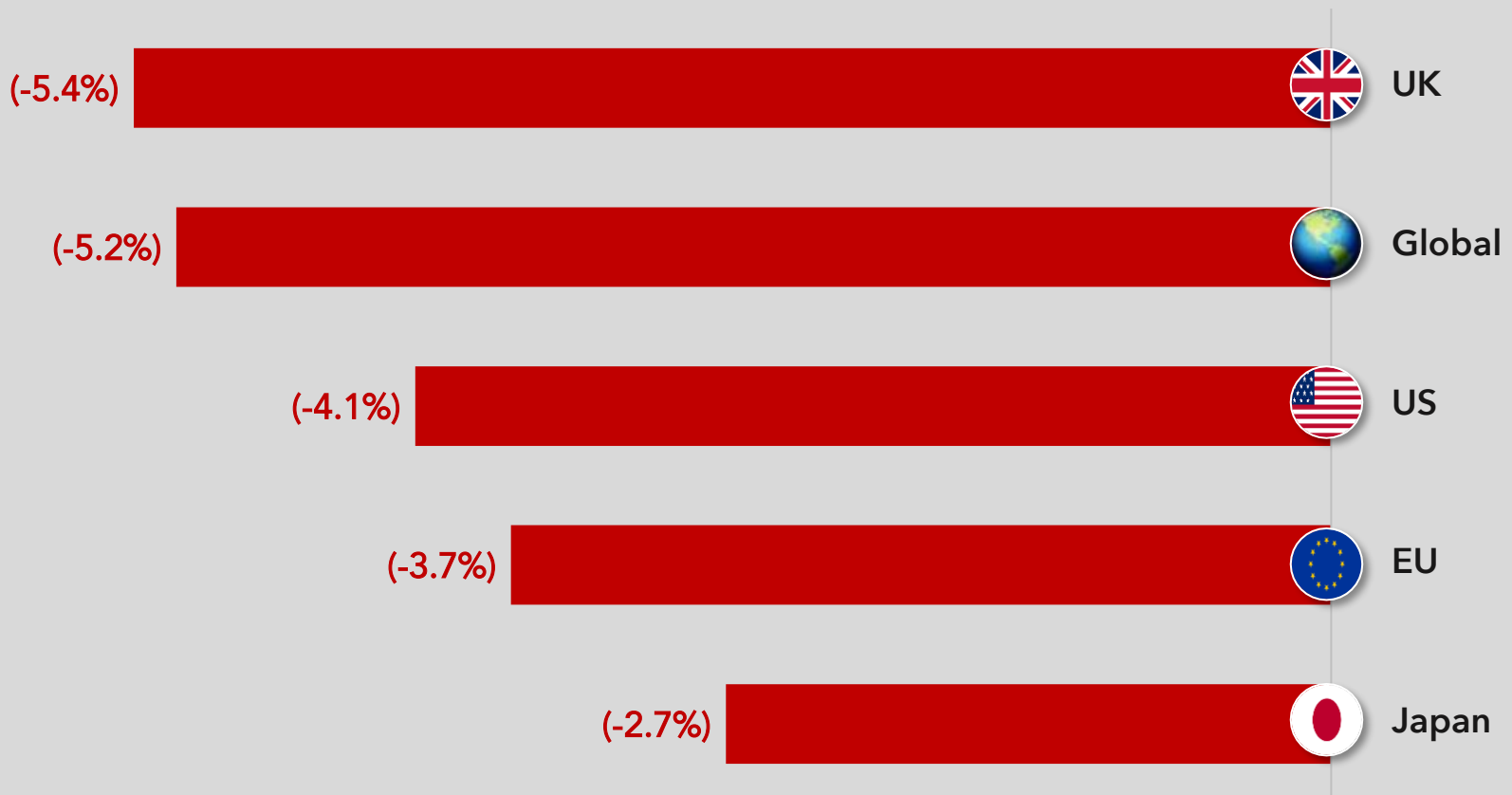


Chart of the Day



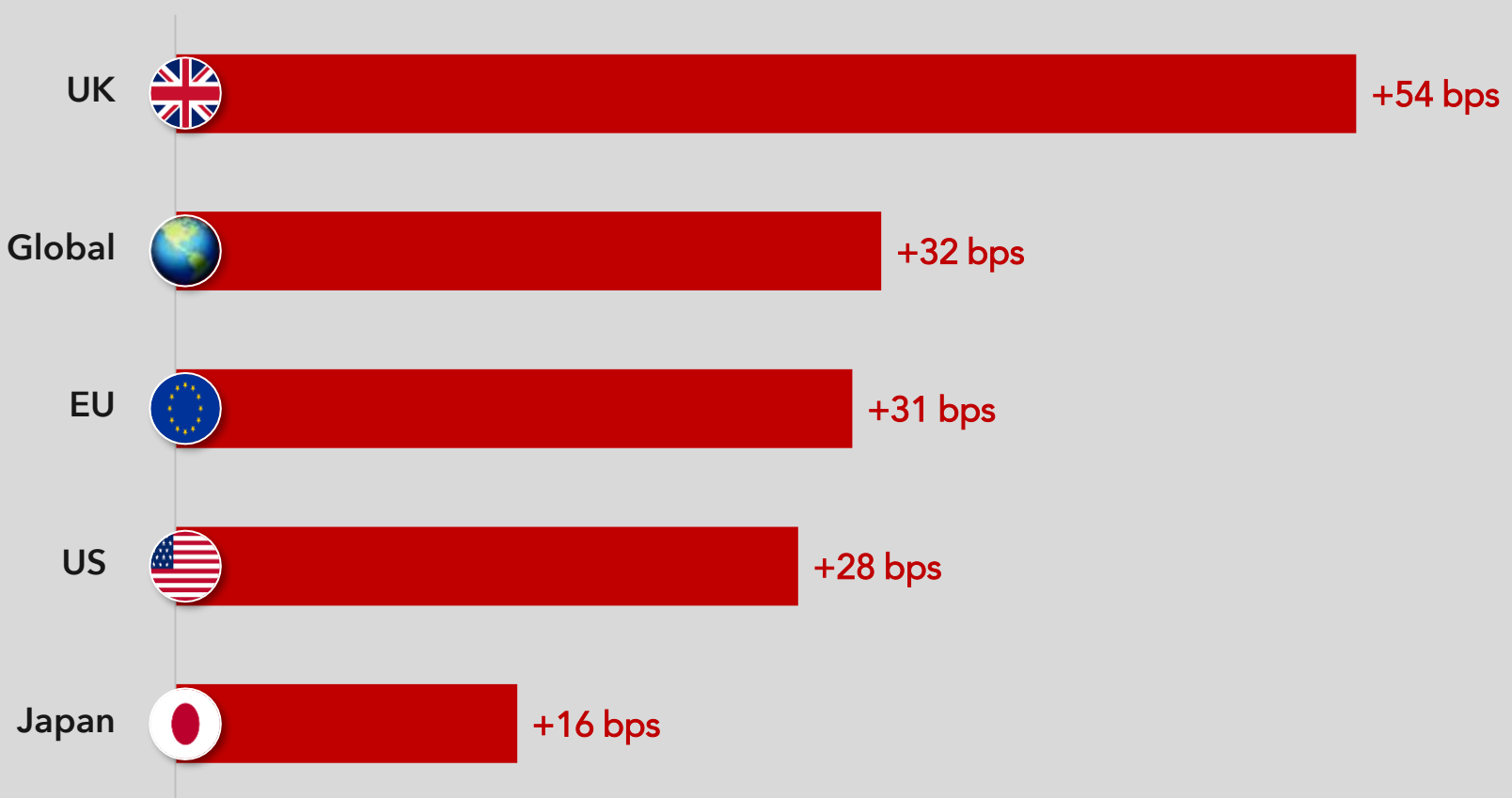
Since the US-Israel / Iran war began, long duration bonds have behaved more like inflation-sensitive risk assets than safe-haven securities. Initially, the 10 year UST yield rallied below 4% on investor demand, but has since moved higher as Hormuz closure raises the prospect of a supply side inflation shock for the US and global economy. In the current regime, long nominal duration has been a poor hedge for a geopolitical risk that is both inflationary and fiscal expansionary.

Global long duration government bond indices since US/Israel strikes on Iran (total returns)



Source: (1) Bloomberg. Indices are all 10+ yr duration. Data as of March 16, 2026. Change since Feb 27, 2026.

