

MARCH (MARKET) MADNESS: WAR, OIL AND STOCKS!

Time to panic?

A MONTH TO REMEMBER!

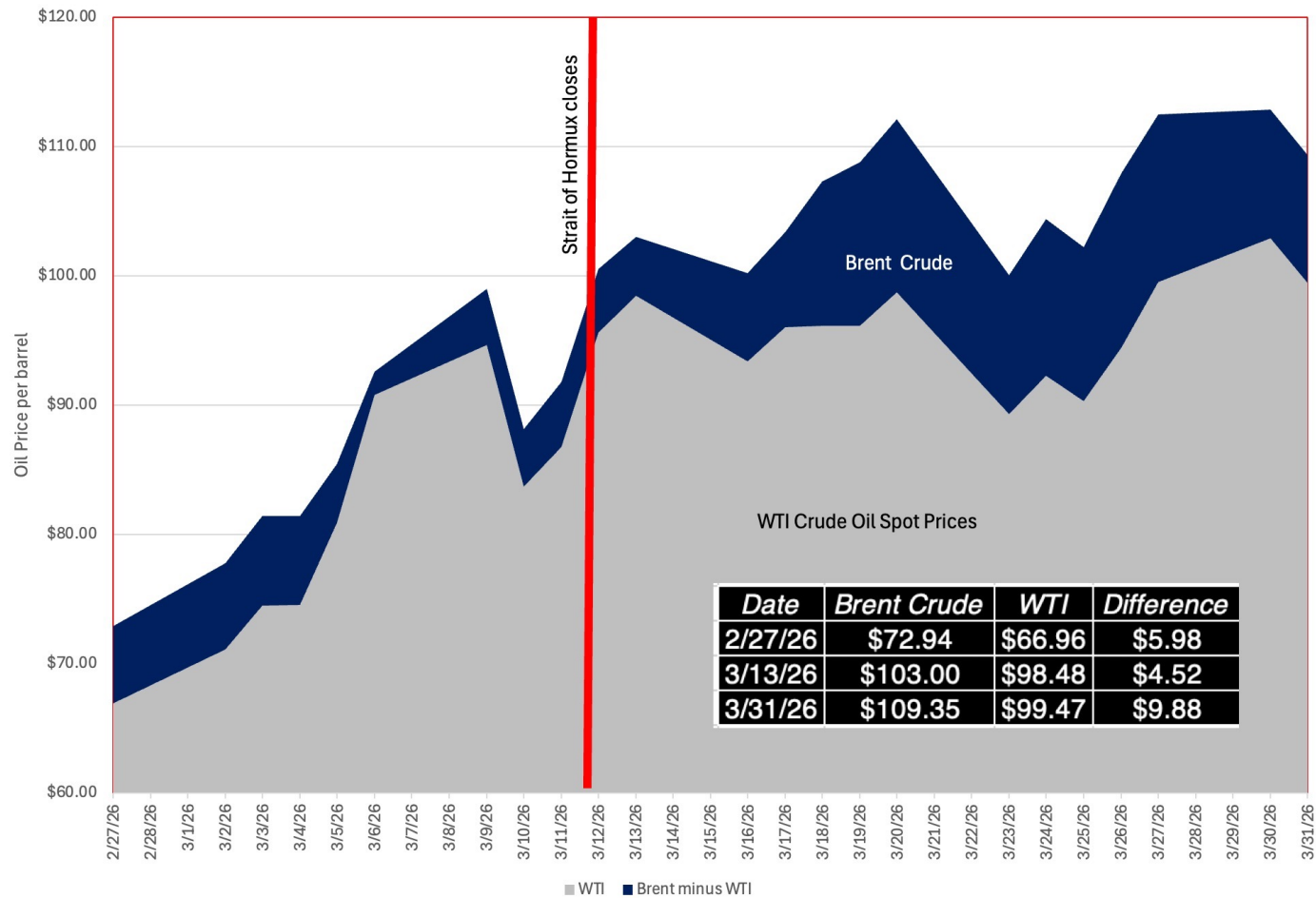
- The month started with a war in the Middle East, which quickly percolated into soaring oil prices and dropping stock prices, but the **overwhelming factor was uncertainty about almost every dimension of the war** - how long it would last, what permanent changes to oil prices would emerge as a consequence and how global governments and economies would response to these changes.
- **As we reach the end of the month, rather than getting answers to these questions, we face more questions**, and not surprisingly, markets are swinging, not just on a day-to-day basis, but in intraday trading, driven as much by rumors and conjecture, as by facts.
- **In keeping with my view that it is during periods of maximal uncertainty that you need perspective and to back to basics**, I will focus my attention on market behavior in March, and what we can learn from that behavior, as a precursor for the months to come.

THE (MARKET) NARRATIVE!

