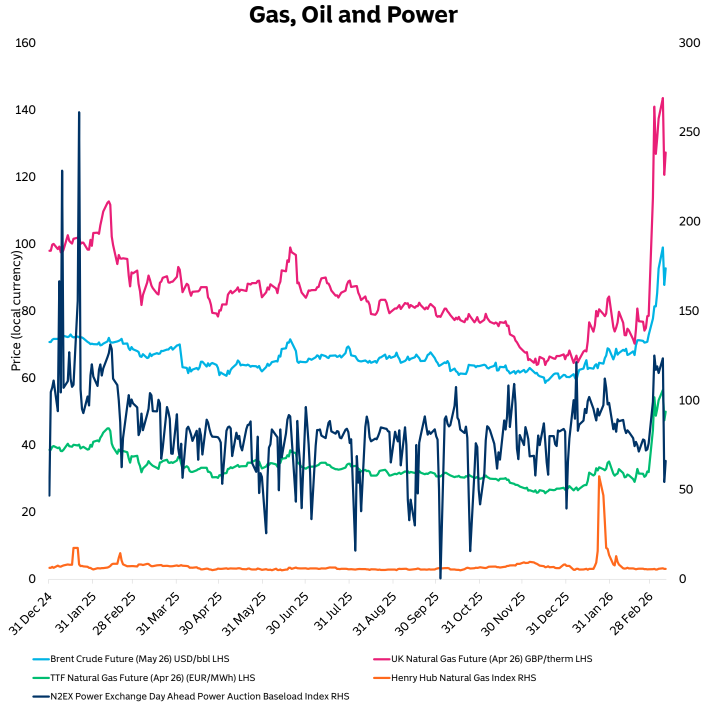
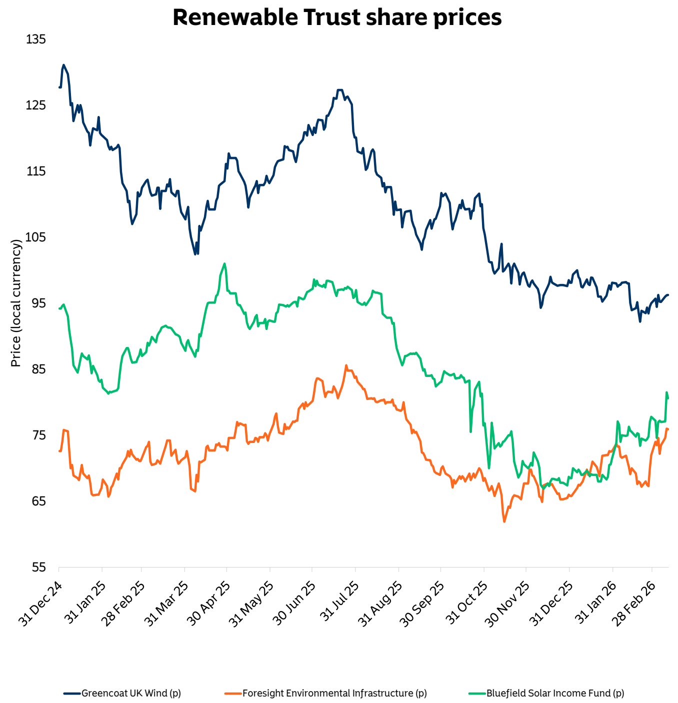
Chart(s) of the Week

16 March 2026

momentum
global investment management





Source: Bloomberg Finance L.P., Momentum Global Investment Management as at 11 March 2026.

Oil, Gas, Power Prices and Renewables

Richard Parfect
Fund Manager

What these charts shows

The top chart shows how the UK's Natural gas cost fell throughout 2025, that broadly had the effect of reducing wholesale power prices. Those lower power prices and also a weak first half in terms of the amount of wind available to generate power, meant that it was a difficult year for renewable investment trust share prices (although actual returns were better due to dividend income which is not included).

More recently with the outbreak of war with Iran and what appears to be the risk of a prolonged blockage in the Straits of Hormuz and damaged energy infrastructure in Gulf region, there has been a dramatic increase of UK and European gas prices. This has had an associated knock-on impact on power prices (as gas sets the marginal price of power). What is also noteworthy is how Henry Hub (US gas prices) barely flicker, although there was a significant impact from extreme (cold) US weather conditions in January 2026. Note too how the UK suffers higher gas prices (even adjusting for currency) than Europe.

