Caleb & Brown

Cryptocurrency Brokerage

Inside the Markets

March 2026

Iran war; weak U.S. employment see risk-off sentiment continue into March

Bearish sentiment continued across crypto in February, while TradFi risk assets traded mostly flat after fluctuations throughout the month. And in economic data, a cool January consumer price index (CPI) print, weak fourth-quarter gross domestic product (GDP) and a hot producer price index (PPI) reading paint an unclear picture of what the U.S. Federal Open Market Committee's (FOMC) decision may be at its March 18 meeting. Rising uncertainty around U.S. tariffs, weak U.S. employment and the eruption of conflict in Iran highlight the importance of proactive risk management in the weeks ahead.

Keep reading for the key catalysts shaping crypto in March.

BTC Snapshot

12-month high $126,080
12-month low $60,001
Price (9 Mar 2026) $69,532

Key Market Metrics

BTC Dominance 59.30%
ETH Price $2,037
Total Crypto Market Cap $2.46T
Alt-Coin Market Cap $1.1T

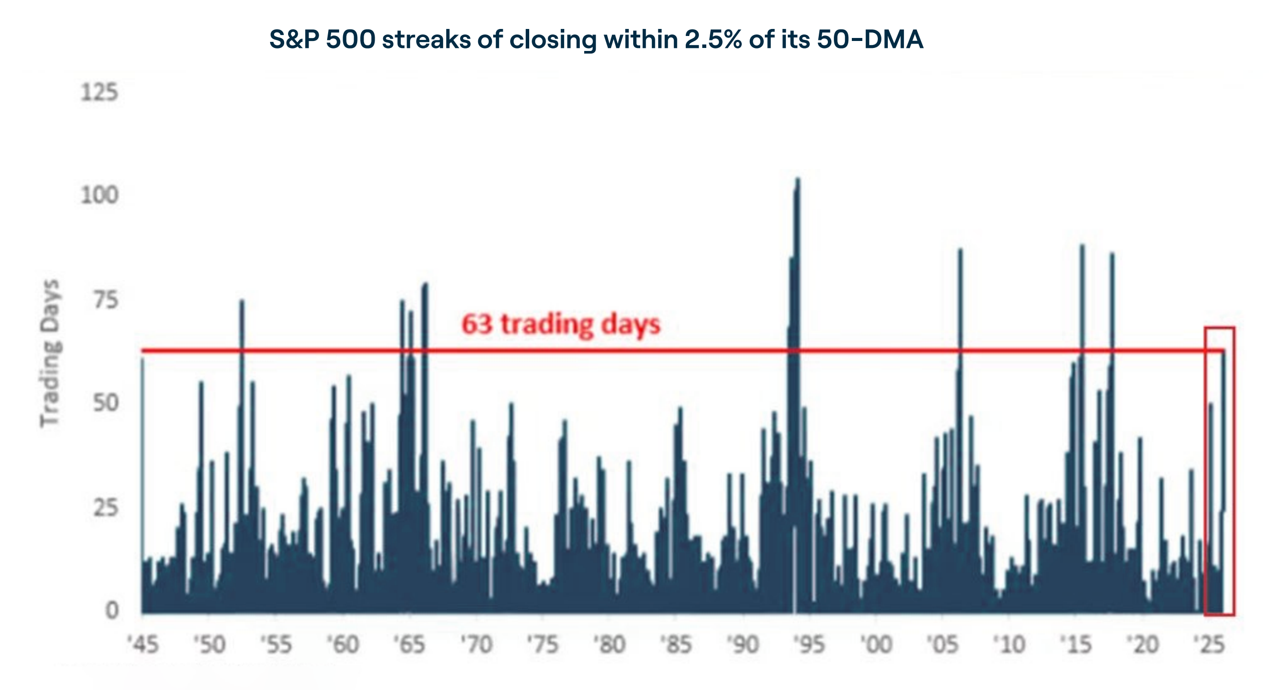
Big TradFi moves could be coming, but the direction is unclear

The U.S. Federal Open Market Committee (FOMC) left rates on hold at 3.5% to 3.75% at its January 28 meeting — Despite Nvidia delivering a 73% year-on-year revenue increase in Q4, driven by growth in its data centre business, its shares climbed just 1% on the day, followed by a 5% fall due to ongoing concerns around the capital expenditure needed for continued artificial intelligence (AI) development. And it wasn't just Nvidia that pulled markets down. Microsoft and Salesforce, and the major indexes more broadly, declined into the end of February and early March. Adding to concern is the widening gap between the performance of the top 50 stocks and bottom 50 stocks in the index. This gap currently sits at 68%, the biggest spread in twenty years.

