

# Purple Patch

MARCH 2026

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## In the news: When is a war not a war?

Donald Trump campaigned as a candidate of peace: “I’m not going to start wars, I am going to end wars.”. In 2025, the US strikes he ordered “obliterated” Iran’s nuclear sites. This month, the US carried out further major strikes on Iran, again resulting in the “obliteration” of key sites. Iran has reacted with strikes against its neighbours, widening the conflict. I need to look up “war” and “obliteration” in a US dictionary.

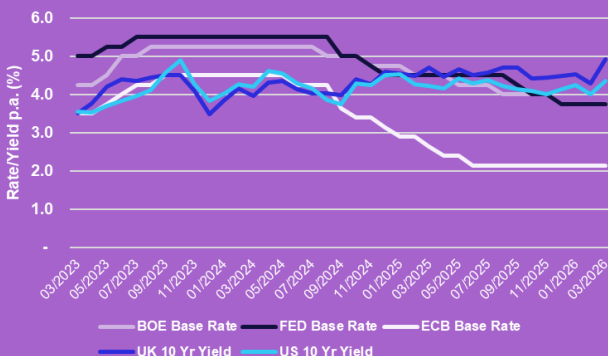
As the war drags on, with many allies reluctant to get involved, every threat and counter-threat, deal or no deal, action and reaction makes headlines and moves markets. There is so much commentary and speculation that we won’t add to it, but instead we focus on an economic risk the UK is more exposed to: stagflation.

Oil prices are up 50%, equities are down 5% to 8%, and gilt yields have moved sharply higher. The UK’s vulnerability, however, lies in its sticky inflation, driven in part by structural features such as inflation-linked public sector pay and state pensions. Inflation expectations have jumped (from c.2.5% to nearer 4.0% for 2026\*), while growth forecasts are being revised down. This leaves the Bank of England in a difficult position. Does it prioritise inflation or growth? The old adage says you tackle inflation first but that comes at a cost. Margaret Thatcher took that route in the early 1980s: inflation was brought under control, but at a huge cost to growth and employment. Today, the Bank is independent but the trade-offs remain, and the government will still be dealing with the fallout. For now, the more likely path is that inflation is treated as a temporary, war-driven shock. However, the longer the war persists and oil prices remain high, the greater the risk that inflation becomes embedded and stagflation rears its ugly head. Thankfully, I am not a central banker.

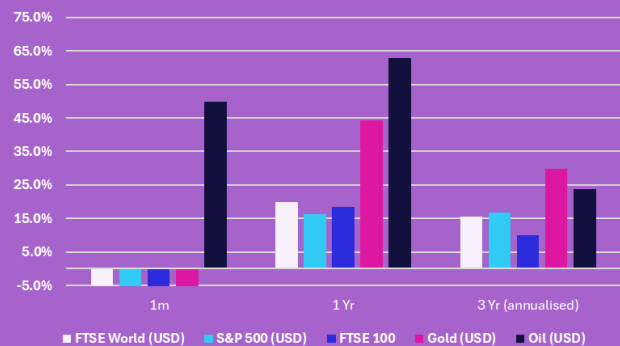
Finally, as the Pensions Bill heads for its next reading, yet another effort is being made to encourage UK investment. The Treasury has proposed that DB pension schemes holding more than 50% in non-UK assets will face a 0.5% levy. So much for diversification – you couldn’t make it up.



### Bond Yields and Rates



### Equities, Gold and Oil



### Market Stats





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## Sports news

**Rugby Union:** This Six Nations had the most tries in the tournament's history, two games with over 90 points, a record try haul for French winger Louis Bielle-Biarrey (9) and France winning with the last kick of the tournament.

**Golf:** Cameron Young won the Players Championship by one stroke at TPC Sawgrass in Miami.

**Cricket:** India comfortably beat New Zealand to win the T20 World Cup in India, after holding off England's strong run chase in the semi-final.

**Darts:** Luke Littler claimed his second UK Open title beating James Wade in Minehead.

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## A good news story

Researchers at the University of Oxford have discovered that European hedgehogs can hear ultrasonic sound waves much higher than humans, dogs or cats.

This has prompted the theory that transmitters can be attached to cars and lawnmowers to repel the animals from danger.

Some areas in the UK are at risk of localised hedgehog extinction and it is thought that this could be a potential solution, if they can find collaborators in the car industry to trial it.



## Quote for the Month

*"A vision without action is a daydream. Action without vision is a nightmare."*

Japanese Proverb

## Stat of the Month

# 111

Number of tries in this years  
Mens Six Nations.

