

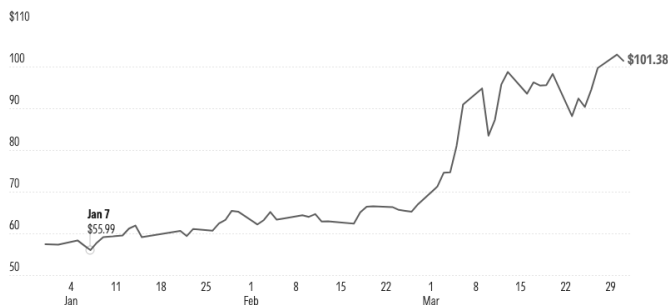
March 2026 Recap

March 2026 Monthly Market Commentary

Investor Summary

U.S. equities experienced a choppy March as major indices struggled to advance against a backdrop of rising volatility, higher energy prices, and a more uncertain geopolitical environment. While the month included several sharp daily moves, broad U.S. benchmarks generally remained within recent ranges, reflecting a market that continued to reassess earnings durability, interest-rate expectations, and the economic impact of elevated input costs.

WTI Crude Oil Prices



Source: FactSet. Data as of March 31, 2026. Price based on WTI crude oil futures contracts.

Economic data signaled a mixed growth backdrop. Consumer confidence in the United States inched higher in March, supported by an improved assessment of current business and labor market conditions, even as expectations for the next six months softened. Global risk assets remained sensitive to developments in energy markets and geopolitical headlines, with volatility indicators for U.S. equities moving higher during the period. Against this environment, regional and sector performance showed notable dispersion, underscoring the importance of diversification across geographies and industries.

U.S. Equity Market Review

Major U.S. equity indices were volatile during March, with the S&P 500 experiencing several weekly declines as oil prices advanced and geopolitical tensions weighed on risk sentiment. News headlines during the month noted that the S&P 500 registered multiple consecutive weekly losses, including its largest monthly drawdown in more than three years, as investors reacted to elevated energy prices and concerns about conflict in the Middle East. The index nonetheless remained significantly above year-earlier levels, supported by cumulative gains over the preceding twelve months.

Style and size performance were differentiated. Large-cap indices generally held up better than smaller-cap benchmarks, consistent with a pattern seen in prior periods of heightened macro uncertainty. Growth-oriented segments of the market continued to exhibit greater day-to-day price swings, particularly within technology and communication services, as investors reassessed valuations following a strong run-up in 2025 and early 2026. Value-oriented areas tied to energy and other commodity-linked businesses benefited from higher input prices, while more rate-sensitive segments such as certain real estate and small-cap financials lagged.

The macroeconomic backdrop remained central to market pricing. The S&P 500's one-year total return, based on the latest available monthly indicator data, remained firmly positive, with the index up more than 14% year over year through January, illustrating that the market entered March from an elevated starting point. The implied equity risk premium continued to

be influenced by a relatively high price-to-earnings ratio and still-elevated volatility, as reflected in a VIX reading above 30 during the period.

Major Index Performance - March 2026

Index	Month Close	YTD Return
Dow Jones Industrial Average	46,341.51	-3.2%
S&P 500 Index	6,528.52	-4.4%
NASDAQ Composite	21,590.63	-7.0%
Russell 2000 Index	2,496.37	+0.9%

Sources: S&P Dow Jones Indices; NYSE; NASDAQ; Dow Jones; Federal Reserve Bank of St. Louis (FRED). Data as of NYSE close, March 31, 2026. Past performance is not indicative of future results.

Global Market Overview

Global equity performance in March showed a divergence between U.S. benchmarks and certain international markets. Emerging market equities, as proxied by broad MSCI indices, remained supported by both price appreciation and sustained investor inflows, extending gains that began earlier in the year. The MSCI Emerging Markets IMI index reflected strong year-to-date results through early 2026, helped by easing financial conditions in select economies and relative valuation appeal versus developed markets.

Developed international markets delivered more moderate returns, with performance varying across regions. European and Japanese equity markets were influenced by local monetary policy expectations, currency movements, and external demand conditions. Commodity markets were an important cross-current. Oil prices rose over the month, contributing to higher inflation expectations and equity volatility, while gold benefited from its perceived defensive characteristics amid geopolitical concerns.

Global risk indicators, including volatility measures tied to U.S. equity indices, trended higher during March. Investor focus remained on the interaction between elevated energy prices, geopolitical developments, and central bank policy paths in major economies. While the data did not indicate an immediate downturn, markets appeared sensitive to potential shifts in growth and inflation trajectories.