"The spread between the top 50 stocks and the bottom 50 stocks year-to-date is 68%. That's the biggest spread we've seen in 20 years... the correction at the stock level is 70% to 80% done... Does the index now need to catch down to complete the correction?"

- Mike Wilson, Chief US Equity Strategist - Morgan Stanley

As outlined in the chart below, the S&P 500 closed within 2.5% of its 50-day moving average for 63 consecutive trading sessions. It's the fourth-longest stretch of such an occurrence since the 2008 financial crisis. This indicates that TradFi risk assets are struggling to find clear direction amidst the various uncertainties present: Iran war, weak U.S. employment (February non-farm payrolls saw -92,000 jobs), and the inflationary risks of higher oil prices



S&P 500 streaks of closing within 2.5% of its 50-DMA. (Source: Bespoke Investment Group; The Kobeissi Letter)

Like crypto assets, without a clear macro catalyst, TradFi risk assets are expected to continue trading within a range (or declining) until market participants have good reason to commit in size to upwards moves. To end February, the S&P 500 declined by 0.9%, the Nasdaq sold off 2%, and the Dow Jones gained 0.4%. In the weeks ahead, market participants will presumably be monitoring the FOMC's March 18 rate decision, U.S. tariffs developments and the escalating conflict in the Middle East.

Tariffs changes back on the table (again)

On Friday, February 20, the U.S. Supreme Court made a 6-3 ruling that President Trump's tariffs were outside his constitutional authority. The ruling means many of the 'Liberation Day' levies imposed in April 2025 were struck down, but tariffs on steel, aluminium and some auto parts will remain. President Trump responded with a temporary universal tariff of 15% on all imports. Risk assets declined in the following trading session, indicating that tariffs are still impacting markets.

U.S. economic data complicates the rate outlook ahead of March FOMC

February's macro data painted a mixed picture for U.S. monetary policy expectations ahead of the March 18 FOMC meeting. CPI for the 12 months to January 31, 2026 came in below forecast at 2.4% and February's non-farm payrolls came in well below forecast at -92,000. Further, fourth-quarter GDP for 2025 came in at just 1.4%, the core PCE index was higher than forecast at 0.4% and PPI came in hot at 2.9% for the 12 months ending January 30, 2026. Taken alone, these data points may have been enough to justify a rate cut by the FOMC on March 18. However, growing uncertainty following the U.S. tariffs developments in February and the conflict in Iran may presumably add to the FOMC's case to await potential economic impacts before lowering or raising rates.

"Most participants, however, cautioned that progress toward the Committee's two percent objective might be slower and more uneven than generally expected and judged that the risk of inflation running persistently above the Committee's objective was meaningful."

- FOMC January meeting minutes

The March 18 meeting will be Federal Reserve Chair Jerome Powell's second last meeting before his term ends on May 15. Should former Fed Governor Kevin Warsh's nomination be confirmed, the central bank's stance may change, given Warsh is in favour of lower interest rates, along with governors Stephen Miran and Christopher Waller, who voted against the FOMC's decision to keep rates on hold in January. According to the CME Group's FedWatch Tool, markets are currently pricing a 2.7% probability of a rate cut at the meeting.

U.S. Treasury yields declined into the end of February before an uptick into early March. The U.S. two-year yield closed the month at 3.4%, while the ten-year yield hit a monthly high of almost 4.3% in early February and closed the month at around 4%. The fluctuations, particularly to the upside, have moved largely in tandem with rising oil prices, presumably as markets try to price in the inflationary impacts of continued conflict in the Middle East. Amidst the uncertainty, gold and silver saw bids in the second half of February, gaining almost 21% and 46.9%, respectively, but have each seen minor declines in early March.