- **We live in an age of commentary, as self-proclaimed experts offer prognostications, half-baked or otherwise, about what is to come, and the Iran war, with its mix of politics, economics and religion baked in,, has drawn a large and extremely diverse set of expert forecasts.**
- **Given the strong priors (about Iran and Trump) that many of these experts bring to the game, it should not be surprising that their views about how the war will play out and the effect on markets is predictable.**
- **It is up to markets to reconcile these contradictory perspectives, and come to consensus, and I will try to extract from market behavior what the market narrative is, leading into April 2026, with the recognition that it could change overnight in good and bad ways.**

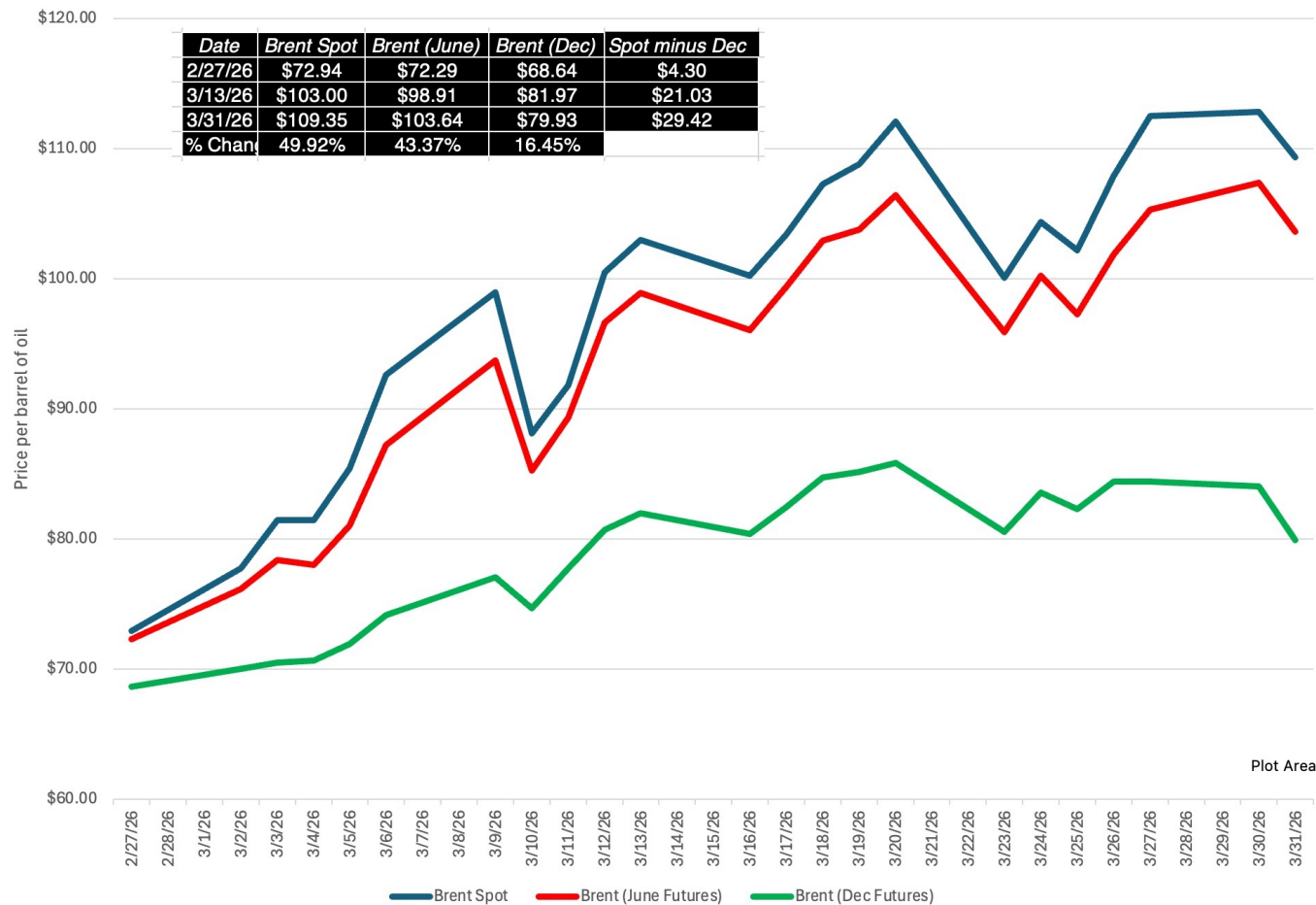
THE OIL PRICE SHOCK – ACROSS GEOGRAPHIES!

