

CAPITAL MARKETS REPORT - MARCH 30, 2026



Birmingham (866) 405-6864
Baton Rouge (800) 421-6182
Shreveport (866) 453-5150
Little Rock (800) 737-0535

SERVICE BEYOND COMPARISON

- Oil Spike Above \$110 Fuels Inflation and Growth Concerns
- Equities Slide Toward Correction as Risk-Off Sentiment Builds
- Consumer Weakness and Policy Uncertainty Point to Stagflation Risks

--> Markets remained under pressure last week as escalating geopolitical tensions in the Middle East continued to drive a sharp rise in energy prices, fueling renewed inflation concerns and weighing on risk assets. Brent crude moved above \$110 per barrel as disruptions through the Strait of Hormuz intensified, raising fears of a prolonged supply shock with broad implications for global growth. Equity markets responded with a sustained selloff, with the S&P 500 posting its longest losing streak since 2022 and the Nasdaq entering correction territory as higher Treasury yields, evidence of slowing growth and tighter financial conditions further pressured valuations.

--> Economic data highlighted a weakening consumer backdrop, with March sentiment falling to a three-month low and year-ahead inflation expectations jumping to 3.8%, largely driven by rising gasoline prices. The combination of elevated energy costs and persistent price pressures has led economists to revise forecasts toward higher inflation and slower growth, reinforcing concerns that vital consumer spending may soften in the months ahead.

--> In Washington, fiscal uncertainty added another layer of complexity as Congress remains deadlocked over funding for the Department of Homeland Security, with partisan disagreements over immigration policy stalling progress despite temporary measures to alleviate TSA disruptions. Taken together, markets are increasingly grappling with a stagflationary setup—where inflation remains elevated even as growth decelerates—leaving the Federal Reserve in a difficult position as it balances price stability against emerging economic softness.

--> Markets have opened this morning with both equities and Treasuries higher in price. Action attributed to "traders logic" that is the US economy does in fact slow down, the Fed will not be as inclined to maintain, or even raise, the target rate. After topping out at 4.14% last Friday, the 5-year note yield has retreated to 3.99%. Most expect such volatility, in both directions, to persist as long as clarity remains elusive in the Iran War.

Market Last Week

	3/20/2026	3/27/2026	Weekly Change In Bps
2 yr. Note	3.90%	3.90%	0
5 yr. Note	4.01%	4.06%	5
10 yr. Note	4.38%	4.43%	5
30 yr. Bond	4.94%	4.97%	3
SOFR Rate	3.67786%	3.66774%	-1.012

Data This Week

Date/Time (ET)	Economic Data	Market Estimate	Prior Report
3/30/2026 10:30 AM	Dallas Fed Manf. Activity (Mar)	2.00	0.20
3/31/2026 9:45 AM	MNI Chicago PMI (Mar)	54.60	57.70
3/31/2026 10:00 AM	Conf. Board Cons Conf (Mar)	88.00	91.20
4/1/2026 8:15 AM	ADP Employment Change (Mar)	40k	63k
4/1/2026 8:30 AM	Retail Sales Advance MoM (Feb)	0.50%	-0.20%
4/1/2026 8:30 AM	Retail Sales Ex Auto and Gas (Feb)	0.30%	0.30%
4/1/2026 10:00 AM	ISM Manufacturing (Mar)	52.40	52.40
4/2/2026 8:30 AM	Initial Jobless Claims (Mar 28)	212k	210k
4/2/2026 8:30 AM	Continuing Claims (Mar 21)	1833k	1819k
4/3/2026 8:30 AM	Change in Nonfarm Payrolls (Mar)	60k	-92k
4/3/2026 8:30 AM	Average Hourly Earnings YoY (Mar)	0.03	0.04
4/3/2026 8:30 AM	Unemployment Rate (Mar)	4.40%	4.40%

Securities offered through FNBB Capital Markets Division ("FNBB"). FNBB is a division First National Bankers Bank, member FDIC, and is registered with the SEC as a bank dealer and regulated by the OCC. Securities products are: NOT FDIC INSURED • NOT BANK GUARANTEED • MAY LOSE VALUE, INCLUDING LOSS OF PRINCIPAL • NOT INSURED BY ANY STATE OR FEDERAL AGENCY. Treasury instruments are subject to interest rate and liquidity risk if they are sold before their full maturity date. As a result, there may not be a market if you need to sell or it may sell for much less than face value. The opinions voiced in this material are for general information only and are not intended to provide specific advice or recommendations. The market and economic data is historical and is no guarantee of future results. The information in this report has been prepared from data believed to be reliable, but no representation is being made as to its accuracy and completeness. No chart, graph, or other figure provided should be used to determine which securities to buy, sell or hold. Past performance is not indicative of future results. Investing involves risks and each investor must be willing and able to accept those risks, including the loss of principal. This piece is intended for institutional use only and not intended for retail distribution. Portions of this material were prepared with the assistance of artificial intelligence technology, specifically OpenAI, which was utilized to summarize certain source materials. All content has been reviewed for accuracy and compliance; however, no representation is made as to the completeness of AI-assisted summaries.