



March 2, 2026

## Will Energy Prices Derail The Bull? We Don't Believe So.

### Following the U.S.-Israeli operation that eliminated Iran's Supreme Leader Ayatollah Ali Khamenei and dozens of senior regime leaders, tensions in the Middle East remain high.

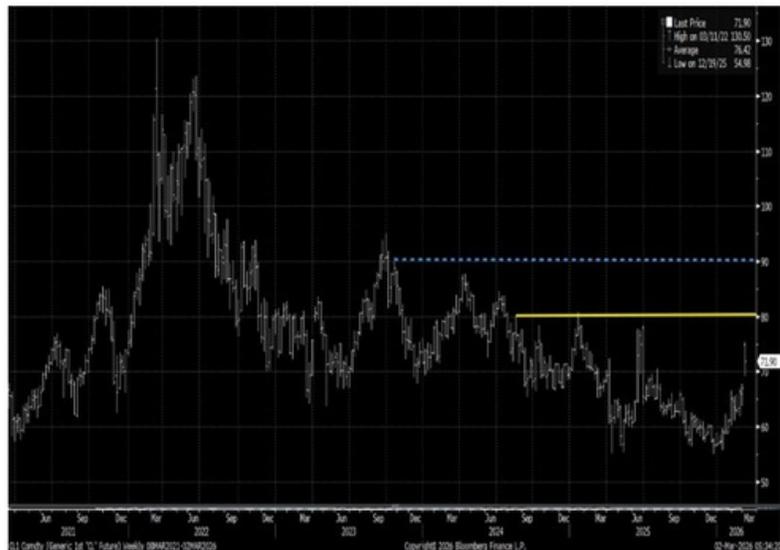
Investors are focused on two immediate questions: What happens to oil prices and how will this military action impact the markets and the U.S. economy?

Yesterday, there was a previously scheduled meeting of OPEC+ intended to help contain oil prices. The group agreed to a modest production increase of 206,000 barrels per day — a move designed to limit the magnitude of any price spike. From a technical perspective, WTI oil prices were positioned to rally to \$70-\$75 and, as markets open today, oil is trading within the range. If crude oil supplies are not blocked and remain available, it is possible prices will stay within this trading range. Should oil break the \$75 level, the first resistance level is \$80 followed by \$90. There is good resistance around \$80, which leads us to believe that crude moving much higher is unlikely – unless there is a significant oil shortage. At this time, we don't see a path to a \$100 oil price.

### Energy And Defense Stocks Along With U.S. Dollar Are Trading Higher

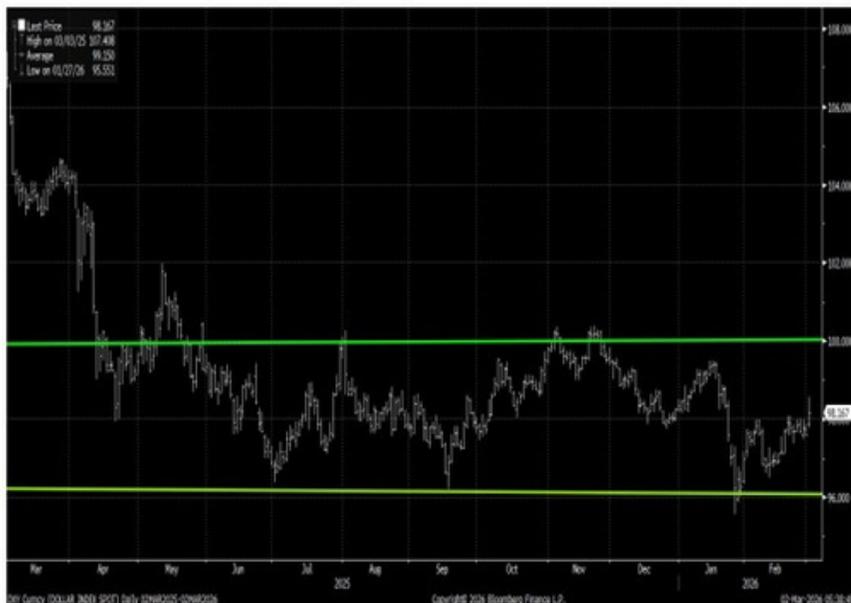
Higher oil prices are having a negative impact on equity prices, but the decline so far is modest. The areas of the market that are rallying are Energy and Defense stocks, which we continue to believe will perform well. The U.S. dollar is also trading higher as investors still believe the dollar is a safe haven asset. The dollar remains range-bound with a bias to the upside.