Crude Oil Prices in March 2026: Brent Crude and West Texas Intermediate



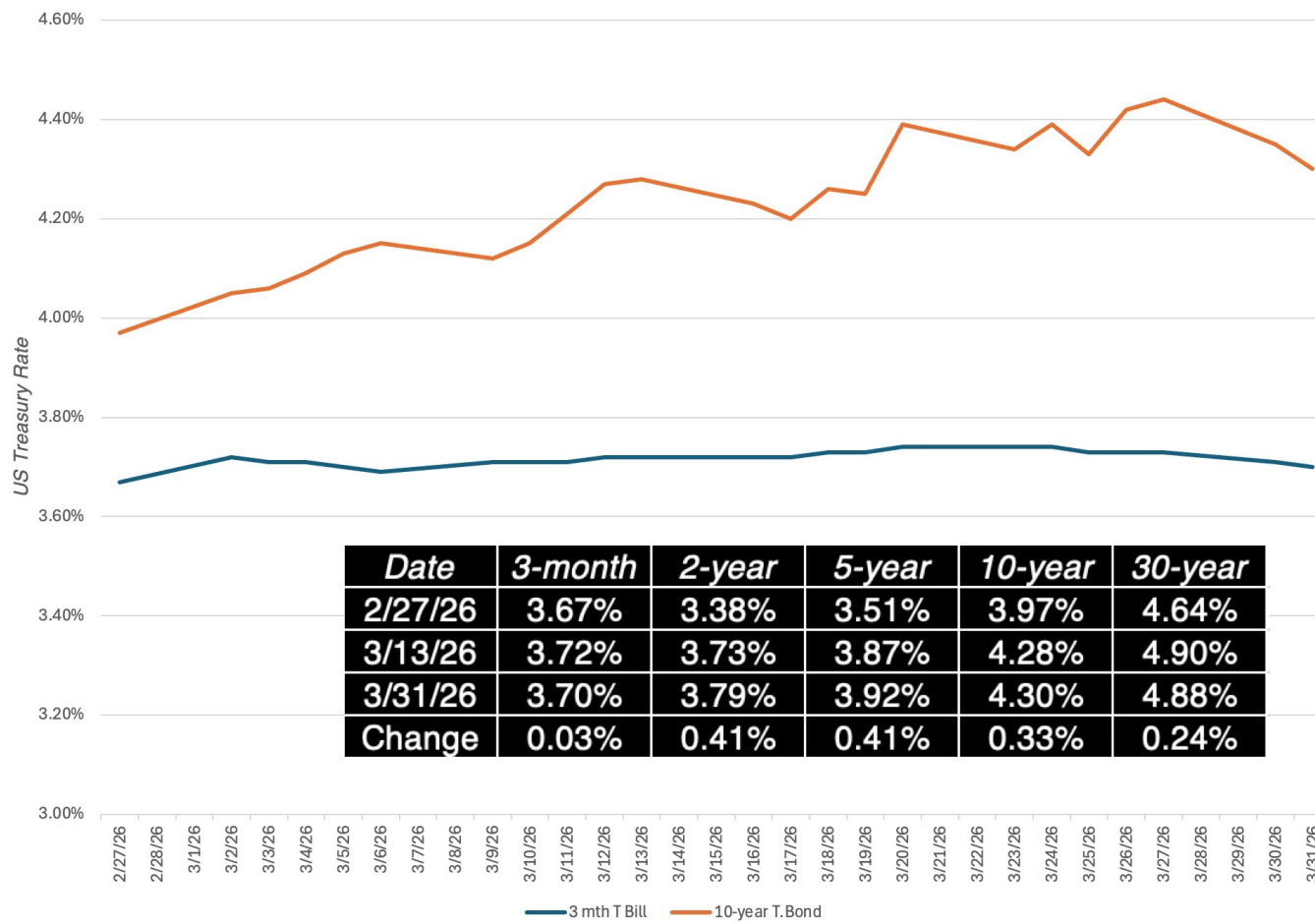
OIL PRICE SHOCKS – ACROSS TIME!

Brent Crude: Spot, June '26 and December '26 Futures



WITH INFLATION CONSEQUENCES?

US Treasury Rates in March 2026: 3-month and 10-year Treasuries



AND A PRICE OF RISK EFFECT (IN EQUITIES)!

