

Weekly Wealth Digest

26 March 2026

Your Edge. Our Insights.

Market Insights To Power Your Next Move

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The Macro View

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26 March 2026

Macro Overview

Global Uncertainty Builds as Inflation Pressures Rise.

Global markets remain unsettled as the US signals openness to diplomacy with Iran despite Tehran's rejection and threats of retaliation, while attention shifts to May's Trump–Xi summit amid rising geopolitical uncertainty.

US inflation pressures strengthened with a 1.3% rise in import prices in February, even as the S&P Composite PMI eased to 51.4 on softer services momentum and rising input costs, highlighting a delicate balance between firming price pressures and slowing business activity.

Malaysia tightened fuel subsidies and diesel controls while keeping domestic supply stable, positioning itself as a credible investment alternative amid global volatility and leveraging geopolitical shifts to attract investors.

FX Overview

Dollar Consolidates as Markets Balance Rates and Risk.

The US dollar consolidated around the 100 level, supported by mechanical hedge unwinds, safe-haven inflows, sharply higher US yields, fading Fed-cut expectations, rising household-level inflation pressures, and persistent war-related uncertainty.

Most G10 currencies softened, while the yen held firmer on intervention risks and rising BoJ hike expectations, keeping USD/JPY capped near the sensitive 160 level.

Commodity currencies traded defensively, with AUD supported by China-linked demand, CAD helped by firm oil prices, and NZD reflecting broader risk sentiment. The Malaysian ringgit outperformed regionally, backed by structural inflows, resilient domestic growth, stable BNM policy, and AI-driven export momentum despite near-term USD volatility.

The Macro View

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Commodities

Oil Volatility Persists as Gold Stabilizes

Oil markets rebounded sharply after US troop-deployment news, with Brent near \$103 and WTI around \$91, as Iran tightened control over Hormuz transit and introduced vessel fees, amplifying already fragile supply-route risks across the Gulf.

Although Iran is reviewing a U.S. proposal without formally rejecting it, ongoing disruptions to Gulf energy flows and contradictory diplomatic signals kept crude markets volatile, tempering optimism that recent price losses and geopolitical risk premiums might unwind meaningfully.

Gold steadied near \$4,500 as markets weighed mixed US–Iran signals. Diplomatic uncertainty, volatile oil prices, and higher-rate expectations limited gains despite earlier rebounds driven by a softer dollar and tentative de-escalation hopes.

Fixed Income

Global Bonds Sell Off, Local Bonds Find Support

Global bonds stayed volatile as Middle East tensions and oil prices drove inflation concerns. Yields rose last week but eased after the US delayed strikes on Iranian power plants, signalling possible de-escalation despite conflicting reports from Iran. The Fed kept rates steady but maintained a hawkish tone.

In Malaysia, MGS yields hovered near YTD highs due to fiscal concerns after fuel price adjustments. Even so, the 5Y MGS auction drew strong demand, and the upcoming 7Y GII auction may also see firm interest if yields stay attractive.

Corporate bond sentiment softened, with higher yields and lighter volumes. Local rates moved with geopolitical headlines but found support as IRS levels dipped.

Market Shakers

Key Developments

26 March 2026

US- Iran

Ceasefire Signals Remain Uncertain

U.S. paused planned strikes on Iranian energy sites citing “productive” talks, while Iran denied negotiations. Tensions persisted with Iranian attacks and threats around the Strait of Hormuz, keeping escalation risks high.

Artificial Intelligence

China’s ‘Token Economy’ Gains Momentum

China’s AI sector jumped as token usage surged past the US, with state media framing tokens as a new economic unit driving model monetisation, LLM adoption and rising data-center demand.

China–US

China Won’t Bail Out Trump

China has rejected Trump’s request for military help in the Gulf, seeing no strategic benefit in rescuing him from the Iran conflict, deepening US–China distrust and geopolitical tensions.

