



MARKET BITE

Bite-sized insights to keep you up-to-date on the financial markets

Know You Can

Q1 2026

Escalation in the Middle East shocked global markets as crude oil and energy supply chains disrupted

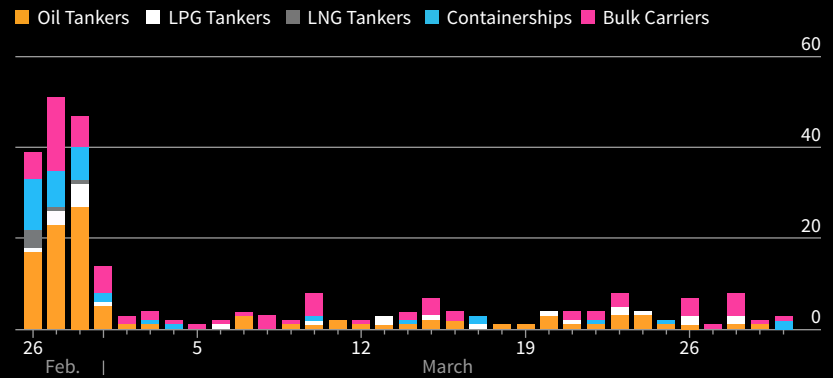
Markets got off to a strong and optimistic start in January, with investors riding a wave of improving sentiment and early-year positioning. That enthusiasm, however, faded in February as the technology sector faced headwinds, then shifted sharply in March after news of coordinated U.S. and Israeli strikes on Iran. The situation escalated quickly as Iran responded with missile and drone strikes targeting US-Israeli allies in the Gulf, as well as commercial ships passing through the Strait of Hormuz, a strategic waterway for transporting crude oil, natural gas, as well as other commodities such as urea and helium, with most of the shipments destined for Asia.

Conflict continued to worsen throughout March, with Gulf state infrastructure under constant missile and drone attacks. This led to refinery shutdowns, halted oil and gas production, and triggered force majeure on the delivery of oil and gas. Even before this, Iran has effective control on who may or may not pass through the Strait of Hormuz, effectively paralyzing shipping traffic for the allied Gulf states.

With these developments, the possibility of supply shortages has caused crude oil prices to swing violently from the \$60 handle to beyond \$100, reminiscent of the 2022 UKR-RUS conflict. Net energy importing countries such as India, Taiwan, and the Philippines are vulnerable to rising oil prices, which may negatively impact economic growth and activity.

Strait of Hormuz Outbound Transits

Commercial ships seen transiting the waterway out of the Persian Gulf



Note: Daily count of visible ships based on AIS signals observed until early Mar. 30
Source: Vessel tracking data compiled by Bloomberg

Bloomberg

Did you know?

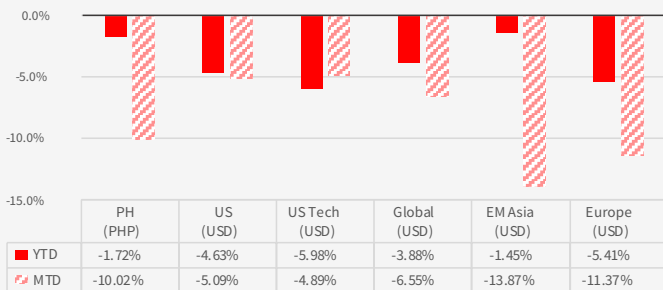
Strait of Hormuz is the primary export route for oil from the Middle East handling approximately 20% of global oil supply.

