

# Weekly Market Recap

## The week in review

- The Fed held rates steady at 3.50 – 3.75%
- PPI rose 0.7% m/m

## The week ahead

- Markit PMIs
- Consumer sentiment

## Thought of the week

2026 is less than three months old, but it's already been through a lot. So far in the first quarter, software, the S&P 500's second largest industry, fell by 20%, the Supreme Court struck down IEEPA tariffs, plunging global trade back into uncertainty, and war broke out in the Middle East. Oil prices rose by 70%, and markets shifted from pricing in two Fed rate cuts in 2026 to a 50% chance of a hike. Yet through it all, the S&P 500 is only down 3%. Beneath the surface, these events are roiling company, sector and factor volatility. But, as this week's chart shows, dispersion is widening, which may be insulating the index. The average rolling 3-month pairwise correlation among stocks in the S&P 500 is 13%, lower than it's been 98% of the time since 2022.

Divergences in the AI story are a major driver. Application companies in software, wealth management and law, to name a few, are down double digits, but pick and shovel industries like semiconductors and electrical components are still strongly positive, with the average stock up 13% YTD. Even the hyperscalers are not immune; their average rolling 3-month pairwise correlation is down to 23% versus an average of 56% from 2023 to 2025. But increasing dispersion isn't just about AI. At the sector level, the Middle East conflict may be responsible for the second widest YTD performance dispersion since 2002. A beneficiary has been the energy sector, which is up 33%. Financials, on the other hand, are down 11% as the yield curve has dramatically flattened, which hurts net interest margins, and geopolitical uncertainty is threatening the IPO and M&A resurgence. For index investors, this increase in dispersion offers protection from volatility, but for active managers, it's also an opportunity to generate alpha.

Please see important disclosures on next page.

## Weekly Data Center

Equities	Level	Index Returns (%)				
		1 week	QTD	YTD	1 year	3-yr. Cum.
S&P 500	6506	-1.87	-4.68	-4.68	16.34	71.69
Dow Jones 30	45577	-2.09	-4.79	-4.79	10.51	49.46
Russell 2000	6060	-1.65	-1.52	-1.52	19.45	45.79
Russell 1000 Growth	2846	-2.38	-9.54	-9.54	16.79	86.46
Russell 1000 Value	1284	-1.28	0.84	0.84	14.52	53.04
MSCI EAFE	2841	-2.05	-1.41	-1.41	17.18	55.93
MSCI EM	1463	-0.33	4.52	4.52	31.78	69.19
NASDAQ	21648	-2.06	-6.73	-6.73	23.13	89.42

Fixed Income	Yield	Levels (%)				
		1 week	QTD	YTD	1 year	3-yr. Cum.
U.S. Aggregate	4.66	-0.51	-0.68	-0.68	3.77	11.20
U.S. Corporates	5.23	-0.27	-1.20	-1.20	3.89	15.55
Municipals (10yr)	3.41	-0.73	-0.21	-0.21	4.72	9.21
High Yield	7.65	-0.31	-0.82	-0.82	6.04	30.56

Key Rates	Levels (%)					
	3/20/26	3/13/26	12/31/25	12/31/25	3/20/25	3/20/23
2-yr U.S. Treasuries	3.88	3.73	3.47	3.47	3.95	3.92
10-yr U.S. Treasuries	4.39	4.28	4.18	4.18	4.24	3.47
30-yr U.S. Treasuries	4.96	4.90	4.84	4.84	4.55	3.65
10-yr German Bund	3.04	2.96	2.86	2.86	2.77	2.11
SOFR	3.62	3.65	3.87	3.87	4.29	4.55
3-mo. EURIBOR	2.11	2.16	2.03	2.03	2.39	2.89
6-mo. CD rate	1.83	1.83	1.88	1.88	1.87	1.86
30-yr fixed mortgage	6.29	6.18	6.25	6.25	6.74	6.91
Prime Rate	6.75	6.75	6.75	6.75	7.50	7.75

