

What's on Our Minds

MARKET HIGHLIGHTS

- > **Equity markets fell for a fourth straight week** with the S&P 500 nearing a 10% correction from highs. Rising energy prices remain the key risk as both sides have begun attacking production facilities, overshadowing otherwise solid US economic data.
- > **President Donald Trump issued a 48-hour ultimatum to Iran on Saturday night**, threatening to strike Iranian power plants if the Strait of Hormuz was not fully reopened. He then reversed course on Monday morning, postponing any action for five days and citing “productive conversations” with Tehran.
- > **The Federal Open Market Committee held rates at 3.50%–3.75%**. Federal Reserve Chair Jerome Powell cited rising employment risks but acknowledged less inflation progress than hoped, saying it is too early to gauge the war’s impact. Markets read the meeting as slightly hawkish.
- > **The February Producer Price Index rose 0.7%**, more than double the 0.3% estimate, on concerns about pass-through to consumer prices and corporate margins.

MARKET PERFORMANCE

ASSET CLASS	1-WEEK	YTD
U.S. Aggregate Bond (Agg)	-0.51%	-0.68%
Municipal Bonds 1-10Y	-0.52%	0.22%
U.S. High Yield	-0.31%	-0.84%
S&P 500	-1.87%	-4.68%
Russell 2500 (SMID cap)	-1.26%	-0.20%
MSCI EAFE (International)	-2.06%	-1.46%
MSCI Emerging Markets	-0.35%	4.48%
MSCI ACWI (Global)	-1.77%	-3.05%
Crude Oil (NYMEX WTI)	5.06%	71.36%
Gold LBMA PM	-8.65%	4.46%
60/40 ACWI/Agg Portfolio	-1.26%	-2.10%

WHAT CAUGHT OUR EYES THIS WEEK

An Attempt to De-Escalate

Early this morning, we woke up with futures markets pointing to more pain ahead for stocks. Then we got a post from President Trump, backing off his own 48-hour deadline for Iran to reopen the Strait of Hormuz and citing encouraging discussions between the two nations (which Iran continues to deny as of the time of this writing). Will today, March 23, mark the equivalent of April 9, 2025, when Trump reversed course on his tariff policy unveiled a week earlier on Liberation Day? The answer, of course, is that nobody knows. Much of the outcome is still in the hands of the Iranian regime, which can continue its chokehold on the strait with relative ease if it desires. And existing damage to surrounding energy infrastructure will take months, if not years, to fully repair. This reality is starting to set in for economies that rely heavily on the region for energy imports, with fuel rationing already taking place in some Asian countries. Back home, with a repeat of the gas lines of the 1970s unlikely, we're focused on how consumer behavior changes given the sticker shock at the pump (which is unlikely to fully retrace soon, presidential tweets notwithstanding).

Brent Crude Oil (as of Monday Morning)



Please see important disclosures and other key information on page 4.

What's on Our Minds

OUR CURRENT OUTLOOK

- > **The U.S. economy is resilient**, but softer labor markets translate into slower (albeit still positive) trends for consumer spending.
- > **Our current expectations of a recession in the next 12 months are moderately low**, which should allow credit spreads to remain tight.
- > **Benefits from the One Big Beautiful Bill Act will accelerate in 2026**, providing a tailwind for consumer spending and capital expenditures.
- > **The Federal Reserve is still looking to cut interest rates**. We expect one or two cuts for 2026.
- > **We expect S&P 500 profits to continue with their momentum from 2025**, growing in the low to mid-teens again in 2026, and broadening to create new sector leaders in the equity markets.
- > **AI capital spending, driven by the hyperscalers, should continue to boost the U.S. economy**, fueling productivity gains and infrastructure growth.
- > **Potential risks to our outlook include** disappointments in return on investment for AI spending, growing signs of speculative excess in certain pockets of equity markets, continued geopolitical uncertainty, and further deterioration in foreign sentiment for U.S. dollar assets.

