



March 23, 2026

Spring Has Sprung But A Blossoming Market May Take Some Time

It was another volatile week in the markets dominated by the Federal Reserve's stance on rates, stubbornly high oil prices, and shifting signals across bonds, commodities, and the economy.

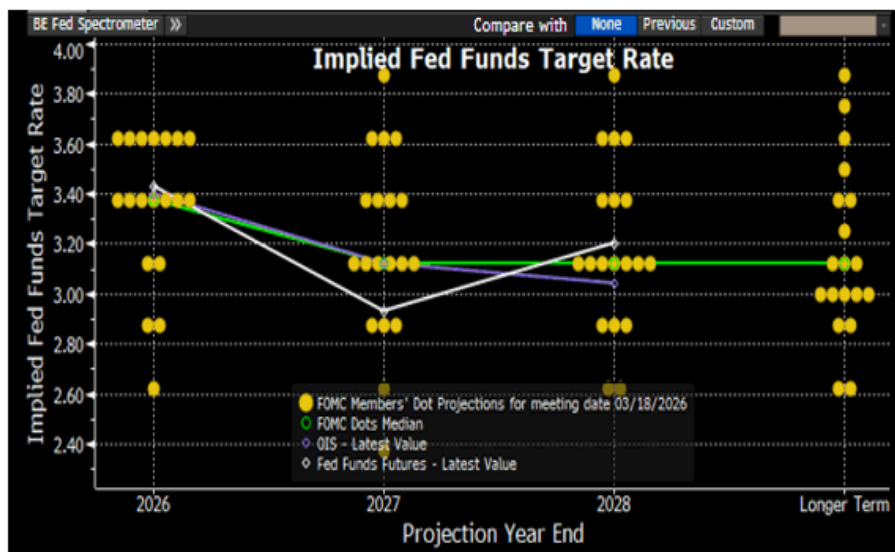
Here's what matters most for retail investors right now.

The Fed's Message: Cautious And Patient

Last week, the Federal Reserve's FOMC (Federal Open Market Committee) held rates steady and released its latest Summary of Economic Projections (SEP), including the closely watched "dot plot" outlining each Committee member's expectations for interest rates. The latest projections continue to signal just one rate cut in 2026. Fed Chair Jerome Powell was quick to remind everyone that the dots are not set in stone: "People are more than happy to change their SEP [Summary of Economic Projections] dots. No one is bound by them." Key takeaways from the SEP included:

- Growth and inflation forecasts for 2025–2027 were revised higher, while the rate path remained largely unchanged, signaling the Fed's reluctance to tighten policy further.
- FOMC members are increasingly concerned about upside inflation risks from energy prices, tariffs, and global conflicts, shifting the balance of risks.

Dot Plot Projections By FOMC Members





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Markets are increasingly skeptical about the likelihood of that single interest rate cut materializing this year. Futures pricing is currently reflecting a growing concern that the Fed may leave rates unchanged longer than previously expected. That said, the path of least resistance for rates over the longer term still points lower, in our view. But the change will just not be as quick as many had hoped a few months ago.

Chair Powell also addressed his status at the Fed, stating he will remain in his role as Chair Pro Tem until a successor is confirmed by the Senate. He also indicated that he does not intend to step down from the Board while the Department of Justice's ongoing criminal investigation – launched in early 2026 and focused on his testimony regarding multi-billion-dollar Federal Reserve building renovations – remains unresolved.

Futures Market Expectations Of The Number Of Rate Cuts By December 2026



Source: Bloomberg, March 20, 2026

Oil Remains Elevated: Stagflation Fears Return

Oil prices continue to trade at elevated levels amid the ongoing Middle East conflict. Markets are already pricing in the inflationary impact of higher energy costs, raising the specter of “stagflation,” high inflation accompanied by stagnant economic growth and rising unemployment.

Both Chair Powell (on Wednesday) and Fed Governor Christopher Waller (on Friday) explicitly rejected the notion that stagflation is emerging. Nevertheless, the market remains nervous, and inflation expectations are rising along with interest rates. Higher expectations of inflation can be seen in the Breakeven market.

Crude Oil Elevated With Resistance Near \$115



Source: StockCharts.com, Annotations by Sanctuary Wealth March 21, 2026



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Adding To Inflation Concerns Are Higher Producer Prices

The Producer Price Index (PPI) for finished goods is running at 3.4% year-over-year (down slightly from 3.8% in January 2025), but the trend is turning higher. Note that the full impact of recent oil price spikes is not yet reflected – something to watch for in upcoming Consumer Price Index (CPI) reports.