Bitcoin sees modest strength after rocky February

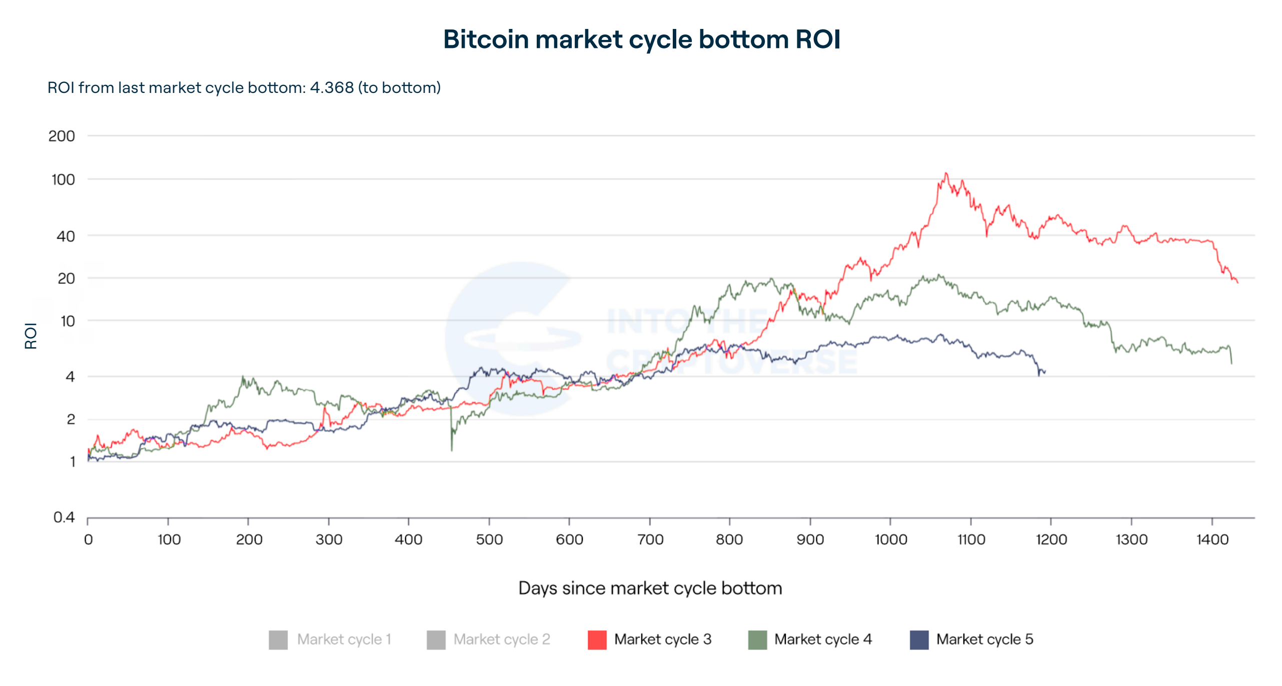
Bitcoin opened February at US$78,648 following January's 10.2% decline. The sell pressure continued as bitcoin dipped to a 15-month low of US$60,0001 on Friday, February 6, briefly recovered to just above US$72,000 on February 8, and then continued its decline to trade in a range around US$65,000 for the remainder of the month. Unlike TradFi assets, which were relatively stable on the uncertainties that arose throughout the month, bitcoin displayed higher sensitivity to tariff developments, mixed tech earnings, the U.S. and Israel's joint attacks on Iran, and monetary policy. It's not a surprising outcome given bitcoin and crypto are further down the risk curve than TradFi risk assets, but it raises the question of whether this is the typical four-year cycle playing out.

"The real reason bitcoin is down is that a bunch of people who were long bitcoin sold their bitcoin exposure… They sold because of the four year cycle and because of quantum fears and because they wanted to invest in AI start ups and for other reasons. They are mostly done selling and we are in the process of bottoming."

- Matt Hougan, CIO, Bitwise Investments

Historically, the year that follows bitcoin's post-halving peak is characterised by compression, lower volatility expansion and declining year-to-date returns. Further, in mid-term election years, like 2014, 2018 and 2022, and late-cycle environments, bitcoin has led weakness across risk assets. Typically, it isn't until TradFi markets exhibit further weakness that liquidity conditions meaningfully change, aligning with our view that risk assets like bitcoin and crypto could see upward momentum in the long term, but the right monetary policy conditions have to prevail. And those conditions require policymakers to be satisfied that substantive measures must be taken, meaning a sustained sell off across TradFi risk assets driven by persistent economic weakness and other external uncertainties, such as geopolitical tension.

