

NEWSLETTER

www.arvadawealth.com



Michael Hadden, CFA
Vice President

13305 Birch Dr. Suite 203 Omaha, NE
Direct: 402-218-2078
michael@arvadawealth.com
www.arvadawealth.com

3 BIG THINGS

1

The conflict in Iran stole the limelight and was the major driver of markets all throughout the month of March. Global equities took a hit on the uncertainty around the war and how long the conflict may persist. We remain in the camp that while the short-term volatility is painful, we do not expect a prolonged conflict and longer term market disruptions should be limited.

2

Not only did equities take a hit, but fixed income indices saw losses throughout March as well. This was due to interest rates moving higher across the curve and spreads widening out in non-treasury bond markets. With oil prices spiking, gas prices followed. The national average climbed above \$4 by the end of March for the first time since the summer of 2022. Higher gasoline prices spooked investors that this could lead to higher inflation data in the coming months. Hotter inflation prints would limit the Fed in their plans to continue lowering interest rates. This trickledown effect led to the rise in interest rates and losses to bond positions during the month.

3

Commodities have been making headlines for much of the last year, but mostly for precious metals with the strong returns out of gold and silver. Oil and gas had been laggards in the space. That all changed in March with the conflict in the Middle East and the Strait of Hormuz being shuttered to traffic. With the spike in oil prices north of \$100 per barrel, broad basket commodities remained a terrific investment. Through the first quarter commodities are the best performing asset class up nearly 25% while most other asset classes are flat to down on the year.

Quote of the month: (Discussing 2009) "It's been an ideal period for investors: A climate of fear is their best friend. Those who invest only when commentators are upbeat end up paying a heavy price for meaningless reassurance." - Warren Buffett

MARKET QUICKTAKES

ECONOMIC INSIGHTS IN A NUTSHELL

March kicked off with a surprisingly weak employment print. While most economists called for an increase of 50k jobs we saw 92k jobs lost during the month. Inflation remained unchanged at 2.4% but fears of increased inflation were a hot topic throughout the month with the spike that was seen in oil prices. This had an impact on the expectation of Fed rate cuts. Coming into the month markets were pricing a cut at the June meeting and one more in the back half of the year. Markets have now priced out all cuts for 2026 and are even flirting with the possibility of a hike. While we do not believe this is a high likelihood, if the war in Iran would persist longer than we anticipate the risks of prolonged inflation and a reverse in course by the Federal Reserve becomes more of a real possibility.

EQUITY

March hasn't been kind to stock markets. The S&P 500 ended the month down 5%. The first monthly decline of that level since... you guessed it March of 2025. There was really no place to hide within equity markets. Value stocks¹ had slight outperformance but still finished down 4.9%. International equities² took a breather from their recent outperformance and struggled throughout March. Developed markets³ finished March down 7.8% while emerging markets⁴ lost over 9%. Despite the difficult March, international markets still maintain a healthy lead over the US thus far in 2026. The S&P 500 finished the first quarter down just over 4% while international markets² are up 2%, continuing the trend that we saw during the 2025 calendar year.

FIXED INCOME

The strong February for bonds quickly came to an end as interest rates rose throughout the month leading to fixed income losses. The broad bond index lost 1.8% in March. Cash returned to the top of the performance charts seeing a positive return of about 0.3% over the month. Emerging market bonds were the worst performer with the dollar denominated index losing 3.5% and local currency emerging market bonds faring even worse. The dollar remains an asset that investors flock to in volatile times as a safe haven. This put pressure on all international investments and currencies during the month of March.

COMMODITIES

Oil has been a drag on commodity performance for months. That was certainly not the case in March. With prices spiking as much as 60%, oil led the category. Grains also saw a rebound in prices as many of the important chemicals and fertilizers flow through the Strait of Hormuz. Filling in the other side of that trade, gold, silver and industrials metals (the prior leaders) gave back ground throughout March.

VIEWS FROM MARKET STRATEGISTS

March began with heightened conflict in Iran and headlines dominated the entire month. While markets were certainly more volatile, we want to be mindful that historically the market reaction is usually short lived when it comes to geopolitical conflicts. The piece from First Trust below shows that on average the market bottoms 29 days later. If you remove Pearl Harbor that shortens to just 16 days. The recovery back to levels prior to the conflict takes on average 68 days and again removing Pearl Harbor is only 42 days. Maybe most importantly, the average 1 year return from the start of the geopolitical shock is 13.88% which is higher than the historical average for all periods.