PPI Finished Goods Is The Highest Since January 2025



Source: Bureau of Labor Statistics, Sanctuary Wealth, March 18, 2026

The Yield Curve And Sticky Inflation Signals

The 2s-10s yield curve (often just called “the 2s10s”) is Wall Street’s favorite measure of the yield curve. It shows the difference between the yield on the 10-year Treasury and the 2-year Treasury. When the spread is wide and positive, the curve is “steep” (normal) a sign that the economy is projected to grow. When the spread narrows or goes negative, the curve is “flat” or “inverted,” a classic warning sign for slower growth or recession. The 2-year yield tracks near-term Fed policy, while the 10-year reflects longer-term economic expectations.

The 2s10s has flattened noticeably in recent sessions, dropping from around 0.73% to roughly 0.46%, signaling that investors are pricing in slower economic growth. After a strong recovery from its -1.08% inversion in July 2023, the spread has now broken its rising trend. This recent move looks like a “bear flattening,” driven more by rising short-term yields than by falling long-term yields.

The 2s10s Yield Curve Is Declining





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Breakeven rates are a market-based proxy for expected inflation, and they currently tell a similar story. The Fed's favorite 5-year breakeven has climbed to nearly 2.8%, in line with year-over-year personal consumption expenditures (PCE) price index, which just happens to be the Fed's favorite measure of inflation. The 5-year breakeven is holding resistance near 2.8%. A sustainable break above this level would signal continued concern over inflation and would also signal continued equity market volatility.

5 Year Breakeven Has Risen But Holding Resistance At 2.8%



Source: Bloomberg, Annotations by Sanctuary Wealth, March 19, 2026

Meanwhile, the 5-year Treasury yield has broken above 3%, a level that had acted as resistance since August.

5-Year Treasury Yields Have Broken Above 3%



Source: Bloomberg, Annotations by Sanctuary Wealth, March 19, 2026



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The 2-Year Breakeven Has Risen Sharply

The 2-year breakeven is testing resistance in the 3.5%–3.8% range.

2 Year Breakeven Testing Resistance Near 3.5%

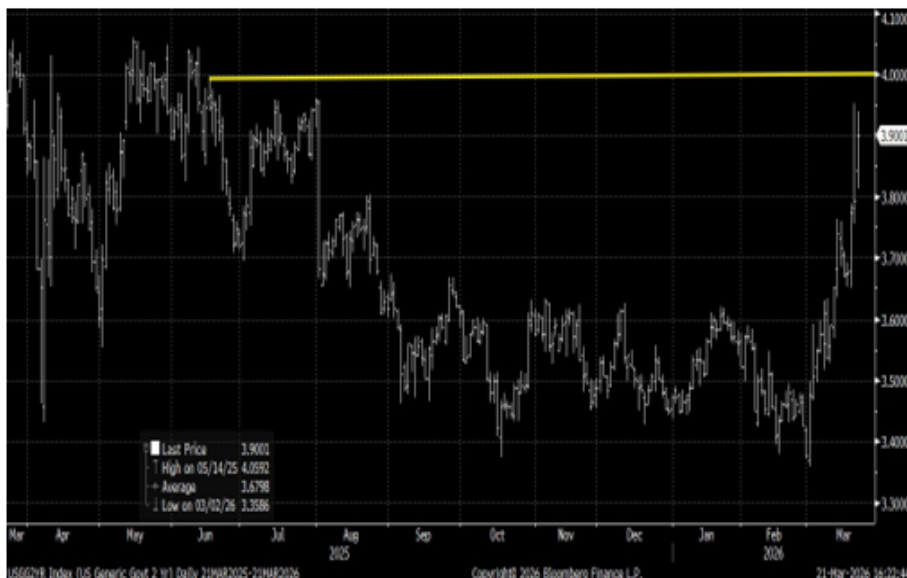


Source: Bloomberg, Annotations by Sanctuary Wealth, March 19, 2026

2-Year Treasury Yields Rise With Resistance Near 4.0%

With inflation expectations rising, short rates are moving higher, with the 2-year Treasury yield rising sharply. Resistance is near 4.0%.