International Equity Performance - March 2026

Index	March Return	1-Year
MSCI EAFE	-10.19%	-1.2%
MSCI Emerging Markets	-13.3%	-0.10%
MSCI ACWI	-7.13%	-3.11%
MSCI World	-6.32%	-3.74%
MSCI Europe ex UK	-10.4%	-4.03%
MSCI Pacific ex Japan	-8.69%	+2.99%
MSCI United Kingdom	+0.43%	+0.90%
MSCI North America	-4.93%	-4.25%

Sources: MSCI Inc.; MSCI index returns are approximate and reflect net return methodology where applicable. All data as of March 31, 2026 (estimated). Past performance is not indicative of future results.

Regional and International Market Performance

Regional performance across the MSCI universe was mixed. Emerging markets as a group outperformed many developed peers on a year-to-date basis, helped by improving capital flows and, in some cases, more benign inflation trends relative to 2025. Within emerging markets, gains were not uniform, with export-oriented economies and commodity producers generally seeing stronger equity returns than

countries facing persistent inflation or policy uncertainty.

Developed ex-U.S. equities, including MSCI EAFE benchmarks, lagged U.S. indices over longer look-back periods but offered diversification benefits in March's volatile trading environment. Regional indices tied to Europe and the Pacific reflected local differences in growth expectations and currency movements. Global composites such as MSCI World and ACWI continued to be heavily influenced by U.S. large-cap stocks, but the relative resilience of non-U.S. markets in certain weeks highlighted the value of cross-regional exposure.

Sector Performance Details

Sector performance within the U.S. equity market showed notable dispersion during March. Energy-related shares benefited from rising oil prices and improved cash flow expectations, while some cyclical sectors linked to global trade and industrial activity experienced increased day-to-day volatility.

Index Sectors	March Return	YTD
Energy	+10.0%	+32.5%
Utilities	-4.9%	-0.9%
Consumer Staples	-9.7%	+0.8%
Health Care	-3.6%	-4.4%
Industrials	-8.6%	+5.1%
Materials	-13.5%	+7.9%
Real Estate	-7.3%	-0.8%
Financials	-1.9%	-1.2%
Consumer Discretionary	-7.6%	-3.1%
Communication Services	-3.6%	+6.6%
Information Technology	-6.9%	-8.0%

Sources: S&P Dow Jones Indices; FactSet Research Systems; Schwab Center for Financial Research (Sector Views, March 13, 2026); Bloomberg. Sector returns are approximate total returns for the periods indicated. GICS sector methodology applies. Past performance is not indicative of future results.

Defensive areas such as utilities and consumer staples provided relative stability during periods of market

stress, though their absolute returns varied with interest-rate expectations and yield movements.

Growth-oriented technology and communication services sectors remained sensitive to changes in sentiment around earnings durability and valuations. While longer-term performance for these segments has been strong, March saw incremental pressure on some higher-valuation companies as investors evaluated the pace of future profit growth in a less certain macro environment. Financials traded in line with evolving expectations for credit quality, loan growth, and the interest-rate path, while real estate-related securities generally lagged amid questions around funding costs and property fundamentals.

U.S. Economic and Earnings Summary

Economic indicators released in March suggested that U.S. growth continued at a moderate pace, with consumer spending and labor market conditions remaining important supports. The Conference Board's Consumer Confidence Index edged up to 91.8, reflecting a more positive view of current business and labor market conditions, even as the Expectations Index declined, signaling more cautious sentiment about the outlook. These mixed readings were consistent with an economy still expanding but facing headwinds from higher energy prices and tighter financial conditions in certain sectors.

Inflation data for the month remained a focal point for markets, particularly given moves in commodity prices. Higher oil prices fed through to inflation expectations and influenced discussions around the trajectory of headline and core inflation measures. Core inflation components tied to services and shelter remained under scrutiny as investors evaluated the durability of disinflation trends observed in prior months.

Corporate earnings metrics, based on the latest completed reporting cycle and subsequent earnings updates, indicated that profit growth for S&P 500 companies remained positive overall, although the pace varied by sector. News coverage highlighted that aggregate earnings growth had largely stabilized, with some evidence of acceleration in select

industries. Valuation measures such as the S&P 500 price-to-earnings ratio and Shiller CAPE ratio remained above long-term historical averages, a dynamic that continued to be monitored as interest-rate expectations evolved.

Consumer and Retail Data

Consumer confidence trends provided a window into household behavior and potential future spending. The modest increase in the headline Consumer Confidence Index in March was driven by improvements in the Present Situation Index, suggesting that households viewed current job and business conditions more favorably. At the same time, the decline in the Expectations Index highlighted greater caution around income, employment, and business activity over the next six months.

Retail spending data for the broader quarter pointed to steady, though uneven, consumption patterns, with discretionary categories showing more variability than staples. Elevated prices in certain categories, particularly energy-related expenditures, continued to influence household purchasing decisions. Housing-related indicators reflected the impact of prior increases in mortgage rates and affordability challenges, with regional differences in sales activity and price dynamics.