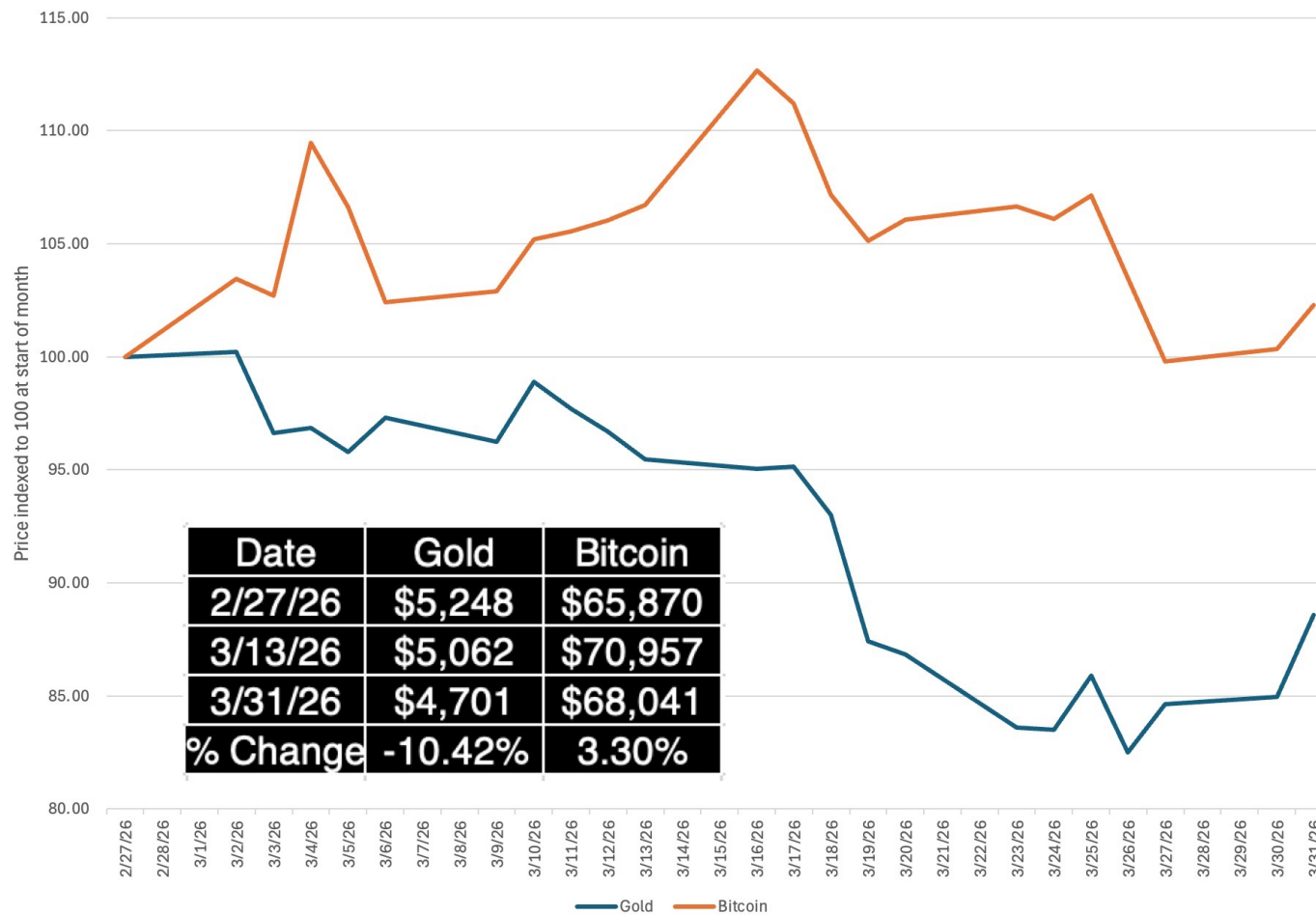
<i>Date</i>	<i>S&P 500</i>	<i>10-year T.Bond</i>	<i>Exp Return on Stocks (IRR)</i>	<i>ERP</i>
2/27/26	6,878.88	3.97%	8.34%	4.37%
3/2/26	6,881.62	4.05%	8.41%	4.36%
3/3/26	6,816.63	4.06%	8.46%	4.40%
3/4/26	6,869.50	4.09%	8.46%	4.37%
3/5/26	6,830.71	4.13%	8.52%	4.39%
3/6/26	6,740.02	4.15%	8.59%	4.44%
3/9/26	6,795.99	4.12%	8.53%	4.41%
3/10/26	6,781.48	4.15%	8.57%	4.42%
3/11/26	6,775.80	4.21%	8.63%	4.42%
3/12/26	6,672.62	4.27%	8.75%	4.48%
3/13/26	6,632.19	4.28%	8.79%	4.51%
3/16/26	6,699.38	4.23%	8.80%	4.57%
3/17/26	6,716.09	4.20%	8.76%	4.56%
3/18/26	6,624.70	4.26%	8.88%	4.62%
3/19/26	6,606.49	4.25%	8.88%	4.63%
3/20/26	6,506.48	4.39%	9.08%	4.69%
3/23/26	6,581.00	4.34%	8.98%	4.64%
3/24/26	6,556.37	4.39%	9.04%	4.65%
3/25/26	6,591.94	4.33%	8.96%	4.63%
3/26/26	6,477.16	4.42%	9.13%	4.71%
3/27/26	6,368.85	4.44%	9.22%	4.78%
3/30/26	6,343.84	4.35%	9.16%	4.81%
3/31/26	6,528.52	4.30%	9.07%	4.77%
Change in March 2026			0.73%	0.40%

AND THE PRICE OF RISK IN CORPORATE BONDS!