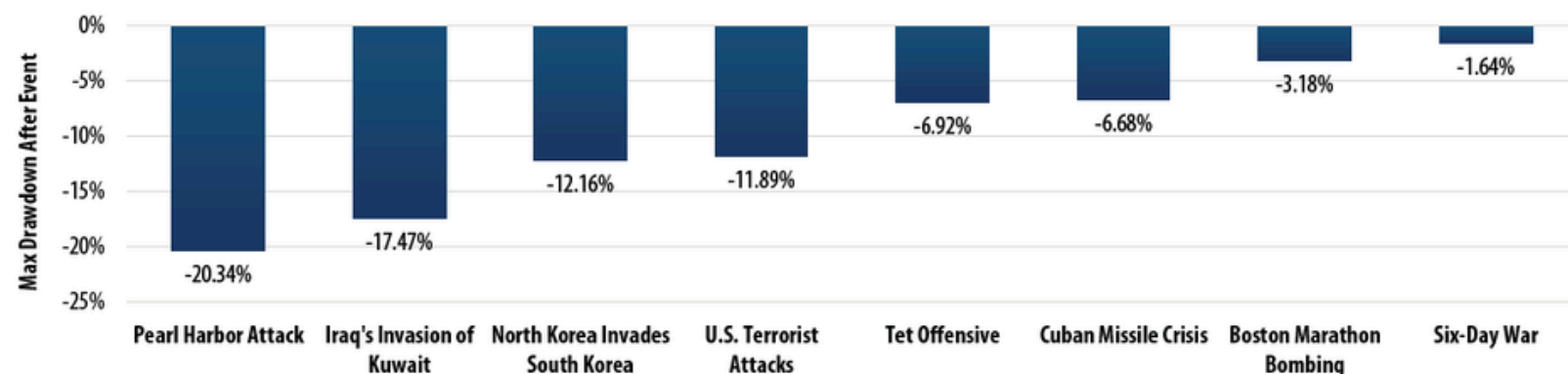
Geopolitical shocks are startling, and when you pair that with market losses it is easy to second guess your investment strategy. We are here to attempt to keep things in perspective. We are not dismissive of the risks, but our job is to be the steady hand. Every client has a thoughtful plan built for exactly these moments, so when things get a little unsettling, you can sleep easy knowing you are not navigating this alone.



U.S. Stock Market Returns After Major Geopolitical Shocks



Geopolitical Shock	Event Date	1-Day Return	1-Year Return	Max Drawdown	Days Until Bottom	Days Until Recovery
Israel-Hamas War	10/7/2023*	0.60%	34.88%	No Initial Dip	No Initial Dip	No Initial Dip
Russia Invades Ukraine	2/24/2022	1.89%	-5.13%	No Initial Dip	No Initial Dip	No Initial Dip
Boston Marathon Bombing	4/15/2013	-2.48%	19.49%	-3.18%	4	14
U.S. Terrorist Attacks	9/11/2001	-5.01%	-13.75%	-11.89%	11	30
Iraq's Invasion of Kuwait	8/2/1990	-1.19%	13.66%	-17.47%	71	187
Tet Offensive	1/30/1968	-0.54%	15.43%	-6.92%	36	69
Six-Day War	6/5/1967	-1.64%	19.36%	-1.64%	1	1
Cuban Missile Crisis	10/16/1962	-0.31%	30.91%	-6.68%	8	17
North Korea Invades South Korea	6/25/1950	-5.27%	20.03%	-12.16%	19	59
Pearl Harbor Attack	12/7/1941	-4.15%	3.70%	-20.34%	142	304



Source: First Trust, Ken French Data Library. Ken French data library uses the CRSP database. Past performance is no guarantee of future results. *Since the market was closed on 10/7/2023, 10/6/2023 was used for the event date returns. Universe includes all New York Stock Exchange (NYSE), American Stock Exchange (AMEX) & NASDAQ stocks. Returns are market-cap weighted. An investor cannot invest directly in an index.

The information presented is not intended to constitute an investment recommendation for, or advice to, any specific person. By providing this information, First Trust is not undertaking to give advice in any fiduciary capacity within the meaning of ERISA, the Internal Revenue Code or any other regulatory framework. Financial professionals are responsible for evaluating investment risks independently and for exercising independent judgment in determining whether investments are appropriate for their clients.

EVERGREEN REMINDERS

March wasn't a fun one in markets. Many people may be thinking that it may be better to pull out of the stock market until the war is resolved. Below you can see 87 reasons, one for every year from the Great Depression in 1934 to Covid in 2020, for why you may want to not invest. Over the period beginning in 1940 through the end of 2020, \$10,000 invested in the S&P 500 grew to over \$5.2 Million. Despite the countless issues that have come and gone in the world over those 80 years. This serves as a great reminder that there will always be a reason not to invest. It is important to look beyond the headlines of today and allow the magic of compounding take place because as Warren Buffett has said it truly is the 8th wonder of the world.



