



East Capital Q1 2026 Market Commentary – A quarter with two halves

Emerging and frontier markets saw a mixed start to 2026, strong early momentum gave way to volatility towards the end of the quarter. Despite this, both markets outperformed the S&P 500.

Highlights from Q1 2026:

- Emerging markets were broadly flat, while frontier markets declined slightly – both outperforming the S&P500.
- A strong rally in January and February was driven by investor rotation away from the US and continued AI-related growth.
- Taiwan and South Korea stood out, supported by higher chip prices, earnings upgrades and strong inflows.
- In March, rising geopolitical tensions in the Middle East triggered a shift in sentiment, with oil prices surging and macro risks increasing.
- Frontier markets remained relatively resilient, supported by diversification and lower correlation to global markets.

[Read East Capital's full Q1 commentary](#) for insights into key drivers, regional performance and our outlook.

Watch the latest episode of Meet East Capital with CIO Jacob Grapengiesser and Portfolio Manager David Nicholls discuss the key drivers behind Q1 performance and where they see opportunities in emerging and frontier markets. [Watch the episode on YouTube](#)



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About East Capital Group

East Capital Group is a global asset manager based in Sweden since 1997. We offer a range of investment solutions within equities, fixed income securities, real estate and alternatives. The essence of our business is not only to find attractive investment opportunities, but also to work to drive positive change, influencing industries around the world to become more sustainable. We have a broad range of international investors including leading institutions, companies and private individuals.

Within East Capital Group you will find East Capital - specialising in emerging and frontier market strategies, East Capital Real Estate - managing commercial real estate investments with a focus on Central and Eastern Europe, Espiria - offering bespoke global and Nordic equities and fixed income strategies, and Adrigo - a Nordic long/short hedge fund. East Capital Group owns 49% of Cicero Fonder and 51% of Hjerta AB.

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