It's also important to note that bitcoin's October 2025 all-time high wasn't accompanied by euphoria and a broader altseason. This means the downside following the peak may also be subdued. Market participants could expect slower declines, reduced speculation and longer periods of consolidation before the trend materially changes. And with the return on investment declining with each market cycle, plus Wall Street's involvement in offering exposure to bitcoin, future rallies could be more subdued, too. Though, when compared to TradFi's year-on-year performance, bitcoin's previous market cycles still far outperform the major U.S. indexes.



Bitcoin market cycle bottom ROI. (Source: Benjamin Cowen)

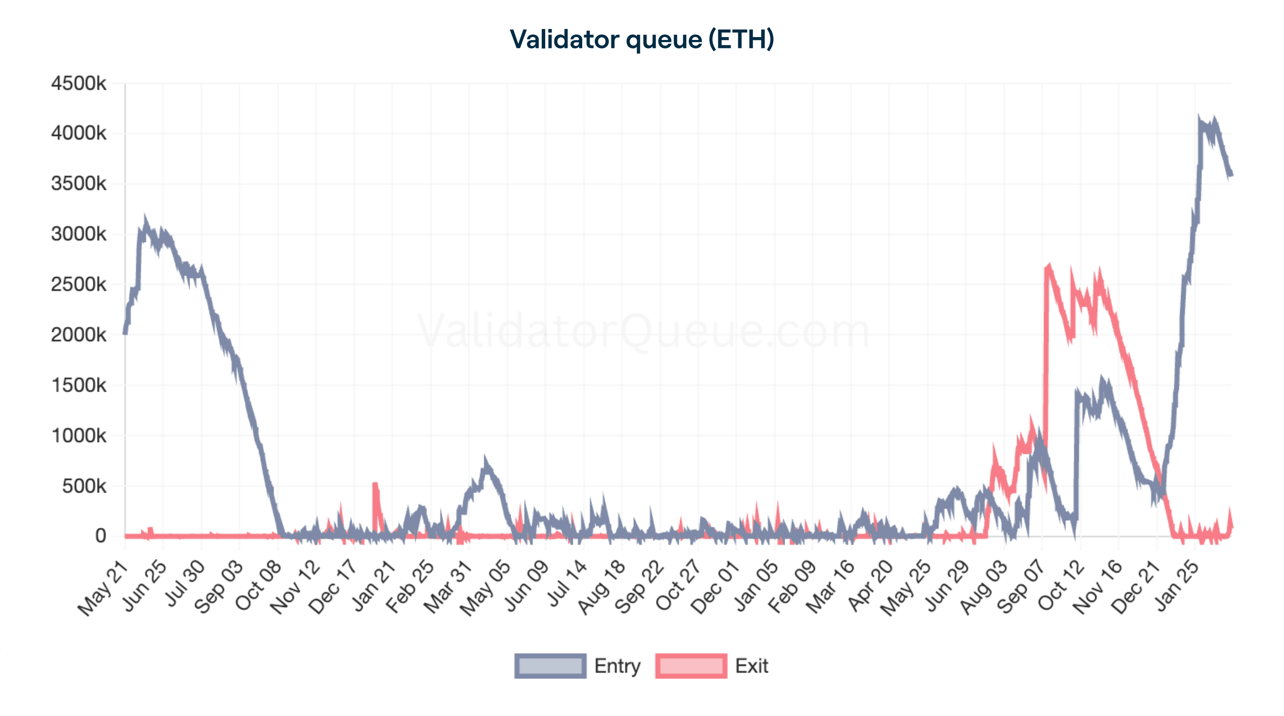
Bitcoin closed February at approximately US$66,967 (-14.8%). While short- to medium-term bearish sentiment prevails, an environment which favours looser monetary policy and weakening currency is still in play, though further weakness is likely required before central banks are compelled to aggressively cut rates and increase liquidity.