Date	AAA	AA	A	BBB	BB	B	CCC & below
2/27/26	0.41%	0.54%	0.71%	1.07%	1.89%	3.38%	9.50%
3/2/26	0.42%	0.53%	0.70%	1.06%	1.82%	3.36%	9.45%
3/3/26	0.40%	0.53%	0.69%	1.06%	1.86%	3.44%	9.57%
3/4/26	0.38%	0.51%	0.67%	1.03%	1.76%	3.27%	9.42%
3/5/26	0.39%	0.51%	0.68%	1.04%	1.80%	3.31%	9.44%
3/6/26	0.40%	0.53%	0.69%	1.06%	1.91%	3.45%	9.59%
3/9/26	0.40%	0.53%	0.70%	1.07%	1.96%	3.52%	9.69%
3/10/26	0.41%	0.54%	0.69%	1.06%	1.87%	3.37%	9.45%
3/11/26	0.42%	0.56%	0.73%	1.09%	1.90%	3.39%	9.45%
3/12/26	0.45%	0.58%	0.76%	1.12%	1.97%	3.49%	9.61%
3/13/26	0.45%	0.60%	0.78%	1.15%	2.06%	3.60%	9.78%
3/16/26	0.45%	0.60%	0.79%	1.16%	2.06%	3.58%	9.73%
3/17/26	0.43%	0.58%	0.77%	1.14%	2.02%	3.52%	9.63%
3/18/26	0.41%	0.57%	0.76%	1.13%	2.00%	3.51%	9.64%
3/19/26	0.41%	0.56%	0.75%	1.13%	2.04%	3.61%	9.76%
3/20/26	0.41%	0.55%	0.73%	1.11%	2.00%	3.57%	9.79%
3/23/26	0.39%	0.54%	0.73%	1.11%	1.97%	3.50%	9.75%
3/24/26	0.38%	0.54%	0.72%	1.09%	1.96%	3.50%	9.77%
3/25/26	0.38%	0.54%	0.72%	1.09%	1.95%	3.46%	9.74%
3/26/26	0.40%	0.55%	0.73%	1.11%	1.99%	3.51%	9.84%
3/27/26	0.42%	0.57%	0.76%	1.14%	2.18%	3.73%	10.13%
3/30/26	0.43%	0.58%	0.77%	1.16%	2.22%	3.77%	10.20%
3/31/26	0.42%	0.56%	0.75%	1.15%	2.21%	3.75%	10.10%
Change	0.01%	0.02%	0.04%	0.08%	0.32%	0.37%	0.60%

CHECKING IN ON COLLECTIBLES!

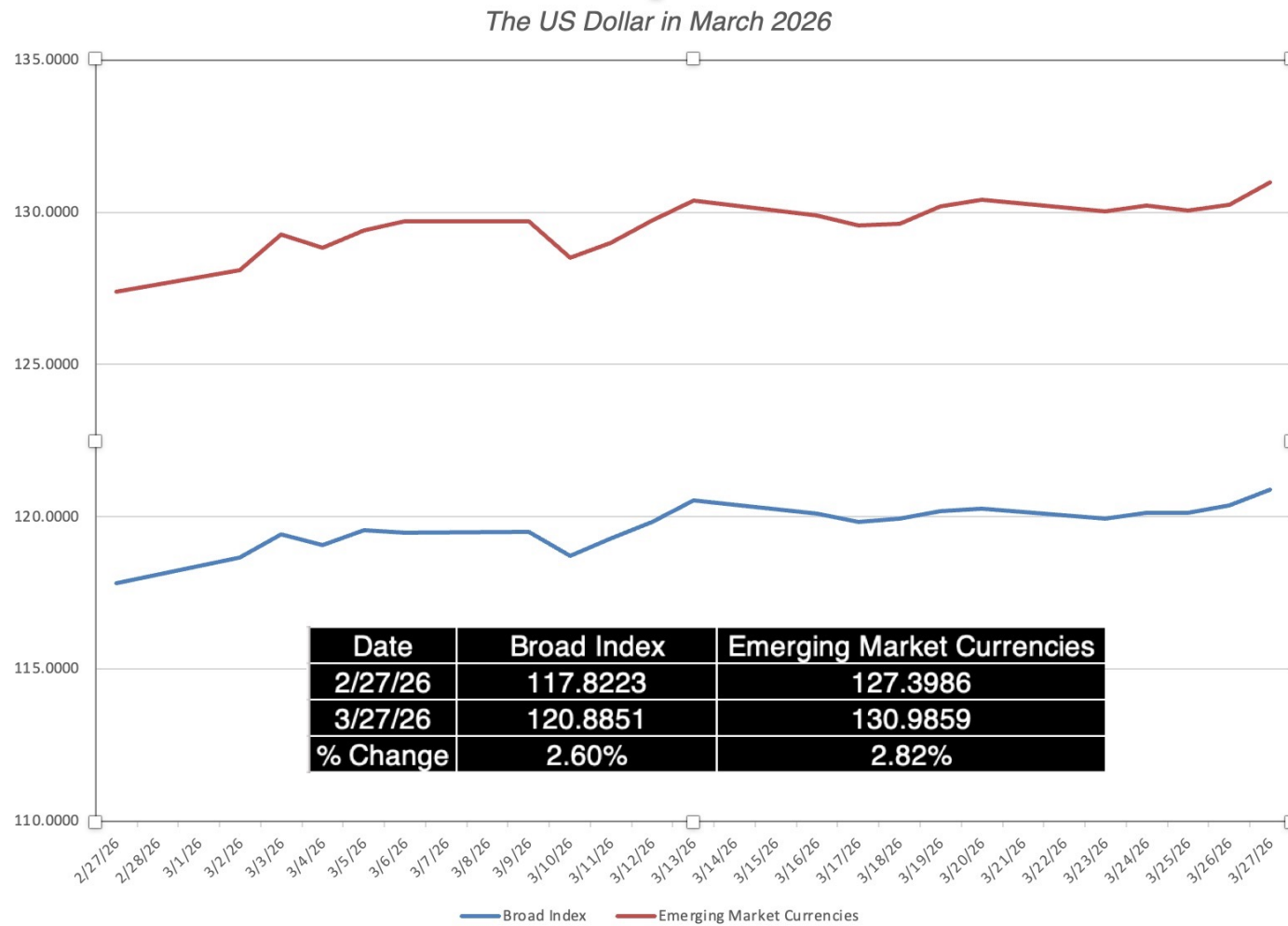
A Collectible Test: Gold and Bitcoin in March 2026