2-Year Treasury Yields Have Broken A Downtrend



Source: Bloomberg, Annotations by Sanctuary Wealth, March 21, 2026



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Jones Act Suspended

In a notable development, the Trump Administration temporarily suspended the Jones Act for 60 days. (The Jones Act is a U.S. law passed in 1920 that requires all goods shipped between U.S. ports to be carried on ships that are built in America, owned by Americans, flagged in the U.S., and crewed mostly by American sailors.) This waiver should help ease domestic shipping bottlenecks for oil, natural gas, fertilizer, and coal by allowing more flexible use of foreign vessels. This is a pragmatic step to mitigate near-term supply pressures.



The New York Times

U.S. Suspends Oil Shipping Rules to Ease Gas Price Pressures

The Jones Act dictates that only U.S.-made ships can move cargo between U.S. ports. They charge customers more for shipping than foreign vessels.



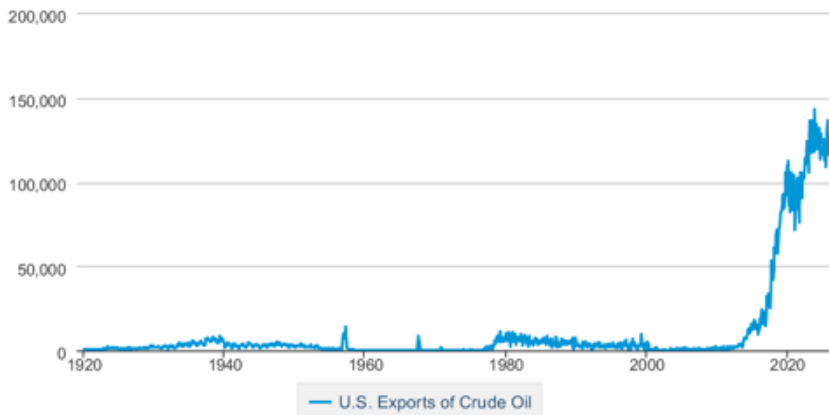
By Peter Eavis

March 18, 2026

The U.S. Has Become A Petroleum Net Exporting Nation

U.S. Exports of Crude Oil

Thousand Barrels



Data source: U.S. Energy Information Administration

Source: Energy Information Administration, March 19, 2026



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Metals Under Pressure But Long-Term Story Remains Intact

Metals are correcting sharply, but we believe they remain in a longer-term bull market. Metals are inversely related to interest rates and the U.S. dollar. With interest rates rising and the U.S. dollar rising, metals and metal stocks are correcting.

The long-run bullish case remains strong for both Silver and Copper, due to their critical industrial uses (electronics, renewables, EVs, infrastructure), and for Gold, due to strong demand for the metal from central banks. There is more demand for metals than supply, which should continue to put upward pressure on the metals. Short-term weakness likely reflects demand destruction (or delay) in energy-sensitive regions, especially Asia, combined with leverage-driven margin selling by traders.

Gold Consolidating With Support Range \$4543-\$4238



Source: Bloomberg, March 21, 2026

Silver Consolidating After Major Breakout: Support Range \$60-\$50



Source: Bloomberg, Annotations by Sanctuary Wealth, March 19, 2026



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Copper Index With Major Breakout Testing Breakout Level Near \$500



Source: Bloomberg. Annotations by Sanctuary Wealth, March 19, 2026

U.S. Dollar Strength

The U.S. Dollar Index (DXY) has rallied strongly – up 5% since January – and is now testing the upper end of its trading range established in early 2025.

This strength reflects a flight-to-safety and rising interest rates. With ongoing military tensions in the Middle East, the risk of oil supply disruptions from Iran and the Persian Gulf, and general geopolitical uncertainty, investors have been moving into the dollar as a safe-haven currency. We expect the dollar to stay within its trading range. Should the dollar break above 100, it is likely to rally another leg up toward 105.

U.S. Dollar At Upper End Of Its Trading Range.

U.S. Dollar Index (DXY) (Top) With MACD (Bottom)



Source: Bloomberg. Annotations by Sanctuary Wealth, March 19, 2026



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High Yield Breaks Down, Showing Risk Off

The conflict with Iran – pushing energy prices higher – along with ongoing concerns in private credit, has driven a risk-off move, with high yield breaking down. This points to the risk of a continued correction in risk assets.

iShares iBoxx High Yield Corporate Bond ETF (HYG) Breaks Down



Source: Bloomberg. Annotations by Sanctuary Wealth, March 21, 2026

Consumer Spending Was Up Sharply In February

The consumer comes into this oil crisis with strong momentum. Bank of America's latest Consumer Checkpoint report shows credit and debit card spending per household rose 3.2% year-over-year in February, the strongest pace since January 2023. The bank also reported that gasoline spending was up 14.4% so far in the month of March. In our view, higher spending on gasoline is likely to impact the consumer negatively but not stop the consumer from spending overall.