Change in global 10 yr government bond indices since US/Israel strikes on Iran

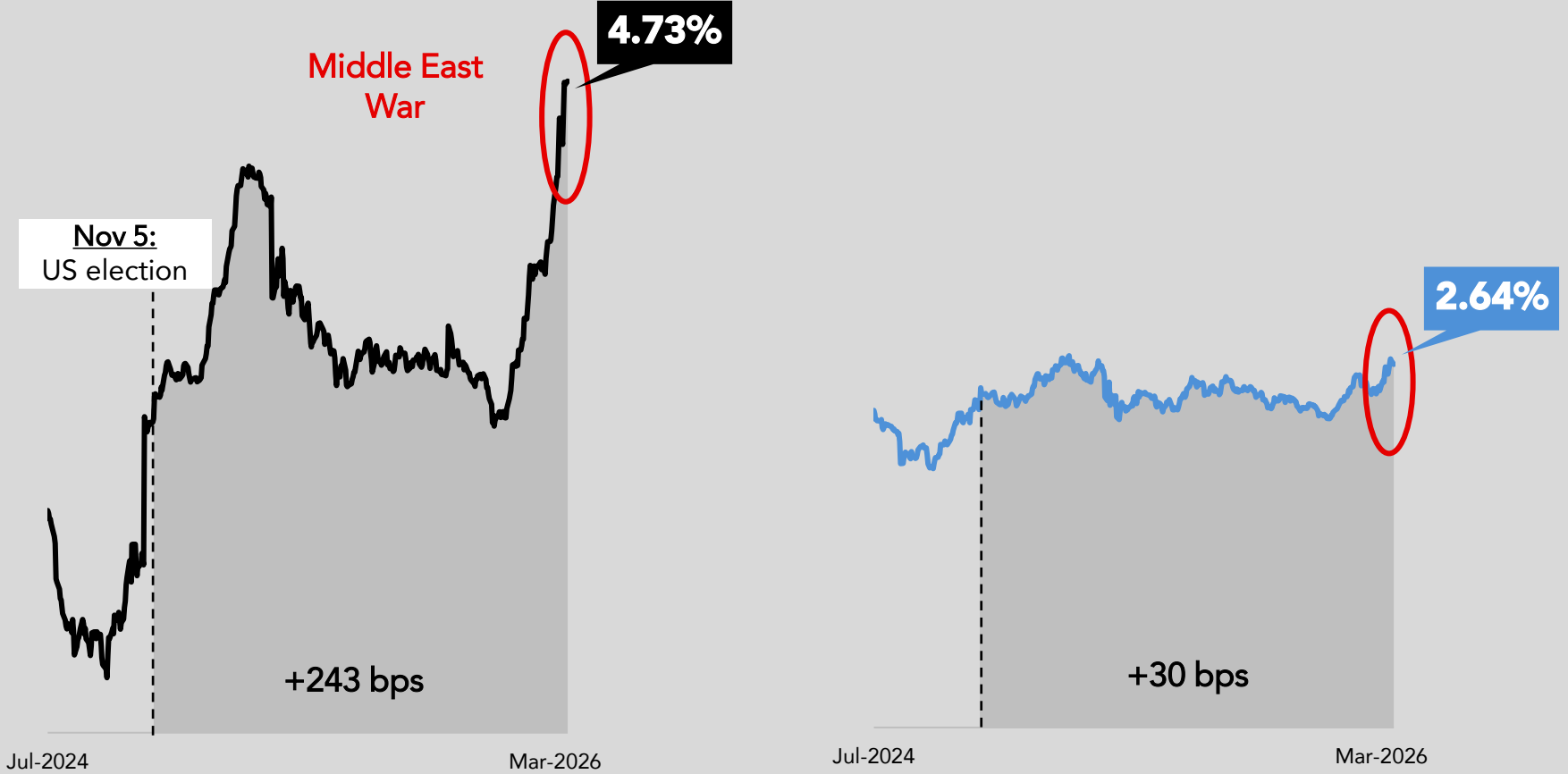


Source: (1) Bloomberg. Global index is 7-10 yr government bond yield to worst. Data as of March 16, 2026. Change since Feb 27, 2026.

As Hormuz closure drove oil prices above \$100 per barrel, market implied inflation breakeven rates surged sharply higher while longer term measures remained fairly stable.

1 year US breakeven inflation

5 year US breakeven inflation



Source: (1-2) Bloomberg. Data as of March 16, 2026.

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“Macro stability isn’t everything, but without it, you have nothing.”