Crypto Markets

Bitcoin Slips on Geopolitics and Regulation

Bitcoin eased as uncertainty over U.S.–Iran ceasefire talks weighed on risk sentiment, while concerns around the Clarity Act’s potential limits on stablecoin yields and industry pushback added pressure to crypto markets.

Policy & Central Banks

US Weighs Fed–Treasury Restructuring

Scott Bessent has discussed adopting elements of the Bank of England model, raising fresh concerns about Fed independence amid escalating political pressure.

China

Banks Support AI Push as Margins Improve

China’s major banks are set to benefit from large-scale deposit repricing, lowering funding costs while Beijing directs lenders to expand credit to technology and AI-focused firms.

The 4 Key Pillars

Quarterly Themes

Jan – Mar 2026

Real Economy Ai Trade

Traditional Sectors Applying Ai

The next phase of Ai winners will be users, not builders – companies using Ai to cut costs, optimize operations and expand margins quietly.



State Directed Capital

China & Japan's Fiscal Firepower

When consumers slow, governments step in. Growth increasingly follows policy, fiscal spending and reform agendas, not free markets.



Neutrality Premium

Asia's Role As Economic Connectors

Global trade hasn't stopped - it's re-routing. Neutral connector economies benefit by enabling trade between China and the US.



Shock Absorbers

Income & Defense

In volatile market's, portfolio's need stabilisers – income delivers cash flow, while gold and precious metals protect purchasing power.



Peak Ahead

Our Foresight

Jan – Mar 2026

What We Think The Future Holds

Q1 2026	Cashflow Therapy  Income is resilient as volatility fatigue sets in.
	Gold & Beyond  Central bank buying, industrial purchases, low supplies.
	Japan's Quiet Comeback   Corp. reforms & rising wages attract long-term capital.
	Sovereign Capital Boost   Gov's spend to boost economic competitiveness.
Q2 2026	Old Industries, New (Ai) Edge  Tangible Ai gains, unlocking value in traditional sectors.
Q3 2026	Crypto Grows Up   Growing institutional adoption as supplies tighten.
	Asia's Economic Connectors  Asia's export hubs & connectors drive trade recovery.
Q4 2026	Mid-Term Elections  Markets hedge against US political uncertainty.

Performance Heat Map

Asset Class Performance Annually (%)

	2021	2022	2023	2024	2025	2026
Global REITs	32.6%	-23.7%	10.9%	2.8%	8.4%	0.9%
Gold	-3.6%	-0.3%	13.1%	27.2%	64.6%	3.2%
US Equities	26.9%	-19.4%	24.2%	23.3%	16.4%	-3.7%
EM Equities	-4.6%	-22.4%	7.0%	5.1%	30.6%	4.9%
DM Equities	20.1%	-19.5%	21.8%	17.0%	19.5%	-2.7%
Global Equities	16.8%	-19.8%	20.1%	15.7%	20.6%	-1.9%
Gbl ex US Eq	5.5%	-18.3%	12.6%	2.9%	29.2%	1.6%
Global IG Bond	-4.7%	-16.2%	5.7%	-1.7%	8.2%	-0.7%
Global HY Bond	1.0%	-12.7%	14.0%	9.2%	12.1%	-0.8%
China A-Shares	-5.2%	-21.6%	-11.4%	14.7%	17.7%	-3.3%
MY Equities	-3.7%	-4.6%	-2.7%	12.9%	2.3%	2.0%
MY 12M FD	1.7%	2.7%	2.8%	2.5%	2.1%	2.1%

