Ascentis
Asset Management

Weekly Market Commentary

March 9, 2026

Signal Through the Noise: Weekly Macro Commentary & GRIP Summary – Week Ending March 6, 2026

Overview

The past week delivered a rare “everything-is-true” tape: leading activity indicators improved, coincident labor data weakened, and a geopolitically driven energy shock pushed inflation expectations higher—while cross-asset linkages became increasingly inconsistent. U.S. equities were down on the week, but not in the kind of systematic deterioration typically seen at major trend breaks; meanwhile, volatility and breadth deteriorated enough to warrant treating any “risk-on” diagnosis as conditional rather than categorical.

Two datapoints summarize the macro narrative: (1) the forward-looking “demand” side of the economy is still showing life (manufacturing and services new orders remain strong), and (2) the labor market just printed outright monthly job losses—reinforcing the “leading up / coincident down” dichotomy.

Growth signals are improving

Manufacturing new orders stayed in expansion for a second consecutive month. The Institute for Supply Management February Manufacturing report notes that the New Orders Index “expanded for the second straight month after four straight readings in contraction,” registering 55.8 (still comfortably >50 even though it eased from January’s 57.1).

Services strengthened further, as ISM’s February Services report showed the headline at 56.1 (up from 53.8), Business Activity at 59.9 (up from 57.4), and—most importantly for forward demand—New Orders at 58.6 (up 5.5 points from 53.1).

Taken together, the ISM data imply that leading indicators tied to “order flow” and activity breadth improved into early March, even as markets were digesting a sudden energy shock.

The labor market is rolling over

The U.S. Bureau of Labor Statistics reported that total nonfarm payroll employment edged down by 92,000 in February, while the unemployment rate held around 4.4%. The release also highlighted that employment in information and federal government continued to trend down.

Several "quality-of-labor" details argue that this was not a benign one-off. Long-term unemployed (27+ weeks) were reported at 1.9 million, up from 1.5 million a year earlier, and transportation & warehousing employment was described as down meaningfully from its prior peak—consistent with a cooling coincident backdrop.

This is the core growth conclusion: leading indicators are improving at the same time coincident indicators are deteriorating—the "dichotomy" we flagged in our annual outlook.

Inflation and commodities are reasserting themselves

The energy move dominated the inflation narrative. News flow around an effective closure / severe disruption of shipping through the Strait of Hormuz pushed crude sharply higher. Reuters reported U.S. crude settling at $90.90 on Friday (a 12.21% daily gain) and highlighted the week's energy-driven inflation concerns; LPL's weekly recap describes oil up 36.5% on the week, with Brent also sharply higher.

That energy impulse lifted inflation expectations in the near term. LPL noted the two-year TIPS breakeven rising above 3% (first time since last April), consistent with a market that is repricing near-term inflation risk.

However, the "conviction" in expectations is uneven, consistent with our "climbing but not with the same conviction" point. Standard Chartered Bank emphasized that near-term expectations rose (e.g., a one-year inflation swap up 24 bps to 2.75%), while long-term inflation expectations remained subdued—a classic "headline inflation shock vs anchoring" split.

Commodities broadly reflected the inflation impulse, with agriculture notably firming. S&P Dow Jones Indices' "quick facts" for the S&P GSCI Agriculture (Spot) showed an index level of 366.26 on March 6, up 2.68% on the day and 3.33% month-to-date—supporting the "trend reversal" framing in the agricultural complex.

Cross-asset contradictions

The week's confusion is real—and measurable. Several standard "macro cross-checks" pointed in opposite directions.

Inflation up signals: - TIP/TLH: The TIP/TLH ratio rose ~2% week-over-week, consistent with higher break evens / higher inflation compensation.

- Energy: crude's weekly surge is mechanically inflationary and immediately visible to markets.

Inflation down / "tightening impulse" signals: - USD: the dollar index rose about 1.4% on the week (97.61 → 98.99), consistent with "tightening-by-FX" and global risk aversion.

This is not a logical contradiction so much as a reminder that the dollar can be a risk-off + relative-growth instrument, while TIP/TLH is closer to "inflation compensation within U.S. rate markets." In an energy-supply shock, it is entirely plausible to see inflation compensation rise while the dollar strengthens on flight-to-safety dynamics.

The same "split personality" showed up in risk proxies: - "Risk-on style" proxies: Bitcoin finished higher week-over-week (about +3.4%, 65,870 → 68,124), and lumber was modestly higher (558 → 561) while gold was lower across the week; that combination pushes the lumber/gold ratio up mechanically.

