VIEWS | MARCH 20, 2026

Weekly market update: Stocks slip on rising oil prices.

The market and economy

- U.S. stocks declined for the fourth consecutive week for the period ending March 20, hampered by continued worries about the ongoing military conflict in the Middle East, which is approaching its fourth week. The market's focus again was on the military and economic impact of Iran's virtual closure of the Strait of Hormuz, a major shipping channel between the Persian Gulf and the Gulf of Oman, which has disrupted oil exports in the region. Additionally, investors generally took an unfavorable view of Federal Reserve (Fed) Chair Jerome Powell's comments after the central bank announced its decision to leave its benchmark interest rate unchanged.
- During the week, the U.S. and its allies expanded efforts to reopen the Strait of Hormuz, employing A-10 warplanes and Apache helicopters to target Iran's attack boats, drones, and missile sites. Iran's blockade of the major shipping channel has led to a surge in oil prices, with West Texas Intermediate (WTI) crude briefly surpassing $100 a barrel in midday trading on Thursday before retreating later in the day. The WTI crude oil price has risen sharply since trading at roughly $67 before the Mideast war began on February 28.
- By a split vote of 11-1, the Federal Open Market Committee (FOMC) maintained the federal funds rate in a range of 3.50%-3.75% following its meeting on March 17-18. FOMC member Stephen Miran favored a 0.25% rate cut. In a statement announcing the rate decision, the FOMC noted, "Uncertainty about the economic outlook remains elevated. The implications of developments in the Middle East for the U.S. economy are uncertain. The Committee is attentive to the risks to both sides of its dual mandate [price stability and maximum employment]."
- The Fed's so-called dot plot of economic projections indicated a median federal funds rate of 3.4% at the end of 2026, unchanged from its forecast in December 2025, signaling that the central bank anticipates just one rate cut this year. The Fed projected that core inflation, as measured by the core personal-consumption expenditures (PCE) price index, will rise 2.7% for the current year, up from its earlier estimate of 2.5% in the December dot plot. Additionally, the FOMC pegged U.S. gross domestic product (GDP) growth at 2.4% for the 2026 calendar year—up marginally from the projected 2.3% annual growth rate in its previous dot plot.
- During a news conference on Wednesday afternoon following the FOMC meeting, Powell commented on the impact of the Mideast conflict. "The economic effects could be bigger, they could be smaller…We just don't know," he stated. "We had the tariff shock, we had the pandemic, and now we have an energy shock of some size and duration. You worry that's the kind of thing that can cause trouble for inflation expectations." Powell also said he does not intend to leave the Fed's Board of Governors while a Department of Justice investigation into the renovation of the central bank's headquarters in Washington, D.C. remains unresolved. He noted that the law requires him to continue serving if a successor is not confirmed by the time his term as Fed chair expires on May 15.
- In economic news, the Department of Labor reported that U.S. inflation at the wholesale level, as measured by the producer-price index (PPI), increased 0.7% in February, up from the 0.5% gain in January and exceeding expectations. (The PPI tracks the average change over time in selling prices received by domestic producers of goods and service providers.) The goods index was up 1.1% for the month, while the index for services rose 0.5%. Food and energy prices climbed 2.4% and 2.3%, respectively, in February. Costs for transportation and warehousing services, and trade services (margins received by wholesalers and retailers) posted corresponding increases of 0.5% and 0.4% during the month. The PPI advanced 3.4% year-over-year in February, a notable upturn from the 2.9% annual gain in January. The core PPI, which excludes foods, energy, and trade services, rose at an annual rate of 3.5% in February, slightly higher than the 3.4% year-over-year increase in the previous month.
- There were signs of improvement in the U.S. labor market last week. The Department of Labor announced that initial unemployment insurance claims, a barometer of the health of the labor market, decreased by 8,000 to a lower-than-expected 205,000 for the week ending March 14—down 20,000 from the same week in 2025. The four-week moving average of initial claims dipped 750 week-over-week to 210,750, and was notably lower than the four-week average of 228,000 a year earlier.

Stocks

- Global equities saw mixed performance for the week. Emerging markets posted gains and outperformed developed markets.
- U.S. equities lost ground during the week. Energy and financials were the top-performing sectors, while utilities and materials were the primary market laggards.
- Value stocks outperformed growth stocks, while small caps surpassed large caps.

Bonds

- The 10-year U.S. Treasury note yield rose to 4.38% during the week.
- The U.S. bond market gained ground for the week.
- Corporate bonds led the market, followed by government bonds and high-yield bonds.

