



MARKET VIEW WEEKLY

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ECONOMIC REVIEW¹

- Existing home sales rose 1.7% in February to a 4.09M annualized pace, with the median home price up 0.3% year-over-year (YoY) to \$398,000 and inventory increasing 4.9% YoY to 1.29M homes as affordability improved.
- The Consumer Price Index (CPI) increased 0.3% month-over-month (MoM) and 2.4% YoY, matching forecasts, as gasoline and grocery prices rose while housing costs cooled.
- Core CPI posted a 0.2% monthly increase and 2.5% annual rate, in line with expectations, helped by declines in used car prices and motor vehicle insurance.
- Housing starts rose 7.2% to a 1.49M annualized pace, exceeding estimates as multifamily construction surged nearly 30%.
- Building permits declined 5.4% to a 1.38M annualized pace, with single-family permits falling to their lowest level since August.
- Real GDP growth for Q4 was revised down to 0.7% annualized growth from the prior 1.4% estimates, reflecting weaker consumer spending and exports late in the quarter.
- Headline Personal Consumption Expenditures (PCE) rose 0.3% MoM and 2.8% YoY, compared with forecasts for 0.3% and 2.9%, with services prices driving most of the increase.
- Core PCE (the Fed's preferred inflation gauge) increased 0.4% MoM and 3.1% YoY, matching economist estimates and reflecting persistent services inflation.
- Job openings rose to 6.95M in January from 6.55M, while layoffs fell to 1.63M, hiring was largely unchanged, and the vacancy-to-unemployed ratio held at 0.9.
- Consumer sentiment declined to 55.5 in March from 56.6, a three-month low, as households grew more concerned about rising gasoline prices.

How does the most recent economic data impact you?

- Most of this week's economic data reflects conditions prior to the escalation in the Middle East, meaning the clearest early signals of geopolitical impact are likely to appear first in inflation and consumer sentiment.
- Inflation data came in largely in line with forecasts, but the reports predate the recent surge in oil and gasoline prices, which could push inflation readings higher in the coming months.
- Consumer sentiment fell to a three-month low, reflecting fragile household confidence that could weaken further if energy costs remain elevated.
- Housing data showed improving sales and construction but weaker permits, suggesting stabilization in demand while the outlook for new supply remains uncertain.
- Labor data points to a stable but cooling job market, with job openings rising and layoffs declining while hiring activity remains relatively modest.



A LOOK FORWARD¹

- This week brings Pending Home Sales, Producer Price Index, the FOMC meeting, and New Home Sales.

How does this week's slate of economic data impact you?

- These releases provide insights into housing demand, producer inflation pressures, and the Fed's policy outlook.



MARKET UPDATE²

Market Index Returns as of 3/13/26	WTD	QTD	YTD	1 YR	3 YR	5 YR
S&P 500	-1.56	-2.86	-2.86	19.10	20.83	12.59
NASDAQ	-1.23	-4.77	-4.77	25.29	25.48	11.48
Dow Jones Industrial Average	-1.91	-2.75	-2.75	14.15	15.25	9.34
Russell Mid-Cap	-2.21	0.85	0.85	16.07	14.37	6.98
Russell 2000 (Small Cap)	-1.75	0.14	0.14	22.93	13.34	2.44
MSCI EAFE (International)	-2.02	0.61	0.61	20.67	15.74	8.27
MSCI Emerging Markets	-1.96	4.84	4.84	34.06	18.64	4.24
Bloomberg US Agg Bond	-0.92	-0.16	-0.16	4.94	4.06	0.28
Bloomberg High Yield Corp.	-0.77	-0.51	-0.51	6.91	9.20	4.30
Bloomberg Global Agg	-1.23	-0.96	-0.96	4.69	3.11	-1.58

Q OBSERVATIONS

- Markets pulled back for a third straight week as the ongoing Middle East conflict and volatility in oil markets dominated headlines.
 - Crude prices swung as investors balanced their risk of supply disruptions through the Strait of Hormuz against intermittent signs of possible deescalation.
- U.S. equities moved lower across the board, with the S&P 500 down -1.56%, the NASDAQ down -1.23%, and the Dow down -1.91%, posting weekly declines as investors digested geopolitical risks and shifting rate expectations.
- Small and mid-cap stocks underperformed, with the Russell Mid Cap down -2.21% and the Russell 2000 falling -1.75%, reflecting continued sensitivity to economic growth and financing conditions.
- International equities also weakened with the MSCI EAFE down to -2.02% and MSCI Emerging Markets declining -1.96%, highlighting the global nature of the risk off sentiment.
- Fixed income provided limited diversification as the Bloomberg U.S. Aggregate Bond index fell -0.92% and the Global Aggregate declined -1.23% amid higher yields and global rate volatility.
- Credit held up slightly better than other bond sectors, with the U.S. High Yield down -0.77%.

