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# Financial Week Newsletter

*Summarized by Smith Shellnut Wilson*

**March 23, 2026**

***"In the short run, the market is a voting machine. In the long run, it is a weighing machine" Benjamin Graham***

## MARKETS

**Macro Recap:** The Federal Reserve kept its policy rate unchanged for a second straight meeting, a decision that broadly matched market expectations. Policymakers maintained their projection for one rate cut later this year; however, Chair Jerome Powell acknowledged that officials also discussed the possibility of further hikes. That comment signaled a more cautious stance than investors had anticipated, leading markets to push expectations for easing further out and even assign a modest probability to a rate increase by year end.

The Fed was not alone in holding rates steady. Several major central banks, including those in Japan, the United Kingdom, Sweden, and Switzerland, also opted to keep policy settings unchanged as global inflation concerns persist.

Inflation data added to the unease, particularly following the latest wholesale price report. The Producer Price Index rose 0.7% in February, exceeding consensus forecasts and topping January's increase. On a year-over-year basis, wholesale prices were up 3.4%, raising concerns about potential pass-through effects on consumer inflation.

Oil prices stabilized after a sharp two-week rally but remained elevated. U.S. crude was trading near $99 per barrel late Friday, modestly higher than the prior week and well above its late-February lows.

Meanwhile, gold prices declined for a third consecutive week, falling nearly 10% and pausing a rally that began earlier in the year. Gold futures were around $4,500 per ounce on Friday, down from record highs set in late January.

**Equity Recap:** Early-week gains in the stock market faded, leaving the major U.S. indexes lower for the week. The S&P 500 declined 1.9%, while the Nasdaq Composite and Dow Jones Industrial Average each fell 2.1%, with all three benchmarks breaking further below key technical levels by Friday. This marked the fourth consecutive weekly decline, pushing the S&P 500 to 6.8% below its late-January record high. The Nasdaq is now 9.6% below its October 2025 peak, just shy of correction territory.

**Bond/Rate Recap:** U.S. Treasury prices declined for a third straight week as yields continued to move higher. The selloff persisted amid ongoing inflation concerns, particularly those linked to rising energy prices, and growing expectations for a more restrictive rate outlook. By Friday, the 2-year Treasury yield had increased 16 basis points on the week to 3.90%, while the 10-year yield rose 10 basis points to 4.39%, marking its highest level in approximately eight months.

## INDICES

| | Mar 16 Open | Mar 20 Close | Weekly Change | Dec 31 2025 | YTD Change |
|---|---|---|---|---|---|
| **DJIA** | 46,558 | 45,577 | -2.1% | 48,063 | -5.2% |
| **S&P 500** | 6,632 | 6,506 | -1.9% | 6,846 | -5.0% |
| **NASDAQ** | 22,105 | 21,648 | -2.1% | 23,242 | -6.9% |
| **Russell 2000** | 2,480 | 2,438 | -1.7% | 2,482 | -1.8% |
| **KBW Bank Indx** | 147.1 | 149.5 | 1.6% | 164.0 | -8.9% |
| **Bitcoin** | $73,812 | $68,609 | -7.0% | $87,648 | -21.7% |
| **Oil (WTI)** | $96.64 | $98.23 | 1.6% | $57.42 | 71.1% |
| **Gold** | $5,021 | $4,492 | -10.5% | $4,319 | 4.0% |
| **Prime** | 6.75 | 6.75 | 0.00 | 6.75 | 0.00 |
| **Effective Fed Funds** | 3.64 | 3.64 | 0.00 | 3.64 | 0.00 |
| **3m Tbill** | 3.68 | 3.70 | 0.02 | 3.63 | 0.07 |
| **2yr UST** | 3.67 | 3.90 | 0.23 | 3.47 | 0.43 |
| **10yr UST** | 4.23 | 4.38 | 0.15 | 4.17 | 0.21 |
| **2-10yr UST Spread** | 55 | 48 | -8 | 69 | -21 |
| **2y AAA Muni/10y UST** | 59.4% | 59.3% | -0.1% | 70.3% | -10.9% |
| **10y AAA Muni/10y UST** | 66.1% | 67.8% | 1.7% | 65.4% | 2.4% |
| **5yr Inflation Forecast** | 2.65 | 2.70 | 0.05 | 2.27 | 0.43 |

## Week Ahead

- **Monday:** Construction spending
- **Tuesday:** Productivity and labor costs
- **Wednesday:** Imports and export prices
- **Thursday:** Weekly Unemployment Claims
- **Friday:** University of Michigan Index of Consumer Sentiment

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