- Equity risk appetite proxies: high beta underperformed low volatility, consistent with risk-off positioning *inside equities*. SPHB fell about -3.9% (123.10 → 118.28) while SPLV fell about -1.7% (77.40 → 76.07), implying the high-beta/low-vol ratio declined into week-end.

Net: intermarket relationships are flashing caution, even if some risk proxies held up.

Volatility, breadth, and factor trends are deteriorating

The volatility regime shifted higher. The VIX closed at 29.49 on Friday—its highest close since late April—signaling a "high volatility regime".

Breadth also weakened. One breadth composite tracking the percentage of U.S. stocks above the 50/150/200-day moving averages fell to 43.49%, down 7.71% on the week. A separate breadth/momentum snapshot showed the S&P 500 below its 50-day moving average but still above its 200-day—consistent with "short-term correction, longer-term trend not yet broken."

Factor-level data were similarly cautionary. The momentum factor proxy MTUM fell from 252.96 → 241.48 over the week (roughly -4.5%), showing a significant breakdown and negative trend reversal.

Despite all of this, it matters that many medium-horizon return profiles remain "not-yet-broken." Several markets suffered severe weekly losses, but the *primary* trend may still be constructive while the *tactical* tape deteriorates.

Global markets are repricing energy vulnerability

International markets absorbed a much larger shock than the U.S. Developed ex-U.S. equities (MSCI EAFE) fell -6.53% on the week and emerging markets fell -8.06%. Europe's STOXX 600 dropped -5.5% for its biggest weekly loss in almost a year.

Energy vulnerability appears to have been a key transmission channel. South Korea was the most visible example: Reuters reported the KOSPI down a combined 18.4% in a holiday-shortened week as the war-driven oil spike hit an economy "almost completely reliant on imports for its energy needs."

China is the key reference point for global energy dependence. The Center on Global Energy Policy noted that roughly 45–50% of China's crude oil imports transit the Strait of Hormuz, which helps explain why investors immediately price an Asia-heavy macro risk premium when the waterway is disrupted.

Japan also screens as highly exposed: a Reuters graphic stated Middle Eastern crude makes up about 95% of its imports (and about 70% for South Korea), reinforcing why these markets can be "special situations" during Gulf supply shocks.

GRIP review and the Fed's stagflation dilemma

For GRIP framing (Growth, Risk, Inflation, Policy), the week can be summarized as: Growth = mixed, Risk = deteriorating tactically, Inflation = rising near term, Policy = constrained.

The Fed question—"support labor or cater to inflation fears?"—is best answered through the institution's own framework. The Federal Reserve explicitly operates under a dual mandate (maximum employment and stable prices) and states that if its objectives are "not complementary," it will follow a balanced approach based on the extent of departures and time horizons back to target, with explicit emphasis on keeping longer-term inflation expectations anchored.

In practice, that means the next decision is likely to hinge on persistence:

- If the oil shock fades quickly and inflation expectations remain anchored, policymakers have signaled willingness to "look through" the headline energy move. Fed Governor Christopher J. Waller argued that a temporary oil shock is unlikely to have a persistent effect on inflation and compared it favorably to the repeated shocks of the 1970s.

- If inflation progress stalls while the labor market continues to weaken, the case for supporting employment strengthens—but it will still be constrained by inflation credibility. Cleveland Fed President Beth Hammack emphasized the need to ensure progress toward 2% inflation even as labor data weaken, and warned policy could tighten if inflation does not ease later in 2026.

- The "stagflation risk" is not hypothetical inside the Fed conversation. Chicago Fed President Austan Goolsbee explicitly warned that a sustained rise in unemployment combined with an energy price spike could create a stagflationary environment.

- Market-facing commentary also reflects this uncomfortable tradeoff: Reuters summarized the situation as an "uncomfortable choice" between holding steady to avoid worsening inflation or cutting to shore up a job market that may be losing ground.

The big problem is that the labor market has significant A.I. driven headwinds. Fed Governor Michael S. Barr laid out scenarios ranging from gradual adoption (manageable displacement) to a rapid “jobless boom” (widespread displacement), underscoring why policymakers may treat labor-market deterioration with increased vigilance even when inflation risks rise.

So does the Fed “do nothing”? Near term, “hold and wait” is a plausible base case precisely because the cross-signals are so noisy—an idea Christopher J. Waller captured directly in his February speech titled “Labor Market Data: Signal or Noise?” in which he argued one strong month is not a trend and described the policy outlook as close to a “coin flip” until additional data arrive.

