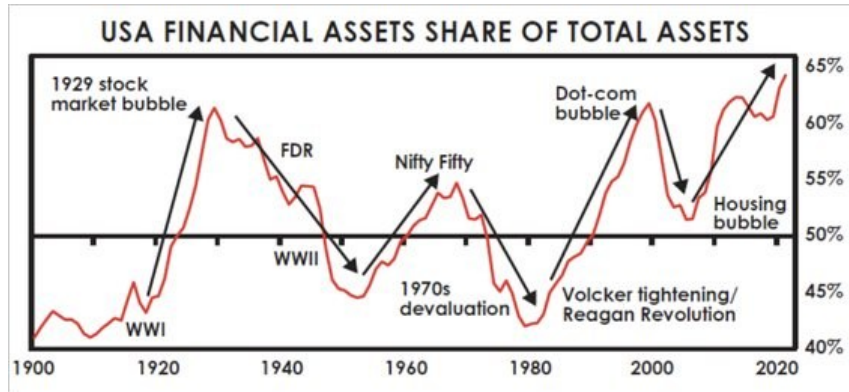
from the sharp rise in shipping prices. Expectations of 1) a resurgence of inflation would weight on valuations (P/E ratios) and 2) the risk of a recession on corporate profits (EPS). Iran's true military and disruption capabilities will become clear in the coming days. For our part, Iran's power is probably overestimated, and buying opportunities will arise in the event of a stock market correction, while many strategists advise against rushing into market declines and recommend waiting. Assets to favor include: US oil companies, defense, gold, and the Swiss franc.

*Chart. There is a strong correlation between oil prices and inflation. Inflationary expectations are likely to weigh on valuations..*



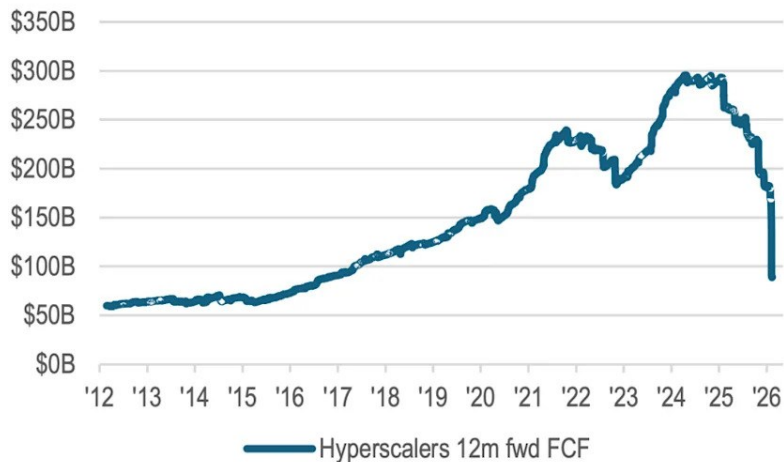
For the moment, neither AI nor the arrival of Trump in January 2025 and his very aggressive economic, immigration, and geopolitical policies have resulted in a stock market correction. On the contrary, the MSCI World index rose by 20% in 2025. In 2026, stock market indices continued their upward trend despite events in Venezuela, Greenland, and the World Economic Forum in January, and Iran, the sprawling Epstein affair, and the Supreme Court's invalidation of Trump's tariffs in February. While US indices recorded a moderate increase - the "Sell America trade" - European indices rose between 6% and 12%, the Nikkei by 17%, and emerging markets between 10% and 20%. The Korean KOSPI index surged by 50% in the first two months of the year and by 160% over the past 10 months.

American investors love stocks, and the share of financial assets relative to their total assets has never been such high. This is explained by the significant weight of American stocks in the technological revolution, impacting the economy and society, from the internet in the early 2000s to AI today. And given the massive investments seen in AI over the last three years, this weight could increase even further. The "Big Seven" account for 30% of the S&P 500, and the four largest - Nvidia, Apple, Microsoft, and Amazon - account for 23%, compared to 10% for the four largest market capitalizations in 2005. Another factor favoring stocks is the strong balance sheet performance, particularly that of Big Tech companies, compared to the heavily indebted United States.



