The Weekly Market Update – 3/30/26: The Real March Madness

Major Indices (Price Returns)	Close	Last Week	Quarter-to-Date	Year-to-Date	Trailing 12-Months	All-Time High	% to High
S&P 500	6,368.85	-2.12%	-6.96%	-6.96%	6.96%	6,978.60	9.6%
Dow Jones Industrial Average	45,166.64	-0.90%	-6.03%	-6.03%	3.02%	50,188.14	11.1%
NASDAQ Composite	20,948.36	-3.23%	-9.87%	-9.87%	11.15%	23,958.47	14.4%
Russell 2000	2,449.70	0.46%	-1.30%	-1.30%	13.25%	2,718.77	11.0%
MSCI EAFE (USD)	2,839.24	-0.05%	-1.85%	-1.85%	17.19%	3,179.91	12.0%
MSCI Emerging Markets (USD)	1,437.25	-1.78%	2.34%	2.34%	30.99%	1,619.28	12.7%
Bloomberg Commodity Index	134.17	0.05%	22.32%	22.32%	30.58%	237.95	77.4%
Barclays U.S. Aggregate Bond	92.58	-0.19%	-1.59%	-1.59%	0.08%	112.07	21.1%

Source: FactSet

U.S. equities have traded lower in March as investors become increasingly cautious. The S&P 500 equity index closed at 6,369 on 3/27/26, which was the lowest closing price of the year as the index is on track for its worst month in over three years. With two trading days remaining in March, the S&P 500 was down -7.4% month-to-date as valuations reset due to war uncertainties. This could change by Wednesday as March comes to a close (equities were modestly higher in early Monday trading), but investors are understandably nervous as off-ramps to the military conflict with Iran remain elusive. If the March decline holds, it will be the S&P 500's worst-performing month since a -9.3% decrease in September 2022. Measuring market moves over a calendar month can be misleading as rallies and declines span across weeks and months. For instance, one year ago in March 2025 (amid extreme tariff uncertainty), the index dropped -5.8% but was down more than -7% mid-month before moving higher. However, the index then moved sharply lower in early April as tariff threats escalated. We look at the peak-to-trough market moves to measure market pullbacks and corrections as that looks at the percentage change from an index closing high price to a subsequent low. This year, the S&P 500 made an all-time closing high of 6,979 on 1/27/26, and as of Friday's (3/27/26) closing low, the peak-to-trough decline was -8.7%. The decline has now extended for more than eight weeks. By contrast, one year ago from 2/19/25 to 4/8/25 (a period of seven weeks), the peak-to-trough decline was -18.9%. Of course, last year, after the Trump Administration delayed tariffs and pivoted to prioritize trade deals, the index rallied and less than two months later had closed at a new high. In early March of this year, investors, in our view, were relatively optimistic that the war would end quickly. After that didn't happen, there was hope for a repeat of 2025: a policy pivot from the administration, this time in the form of military de-escalation. While peace negotiations are perhaps underway, the Strait of Hormuz remains largely closed and investors worry that higher-for-longer fuel prices and supply chain disruptions for other commodities will begin to restrict global economic growth.

Still very little relief for oil prices. As of Monday morning (3/30/26), U.S. oil prices (as measured by West Texas Intermediate or WTI), traded at $102 per barrel after moving to the low $90s last week. In our view, the jump over the weekend reflects investor perception that the supply disruption will extend longer than initially expected. According to Automobile Club, the U.S. national average for unleaded gasoline is now $3.99 per gallon, an increase of +34% since the end of February ($2.98). The price of diesel fuel (highly important for the transportation of goods and food) has increased +42% to $5.42/gallon. Higher fuel prices will contribute to a surge in inflation as consumers fill gas tanks. In addition, we expect companies to raise prices for transported goods, airfares, and other products affected by supply chain disruptions (fertilizers, aluminum, sulfur and helium, among others). Sustained higher prices often lead to reduced demand and slowing economic growth, trends that could reverse on the heels of an elusive ceasefire.

An important jobs report is coming Friday, but markets will be closed for Good Friday. Recent U.S. economic data has largely covered the month of February, which is before the start of the Iran military conflict, but this week's jobs report from the Bureau of Labor Statistics (BLS) will cover March data. The FactSet consensus reflects a nonfarm payrolls increase of +60 thousand (K), which would reflect a solid positive reversal from a loss of -92K in February. The unemployment rate is expected to remain unchanged at 4.4%. But with exchanges closed on Friday, 4/3/26, the market reaction will be delayed until the following Monday.

