

Market Update

March 2, 2026
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The Value of the US Dollar Versus Major Currencies Since the Beginning of 2026

Executive Summary

This report examines the performance of the US Dollar (USD) against major currencies from the start of 2026, focusing on trends in exchange rates and the US Dollar Index (DXY). The DXY, which measures the USD against a basket of major currencies (including the Euro, Japanese Yen, British Pound, Canadian Dollar, Swedish Krona, and Swiss Franc), serves as a key indicator of overall USD strength. Over this period, the USD exhibited volatility but showed a net strengthening trend, particularly in late February and early March. A specific section addresses the USD's performance since the onset of hostilities between the US and Iran on February 28, 2026, where the USD appreciated amid geopolitical tensions, likely due to its safe-haven status.

Overall US Dollar Index (DXY) Performance

- Started early February 2026 around 97.5–97.6.
- Dipped to a low near 96.8 in mid-February.
- Recovered steadily thereafter, closing at 98.42 on March 2, 2026.
- Net change (Feb 2 to Mar 2): +0.81% to +0.95% (depending on exact starting point), reflecting a rebound and strengthening trend in late February/early March.
- Broader context: The USD entered 2026 weakened from a ~9% decline in 2025 against major peers, with early 2026 volatility before this recovery.

Performance Against Individual Major Currencies (Feb 2 to Mar 2, 2026)

- Euro (EUR/USD): Rate fell from ~1.179 to 1.171 (-0.69% to -0.88% range across sources), indicating USD strengthening against the euro.
- British Pound (GBP/USD): Rate declined from ~1.366 to ~1.340 (-~1.9%), showing notable USD appreciation against the pound.
- Japanese Yen (USD/JPY): Rate rose from ~155.6 to ~157.5 (+~1.2%), confirming USD strengthening against the yen.
- Canadian Dollar (USD/CAD): Relatively stable, with minimal net change (-0.03% to slight gain), indicating near-flat performance (USD little changed vs. CAD).
- Australian Dollar (AUD/USD): Rate increased from ~0.695 to ~0.708 (+~1.9%), meaning USD weakened against the commodity-linked AUD (one of the few currencies to outperform USD in this window).
- Swiss Franc (USD/CHF): Rate showed minor net decline (-0.22%), suggesting slight USD weakening against the safe-haven CHF.
- Chinese Yuan (USD/CNY): Rate fell overall (-~0.9%), indicating USD weakening against the CNY.

Since Onset of US-Iran Hostilities (Feb 28, 2026 onward)

- From Feb 27 close to Mar 2: DXY rose ~0.8% (from ~97.6 to 98.42).
- USD appreciated against most majors (e.g., -0.9% on EUR/USD, +0.9% on USD/JPY, +1.2% on USD/CHF), consistent with safe-haven flows amid geopolitical escalation.
- Short-term rally driven by risk-off sentiment, though very recent and subject to ongoing developments.

In summary, the USD showed initial weakness in early 2026 but staged a clear recovery and net strengthening against most major currencies (especially European and yen) by early March, boosted significantly by safe-haven demand following the start of hostilities with Iran. It underperformed against a few commodity-tied or managed currencies like AUD and CNY.

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