However, the strength of Big Tech companies' balance sheets is being called into question for the coming quarters due to massive capital expenditures (capex) in AI, which are leading to increased debt. The four hyperscalers - Microsoft, Alphabet, Amazon, and Meta - have announced capital expenditures of \$660 billion in 2026, which will reduce their free cash flow (FCF) generation and, consequently, their share buyback programs. Some could even have negative FCF.

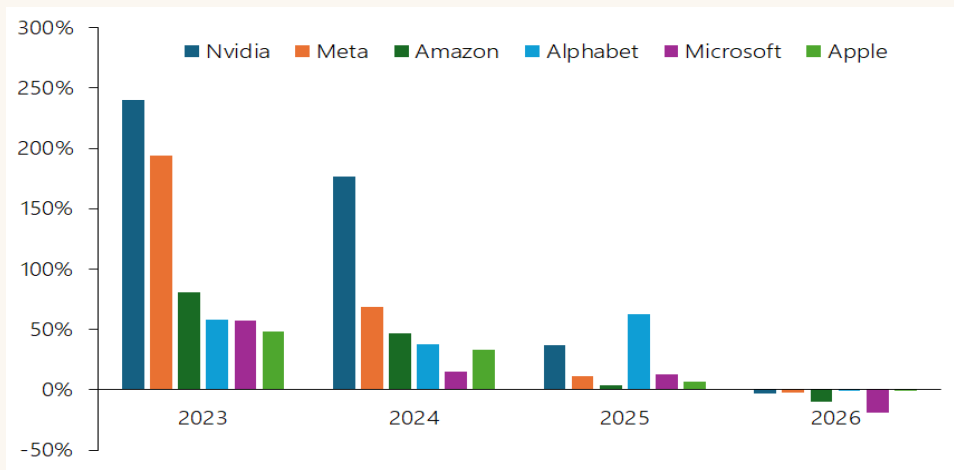
**Figure 7: Plummeting Free Cash Flow Has Triggered a Yellow Flag. Negative FCF Would Be a Red Flag.**



Source: Factset, Evercore ISI Research

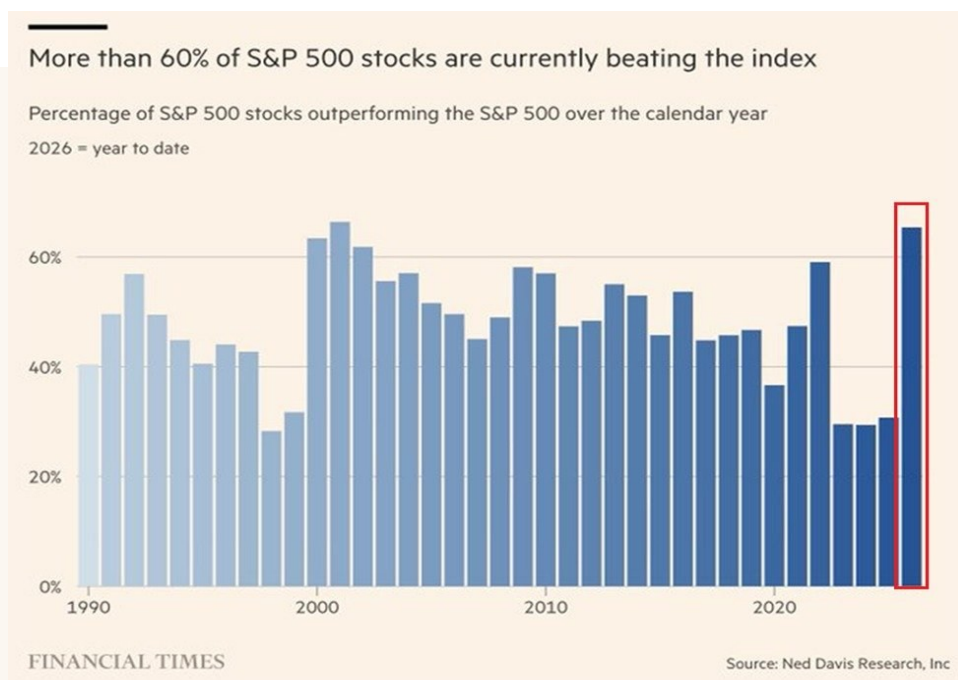
These questions surrounding Big Tech are weighing on their stock market performance, but it has all unfolded in an orderly fashion.

