

## Primary Market Drivers

### Earnings & Economic Data

It's a busy week for economic data, particularly inflation data. We will see February CPI on Wednesday (3/11) and January Core PCE on Friday (3/13). Inflation has been stubbornly ticking higher in recent releases and there is much uncertainty moving forward given the spike in crude oil. Other notable releases this week include the NFIB Small Business Index (3/10), Existing Home Sales (3/10), Housing Starts (3/12), Durable Goods Orders (3/13), US Q4 GDP (3/13), Personal Spending & Income (3/13), JOLTS (3/13), and Michigan Consumer Sentiment (3/13). Expect the focus to be centered on the inflation prints and the first GDP revision to be watched closely. Earnings season is drawing to a close with only a small handful of companies yet to report. This week we will see results from Hewlett Packard Enterprise (HPE 3/9), Oracle (ORCL 3/10), Campbells Co (CPB 3/11), Dollar General (DG 3/12), Adobe (ADBE 3/12), and Lennar (LEN 3/12), among a few others. Expect heavy scrutiny on the announcements from Oracle and Adobe in the wake of the software pain trade of Q1.

### Iran Conflict

As we move through the second week of the Iran conflict, crude oil prices have spiked dramatically (\$101 as of this writing, +12%) over the weekend following strikes on Iranian oil facilities. However, rumors of G7 countries releasing significant reserves caused futures to pull back from overnight highs of nearly \$116. The Strait of Hormuz remains in focus from a market perspective given its significant role in the global oil supply chain. US & Israeli targeted strikes have remained fairly constant and the Trump administration has demanded unconditional surrender from Iran. Speculation over how long the conflict will continue ranges from days (the TACO scenario) to months (rumors over internal Trump admin chatter). The situation is fluid and we will continue to provide updates and how they relate to the market. US equities have fared much better than international thus far.

### Fear Narratives & Basket Trades

Just as the software freakout reached a fevered pitch two weeks ago, the Iran conflict has flipped the script on basket trades for the time being. Software and technology are seeing heavy inflows as recent rotational names are being sold off sharply amidst a broader risk-off move. Developed International, Emerging Markets, and overvalued defensive sectors have been hit the hardest in March thus far, though the Iran conflict remains fluid and sentiment can shift at a moment's notice. Whether this will be viewed as a veiled short-covering period or the beginning of a broader risk-off move remains to be seen, but with the narrative and media pressure off of software and technology for the time being, technicals are rapidly stabilizing.

*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 3/6/2026		
Category	Ticker	YTD%
<b>Domestic Equity</b>		
S&P 500	SPY	-1.40%
Dow Jones	DIA	-0.95%
Large-Cap Growth	QQQ	-2.37%
Large-Cap Value	IVE	1.97%
Mid Caps	MDY	3.28%
Small Caps	IWM	1.92%
<b>International Equity</b>		
Developed Intl	EFA	2.34%
Emerging Markets	EEM	4.77%
<b>Fixed Income</b>		
Core Bonds	AGG	0.88%
Corporate Bonds	LQD	0.69%
High Yield Bonds	HYG	-0.19%
ST Treasuries	IEI	0.64%
LT Treasuries	TLT	2.22%
International Bonds	BNDX	0.69%



*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
Inflation Subdued	Uncertain Labor Market	Iran Conflict
Historically Strong Earnings Growth	Broad Risk-Off Move in Equities	Feb CPI (3/11) & Jan Core PCE (3/13)
AI & Tech Revolution Long-Term Theme	Iran Conflict	Software Earnings: ORCL, ADBE
Trade & Global Investment Deals	Crude Oil Spiking	US Q4 GDP (3/13), JOLTS (3/13)
Fed Easing Cycle	Inflation Expectations	

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