In our assessment, a principal concern is that if the Federal Reserve prioritizes inflation resulting from oil price shocks, it may inadvertently permit deterioration in the labor market beyond prompt remediation. Such an outcome increases the likelihood of a growth shock and could impede the US economy from achieving the momentum required to take advantage of significant current opportunities.

Sources

[1] [17] [27] [28] Weekly Market Performance | March 6, 2026
https://www.lpl.com/research/blog/weekly-market-performance-march-6-2026.html?utm_source=chatgpt.com

[2] [4] [6] [10] [29] [36] February 2026 ISM ® Manufacturing PMI ® Report
https://www.ismworld.org/supply-management-news-and-reports/reports/ism-pmi-reports/pmi/february/?utm_source=chatgpt.com

[3] [7] [8] [9] [34] https://www.bls.gov/news.release/pdf/empsit.pdf
https://www.bls.gov/news.release/pdf/empsit.pdf

[5] https://www.ismworld.org/supply-management-news-and-reports/reports/ism-pmi-reports/services/february/
https://www.ismworld.org/supply-management-news-and-reports/reports/ism-pmi-reports/services/february/

[11] [13] [23] Stocks slide as soaring oil prices and US job losses rattle markets | Reuters
https://uk.mobile.reuters.com/world/china/global-markets-global-markets-2026-03-06/

[12] https://www.lpl.com/research/blog/weekly-market-performance-march-6-2026.html
https://www.lpl.com/research/blog/weekly-market-performance-march-6-2026.html

[14] https://www.sc.com/en/uploads/sites/66/content/docs/wm-weekly-market-view-iran-impact-still-contained-06-march-2026.pdf
https://www.sc.com/en/uploads/sites/66/content/docs/wm-weekly-market-view-iran-impact-still-contained-06-march-2026.pdf

[15] https://www.spglobal.com/spdji/en/indices/commodities/sp-gsci-agriculture/
https://www.spglobal.com/spdji/en/indices/commodities/sp-gsci-agriculture/

[16] https://www.investing.com/etfs/ishares-barclays-tip-historical-data
https://www.investing.com/etfs/ishares-barclays-tip-historical-data

[18] [19] [41] https://www.reuters.com/world/asia-pacific/dollar-set-steepest-weekly-gain-year-iran-crisis-boosts-haven-bid-2026-03-06/
https://www.reuters.com/world/asia-pacific/dollar-set-steepest-weekly-gain-year-iran-crisis-boosts-haven-bid-2026-03-06/

[20] [39] https://www.investing.com/crypto/bitcoin/historical-data
https://www.investing.com/crypto/bitcoin/historical-data

Sources

[21] https://www.investing.com/etfs/powershares-s-p-500-high-beta-historical-data
https://www.investing.com/etfs/powershares-s-p-500-high-beta-historical-data

[22] [24] https://www.stageanalysis.net/blog/1371948/market-breadth-percentage-of-stocks-above-their-50-day-150-day-200-day-moving-averages-combined
https://www.stageanalysis.net/blog/1371948/market-breadth-percentage-of-stocks-above-their-50-day-150-day-200-day-moving-averages-combined

[25] [37] https://streetstats.finance/markets/breadth-momentum/SP500
https://streetstats.finance/markets/breadth-momentum/SP500

[26] https://www.investing.com/etfs/ishares-msci-usa-moment-factor-historical-data
https://www.investing.com/etfs/ishares-msci-usa-moment-factor-historical-data

[30] South Korean retail investors panic as world-beating stock gains vanish | Reuters
https://www.reuters.com/world/asia-pacific/south-korean-retail-investors-panic-world-beating-stock-gains-vanish-2026-03-04/

[31] [49] The Great Inflation
https://www.federalreservehistory.org/essays/great-inflation?utm_source=chatgpt.com

[32] [42] https://www.reuters.com/business/finance/amid-oil-shock-uncertainty-feds-hammack-says-central-bank-must-lower-inflation-2026-03-06/
https://www.reuters.com/business/finance/amid-oil-shock-uncertainty-feds-hammack-says-central-bank-must-lower-inflation-2026-03-06/

[33] https://www.energypolicy.columbia.edu/implications-of-the-conflict-in-the-middle-east-for-chinas-energy-security/
https://www.energypolicy.columbia.edu/implications-of-the-conflict-in-the-middle-east-for-chinas-energy-security/

