

TALKING POINTS

Data through March 2026

Climate

Energy prices surged in March 2026, catapulted higher by continued conflict in the Middle East and the resultant closure of the Strait of Hormuz, a vital shipping route. For context, 20 million barrels of crude oil and oil-based products passed through the Strait on average each day in 2025, representing nearly 25% of the global seaborne oil trade. Oil prices increased rapidly in the wake of the news, with the per-barrel price of WTI crude jumping 51.3% in March 2025 alone, threatening to upend years of hard-fought reductions in the pace of global price increases. Eurozone inflation increased to 2.5% in March 2026, up from 1.9% the month prior and above the European Central Bank's 2.0% target rate. A similar story is expected to unfold in the U.S., where the consumer price index (CPI) is believed to have increased by 1% in March 2026 alone. If these estimates pan out, it will mark the CPI's largest monthly increase since 2022, according to Bloomberg. Momentum in the pace of rising prices has many investors rethinking near-term central bank interest rate policy. In the U.S., the market implied 2026 year-end federal funds target rate was 3.57% at the end of March 2026, up from 3.05% at the end of 2025. For context, the rate is currently 3.75% (upper bound). As discussed below, the impact on equity and fixed income returns has been notable. Global investment markets continued to decline in March 2026, with both equities and fixed income suffering losses during the month (see tables to the right).

Stock Market

The S&P 500 Index ("Index") closed at 6,528.52 on 3/31/26, representing an increase of 16.33% (price-only) year-over-year, according to data from Bloomberg. The Index now stands 31.02% above its most recent low of 4,982.77, which occurred on 4/8/25. The Index posted a total return of -4.98% in March 2026. Ten of the 11 major sectors that comprise the Index registered negative total returns for the month. Energy was the only positive sector, increasing by 10.40% over the period. Industrials had the worst showing, declining by 8.44%. Equity losses were widespread during the month, with the S&P MidCap 400 and S&P SmallCap 600 Indices declining by 5.39% and 4.07% (total returns), respectively. Despite these losses, both indices remain in positive territory year-to-date (YTD) with total returns of 2.50% and 3.58%, respectively, through 3/31/26. For comparison, the Nasdaq 100 and Bloomberg Magnificent 7 Indices declined by 5.82% and 12.04%, respectively, YTD through March 2026. While the data is lagged, concerns over increased corporate bankruptcy filings persists. S&P Global Market Intelligence reported that 749 U.S. corporations filed for bankruptcy through 12/14/25, up from 688 filings in 2024, marking the highest tally of U.S. corporate bankruptcies since 2010 when 828 companies filed for the protection.

Bond Market

The yield on the benchmark 10-year Treasury note (T-note) stood at 4.32% at the close of trading on 3/31/26, an increase of 11 basis points (bps) from its 4.21% close on 3/31/25, according to data from Bloomberg. The 4.32% yield stood 157 bps above its 2.75% average for the 10-year period ending March 2026 and 67 bps below its most recent high of 4.99% set on 10/19/23. The yield on the 2-year T-note stood at 3.80% on 3/31/26, down just nine bps from when it stood at 3.89% on 3/31/25. As discussed in the "Climate" section above, central bank policy expectations underwent significant adjustment in the wake of the most recent Iranian conflict. The resultant surge in fixed income yields has deep implications for global investment markets. Two-year T-note yields rocketed to 3.99% on 3/26/26, up from 3.38% at February's close. Similarly, the 10-year T-note's yield peaked at 4.43% in March 2026, up from 3.94% at the month's onset. Global bond yields are also rising amidst elevated geopolitical risk. Yields for 10-year tenors of the U.K. Gilt and German Bund increased by 68 bps and 36 bps, respectively, in March 2026. We suspect higher yields could spur further demand for U.S. Treasuries. The U.S. Treasury Department reported that foreign investors purchased a net \$1.55 trillion of long-term U.S. financial assets in 2025, up from \$1.18 trillion in 2024, according to Bloomberg. Purchases of U.S. equities accounted for \$658.5 billion of last year's total, while Treasury notes and bonds totaled \$442.7 billion. Additionally, foreign investors purchased a net \$327.8 billion of corporate bonds and \$112.9 billion of agency securities over the period.

Takeaway

Broadly speaking, the first quarter was largely a continuation of the paradigm shifts that had sprouted at the start of the year. Investors were relentless in broadening their allocations during the quarter, sending the S&P SmallCap 600 and MidCap 400 Indices higher by 3.58% and 2.50%, respectively. For comparison, the market cap weighted S&P 500 and Bloomberg Magnificent 7 Indices declined by 4.35% and 12.04% over the same time frame. The Iranian conflict continues to present significant challenges to the status quo, with surging energy prices upending near-term U.S. rate cut expectations, pressuring safe haven assets and equities alike. Even so, earnings estimates for the Index continue to climb to record levels. Data from FactSet shows that analyst estimates for the Index's 2026 calendar year earnings increased from 313.76 per share in February 2026 to 320.43 in March 2026. This is in addition to record profit margins enjoyed by Index companies in Q4'25 and in spite of rampant geopolitical disruption. In our view, investors would be well-served to monitor this data closely, as we believe earnings variability offers deeper insight into the health of the equity markets than geopolitics.