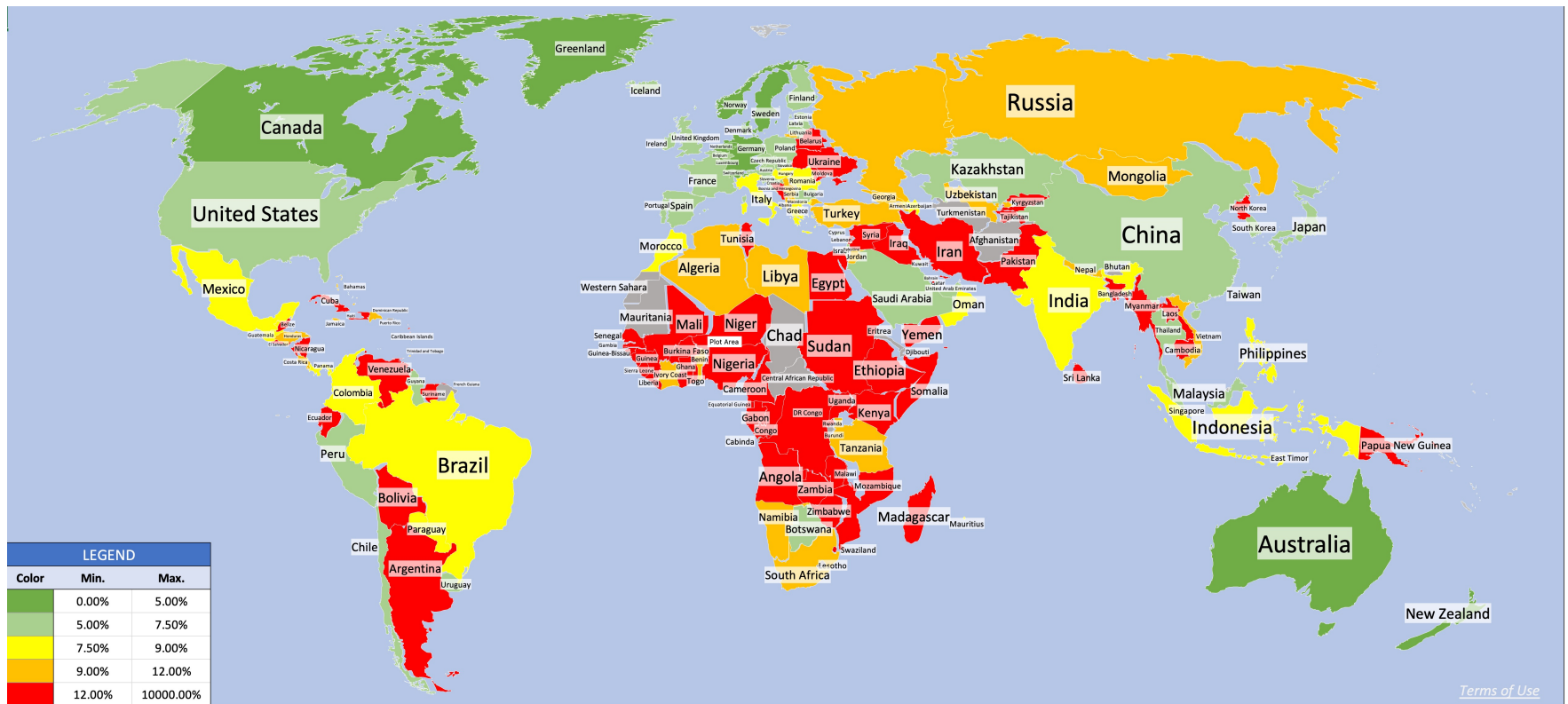


REGIONAL EQUITY PERFORMANCE!

Sub-region	Market Cap (\$ millions)			% Change	
	12/31/25	2/27/26	3/31/26	12/31/25-2/27/26	2/27/26 - 3/31/26
Africa and Middle East	\$5,549,222	\$5,930,745	\$5,805,427	6.88%	-2.11%
Australia & NZ	\$2,118,142	\$2,338,992	\$2,069,463	10.43%	-11.52%
Canada	\$3,846,118	\$4,192,197	\$3,779,172	9.00%	-9.85%
China	\$21,311,964	\$22,990,685	\$21,260,289	7.88%	-7.53%
EU & Environs	\$19,626,936	\$20,850,582	\$18,716,760	6.23%	-10.23%
Eastern Europe & Russia	\$194,643	\$230,456	\$226,630	18.40%	-1.66%
India	\$5,340,162	\$5,130,546	\$4,418,964	-3.93%	-13.87%
Japan	\$7,396,218	\$8,534,206	\$7,435,848	15.39%	-12.87%
Latin America & Caribbean	\$2,741,165	\$3,152,668	\$2,935,059	15.01%	-6.90%
Small Asia	\$9,449,294	\$11,601,554	\$9,864,119	22.78%	-14.98%
UK	\$4,150,052	\$4,556,510	\$4,182,782	9.79%	-8.20%
United States	\$69,920,196	\$70,615,791	\$65,094,996	0.99%	-7.82%
Global	\$151,644,112	\$160,124,931	\$145,789,510	5.59%	-8.95%

AND CURRENCY EFFECTS!





