

Market Update

MARCH 2026

Volatility = Opportunity

Index	February 2026*	2026 YTD
S&P 500	(0.8%)	0.6%
Russell 2000	0.7%	6.2%
MSCI World, Ex-US	4.8%	9.8%
Bloomberg AGG Bond	1.6%	1.9%

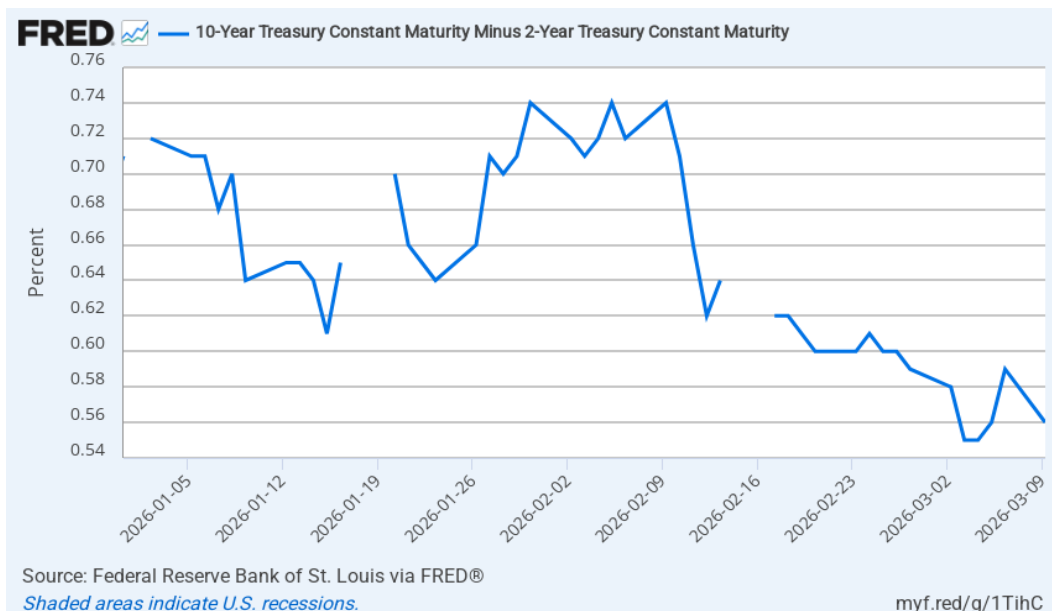
*Total Returns Source: Factset Data

February 2026 was another volatile month for U.S. financial markets. Equity indices faced increased turbulence—much of it tied to AI-related repricing, sticky inflation readings, and tariff-driven uncertainty. U.S. large cap stocks finished February in the red, pressured by concerns about AI's impact on corporate profitability and the broader economy, as well as escalating uncertainty linked to new tariff actions.



Rotation and stock selection were the name of the game in February as many sectors, equity asset classes, and individual stocks performed well. Energy, Consumer Staples, Materials, REITs bucked the S&P 500 in February with strong returns. At Seacoast Wealth Management, strong stock selection in each of these sectors, plus Communications Services, Consumer Discretionary and Healthcare, contributed to positive overall equity returns well ahead of related benchmarks.

Treasury markets experienced significant yield shifts as investors reacted to evolving inflation expectations, Federal Reserve dynamics, and major trade policy headlines. President Trump's nomination of Kevin Warsh as future Fed Chair triggered expectations of a more aggressive balance sheet reduction focused ("sound money") regime.



A major Supreme Court ruling striking down tariff powers briefly triggered a relief rally in Treasuries before the administration invoked a 15% global import surcharge, reversing the move and pushing yields higher. Persistent inflation and hawkish Fed commentary continued to push expected rate cuts further out—June is now viewed as a coin-flip scenario. This contributed to a back-and-forth in yields throughout the month.

As March begins Middle East geopolitical events and potential AI-related job losses are dominating headlines. Higher crude prices will likely be transitory and job dislocations easily absorbed. Thus, the U.S. economy should avoid recession with corporate profits meeting or exceeding current expectations. This provides a solid foundation for longer-term investment results.

As always, we appreciate the opportunity to work with you, and if you have any questions, please do not hesitate to reach out to your Seacoast Wealth Management Associate.

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Sources: JP Morgan Asset Management; NASDAQ; FactSet; Bloomberg; Broadridge: Data sources: Economic: Based on data from U.S. Bureau of Labor Statistics (unemployment, inflation); U.S. Department of Commerce (GDP, corporate profits, retail sales, housing); S&P/Case-Shiller 20-City Composite Index (home prices); Institute for Supply Management (manufacturing/services). Performance: Based on data reported in WSJ Market Data Center (indexes); U.S. Treasury (Treasury yields); U.S. Energy Information Administration/Bloomberg.com Market Data (oil spot price, WTI, Cushing, OK); www.goldprice.org (spot gold/silver); Oanda/FX Street (currency exchange rates). News items are based on reports from multiple commonly available international news sources (i.e., wire services) and are independently verified when necessary with secondary sources such as government agencies, corporate press releases, or trade organizations. All information is based on sources deemed reliable, but no warranty or guarantee is made as to its accuracy or completeness. Neither the information nor any opinion expressed herein constitutes a solicitation for the purchase or sale of any securities, and should not be relied on as financial advice. Forecasts are based on current conditions, subject to change, and may not come to pass. U.S. Treasury securities are guaranteed by the federal government as to the timely payment of principal and interest. The principal value of Treasury securities and other bonds fluctuates with market conditions. Bonds are subject to inflation, interest-rate, and credit risks. As interest rates rise, bond prices typically fall. A bond sold or redeemed prior to maturity may be subject to loss. Past performance is no guarantee of future results. All investing involves risk, including the potential loss of principal, and there can be no guarantee that any investing strategy will be successful. The Dow Jones Industrial Average (DJIA) is a price-weighted index composed of 30 widely traded blue-chip U.S. common stocks. The S&P 500 is a market-cap weighted index composed of the common stocks of 500 largest, publicly traded companies in leading industries of the U.S. economy. The NASDAQ Composite Index is a market-value weighted index of all common stocks listed on the NASDAQ stock exchange. The Russell 2000 is a market-cap weighted index composed of 2,000 U.S. small-cap common stocks. The Global Dow is an equally weighted index of 150 widely traded blue-chip common stocks.