WEEK OF MARCH 9, 2026

Market Navigator

U.S. and Israel military strikes on Iran led to surging oil prices. Concerns about accelerating inflation and rising interest rates caused global stock markets to decline. Inflation worries also led bond markets to sell off sharply, with yields on the 10-year Treasury rising 18 basis points (bps) to 4.14 percent.

Quick Hits

1. **Beyond the headlines:** Putting the sell-off in perspective.
2. **Report releases:** Affected by winter weather, negative job creation last month raised concerns about future economic growth.
3. **Financial market data**: Surging oil prices led to declines in global stock markets. In addition, bonds sold off sharply.
4. **Looking ahead:** Personal income and spending data will highlight a heavy week of economic reports.

LifeTime Asset Management

Beyond the Headlines: Putting the Sell-Off in Perspective

Recent military action in the Middle East has increased uncertainty for investors. Geopolitical risk is always present, and its impact on U.S. markets depends on how events influence fundamentals such as jobs, inflation, economic growth, and corporate earnings.

Because the Middle East is a major oil-producing region, a prolonged conflict raises the risk of supply disruptions. With no quick resolution in sight, the benchmark price of West Texas Intermediate crude rose about 35 percent to $91 per barrel—the largest weekly move since 1983—prompting understandable concern and a market pullback.

Investors Dislike Uncertainty

Facing rising challenges to the consensus view that the economy would accelerate in the second half of the year, investors reduced risk in portfolios. Higher oil prices led to concerns about rising inflation, and Friday's employment report showed job losses and rising unemployment. Markets are concerned about stagflation—the combination of slow growth and high inflation. A further slowdown could make it difficult for the Federal Reserve (Fed) to lower interest rates.

The Russell 3000 fell more than 2 percent, international markets dropped more than 6 percent, and Treasury yields rose, resulting in a challenging week for portfolios.

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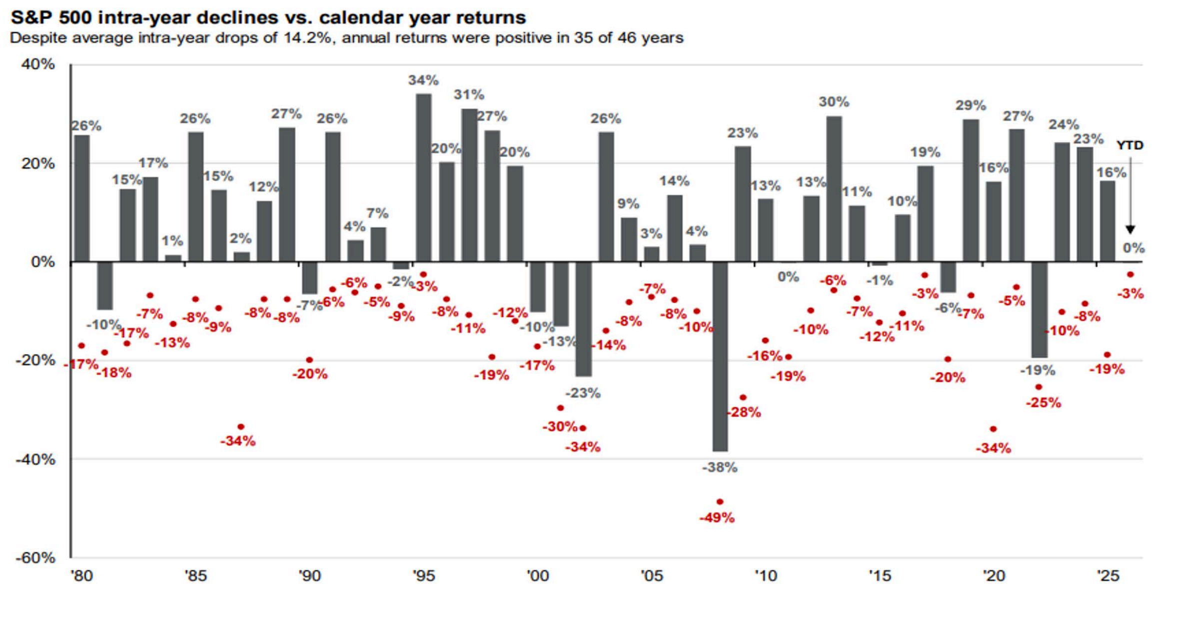
A Longer-Term Lens

Short-term declines can feel unsettling. But entering 2026, the S&P 500 had posted three years of strong double-digit gains and



Source: FactSet, Standard & Poor's, J.P. Morgan Asset Management.
Returns are based on price index only and do not include dividends. Intra-year drops refers to the largest peak-to-trough decline during the year. Returns shown are calendar year returns from 1980 to 2025, over which the average annual return was 10.7%. Past performance is no guarantee of future results.
Guide to the Markets – U.S. Data are as of March 5, 2026.

reached a record high in late January. Even after recent volatility, it remains down only 3.75 percent from its peak.

