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## Equities Outlook

### Major Indexes Fall as Investors Turn Cautious

During the past week, U.S. stock markets experienced volatility and overall declines as investors reacted to geopolitical tensions, rising oil prices, and weaker economic data. Major indexes, including the S&P 500, Dow Jones Industrial Average, and NASDAQ Composite, ended the week lower overall.

The S&P 500 fell about 2% for the week, declining 138.86 points to around \$6,740. The Dow Jones Industrial Average dropped sharply, losing 1,476 points (about 3%) and finishing near \$47,501. Meanwhile, the Nasdaq Composite declined 1.2%, ending close to \$22,387. Small-cap stocks performed even worse, with the Russell 2000 falling 4.1%, showing reduced investor risk appetite.

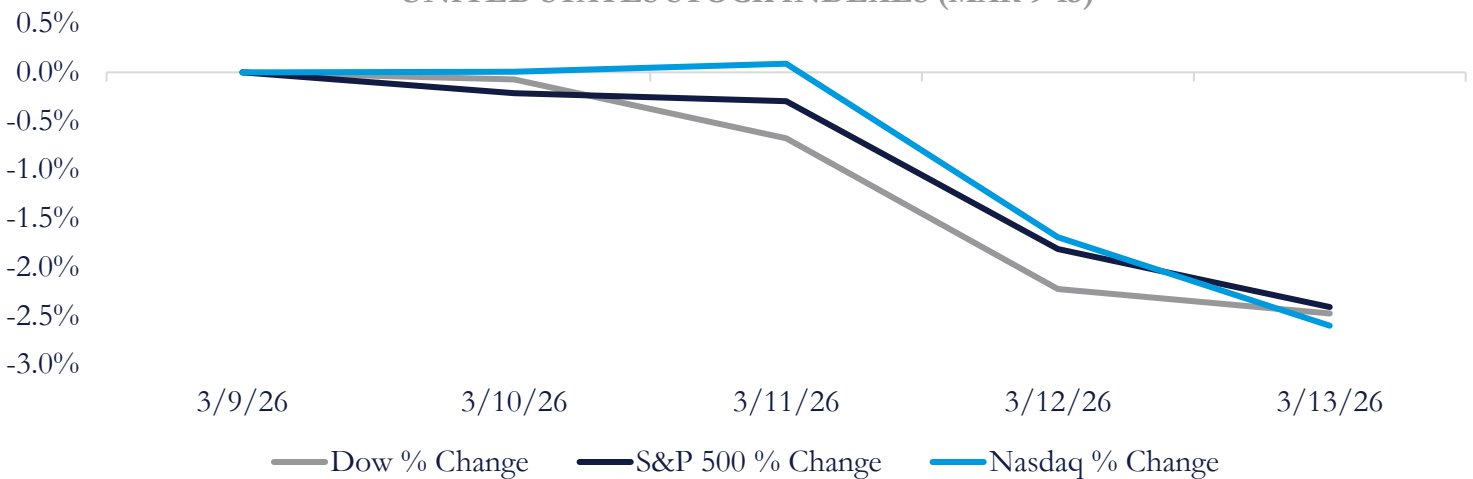
Market volatility increased during the week. On one trading day alone, the S&P 500 fell 1.3%, while the Dow dropped 453 points and the Nasdaq declined 1.6%.

Several economic and geopolitical factors drove down these declines, such as rising oil prices that were triggered by tensions in the Middle East. This raised concerns about inflation and slower global growth. Higher energy costs can reduce corporate profits and consumer spending. At the same time, weaker labor market data and slower economic growth increased uncertainty about the strength of the U.S. economy. Overall, the week reflected a risk-off environment, with investors selling equities and moving toward safer assets as global uncertainty increased.

Metric	\$ (USD)
S&P 500	\$6,632.19 -0.61%
DJIA	\$46,558.47 -0.26%
NASDAQ	\$22,105.36 -0.93%
Russell 2000	\$2,480.05 -0.36%
FTSE 100	\$10,261.15 -0.43%
Nikkei 225	\$53,819.61 -1.16%
WTI Crude	\$99.31 +3.74%
10-yr Treasury	4.28% +0.01%

\*Prices as of 3/15/26

UNITED STATES STOCK INDEXES (MAR 9-13)



Note: % Change Based off Adjusted Closing Prices

### Nvidia Backs AI Startup Thinking Machines Lab in Major Strategic Investment

Nvidia recently announced a major investment and partnership with Thinking Machines Lab, an artificial intelligence startup founded by former OpenAI CTO Mira Murati. The agreement represents a multi-year collaboration aimed at accelerating the development of advanced AI models and infrastructure.