✓ BY THE NUMBERS

Bam!: Miami Heat star Bam Adebayo delivered one of the greatest scoring performances in NBA history, erupting for 83 points in a 150-129 win over the Washington Wizards. The outburst ranks as the second-highest single-game total ever, trailing only Wilt Chamberlain's 100 points and surpassing Kobe Bryant's 81-point game from 2006. The bio shot 2443 from the field, hit 7 3-pointers, and went an incredible 36-for-43 from the free throw line, setting NBA records for both free throws made and attempted. He scored 31 points in the first quarter, 43 by halftime, and 62 by the end of the third, turning the night into a historic chase for the record books. The performance shattered his previous career high of 41 points and cemented his place among the most legendary single game scoring feats in league history.³

Big Apple, Bigger Budget Gap: Moody's lowered New York City's credit outlook from "stable" to "negative" while keeping its Aa2 issuer rating, citing persistent multi-year budget gaps and weakening fiscal flexibility. The warning comes as the city proposes a \$127 billion budget for FY2027 and faces a projected \$5.4 billion deficit, raising concerns about long-term spending discipline. While the downgrade does not affect borrowing immediately, it signals that continued deficits could lead to a future credit downgrade and higher borrowing costs for the city.⁴

Economic Definitions

Building Permits: This concept tracks the number of permits that have been issued for new construction, additions to pre-existing structures or major renovations. These statistics are based on the number of construction permits approved.

CPI (headline and core): Consumer prices (CPI) are a measure of prices paid by consumers for a market basket of consumer goods and services. The yearly (or monthly) growth rates represent the inflation rate.

Existing Home Sales: This concept tracks the sales of previously owned homes during the reference period. Total existing home sales include single-family homes, townhomes, condominiums and co-ops. All sales are based on closings from Multiple Listing Services. Foreclosed homes are only counted in the inventory if the bank is working with a realtor. Foreclosed homes that sell via auction (or other closings outside of the Multiple Listing Services) are not included.

Federal Open Market Committee (FOMC): the Federal Reserve's policy-setting body that determines US interest rates and guides monetary policy to promote stable prices and maximum employment.

Federal Reserve (Fed): The Federal Reserve System is the central banking system of the United States of America.

GDP QoQ: Gross domestic product (GDP) measures the final market value of all goods and services produced within a country. It is the most frequently used indicator of economic activity. The GDP by expenditure approach measures total final expenditures (at purchasers' prices), including exports less imports. This concept is adjusted for inflation.

Housing Starts: Housing (or building) starts track the number of new housing units (or buildings) that have been started during the reference period.

PCE (headline and core): PCE deflators (or personal consumption expenditure deflators) track overall price changes for goods and services purchased by consumers. Deflators are calculated by dividing the appropriate nominal series by the corresponding real series and multiplying by 100.

Pending Home Sales: This concept tracks signed real estate contracts for existing single-family homes, condos and co-ops that have not yet closed. As such it is a leading indicator for existing home sales.

Producer Prices - PPI (headline and core): Producer prices (output) are a measure of the change in the price of goods as they leave their place of production (i.e. prices received by domestic producers for their outputs either on the domestic or foreign market).

Index Definitions

S&P 500: The S&P 500® is widely regarded as the best single gauge of large-cap U.S. equities and serves as the foundation for a wide range of investment products. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization.

NASDAQ: 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 February 5, 1971.

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

Russell Mid-Cap: Russell Midcap Index measures the performance of the 800 smallest companies in the Russell 1000 Index, which represent approximately 25% of the total market capitalization of the Russell 1000 Index.

Russell 2000: The Russell 2000 Index is comprised of the smallest 2000 companies in the Russell 3000 Index, representing approximately 8% of the Russell 3000 total market capitalization. The real-time value is calculated with a base value of 135.00 as of December 31, 1986. The end-of-day value is calculated with a base value of 100.00 as of December 29, 1978.

MSCI EAFE: The MSCI EAFE Index is a free-float weighted equity index. The index was developed with a base value of 100 as of December 31, 1969. The MSCI EAFE region covers DM countries in Europe, Australasia, Israel, and the Far East.

MSCI EM: The MSCI EM (Emerging Markets) Index is a free-float weighted equity index that captures large and mid-cap representation across Emerging Markets (EM) countries. The index covers approximately 85% of the free float-adjusted market capitalization in each country.

Bloomberg US Agg Bond: The Bloomberg US Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate pass-throughs), ABS and CMBS (agency and non-agency).

Bloomberg High Yield Corp: The Bloomberg US Corporate High Yield Bond Index measures the USD-denominated, high yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below. Bonds from issuers with an emerging markets country of risk, based on Bloomberg's EM country definition are excluded.

Bloomberg Global Agg: The Bloomberg Global Aggregate Index is a flagship measure of global investment grade debt from twenty-four local currency markets. This multi-currency benchmark includes treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers.

Bloomberg Municipal Bond Index: The Bloomberg U.S. Municipal Index covers the USD-denominated long-term tax-exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds and prerefunded bonds.

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¹ Data obtained from Bloomberg as of 3/13/2026.

² Data obtained from Morningstar as of 3/13/2026.

³ [Bam! | yahoo.com](https://www.yahoo.com)

⁴ [Big Apple, Bigger Budget Deficit | aol.com](https://www.aol.com)