Global markets rattled by a potentially prolonged global energy disruption and geopolitical conflict

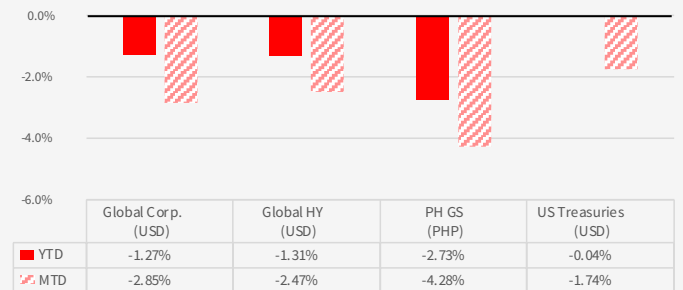
Markets declined significantly in March as investors price in both the immediate and longer-term impact of the Middle East conflict on the global economy. Despite pronouncements from the White House that the campaign would conclude within a two-to three-week window, these expectations have not materialized. As a result, the expected interest rate easing cycle for the global economy, led by the Federal Reserve, is now in doubt as higher inflation expectations anchor the market. Some industry estimates indicate that restarting oil and gas production will take at least several weeks, while repairs to damaged refineries may require significantly more time. The lasting impact on supply chains and the broader economy could be felt over the next two to three years. As long as the Middle East conflict remains unresolved, elevated uncertainty, market volatility, and rising cost pressures are likely to persist throughout the year.

FINANCIAL MARKETS SNAPSHOT

Equity Markets (as of March 21, 2026)



Fixed Income Markets (as of March 21, 2026)



AXA FUNDS OVERVIEW

Fund Category	MTD	YTD
Peso Equity Funds		
Wealth Equity	-9.84%	-2.94%
Chinese Tycoon	-11.12%	-5.42%
Spanish-American	-4.92%	2.56%
Opportunity	-10.33%	-3.83%
Peso Fixed Income and Balanced Funds		
Peso Liquidity	0.07%	0.66%
Wealth Bond	-3.78%	-2.81%
Wealth Balanced	-6.41%	-2.32%
Peso-Denominated Dollar Funds		
Peso GAF	-1.64%	-6.14%
Peso Global EDGE	-5.85%	-6.25%
Peso GDAF-Stable	2.36%	1.46%
Peso GDAF-Multi Asset	-2.08%	-0.25%
Peso GDAF-Growth	-4.13%	-3.98%
Dollar Equity Funds		
Asia Growth	-9.75%	2.90%
European Wealth	-9.44%	-3.92%
Global Advantage	-6.61%	-9.01%
Global EDGE	-10.42%	-9.05%
Global Dynamic Allocation Funds		
GDAF-Stable	-2.77%	-1.65%
GDAF-Multi Asset	-7.05%	-3.36%
GDAF-Growth	-9.02%	-6.97%
Dollar Fixed Income Funds		
Capital Investment	-0.43%	-0.08%
Premium Bond	-3.57%	-2.91%
Retire Smart Funds		
Retire Smart 2030	-7.84%	-2.49%
Retire Smart 2035	-7.29%	-2.43%
Retire Smart 2040	-7.97%	-2.49%
Retire Smart 2045	-8.12%	-2.49%
AXA Income Paying Funds		
Dollar GAIN	-6.75%	-6.05%
Peso GAIN	-1.74%	-2.89%
Dollar REIT IPF	-6.92%	0.00%
Peso REIT IPF	-1.94%	3.39%
Dollar EQUIP	-5.61%	-3.32%
Peso EQUIP	-0.65%	-0.24%
Dollar Variable	-8.67%	-6.83%
Peso Variable	-3.86%	-3.94%

For the latest AXA fund performance, please visit axa.com.ph.





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Navigating a volatile market

What is market volatility?

Market volatility measures how quickly markets move and how unpredictable the value of investments can become as a result. These market movements can be caused by a variety of political and economic factors, such as changes in government policy or major news affecting a specific industry or country, creating uncertainty.

DIVERSIFICATION

It's hard to predict which asset classes will perform best each year. One key reason for diversification is to build a portfolio of assets that don't move in the same way. While one investment may perform poorly in a given year, this negative performance could be offset by the positive performance of another investment. Spreading investments across different asset classes and regions can help reduce the impact of market volatility.