*Chart. Annual performance of Big Tech companies. Investors have been rational. Each year, performance has been weaker as valuations have risen.*



Sector and geographic rotations explain the lack of a correction. With Big Tech no longer driving the US stock market, investors have shifted towards lagging sectors, such as energy, consumer staples, and telecommunications, and/or reduced their holdings of US stocks in favor of international ones. The "Sell America trade" also signifies a reduction in US assets in the face of a Trumpian America that is belligerent and very aggressive towards former allies, and a more nationalist and protectionist world.

Fundamentally, the stock markets are not on the cusp of a major correction or bear market: stock valuations are in line with interest rate and inflation levels, the global economy is resilient, companies are posting strong profit growth (up 14% in Q4 2025 for the S&P 500 compared to the estimated 8% two months ago), the Fed is expected to cut rates in 2026, Japan and Germany have fiscal stimulus packages, and the United States is deregulating. Technically, the stock markets are not overheating (MACD, Bollinger Bands RSI), and investor sentiment indicators are in neutral/fear territory. The S&P 500 breadth indicator (internal participation, comparing the number of rising stocks to falling stocks) is improving: 66% of stocks are outperforming the index, the best score since data collection began in 1986.

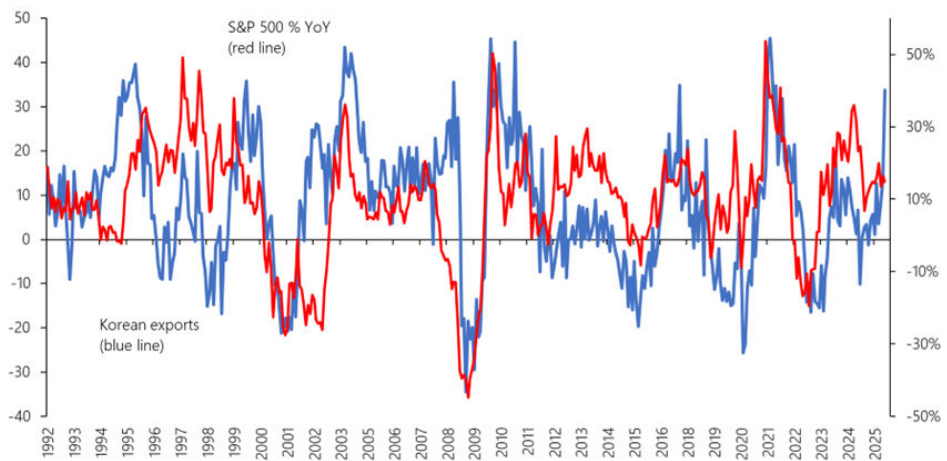


**South Korea.** Another favorable indicator for global equities is the strong rise in the Korean stock market index (KOSPI) and Korean exports, which are positive indicators of a healthy global economy. South Korea is considered an excellent proxy for the health of the global economy due to its exposure to technology and industry, and its high export weight.

South Korea gained political cohesion with the life sentence handed down to former President Yoon Suk Yeol for his aborted declaration of martial law in December 2024. Political uncertainty has dissipated. The country is experiencing an impressive resurgence with improved governance of its listed companies, where minority shareholders were previously overshadowed by the influence of large families, the "Chaebol" structure.

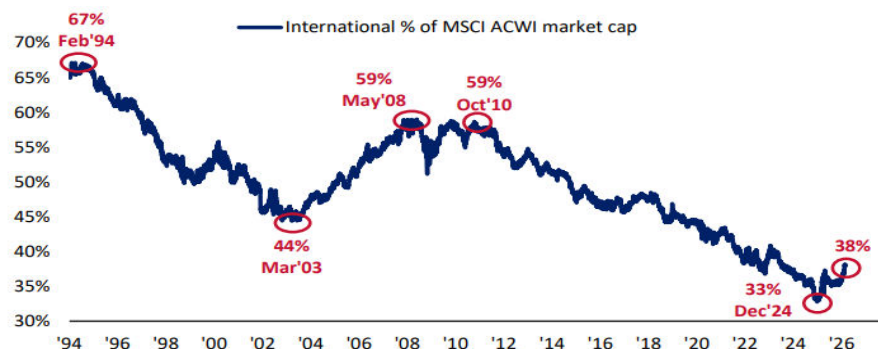
The KOSPI is being driven by AI and semiconductor sales. Since the beginning of the year, Samsung's stock has risen by 80%, and that of SK Hynix, an Nvidia supplier, by 63%. South Korea is a proxy for the AI investment cycle. South Korea is also attracting investors with its advancements in robotics, such as Hyundai and its humanoid robots. Hyundai is increasingly being compared to Tesla.

