

Middle East War: *Bis-repetita* of 2022?

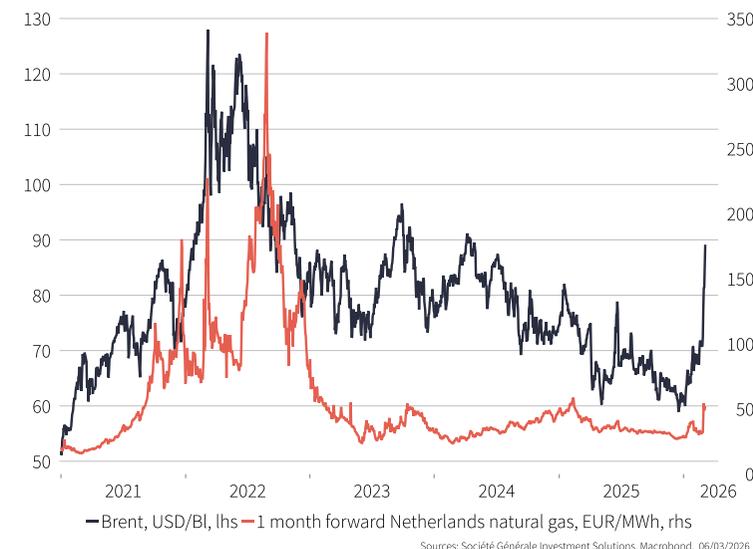
On the financial front, the US-Israeli war against Iran has caused an increase financial in volatility and, above all, a sharp rise in oil and natural gas prices. At this stage, we believe this conflict will remain short-lived and will not produce lasting disruptions in energy markets. We therefore maintain a constructive outlook for the economy and markets, with resilient growth in both the United States and Europe. At the central bank level, the current situation should encourage the ECB and the Fed to maintain the status quo at their upcoming meetings.

A war that revives fears of an energy crisis. The US/Israeli airstrikes on various Iranian sites since February 28, along with Iran's retaliatory strikes against several countries in the region, have resulted in a significant rise in energy prices. Indeed, oil prices have increased to USD 89/BL following the start of hostilities, marking a 47% increase since the beginning of the year. This brings oil prices to their highest level since 2024. The price of European natural gas has also seen a significant increase, rising by 63% to reach EUR 51/MWh. However, these levels remain considerably lower than those of 2022 at the start of the war in Ukraine. Furthermore, at this stage, we believe that this conflict will be of limited duration and, unlike the conflict in Ukraine, will not result in significant disruptions to energy markets. Indeed, first of all, the oil market is currently in surplus, with production from OPEC+ and the United States peaking at high levels, and production in other countries such as Brazil or

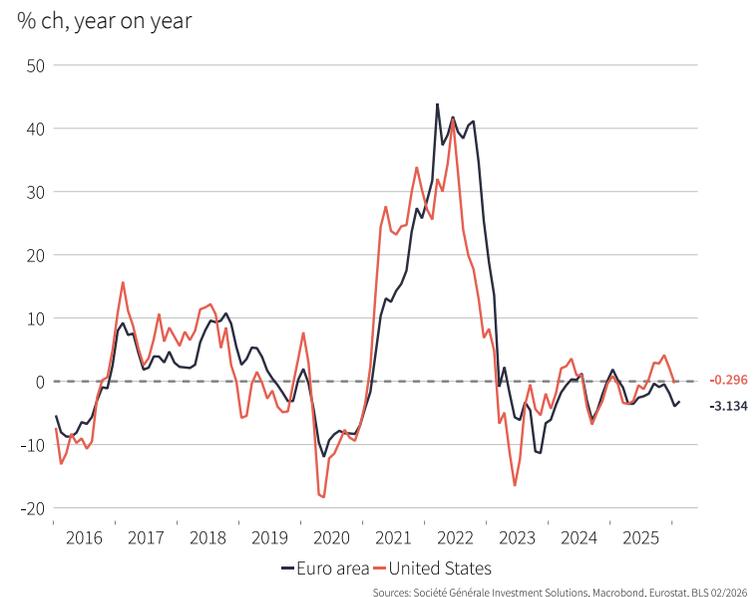
Guyana continues to see an increase. Furthermore, inventory levels are also high in various major economies. This explains why the rise in oil prices has remained contained so far compared to 2022. Similarly, in Europe, the diversification of gas suppliers and the shift towards other energy sources explains the contained price increase to date.