Exhibit 1: February's YoY spending growth was the strongest in over three years

Total credit and debit card spending growth per household, based on Bank of America internal data (monthly, MoM%, SA) and (monthly, YoY%, non-SA)



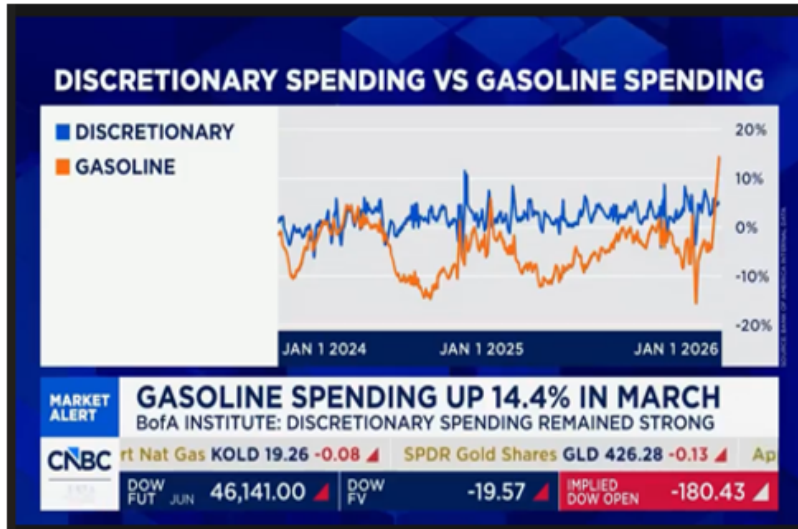
Source: Bank of America internal data

BANK OF AMERICA INSTITUTE



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Gasoline Spending Is Up 14.4% So Far In March



Source: CNBC, March 20, 2026

S&P 500 Is Oversold But 200-Day Moving Average Is Broken

The S&P 500 is oversold on both a daily and weekly basis but closed below its 200-day moving average on Friday, increasing the risk of further downside. Investors should be prepared for a 10%-12% correction. To date, stocks are down approximately 7%. Key support levels are 6500, 6200, and 6185.

S&P 500 With 200-Day Moving Average & Fibonacci Levels



Bloomberg, Annotations by Sanctuary Wealth, March 21, 2026



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S&P 500 Very Oversold But No Buy Signal...Yet

Stocks are oversold, so any good news could cause a rally in stocks. However, the 14-day stochastic has not yet confirmed a buy signal.

