



Weekly Market Commentary

March 23, 2026

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Weekly Market Commentary & GRIP Summary – Week Ending March 20, 2026

Macro Overview

The week ending 20 March 2026 was dominated by increasing evidence of slowing growth and persistent inflationary pressures while geopolitical tensions kept markets volatile. Investors weighed the impact of higher energy prices and a deteriorating outlook for global growth. The GRIP framework — Growth, Risk-Appetite, Inflation and Policy — helps interpret these dynamics.

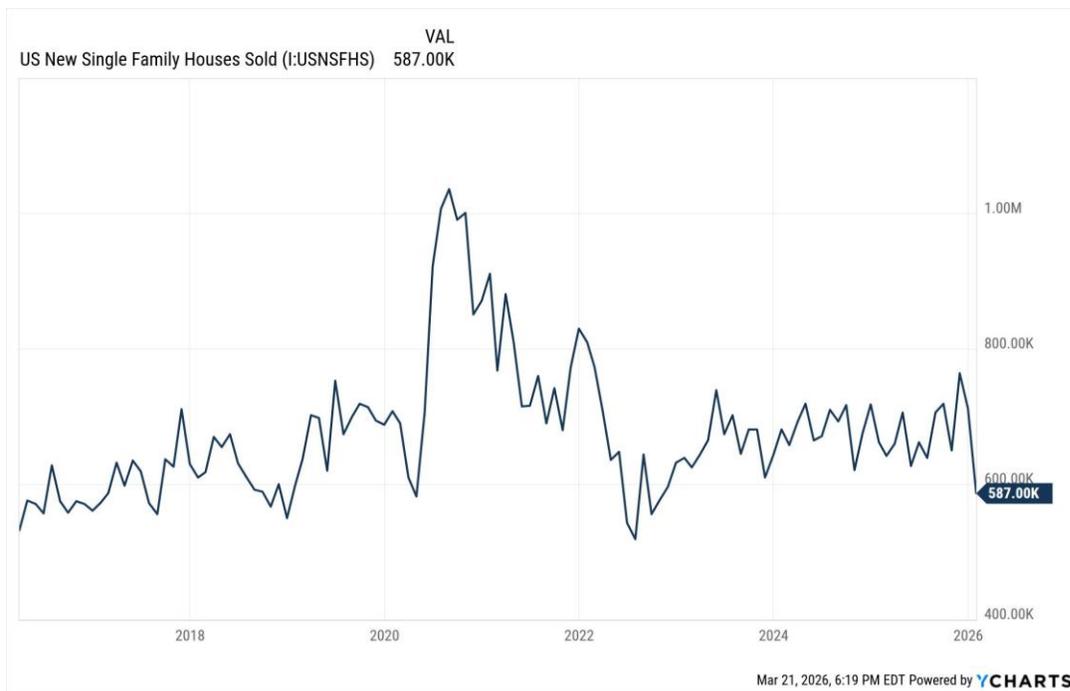
Growth

Industrial Production

Output in February edged higher, rising 0.2% month-on-month. However, total industrial output is only about 1.4% above year-ago levels, showing a notable deceleration and suggesting manufacturing and mining sectors are losing momentum.

New-Home Sales

U.S. single-family home sales tumbled 17.6% in January to a seasonally adjusted annual rate of 587,000 units, the lowest level since late 2022. On a year-over-year basis, sales plunged 11.3%. Rising mortgage rates, severe winter weather and excess supply continue to weigh heavily on the housing market.