Short-term inflationary pressures, resilient activity, and central banks on pause. In our scenario of a limited-duration conflict, rising energy prices are expected to have only a temporary effect on inflation and economic activity. In the euro area, one of the regions most dependent on energy imports, inflation is close to the ECB's 2% target, with a negative contribution from energy prices in February and a small contribution from industrial goods. Moreover, while growth remains on track due to fiscal stimulus packages and past ECB interest rate cuts, labor markets are not exhibiting the same imbalances as in 2022, and supply constraints are less pronounced. In this context, we expect headline inflation to rise only temporarily. Therefore, we continue to expect the ECB to maintain its key interest rate at 2% in the coming months, while emphasizing that it will remain vigilant should underlying tensions arise. In the United States, rising energy prices would have only a limited effect over time, and growth would remain resilient in the context of the OBBA stimulus package and AI-related investment plans. Regarding inflation, although the United States is energy independent, rising energy prices are expected to add upward pressure on inflation in the short term, as it has moved further away from the Fed's 2% target, reaching 3% by the end of 2025. In this context, the Fed would remain even more vigilant. This reinforces our scenario that the Fed would keep its key interest rate stable at 3.5%-3.75% throughout 2026.

CRUDE OIL AND NATURAL GAS PRICES



INFLATION RATE, ENERGY COMPONENT



OUR MACRO COMMENTS

Events of the week

UNITED STATES :

This week's U.S. economic data underscores the resilience of the country's economic activity. Indeed, the February ISM manufacturing index remains in expansion territory, at 52.4, with the production and new orders sub-components in the zone also in sustained expansion territory. The bad news from this publication came from the selling price sub-component, which accelerated significantly to a level of 70, its level at the peaks of the tensions of the March 2025 tariff increases. The ISM services index for February is also in line with growth that should remain resilient in the coming months. Indeed, the total index rose to a level of 56, with the production components and new orders accelerating sharply. While the selling price sub-component has declined to a level of 63, it remains at a high level and consistent with inflation closer to 3% than the Fed's 2% target. Overall, these data are in line with our scenario of economic activity being well oriented but with inflationary pressures still present, which should lead the Fed to maintain its key rate at 3.5%-3.75% in 2026.

EURO AREA :

In February, inflation in the euro area reached 1.9%, slightly above expectations and up 0.2 percentage points compared to January. The rise in prices in February was largely driven by services inflation, which reached 3.4%. Core inflation, which excludes volatile items such as energy and food, reached 2.4%, a slight increase compared to the previous month. Overall inflation is approaching the ECB's target of 2%, which is in line with our economic scenario. The ECB is monitoring the impact of the ongoing war in the Middle East on inflation in the euro area. The expected impact on inflation is upward, driven by a potential rise in energy prices that could increase inflation by 0.5 percentage points over the medium term. The ECB states that it has not factored this potential inflationary impact into its monetary policy decision and that the decision will depend on the data.