### WTI Crude Oil: Holding \$75 Resistance, A Break Tests \$80



 **March 2, 2026**

## The U.S. Dollar Is Trading As A Safe Haven



Source: Bloomberg, Annotations by Sanctuary Wealth March 2, 2026

## S&P 500 Support Levels: 6675, 6520 and 6559

The S&P 500 index has held up well as the market has been undergoing a sector rotation with Technology – the Growth area of the market – correcting and the Value areas of the market, particularly Energy, rallying. Volatility has been high this year, and we have argued it is likely to remain high. The mid-term election year cycle for the market has been marked by volatility historically and this year is no different. Should stocks continue to correct, the support levels for the S&P 500 are 6675, 6520 and the 200-day moving average at 6559.

## S&P 500 With 200-Day Moving Average



Source: Bloomberg, Annotations by Sanctuary Wealth March 2, 2026

 **March 2, 2026**

## Broad Strength Persists In A Choppy Market

Major indexes like the S&P 500 and Nasdaq 100 have been struggling somewhat recently, pulled down by weakness in several big technology names. Meanwhile, the broader stock market is actually thriving, with more companies joining the rally, which has taken the breadth of the market to new highs. Our volume models are also hitting new highs, illustrating the upward trend. So, there is underlying strength within the market confirming that the Bull is still charging ahead.

Historically, volume leads price. When we look at cumulative net volume (advancing minus declining volume), it is rising and recently reached record highs. To calculate net volume, we track the total trading volume in stocks that rose in price less the volume in stocks that fell each day across all major U.S. exchanges. We then add up these daily net figures over the past year to get a cumulative line. It's a solid leading indicator for where the market might head in the short- to intermediate-term because it reveals true buying/selling pressure beneath the surface. Right now, this line is rising steadily and recently hit new all-time highs. That tells us that even though some big headline stocks are correcting, the broader market (thousands of other companies) is seeing more money flowing in than out. This is a healthy sign of widespread strength within the market.



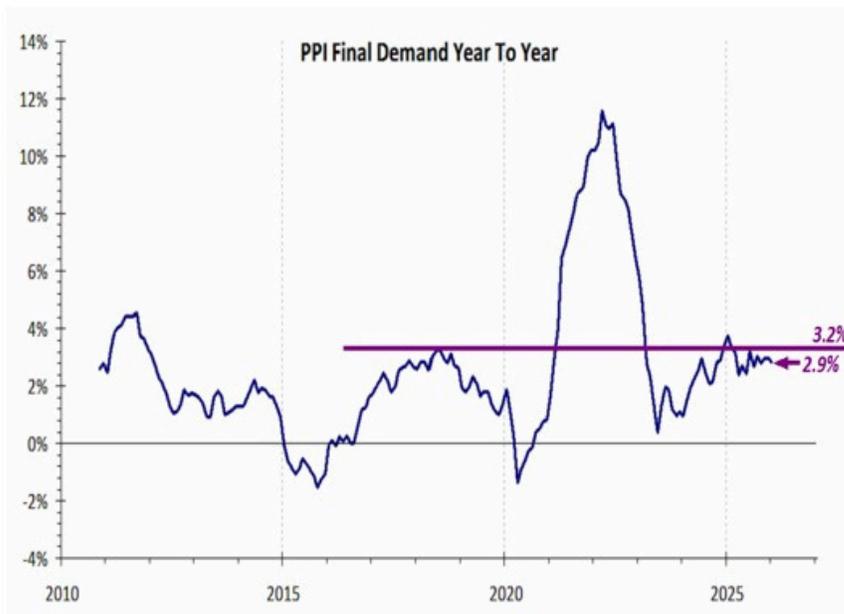
Source: Bloomberg, Sanctuary Wealth, February 27, 2026