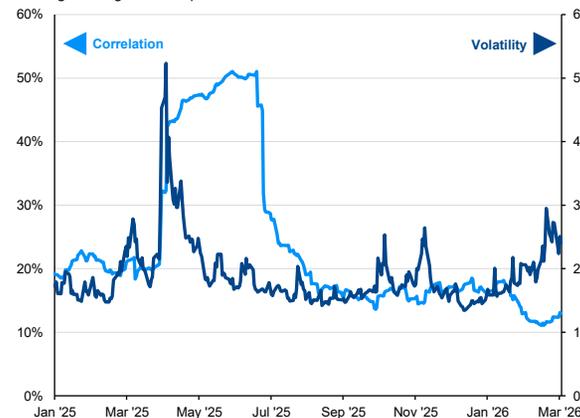
Index Characteristics			
NTM P/E	P/B	Div. Yld.	Mkt. Cap (bn)
19.70	5.12	1.18	55608
18.78	5.34	1.76	18848
22.37	2.11	1.20	2791
24.31	12.05	0.55	29585
16.26	3.07	1.83	29959
14.82	2.25	2.68	20052
11.97	2.31	1.86	10688
23.36	6.80	0.59	36717

Currencies	Levels		
	3/20/26	12/31/25	3/20/25
\$ per €	1.15	1.17	1.08
\$ per £	1.33	1.35	1.30
¥ per \$	159.26	156.75	148.87

Commod.	Levels		
	3/20/26	12/31/25	3/20/25
Oil (WTI)	98.12	57.26	68.55
Gasoline	3.72	2.81	3.06
Natural Gas	3.10	4.00	4.23
Gold	4563	4368	3038
Silver	72.37	71.99	33.31
Copper	12022	12504	9912
Corn	4.59	4.37	4.57
BBG Idx	340.42	276.25	257.95

## Chart of the Week

**S&P 500 correlation and volatility**  
Average rolling 3-month pairwise correlation, VIX



## Style Returns

	V	B	G
L	-1.3	-1.9	-2.4
M	-1.2	-1.2	-1.2
S	-1.5	-1.7	-1.8
	V	B	G
L	0.8	-4.7	-9.5
M	1.5	-0.4	-6.3
S	1.4	-1.5	-4.2

## S&P 500 Sector Returns

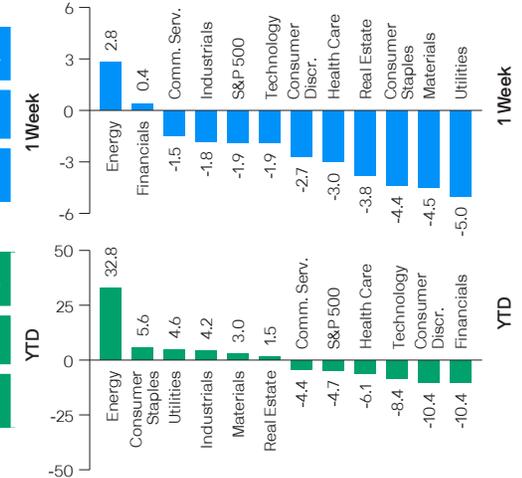




Chart of the Week: Source: CBOE, FactSet, Standard & Poor's, J.P. Morgan Asset Management. Data are as of March 19, 2026.

Thought of the week: Source: FactSet, Standard & Poor's, J.P. Morgan Asset Management.

Abbreviations: Cons. Sent.: University of Michigan Consumer Sentiment Index; CPI: Consumer Price Index; EIA: Energy Information Agency; FHFA HPI: - Federal Housing Finance Authority House Price Index; FOMC: Federal Open Market Committee; GDP: gross domestic product; HPI: Home Price Index; HMI: Housing Market Index; ISM Mfg. Index: Institute for Supply Management Manufacturing Index; PCE: Personal consumption expenditures; Philly Fed Survey: Philadelphia Fed Business Outlook Survey; PMI: Purchasing Managers' Manufacturing Index; PPI: Producer Price Index; SAAR: Seasonally Adjusted Annual Rate

Equity Price Levels and Returns: All returns represent total return for stated period. Index: S&P 500; provided by: Standard & Poor's. Index: Dow Jones Industrial 30 (The Dow Jones is a price-weighted index composing of 30 widely-traded blue chip stocks.); provided by: S&P Dow Jones Indices LLC. Index: Russell 2000; provided by: Russell Investments. Index: Russell 1000 Growth; provided by: Russell Investments. Index: Russell 1000 Value; provided by: Russell Investments. Index: MSCI - EAFE; provided by: MSCI - gross official pricing. Index: MSCI - EM; provided by: MSCI - gross official pricing. Index: Nasdaq Composite; provided by: NASDAQ OMX Group.