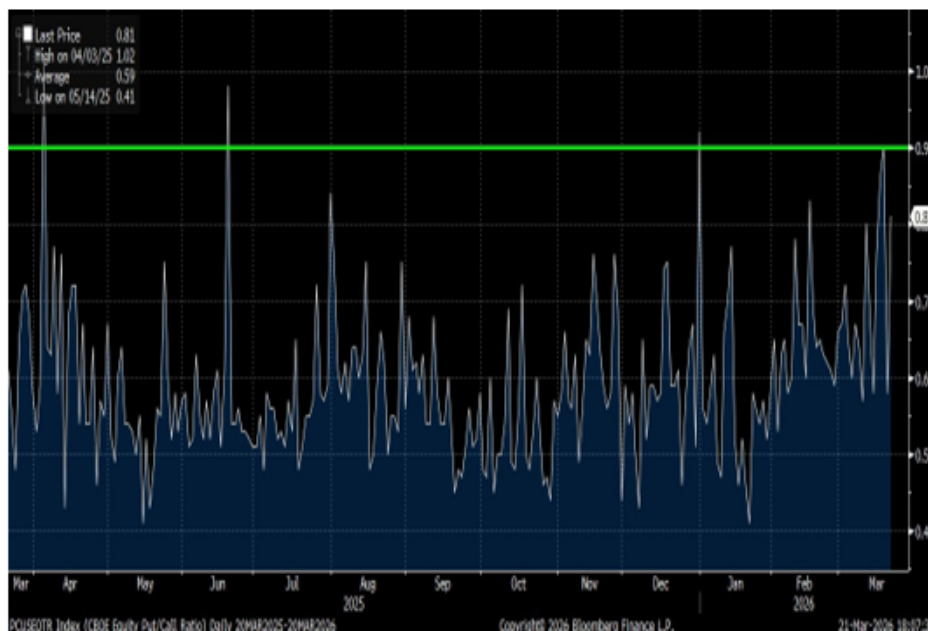
S&P 500 With 14-Day Stochastic Oversold



CBOE Put-Call Ratio Showing Fear

The CBOE put-call ratio is a contrarian indicator. When the ratio is high, it shows more put buying, which indicates investor fear. With the ratio spiking, it indicates fear is in the market. The VIX, the market's "fear gauge" that measures expected volatility in the S&P 500 index, is also showing fear. With stocks oversold and fear gauges high, any good news could trigger a powerful rally.

CBOE Put-Call Ratio Spiking, Showing Fear



Bloomberg. Annotations by Sanctuary Wealth, March 21, 2026



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Sector Readings: Energy Strongest, Followed By Industrials, Then Utilities; Financials Remain Weakest, Followed By Consumer Discretionary; Tech Still Correcting

Energy was strongest again last week, this time followed by Industrials and Utilities. Financials remained in last place, followed by Consumer Discretionary. Energy has been strongest for 7 weeks. Financials and Consumer Discretionary have been weakest for 6 weeks. Technology continues to correct.

Our sector model analyzes S&P 500 GICS sector classifications, using a weighted measure of price momentum across three time periods. We rank each sector from best to worst based upon the average of its 40-, 26-, and 13-week relative price performances. We rank each sector from 1 to 11, with 1 being the strongest and 11 the weakest.

Sector Rankings By 40-, 26-, And 13-Week Average Relative Price Performance

	Mar 20	Mar 13	Mar 6	Feb 27	Feb 20	Feb 13	Feb 6	Jan 30
Consumer Discretionary	10	10	10	10	10	10	8	6
Consumer Staples	5	5	7	7	6	5	6	8
Energy	1	1	1	1	1	1	1	2
Financials	11	11	11	11	11	11	9	9
Healthcare	7	7	6	4	5	6	5	7
Industrials	2	3	2	3	3	3	3	4
Information Technology	9	9	9	9	8	8	7	5
Materials	6	4	4	2	2	2	4	3
Communication Services	4	6	5	6	4	4	2	1
Utilities	3	2	3	5	7	7	11	10
Real Estate	8	8	8	8	9	9	10	11

Source: Bloomberg, Sanctuary Wealth, March 20, 2026



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OBOS List: Energy, Industrials, Consumer Staples, Utilities, Materials, and Real Estate Overbought; Consumer Discretionary Oversold; Financials and Information Technology Near Oversold. Expect Continued Sector Rotation!

Energy, Industrials, Consumer Staples, Utilities, Materials, and Real Estate were all overbought last week. Consumer Discretionary was oversold, while Financials and Information Technology were near oversold. The market is stretching its performance between heavily favored and rejected sectors, with many of the favored sectors lower in weighting within the S&P 500 in comparison to the other sectors, such as Technology and Financials. Energy is extremely extended in relative price. This positioning can cause continued sector rotation and is vulnerable to sudden reversals in relative price.

Our tactical sector rotation model uses the S&P 500 GICS sector classifications. We apply a 13-week rate of change methodology that normalizes the rankings from overbought (OB) to oversold (OS). An industry group is overbought when it has risen too far too fast, relative to the rest of the market, based upon its normal movement. Conversely, it's oversold when it has lost too much too fast, relative to the rest of the market, based upon its normal movement. Over time, a sector tends to move back toward its normal rate of change, relative to the rest of the market. Overbought sectors tend to slow their pace of gains in relative price, while oversold sectors tend to improve in relative price until they reach their average performance again.

Here's our methodology: the overbought-oversold table of sectors measures the 13-week rate of change in the relative price of each sector. We then average (i.e., smooth) this for 3 weeks and normalize the results. Normalized oscillator values over 1.0 are considered overbought, while those between 0.6 and 1.0 are considered near overbought. Normalized oscillator values below -1.0 are considered oversold, while those between -0.6 and -1.0 are considered near oversold.