 **March 2, 2026**

## Producer Prices Are Running Hot

Last week, the Producer Price Index (PPI) came in higher than expected. Producer prices measure changes in selling prices received by domestic producers; think wholesale-level inflation. This is an ongoing concern we've had as raw industrial material prices have been rising of late. PPI came in at 2.9% when 2.6% was expected. Excluding food and energy, prices were much higher, coming in at 3.6% when 3.0% was expected. PPI often leads the Consumer Price Index (CPI) by a few months because producer costs eventually pass to consumers – but PPI is more volatile due to swings in commodities. Energy (including oil, gasoline, heating oil, diesel, etc.) plays a role in that volatility but isn't the biggest part. Energy comprises 5%-6% of final demand PPI, though oil-related items are a subset that can spike or drop sharply. The markets did not respond in any

meaningful way to the latest PPI data – especially the bond market, where interest rates fell. *But, in our view, this PPI report is a warning that there is underlying inflation percolating in the economy.*



Source: Bureau of Labor Statistics (BLS), Sanctuary Wealth, February 27, 2026

## Energy Infrastructure Breaking Out

Midstream energy businesses that handle transportation (pipelines), storage, and processing of oil/gas have broken out, indicating continued strength within the Energy sector. The Alerian Energy Infrastructure ETF (ENFR) is a good example of this move. For income-oriented investors, the ETF currently offers an attractive 4.0% dividend yield.



March 2, 2026

## Alerian Energy Infrastructure ETF (ENFR) Top With MACD (Bottom)

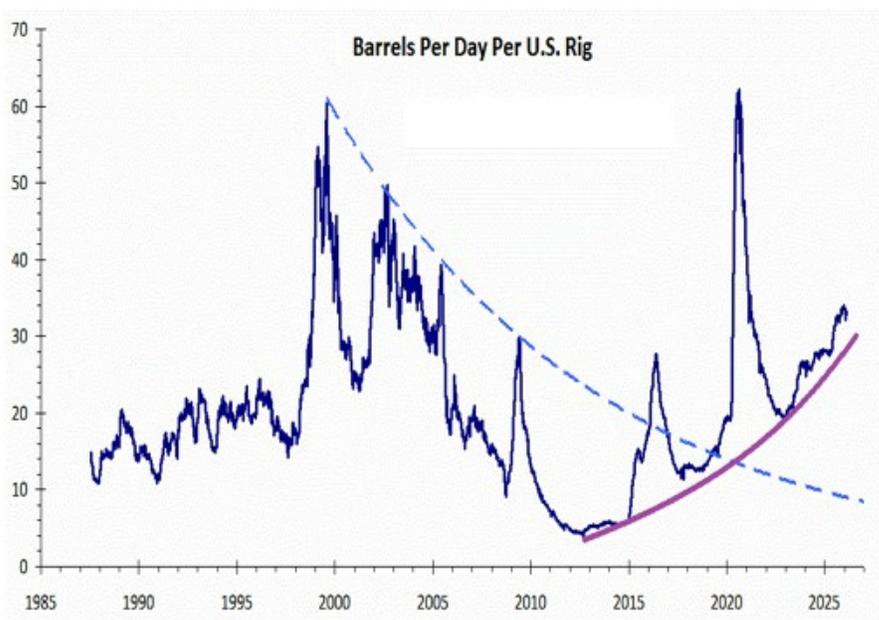


Source: Bloomberg, February 27, 2026

## Oil & Gas Equipment & Services Is Improving

The Oil & Gas Equipment and Services sector provides drilling rigs, equipment, and services to oil producers. Activity here reflects exploration/investment trends, and this data is improving. Oil Services stocks are responding with a significant breakout. We believe the Energy sector is in a new bull market.