Market sell-offs happen every year. Some are modest; others cause significant volatility. Recent examples include the pandemic, the 2022 inflation spike, and last year's tariff announcements. Through it all, the average annual decline in the market is 14 percent.

Peter Lynch, the former Fidelity Investments portfolio manager, said people have lost more money preparing for a correction than they actually do during one. Despite annual sell-offs, over the past 23 years, only 3 have had negative total returns greater than 1 percent.

Uncertainty in the Middle East remains, but portfolios built with long-term objectives at their core are designed to help weather all types of markets. This is when they are built to help investors stay on course.

Report Releases: March 2–6, 2026

ISM Manufacturing Index
February
(Monday)

Manufacturer confidence exceeded economist expectations in February, marking two consecutive months with the index in expansionary territory.

- Expected/prior ISM Manufacturing index: 51.5/52.6
- Actual ISM Manufacturing index: 52.4

ISM Services Index
February
(Wednesday)

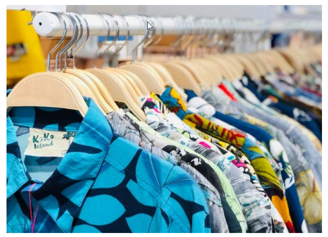
Service sector confidence also beat expectations last month, with the index reaching its highest level since 2022. Historically, improved business confidence has been an encouraging sign for future corporate spending.

- Expected/prior ISM Services index: 53.5/53.8
- Actual ISM Services index: 56.8

Retail Sales
January
(Friday)

Retail sales declined in January after a flat December. The lackluster sales growth was due in part to the impact of winter weather disruptions. Somewhat encouragingly, the decline was less than analysts had expected.

- Expected/prior month retail sales monthly change: –0.3%/+0.0%
- Actual retail sales monthly change: –0.2%



Employment Report
February
(Friday)

Hiring surprisingly slowed last month, with 92,000 jobs lost across the economy. The unemployment rate rose to 4.4 percent from 4.3 percent in January. The report was affected by weather and striking workers.

- Expected/prior change in nonfarm payrolls: +55,000/+126,000
- Actual change in nonfarm payrolls: –92,000

>> The Takeaway

- Manufacturing and services confidence beat expectations, which is usually a good sign for future growth.
- The impact of winter weather caused retail sales and the number of jobs created to decline.

Financial Market Data

Equity

Crude oil surged more than 35 percent due to the military conflict in the Middle East. Concerns about oil supply shortages—and the impact of higher prices on the economy and inflation—caused global equity markets to sell off. U.S. equity markets were down across the board. The Nasdaq Composite was the best-performing U.S. market, declining just 1.2 percent. The S&P 500, Dow Jones, and Russell 2000 dropped roughly 2 percent, 3 percent, and 4 percent, respectively. Unsurprisingly, energy was the top-performing sector, up roughly 1 percent. International markets sold off nearly 7 percent.

Index	Week-to-Date	Month-to-Date	Year-to-Date	12-Month
S&P 500	−1.99%	−1.99%	−1.34%	18.93%
Nasdaq Composite	−1.22%	−1.22%	−3.58%	24.73%
DJIA	−2.92%	−2.92%	−0.86%	13.49%
MSCI EAFE	−6.71%	−6.71%	2.74%	21.94%
MSCI Emerging Markets	−6.88%	−6.88%	6.95%	36.16%
Russell 2000	−4.03%	−4.03%	1.95%	23.89%

Source: Bloomberg, as of March 6, 2026

Fixed Income

Oil prices also affected fixed income markets due to concerns that inflation could accelerate and what that might mean for Fed rate policy. Bonds sold off sharply. Treasury yields rose, with the 2-year rising 17 bps to 3.56 percent and the 10-year increasing 18 bps to 4.14 percent.

Index	Week-to-Date	Month-to-Date	Year-to-Date	12-Month
U.S. Broad Market	−0.96%	−0.96%	0.77%	5.73%
U.S. Treasury	−0.96%	−0.96%	0.74%	4.76%
U.S. Mortgages	−1.02%	−1.02%	1.05%	7.02%
Municipal Bond	−0.77%	−0.77%	1.41%	4.70%

Source: Bloomberg, as of March 6, 2026

>> The Takeaway

- Equity markets fell broadly as surging oil prices caused investors to reduce portfolio risk. Areas that had led performance earlier in the year absorbed the heaviest selling.
- Concerns that inflation could accelerate—and complicate the Fed’s interest-rate decisions—drove a sharp sell-off in bonds.

Looking Ahead

Although investors will continue to focus on the impact of oil prices on the economy, it will also be a packed week for economic data.

- The week kicks off Tuesday with **existing home sales** for February. The pace of sales is expected to decline for the second consecutive month.
- On Wednesday, we'll see the **Consumer Price Index (CPI)** for February. Year-over-year consumer inflation is expected to rise 0.1 percentage point to 2.5 percent.
- We'll cap the week on Friday with **personal income and spending** for January and the **preliminary University of Michigan consumer sentiment survey** for March. Personal income and spending data are expected to show solid growth. Consumer sentiment is anticipated to edge slightly lower from a strong February reading.

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