Sources: Bloomberg, FactSet, and Investment Company Institute

Past performance is no guarantee of future results. Historical performance figures for the indices are for illustrative purposes only and not indicative of any actual investment. Indices are unmanaged and an investor cannot invest directly in an index. There can be no assurance past trends will continue or estimates will be realized.

Open-End Net Fund Flows (\$)	2/26	1/26	YTD (Feb)
Equity	-64.1B	-84.1B	-148.2B
Taxable Bond	24.8B	36.6B	61.4B
Municipal Bond	9.0B	4.9B	13.9B
Hybrid	-3.2B	-5.9B	-9.0B
Taxable Money Market	44.8B	-24.3B	20.5B

Key Interest Rates/Yields	3/31/26	2/27/26	3/31/25
Federal Funds Target Rate	3.75%	3.75%	4.50%
2-Year T-Note	3.80%	3.38%	3.89%
5-Year T-Note	3.94%	3.50%	3.95%
10-Year T-Note	4.32%	3.94%	4.21%
Bond Buyer 40	4.72%	4.65%	4.72%

Commodities/U.S. Dollar	3/26	YTD	12 Mo.
U.S. Dollar Index (DXY)	2.41%	1.67%	-4.08%
FTSE/CC CRB Excess Ret.	19.11%	24.65%	20.41%
Crude Oil/WTI (per Barrel)	51.27%	76.56%	41.83%
Natural Gas (per million BTUs)	0.87%	-21.76%	-29.98%
Gold Bullion (Ounce)	-11.57%	8.07%	49.45%

S&P 500 Full-Year Earnings Estimates	2026	2027
3/31/26	320.43	372.88
2/27/26	313.76	363.55
12/31/25	311.25	357.60

Total Return Performance

U.S. Stock Indices	3/26	YTD	12 Mo.
S&P 500	-4.98%	-4.35%	17.77%
DJIA	-5.20%	-3.19%	12.23%
Nasdaq 100	-4.81%	-5.82%	23.99%
S&P MidCap 400	-5.39%	2.50%	17.33%
Russell 2000	-5.01%	0.92%	25.76%
Russell 3000	-4.98%	-3.97%	18.06%

U.S. Styles/Market Caps	3/26	YTD	12 Mo.
S&P 500 Growth	-5.35%	-8.12%	22.62%
S&P 500 Value	-4.58%	0.02%	12.89%
S&P MidCap 400 Growth	-5.54%	3.91%	21.83%
S&P MidCap 400 Value	-5.25%	1.00%	12.82%
Russell 2000 Growth	-6.30%	-2.82%	23.55%
Russell 2000 Value	-3.64%	5.04%	28.18%

Foreign Stock Indices (USD)	3/26	YTD	12 Mo.
MSCI World NET (Ex-U.S.)	-9.74%	-0.94%	22.99%
MSCI Emerging Markets NET	-13.06%	-0.17%	29.55%
MSCI Europe NET	-9.90%	-2.82%	19.11%
MSCI BRIC NET	-9.30%	-9.35%	2.04%
MSCI EM Latin America NET	-4.30%	14.58%	57.38%
Nikkei 225	-14.27%	0.46%	37.49%

Bloomberg Fixed Income Indices	3/26	YTD	12 Mo.
U.S. Treasury: Intermediate	-1.14%	0.05%	3.98%
GNMA 30 Year	-1.51%	0.63%	5.50%
Municipal Bond (22+)	-2.35%	-0.22%	3.23%
U.S. Aggregate	-1.76%	-0.05%	4.35%
Intermediate Corporate	-1.39%	-0.22%	5.31%
U.S. Corporate High Yield	-1.18%	-0.50%	7.01%
Global Aggregate	-3.07%	-1.07%	4.26%
EM Hard Currency Aggregate	-3.26%	-1.61%	7.61%