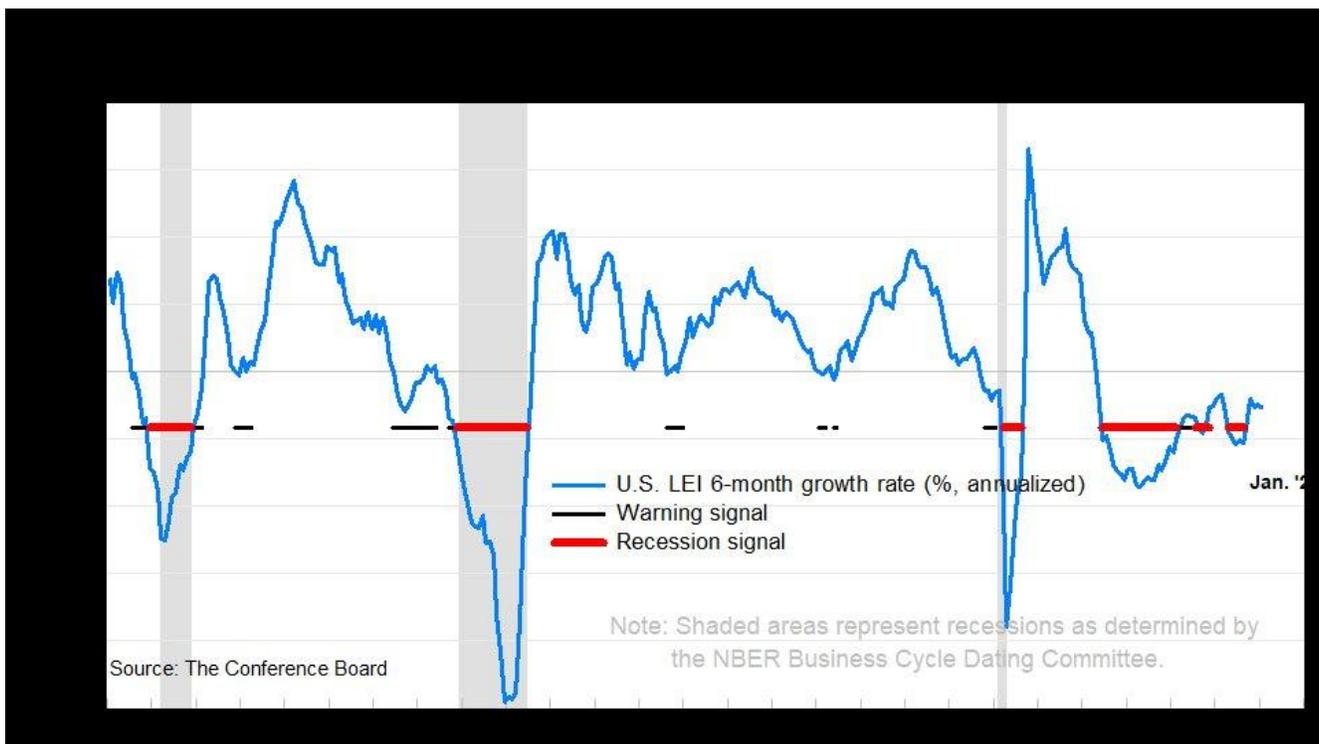
U.S. New Single Family Home Sales (Source: YCharts)



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Leading Economic Index

The Conference Board’s LEI fell 0.1% in January to 97.5, declining for a sixth consecutive month. Negative contributions from consumer expectations, building permits and manufacturers’ orders outweighed positive inputs from weekly hours, credit spreads and stock prices. The six-month growth rate remained negative, signaling that the U.S. economy remains in a growth-slowng environment.



U.S. LEI 6-Month Growth Rate (Source: The Conference Board)



Risk Appetite

Global equity markets remained under pressure and U.S. equities declined for a third consecutive week, with investors rattled by the Middle-East conflict and volatile oil prices. High-yield corporate bonds moved into a negative trend. Bitcoin and other speculative assets remained weak.

Small-cap, mid-cap and emerging-market equities moved into negative medium-term trends last week. Global benchmarks such as the MSCI All-Country World Index also entered negative trends. Markets are demonstrating continued technical deterioration.



ACWI, JNK, and BTC/USD — Weekly (Source: StockCharts)

There was one bright spot: the high-beta factor outperformed the low-volatility factor during the week, indicating some rotation into higher-beta names. However, breadth indicators continued to deteriorate and remain far from oversold levels that would typically invite new risk exposure.