The impact of weather is also evident in the most recent day ahead power prices. When wind speeds across the UK were low, gas prices were peaking, as higher demand increased reliance on gas fired generation. Since 11 March, however, wind speeds have risen sharply, leading to a significant fall in power prices as the need to rely on still expensive gas generation has reduced materially.

Ultimately it shows how global resilience to geopolitical shocks of the scale seen in the Iran War is very low.

Why is it important

Aside from showing how vulnerable the world economy is to such tragic events, it also illustrates, once again, how the renewable energy sceptics are on the wrong side of events. For countries such as the UK with a large installed capital base of renewable generation, anything that reduces the total amount of gas required to produce power helps reduce the amount of gas we have to buy off the global market. Contrary to President Trump's assertions, China is the world's largest electricity producer from renewable sources and its carbon dioxide emissions fell for the first time in 2025, with solar output increasing 43% year on year and wind by 14%.[1]

Acting on these events, we have taken increased positions in the UK listed renewable trusts, Greencoat UK Wind, Foresight Environmental Infrastructure and Bluefield Solar Income Fund (as shown in the lower chart). Having seen their Net Asset Values fall in recent months due in part to falling forward power curve forecasts, we are now expecting to see increased cashflows from stronger near term power generation and the ability to lock in higher prices than previously expected for up to the next 2 years.

Source: [1] Analysis: China's CO2 emissions have now been 'flat or falling' for 21 months - Carbon Brief.

Weekly market update

Week ending 13 March 2026

momentum
global investment management

Geopolitical tensions in the Middle East, particularly the Iran conflict and Strait of Hormuz risks, dominated markets and politics worldwide, driving energy price volatility, shaping economic policy, and overshadowing domestic macroeconomic trends.

US

- **Iran conflict dominates US politics and markets:** President Donald Trump signalled potential further strikes on Iranian energy infrastructure as tensions in the Strait of Hormuz pushed oil prices above $100 and increased global market volatility.
- **Congressional debate over war powers intensifies:** Lawmakers from both parties are questioning the administration's authority to launch major military actions without explicit congressional approval, raising the prospect of legislative constraints.
- **Senior US-China economic talks held in Paris:** Officials from the US and China met to prepare for a late-March summit between Donald Trump and Xi Jinping, discussing tariffs, export controls, and rare-earth supply chains.
- **Midterm political positioning begins:** Early campaigning for the 2026 congressional elections is ramping up, with policy debates around election security and voting rules becoming a prominent partisan issue.

UK

- **Energy price shock raises cost-of-living concerns:** Rising oil prices tied to the Hormuz crisis are pushing up energy costs, prompting the government to consider household support measures.
- **UK debates military response in Hormuz crisis:** The government is considering naval support to protect shipping routes amid Iranian threats to close the strait.
- **Economic data releases (GDP and labour indicators):** UK macro data this week contributed to expectations around the Bank of England's monetary policy outlook.
- **Brexit reset discussions:** UK policymakers are exploring limited policy adjustments to improve relations with the EU, including possible cooperation measures.

Europe

- **European markets affected by energy price shock:** Rising oil prices linked to Middle East tensions weighed on equities and investor sentiment across the region.
- **Trade balance data from major economies:** Germany and France released trade figures, providing insight into export performance amid global demand uncertainty.
- **EU policymakers review strategic priorities:** EU ministers and the European Parliament debated policy issues including investment initiatives and regulation of AI-related content.
- **Energy security debate intensifies:** Concerns over supply disruptions renewed debate over the EU's long-term energy strategy and decarbonisation policies.

Rest of the World/Asia

- **China's Government sets 2026 economic targets:** Beijing reaffirmed GDP growth guidance around 4.5–5% and emphasised boosting domestic consumption amid property-sector weakness.
- **Diplomatic approach to Hormuz crisis:** China prioritised diplomacy rather than military involvement despite potential energy supply risks.
- **Japan's Energy security concerns rise:** Japan, heavily dependent on Middle Eastern oil, is evaluating participation in maritime operations to protect shipping routes in the Strait of Hormuz.
- **Global strategic oil reserves released:** Members of the International Energy Agency agreed a coordinated release of roughly 400 million barrels from strategic petroleum reserves, including a 172 million-barrel draw down from the US Strategic Petroleum Reserve, to stabilise markets after oil prices surged following escalating tensions in the Strait of Hormuz.

