



PACIFIC GLOBAL
Investment Management Company

Weekly Recap

March 20, 2026

Market Returns

INDEX ¹	CLOSE	WEEKLY CHANGE	YTD CHANGE
Dow Jones Industrial Avg.	45,577.47	-981.00 / -2.11%	-5.17%
S&P 500 [®]	6,506.48	-125.71 / -1.90%	-4.95%
Nasdaq	21,647.61	-457.75 / -2.07%	-6.86%
Russell 2000 [®]	2,438.45	-41.86 / -1.68%	-1.76%

	03/20/26 CLOSE	03/20/25 CLOSE
10-Year U.S. Treasury	4.38%	4.24%

Data: The Wall Street Journal, Federal Reserve

The Bottom Line

Equities sold off and interest rates rose as uncertainties over the hostilities in the Middle East continued. All the major indices declined for the fourth consecutive week: the Russell 2000[®] Index (-1.68%) lost the least followed by the S&P 500[®] Index (-1.90%), the Nasdaq (-2.07%) and the Dow Jones Industrial Average (-2.11%). The Russell 2000[®] has entered a correction, with losses in excess of 10% from a recent high; the Dow and the Nasdaq declines are only modestly better, with declines from recent highs of 9.8% and 9.9%, respectively. The yield on the 10-Year U.S. Treasury Note increased to 4.38% from 4.28% last Friday, as escalating oil prices threaten to drive inflation higher.

Brent crude rose another 8.9% this week. Tensions escalated after Israel bombed an Iranian gas field; Iran retaliated by bombing the world's largest LNG facility in Qatar. Qatar reports that repairs to the facility, which produced 17% of the country's LNG, will take 3-5 years. Demand for natural gas from the U.S. has soared as European and Asian countries seek alternative sources. Saudi Arabia, to bypass Iran's effective closure of the Strait of Hormuz, has increased shipments from ports in the Red Sea even as daily oil exports across the region have declined by 60% this month. The U.S. has announced plans to alleviate the supply shortage by increasing oil exports from Venezuela and temporarily waiving sanctions on Russian oil shipments already at sea.

On Wednesday, as expected, the Federal Reserve left interest rates unchanged; Chair Powell commented that "looking through" any supply shock "will be one to approach not lightly." He added that inflation pressures could last longer than expected. Also, in commenting on the inflationary pressures associated with data centers, he stated, "In the short term, what's happening is we're building data centers everywhere, and that's actually putting pressure on all kinds of goods and services that go into building things . . . So that's actually probably pushing inflation up." The Fed's latest projection for interest rates still anticipates a rate cut later this year.

Unemployment data remain stable as **initial jobless claims** of 205,000 fell below estimates of 215,000 while **continuing claims** (1.857 million) were slightly above consensus (1.850 million). **February PPI** rose 0.7%,

well above consensus for 0.3%; **Core PPI** rose 0.5%, also above expectations of 0.3%. Year-over-year, **PPI** rose 3.4% while **Core PPI** rose 3.5%, both above consensus.

Most analysts anticipate that oil prices will decline once the war in Iran recedes; however, the timing and the catalyst for a ceasefire or a 'wind down' of operations remain unclear. Elevated inflationary pressures will likely postpone additional interest rate cuts. Also, uncertainties and volatility may keep investors on the sidelines in the near-term despite the emergence of attractive prices for many stocks.

¹The Dow Jones Industrial Average is an unmanaged, price weighted measure of 30 U.S. stocks selected by the Averages Committee to represent the performance of all U.S. stocks outside the Transportation and Utilities sectors. The S&P 500[®] Index is an unmanaged, market capitalization weighted index which measures the performance of the large cap segment of the U.S. equities market, covering approximately 75% of the U.S. equities market. The Index includes 500 leading companies in leading industries of the U.S. economy. The Nasdaq Composite Index is an unmanaged, market capitalization weighted measure of all domestic and international common stocks listed on The Nasdaq Stock Market. The Russell Midcap[®] Index measures the 800 smallest companies within the Russell 1000[®] Index based on a combination of their market cap and current index membership. The Russell 2000[®] Index is an unmanaged, market-weighted measure of stock market performance. It contains stocks of the 2,000 smallest publicly traded companies of the Russell 3000[®] Index. It is not possible to invest in the Indices.

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