IN CASE YOU MISSED IT

INSIGHTS

[The 1031 Exchange Market: From Transactional Tax Deferral to Institutional Portfolio Strategy](#)

[Video: March 2026 Economic and Market Outlook](#)

[What the Iran Conflict Means for Your Portfolio](#)

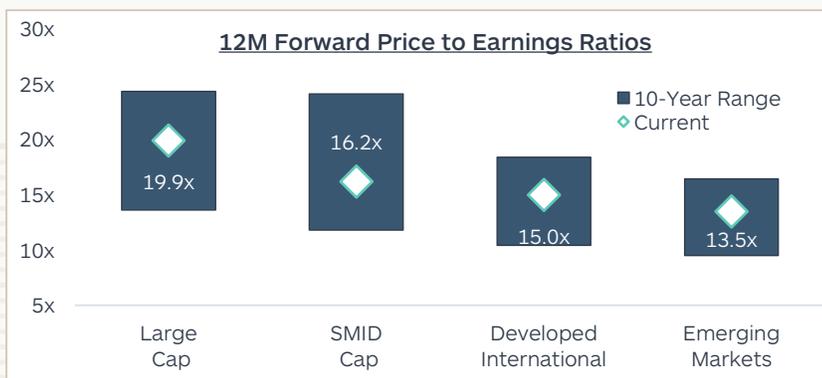
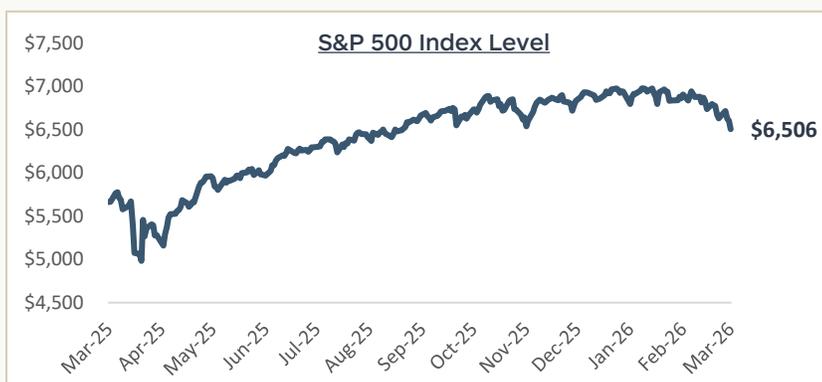
ARCHIVE

[Historical Economic and Market Outlooks Insights](#)

WEBINARS

[Recording: Q1 2026 Market & Economic Outlook](#)

EQUITIES



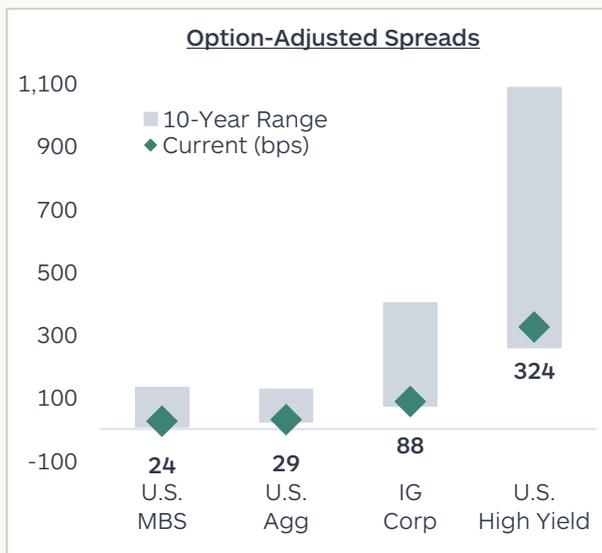
S&P 500 SECTOR	1-WEEK	YTD
Energy	2.8%	32.8%
Financials	0.4%	-10.4%
Comm. Services	-1.5%	-4.4%
Industrials	-1.8%	4.2%
Information Technology	-1.9%	-8.4%
Consumer Discretionary	-2.7%	-10.4%
Health Care	-3.0%	-6.1%
Real Estate	-3.8%	1.5%
Consumer Staples	-4.4%	5.6%
Materials	-4.5%	3.0%
Utilities	-5.0%	4.6%

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FIXED INCOME

KEY INTEREST RATES	3/20/2026	Δ YTD
Municipal Bonds 1-10Y	3.04%	0.07%
Effective Federal Funds Rate	3.64%	0.00%
3M T-Bill	3.70%	0.07%
10Y Treasury Yield	4.39%	0.22%
U.S. Aggregate	4.66%	0.34%
30Y Mortgage Rate	6.29%	0.04%
Prime Rate	6.75%	0.00%
U.S. High Yield	7.66%	0.58%

