

MARKET VIEW WEEKLY

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ECONOMIC REVIEW¹

- Headline Producer Price Index (PPI) came in above expectations, rising 0.7% month over month and 3.4% year-over-year (YoY), indicating stronger-than-anticipated producer price pressures.
- Core PPI, which excludes food and energy prices, was modestly softer on a month-over-month (MoM) basis but still came in above expectations at 0.5%, while the YoY reading also exceeded expectations at 3.9%.
 - “Super Core” PPI (less food, energy, and trade) rose 0.5% MoM and 3.5% YoY.
- The NY Empire State Manufacturing Index, a broad-based measure of manufacturing activity in New York, fell to -0.2 in March 2026 from 7.1 in February, well below forecasts of 3.2.
- Initial jobless claims in the U.S. fell by 8,000 from the previous week to 205,000 in the second week of March, firmly below expectations of a 2,000 increase.
- Continuing Jobless Claims in the United States increased to 1.86 million in the week ending March 7 of 2026 from 1.85 million in the previous week.
- The Federal Reserve held interest rates steady at 3.50%–3.75% in an 11–1 vote, with one dissenter calling for a slight interest rate cut, reinforcing a cautious pause amid rising uncertainty
 - No policymakers signaled a need for hikes this year, and maintained their prior forecasts for one cut later this year.

How does the most recent economic data impact you?

- Inflation came in hotter than expected, reinforcing concerns that progress toward the Federal Reserve’s 2% target remains slow.
 - This data was recorded prior to the Iran conflict, suggesting inflation readings could become more volatile in the coming months.
- Near-term interest rate cuts appear unlikely, as elevated inflation combined with geopolitical uncertainty reduces the Fed’s flexibility to ease policy.
- Labor market data continues to reflect a “low hire, low fire” environment, indicating limited movement in both hiring and layoffs.



A LOOK FORWARD¹

- This week we can expect to see updates on consumer sentiment, as well as the most recent import, and export prices.

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

- Consumer sentiment drives spending behavior, with stronger confidence supporting discretionary purchases and weaker sentiment leading to pullbacks.
- Rising import prices can increase inflation and reduce purchasing power, while export prices tend to impact consumers more indirectly through economic growth and income trends.



MARKET UPDATE²

Market Index Returns as of 3/20/26	WTD	QTD	YTD	1 YR	3 YR	5 YR
S&P 500	-1.87	-4.68	-4.68	16.25	19.22	12.33
NASDAQ	-2.06	-6.73	-6.73	22.49	23.07	11.19
Dow Jones Industrial Average	-2.09	-4.79	-4.79	10.42	13.96	8.98
Russell Mid-Cap	-1.21	-0.38	-0.38	13.37	13.69	6.89
Russell 2000 (Small Cap)	-1.65	-1.52	-1.52	20.12	12.69	2.67
MSCI EAFE (International)	-2.06	-1.46	-1.46	17.27	14.96	7.70
MSCI Emerging Markets	-0.35	4.48	4.48	32.08	18.16	4.33
Bloomberg US Agg Bond	-0.51	-0.68	-0.68	3.89	3.72	0.24
Bloomberg High Yield Corp.	-0.31	-0.82	-0.82	6.12	9.10	4.35
Bloomberg Global Agg	-0.14	-1.10	-1.10	4.37	2.78	-1.57



OBSERVATIONS

- Markets moved lower during the week, pressured by ongoing Middle East tensions and continued swings in oil prices.
 - Energy markets remained volatile as investors weighed the risk of supply disruptions through the Strait of Hormuz against occasional signs of easing tensions.
- U.S. equities moved lower across the board, with the S&P 500 down -1.87%, the NASDAQ down -2.06%, and the Dow down -2.09% as investors digested geopolitical risks and shifting rate expectations.
- Small and mid-cap stocks were slightly less negative, with the Russell Mid Cap down -1.21% and the Russell 2000 falling -1.65%, reflecting continued sensitivity to economic growth and financing conditions.
- International equities also weakened with the MSCI EAFE down to -2.06% and MSCI Emerging Markets declining -0.35%, highlighting the global nature of the risk off sentiment.
- Fixed income offered limited downside protection, as rising yields and rate volatility pushed core bond benchmarks modestly lower.
 - Credit markets followed suit, with high yield bonds experiencing a decline of -0.31%.



BY THE NUMBERS

The World's Happiest Country: For the eighth year in a row, Finland has taken the No. 1 spot on the World Happiness Report's list of the happiest countries. The World Happiness Report ranked countries according to self-assessed life evaluations averaged over 2022-2024 and answers to the Cantril ladder question in the Gallup World Poll. It asks respondents to think of a ladder with the best possible life for them being a 10 and the worst being a zero. The Wellbeing Research Centre at the University of Oxford, which publishes the report, says that in addition to the Cantril ladder question, the report also considers the following six variables in the more than 130 countries ranked in the report: GDP per capita, Social Support, Health life expectancy, Freedom, Generosity, and Freedom of corruption.³

PwC Hiring More Graduates: PwC, one of the world's biggest consultancy firms, plans to increase the number of graduates it takes on next year, brushing aside concerns that artificial intelligence (AI) was undermining hiring at the firm. Marco Amitrano said PwC had cut back on new graduate roles last year due to the flagging economy, not AI. In his experience new recruits came into the firm keen to be in the office and "hungry" to pursue a career, he said. Young people have been hardest hit by the recent rise in unemployment, prompting some to question the value of taking on large debts to obtain a degree. Younger workers have been characterized as a less resilient generation, but Amitrano said new hires to PwC, one of the UK's biggest graduate recruiters, had struck him as eager to learn and earn well.⁴

Economic Definitions

Initial Jobless Claims: Initial unemployment claims track the number of people who have filed jobless claims for the first time during the specified period with the appropriate government labor office. This number represents an inflow of people receiving unemployment benefits.

Continuing Jobless Claims: Continuing claims are the number of people filing for unemployment benefits who have already filed an initial claim. To be included in continuing claims, the person must be covered by unemployment insurance and must be currently receiving benefits. They must have been unemployed for at least a week after filing the initial claim, per Department of Labor (DoL) specifications.

The NY Empire State Index: The result of a monthly survey of manufacturers in New York state. The survey is conducted by the Federal Reserve Bank of New York. The bank sends out the survey every month to business leaders who represent a wide swath of the manufacturing sector. The headline number for the index refers to the main index of the survey, which summarizes general business conditions in New York state.

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.

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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Investing involves risk, including the potential loss of principal. No investment strategy can guarantee a profit or protect against loss. In general, the bond market is volatile; bond prices rise when interest rates fall and vice versa. This effect is usually pronounced for longer-term securities. Any fixed-income security sold or redeemed prior to maturity may be subject to a substantial gain or loss. Vehicles that invest in lower-rated debt securities (commonly referred to as junk bonds or high-yield bonds) involve additional risks because of the lower credit quality of the securities in the portfolio. International investing involves special risks not present with U.S. investments due to factors such as increased volatility, currency fluctuation, and differences in auditing and other financial standards. These risks can be accentuated in emerging markets.

Index performance does not reflect the deduction of any fees and expenses, and if deducted, performance would be reduced. Indexes are unmanaged and investors are not able to invest directly into any index. Past performance cannot guarantee future results.

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¹ Data obtained from Bloomberg as of 3/20/2026.

² Data obtained from Morningstar as of 3/20/2026.

³ <https://www.cnn.com/2025/03/19/world-happiness-report-2025-finland-is-the-happiest-country.html>

⁴ [PwC planning to increase the number of graduates it takes on](#)