Chart. The rise in Korean exports foreshadows a continued rise in the S&P 500.



Long international equities vs. US equities. We overweight European, Japanese, and emerging market equities, particularly Latin American equities. Structurally, US equities outperform the rest of the world. The share of international (excluding US) equities has fallen from 67% in 1994 to a historically low of 38% (33% at the end of 2024). However, we should see a rebound in international ex-US equities due to the new world order, which is forcing the non-US world to adopt ambitious fiscal policies, rearm, reindustrialize, and promote nationalism and protectionism. The non-US world is more sensitive to this paradigm shift because the industrial sector's share of GDP is higher than in the US: US ~20%, Europe ~26%, Emerging Markets ~50-60%.

**Chart 2: New world order = new world bull**  
International (ex-US) as % of MSCI ACWI market cap



Source: BofA Global Investment Strategy, LSEG Data & Analytics, MSCI

BofA GLOBAL RESEARCH

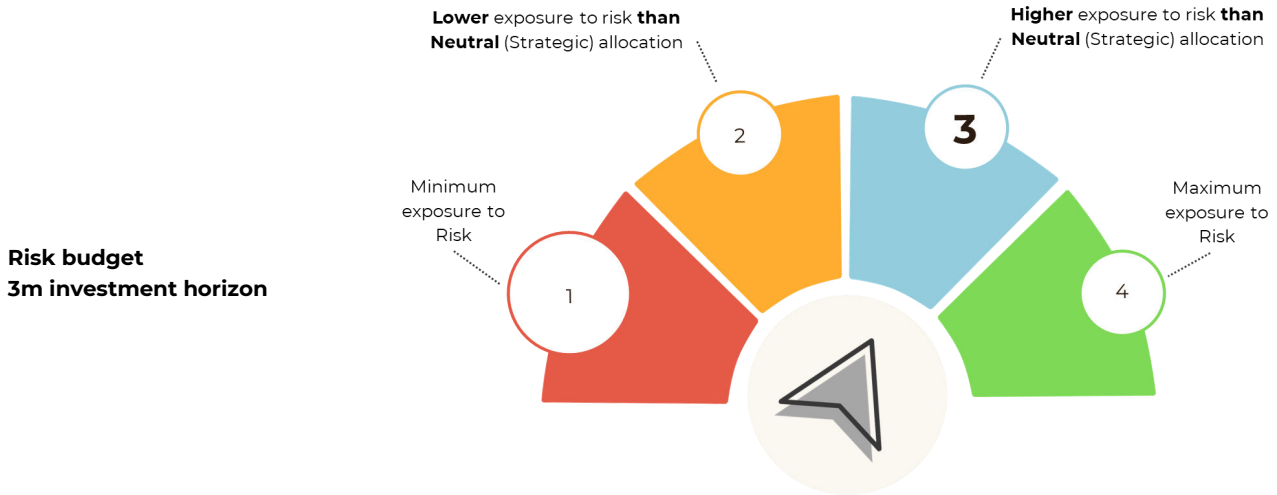
Chart. La part des actions internationales (ex-US) devrait se renforcer après un plus bas historique.

We are overweighting real assets such as industrial and precious metals, as well as energy, given the end of disinflation/deflation, the risk to the dollar, the de-dollarization of central banks, reindustrialization, a new world order based on nationalism and protectionism, a major supply risk due to significant underinvestment since 2016, and a marked concentration of production and refining in a few countries. This points to a new long-term bull market.

Industry, defense, electricity generation (AI and the aging US power grid), and the energy transition are the sectors we favor.