## U.S. Oil Producers Become More Efficient As Equipment & Services Improve



Source: Baker Hughes, Department of Energy, February 20, 2026

 March 2, 2026

## Oil Services Stocks Are Breaking Out Of A 7-Year Trading Range

### VanEck Oil Services ETF (OIH) (Top) With MACD (Bottom)



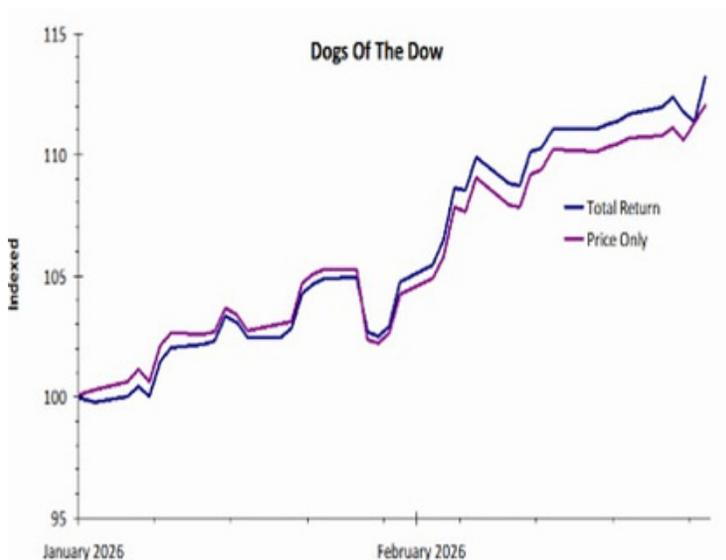
Source: Bloomberg, Annotations by Sanctuary Wealth, February 26, 2026

## Dogs Of The Dow Not Acting Like Dogs

The “Dogs of the Dow” is a popular strategy that picks the 10 highest-yielding stocks from the Dow Jones Industrial Average (DJIA) at the end of each year. It emphasizes value (cheaper stocks) and income (dividends). It's a total return strategy, meaning it counts both price gains and reinvested dividends, not just simple price return (which ignores dividends). In 2026, the Dogs of the Dow are so far doing well, and we expect this strategy to do well throughout the year as interest rates are falling and the market is focused on value.

## The Dogs Of The Dow Performing Well This Year

### One Year Chart Of 2026 Dogs of The Dow Stocks

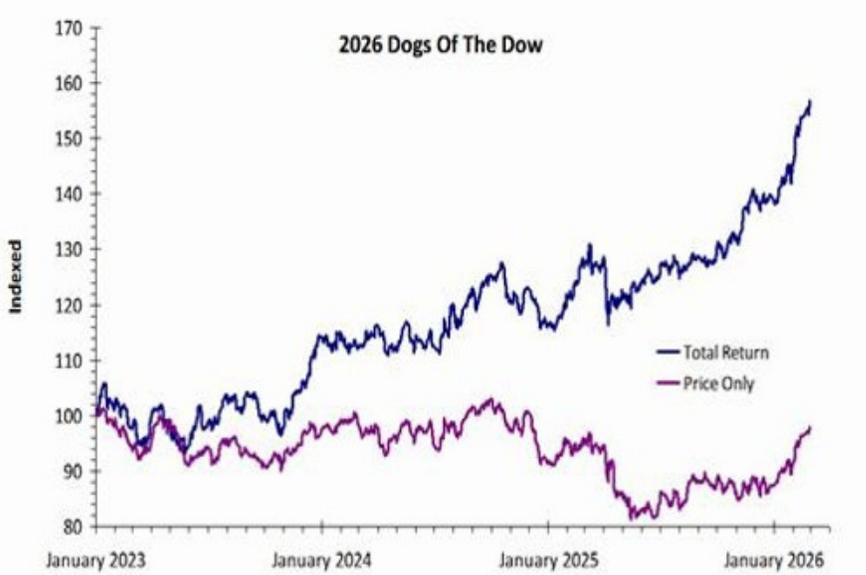


Source: dogsofthedow.com, Bloomberg, February 26, 2026



March 2, 2026

## Three Year Chart Of 2026 Dogs of The Dow Stocks



Source: [dogsofthedow.com](http://dogsofthedow.com), Bloomberg, February 26, 2026

