



SERENIS

FAMILY CAPITAL

Monthly Markets Chronicle

March 2026



1995 - 2025

Three decades of trust, expertise, and serenity.

Fear is Good

“Fear is good... It keeps you alert, it leads you to weigh all options. Fear is the ally of the courageous and the worst enemy of the fearful.”

Luis Zueco, The Castle

March 2026 was not only a month of rupture for markets. It was above all a month of revelation. A revelation of the fragility of balances still taken for granted. A revelation of the return to the forefront of geopolitics, energy, supply chains and the real cost of dependence. A revelation, finally, of the gap between a financial narrative built on fluidity and a reality that has become more conflictual, more material and more constrained. The past month has therefore not opened a new world; it has confirmed, with brutality, the one that was already in the process of emerging.

This is how March must be read. Major shocks do not only disrupt asset prices; they also separate robust analytical frameworks from more fragile constructions. The idea that fear is the ally of the courageous and the worst enemy of the fearful takes on its full meaning here. For some, it generates confusion and overreaction. For others, it becomes an instrument of clarification. It forces a return to essentials, to distinguish noise from signal, and to reassess the real conditions of portfolio robustness.

Since our first monthly chronicle, we have been closely monitoring these fault lines: return of power, geopolitical fragmentation, centrality of energy, vulnerability of long supply chains, and the risk of a more inflationary and more unstable regime. These themes did not appear in March. They have formed the backbone of our analysis from the outset. What this month has changed is not their nature, but their degree of visibility. It is within this framework that one must read the correction in equity markets, the rise in bond yields, the sharp repricing of stagflation risk, the extreme divergence between the surge in energy and the correction in metals, but also the stress test of sectors whose prosperity largely relied on the fluidity of the old world, starting with luxury.

In this environment, the responsibility of an investment committee is neither to deny the shock nor to dramatize it. It consists in preserving lucidity, maintaining discipline, and seeking that demanding form of serenity which allows one to recognize a regime shift without sacrificing long-term coherence. March 2026 will thus remain as a moment of extreme tension, but also as a moment of validation.



Markets and Investment Committee Positioning

The month of March 2026 will remain engraved in financial history as a period of brutal transition, marked by the definitive collapse of the economic resilience narrative in favor of a violent geopolitical reality. While the year had begun under the auspices of a constructive equity dynamic driven by advances in artificial intelligence and a gradual normalization of inflation, the sudden escalation of the conflict in the Middle East acted as a catalyst for renewed aversion to risk. The triggering event was the closure of the Strait of Hormuz, a vital artery through which between 20% and 27% of global oil production transits, triggering an energy shock of a magnitude rarely observed since the oil crises of the 20th century.

This shock led to an immediate repricing of all asset classes. Global equities recorded their largest monthly decline since 2022, sovereign bond yields surged under the pressure of inflation expectations, and the commodities complex became the stage for a historic divergence between the surge in energy prices and a severe correction in precious and industrial metals. The global macroeconomic landscape thus darkened, with the re-emergence of the specter of stagflation, a paralyzing mix of stagnant growth and persistent inflation that central banks struggle to address with conventional tools. Faced with the magnitude of the oil shock, major financial institutions have radically revised their growth models. Recession probability forecasts have surged globally, sometimes approaching 30% according to some analysts. Within the eurozone, the impact has been particularly pronounced. The latest projections from the European Central Bank indicate a downward revision of GDP growth for 2026 to 0.9%, compared to 1.2% previously expected.

This correction mainly reflects the erosion of household purchasing power as well as rising production costs, weighing jointly on consumption and investment.

The US labor market report for March 2026 provided a temporary moment of relief for investors, with the creation of 178,000 non-farm jobs, far exceeding expectations, which were around 60,000. However, economists note that the labor market remains in a state of “low hiring, low firing.”