LEGEND														
Color	Min.	Max.												
	0.00%	5.00%												
	5.00%	7.50%												
	7.50%	9.00%												
	9.00%	12.00%												
	12.00%	10000.00%												
Country	ERP 1/1/2026	ERP 3/31/2026	Country	ERP 1/1/2026	ERP 3/31/2026	Country	ERP 1/1/2026	ERP 3/31/2026	Country	ERP 1/1/2026	ERP 3/31/2026	Country	ERP 1/1/2026	ERP 3/31/2026
Abu Dhabi	4.87%	5.49%	Congo (Republic of)	15.89%	17.92%	Indonesia	6.69%	7.55%	Mongolia	10.06%	11.34%	Solomon Islands	13.94%	15.72%
Albania	8.89%	10.02%	Cook Islands	10.06%	11.34%	Iran	13.94%	15.72%	Montenegro	10.06%	11.34%	Somalia	17.18%	19.37%
Algeria	10.06%	11.34%	Costa Rica	8.13%	9.16%	Iraq	13.94%	15.72%	Montserrat	7.08%	7.98%	South Africa	8.13%	9.16%
Andorra (Principality of)	6.30%	7.10%	Côte d'Ivoire	8.13%	9.16%	Ireland	5.01%	5.65%	Morocco	7.47%	8.43%	Spain	5.78%	6.52%
Angola	12.64%	14.26%	Croatia	5.78%	6.52%	Isle of Man	5.01%	5.65%	Mozambique	17.18%	19.37%	Sri Lanka	19.77%	22.29%
Argentina	13.94%	15.72%	Cuba	19.77%	22.29%	Israel	6.30%	7.10%	Myanmar	19.77%	22.29%	St. Maarten	8.13%	9.16%
Armenia	8.89%	10.02%	Curacao	7.08%	7.98%	Italy	6.69%	7.55%	Namibia	10.06%	11.34%	St. Vincent & the Grenadines	12.64%	14.26%
Aruba	7.08%	7.98%	Cyprus	5.78%	6.52%	Jamaica	8.89%	10.02%	Nepal	8.89%	10.02%	Sudan	30.89%	31.62%
Australia	4.23%	4.77%	Czech Republic	5.01%	5.65%	Japan	5.14%	5.80%	Netherlands	4.23%	4.77%	Suriname	13.94%	15.72%
Austria	4.59%	5.17%	Denmark	4.23%	4.77%	Jersey (States of)	5.01%	5.65%	New Zealand	4.23%	4.77%	Swaziland	11.35%	12.80%
Azerbaijan	7.08%	7.98%	Dominican Republic	8.13%	9.16%	Jordan	8.89%	10.02%	Nicaragua	11.35%	12.80%	Sweden	4.23%	4.77%
Bahamas	10.06%	11.34%	Ecuador	17.18%	19.37%	Kazakhstan	6.30%	7.10%	Niger	17.18%	19.37%	Switzerland	4.23%	4.77%
Bahrain	11.35%	12.80%	Egypt	13.94%	15.72%	Kenya	12.64%	14.26%	Nigeria	12.64%	14.26%	Syria	19.77%	22.29%
Bangladesh	11.35%	12.80%	El Salvador	12.64%	14.26%	Korea	4.87%	5.49%	Norway	4.23%	4.77%	Taiwan	5.01%	5.65%
Barbados	11.35%	12.80%	Estonia	5.14%	5.80%	Korea, D.P.R.	19.77%	22.29%	Oman	7.08%	7.98%	Tajikistan	12.64%	12.80%
Belarus	30.89%	31.62%	Ethiopia	15.89%	17.92%	Kuwait	5.14%	5.80%	Pakistan	13.94%	15.72%	Tanzania	10.06%	11.34%
Belgium	5.01%	5.65%	Fiji	10.06%	11.34%	Kyrgyzstan	12.64%	14.26%	Panama	7.08%	7.98%	Thailand	6.30%	7.10%
Belize	13.94%	15.72%	Finland	4.59%	5.17%	Laos	15.89%	17.92%	Papua New Guinea	11.35%	12.80%	Togo	12.64%	14.26%
Benin	10.06%	11.34%	France	5.01%	5.65%	Latvia	5.78%	6.52%	Paraguay	7.08%	7.98%	Trinidad and Tobago	8.13%	9.16%
Bermuda	5.33%	6.01%	Gabon	15.89%	17.92%	Lebanon	30.89%	31.62%	Peru	6.30%	7.10%	Tunisia	13.94%	15.72%
Bolivia	19.77%	19.37%	Gambia	11.35%	12.80%	Liberia	15.89%	17.92%	Philippines	6.69%	7.55%	Turkey	8.89%	10.02%
Bosnia and Herzegovina	12.64%	14.26%	Georgia	8.13%	9.16%	Libya	8.13%	9.16%	Poland	5.33%	6.01%	Turks and Caicos Islands	6.30%	7.10%
Botswana	6.30%	7.10%	Germany	4.23%	4.77%	Liechtenstein	4.23%	4.77%	Portugal	5.78%	6.52%	Uganda	12.64%	14.26%
Brazil	7.47%	8.43%	Ghana	13.94%	15.72%	Lithuania	5.33%	6.01%	Qatar	4.87%	5.49%	Ukraine	19.77%	19.37%
Brunei	5.01%	5.65%	Greece	7.08%	7.98%	Luxembourg	4.23%	4.77%	Ras Al Khaimah (Emirate of)	5.78%	6.52%	United Arab Emirates	4.87%	5.49%
Bulgaria	6.30%	7.10%	Guatemala	7.47%	8.43%	Macao	5.01%	5.65%	Romania	7.08%	7.98%	United Kingdom	5.01%	5.65%
Burkina Faso	13.94%	15.72%	Guernsey (States of)	5.14%	5.80%	Macedonia	8.89%	10.02%	Russia	8.13%	9.16%	United States	4.46%	5.03%
Cambodia	11.35%	12.80%	Guinea	15.89%	17.92%	Madagascar	12.64%	14.26%	Rwanda	11.35%	12.80%	Uruguay	6.30%	7.10%
Cameroon	13.94%	15.72%	Guinea-Bissau	13.94%	15.72%	Malawi	17.18%	19.37%	Saudi Arabia	5.01%	5.65%	Uzbekistan	8.89%	10.02%
Canada	4.23%	4.77%	Guyana	6.30%	7.10%	Malaysia	5.78%	6.52%	Senegal	13.94%	15.72%	Venezuela	30.89%	31.62%
Cape Verde	11.35%	12.80%	Haiti	17.18%	19.37%	Maldives	15.89%	17.92%	Serbia	8.13%	9.16%	Vietnam	8.13%	9.16%
Cayman Islands	5.01%	5.65%	Honduras	10.06%	11.34%	Mali	15.89%	17.92%	Sharjah	7.47%	8.43%	Yemen, Republic	19.77%	22.29%
Chile	5.33%	6.01%	Hong Kong	5.01%	5.65%	Malta	5.33%	6.01%	Sierra Leone	12.64%	14.26%	Zambia	15.89%	17.92%
China	5.14%	5.80%	Hungary	6.69%	7.55%	Mauritius	7.08%	7.98%	Singapore	4.23%	4.77%	Zimbabwe	15.89%	17.92%
Colombia	7.08%	7.98%	Iceland	5.14%	5.80%	Mexico	6.69%	7.55%	Slovakia	5.78%	6.52%			
Congo (Democratic Republic of)	12.64%	14.26%	India	7.08%	7.98%	Moldova	12.64%	14.26%	Slovenia	5.78%	6.01%			