EVENTS IN THE COMING MONTHS

March 15: Municipal elections in France

March 18: Fed monetary policy meeting

March 19: ECB monetary policy meeting

March 19: BoE monetary policy meeting

March : Adoption of the 15th five-year plan in China

Source: Macrobond, March 6, 2026. The colors in the 'Actual' column correspond to the difference from the forecast

KEY EVENTS NEXT WEEK



Monday

China Inflation rate FEBRUARY

Tuesday

China Balance of trade JANUARY-FEBRUARY

Germany
France Balance of trade FEBRUARY

Japan GDP growth rate 2025

Wednesday

United States
- Core inflation rate FEBRUARY
- Inflation rate FEBRUARY

Thursday

United States
- Building permits JANUARY
- Balance of trade JANUARY

Friday

United States Durable goods orders JANUARY

United Kingdom Balance of trade JANUARY

MARKET PERFORMANCES

Interbank rates

%	04/03/2026	06/02/2026	05/12/2025	01/01/2024	06/03/2025
US SOFR	3,673	3,66	3,98	5,34	4,35
Euro area €ster	1,934	1,93	1,93	3,88	2,67
UK SONIA	3,730	3,73	3,97	5,19	4,46
Switzerland SARON	-0,049	-0,04	-0,04	1,70	0,44
Japan TONAR	0,730	0,73	0,48	-0,04	0,48

10Y Government rates

%	05/03/2026	06/02/2026	05/12/2025	01/01/2024	06/03/2025
US Treasuries	4,13	4,22	4,14	3,88	4,29
France OAT	3,47	3,45	3,53	2,55	3,60
Germany Bund	2,84	2,84	2,80	2,02	2,89
Italy BTP	3,55	3,46	3,53	3,70	3,95
Spain Bonos	3,30	3,27	3,26	2,98	3,55
Switzerland	0,35	0,29	0,19	0,66	0,65
UK Gilts	4,56	4,59	4,54	3,60	4,71
Japan JGB	2,11	2,22	1,92	0,62	1,50

Credit

%	05/03/2026	06/02/2026	05/12/2025	01/01/2024	06/03/2025
United States IG	4,88	4,83	4,84	5,06	5,15
United States HY	6,81	6,58	6,58	7,59	7,30
Europe IG	3,50	3,34	3,36	3,72	3,62
Europe HY	5,54	5,23	5,24	6,80	5,67
Emerging FX	5,54	5,47	5,54	6,77	6,21

Equity indices

05/03/2026 vs	-1w	-1m	-3m	01/01/2024	-1y
World	-2,33	-0,933	2,677	46,68	22,67
United States	-0,79	-1,478	0,213	45,61	19,89
Euro area	-5,40	-2,916	2,425	37,80	15,03
France	-6,08	-2,548	0,240	14,64	4,15
Germany	-5,90	-3,581	0,016	37,68	6,25
United Kingdom	-4,38	0,704	8,549	43,15	23,06
Japan	-5,94	0,251	9,657	64,39	40,51
Emerging	-5,35	0,335	8,845	58,71	38,61
China USD	-4,98	-6,534	-7,439	47,85	10,11
India USD	-2,69	-4,099	-4,974	8,88	9,39
Latin America USD	-6,63	-4,667	13,797	26,83	61,51

Foreign exchange rates

	05/03/2026	06/02/2026	05/12/2025	01/01/2024	06/03/2025
EUR/USD	1,16	1,18	1,16	1,11	1,08
GBP/USD	1,33	1,36	1,33	1,27	1,29
EUR/CHF	0,91	0,92	0,94	0,93	0,96
USD/JPY	157,55	156,91	155,23	141,03	148,17
USD/CNY	6,90	6,94	7,07	7,08	7,25

Commodity prices

	05/03/2026	06/02/2026	05/12/2025	01/01/2024	06/03/2025
Brent, USD/BL	84	68	64	77	69
Copper, USD/Metric ton	12841	12840	11645	8476	9654
Gold, USD/Troy oz	5104	4948	4243	2078	2922
Silver, USD/Troy oz	84	75	58	24	32
Palladium, USD/Troy oz	1645	1693	1459	1136	947
Platinum, USD/Troy oz	2149	2054	1645	1000	972

Source : Bloomberg on 6 March 2026, 1W=1 week change, 3M=3 month change, 12M=12 month change, YTD=year to date change, Equities; total return in local currency. Government bonds = 10 year returns. Figures are rounded.

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