Equity Indexes	Value	MTD	2026
S&P 500 (USA)	6'529	-5.1%	-4.6%
Nasdaq 100 (USA)	23'740	-4.9%	-6.0%
Euro Stoxx 50 (Europe)	5'570	-9.3%	-3.8%
SMI (Switzerland)	12'777	-8.8%	-3.7%
Nikkei 225 (Japan)	51'064	-13.2%	1.4%
CSI 300 (China)	4'450	-5.5%	-3.9%
Currencies	Value	MTD	2026
EUR/USD	1.181	-2.2%	-1.6%
USD/CHF	0.769	3.9%	0.9%
EUR/CHF	0.909	1.7%	-0.8%
GBP/USD	1.348	-1.9%	-1.8%
USD/JPY	156.050	1.7%	1.3%
Bond Indexes		MTD	2026
Government US		-1.7%	0.0%
US Corporate IG		-2.0%	-0.5%
US Corporate HY		-1.2%	-0.5%
Government EU		-3.0%	-0.9%
EU Corporate IG		-2.4%	-1.1%
EU Corporate HY		-2.4%	-1.5%
Other Asset Classes	Value	MTD	2026
Gold	4 668	-11.6%	8.1%
Brent Crude	118.35	63.3%	94.5%
Bitcoin	68 194	4.1%	-22.2%
Rates / Indicators	Value	Δ MTD	Δ 2026
US 10-year rate	4.32%	0.38%	0.15%
GER 10-year rate	3.00%	0.36%	0.15%
US Unemployment	4.40%	0.1%	-0.1%
Volatility Index (VIX)	25.3	5.4	10.3



On Wall Street, the S&P 500 ended the month about 9% below its January peak. The decline was broad-based, but sector performance revealed an extreme divergence. The Energy sector was the only positive contributor, rising 10.28% in March.

Bond markets also experienced increased tensions, with a generalized rise in yields across the curve. Monetary policy expectations have been significantly revised: while several rate cuts were expected at the beginning of the year, the central scenario is now shifting toward a status quo, or even a tightening bias in the event of persistent inflationary pressures linked to energy. A similar dynamic is observed in Europe.

In contrast to energy, metals experienced a sharp correction, with gold falling by 11%. This decline, despite the war context, can be explained by two factors: on the one hand, massive profit-taking following a prolonged rally, and on the other hand, the use of precious metals as a source of liquidity to cover losses in equity and bond markets.

In this volatile environment, Bitcoin stood out for its relative resilience, posting a positive performance despite the generalized decline in traditional assets.

In this uncertain environment, the investment committee made strong decisions for the next three months, choosing to reduce equity exposure by underweighting European and emerging markets on the one hand, and reducing high-yield bonds on the other. Allocation to US equities is maintained at a neutral level.

This positioning reflects a differentiated analysis of the impact of the energy shock across regions. The United States appears relatively better positioned to absorb a sustained increase in energy costs, benefiting from its status as a net exporter of hydrocarbons and from an economic structure oriented toward services, which are less energy-intensive. By contrast, Europe remains more vulnerable due to its energy dependence and greater exposure to external shocks.

These reallocations translate into a significant increase in the portfolio's cash allocation. In an environment characterized by heightened stagflation risks, this positioning aims to preserve flexibility and protect capital, while allowing the portfolio to capture potential investment opportunities as macroeconomic visibility improves, particularly in the event of easing geopolitical tensions.

The main investment convictions associated with the satellite allocation remain broadly unchanged in the eyes of the investment committee, while having been subject to targeted tactical adjustments.

The weighting of the "inflation shield" segment has thus been reduced, alongside the introduction of a new theme focused on inflation-linked bonds based on forward inflation expectations.

This evolution is driven by a dual rationale: on the one hand, partial profit-taking following a significant rally of around 125%, and on the other hand, strengthening the risk management framework in an environment marked by increased volatility.



As part of the strategic resources thesis, a new sub-segment focused on agriculture has been introduced. The sharp rise in fertilizer prices, resulting from disruptions in urea imports, is prompting states to reconfigure their supply chains, placing food security at the center of their strategic priorities.

Overall, the investment committee maintains a prudent and disciplined stance, adapted to a market environment characterized by still resilient economic fundamentals but in a phase of fragilization, against a backdrop of heightened geopolitical risks.

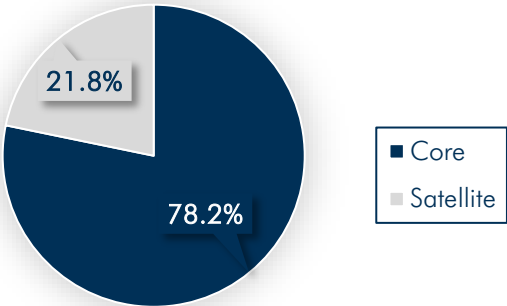


Our current positioning

Core		78.2%
Cash		9.1%
US Market Equities		23.9%
European Market Equities		11.1%
Emerging Markets Equities		3.1%
Investment Grade Bonds		14.5%
Sovereign Debt Bonds		10.8%
High Yield Bonds		5.7%