For the past two months, the financial sector has underperformed due to a flattening US yield curve. We are underweighting consumer discretionary. Consumer staples (Walmart, Mondelez, etc.) have significantly outperformed since November 2025, but the sector's P/E ratio has reached a historic high, and its momentum is in overbought territory. Regarding technology, Big Tech, AI, we are neutral, overweighting semiconductors and underweighting software publishers.

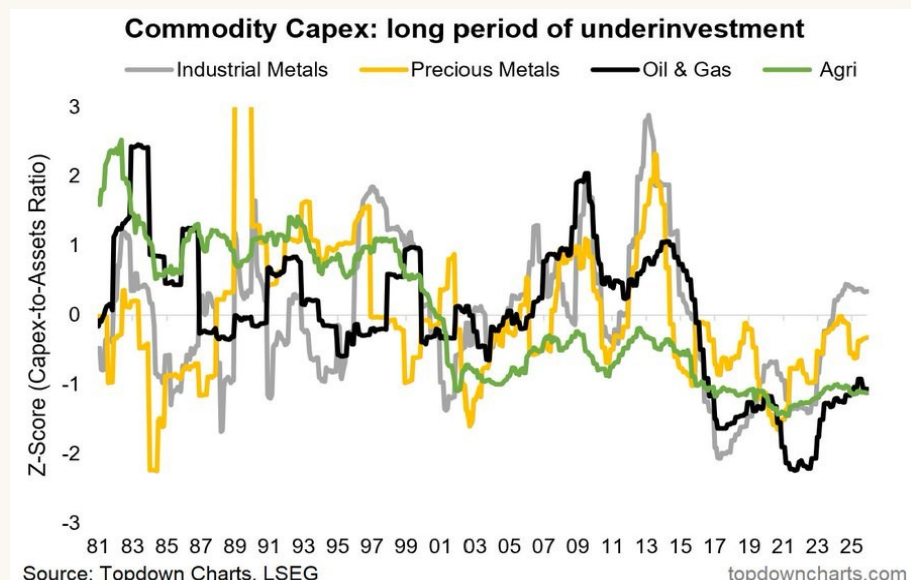
# Alternative Investments



## The commodities boom

- In an uncertain geopolitical world and with central banks moving away from dollarization, gold is a sought-after financial asset.
- A new era of industrial metals nationalism is dawning.
- Supply has been suffering from underinvestment since 2016.
- According to the International Energy Agency, chronic underinvestment in oil exploration and production is leading to a natural decline in existing deposits, estimated by the IEA at approximately 5.5 million barrels per day (Mb/d) annually, threatening supply balance in the medium term. Despite recent production peaks, this decline requires massive investments to maintain global supply.
- We are overweighting precious metals, industrial metals, and energy, including equipment manufacturers.

Chart. Industrial metals, precious metals and energy are experiencing a long period of underinvestment.



The race for critical metals is accelerating in the global economy. The United States launched Project Vault, a \$12 billion spending program to build up stockpiles of 50 critical metals, including rare earth elements, lithium, uranium, and copper, for reasons of national security, economic stability, and supply chain resilience. These stockpiles are intended for American companies operating in critical sectors such as defense. GE Vernova, Western Digital, and Boeing have expressed interest. The US government is also acquiring stakes in American mining companies (MP Materials, USA Rare Earth, Lithium America, Trilogy Metals). This strategy has enabled China to become independent and even made the world dependent to China.

Australia has also launched a similar \$800 million restocking program for strategic metals such as antimony, gallium, and other rare earth elements. The European Union is moving forward with its REsourceEU initiative, led by France, Germany, and Italy, to build up reserves of critical metals. Brazil and India will strengthen their cooperation on these critical metals and rare earth elements. South Korea has also allocated \$172 million for this purpose.

This reflects a structural shift in industrial metals policies, with a more nationalist mentality.