As part of the deal, the startup will gain access to at least one gigawatt of Nvidia's next-generation AI computing systems, specifically its upcoming Vera Rubin chips. This level of computing power, which is estimated by industry experts to be worth tens of billions of dollars, will allow the company to train large AI models and compete with major AI labs.

Thinking Machines Lab was founded in 2025 and has quickly gained attention in the AI industry. The company previously raised about \$2 billion in early funding, reaching a valuation of around \$12 billion and attracting top researchers from leading AI companies.

The partnership also highlights Nvidia's expanding strategy of supporting AI startups not only as a chip supplier but also as an investor. By providing both financial backing and computing infrastructure, Nvidia is strengthening its influence in the rapidly growing AI ecosystem.

## Fixed Income Outlook

### *Amazon's \$37–\$42 Billion Bond Sale Signals Massive AI Investment*

Amazon announced plans to raise \$37–\$42 billion through a major corporate bond sale, one of the largest ever by a technology company. The offering includes multiple tranches of bonds issued in both U.S. dollars and euros, with maturities ranging from about 2 years to 50 years.

The bond issuance is primarily intended to help finance Amazon's large investments in artificial intelligence infrastructure, including data centers and computing capacity needed for AI development. The company is significantly increasing capital spending as it competes with other technology firms investing heavily in AI.

Investor demand for the bonds was extremely strong. The offering reportedly attracted about \$126 billion in orders, far exceeding the amount Amazon plans to issue, showing strong confidence in the company's financial stability and credit quality.

The deal also had a broader impact on the investment-grade corporate bond market. Amazon's offering helped drive a record \$66 billion in investment-grade bond issuance in a single day, as companies took advantage of favorable market conditions and strong investor appetite for high-quality corporate debt.

Overall, Amazon's bond sale highlights how major technology companies are increasingly turning to debt markets to fund massive AI investments while reinforcing strong demand among investors for investment-grade corporate bonds.

### *Dollar Rallies as Iran Conflict Fuels Safe-Haven Demand*

The US dollar has strengthened to a multi-month high as the conflict involving Iran shows no signs of easing. Rising geopolitical uncertainty and a sharp increase in oil prices have driven investors toward the dollar, which is further supported by the United States' position as a net energy exporter. This leaves the US economy relatively less exposed to higher energy costs compared with many other regions.

Oil prices surged above \$100 per barrel after Iran's leadership signaled continued hostilities and pledged to keep the Strait of Hormuz closed, a critical route for global energy shipments. These developments have altered expectations for monetary policy. Markets now anticipate that the Federal Reserve may delay interest rate cuts until next year, making the dollar more attractive in the short-to-medium term.

In contrast, The euro has weakened due to Europe's reliance on imported energy. Investors expect the European Central Bank to face a trade-off between weak growth and rising inflation, with some pricing in rate hikes as early as mid-year. If energy disruptions persist, the dollar should remain strong and the euro under pressure. However, once the conflict ends, we expect the dollar to depreciate. Historically, the Fed has looked past oil shocks and their inflation impact. As the war resolves, markets could reprice cuts for 2026 and safe-haven flows into the dollar should fade, pushing the greenback lower.