ZEROING ON THE WAR ZONE!

Country	Moody's rating	CDS on 12/31/2025	CDS on 3/31/26	CDS % Change
Abu Dhabi	Aa2	0.60%	0.91%	51.67%
Bahrain	B2	2.47%	3.52%	42.51%
Dubai	Aa2	0.82%	1.32%	60.98%
Iraq	Caa1	2.89%	5.88%	103.46%
Israel	Baa1	1.13%	1.25%	10.62%
Kuwait	A1	0.87%	1.03%	18.39%
Oman	Baa3	1.30%	1.57%	20.77%
Qatar	Aa2	0.61%	0.90%	47.54%
Saudi Arabia	Aa3	1.12%	1.27%	13.39%
Turkey	Ba3	2.99%	4.08%	36.45%
United States	Aa1	0.44%	0.57%	29.55%
Global median		0.87%	1.03%	11.98%

WHAT NOW?

	Complacency	Concerned	Terrified	Full-scale panic
How long will the war last?	Days	Weeks	Months	Longer
How much and how lasting will the damage to oil and other infrastructure be, from the war?	Minor/Quick	Major/Quick	Major/Long	Permanent
What will the Middle East look like, politically and economically, after the war?	More peaceful Friendly regime (Iran)	Less hostile regime	Status quo regime	More at war More hostile regime(s)

LASTING EFFECTS?

- The war has shaken up the status quo, and I see **lasting consequences that go well beyond oil.**
- The capital flows from the oil rich countries which has flowed generously to everything from AI start ups to Premier League clubs will shrink, creating down-market effects. That will have consequences for the **supply of risk capital.**
- That money, and the **funds that were set aside to build vanity projects, from ski resorts in the deserts to state-of-the-art cities will be redirected to building pipelines and securing the flow of oil.**