[35] https://www.reuters.com/graphics/IRAN-CRISIS/MAPS/znpnmelervl/2026-03-07/iran-conflict-global-markets/
https://www.reuters.com/graphics/IRAN-CRISIS/MAPS/znpnmelervl/2026-03-07/iran-conflict-global-markets/

[38] https://www.federalreserve.gov/faqs/what-economic-goals-does-federal-reserve-seek-to-achieve-through-monetary-policy.htm
https://www.federalreserve.gov/faqs/what-economic-goals-does-federal-reserve-seek-to-achieve-through-monetary-policy.htm

Sources

[40] [46] https://www.reuters.com/business/energy/feds-waller-dont-expect-current-oil-price-shock-have-persistent-impact-inflation-2026-03-06/
https://www.reuters.com/business/energy/feds-waller-dont-expect-current-oil-price-shock-have-persistent-impact-inflation-2026-03-06/

[43] https://www.wsj.com/livecoverage/jobs-report-unemployment-stock-market-03-06-2026/card/fed-s-goolsbee-warns-on-stagflation-risks-NMlCBptdHUGIDhnnn5ZQ
https://www.wsj.com/livecoverage/jobs-report-unemployment-stock-market-03-06-2026/card/fed-s-goolsbee-warns-on-stagflation-risks-NMlCBptdHUGIDhnnn5ZQ

[44] Fed faced with hard choice on weak jobs, high inflation
https://www.reuters.com/business/fed-rate-cut-bets-rise-after-weak-jobs-data-2026-03-06/?utm_source=chatgpt.com

[45] federalreserve.gov
https://www.federalreserve.gov/monetarypolicy/files/fomc_longerrungoals.pdf

[47] Speech by Governor Barr on artificial intelligence and the labor market - Federal Reserve Board
https://www.federalreserve.gov/newsevents/speech/barr20260217a.htm

[48] Speech by Governor Waller on the economic outlook - Federal Reserve Board
https://www.federalreserve.gov/newsevents/speech/waller20260223a.htm

DISCLOSURES

Ascentis Asset Management ("Ascentis") is a registered investment adviser. Registration does not imply a certain level of skill or training. More information about Ascentis including its advisory services and fee schedule can be found in Form ADV Part 2 which is available upon request. Ascentis provides non-discretionary advisory services to other registered investment advisers and investment adviser representatives and does not provide advice to underlying clients of the firms and representatives to which it provides advisory services.

This is Ascentis's current assessment of the market and may be changed without notice. The visuals shown are for illustrative purposes only and do not guarantee success or certain level of performance. This material contains projections, forecasts, estimates, beliefs and similar information ("forward looking information").Forward looking information is subject to inherent uncertainties and qualifications and is based on numerous assumptions, in each case whether or not identified herein. This information may be taken, in part, from external sources. We believe these external sources to be reliable, but no warranty is made as to accuracy.

This material is not financial advice or an offer to sell any product. Different types of investments involve varying degrees of risk and there can be no assurance that any specific investment will either be suitable or profitable for a client's investment portfolio. Economic factors, market conditions and investment strategies will affect the performance of any portfolio, and there are no assurances that it will match or outperform any benchmark. Investing in non-traditional and international investments involves additional risks that are not generally associated with investing in domestic equities.

The backtest simulation and associated performance figures provided are hypothetical. Performance figures do not include the deduction of advisory fees, brokerage or other commissions and any other expenses that a client would have paid or actually paid. The results do not represent the results of actual trading using client assets but were achieved by means of the retroactive application of a model that was designed with the benefit of hindsight. The results may not reflect the impact that any material market or economic factors might have had on the adviser's use of the back-tested model if the model had been used during the period to actually manage client assets. The results portrayed reflect the reinvestment of dividends and other earnings. Returns should not be considered indicative of the skill of the adviser. The hypothetical performance results do not relate to the type of advisory services currently offered by Ascentis Asset Management.

Benchmarks: The index / indices used by Ascentis have not been selected to represent an appropriate benchmark to compare an investor's performance, but rather are disclosed to allow for comparison of the investor's performance to that of certain well-known and widely recognized indices. Indices are not available for direct investment, are unmanaged and do not incur fees or expenses. Detailed information regarding the indices is available upon request. The volatility of the indices may be materially different than that of the portfolio.

PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS. Not FDIC insured. All investment strategies have the potential for profit or loss. Historical data may use proxies to represent investments and asset classes. These proxies may have holdings and performance that vary from the investments or asset classes over time.

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