Market Down & Dirty
March 30, 2026

The Data

- Equities saw the recent sell-off accelerated last week as fears of an economic slowdown surged.
  - S&P 500 -2.23% Dow -0.90% Russell 2000 +0.36%, Nasdaq -3.23%.[1]
    - The All-Country World Index declined -1.51%.[1]
  - S&P 500 sub-sectors were almost all lower last week.
    - Energy once again led to the upside with a gain of over 5%.[1]
    - Tech led to the downside with a loss of 4%.[1]
  - The CBOE Volatility Index (VIX) rose 16% to end at 31.05.[1]

- US Treasury bond yields rose last week.
  - US 2yr +0.01% at 3.91%, 10yr +0.04% to 4.43%, 30yr +0.03% to 4.98%.[1]
  - Oil prices and inflation expectations continue to drive the yield curve.

- Commodities as an aggregate asset class rose last week.
  - WTI Crude rose 3%.[1]
  - Gold was flat at -0.02%.[1]
  - The US Dollar index gained +0.51%.[1]

- In our opinion, U.S. economic data was negative last week.
  - The labor market resilience has continued as claims stayed inline with expectations.[1]
  - Consumer sentiment declined from last month and failed to meet estimates.[1]
  - The national activity index came in at a surprising contraction reading.[1]

- An index of equities outside the US (FTSE All-World ex-US) lost -0.12%.[1]

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[1] Source: Bloomberg – 3/20/2026

Conclusion

- Stocks saw an acceleration of the recent selloff as fears surrounding the economic damage of sustained higher oil prices compounded.
    - All major indices moved lower with the exception of the small-cap Russell 2000 which showed a small gain.[1]
    - The Nasdaq led major indices lower with a loss of over 3%.[1]
        - The Nasdaq and Dow Jones Industrial Average both entered correction territory last week as they cross the -10% level from recent highs.
    - The S&P 500 finished -1.7%, capping its fifth straight weekly drop — the longest such streak since 2022.[1]
- S&P 500 subsectors mostly declined last week.
    - Energy continued its outsized gains as it closed the week +5.48%.[1]
    - Utilities & Materials saw gains of over 2%.[1]
    - With the decline in Industrials last week, that critical part of the US economy fell into official correction territory which historically has been a bad sign for the broader market.
- US Treasury yields rose but not to the degree of recent weeks.
    - The recent rise higher on the short end yield stabilized but continued on the long end.
    - As Brent oil has pushed over $116 a barrel and the Iranian conflict shows little signs of ending, bond traders have largely focused on the inflation shock.
    - That has sent the US Treasury market toward the deepest monthly loss since October 2024[1] as investors brace for the possibility that the Federal Reserve will push interest rates higher before the year is out.
- Non-US equities were little changed last week.[1]
    - The US Dollar rose a half of a percent.[1]
- Commodities saw a slight increase last week as oil climbed and metals stabilized.
- The recent decline has seen many diversification strategies fail to provide the dampening of losses.
    - An ETF tracking the popular diversification trade known as risk parity has lost 8%.[1]
    - Products specifically engineered to protect equity portfolios through volatility — strategies investors pay a premium for precisely because they are supposed to make money when markets fall — have performed in line with the index they exist to protect.
    - The drop in government bonds and gold alongside equities underscored the fragility of old protection mechanisms in today's world, where inflation fears persist, fiscal stress mounts, and hot trades are vulnerable to quick retail or institutional sentiment shift.
- We've noted recently that a rise in volatility could turn this from an orderly decline into a more swift drop.
    - We saw this late last week and as a result risks have increased that this "slump" could turn into something more.
    - Even though stocks hit new lows for the year, the price of "insurance" went down.
    - Some people think that's a good sign—that investors aren't worried anymore—but we think the opposite is true as participants may have hedged too much too fast for a crash that didn't happen.

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