## Table Of The Ten 2026 Dogs Of The Dow Stocks

== 2026 Dogs of the Dow (Selected end of 2025) ==

Ticker	Name	12/31 Price	12/31 Yield	2/27 Price	2/27 Yld
VZ	Verizon	40.73	6.78%	50.14	5.65%
CVX	Chevron	152.41	4.49%	186.76	3.81%
MRK	Merck	105.26	3.23%	123.82	2.75%
AMGN	Amgen	327.31	3.08%	388.16	2.60%
PG	Procter & Gamble	143.31	2.95%	167.20	2.53%
KO	Coca-Cola	69.91	2.92%	81.56	2.60%
UNH	UnitedHealth	330.11	2.68%	293.27	3.01%
HD	Home Depot	344.10	2.67%	380.72	2.45%
NKE	Nike	63.71	2.57%	62.18	2.64%
JNJ	Johnson & Johnson	206.95	2.51%	248.43	2.09%

 **March 2, 2026**

## S&P 500 4Q25 Earnings Update

With Nvidia (NVDA) reporting last week, all of the Magnificent 7 have now reported earnings for 4Q25. According to FactSet, overall, their earnings statistics are: 86% (6 out of 7) of the Mag 7 reported a positive EPS surprise, compared to 73% for all S&P 500 companies. In aggregate, earnings reported by the Mag 7 exceeded estimates by 5.5%, compared to 6.8% for all S&P 500 companies.

*The Magnificent 7 companies reported actual earnings growth of 27.2% for the fourth quarter, which is above the earnings growth rate of 18.4% for these seven companies for the third quarter. For the S&P 500, earnings growth for the quarter is in the range of 13%-14%, meaning the Mag 7 is still reporting superior earnings. This confirms to us that the Technology sector remains the leadership of this market, particularly the semiconductors industry group.*

In fact, this marks the 10th time in the past 11 quarters that the Magnificent 7 companies have reported earnings growth above 25%. On the other hand, the blended earnings growth rate for the other 493 S&P 500 companies for 4Q25 is 9.8%, which is below the earnings growth rate of 12.2% for these 493 companies for 3Q25.

## 2-, 10-, and 30-Year Treasury Yields Are All Falling

With equity markets weak this year, employment data soft, and inflation generally coming down, all this has allowed interest rates to decline. Treasury yields across the yield curve are all falling on the 2-, 10-, and 30-year maturities. We expect interest rates to continue to decline, and this is constructive for the economy and for the stock market.

## Yields Across The Yield Curve Are Falling

### 2-Year Treasury Yields (Top) With MACD (Bottom)



Source: Bloomberg, February 26, 2026



March 2, 2026

## 10-Year Treasury Yields (Top) With (MACD) (Bottom)



Source: Bloomberg, February 26, 2026

## 30-Year Treasury Yields (Top) With (MACD) (Bottom)



Source: Bloomberg, February 26, 2026



March 2, 2026

### Mortgage Rates Slip Under Key 6% Level

Mortgage rates track long-term Treasury yields closely and are declining too. Lower rates make home-buying more affordable and support the housing market. With rates declining below 6% and the housing season approaching in the spring, there may finally be some movement in the housing market.

### 30-Year Mortgage Rates Break Below 6%



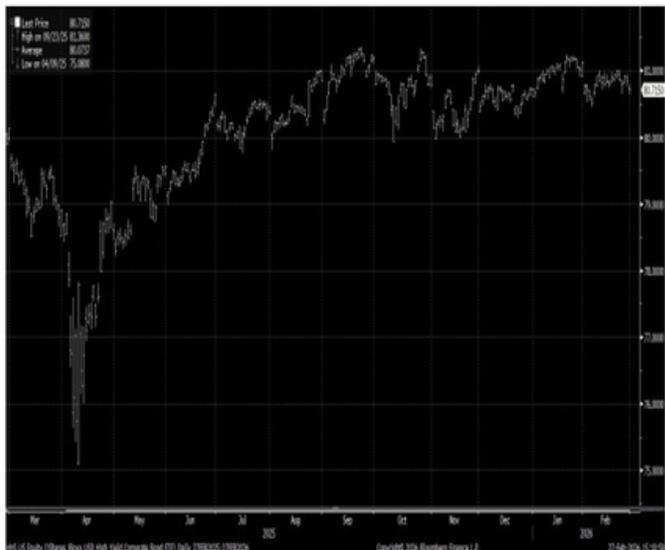
Source: Mortgage News Daily, February 27, 2026

### High Yield Not Showing High Risk In the Market

The high yield market is a good measure of investors' risk appetite. When it falls, it signals rising market stress. With recent concerns about the health of private credit markets — and bank stocks dropping sharply on Friday amid investor anxiety over AI's economic impact and emerging credit risks — we look to high yield to determine whether broader risk concerns are building. The high yield market is not pricing in any major risk

concerns at this time. But this is something we will be monitoring closely.