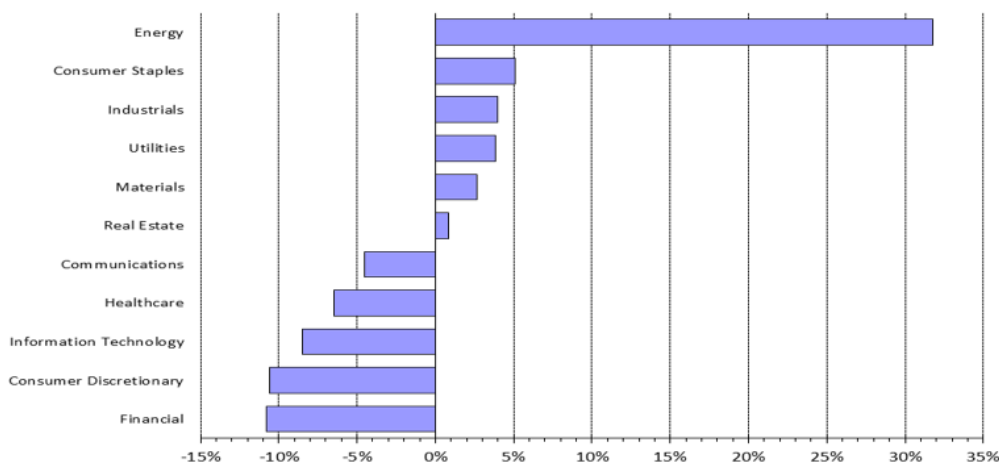
Sector Rankings By 40-, 26-, And 13-Week Average Relative Price Performance

Sector Overbought / Oversold List as of 20 March 2026

rank	S&P Sector	normalized Oscillator
1	Energy	4.6054
2	Industrials	2.3162
3	Consumer Staples	1.5423
4	Utilities	1.4926
5	Materials	1.4383
6	Real Estate	1.0533 <i>Overbought</i>
7	Communication Services	0.3277 <i>Neutral</i>
8	Healthcare	-0.3143 <i>Neutral</i>
9	Information Technology	-0.6769 <i>Near Oversold</i>
10	Financials	-0.9721
11	Consumer Discretionary	-1.5658 <i>Oversold</i>

Source: Bloomberg, Sanctuary Wealth, March 20, 2026

Year-To-Date Performance Of The S&P 500 Sectors



Source: Bloomberg, Sanctuary Wealth, March 20, 2026



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Market Performance: Energy Best Performing Asset Year-To-Date By Far, Followed By Consumer Staples and Gold; Bitcoin The Worst