SPHB:SPLV Ratio — High Beta vs. Low Volatility (Source: StockCharts)



The U.S. dollar slipped back below the key 100 level, illustrating some relief in the flight to safety trade. Copper prices pulled back over 7%, reflecting fading global-growth expectations. Energy stocks continued to dominate, supported by surging crude-oil and heating-oil prices. Overall risk appetite has deteriorated significantly; unless markets rally before month-end, our composite risk score will move into negative territory.



S&P 500 Bullish Percent Index — Weekly (Source: StockCharts)



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Inflation

Producer Price Index

The U.S. Producer Price Index for final demand jumped 0.7% in February and climbed 3.4% over the past 12 months, the largest year-over-year increase since February 2025. Core PPI — excluding food, energy and trade services — rose 0.5% in February and 3.5% over the past year.

Energy and Commodities

Brent crude oil prices surged on fears that Middle-East conflicts could disrupt supplies, and heating oil prices jumped more than 16%. Agricultural commodities like coffee and sugar rallied sharply, adding cost pressure for food producers. Lumber prices moved into a positive trend, raising construction costs in an already struggling housing sector.



S&P GSCI Commodity Index — Total Return (Source: StockCharts)



Copper Spot Price — Weekly (Source: StockCharts)



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Inflation Expectations

The ratio of Treasury Inflation-Protected Securities (TIP) to long-duration Treasuries (TLH) moved higher, signaling rising inflation expectations. Real assets such as energy, commodities, and infrastructure are trending positively against financial assets. Treasury yields broke out to the upside, with long-duration bonds selling off as investors demanded higher compensation for inflation.

Policy

Federal Reserve Chair Jerome Powell highlighted elevated uncertainty around the outlook for growth and inflation at the March FOMC meeting. With growth slowing and inflation re-accelerating, the U.S. economy appears headed toward stagflation.

Yields on the two-year Treasury note have risen above the Fed-Funds rate, implying that monetary policy is currently easy and markets expect the Fed to remain on pause. However, the 10-year yield broke out to multi-year highs, raising borrowing costs across the economy. Higher long-term rates are likely to depress housing activity by making mortgages more expensive and could hamper financing for capital-intensive projects like data-center construction. Tightening financial conditions may also weigh on the manufacturing recovery and eventually lead to further job losses in construction and manufacturing sectors.



2-Year Treasury Rate vs. Effective Fed Funds Rate (Source: YCharts)





IEF — 7-10 Year Treasury Bond ETF (Source: StockCharts)

Overall Assessment

- **Growth:** Industrial production growth has slowed to around 1.4% year-over-year, new-home sales have collapsed, and the LEI continues to contract. The U.S. economy is firmly in a growth-slowing phase.
- **Risk Appetite:** Investor sentiment has deteriorated. Equity and credit markets have fallen, breadth has weakened, and most asset classes — except for energy — are in negative trends. A modest rotation into high-beta stocks cannot offset broader weakness.
- **Inflation:** Producer prices are rising at their fastest pace in a year, energy and other commodities are surging, and inflation expectations are firming. Broad-based cost pressures may squeeze corporate margins in coming quarters.
- **Policy:** With growth slowing and inflation accelerating, the Fed faces a difficult balancing act. Short-term yields above the Fed-Funds rate suggest policy is easy, but the surge in long-term yields is tightening financial conditions and could drag on economic activity.

Bottom Line: Growth is slowing, risk appetite is deteriorating, inflation is accelerating and monetary policy remains constrained. Unless geopolitical tensions ease and markets mount a significant rally, investors should adopt a more defensive stance, favoring real assets and high-quality fixed income over speculative assets.



Sources

- Distribution Strategy Group — U.S. industrial production data (February 2026)
- Reuters — U.S. new-home sales report (January 2026)
- Conference Board — Leading Economic Index press release (January 2026)
- Albon Financial Planning — weekly market update (16 March 2026)
- Reuters — copper price pullback (March 2026)
- Bureau of Labor Statistics — Producer Price Index (February 2026)



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