## Fiscal / Monetary Policy Outlook

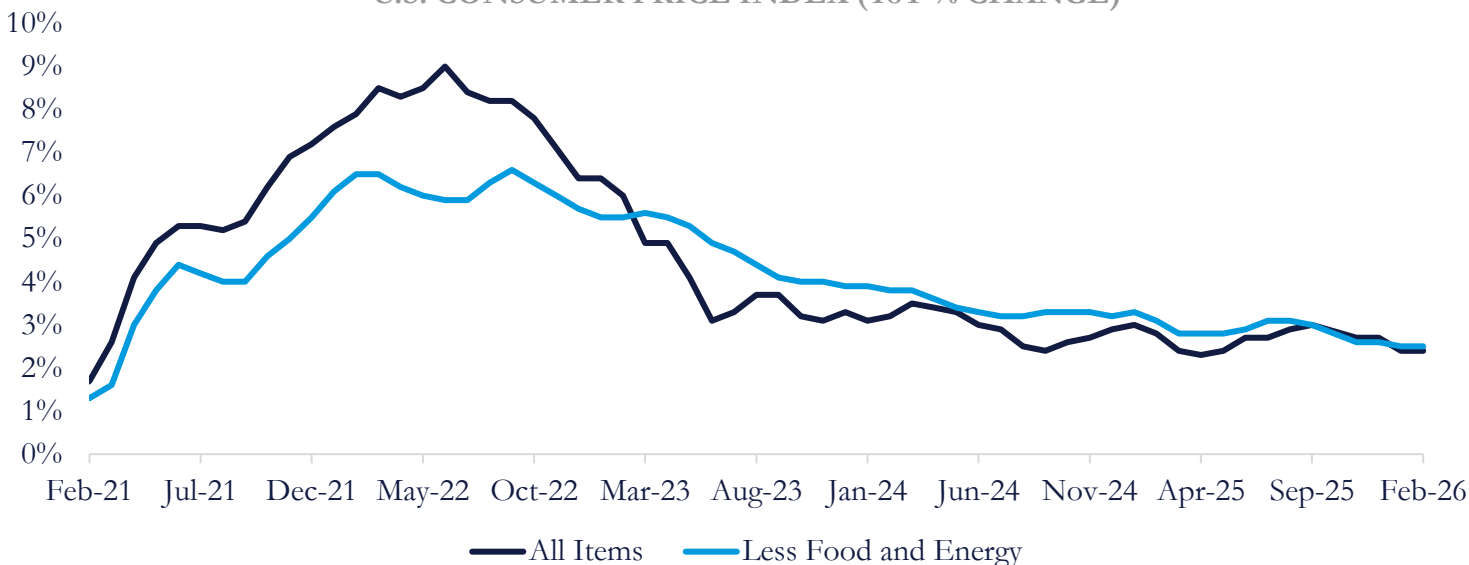
### *Consumer Prices Rise 2.4% in February*

Consumer prices for goods and services rose in line with expectations for February, ahead of inflation pressures following the Iran War. The consumer price index indicated a seasonally adjusted 0.3% for the month, making the 12-month inflation rate at 2.4% according to the Bureau of Labor Statistics. Outside of food and energy prices, core CPI showed a 0.2% reading and 2.5% annual rate, which was also in line with estimates.

The annual rates were unchanged from January, marking inflation to remain above the Fed's 2% target but not becoming worse. While the report showed inflation stabilizing, prices rose slightly for shelter and services, while several good categories, such as vehicles and auto insurance, saw declines. Food prices rose 0.4% for the month and are now up 3.1% from a year before, with egg prices falling 3.8%.

The February data represent the calm before a potential inflation storm driven by surging oil prices tied to the Iran conflict. The U.S.-Israel attack on Iran sent crude oil prices spiking, with oil briefly topping \$100 per barrel on Monday before pulling back. Higher energy costs are expected to filter through to transportation, shipping, and consumer goods in the coming months, complicating the Fed's inflation outlook.

U.S. CONSUMER PRICE INDEX (YoY % CHANGE)



Note: All months seasonally adjusted except Feb. 2026

### *Home Sales Rise Slightly in February*

Home sales ticked up 1.7% in February from January to 4.09 million units, though they remain down 1.4% from last year. The gain came as buyers locked in deals when mortgage rates were hovering near 6% in December and January, about a full percentage point lower than the year before. With rates climbing back up, the spring market could lose steam.

What stands out is how weak demand remains despite strong wage growth and job gains. Wages are growing nearly four percentage points faster than home prices, and the economy has added over 6 million jobs since 2019, yet home sales are down a million units annually. The problem is inventory. Only 1.29 million homes were for sale in February, representing a 3.8-month supply. A balanced market needs six months.

The median home price was \$398,000, up just 0.3% from last year. Sales are strongest for homes priced at \$1 million or above, while lower-priced properties saw sharp declines. Homes are taking longer to sell, at 47 days up from 42 days last year. First-time buyers made up 34% of sales, up from 31% a year ago.

### Markets Reprice the Fed

Investors have sharply reduced expectations for Federal Reserve interest rate cuts following a surge in oil prices driven by the escalating conflict involving Iran. Rising oil prices have reignited inflation concerns, leading markets to push back the anticipated timing of rate cuts to at least next summer. This represents a significant shift from expectations of multiple cuts as soon as this summer, underscoring how sensitive monetary policy expectations are to geopolitical shocks.

As a result, short-term US Treasury yields have risen amid tighter financial conditions, while the yield curve has flattened as investors reassessed growth and inflation risks. Higher longer-term yields have also contributed to rising mortgage rates, potentially weighing on housing affordability and broader economic momentum.

These developments complicate President Trump’s calls for aggressive rate cuts to stimulate growth and lower borrowing costs. While some Federal Reserve officials argue that energy-driven inflation may prove temporary, markets are increasingly skeptical. The crisis highlights how geopolitical instability can quickly reshape inflation expectations, financial markets, and monetary policy expectations in the US.