Satellite		21.8%
Inflation Shield		6.3%
<i>Inflation Shield aims to preserve long-term value by positioning the portfolio against inflationary pressures and currency depreciation, through resilient assets adapted to different economic regimes.</i>		
Re-Care-Nation		2.4%
<i>Re-Care-Nation blends healthcare and biotech exposure to capture long-term structural demand driven by demographics, innovation and rising global healthcare needs.</i>		
Strategic Resources		3.6%
<i>Strategic Resources focuses on critical energy and materials, targeting assets essential to energy security, supply resilience and long-term strategic autonomy.</i>		
Strategic Security		4.1%
<i>Strategic Security focuses on defense, security infrastructure and advanced technologies, benefiting from rising investment in protection and strategic resilience.</i>		
US & Friends		2.8%
<i>US & Friends provides diversified equity exposure to key U.S.-aligned markets.</i>		
USD Debasement		2.5%
<i>USD Debasement combines currency diversification with attractive bond yields outside the dollar bloc, while limiting exposure to the long-term depreciation of the U.S. dollar.</i>		

Core - Satellite Allocation



Thinking Forward: Luxury Put to the Test of Friction

“Very few of us realize with conviction the intensely unusual, unstable, complicated, unreliable and temporary nature of the economic organization by which Western Europe has lived during the last half-century. We assume that some of our most peculiar and temporary advantages are natural, permanent and reliable, and we plan accordingly.”

John Maynard Keynes, The Economic Consequences of the Peace (1919)

On September 13, 112 AD, when Trajan’s new port becomes fully operational at Portus, on the Tyrrhenian coast at the mouth of the Tiber, the event goes far beyond a simple improvement in Rome’s supply system. What is at stake is not merely the opening of an additional infrastructure, but the manifestation of a political order that has reached its highest degree of material conversion. Portus, with its hexagonal basin, its quays, its warehouses, its canals and its connections to the Tiber, gives visible form to a deeper capacity: that of a power able to organize, secure and stabilize the flows upon which its own greatness rests. Trajan matters here less as a conqueror than as the embodiment of a moment when political, military and administrative power seems able to translate, almost without friction, into concrete mastery of routes, ports, currencies, warehouses and circulations.

The hallmark of a great order is not only that it conquers; it is that it makes possible. And what Rome makes possible at Portus is not only the transport of necessities, but the coexistence of the essential and the precious, of need and refinement. Grain intended to feed an urban population without equivalent stands alongside marble, perfumed oils, fine glassware, spices from distant eastern lands, and rare fabrics that signal wealth, status and distinction. This juxtaposition is far from anecdotal. It says something essential about the very nature of luxury in great civilizations. Luxury is never an isolated phenomenon. It exists sustainably only when a sufficiently solid system is capable of holding together the provisioning of the many and the access of the few to the most refined forms of rarity. In this sense, Portus already offers a decisive first lesson. It is not primarily the objects that define luxury, but the conditions that make them accessible, credible and continuously available.

The most subtle characteristic of great orders is not simply that they produce abundance or refinement, but that they eventually render invisible the very conditions of their effectiveness. When roads are safe, ports functional, currencies accepted, administrative institutions stable and flows regular, the societies that benefit from them gradually cease to perceive the effort, discipline and power required to sustain this equilibrium.

They no longer see the architecture that underpins their prosperity; they perceive only the result. Luxury then ceases to appear as a fragile conquest, supported by long supply chains, costly security and constant political trade-offs. It becomes available, then habitual, then almost banal.



It is at this precise point that the illusion emerges: not the illusion of the beauty of objects, nor even that of the prestige they confer, but a deeper illusion — that of a world in which the conditions of fluidity have become natural.

They never are. Behind the refined object, there is always more than taste: maintained infrastructures, secured routes, available energy, transactions enabled by trust, as well as a political order strong enough to guarantee that what comes from afar will indeed reach its destination. The most sophisticated civilizations often commit the same historical mistake: they take as permanent what is in reality only a provisional equilibrium, and as natural evidence what is merely the temporary effect of a stabilized balance of power. Refinement, when it endures, produces its own amnesia. The more it becomes part of daily life for those who benefit from it, the less they perceive what sustains it. This is what makes the Roman analogy so relevant today. Contemporary luxury has long lived under a similar illusion. For nearly three decades, it developed as if the fluidity of global trade, the international mobility of elites, the openness of markets, the relative stability of energy, the low cost of transport, the availability of subcontracting and the apparent neutrality of value chains were part of a natural framework.