Weekly market data

Week ending 13 March 2026

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		Cumulative returns			
Asset Class / Region	**Currency**	**Week ending 13 March**	**Month to date**	**YTD 2026**	**12 months**
Developed Markets Equities					
United States	USD	-1.6%	-3.5%	-2.9%	21.2%
United Kingdom	GBP	0.1%	-5.4%	4.6%	24.4%
Continental Europe	EUR	-0.5%	-6.3%	-0.2%	10.7%
Japan	JPY	-2.4%	-7.9%	6.5%	37.8%
Asia Pacific (ex Japan)	USD	-2.0%	-8.1%	5.3%	34.3%
Australia	AUD	-2.5%	-5.7%	-0.1%	14.9%
Global	USD	-1.7%	-4.9%	-2.1%	21.9%
Emerging Markets Equities					
Emerging Europe	USD	-0.7%	-9.0%	0.7%	28.4%
Emerging Asia	USD	-2.0%	-8.5%	5.3%	36.3%
Emerging Latin America	USD	-1.5%	-9.3%	8.6%	52.7%
BRICs	USD	-1.6%	-5.2%	-5.3%	8.6%
China	USD	0.4%	-2.6%	-3.9%	8.1%
MENA countries	USD	-1.6%	-4.1%	-0.7%	-0.2%
South Africa	USD	-3.5%	-17.6%	-2.2%	57.7%
India	USD	-5.8%	-9.5%	-13.8%	-1.8%
Global emerging markets	USD	-2.0%	-8.7%	4.8%	35.7%
Bonds					
US Treasuries	USD	-0.8%	-1.8%	0.1%	3.6%
US Treasuries (inflation protected)	USD	-0.6%	-1.1%	0.6%	4.5%
US Corporate (investment grade)	USD	-1.4%	-2.2%	-0.7%	5.1%
US High Yield	USD	-0.7%	-1.1%	-0.5%	7.0%
UK Gilts	GBP	-1.1%	-3.6%	-1.4%	3.3%
UK Corporate (investment grade)	GBP	-1.1%	-3.2%	-1.7%	4.8%
Euro Government Bonds	EUR	-0.8%	-2.5%	-0.4%	2.4%
Euro Corporate (investment grade)	EUR	-0.7%	-1.8%	-0.5%	3.0%
Euro High Yield	EUR	-0.9%	-1.8%	-0.8%	3.6%
Global Government Bonds	USD	-1.2%	-3.1%	-1.0%	3.1%
Global Bonds	USD	-1.2%	-3.0%	-1.0%	5.1%
Global Convertible Bonds	USD	0.2%	-3.5%	3.5%	25.9%
Emerging Market Bonds	USD	-1.0%	-2.2%	-0.8%	9.5%

Weekly market data continued...

Asset Class / Region	Currency	Week ending 13 March	Month to date	YTD 2026	12 months
		Cumulative returns			
Property					
US Property Securities	USD	-1.2%	-3.4%	7.3%	11.4%
Australian Property Securities	AUD	-5.0%	-9.3%	-15.2%	-5.8%
Global Property Securities	USD	-3.0%	-6.7%	3.5%	15.7%
Currencies					
Euro	USD	-1.3%	-3.2%	-2.5%	5.4%
UK Pound Sterling	USD	-1.1%	-1.6%	-1.5%	2.4%
Japanese Yen	USD	-1.1%	-2.2%	-1.7%	-7.5%
Australian Dollar	USD	-0.1%	-1.6%	5.0%	11.6%
South African Rand	USD	-1.7%	-5.9%	-2.0%	8.4%
Swiss Franc	USD	-1.5%	-2.7%	0.5%	11.9%
Chinese Yuan	USD	-0.1%	-0.6%	1.2%	4.9%
Commodities & Alternatives					
Commodities	USD	4.4%	14.8%	28.2%	33.1%
Agricultural Commodities	USD	0.8%	3.4%	6.6%	0.2%
Oil	USD	11.3%	42.3%	69.5%	47.6%
Gold	USD	-2.4%	-4.4%	16.8%	69.4%

Source: Bloomberg Finance L.P. Past performance is not indicative of future returns.

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