### iShares iBoxx High Yield Corporate Bond ETF (HYG)



 March 2, 2026

## Real Estate Investment Trusts (REITs) Should Benefit From Lower Interest Rates

Real Estate Investment Trusts (REITs) own/operate income-producing real estate (offices, apartments, malls, etc.) and must pay out most profits as dividends, which is good for income investors. REITs are interest rate sensitive and generally benefit when interest rates decline. REITs fit into a value and income investment bucket. REITs are responding to lower interest rates with the industry group breaking out.

### iShares Core U.S. REIT ETF (USRT) (Top) With MACD (Bottom)



Source: Bloomberg, Annotations by Sanctuary Wealth, February 27, 2026

## Military Conflict Benefits Defense Stocks

We have made the case to own defense stocks when there is military conflict. With military events escalating with Iran, we believe the defense stocks should respond positively.

### iShares U.S. Aerospace & Defense ETF (ITA) With 14-Day Stochastic On A Buy Signal



 **March 2, 2026**

## International Markets

U.S. stocks have led global performance for years, leaving many U.S. investors underweight in international markets. But studying the longer-term benefits of diversification points to adding non-U.S. equities to a portfolio. We believe there is major change underway, pointing to a new secular bull market in the international markets, including emerging markets. For investors who can take the risk of owning equities outside the U.S., we believe this is a good time to start diversifying into these markets.

## Vanguard Total International Stock ETF (VXUS) (Top) With MACD (Bottom)



Source: Bloomberg, Annotations by Sanctuary Wealth, February 27, 2026

 **March 2, 2026**

## Sector Readings: Energy Strongest, Followed By Materials And Industrials; Financials Weakest; Utilities And REITs Are Improving

Energy was strongest again last week, and once again followed by Materials then Industrials. Financials remained in last place, followed by Consumer Discretionary. The positions of these 5 sectors are unchanged for the past three weeks. Information Technology continues to correct after many months of being top ranked.

Our sector model analyzes S&P 500 GICS sector classifications, using a weighted measure of price momentum across three time periods. We rank each sector from best to worst based upon the average of its 40-, 26-, and 13-week relative price performances. We rank each sector from 1-11, with 1 being the strongest and 11 the weakest.

### Sector Rankings By 40-, 26-, And 13-Week Average Relative Price Performance

	Feb 27	Feb 20	Feb 13	Feb 6	Jan 30	Jan 23	Jan 16	Jan 9
<b>Consumer Discretionary</b>	10	10	10	8	6	5	4	3
<b>Consumer Staples</b>	7	6	5	6	8	8	10	10
<b>Energy</b>	1	1	1	1	2	3	5	8
<b>Financials</b>	11	11	11	9	9	9	8	7
<b>Healthcare</b>	4	5	6	5	7	6	6	5
<b>Industrials</b>	3	3	3	3	4	7	2	4
<b>Information Technology</b>	9	8	8	7	5	4	3	2
<b>Materials</b>	2	2	2	4	3	2	7	6
<b>Communication Services</b>	6	4	4	2	1	1	1	1
<b>Utilities</b>	5	7	7	11	10	10	9	9
<b>Real Estate</b>	8	9	9	10	11	11	11	11

Source: Bloomberg, Sanctuary Wealth, February 27, 2026

 **March 2, 2026**

## OBOS List: Industrials, Materials, Energy, and Consumer Staples Overbought; Information Technology Oversold

Industrials, Materials, Energy, and Consumer Staples were all overbought last week. Real Estate and Utilities, both interest sensitive sectors, were near overbought. Information Technology was oversold, while Consumer Discretionary and Financials were near oversold. The market is again stretching its performance between heavily favored and rejected sectors. We note that Materials and especially Industrials have become unusually extended in relative price over the past 13 weeks.