In this environment, major luxury houses were able to give the impression that their power derived almost exclusively from brand, narrative, desire and distribution. In reality, this power also rested on an extraordinarily favorable material, political, logistical and energy backdrop, whose relative stability ultimately masked its exceptional nature. As long as this backdrop remained intact, luxury could appear as an almost autonomous universe, capable of transforming desirability into margins, globalization into staged rarity, and the frictionless circulation of goods into silent evidence. But it is precisely this evidence that is now cracking. The question is therefore no longer simply whether luxury remains desirable. It becomes deeper: in what kind of world can it still maintain its credibility, at what cost, and under the protection of which material, political and logistical conditions can the very promise of luxury still be sustainably upheld.

The shift that luxury is now facing did not emerge in 2026, nor can it be reduced to a simple cyclical downturn. It has formed in successive layers, as what one might, with a degree of retrospective irony, call the “happy free trade” of the last three decades began to fracture.

For a long time, luxury houses evolved in a world where trade openness, declining logistics costs, relative energy abundance, customer mobility and the international fragmentation of production seemed almost normal. The pandemic revealed its material fragilities. The return of great-power conflict politicized dependencies. Energy tensions reminded us of their physical brutality. And the reassertion of neo-mercantilist logics destroyed the illusion of legal stability. What companies now discover is not merely a more protectionist world. It is a world in which the trade framework itself ceases to be relatively predictable and becomes a variable of power — legally fluid, politically reversible and strategically instrumentalized. For luxury, this shift is decisive. The issue is no longer simply to sell to a more hesitant global clientele; it is to determine where to produce, under what tariff exposure, in which jurisdictions, with what regulatory visibility, and at what level of geopolitical vulnerability.



This deterioration of the broader framework immediately transforms the logic of value chains. For years, these had been built according to a simple grammar: optimize cost, compress timelines, fragment operations, outsource what could be outsourced, and rely on the implicit assumption of lasting fluidity in flows. This model has not disappeared overnight, but it is gradually ceasing to be the organizing principle of the sector. The issue is therefore no longer merely the unit cost of a product, but the total cost of a system that has become heavier, more cautious and less fluid. This implies more inventory, more redundancies, greater capital immobilization, less flexibility in production decisions, and increasing pressure on margins and balance sheets. In this new environment, production geography once again becomes a strategic variable. The ability to directly control a significant share of workshops, know-how and supply sources is no longer just a marker of quality or authenticity; it becomes a condition of resilience. Where outsourcing once allowed cost structures to be lightened, it now exposes companies to disruptions that the market absorbs less and less easily. Luxury remains, of course, an industry of desire, but it is once again becoming an industry of continuity.

To this pressure on supply is added a constraint of another nature: the return of energy and hard geopolitics as cost multipliers. For luxury, the issue is not simply that energy becomes more expensive. It is that this increase diffuses across every layer of the system: raw materials, transformation, transport, storage, distribution, last mile, and even the operation of retail locations. This diffusion acts as a cross-sector tax on an industry that had already extensively leveraged its pricing power in the aftermath of the pandemic. This is where fragility becomes more subtle. The more price increases result from imposed frictions, the less they can be presented as the credible expression of genuine premiumization, greater rarity or superior refinement.

In other words, the more prices rise under constraint, the more they risk detaching from perceived value.

This tension logically begins to affect demand itself, but in a differentiated manner. In the United States, the most vulnerable segment appears to be the aspirational consumer — affluent but not truly wealthy — who has largely contributed to the broadening of the listed luxury customer base. The issue is therefore not only a general decline in demand, but an internal bifurcation of the sector between truly patrimonial luxury and a more discretionary luxury tied to social projection or aspiration. China, for its part, presents a challenge of a different depth. For more than twenty years, it has served as a near-universal engine of growth for luxury houses. But the issue is no longer merely economic slowdown. It is broader: China is making the symbolic status of Western luxury more ambiguous within its domestic space. It remains desirable for part of the clientele, but it no longer operates in the same climate of spontaneity as before. The Chinese issue is therefore not only one of growth; it is also one of perceived wealth, confidence and cultural reversibility of demand.

In this context, it is misleading to speak of luxury as a homogeneous block destined for a uniform trajectory. The change in framework does not uniformly destroy the sector; it reshapes its internal hierarchy, more clearly separating models capable of absorbing the end of fluidity from those that had made it, often implicitly, a core condition of their prosperity. Houses with strong cash generation, more patrimonial clientele, better geographical



diversification, genuinely credible pricing power and tighter control over their value chains enter this new environment from a far stronger position than those burdened by excessive dependence on China, volume pressure, greater exposure to aspirational consumers and weaker control over production conditions. To this economic differentiation is now added a more political and social exposure. In societies shaped by deteriorating public finances, rising distributive tensions and increasing visibility of wealth disparities, luxury becomes once again, at least at times, not only an industry but a symbol. And when a sector becomes a symbol, it no longer evolves solely within the framework of market fundamentals; it enters more directly into the realm of taxation, social perception and legitimacy.