Manufacturing and Industry Indicators

High-frequency indicators from manufacturing and regional Federal Reserve surveys suggested that industrial activity remained mixed across the United States. Some regions reported modest expansion in new orders and production, while others indicated flat or slightly contracting conditions, reflecting divergent trends in demand, inventories, and export exposure.

Employment measures within manufacturing pointed to a cautious stance among firms, with hiring plans influenced by order backlogs, wage trends, and expectations for domestic and global demand. Business leaders participating in surveys cited input costs, supply-chain normalization, and policy uncertainty as important factors shaping their short-term outlook. Overall, the data indicated a manufacturing sector that was adjusting to a slower but still positive growth backdrop.^[5]

Key Themes for March 2026

Energy-Driven Volatility: Rising oil prices and elevated geopolitical tensions contributed to wider daily swings in U.S. equities and a higher volatility backdrop. Energy-related shares generally benefited from the move in crude, while more rate- and growth-sensitive segments faced incremental pressure as investors reassessed margins and input costs in a higher-cost environment.

Range-Bound U.S. Equities: Despite several notable down days and multiple weekly declines, major U.S. equity indices largely remained within recent trading ranges. The S&P 500 and other large-cap benchmarks entered March from elevated levels after strong prior 12-month gains, and the month's choppy pattern reflected an ongoing recalibration of earnings expectations, valuations, and the appropriate equity risk premium.

Diverging Global Performance: Emerging markets maintained a relative performance edge versus many developed peers, supported by ongoing inflows and more attractive valuations in select regions. Developed ex-U.S. markets delivered more mixed results, with regional indices in Europe and the Pacific responding differently to local monetary policy expectations, currency moves, and external demand trends.

Sector Dispersion and Rotation: Sector-level performance showed wide dispersion, with energy and other commodity-linked industries tending to outperform while certain interest-rate-sensitive and higher-valuation areas lagged. Defensive sectors such as utilities and consumer staples generally provided relative resilience during risk-off periods, whereas technology and communication services exhibited greater day-to-day volatility as investors revisited growth and valuation assumptions.

Mixed but Resilient Macro Backdrop: U.S. economic data continued to indicate moderate growth, as consumer confidence improved at the headline level even while expectations eased. Manufacturing and regional survey data pointed to uneven conditions across industries and geographies, underscoring an economy that remains expansionary but more uneven beneath the surface, with households and businesses adapting to higher costs and a less certain policy landscape.

Key Data Sources (March 2026 edition)

- *Market indices and levels: Standard & Poor's, S&P Dow Jones Indices, YCharts, MSCI, Nasdaq, Dow Jones, Russell Investments.*
- *Volatility and derivatives: CBOE, Barchart (VIX and related futures).*
- *Economic data: U.S. Bureau of Economic Analysis (BEA), U.S. Bureau of Labor Statistics (BLS), Federal Reserve, The Conference Board, U.S. Census Bureau.*
- *Global markets and flows: MSCI, iShares, Yahoo Finance, other public index and ETF providers.*
- *News and commentary: Reuters, major financial news outlets and index providers' public materials as of March 31, 2026.*

[Standard & Poor's / S&P Dow Jones Indices](#), [YCharts – S&P 500 Indicator](#), [Investing.com – S&P 500 Historical Data](#), [Slickcharts – S&P 500 YTD Return](#), [Barchart – Major U.S. Stock Indexes Recap](#), [Investing.com – Russell 2000 Historical Data](#), [Curvo – Russell 2000 Performance](#), [MSCI – Emerging Markets Index](#), [Curvo – MSCI Emerging Markets IMI](#), [Investing.com – MSCI EAFE & EM Historical Rates](#), [MacroMicro – MSCI EAFE Index Series](#), [Yahoo Finance – Emerging Markets Rally](#), [Barchart – VIX / Volatility \(Sample VIX Futures Page\)](#), [The Conference Board – Consumer Confidence](#), [Reuters – U.S. Consumer Confidence March 2026](#), [U.S. Bureau of Economic Analysis \(BEA\) – GDP](#), [U.S. Bureau of Labor Statistics \(BLS\) – CPI](#), [U.S. Bureau of Labor Statistics \(BLS\) – PPI](#), [U.S. Census Bureau – Advance Monthly Retail Trade](#), [National Association of Realtors – Research & Statistics](#), [Federal Reserve Bank of Dallas – Texas Manufacturing Outlook Survey](#), [Federal Reserve Bank of Richmond – Manufacturing Survey](#), [Federal Reserve Bank of Philadelphia – Manufacturing Business Outlook Survey](#), [FactSet – Earnings Insight](#), [Multpl – Shiller CAPE Ratio](#), [MarketWatch – Gold Futures](#), [Washington Post – Major U.S. Stock Indexes Daily Recap](#), [Conference Board / Economy Podcast Overview](#)

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