Our tactical sector rotation model uses the S&P 500 GICS sector classifications. We apply a 13-week rate of change methodology that normalizes the rankings from overbought (OB) to oversold (OS). An industry group is overbought when it has risen too far too fast, relative to the rest of the market, based upon its normal movement. Conversely, it's oversold when it has lost too much too fast, relative to the rest of the market, based upon its normal movement. Over time, a sector tends to move back toward its normal rate of change, relative to the rest of the market. Overbought sectors tend to slow their pace of gains in relative price, while oversold sectors tend to improve in relative price until they reach their average performance again.

Here's our methodology: the overbought-oversold table of sectors measures the 13-week rate of change in the relative price of each sector. We then average (i.e., smooth) this for 3 weeks and normalize the results. Normalized oscillator values over 1.0 are considered overbought, while those between 0.6 and 1.0 are considered near overbought. Normalized oscillator values below -1.0 are considered oversold, while those between -0.6 and -1.0 are considered near oversold.

## Sector Rankings By 40-, 26-, And 13-Week Average Relative Price Performance

### Sector Overbought / Oversold List as of 27 February 2026

rank	S&P Sector	normalized Oscillator
1	Industrials	3.8485
2	Materials	3.2589
3	Energy	2.6860
4	Consumer Staples	2.1467 <i>Overbought</i>
5	Real Estate	0.8871
6	Utilities	0.7860 <i>Near Overbought</i>
7	Healthcare	0.1432 <i>Neutral</i>
8	Communication Services	-0.0940 <i>Neutral</i>
9	Financials	-0.6281 <i>Near Oversold</i>
10	Consumer Discretionary	-0.7705
11	Information Technology	-1.0631 <i>Oversold</i>

Source: Bloomberg, Sanctuary Wealth, February 27, 2026



March 2, 2026

## Market Performance: Silver Best Performing Asset Year To Date; Bitcoin The Worst By Far. Energy Best-Performing Sector

	Last 2/27/2026	Month End 1/30/2026	Month to Date	Quarter End 12/31/2025	Quarter to Date	Year End 12/31/2025	Year to Date	Year Ago 2/27/2025	Year To Year
S&P 500	6878.88	6939.03	-0.9%	6845.50	0.5%	6845.50	0.5%	5861.57	17.4%
NASDAQ Composite	22668.21	23461.82	-3.4%	23241.99	-2.5%	23241.99	-2.5%	18544.42	22.2%
NASDAQ 100	607.29	621.87	-2.3%	614.31	-1.1%	614.31	-1.1%	500.27	21.4%
Russell 2000	2632.36	2613.74	0.7%	2481.91	6.1%	2481.91	6.1%	2139.66	23.0%
S&P Consumer Discretionary Sector	1854.80	1961.14	-5.4%	1928.43	-3.8%	1928.43	-3.8%	1700.95	9.0%
S&P Consumer Staples Sector	1003.08	929.89	7.9%	864.89	16.0%	864.89	16.0%	906.26	10.7%
S&P Energy Sector	855.10	786.14	8.8%	687.34	24.4%	687.34	24.4%	679.49	25.8%
S&P Financial Sector	853.79	887.83	-3.8%	911.60	-6.3%	911.60	-6.3%	849.23	0.5%
S&P Health Care Sector	1864.30	1802.62	3.4%	1805.89	3.2%	1805.89	3.2%	1713.30	8.8%
S&P Industrials Sector	1497.59	1400.05	7.0%	1313.14	14.0%	1313.14	14.0%	1137.26	31.7%
S&P Information Technology Sector	5365.45	5587.88	-4.0%	5684.00	-5.6%	5684.00	-5.6%	4336.93	23.7%
S&P Materials Sector	675.69	624.06	8.3%	574.41	17.6%	574.41	17.6%	553.42	22.1%
S&P Real Estate Sector	278.35	262.03	6.2%	255.03	9.1%	255.03	9.1%	268.87	3.5%
S&P Communications Sector	453.56	478.15	-5.1%	452.39	0.3%	452.39	0.3%	344.18	31.8%
S&P Utilities Sector	482.91	439.54	9.9%	433.81	11.3%	433.81	11.3%	395.00	22.3%
S&P 500 Total Return	15323.80	15441.15	-0.8%	15220.46	0.7%	15220.46	0.7%	12892.20	18.9%
3 month Treasury Bill Price	99.08	99.08	0.0%	99.09	0.0%	99.09	0.0%	98.92	0.2%
3 month Treasury Bill Total Return	269.57	268.82	0.3%	268.01	0.6%	268.01	0.6%	258.68	4.2%
10 Year Treasury Bond Future	113.81	111.83	1.8%	112.44	1.2%	112.44	1.2%	110.64	2.9%
10 Year Treasury Note Total Return	322.53	315.84	2.1%	316.61	1.9%	316.61	1.9%	301.02	7.1%
iShares 20+ Year Treasury Bond ETF	90.82	87.13	4.2%	87.16	4.2%	87.16	4.2%	91.31	-0.5%
S&P Municipal Bond Total Return	295.63	292.15	1.2%	290.00	1.9%	290.00	1.9%	281.79	4.9%
iShares S&P National Municipal Bond NAV	108.68	107.66	0.9%	106.85	1.7%	106.85	1.7%	107.29	1.3%
S&P 500 Investment Grade Corporate Bond Total Return	507.00	500.40	1.3%	499.46	1.5%	499.46	1.5%	475.74	6.6%
S&P Investment Grade Corporate Bond	93.48	92.61	0.9%	92.75	0.8%	92.75	0.8%	91.65	2.0%
S&P Investment Grade Corporate Bond Total Return	541.07	534.21	1.3%	532.99	1.5%	532.99	1.5%	506.93	6.7%
SPDR Bloomberg High Yield Bond ETF	97.25	97.82	-0.6%	97.21	0.0%	97.21	0.0%	96.85	0.4%
iShares iBoxx High Yield Corporate Bond ETF	80.72	81.12	-0.5%	80.63	0.1%	80.63	0.1%	79.91	1.0%
Gold	5278.93	4894.23	7.9%	4319.37	22.2%	4319.37	22.2%	2877.52	83.5%
Bitcoin	65527.34	84162.39	-22.1%	87647.54	-25.2%	87647.54	-25.2%	84285.18	-22.3%
Silver	93.79	85.20	10.1%	71.66	30.9%	71.66	30.9%	31.28	199.9%