HIGH/LOW SNAPSHOT

Data through March 2026

Index	10-Yr. High Value		10-Yr. Low Value		Month-End Value	% Off High Value	YTD Return (USD)	Month-End Yield
	High Value	Date	Low Value	Date				
S&P 500	6978.60	1/27/2026	2000.54	6/27/2016	6528.52	-6.45%	-4.35%	1.22%
S&P 500 Growth	5090.93	10/29/2025	1119.47	6/27/2016	4561.25	-10.40%	-8.12%	0.60%
S&P 500 Value	2189.20	2/6/2026	814.98	3/23/2020	2083.69	-4.82%	0.02%	1.89%
S&P MidCap 400	3606.95	2/20/2026	1218.55	3/23/2020	3376.35	-6.39%	2.50%	1.44%
S&P MidCap 400 Growth	1751.31	3/2/2026	610.53	3/23/2020	1630.57	-6.89%	3.91%	0.77%
S&P MidCap 400 Value	1152.01	2/6/2026	373.28	3/23/2020	1060.27	-7.96%	1.00%	2.13%
S&P 100	3481.00	10/29/2025	887.38	6/27/2016	3186.18	-8.47%	-6.92%	1.08%
DJIA	50188.14	2/10/2026	17140.24	6/27/2016	46341.51	-7.66%	-3.19%	1.67%
Nasdaq 100	26119.85	10/29/2025	4201.06	6/27/2016	23740.19	-9.11%	-5.82%	0.69%
Russell 2000	2718.77	1/22/2026	991.16	3/18/2020	2496.37	-8.18%	0.92%	1.28%
Russell 2000 Growth	1807.25	1/22/2026	655.13	6/27/2016	1603.37	-11.28%	-2.82%	0.54%
Russell 2000 Value	3011.05	2/9/2026	1067.63	3/23/2020	2838.16	-5.74%	5.04%	2.05%
Russell 3000	3971.58	1/27/2026	1177.35	6/27/2016	3717.56	-6.40%	-3.97%	1.23%
MSCI World Net (ex U.S.) (USD)	11923.38	2/27/2026	4246.27	3/23/2020	10762.24	-9.74%	-0.94%	2.80%
MSCI Emerging Markets Net (USD)	884.84	2/26/2026	338.21	5/19/2016	765.25	-13.51%	-0.17%	2.37%
Bovespa/Brazil (USD)	37180.91	2/25/2026	12513.21	3/23/2020	35918.42	-3.40%	22.65%	5.79%
RTS/Russia (USD)	1919.58	10/25/2021	742.91	2/24/2022	N/A	N/A	N/A	N/A
S&P BSE 500/India (USD)	461.76	9/26/2024	129.66	3/23/2020	341.01	-26.15%	-17.91%	1.34%
Shanghai Composite/China (USD)	606.67	2/27/2026	358.39	10/18/2018	564.30	-6.98%	-0.48%	2.38%
KOSPI/South Korea (USD)	4.39	2/26/2026	1.16	3/19/2020	3.33	-24.17%	14.49%	1.33%
Hang Seng (USD)	4241.01	1/26/2018	1871.10	10/31/2022	3161.39	-25.46%	-3.68%	3.06%
MSCI Euro (USD)	2363.34	2/25/2026	865.50	3/18/2020	2092.84	-11.45%	-4.64%	2.93%
S&P 500 Consumer Discretionary	2017.26	1/12/2026	594.49	6/27/2016	1748.22	-13.34%	-9.19%	0.69%
S&P 500 Consumer Staples	1003.08	2/27/2026	500.59	12/24/2018	925.56	-7.73%	7.68%	2.42%
S&P 500 Energy	962.27	3/27/2026	179.94	3/18/2020	943.30	-1.97%	38.25%	2.51%
S&P 500 Utilities	482.91	2/27/2026	227.75	3/23/2020	466.42	-3.41%	8.26%	2.66%
S&P 500 Financials	937.48	1/6/2026	289.62	6/27/2016	822.22	-12.29%	-9.47%	1.67%
S&P 500 Banks	640.17	1/6/2026	191.12	6/27/2016	563.74	-11.94%	-7.76%	2.40%
FTSE NAREIT All Equity REITs	980.08	12/31/2021	483.48	3/23/2020	773.58	-21.07%	3.85%	4.06%
S&P 500 Health Care	1864.30	2/27/2026	763.33	11/3/2016	1710.39	-8.26%	-4.88%	1.77%
S&P 500 Pharmaceuticals	1406.43	2/27/2026	551.81	11/3/2016	1318.25	-6.27%	2.31%	2.14%
NYSE Arca Biotechnology	7711.58	1/22/2026	2818.70	6/27/2016	6982.61	-9.45%	-2.31%	0.25%
S&P 500 Information Technology	6064.80	10/29/2025	680.23	6/27/2016	5158.06	-14.95%	-9.13%	0.56%
Philadelphia Semiconductor	8467.43	2/25/2026	630.78	5/12/2016	7588.20	-10.38%	7.32%	0.68%
S&P 500 Communication Services	479.76	2/2/2026	130.86	12/24/2018	420.28	-12.40%	-6.94%	0.75%
S&P 500 Industrials	1512.33	3/2/2026	412.06	3/23/2020	1369.67	-9.43%	4.61%	1.30%
S&P 500 Materials	675.69	2/27/2026	241.67	3/23/2020	627.82	-7.08%	9.73%	1.66%
Philadelphia Gold & Silver	470.37	2/27/2026	61.84	11/13/2018	374.21	-20.44%	9.70%	0.94%
FTSE/CC CRB Excess Return	372.42	3/31/2026	106.29	4/21/2020	372.42	0.00%	24.65%	N/A
ICE BofA Perpetual Preferred	345.64	2/19/2026	224.97	3/23/2020	335.59	-2.91%	-1.02%	6.90%
ICE BofA U.S. High Yield Constrained	622.86	2/20/2026	341.18	4/5/2016	613.90	-1.44%	-0.55%	7.65%

Source: Bloomberg

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