Ethereum hosts annual developer conference and Hegota upgrade revealed

Ethereum opened February at US$2,449, following January's 17.5% decline, and continued its downside trajectory as risk-off sentiment prevailed. Throughout the month, Ethereum sold off to a low of US$1,742 on Friday, February 6, rallied to around US$2,000 and has traded in a range between this level and US$1,800 since.

> "The absence of retail excitement is actually refreshing — the next cycle will be driven by real adoption, not memes, and it allows builders to focus on creating long-term value."
>
> \- Marcin Kazmierczak, CEO, RedStone

Despite weak price performance throughout February, Ethereum's on-chain activity remained resilient, with daily transaction volumes hovering between 2 million and almost 2.4 million. The validator exit queue also remains at historic lows, while the entry queue is at almost 3.6 million. At these rates, it'll take entrants around 60 days to stake their Ethereum and about 2.5 days for validators to exit, indicating the outsized interest for validators to participate in the network's activities.



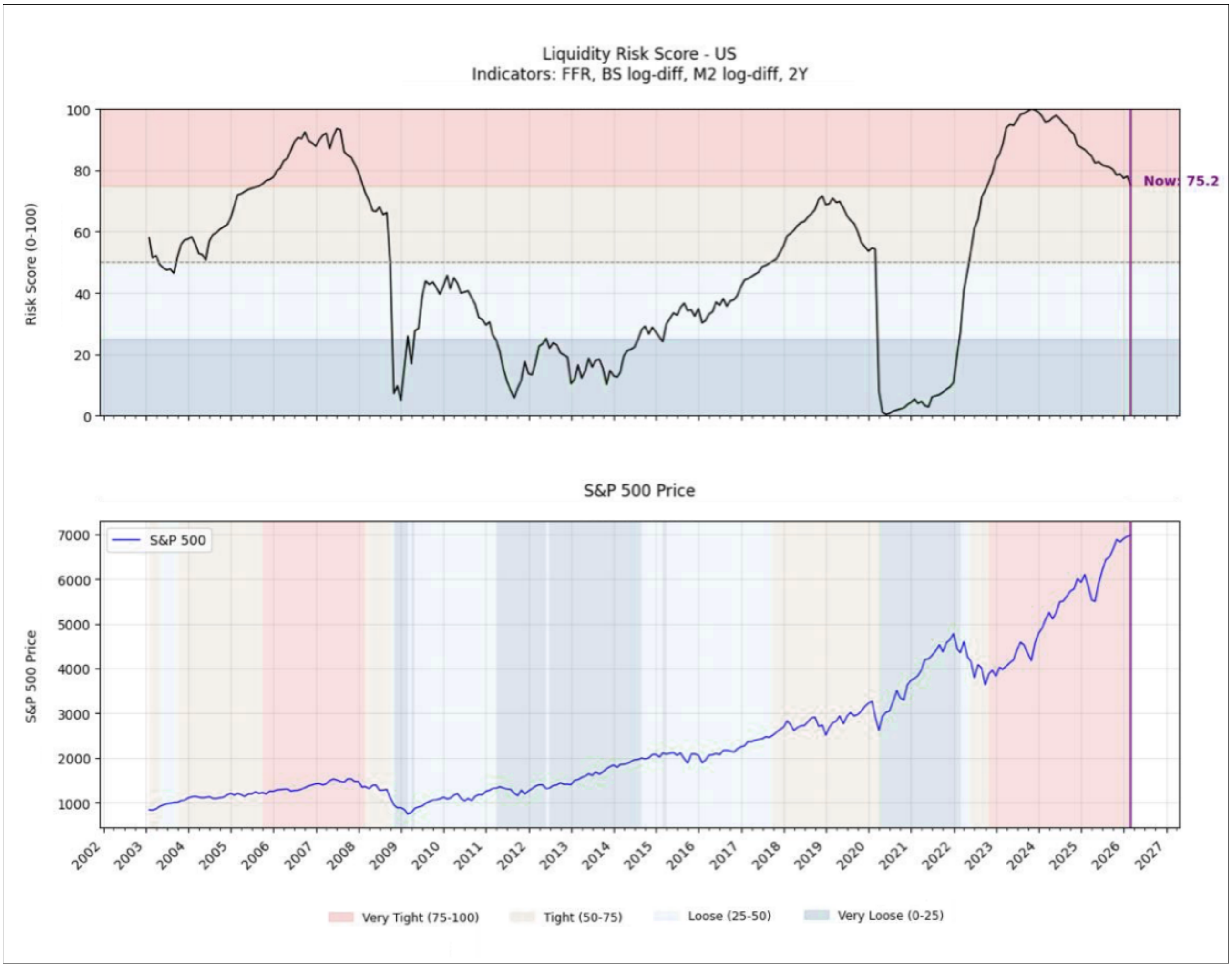
Validator queue (ETH). Source: validatorqueue.com

