



Weekly market update: Mideast war fears maintain a firm grip on the market.

The market and economy

- The ongoing war in the Middle East continued to weigh on the U.S. equity market during the week ending March 27. All three major stock market indexes lost ground, with both the Dow Jones Industrial Average and the tech-heavy Nasdaq Composite Index slipping into correction territory—a decline of 10% or greater from their most recent peaks—late in the week.
- On Thursday, Israel announced the killing of Alireza Tangsiri, the commander of Iran's Revolutionary Guard navy, who the government said was responsible for the mining and blocking of the Strait of Hormuz, a major shipping channel between the Persian Gulf and the Gulf of Oman. Iran's virtual closure of the strait has led to a surge in oil prices, with West Texas Intermediate (WTI) crude briefly surpassing \$100 a barrel in midday trading on Monday 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.
- Not all commodities performed well during the week, however. The spot price of gold, which investors traditionally have sought as a safe-haven asset in times of market uncertainty, has declined roughly 15% since the start of the war. Global central banks—particularly those of Turkey and Russia—have been reducing their holdings in the precious metal to protect their currencies and manage economic pressures from regional military conflicts and rising oil prices.
- President Donald Trump extended a deadline for Iran to open the Strait of Hormuz to shipping to avoid attacks on the country's energy infrastructure until April 6 to allow more time for negotiations to end the war. Trump said that Iran had requested the extension; however, mediators involved in the peace talks indicated that Iran had not asked the U.S. to delay the deadline.
- Earlier in the week, *The New York Times* reported that the U.S., employing Pakistan as an intermediary, sent the Iranian government a 15-point plan to end the war. According to two unnamed U.S. officials, the proposal focuses on Iran's ballistic missile and nuclear programs and addresses the blockade of the Strait of Hormuz.
- In economic news, the Department of Labor announced that initial unemployment insurance claims, a barometer of the health of the labor market, increased by 5,000 to 210,000 for the week ending March 21—down 14,000 from the same week in 2025 and in line with expectations. The four-week moving average of initial claims dipped 250 week-over-week to 210,500, and was notably lower than the four-week average of 223,750 a year earlier.
- It appears that rising interest rates are weighing on the residential mortgage market. The Federal Home Loan Mortgage Corporation (Freddie Mac) reported that the average interest rate on a 30-year fixed-rate mortgage increased 16 basis points (0.16%) to a six-month high of 6.38% during the week ending March 26. The rising mortgage rates could reduce affordability for homebuyers and hamper the U.S. housing market. According to the Mortgage Bankers Association (MBA), mortgage applications in the U.S. tumbled 10.5% during the week ending March 20 compared to the previous week. The MBA's Refinance Index declined 15.0% for the week, but was up 52.0% over the previous 12-month period. The Purchase Index fell 5.0% for the week but advanced 5.0% year-over-year.
- The University of Michigan's Index of Consumer Sentiment for March decreased by a greater-than-expected margin of 3.3 points (-5.8%) to 53.3, and declined 3.7 points (-6.5%) year-over-year. Consumers' expectations for inflation over the next 12 months rose 0.4 percentage point to 3.8% in March, while long-run inflation expectations dipped 0.2 percentage point to 3.2%.

Stocks

- Global equities saw mixed performance for the week. Developed markets outperformed emerging markets.
- U.S. equities declined during the week. Energy and materials were the top-performing sectors, while communication services and information technology 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 4.43% during the week.
- The U.S. bond market recorded a marginal loss for the week.
- High-yield bonds led the market, followed by corporate bonds and government bonds.

As of March 27, 2026	1 Week	YTD	1 Year	Friday's Close
Global Equity Indexes				
MSCI ACWI (\$)	-0.2%	-3.5%	16.2%	979.6
MSCI EAFE (\$)	0.8%	-1.0%	15.9%	2863.6
MSCI Emerging Mkts (\$)	-1.0%	3.1%	28.1%	1448.4
US & Canadian Equities				
Dow Jones Industrials (\$)	-0.9%	-6.0%	6.8%	45167.4
S&P 500 (\$)	-2.3%	-7.1%	11.7%	6358.8
NASDAQ (\$)	-3.2%	-9.9%	17.7%	20948.4
S&P/TSX Composite (C\$)	1.8%	0.5%	26.7%	31876.2
UK & European Equities				
FTSE All-Share (£)	0.2%	-0.5%	13.9%	5325.2
MSCI Europe ex UK (€)	1.5%	-3.3%	3.9%	1986.1
Asian Equities				
Topix (¥)	1.1%	7.1%	29.6%	3649.7
Hong Kong Hang Seng (\$)	-1.3%	-2.6%	5.8%	24951.9
MSCI Asia Pac. Ex-Japan (\$)	-1.6%	3.1%	26.5%	744.7
Latin American Equities				
MSCI EMF Latin America (\$)	4.4%	11.4%	42.5%	3018.3
Mexican Bolsa (peso)	3.9%	3.6%	24.6%	66641.9
Brazilian Bovespa (real)	2.7%	12.3%	36.0%	181018.8
Commodities (\$)				
West Texas Intermediate Spot	-3.9%	64.5%	35.1%	94.5
90Gold Spot Price	-1.9%	3.8%	47.0%	4486.9
Bond Indices (\$)				
Bloomberg U.S. Aggregate	-0.1%	-0.8%	4.4%	2331.0
Bloomberg Global Aggregate	-0.2%	-1.3%	4.6%	494.9
JPMorgan Emerging Mkt Bond	0.2%	-1.0%	10.0%	1008.2
10-Year Yield Change (basis points*)				
US Treasury	5	26	7	4.43%
UK Gilt	-2	50	19	4.97%
German Bund	5	24	32	3.09%
Japan Govt Bond	11	32	80	2.39%
Canada Govt Bond	3	15	49	3.58%
Currency Returns**				
US\$ per euro	-0.5%	-1.9%	6.6%	1.152
Yen per US\$	0.6%	2.2%	6.0%	160.15
US\$ per £	-0.5%	-1.5%	2.5%	1.327
C\$ per US\$	1.2%	1.2%	-2.9%	1.388

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.

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