1934 Depression	1963 Kennedy assassinated	1992 Global recession
1935 Spanish Civil War	1964 Gulf of Tonkin	1993 Health care reform
1936 Economy still struggling	1965 Civil Rights marches	1994 Fed raises interest rates 6 times
1937 Recession	1966 Vietnam War escalates	1995 Dow tops 5000
1938 War clouds gather	1967 Newark race riots	1996 Dow Tops 6000 Election year
1939 War in Europe	1968 USS Pueblo seized	1997 Asian markets in turmoil
1940 France falls	1969 Money tightens - market falls	1998 World market correction
1941 Pearl Harbour	1970 Cambodia invaded - Vietnam War	1999 Dow tops 11000 Fear of Y2K
1942 Wartime price controls	1971 Wage price freeze	2000 Dotcom bubble bursts
1943 Industry mobilizes	1972 Largest US trade deficit ever	2001 September 11th terror attack
1944 Consumer goods shortage	1973 Energy crisis	2002 Markets drop to 1997 levels
1945 Post-War recession predicted	1974 Steepest market drop in 4 decades	2003 Iraq War
1946 Dow Tops 200 - market too high	1975 Clouded economic prospects	2004 Indian Ocean tsunami
1947 Cold War begins	1976 Economic recovery slows	2005 London terror attacks
1948 Berlin blockade	1977 Market slumps	2006 Russia-Ukraine tensions
1949 Russia explodes A-bomb	1978 Interest rates rise	2007 Housing crisis
1950 Korean War	1979 Oil prices skyrocket	2008 Financial crisis
1951 Excess profits tax	1980 Interest rates at all-time high	2009 Global recession
1952 US seizes steel mill	1981 Steep recession begins	2010 European sovereign debt crisis
1953 Russia explodes H-bomb	1982 Worst recession in 40 Years	2011 U.S. credit downgrade
1954 Dow Tops 300 - market too high	1983 Market hits new high	2012 Global tensions with Iran
1955 Eisenhower illness	1984 Record-setting market decline	2013 The "Taper Tantrum"
1956 Suez Crisis	1985 Economic growth slows	2014 Oil prices fall 50%
1957 Russia launches Sputnik	1986 Dow nears 2000	2015 First U.S. rate hike in 10 years
1958 Recession	1987 Record-setting market decline	2016 U.K. votes for Brexit
1959 Castro seizes power in Cuba	1988 Election year	2017 Rising interest rates
1960 Russia downs U-2 plane	1989 October "Mini-crash"	2018 Slowing global growth
1961 Berlin wall erected	1990 Persian Gulf Crisis	2019 U.S.-China trade war/tariffs
1962 Cuban Missile Crisis	1991 Communism tumbles with Berlin Wall	2020 Coronavirus outbreak (COVID-19)

BEYOND THE MARKET

LIFESTYLE HACK

Spring time means spring cleaning. Something my house desperately needs. The link below has some great hacks to save time and money as you spruce up the home this season! Reader beware of tip #6. I turned my pillow into a bowling ball in the washing machine after it absorbed all of the water!

<https://www.goodhousekeeping.com/home/cleaning/g70592819/ultimate-spring-cleaning-hacks/>

TECHNOLOGY TIP

Blooming flowers, everything becoming more green, and more outdoor activities often leads to more photo ops! Use the tips below to improve photos on an iPhone which these days seems to be everyone's default camera option.

https://www.artifactuprising.com/photography-tips/iphone-photography?srsId=AfmBOooLsok0nLFy0R_i7MSBF-d6O3QZaWDzEqsK6wtgjUyZIPzBt6Tj

LOCAL EVENTS THIS MONTH

- While it doesn't seem like it as I look outside to pouring rain and 40 degrees, baseball and softball season is upon us. Check out calendars for Creighton, Nebraska, and the Omaha Storm Chasers all having games in Omaha and Lincoln throughout the month.
- Speaking of Creighton and Nebraska, the two talented volleyball programs will face off in a Spring Match at DJ Sokol Arena on the 17th.
- Mamma Mia's national tour will have a stop at the Orpheum starting April 28th and running through May 3rd.
- Dial M for Murder - The Play will be at the Omaha Community Playhouse with showings the 17-19th 22-26th and 29-30th.
- Everyone's favorite "clean" comedian, Nate Bargatze, is returning to CHI Health Center the 25th.

Disclosures

The S&P 500 Index consists of 500 stocks chosen for market size, liquidity, and industry group representation. It is a market value weighted index with each stock's weight in the Index proportionate to its market value.

Wells Fargo Advisors Financial Network did not assist in the preparation of this report, and its accuracy and completeness are not guaranteed. The report herein is not a complete analysis of every material fact in respect to any company, industry, or security. The opinions expressed here reflect the judgement of the author as of the date of the report and subject to change without notice. Any market prices are only indications of market values and are subject to change. The material has been prepared or is distributed solely for information purposes and is not a solicitation or an offer to buy any security or instrument or to participate in any trading strategy. Additional information is available upon request.

Investment products and services are offered through Wells Fargo Advisors Financial Network, LLC (WFAFN), Member SIPC. Arvada Wealth is a separate entity from WFAFN.