Market Prognosis

- **Gold:** Gold steadied near \$4,500 as mixed US–Iran signals and higher-rate expectations kept gains limited.
- **US:** US equities weakened as geopolitical volatility, rising yields and narrowing leadership pressured valuations and sentiment.
- **Europe:** European markets softened as energy uncertainty and cautious positioning continued to limit upside potential.
- **Asia ex-Japan:** Asia ex-Japan held relatively firm, supported by selective EM strength despite China-related volatility.
- **Japan:** Japanese equities slipped slightly as yen swings and rate-normalisation expectations pressured short-term performance.
- **IG Bonds:** Weak returns underline how duration still struggles to deliver protection in a high-carry environment.
- **HY Bonds:** Yield cushions declines, but tighter spreads leave little room for further upside

Source: AmBank Wealth Management (26 March 2026)

Weekly Focus

The Axis of Evasion

How China and Russia Sustain Iran's Military Machine

26 March 2026

Your 30-Second Briefing

- China, Russia, and Iran run covert supply chains moving dual-use technology globally.
- These networks help Iran continuously rebuild drones and missile systems despite sanctions.
- Disrupting this system requires targeting Chinese, Russian, and third-country intermediaries.

The Long-Read

Iran's military resilience is rooted in a distributed supply chain built with China and Russia. This "Axis of Evasion" enables Tehran to access dual-use technology even under heavy sanctions. China provides electronics, sensors, and industrial materials; Russia contributes drone-production capacity and battlefield engineering insights. Together, they have created a self-reinforcing loop that supports Iran's drone and missile programs.

These flows avoid Western oversight by using civilian electronics markets, shell companies, and regional logistics hubs. The system has matured into a stable and resilient network, allowing Iran to regenerate equipment quickly despite ongoing conflict.

A Network That Evolves Faster Than Restrictions

Each round of sanctions triggers rapid adjustments. When high-end chips are restricted, procurement shifts to secondary markets. When drone components are targeted, networks pivot to batteries, sensors, and navigation modules labeled for civilian use. China's large electronics ecosystem makes monitoring difficult, while Russia expands local production using Iranian designs. Iran's technical base remains intact, enabling fast replenishment.

Weekly Focus

Why Disrupting This System Is Difficult

Iran's supply chains are hard to interrupt because they blend into normal global trade. Many intermediaries are legitimate firms moving large volumes of routine goods.

These actors are not supporting Iran intentionally; they simply lack the capacity or incentives to inspect dual-use items closely. Enforcement becomes structural, not transactional.

Procurement routes also span jurisdictions with weak customs oversight or uneven enforcement. Compliance can be costly, so governments hesitate to tighten controls.

The network persists because it is diffuse, adaptive, and embedded in regional trade. Disruption requires stronger export-control capacity and clearer incentives for countries along the supply chain to cooperate.

The Real Inflection Point

The key issue is no longer how much sanctions tighten, but whether the wider system enabling Iran can be constrained. Targeting Iran alone leaves the supporting architecture untouched.

A more effective approach must focus on the external nodes that keep the Axis of Evasion functioning, from Chinese distributors supplying dual-use components to logistics firms and transshipment hubs that repeatedly appear in procurement routes.

Enforcement needs to be paired with deeper intelligence sharing and stronger capacity-building. Better customs systems, tracking tools, and export-control frameworks can help close gaps that Iran currently exploits.

Pressure alone rarely shifts behaviour. Countries along these supply chains require clear incentives and technical support to enforce controls effectively. Without addressing this broader structure, Iran's network will continue to adapt..

Weekly Focus

What This Means for Investors

Geopolitical risks are likely to stay elevated as Iran continues receiving critical components through China- and Russia-linked supply chains. This limits the impact of sanctions and keeps tensions higher for longer.

A more fragmented supply-chain landscape also means market shocks may not follow familiar patterns. Conflicts may have softer immediate effects on production, but they can still unsettle energy markets, technology inputs, and regional trade.

For investors, resilience becomes increasingly important. Portfolios benefit from assets and companies that can cushion volatility and maintain stability when geopolitical stress rises.

In this environment, safe-haven assets such as gold may continue to play a steady balancing role. Gold has historically held value during periods of uncertainty and may help absorb risk as global tensions persist.

