



Weekly Market Commentary

March 16, 2026

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Weekly Market Commentary & GRIP Summary – Week Ending March 13, 2026

Executive Summary

Markets moved further toward a slower-growth, firmer-inflation regime this week. The most important technical change was the S&P 500 market-cap index breaking down into a negative medium-term trend, which leaves both the short-term and medium-term trend negative. At the same time, the U.S. dollar broke above a key level and moved into a positive medium-term trend. Commodities also materially outperformed global equities, oil and inflation expectations broke higher, and interest rates continued to push upward. Taken together, the market appears to be moving away from a disinflationary narrative and toward a regime of slower growth with renewed inflation pressure.

The good news is that the downside has not yet broadened into a full credit event. High-yield spreads rose back to resistance, but they have not broken above the key breakout level. Bitcoin rallied 8.20% on the week, semiconductors outperformed sharply, and several relative-strength measures still show pockets of resilience under the surface. That leaves the market in a fragile but two-way setup: the evidence has turned more negative, yet a fast de-escalation in the Iran conflict or a reversal in oil could still trigger a powerful relief rally across several risk assets.



GRIP Snapshot

Growth, Risk, Inflation, and Policy/Rates

Pillar	Current Read	Market Message
Growth	Deteriorating	Falling building permits remain a negative leading indicator; homebuilders hit new four-year lows versus SPY; transports fell 5.61% and are nearing a trend change; banks, insurers, and retailers weakened.
Risk	Defensive, but not broken	S&P 500 market-cap is negative on both short- and medium-term bases; the dollar turned positive; private-credit proxies broke to new lows; high-yield spreads rose back to resistance but have not broken out.
Inflation	Re-accelerating	Broad commodities gained more than 4.5%, energy rose 6.02%, gasoline jumped 10%, agriculture moved into a positive medium-term trend, and lumber rose more than 6%.
Policy / Rates	Tighter conditions	Interest rates are breaking higher, reinforcing inflation and dollar strength; higher yields and weaker credit-sensitive assets tighten financial conditions and challenge duration-heavy leadership.



Key Market Shifts

Primary Headwinds

- Oil breakout and rising inflation expectations now dominate the macro tape.
- The S&P 500 market-cap index broke into a negative medium-term trend; the short-term trend was already negative.
- Homebuilders reached new four-year lows relative to SPY, reinforcing housing affordability pressure.
- Private-credit proxies made fresh lows: BIZD -2.73%, KKR -5.91%, BX -3.28%, OWL -11.53%, CG nearly -7%, and APO -3.92%.
- Utilities outperformed SPY by roughly 2% and entered a positive long-term trend—defensive leadership that often appears later in a cycle.
- Equal-weight S&P 500 lost ground to cap-weight on the week.

Offsetting Positives

- High-yield spreads are higher and back at resistance, but they have not broken out.
- Bitcoin rose 8.20% on the week, even though it remains in a negative trend.
- Semiconductors gained more than 3% relative to SPY and remain in a positive trend.
- Momentum outperformed SPY by 2.35%, and value outperformed by 1.61%.
- Small caps lagged large caps on the week but remain in a positive trend over a broader horizon.
- Emerging markets were relatively resilient, with VWO the best-performing major equity ETF.



Leadership Profile

Leadership remained unusually narrow and inflation-sensitive. Utilities gained roughly 2% versus SPY and entered a positive long-term trend, while telecom, energy, oil and gas exploration and production, and oil services remain at or near all-time highs. That is not the leadership mix typically associated with a clean growth reacceleration. Even so, semiconductors gained more than 3% relative to SPY and remain in a positive trend, which is the clearest pro-growth counter-signal in the current tape.

Regional and Style Performance

Country performance was highly bifurcated. Turkey, Saudi Arabia, China, the Netherlands, Taiwan, and Malaysia were among the better-performing country ETFs, while UAE, Israel, and South Africa lagged sharply. Within broad style exposures, high beta beat low volatility, stocks fell versus bonds, but ACWI/IEF remains in a positive trend, and stocks gained against gold but remain in a negative trend.

Implications for Advisors

- Watch for confirmation from high-yield spreads. A breakout would likely mean a more fragile and more volatile market environment.
- Maintain selectivity in cyclical exposure and favor balance-sheet quality, pricing power, real-asset linkage, and cash-flow resilience.
- Respect the two-way setup: if geopolitical pressure eases quickly—particularly through a faster resolution of the Iran conflict—the market could still stage a sharp relief rally.

Bottom Line

This week added to the evidence that markets are transitioning from a growth-supportive, disinflationary backdrop to a slower-growth, inflation-firmer environment. The S&P 500 breakdown, dollar strength, commodity breakout, rising yields, housing deterioration, and private-credit weakness all point in the same general direction. The market is not yet fully broken, but the burden of proof has shifted.



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CONTACT US

Please feel free to call us or contact us via email if you require any further information.

EMAIL: max.rockwell@ascentisasset.com

ADDRESS: 5001 Spring Valley Road,
Suite #810W
Dallas, TX 75244 USA

WEBSITE: www.ascentisasset.com