Top Performing Asset Class Per Year

2017	2018	2019	2020	2021
China equities 54.3%	Cash 1.9%	U.S. equities 31.6%	China equities 29.7%	Commodities 38.5%
2022	2023	2024	2025	2026
Commodities 22%	U.S. equities 27.1%	U.S. equities 25.1%	Europe equities 36.3%	Commodities 29.2%

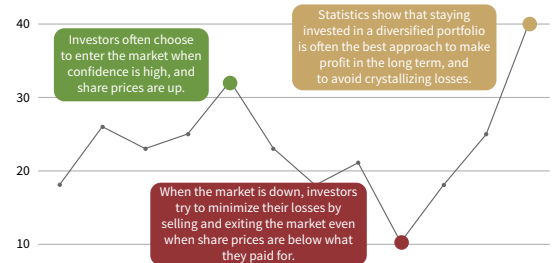
<https://www.blackrock.com/corporate/insights/blackrock-investment-institute/interactive-charts/return-map>

Over time no single asset class or region is a consistent top performer.

AVOID LOCKING IN LOSSES

It's completely natural to feel uneasy when markets fluctuate, especially during downturns. In these conditions, any person's instinct is to sell and try to avoid further losses.

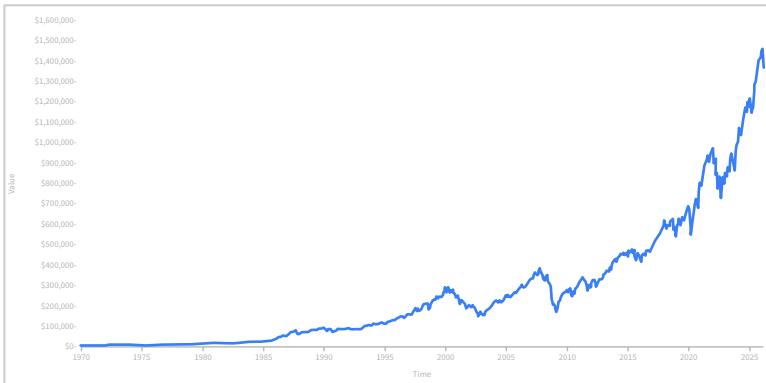
However, history shows that reacting emotionally to short-term market movements can lead to missed opportunities. By staying invested, you give your portfolio the chance to recover and benefit from the long-term growth potential that markets have consistently shown over time.



INVEST LONG-TERM

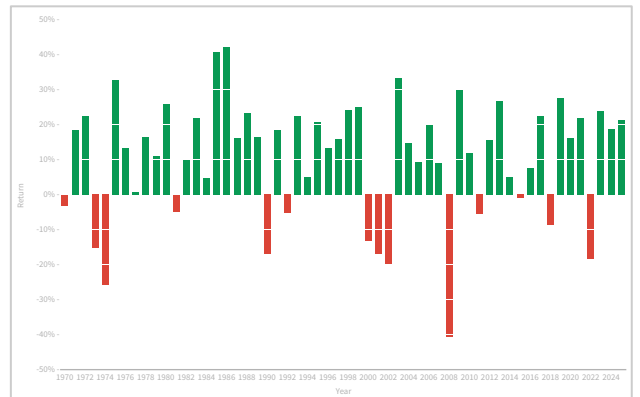
Over the years, many events have caused significant short-term disruptions in the financial markets, such as the dot-com bubble, the global financial crisis, and the COVID-19 pandemic. Long-term investing requires a willingness to accept and tolerate the risks associated with market dips and volatility.

Global Market Historical Performance



MSCI World as benchmark of Global Market. <https://curvo.eu/backtest/en/market-index/msci-world?currency=usd#chart>

Annual Returns



While not guaranteed, history has shown that markets tend to follow a positive trend over time, and downturns are often short-lived.

SET GROWTH AND LOSS THRESHOLDS

In times of market volatility, it's easy to get caught up in short-term noise. Having clear benchmarks for when to take profits, cut losses, or move into other assets helps you stay the course and remove emotion from investing.



Aligning these thresholds with your investment objectives, risk tolerance, and time horizon keeps your strategy focused and consistent.

CONSULT WITH YOUR AXA FINANCIAL ADVISOR

Everyone's situation is unique, and you don't have to navigate these market conditions alone. Speaking with a financial advisor can provide clarity and confidence as you build a portfolio that's best aligned with your specific financial goals and needs.



With the right financial partner providing the right solutions, you can continue to "live well."