



Mar. 16, 2026

Weekly Viewpoint

Stocks Melt Down as Oil Heats Up

Performance for Week Ending 3.13.2026

The Dow Jones Industrial Average (Dow) fell 2 percent, the Standard & Poor's 500 Index (S&P 500) lost 1.6 percent, and the Nasdaq Composite Index (Nasdaq) declined by 1.3 percent for the week ending March 13. Sector breadth was negative, with nine of the 11 S&P sector groups closing lower. Energy was the best performer (2.1 percent), while financials (-3.4 percent) was the weakest.

Index*	Closing Price 3.13.2026	Percentage Change for Week Ending 3.13.2026	Year-to-Date Percentage Change Through 3.13.2026
Dow	46558.47	-2.0%	-3.1%
S&P 500	6632.19	-1.6%	-3.1%
Nasdaq	22105.36	-1.3%	-4.9%

Market Observations: 3.9.2026–3.13.2026

The S&P 500 finished the week lower as the war-driven surge in oil prices rekindled inflation fears. Oil rose 8.6 percent last week and is up over 47 percent since the war with Iran began. Oil prices maintained elevated levels even after the International Energy Agency (IEA) said its members would release 400 million barrels of oil from strategic petroleum reserves, the agency's largest-ever release, in an attempt to keep a lid on surging prices. The emergency release is the IEA's sixth in history and more than doubles the amount of oil released following Russia's invasion of Ukraine in 2022. The market reaction seems to suggest that investors are less worried about supply and more worried about the logistics of transporting oil. The Strait of Hormuz, which handles about 20 percent of daily oil supply, has been locked down and does not appear to be reopening any time soon. Last week, Iran's new supreme leader said Iran's Revolutionary Guards will keep the strait closed and it will be used as leverage against the United States and Israel.

Economic Roundup: U.S. inflation data met expectations with the Consumer Price Index (CPI) rising 0.3 percent in February. On a year-over-year basis, headline CPI was higher by 2.4 percent, also in line with forecasts. Core CPI, which excludes food and energy costs, rose 0.2 percent in February and 2.5 percent

from a year ago. U.S. existing home sales unexpectedly increased in February as lower mortgage rates and a moderation in house price growth pulled buyers back into the market. Home sales rose 1.7 percent last month to a seasonally adjusted annual rate of 4.09 million units, the National Association of Realtors said. There was no indication that heavy snow and frigid temperatures that slammed large parts of the country had significantly disrupted activity. On a year-over-year basis, existing home sales fell 1.4 percent. The median existing home price last month increased 0.3 percent from a year ago to \$398,000. The number of Americans filing new applications for jobless benefits declined last week, with initial claims for state unemployment benefits slipping 1,000 to a seasonally adjusted 213,000.

Outlook: Despite the uptick in volatility and near-term uncertainty, we still maintain a positive 12-month outlook on the market. While volatility is expected to remain elevated in the weeks ahead, and additional market weakness cannot be ruled out, we believe the market will ultimately distinguish between headline risk and growth-related risk. We are tactically cautious in the near-term, but do not believe the situation in the Middle East—at least at this point—is enough to derail the current bull market. Historically, the negative market reaction to geopolitical events is usually measured in days and weeks. Markets have seen this movie before. When Russia invaded Ukraine in 2022, oil spiked, stocks sold off hard — and then recovered. The muscle memory of the market is that geopolitical shocks, while painful, tend to be temporary.

The focus should continue to be on what actually drives stock prices—earnings, the economy, and interest rate policy—all of which we think remain in a favorable place. The U.S. economy is growing, earnings are forecast to grow at a double-digit pace this year, the Federal Reserve (Fed) is expected to maintain an easing bias with expectations of at least one more rate cut this year, and fiscal policy from the One Big Beautiful Bill Act will likely be a tailwind during the first half of the year. History books suggest that bull markets rarely end when the Fed is easing and both the economy and earnings are growing.

We generally think the bar is pretty high for severe economic damage. The overall energy intensity of the U.S. economy has declined over the past few decades. In addition, inflation expectations remain well anchored with 5-year, 5-year forward inflation expectations at a little over 2 percent.

There are typically at least one of three factors in play at the end of a bull market: a rising probability of recession, the Fed is poised to raise rates, and/or the long end of the yield curve is moving higher (which in today's world would mean a 10-year yield moving to 5 percent or higher). Outside of a protracted conflict with Iran, none of those factors are present today, and we do not expect any of them to come to fruition in the foreseeable future.

The Week Ahead: While the conflict in the Middle East will remain front and center, investors will turn their attention to this week's Federal Open Market Committee (FOMC) on Tuesday and Wednesday. The Fed is widely expected to leave policy unchanged, but investors will be laser focused on the after meeting statement and Fed Chair Powell's press conference for clues on how the war and rising energy costs will impact the economy and inflation. On the data front, notable indicators include the February industrial production on Monday and the February producer price index on Wednesday. On the earnings front, eight members of the S&P 500 are scheduled to release results. Among this group will be updates from FedEx and Micron Technology. Outside of the FOMC meeting, the Fed speaking calendar will be quiet with no Fed members scheduled to speak.

Definitions

The Dow Jones Industrial Average is a price-weighted average of 30 blue-chip stocks that are generally defined as the leaders in their industry. It has been a widely followed indicator of the stock market since Oct. 1, 1928.

Standard and Poor's 500 Index is a capitalization-weighted index of 500 stocks. The index is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

The Nasdaq Composite Index is a broad-based capitalization-weighted index of stocks in all three Nasdaq tiers: Global Select, Global Market and Capital Market. The index was developed with a base level of 100 as of Feb. 5, 1971.

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