



~ Prevailing Winds ~

A Quarterly Market Update

March 31, 2026

Quarterly Recap:

So far in 2026, the markets have contended with threats against Greenland, military action in Venezuela, the Supreme Court repealing IEPA tariffs, initiation of 15% "global" tariffs, the start of a war in Iran, and the closing of the Strait of Hormuz. Other than that, things have been quiet! What has been truly remarkable is the resilience demonstrated by investors. Presently, this resolve is being tested as most major markets are now more reactive to day-to-day developments and are near correction territory. While this is unsettling, market corrections are historically common.



Quarter Ending March 31, 2026

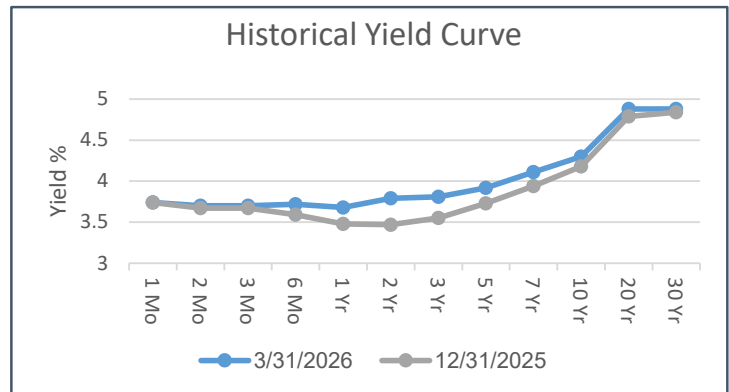
Equity Indexes	Close	% Change
DJIA	46341.51	-3.6%
S&P 500	6528.52	-4.6%
NASDAQ	21590.63	-7.1%
Treasuries	Close	Change
10-Year Yield	4.30%	0.12
2-Year Yield	3.79%	0.32

The Stock Market:

For the past several years, Wall Street has been enamored with the promises of AI. First, companies were penalized for not investing enough into the emerging infrastructure requirements. There was a belief that the biggest risk was not being a market leader in this new technology. The current environment has shifted. Now, there is a concern that technology companies could actually cannibalize each other. Software companies have been the early adopters and beneficiaries of AI but under some theories, they will become the victims. Once again, with an uncertain future, the strategy calls for diversification, not speculation.

The Bond Market:

Once again, the bond market is foretelling a story. Short term rates have moved little as the Fed is in a quandary whether to focus on rising prices or a unstable job market. Longer term rates also remain range-bound as there is significant concern about the long term impacts of fiscal budget deficits. In contrast, interest rates in the 1-5 year range have increased the most. Much of this is due to persistently high inflation and the unknowns that will emerge as a result of the war in Iran and \$100+ (per barrel) oil prices. It is possible that the Fed could increase rates rather than lowering them as expected.



Looking Ahead:

In our last edition of Prevailing Winds, we opined that the operative word of 2026 would be "Resolve". Indeed, investors are being asked to look through the current cloud of uncertainty and unease. Being resolute does not mean that one has nothing to do. It requires that one carefully assess whether they are taking the correct amount of risk, that short term cash needs are secure, and that investments are broadly diversified. Ideally, this is an ongoing process in an effort to always be prepared for either positive or negative surprises. If, however, an assessment reveals that changes are warranted, this can often be accomplished despite the current market volatility.

The information herein has been obtained from sources, which we believe to be reliable, but we do not guarantee its accuracy or completeness. Historical figures and projections are not guaranteed. Neither the information nor any opinion expressed constitutes a solicitation by us of the purchase or sale of any securities. Charter Research & Investment Group, Inc. or persons associated with it may own securities and/or options of the issues described herein and may make purchases or sales while this report is in circulation. Charter Research is not responsible for typographical or clerical errors.