	Last 3/20/2026	Month End 2/27/2026	Month to Date	Quarter End 12/31/2025	Quarter to Date	Year End 12/31/2025	Year to Date	Year Ago 3/20/2025	Year To Year
S&P 500	6506.48	6878.88	-5.4%	6845.50	-5.0%	6845.50	-5.0%	5662.89	14.9%
NASDAQ Composite	21647.61	22668.21	-4.5%	23241.99	-6.9%	23241.99	-6.9%	17691.63	22.4%
NASDAQ 100	582.06	607.29	-4.2%	614.31	-5.2%	614.31	-5.2%	479.26	21.4%
Russell 2000	2438.45	2632.36	-7.4%	2481.91	-1.8%	2481.91	-1.8%	2068.63	17.9%
S&P Consumer Discretionary Sector	1724.69	1854.80	-7.0%	1928.43	-10.6%	1928.43	-10.6%	1567.59	10.0%
S&P Consumer Staples Sector	908.88	1003.08	-9.4%	864.89	5.1%	864.89	5.1%	864.91	5.1%
S&P Energy Sector	905.88	855.10	5.9%	687.34	31.8%	687.34	31.8%	707.11	28.1%
S&P Financial Sector	813.14	853.79	-4.8%	911.60	-10.8%	911.60	-10.8%	823.73	-1.3%
S&P Healthcare Sector	1688.86	1864.30	-9.4%	1805.89	-6.5%	1805.89	-6.5%	1709.16	-1.2%
S&P Industrials Sector	1364.93	1497.59	-8.9%	1313.14	3.9%	1313.14	3.9%	1122.86	21.6%
S&P Information Technology Sector	5203.18	5365.45	-3.0%	5684.00	-8.5%	5684.00	-8.5%	4150.54	25.4%
S&P Materials Sector	589.59	675.69	-12.7%	574.41	2.6%	574.41	2.6%	543.49	8.5%
S&P Real Estate Sector	257.10	278.35	-7.6%	255.03	0.8%	255.03	0.8%	262.13	-1.9%
S&P Communications Sector	431.98	453.56	-4.8%	452.39	-4.5%	452.39	-4.5%	326.39	32.4%
S&P Utilities Sector	450.54	482.91	-6.7%	433.81	3.9%	433.81	3.9%	400.06	12.6%
S&P 500 Total Return	14508.12	15323.80	-5.3%	15220.46	-4.7%	15220.46	-4.7%	12469.97	16.3%
3 month Treasury Bill Price	99.07	99.08	0.0%	99.09	0.0%	99.09	0.0%	98.93	0.1%
3 month Treasury Bill Total Return	270.14	269.57	0.2%	268.01	0.8%	268.01	0.8%	259.33	4.2%
10 Year Treasury Bond Future	110.50	113.81	-2.9%	112.44	-1.7%	112.44	-1.7%	111.17	-0.6%
10 Year Treasury Note Total Return	313.80	322.53	-2.7%	316.61	-0.9%	316.61	-0.9%	303.21	3.5%
iShares 20+ Year Treasury Bond ETF	85.83	90.82	-5.5%	87.16	-1.5%	87.16	-1.5%	91.24	-5.9%
S&P Municipal Bond Total Return	289.66	295.63	-2.0%	290.00	-0.1%	290.00	-0.1%	279.29	3.7%
iShares S&P National Municipal Bond NAV	106.15	108.68	-2.3%	106.85	-0.7%	106.85	-0.7%	105.95	0.2%
S&P 500 Investment Grade Corporate Bond Total Return	494.54	507.01	-2.5%	499.46	-1.0%	499.46	-1.0%	476.37	3.8%
S&P Investment Grade Corporate Bond	91.03	93.48	-2.6%	92.75	-1.9%	92.75	-1.9%	91.50	-0.5%
S&P Investment Grade Corporate Bond Total Return	528.35	541.07	-2.4%	532.99	-0.9%	532.99	-0.9%	507.57	4.1%
SPDR Bloomberg High Yield Bond ETF	94.95	97.25	-2.4%	97.21	-2.3%	97.21	-2.3%	95.86	-0.9%
iShares iBoxx High Yield Corporate Bond ETF	78.92	80.72	-2.2%	80.63	-2.1%	80.63	-2.1%	79.34	-0.5%
Gold	4492.42	5278.93	-14.9%	4319.37	4.0%	4319.37	4.0%	3044.90	47.5%
Bitcoin	70041.31	65527.34	6.9%	87647.54	-20.1%	87647.54	-20.1%	84504.07	-17.1%
Silver	67.95	93.79	-27.6%	71.66	-5.2%	71.66	-5.2%	33.59	102.3%

Source: Bloomberg, Sanctuary Wealth, March 20, 2026

All Eyes Remain On Iran and Oil Prices

This week, it's all quiet on the data front, but more noise from the Iran conflict will be heard worldwide.

This week appears unusually quiet on the economic and corporate calendar. There are no major U.S. data releases, no FOMC meetings, and earnings season has largely concluded. The most notable scheduled event is Tuesday's flash PMIs, which will offer an early read on global services activity. With the calendar light, market direction is likely to remain driven primarily by developments in the Middle East, movements in oil prices, and ongoing reactions to this week's more cautious Fed messaging. What the market is not positioned for is some good news... which would be welcomed!



Calendar

Mon.

10:00 am Construction spending (delayed report)

Tue.

8:30 am U.S. productivity (revision)
9:45 am S&P flash U.S. services PMI
9:45 am S&P flash U.S. manufacturing PMI
6:30 pm Federal Reserve governor Michael Barr speaks

Wed.

8:30 am Import price index
8:30 am Import price index minus fuel
4:10 pm Federal Reserve governor Stephen Miran speaks
Earnings Chewy*

Thu.

8:30 am Initial jobless claims
4:00 pm Federal Reserve governor Lisa Cook speaks
6:30 pm Federal Reserve governor Stephen Miran speaks
7:00 pm Federal Reserve Vice Chair Philip Jefferson speaks
7:10 pm Federal Reserve governor Michael Barr speaks

Fri.

10:00 am Consumer sentiment (final)
Earnings Carnival

Source: MarketWatch/CNBC/Kiplinger's
* Earnings reflect highlights

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