CLARUS WEALTH ADVISORS

Market Watch

March 23, 2026

Primary Market Drivers

Earnings & Economic Data

This week's economic calendar is relatively light on significant data points. We will see Unit Labor Costs & Productivity (3/24), PMI Manufacturing & Services (3/24), Imports & Exports (3/25), Wholesale Inventories (3/27), and Michigan Consumer Sentiment (3/27). Last week's earnings results from Micron were electric, featuring big beats across the board and a massive raise. Despite the showing, the stock sold off amidst a volatile end-of-week for equities at large. We've seen this pattern a lot over the past quarter - traders unable to shake narratives and macro jitters despite impressive earnings. We will have a bit of a break until the next earnings season, which begins the week of April 13th.

Fed Policy

The Fed held rates steady at its last meeting, as expected. Recent hotter-than-expected inflation data and other macro issues stemming from the Iran conflict have shifted rate cut expectations dramatically in recent weeks. What started as "three or more cuts" at the beginning of the year is now just a 12.6% chance of one cut by the end of the year, with CME's FedWatch Tool showing rate hike probabilities (31.8%) are actually higher than cut probabilities. Expect these odds to shift dramatically if and when the Iran conflict ends, but in the meantime, the market is not liking the new path.

Iran Conflict

The Iran conflict is the biggest market driver at the current time. With the conflict entering week four and the Strait of Hormuz still effectively closed, we are seeing the ripple effects across the market - oil prices spiking, inflation expectations rising, interest rates increasing, equities sliding, and heightened volatility. Trump issued a 48-hour ultimatum to Iran over the weekend, demanding the Iranians fully reopen the Strait of Hormuz to all commercial shipping without any threats of interference or face "obliteration" of its power plants. Iran replied in typical defiant fashion, but with the ultimatum expiring on Monday evening, expect the focus to remain on the conflict. The market wants to see significant de-escalation or an off-ramp sooner rather than later, which would soothe the macro qualms of the past few weeks in short order. However, the longer the conflict drags on, the more potential problems are created down the road. This week's events should be telling.

All referenced market information, statistics, and economic data were gathered from StreetAccount, a paid subscription data service provided by FactSet Research Systems Inc.

Market Returns		3/20/2026
Category	*Ticker*	*YTD%*
Domestic Equity		
S&P 500	SPY	-4.63%
Dow Jones	DIA	-4.78%
Large-Cap Growth	QQQ	-5.25%
Large-Cap Value	IVE	-1.69%
Mid Caps	MDY	-0.05%
Small Caps	IWM	-1.43%
International Equity		
Developed Intl	EFA	-2.54%
Emerging Markets	EEM	1.70%
Fixed Income		
Core Bonds	AGG	-0.59%
Corporate Bonds	LQD	-1.42%
High Yield Bonds	HYG	-1.16%
ST Treasuries	IEI	-0.48%
LT Treasuries	TLT	-0.82%
International Bonds	BNDX	-0.62%

Performance data and stock chart were gathered from eSignal, a paid market screening application provided by Intercontinental Exchange, Inc.

Current Environment Summary

What's Working	What's Not	What's Next
Historically Strong Earnings Growth	Rate Cut Expectations Diminished	**Iran Conflict & Oil Prices**
AI & Tech Revolution Long-Term Theme	Broad Risk-Off Move in Equities	**Trump Iran Ultimatum (Monday AMC)**
Fed Easing Cycle	Iran Conflict	Can S&P 500 Retake 200dma?
Stable Labor Market	Crude Oil Prices Elevated	SMCI Chip Smuggling Fallout
	Inflation Expectations	

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Value Investment Risk *: Value stocks may perform differently from the market as a whole and following a value-oriented investment strategy may cause a portfolio to underperform equity funds that use other investment strategies.*

Small Company Risk *: Securities of small companies are often less liquid than those of large companies and this could make it difficult to sell a small company security at a desired time or price. As a result, small company stocks may fluctuate relatively more in price. In general, smaller capitalization companies are also more vulnerable than larger companies to adverse business or economic developments and they may have more limited resources.*

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