



**THROGMORTON**  
PRIVATE CAPITAL

# Monthly Market Update



## March 2026

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“Global markets rose in February as investors grew more cautious towards highly valued technology companies”



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## February 2026 Commentary

Global equity markets rose in February, although performance varied between regions. Markets outside the US generally performed better as investors reassessed expectations for technology companies linked to artificial intelligence (AI), many of which have seen share prices rise sharply in recent years. Concerns about whether large investments in AI will produce the level of profits investors expect led some to shift towards “value” companies, which often trade at more modest prices relative to their earnings. Government bonds also performed well as investors sought more stable assets, balancing optimism about growth with caution around high valuations.

### **United Kingdom**

FTSE All Share: 6.47%

UK equities rose in February, supported by a broader shift by investors away from highly valued technology stocks towards other parts of the market. The FTSE 100, which includes many large multinational companies, performed better than the more domestically focused FTSE 250. This partly reflects the fact that many FTSE 100 companies earn a significant share of their revenues overseas and are therefore less sensitive to changes in the UK economy. Gains were led by

defensive sectors such as healthcare, utilities and telecommunications, where demand tends to remain steady even during slower economic periods.

### United States

S&P 500: 1.26%

US equities produced only modest gains in February as investors became more cautious about companies linked to long-term

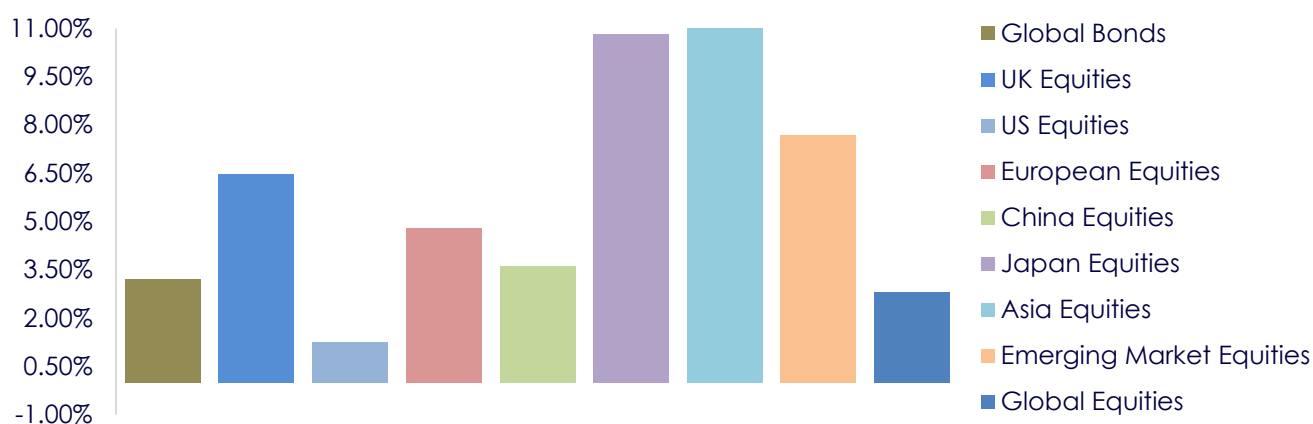
activity also reached a six-month high, suggesting improving business conditions. Energy companies, communication services and real estate firms were among the strongest performing sectors during the month.

### China

CSI 300: 3.62%

Chinese equities saw mixed performance in February as concerns about the pace of

Discrete Monthly Performance as at 28/02/2026



technology trends such as AI. After a prolonged period of strong performance, many of these companies already had high share prices that reflected expectations of several years of future profit growth. This meant that even positive results were sometimes not enough to push prices higher. Investors therefore shifted towards sectors with steadier demand, including utilities, materials and consumer staples, which produce everyday goods such as food and household products.

### Europe

FTSE Developed Europe ex UK: 4.81%

European equities rose in February as inflation slowed to 1.7%, meaning prices were still increasing but at a slower pace than before. This reassured investors that inflation pressures across the region may be easing. The European Central Bank kept its main interest rate at 2%, while signalling that borrowing costs may not need to remain high indefinitely. Manufacturing

domestic economic growth continued to influence investor sentiment. A prolonged slowdown in the property sector, which has historically been an important driver of economic activity, remained a key source of pressure on consumer confidence and spending. Weakness among several large internet companies also affected broader market sentiment. While policymakers have introduced measures aimed at supporting economic activity, investors remain cautious as they assess the strength and sustainability of China's recovery.

### Japan

MSCI Japan: 10.83%

Japanese equities rose strongly in February, supported by political stability and improving expectations for the domestic economy. A decisive election victory for the Liberal Democratic Party strengthened investor confidence in policies designed to support

economic growth and investment. Market gains extended beyond the technology sector, with manufacturing, consumer goods and financial services companies also performing well. Firms connected to AI infrastructure, including semiconductor manufacturers and specialist component suppliers, also saw gains as global demand for advanced technology continued to grow.

## Emerging Markets

MSCI Emerging Markets: 7.68%

Emerging market equities outperformed developed markets during February, led by technology-focused economies such as Korea and Taiwan. These countries play a key role in the global production of semiconductors and technology hardware, and strong worldwide demand supported company earnings growth. Thailand also performed well following its general election, which improved expectations for political stability and continued economic reforms. South Africa benefited from rising precious metal prices, which support many of the country's mining companies. Performance

nevertheless remained varied across emerging markets due to differences in economic conditions, politics and commodity prices.

## Global Bonds

Bloomberg Barclays Global Agg: 3.21%

Global government bond yields declined across major markets during February, supporting positive returns. With bond prices moving inversely to yields, the fall in yields helped drive bond performance during the month. Investors increased allocations to government bonds as geopolitical uncertainty and weaker equity sentiment encouraged a shift towards more defensive assets. In the United States, signs of a slightly softer labour market increased expectations that the Federal Reserve could reduce interest rates later in the year, which also supported bond prices. Corporate bonds lagged government bonds as investors demanded greater compensation for the additional credit risk of lending to companies.

***All investment involves risk. It is important you understand that past performance is not a guarantee of future performance. The value of investments and any income derived from them may go down as well as up and you might not get back the full amount you invested.***

## Cumulative Performance and Annualised Volatility as at 28/02/2026

	5 Years %	3 Years %	1 Year %	Volatility %
Global Bonds	-2.24	3.48	1.36	5.01
UK Equities	88.69	51.56	27.31	9.98
US Equities	97.53	60.68	9.15	12.71
European Equities	74.35	48.19	23.03	11.36
Japan Equities	64.87	65.69	34.82	11.39
Asia Equities	92.95	86.77	64.35	16.59
China Equities	-4.32	14.87	23.85	19.06
Emerging Market Equities	41.22	61.62	40.45	13.43
Global Equities	87.09	57.86	13.64	11.24

Data source FE Analytics 28.02.2026. Indices used: Global Bonds: Bloomberg Barclays Global Aggregate, UK Equities: FTSE All Share, US Equities S&P500, European Equities: FTSE Developed Europe (Ex UK), Japan Equities: MSCI Japan, Asia Equities: FTSE World Asia Pacific (Ex Japan), China: CSI 300, Emerging Markets Equities: MSCI Emerging Markets, Global Equities: MSCI World. Volatility annualised over 5 years.

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