Source: Bloomberg, Sanctuary Wealth, February 27, 2026

## Iran, Oil, And Economic Data

**This week will see intense scrutiny of the Iran conflict – and careful analysis of new data on manufacturing, services, and jobs.**

With earnings season largely behind us, the market's attention shifts back to geopolitics — particularly the military conflict with Iran and its implications for oil prices. But this week also brings important economic data. The Institute for Supply Management (ISM) releases its manufacturing survey today and its services report Tuesday, offering timely insight into business sentiment and economic health. On Thursday, the first estimate of 4Q25 productivity will provide a meaningful indication of how AI is influencing economic output. Friday's employment report will be the week's marquee event. Volatility may increase, but volatility also creates opportunity, in our view. Remember markets don't drop on good news. *The underlying structure of the market remains solid — supported by strong earnings, breadth, and volume trends. Investors should be patient and remain fearless.*



# Calendar

**Mon.**

9:45 am	S&P final U.S. manufacturing PMI
10:00 am	ISM manufacturing
TBA	Auto sales

**Tue.**

9:55 am	New York Fed President John Williams remarks
10:10 am	Kansas City Fed President Jeff Schmid speaks
11:45 am	Minneapolis Fed President Neel Kashkari interview

**Wed.**

8:15 am	ADP employment
9:45 am	S&P final U.S. services PMI
10:00 am	ISM services
2:00 pm	Fed Beige Book

**Thu.**

8:30 am	Initial jobless claims
8:30 am	U.S. productivity
8:30 am	Import price index
8:30 am	Import price index minus fuel
1:15 pm	Fed Vice Chair for Supervision Michelle Bowman speaks
7:00 pm	Chicago Fed President Austan Goolsbee speaks

**Fri.**

8:30 am	U.S. employment report
8:30 am	U.S. unemployment rate
8:30 am	U.S. hourly wages
8:30 am	Hourly wages year over year
10:15 am	San Francisco Fed President Mary Daly speaks
1:30 pm	Cleveland Fed President Beth Hammack speaks

Source: MarketWatch

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