MSCI EAFE is a Morgan Stanley Capital International Index that is designed to measure the performance of the developed stock markets of Europe, Australasia, and the Far East.

Bond Returns: All returns represent total return. Index: Bloomberg US Aggregate; provided by: Bloomberg Capital. Index: Bloomberg Investment Grade Credit; provided by: Bloomberg Capital. Index: Bloomberg Municipal Bond 10 Yr; provided by: Bloomberg Capital. Index: Bloomberg Capital High Yield Index; provided by: Bloomberg Capital.

Key Interest Rates: 2 Year Treasury, FactSet; 10 Year Treasury, FactSet; 30 Year Treasury, FactSet; 10 Year German Bund, FactSet. 3 Month LIBOR, British Bankers' Association; 3 Month EURIBOR, European Banking Federation; 6 Month CD, Federal Reserve; 30 Year Mortgage, Mortgage Bankers Association (MBA); Prime Rate: Federal Reserve.

Commodities: Gold, FactSet; Crude Oil (WTI), FactSet; Gasoline, FactSet; Natural Gas, FactSet; Silver, FactSet; Copper, FactSet; Corn, FactSet. Bloomberg Commodity Index (BBG Idx), Bloomberg Finance L.P.

Currency: Dollar per Pound, FactSet; Dollar per Euro, FactSet; Yen per Dollar, FactSet.

S&P Index Characteristics: Dividend yield provided by FactSet Pricing database. Fwd. P/E is a bottom-up weighted harmonic average using First Call Mean estimates for the "Next 12 Months" (NTM) period. Market cap is a bottom-up weighted average based on share information from Compustat and price information from FactSet's Pricing database as provided by Standard & Poor's.

MSCI Index Characteristics: Dividend yield provided by FactSet Pricing database. Fwd. P/E is a bottom-up weighted harmonic average for the "Next 12 Months" (NTM) period. Market cap is a bottom-up weighted average based on share information from MSCI and Price information from FactSet's Pricing database as provided by MSCI.

Russell 1000 Value Index, Russell 1000 Growth Index, and Russell 2000 Index Characteristics: Trailing P/E is provided directly by Russell. Fwd. P/E is a bottom-up weighted harmonic average using First Call Mean estimates for the "Next 12 Months" (NTM) period.

Market cap is a bottom-up weighted average based on share information from Compustat and price information from FactSet's Pricing database as provided by Russell.

Sector Returns: Sectors are based on the GICS methodology. Return data are calculated by FactSet using constituents and weights as provided by Standard & Poor's. Returns are cumulative total return for stated period, including reinvestment of dividends.

Style Returns: Style box returns based on Russell Indexes with the exception of the Large-Cap Blend box, which reflects the S&P 500 Index. All values are cumulative total return for stated period including the reinvestment of dividends. The Index used from L to R, top to bottom are: Russell 1000 Value Index (Measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values), S&P 500 Index (Index represents the 500 Large Cap portion of the stock market, and is comprised of 500 stocks as selected by the S&P Index Committee), Russell 1000 Growth Index (Measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values), Russell Mid Cap Value Index (Measures the performance of those Russell Mid Cap companies with lower price-to-book ratios and lower forecasted growth values), Russell Mid Cap Index (The Russell Midcap Index includes the smallest 800 securities in the Russell 1000), Russell Mid Cap Growth Index (Measures the performance of those Russell Mid Cap companies with higher price-to-book ratios and higher forecasted growth values), Russell 2000 Value Index (Measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values), Russell 2000 Index (The Russell 2000 includes the smallest 2000 securities in the Russell 3000), Russell 2000 Growth Index (Measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values).

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**Diversification does not guarantee investment returns and does not eliminate the risk of loss.**

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