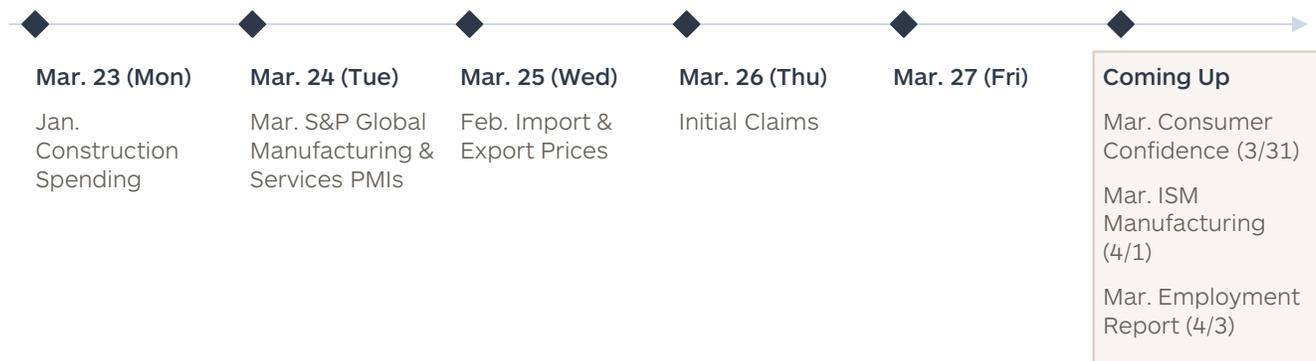


COMMODITIES, CURRENCIES, CRYPTO

Asset Class	3/20/2026
Crude Oil	\$98.12
Gold	\$4,562.55
U.S. Dollar Index	\$99.65
Bitcoin	\$70,220.00

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THE WEEK AHEAD



Please see important disclosures and other key information on page 4.

What's on Our Minds

March 23, 2026

ABBREVIATIONS: Agg: Aggregate. EM: Emerging Markets. SOFR: Secured Overnight Financing Rate. MBS: Mortgage-backed securities. IG: Investment Grade.

CHART OF THE WEEK: Cerity Partners, Brent Crude Oil (IFEU \$/bbl) Continuous, FactSet, as of the morning of 3/23/2026.

MARKET PERFORMANCE: All returns represent total return for the stated period. 1-Week and Year-to-Date (YTD) returns are as of 3/20/26. Underlying indices are in descending order: Bloomberg US Aggregate provided by Bloomberg Capital; Bloomberg Municipal Bond 10 Yr provided by Bloomberg Capital; ICE BofA US High Yield Index provided by Bloomberg Capital; S&P 500; provided by: Standard & Poor's. Index; Russell 2500; provided by: Russell Investments; MSCI Europe, Australasia, and the Far East (EAFE) provided by MSCI net official pricing; MSCI EM provided by MSCI net official pricing; MSCI All Country World Index (ACWI) provided by MSCI net official pricing; Crude Oil (WTI) provided by CME; LBMA Gold Price PM provided by FactSet. The 60/40 ACWI/Agg Portfolio (60% ACWI / 40% AGG) is not a recommendation and is provided for reference purposes only.

EQUITIES: Top Left-hand Chart. S&P 500 Index Level as of 3/20/26 and provided by Standard & Poor's. Bottom Left-hand Chart. Forward Price to Earnings Ratios refers to the price-to-earnings ratio for the forward 12 months, which is a valuation measure applied to respective broad equity indices as of 3/20/26. Large Cap data is proxied with the S&P 500 and provided by FactSet. SMID data is proxied by the Russell 2500 and provided by FactSet. Developed International data is proxied with the MSCI EAFE and provided by FactSet. Emerging Markets data is proxied by the MSCI EM and provided by FactSet. S&P 500 Sector performance table. Sectors are based on the GICS methodology. Return data are calculated by FactSet using constituents and weights as provided by Standard & Poor's. Returns are cumulative total return for stated period, including reinvestment of dividends. 1-Week and Year-to-Date (YTD) returns are as of 3/20/26.

FIXED INCOME: Top Table. Effective Federal Funds Rate provided by FactSet. Composite Municipal Bond Yield provided by FactSet. Bloomberg US Aggregate provided by FactSet. 3-Month Treasury Bill rate provided by FactSet. 10-Year Treasury Yield provided by FactSet. 30-Year Mortgage Rate provided by FactSet. ICE BofA US High Yield Index provided by FactSet. Prime Rate provided by FactSet. Bottom Table. Option Adjusted Spreads as of 3/20/26. Bloomberg US Aggregate Securitized – MBS, Bloomberg US Aggregate, ICE BofA US Corporate, ICE BofA US High Yield data provided by Bloomberg Capital.

COMMODITIES, CURRENCIES, CRYPTO: WTI NYMEX Crude Oil provided by FactSet. Gold is proxied with the LBMA Gold PM and provided by FactSet. Bitcoin is proxied by the Bitcoin (CME) Continuous index and provided by FactSet. U.S Dollar prices are proxied with the U.S. Dollar Index and provided by FactSet.

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