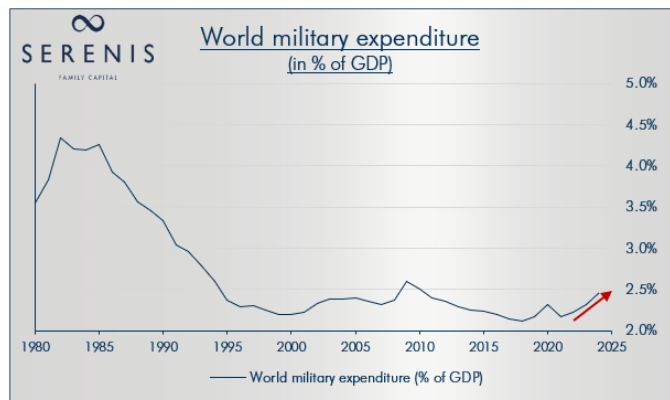
But the main issue, for investors, lies even deeper. For nearly three decades, most of the premium has been captured downstream — through brand, desirability, global distribution and the ability to transform a globalized value chain into a narrative, and that narrative into margins. In the world that is emerging, this hierarchy may no longer hold.

As energy costs rise, geopolitical risks intensify, tariff constraints increase, supply sensitivity grows and operational continuity becomes more critical, a growing share of value may shift back toward the very conditions that make luxury possible: excellence workshops, rare know-how, control of production, secure access to materials, protected production geographies, and tangible assets capable of ensuring that the promise made to the client can still be delivered in a less stable world. This shift affects many sectors, but with varying intensity; for investors, it requires a reassessment of analytical frameworks. Luxury here stands as a particularly revealing case study.

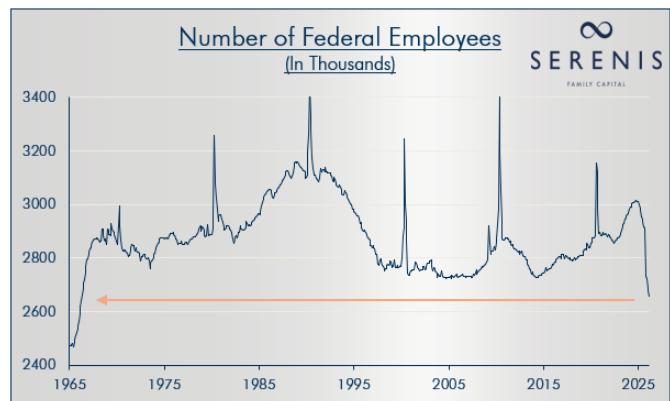


Three charts

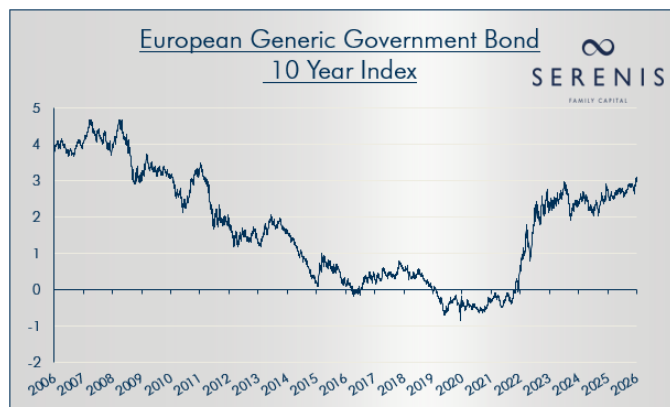
As geopolitical tensions have intensified over the past two years, global military spending, as a share of GDP growth, remains significantly below the levels seen in the 1980s, standing at around 2.5%. Despite increasing fiscal constraints for governments, all indications suggest that the underlying trend will remain upward.



Although the objectives of DOGE (Department of Government Efficiency) have not fully met expectations, federal fiscal austerity is now a reality. While the Biden administration had massively created federal jobs during its term, a 180-degree shift has been underway for several months: 355,000 federal jobs have been cut since October 2024.



After several years of persistently low, even negative, rates, the yield on German 10-year debt rebounded sharply from 2021 before stabilizing for nearly three years. It is now rising again and reaching its highest levels since the eurozone crisis in 2011. This new acceleration phase is largely explained by the oil shock linked to the conflict in Iran, which has led to a sharp increase in energy prices and revived fears of a return of inflation in Europe.





“Markets can only be understood backwards, but they must be invested thinking forward”

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