WEST SHORE BANK

WEEKLY RECAP - March 9, 2026

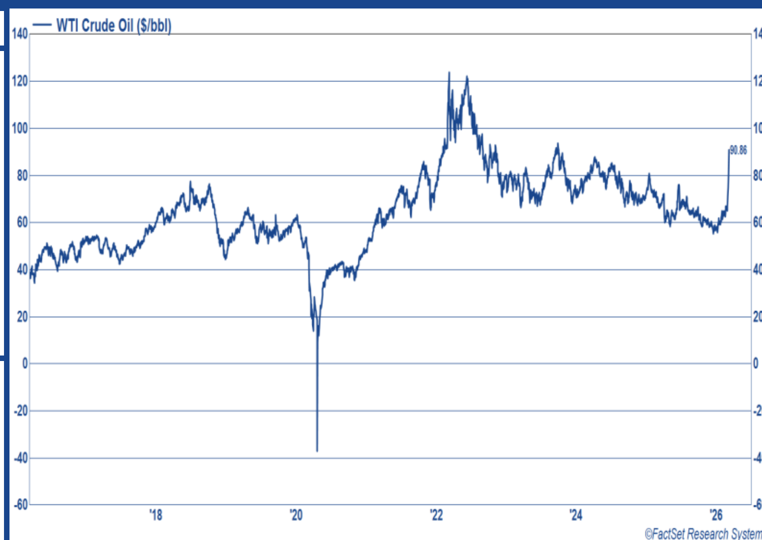
Economic & Market Commentary

Well, March certainly came in like a lion. Hopefully, it will leave like a lamb. Following stalled nuclear negotiations, Operation Epic Fury began on February 28th with joint US and Israel airstrikes targeting Iranian political and religious leadership, military infrastructure, nuclear facilities, and missile launch and storage sites. Iran responded with short and long-range ballistic missiles as well as drones targeting military, oil/energy, and civilian infrastructure sites in Israel, US bases and assets in the region, and, surprisingly, gulf country neighbors including Saudi Arabia, the UAE, Qatar, Bahrain, Kuwait, Oman, Jordan, Iraq, Syria, Azerbaijan, and Tukey. It appears Iran's strategy to target gulf neighbors was misguided as it has hardened their resolve against the Iranian regime. Iran has essentially little support in Middle East region. Additionally, Iran IRGC threatened to close the Strait of Hormuz leading to oil tanker halts. Roughly 25-30% of global oil supply is shipped through the Strait. This war has triggered significant volatility and uncertainty across global financial markets. Oil prices have surged and as of this morning are hovering near $100 a barrel. Stock markets initially shook off the attack, but as the week progressed and the war widened, markets across the globe finished down moderately to sharply as can be seen in the table below. Like stocks, bond yields initially were lower on the "flight to safety" trade but reversed course during the week on inflation concerns and finished sharply higher. Treasuries sold off with the 2Yr yield up 17 basis points and 10Yr yield up nearly 20 basis points. Risk measures like the VIX and bond credit spreads have moved moderately higher. US economic reports released last week were mixed with February non-farm payrolls coming in much weaker than forecasted declining by 92k, January retail sales coming in as expected, and ISM activity coming in stronger than expected. Manufacturing expanded for a second-straight month, while ISM services jumped to the highest level since August 2022.

Index Total Returns - March 6, 2026

	1-Wk	YTD	1-Yr
MSCI-Emerging	-6.88	6.94	35.41
S&P 400	-4.58	3.38	16.65
MSCI-Developed	-6.73	2.68	21.19
Russell 2000	-4.03	1.92	23.86
Dow Jones	-2.92	-0.86	13.49
S&P 500	-1.99	-1.32	18.96
NASDAQ	-1.22	-3.58	24.70
Barclay's U.S. Bond Index			
Municipal	-0.77	1.41	4.70
5-year Muni	-0.51	1.29	4.97
Aggregate	-0.96	0.77	5.73
High Yield	-0.43	0.26	7.05
Int. Gov. Credit	-0.65	0.55	5.62

Crude Oil Prices



U.S. Treasury Yields

Treasury Yields	Latest Close	Week Ago	1-Year Ago
U.S. 1-Yr	3.54	3.48	4.02
U.S. 2-Yr	3.56	3.39	3.97
U.S. 3-Yr	3.59	3.39	3.98
U.S. 5-Yr	3.73	3.52	4.07
U.S. 10-Yr	4.15	3.96	4.29
U.S. 30-Yr	4.77	4.63	4.59

Municipal Yields - Bloomberg/Barclays Index

Issue Type	Latest Close	Week Ago	1-Year Ago
U.S. AAA	3.29	3.14	3.47
U.S. AA	3.31	3.15	3.51
U.S. A	3.68	3.54	3.86
U.S. Baa	4.35	4.23	4.37
U.S. Municipal	3.44	3.29	3.63
Michigan	3.58	3.43	3.72

S&P 500 Sector Total Returns - March 6, 2026

Sector	1-Wk	YTD	1-Yr
Energy	1.00	26.47	36.75
Consumer Staples	-4.82	10.66	7.53
Industrials	-4.07	9.61	29.98
Utilities	-2.09	9.51	26.71
Materials	-7.06	9.50	16.19
Real Estate	-2.29	6.88	6.23
Health Care	-4.63	-1.27	4.23
Comm. Services	-2.07	-1.71	31.58
Con. Discretion	-1.39	-5.10	12.06
Info Tech	-0.35	-5.84	27.99
Financials	-1.69	-7.62	3.90

Index Characteristics	P/E NTM	P/E NTM 10yr-Avg.	Dividend Yield
S&P 500 - Large Cap	21.09	19.24	1.12
S&P 400 - Mid Cap	16.13	16.42	1.27
S&P 600 - Small Cap	15.13	16.21	1.54

Sources: FactSet