The Bottom Line

Iran's military resilience comes from a wider supply-chain system backed by China and Russia. As long as this network remains in place, geopolitical tensions are unlikely to fade.

For markets, the key is recognising that the uncertainty may last. Positioning for resilience, quality, and selective safe-haven exposure becomes increasingly important in this backdrop..

Structured Investment Strategy

Enhance Yield Strategy

Ai Networking **Arista Networks**

Global Leader in Cloud & AI Networking Solutions

Bull

Growing AI workloads and rising deployment of distributed AI centers are boosting demand for scalable Ethernet.

Bear

Memory constraints delay deployments and hyperscaler reliance adds cyclical risks.

Optical & Photonics **Coherent Corp**

Global Provider of Lasers, Optics & Photonic Materials

Bull

Coherent gains from its Nvidia partnership, advances in photonics that ease bottleneck, and rising AI optics demand that supports pricing and margins.

Bear

Capacity risks may limit supply while slower AI optics adoption reduces visibility.

Autocallable Parameters		Autocallable Parameters	
Variant	EKI (At Maturity)	Variant	EKI (At Maturity)
Currency	MYR	Currency	MYR
Tenure	6 Months	Tenure	6 Months
Coupon	14.0% p.a.	Coupon	23.3% p.a.
Strike	100%	Strike	92.0%
Knock-Out	100%	Knock-Out	92.0%
Knock-In	75.3%	Knock-In	60.0%

Allocation Strategy

2 Key Strategies

- **Income Focused:** Income is valuable now as high rates and uncertainty favour steady, lower-risk returns over growth.
- **Returns Accelerator:** Boosts returns through top equity exposure and added income - ideal for yield and growth seekers.

Returns Accelerator		Income Focused	
Nomura Global Shariah Semiconductor Equity By Nomura Asset Mgt MY		AmIncome & Growth By AmFunds Management Bhd	
3Y Ann Returns +74.3%	Fund Size RM 287 mn	3Y Ann Returns +10.9%	Fund Size RM 32.7 mn
3-year Volatility 29.8%	Risk Rating 5-Aggressive	3-year Volatility 7.0%	Risk Rating 5-Aggressive
Key Fund Features		Key Fund Features	
Structural Scarcity Advanced chips are scarce, strategic assets with pricing power in upcycles.		Cash-Flow First Combines dividend-paying equities and income assets for steady cash flow.	
Shariah Edge Shariah screening filters out highly levered names, resulting in cleaner balance sheets in a cyclical industry.		Downside Aware Actively manages drawdowns through diversified income and defensive positioning.	
AI Enablers Focus on AI enablers (logic, memory, equipment), not just headline AI-hype, capturing broader value creation.		Cycle-Buffer Income stream absorbs volatility during equity drawdowns, reducing forced selling at market lows.	

Bond Strategy

IG Bond Strategy

Financial Sector		Financial Sector	
BNP Paribas SA		Nomura Holdings	
6.198% 03 December 2036		2.608% 14 July 2031	
Ranking Subordinated	Coupon (%) 6.198%	Issuer Sr. Unsecured	Coupon (%) 2.608%
Next Coupon 03 Jun 2026	Maturity In 10.73 years	Next Coupon 14 July 2026	Maturity In 5.34 years
Currency AUD	Moody Rating Baa2	Currency USD	Moody Rating Baa1
Credit Outlook		Credit Outlook	
Positive		Positive	
BNP Paribas benefits from a strong European universal banking franchise, diversified earnings, and solid capital and liquidity buffers.		Nomura is supported by adequate capitalisation, strong domestic Japanese franchise, and a stable funding profile.	
Negative		Negative	
Credit profile is exposed to European economic cycles, regulatory changes, and capital intensity from its large corporate and investment banking activities		Earnings volatility from market-driven businesses and weaker global competitiveness constrain overall credit strength.	

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