Also this month, Ethereum co-founder Vitalik Buterin outlined the next network upgrade, Hegota, at the developer conference in Denver. The update intends to force valid transactions into blocks and bolster censorship resistance at the protocol level through Fork-Choice Enforced Inclusion Lists (FOCIL). The Hegota upgrade is expected to go live later this year.

Ethereum closed February at US$1,964 (-19.8%) and is now trading around US$2,030. While sell pressure continued throughout the month, the network remained strong and, as outlined in Buterin's address at Ethereum's developer conference, Ethereum will keep innovating to remain strong and resilient. Further, a current lack of retail activity, while sophisticated capital monitors the market to let it reveal its direction emphasises that now is the time to research and identify where to have capital allocated when sentiment begins to improve. In short, the low-volume, low-volatility periods are where profitable investment plans can be made.

Capital preservation is king

As crypto sell pressure continues and the macro picture remains uncertain, preserving capital, sticking to your investment thesis and remaining grounded are imperative. Given there hasn't been a clear catalyst for central banks to resume further interest rate cuts or quantitative easing, precious metals have maintained their relative strength and treasury yields have declined, the current picture could indicate a late-cycle environment. The charts below indicate that, while quantitative tightening ended in the U.S. in December 2025, monetary policy remains restrictive.



U.S. liquidity risk score vs. S&P 500 price. (Source: Benjamin Cowen)

As the catalysts align to warrant lower interest rates and increased liquidity, risk assets, including crypto, may eventually attract the sustained capital flows required to see upward momentum. Until that time, patience and being open to all potential outcomes is key.

If you have questions about your portfolio as you navigate the weeks ahead, speak to your Caleb & Brown broker.

March key dates and crypto catalysts

The Iran war, U.S. Federal Reserve's rate trajectory, U.S. trade policy and global liquidity are expected to influence sentiment in the weeks ahead.

March 18	April 8
U.S. FOMC rate decision	U.S. FOMC meeting minutes

U.S. trade policy

What's at stake? President Trump is working to implement universal tariffs following the Supreme Court's ruling, which struck down the "Liberation Day' tariffs.

What to consider? Expect volatility in risk assets around trade announcements. Engage with your broker to understand how tariff changes may affect your positions.

U.S. Federal Reserve rate decision (March 18)

What's at stake? The next FOMC meeting is on March 18. The meeting minutes from the FOMC's March meeting will be released on April 8.

What to consider? The U.S. Fed's rate trajectory will affect market sentiment. Discuss potential outcomes with your broker.

Crypto policy and legislation

What's at stake? The Senate's crypto market structure bill, the Digital Asset Market Clarity Act of 2025 stalled since late January when crypto industry stakeholders withdrew support due to debate around stablecoin yields. Talks resumed in late February. While there was a March 1 deadline for parties to come to a conclusion, the Iran war has presumably slowed progress.

The Securities Clarity Act was reintroduced to the House and referred to the House Committee on Financial Services on March 26. It remains before the Committee at the time of writing.

The Lummis Crypto Tax Bill was introduced on July 3, 2025. Senator Lummis also introduced the 21st Century Mortgage Act, a bill that would allow financial institutions to include a mortgage applicant's crypto holdings in the assessment process. Both bills remain before the Senate.

State-based crypto legislation remains before Congress in several U.S. states.

What to consider? If you're assessing your exposure to stablecoin-related or U.S.-based crypto projects, now may be a good time to reach out to your broker to revisit your strategy.

Need help navigating the markets? Speak with your Caleb & Brown broker to align your portfolio with evolving macro and crypto developments.