As of March 20, 2026	1 Week	YTD	1 Year	Friday's Close
Global Equity Indexes				
MSCI ACWI ($)	-0.4%	-1.9%	18.0%	995.2
MSCI EAFE ($)	-0.9%	-0.6%	15.0%	2875.1
MSCI Emerging Mkts ($)	0.5%	5.1%	29.4%	1476.2
US & Canadian Equities				
Dow Jones Industrials ($)	-2.1%	-5.2%	8.6%	45577.5
S&P 500 ($)	-2.0%	-5.1%	14.8%	6498.7
NASDAQ ($)	-2.1%	-6.9%	22.4%	21647.6
S&P/ TSX Composite (C$)	-4.1%	-1.6%	24.5%	31208.1
UK & European Equities				
FTSE All-Share (£)	-3.3%	-0.7%	13.1%	5312.3
MSCI Europe ex UK (€)	-2.1%	-3.2%	2.2%	1989.6
Asian Equities				
Topix (¥)	-0.5%	5.9%	29.1%	3609.4
Hong Kong Hang Seng ($)	-0.7%	-1.4%	4.4%	25277.3
MSCI Asia Pac. Ex-Japan ($)	0.5%	5.6%	28.5%	762.3
Latin American Equities				
MSCI EMF Latin America ($)	1.1%	9.6%	39.5%	2969.4
Mexican Bolsa (peso)	-2.3%	-0.3%	20.8%	64126.1
Brazilian Bovespa (real)	-1.2%	9.0%	33.1%	175587.2
Commodities ($)				
West Texas Intermediate Spot	-2.6%	67.4%	40.8%	96.1
90Gold Spot Price	-9.4%	5.8%	50.4%	4573.6
Bond Indices ($)				
Bloomberg U.S. Aggregate	0.3%	0.1%	4.6%	2351.6
Bloomberg Global Aggregate	0.4%	-0.6%	4.7%	498.4
JPMorgan Emerging Mkt Bond	-0.4%	-0.5%	9.5%	1012.6
10-Year Yield Change (basis points*)				
US Treasury	11	21	14	4.38%
UK Gilt	17	51	34	4.99%
German Bund	6	19	26	3.04%
Japan Govt Bond	2	21	76	2.28%
Canada Govt Bond	5	13	55	3.56%
Currency Returns**				
US$ per euro	1.3%	-1.6%	6.5%	1.156
Yen per US$	-0.3%	1.7%	7.1%	159.31
US$ per £	0.8%	-1.0%	2.8%	1.334
C$ per US$	0.0%	0.0%	-4.2%	1.372

*Source: Bloomberg. Equity-index returns are price only, others are total returns. *100 basis points = 1 percentage point. **Increases in U.S. dollars (USD) per euro or pound indicate a decline in the value of the USD; increases in yen or Canadian dollars per USD indicate an increase in the value of the USD.*

IMPORTANT INFORMATION

Index returns are for illustrative purposes only and do not represent actual investment performance. Index performance returns do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged, and one cannot invest directly in an index. Past performance does not guarantee future results.

This material is provided by SEI Investments Management Corporation (SIMC) for educational purposes only and is not meant to be investment advice. The reader should consult with his/her financial advisor for more information. This material represents an assessment of the market environment at a specific point in time and is not intended to be a forecast of future events or a guarantee of future results. There are risks involved with investing, including possible loss of principal. SIMC is a wholly owned subsidiary of SEI Investments Company.

The information contained herein is for general and educational information purposes only and is not intended to constitute legal, tax, accounting, securities, research or investment advice regarding the strategies or any security in particular, nor an opinion regarding the appropriateness of any investment. This information should not be construed as a recommendation to purchase or sell a security, derivative or futures contract. You should not act or rely on the information contained herein without obtaining specific legal, tax, accounting and investment advice from an investment professional.

Information in the U.S. is provided by SEI Investments Management Corporation (SIMC), a wholly owned subsidiary of SEI Investments Company (SEI).

seic.com

ABOUT SEI

SEI® (NASDAQ:SEIC) is a leading global provider of financial technology, operations, and asset management services within the financial services industry. SEI tailors its solutions and services to help clients more effectively deploy their capital—whether that's money, time, or talent—so they can better serve their clients and achieve their growth objectives.

1 Freedom Valley Drive
P.O. Box 1100
Oaks, PA 19456
610-676-1000