

## March 2026 Recap

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### PRELUDE

The NCAA Division I men’s basketball tournament remains one of my favorite sporting events in any given year. In my opinion though, the dynamic of the event has changed over the last few years, perhaps due to the emergence of NIL and the transfer portal. I feel the early-round games of the tournament are less exciting now, while the late-round games are more competitive than ever and better -represent the phrase “March Madness.” Regardless, “March Madness” was as good a phrase as any to describe global market performance last month amid a broad selloff. Investors struggled to assess the global implications of geopolitical conflict in the Middle East, and by month’s end, nearly every major asset class finished lower, with most also entering negative territory on a year-to-date basis.

### GLOBAL EQUITY

Geopolitical conflict in the Middle East led U.S. equities to reverse course and move swiftly lower during March, with performance across multiple major indexes ranging from -5.2% to -4.8%, cumulatively. Despite the downward movement, value stocks remained among the better performers as the Russell 1000 Value Index outperformed the Russell 1000 Growth Index by +0.4%. Within the large cap value space, the energy sector moved higher during March due to sharp increases in oil prices driven by supply disruption in the Middle East. Traditionally more defensive sectors like utilities also benefited from investors’ flight to safety during the month. Large cap growth stocks continued their move lower

TABLE 1: GLOBAL EQUITY	MAR	QTD	YTD	1 YR
Dow Jones Industrial Average	-5.20	-3.19	-3.19	12.23
S&P 500 Index	-4.98	-4.33	-4.33	17.80
Russell 2000	-5.00	0.89	0.89	25.72
Russell 1000 Growth	-5.21	-9.78	-9.78	18.81
Russell 1000 Value	-4.82	2.10	2.10	15.87
MSCI ACWI USD	-7.18	-3.20	-3.20	20.01
MSCI EAFE USD	-10.29	-1.24	-1.24	21.27
MSCI EM USD	-13.06	-0.17	-0.17	29.55
MSCI ACWI ex US USD	-10.79	-0.71	-0.71	24.91

Source: Bloomberg, as of 3/31/2026. Past performance does not guarantee future returns.



during March amid the broad market selloff and ongoing pressure due to uncertainties related to the business impact of various artificial intelligence technologies. While I do not typically discuss venture capital markets in *On The Margin*, I wanted to briefly touch on it for our readers here, as venture capital performance has generally diverged from public equity market performance to start 2026. While concerns about the global impact of artificial intelligence technologies have weighed on various publicly traded companies in 2026, private companies developing such disruptive technologies have experienced positive momentum to start the year. Most notably, the valuations of some of the biggest pure-play artificial intelligence companies (OpenAI, Anthropic, etc.) have risen to start the year on investor optimism surrounding their business models. While venture capital investments are not available to all investors, we think it is important to note the positive returns of various companies in that space compared to their publicly traded counterparts.

International markets moved lower in March as the U.S. dollar strengthened relative to several other major currencies. Developed international markets, as represented by the MSCI EAFE Index, returned -10.3% for the month. European and Japanese stocks were among the key laggards in March amid concerns about those countries’ energy supplies due to geopolitical conflict in the Middle East. Japan and many European countries are importers of Middle Eastern oil, diesel, jet fuel, and natural gas, which spooked investors amid supply disruption in the Middle East. Emerging markets broke their streak of 13 consecutive positive monthly returns in decisive fashion during March, as the MSCI EM Index returned -13.1%. The same concerns about geopolitical conflict in the Middle East hit South Korean equities especially hard during the month, as South Korea also imports most of its oil from the Middle East. South Korean technology sector giants Samsung Electronics and SK Hynix were not immune to the local market selloff and returned -27.5% and -28.6%, respectively, weighing on emerging market returns broadly.

## FIXED INCOME

U.S. fixed income returns were negative during March, as the Bloomberg Aggregate returned -1.8%. Like global equity markets, geopolitical headlines and concerns dominated the fixed income markets during the month. Treasury yields shifted upwards during March as sharply rising oil prices stoked investor fears about higher inflation. Following the emergence of such fears, investors also began to doubt the likelihood of the Federal Reserve cutting interest rates further in 2027. While the Federal Reserve held rates steady at its April meeting and the median member still projected one interest rate cut throughout 2027, investors tempered their own expectations. By month's end, investors priced in zero or one interest rate cut through the balance of 2027 (vs. one or two at the beginning of March).

Outside of Treasury markets, spreads generally widened, leading to negative returns for both investment grade and high yield corporate bonds. High yield corporate bonds fared better than

TABLE 2: FIXED INCOME	MAR	QTD	YTD	1 YR
Bloomberg US Aggregate	-1.76	-0.05	-0.05	4.35
Bloomberg 1-3 Yr Gov/Credit	-0.46	0.28	0.28	3.96
Bloomberg Treasury 5-7 Yr	-1.88	-0.20	-0.20	4.26
Bloomberg Investment Grade Corp	-1.96	-0.48	-0.48	4.84
Bloomberg High Yield Corp	-1.18	-0.50	-0.50	7.01
JPMorgan EMBI Global Diversified	-3.27	-1.26	-1.26	10.38

Source: Bloomberg, as of 3/31/2026. Past performance does not guarantee future returns.

their investment grade counterparts given their lower duration (less interest rate-sensitive) profile in a rising interest rate environment. While not an area we typically show or discuss in *On The Margin*, senior loans outperformed most other areas of fixed income during March, as their floating-rate structure and lower duration both helped performance during the month.

## POSTLUDE

As I reflect on the first quarter of 2026, I find myself reviewing a story with many parallels to the first quarter of 2025. Some similarities between the two include:

1. Generally positive January and February market returns followed by headline-driven March selloffs
2. Concerns about the large cap growth space related to artificial intelligence
3. Fears about the global economy (tariffs in 2025, military conflict in 2026)

I bring up Q1 2025 to point out that while global markets ended that quarter in generally negative territory, they eventually rebounded strongly and finished 2025 in broadly positive territory. The S&P 500 finished Q1 2025 down -4.3% but rebounded +23.1% from that April through year end. While I am not making a broad market call here, I want to point out that price momentum is a powerful force that cuts both ways and can reverse rapidly. We do not know when the geopolitical conflict in the Middle East will end and thus are still unsure of its global implications going forward. While we are constantly reassessing the situation and its potential impacts, we still find it unwise to make meaningful changes to our clients' portfolio allocations right now. De-risking portfolios may comfort certain investors but choosing when to re-risk portfolios is incredibly difficult to time correctly. Failure to do so also creates risk of missing a sudden rebound. We understand this may be an uncomfortable time for investors but as stewards of our clients' capital, we would rather stay the course with long-term goals in mind rather than potentially do our clients the disservice of heavily de-risking their portfolios and potentially leading them toward missing a rally on the other side.



**Joe Nitting** serves as the Director of Research for the centralized investment research function of the Retirement & Investment Solutions practice at CBIZ, Inc. Joe conducts investment research in both traditional and alternative asset classes, and he assists in the portfolio construction process for the firm's centralized investment research function. Joe has a B.S. in both Finance and Accounting from the University of Dayton. He began his career in investments at a boutique registered investment advisory firm in the greater Chicago area, focusing on traditional investments. He also served as an analyst for a registered investment advisory firm in the Cleveland area, where he specialized in alternative investments. Joe plays an important role in fostering a culture of collaboration and creativity within CBIZ while offering unique insights based on his experience across a wide spectrum of investment types.

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