

Quick Market Update

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Gray Howard – Senior Portfolio manager

We will publish our March market commentary next week but wanted to share a few thoughts before the weekend.

1. Despite the headlines and recent volatility, the S&P 500 has been consolidating in a range since the first of October and is only 4% off the all-time highs.¹
2. Software stocks led the recent decline, but it looks as though they have bottomed, which is a good sign.¹ First in first out. People were overestimating the disruption from AI in my view.
3. The concerns around private credit (private loans) are overblown. 75% of private credit is owned by institutional investors which tend to understand the illiquidity premium and long-term nature of this asset class. ²
4. All eyes are on the headlines about Iran. Markets are trying to price in worst case scenario, hence the move up in oil prices. However, investors will likely start to unwind this trade and position for de-escalation in the near future.¹ Keep in mind that if oil stays around \$90 a barrel, it would be disastrous for the Republicans in the midterms, in my view.
5. That said, I feel this strike on Iran is more about ensuring a secure AI eco system for the future. This involves partnering with reliable partners in Asia and the Middle East to build trusted information networks, secure critical minerals, and promote safe and secure supply chains across the entire AI stack. Technology and compute are the oil and steel of the 21st century. A hostile Iran is a major threat to this important eco system. More on this in our March Note.³
6. Markets will likely remain volatile for the next few weeks but ultimately, we feel this is creating a lot of opportunities, especially in the Tech sector. ¹

Please feel free to reach out to us directly if you have any specific questions.

We hope everyone has a great weekend.

Gray

Sources:

1. Bloomberg, March, 2026
2. AMA, January, 2026
3. Pax Silica, January, 2026

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