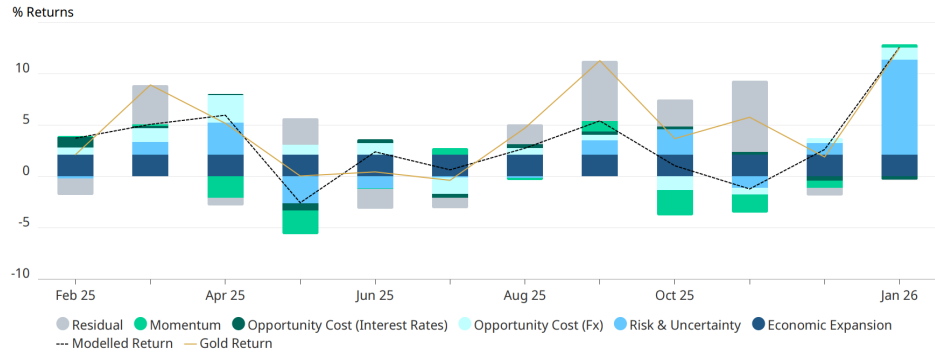
However, metal supply chains remain fragile due to a decade of underinvestment. Strong demand and rising prices didn't encourage reinvestment in exploration and production capacity. Investment will also be needed in refining, an industrial process still concentrated in a few countries, including China.

Historically, stockpiles served primarily as emergency supplies to cope with temporary disruptions (weather) or price spikes, according to industry observers. Today, initiatives are more explicitly driven by the need to protect against geopolitical factors, reflecting a broader shift in the concept of resource security, now viewed as an industrial and national security strategy, rather than simply crisis management.

Demand will increase with the energy transition, the automotive industry, defense, AI, space development, and semiconductors.

Gold continues its rise, fueled by central banks and its safe-haven status. Demand is largely financial. Real interest rates and inflation are no longer factors in gold valuation. The model developed by the World Gold Council attributes 80% of gold's gains to geopolitical risk and uncertainty.

## GRAM



Data as of 31 January, 2026  
Sources: Bloomberg, World Gold Council; [Disclaimer](#)



In the short term, oil prices will rise with the war in Iran. By attacking the oil monarchies, Iran aims to regionalize the conflict and spreads chaos. The Revolutionary Guards have announced that the Strait of Hormuz is closed. Iran is targeting Saudi oil infrastructure. Then a barrel of oil above \$150 is conceivable, and the United States could use its strategic reserves. The risk is a global economic slowdown and a rise in inflation. History shows that excessive prices do not last due to the rapid downward adjustment of demand. We buy American oil companies which are benefiting turmoil in Middle East.

In the absence of sound fundamentals, bitcoin is stuck in an unfavorable technical setup. After breaking the \$74,000 support level, the next support lies at \$48,000-\$50,000. Cryptocurrencies failed to prove to be a safe haven asset during the kidnapping of the Venezuelan president, nor during Trump's attempts to "invade" Greenland, nor this weekend with the outbreak of the Gulf War. The market is questioning its status as "digital gold."

Chart. Since September 2025, Bitcoin has significantly underperformed the Nasdaq. It seems to be navigating by sight.



# The monthly letter

## TACTICAL SITUATION REPORT

MARCH 2026

Clause de non-responsabilité - Ce document et les informations qu'il contient ou y fait référence (le "document") sont fournis à titre informatif uniquement. Il ne constitue pas une sollicitation, une offre ou une recommandation d'achat ou de vente de titres, de placements collectifs ou de tout autre instrument financier, afin d'effectuer une transaction, de mettre en œuvre une stratégie particulière ou de conclure un acte juridique. Ce document ne fournit aucun conseil d'investissement, juridique, comptable ou fiscal. Il a été préparé sans tenir compte des objectifs, de la situation financière ou des besoins d'un investisseur individuel et ne signifie donc pas que les produits, titres ou services discutés conviennent à tous les investisseurs. Son destinataire doit prendre ses décisions par lui-même quant à savoir si les produits, titres ou services évoqués dans ce document sont appropriés à ces besoins sur la base de son propre jugement et des conseils qu'il a jugés nécessaires. Tout destinataire doit s'assurer de manière indépendante qu'il comprend les produits, titres ou services mentionnés dans le présent document et les risques liés à l'exécution de ces transactions. Aucune responsabilité de Selvi & Cie SA ou de ses représentants ou sociétés affiliées ne saurait être engagée pour quelque perte que ce soit résultant de l'utilisation de ce document ou de son contenu ou découlant de toute autre manière de ce document. Selvi & Cie SA ne représente ni ne garantit l'exhaustivité ou l'exactitude de ce document ni ne s'engage à mettre à jour les informations contenues dans ce document.

[www.selvi.ch](http://www.selvi.ch)