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The Global Industry Classification Standard (GICS) is a four-tiered, hierarchical industry classification system. Companies are classified quantitatively and qualitatively. Each company is assigned a single GICS classification at the Sub-Industry level according to its principal business activity. MSCI and S&P Dow Jones Indices use revenues as a key factor in determining a firm's principal business activity. The 11 sectors are: Communication Services, Consumer Discretionary, Consumer Staples, Energy, Financials, Health Care, Industrials, Information Technology, Materials, Real Estate, and Utilities. Growth sectors are those that generally drive expected annual sales and earnings growth that exceed market and sector average. Value stocks will typically trade at valuation levels below peer group averages. Cyclical sectors tend to be more economically sensitive, with more volatility in sales and earnings growth when the economy is either decelerating or accelerating. Defensive sectors (which often include Consumer Staples, Health Care and Utilities) tend to outperform during periods of economic uncertainty or slow down, as many of the products and services in these sectors are essential in daily life and less impacted by economic swings.

FactSet is a data aggregation software utilized by D.A. Davidson's Wealth Management Research. The FactSet consensus refers to the aggregate of all analysts' estimates from firms that submit estimates to FactSet for a given financial metric. Calculations on the percentage price change on indices is provided by FactSet.

Gross domestic product (GDP) is a measure of economic growth and refers to the monetary measure of the market value of all final goods and services produced within a country's borders within a specific time period. Real GDP is adjusted for the impact of inflation. GDP numbers are compiled by the Bureau of Economic Analysis (BEA), a division within the U.S. Department of Commerce. Quarterly GDP is reported as a percentage change from the prior quarter, annualized. The BEA also reports data as a year-over-year percentage change from the same period one year prior. The most recent GDP report can be found at www.bea.gov. Major components of GDP include personal consumption expenditures, non-residential fixed investment, residential investment, government expenditures and adjustments for inventories and net exports (imports). Non-Residential Fixed Investment includes several subcategories including software and information processing equipment that measure investment in technology. Imports of goods and services are subtracted from GDP data (products are not produced or performed in the U.S) while exports are added to GDP. On 3/13/26, the BEA reported that 4Q25 GDP increased +0.7% annualized from the previous quarter.

On 2/28/26, the U.S. and Israel launched an air attack on Iran designed to eliminate weapons capabilities and critical infrastructure. On 3/1/26, the White House published a release detailing the operation.

The Bureau of Labor Statistics (BLS) compiles U.S. labor statistics from two monthly surveys. The household survey measures labor force status by demographics, while the establishment survey measures nonfarm employment and data by industry. The nonfarm payrolls component of the establishment survey is drawn from private businesses and government entities. The nonfarm payrolls number is among the most widely used data points to assess U.S. employment trends. The unemployment rate is the percentage of the labor force that is jobless and actively willing and available to work.

U.S. oil prices are often described using the price per barrel of West Texas Intermediate (WTI. This is a high-quality low density crude oil grade sourced primarily from the Permian basin. Futures contracts and spot prices are traded on the New York Mercantile Exchange (NYMEX).

The Strait of Hormuz is located in the gulf between Oman and Iran. According to the U.S. Energy Information Administration, an estimated 20 million barrels per day are transported on ships through the Strait on a daily basis. This includes liquified natural gas (LNG) as well and is an essential waterway for Gulf energy exports. As of 3/20/26, very limited shipping vessels were using the Strait of Hormuz.

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Data on the economics of oil price changes on the retail price of gasoline can be found from the Federal Reserve Bank of St. Louis and the U.S. Energy Information Administration (EIA). The Automobile Club (AAA) monitors daily fuel prices in the U.S., which can be tracked at: gasprices.aaa.com.

On 2/12/25, The Trump Administration announced a framework for its Reciprocal Tariffs, with a link to the memorandum, "Fair and Reciprocal Plan." On 3/26/25, the White House announced tariffs on imported automobiles and certain automobile parts. Here is a link to a Fact Sheet from the president that outlines the action. The president referred to 4/2/25 as "Liberation Day" and released a Reciprocal Tariff Memorandum. Then, on 4/9/25, the White House delayed most reciprocal tariffs, and released a memo, Modifying Reciprocal Tariff Rates. This was considered a policy change (or pivot), and since then has led to negotiated trade deals (U.K., China and Vietnam).

The International Energy Agency (IEA) has monitored shipping and supply disruptions through the Strait of Hormuz. They have published key facts on the disruption with links to other reports as well: The Middle East and Global Energy Markets.