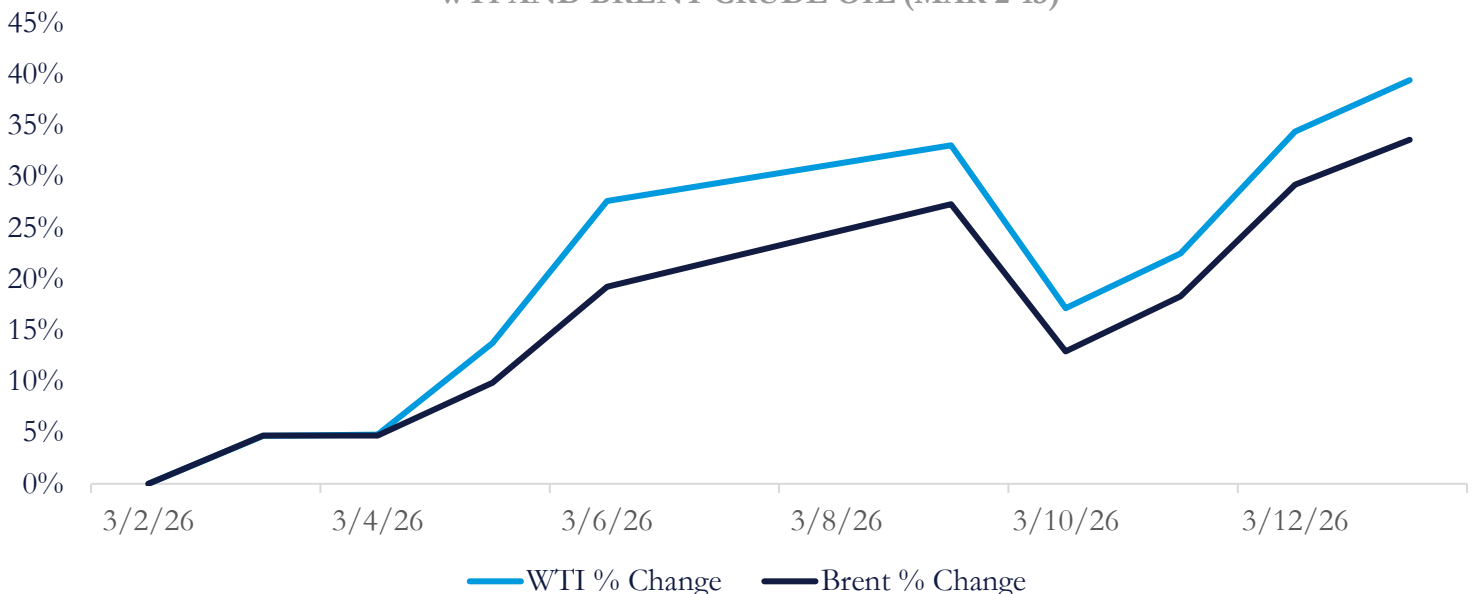
### Global Winners and Losers of the Iran Energy Shock

The war involving Iran has sent economic shockwaves across the global economy. Economists are weighing two possible outcomes. In a more optimistic scenario, the conflict is short-lived, allowing oil prices to stabilize by the summer with limited damage to global growth and inflation. However, a more pessimistic outlook envisions prolonged supply disruptions pushing oil prices back toward \$100 per barrel, cutting global growth and lifting inflation.

The United States is relatively well-positioned due to its status as a net energy exporter, but it is not immune. Gasoline prices have risen sharply, weighing on household spending and pressuring energy-sensitive industries. Europe faces greater vulnerability given its heavy reliance on imported fossil fuels, with higher energy costs threatening its recovery. Importantly, conditions remain far less severe than during the 2022 energy crisis.

Elsewhere, the Middle East faces economic strain despite higher oil prices, while Russia and several oil-exporting countries in Latin America and Canada may see near-term gains. Overall, the conflict is reshaping global growth, inflation, and energy dynamics.

WTI AND BRENT CRUDE OIL (MAR 2-13)



Note: % Change Based off Adjusted Closing Prices

## Commodities Outlook

### *LNG Could Be Hit Even Harder Than Oil by a Strait of Hormuz Closure*

Headlines are quite fixated on crude oil, but analysts at Rapidan Energy argue the Strait of Hormuz closure may deal a harder long-term blow to the global LNG market.

Roughly 20% of global LNG exports transit the Strait, with the vast majority originating from QatarEnergy's complex at Ras Laffan. Following Iranian drone strikes on March 2nd, Qatar stopped output entirely, removing nearly a fifth of global supply overnight. Unlike oil, where production is distributed across dozens of fields and countries with pipeline alternatives, gas requires a ship. There is no equivalent bypass infrastructure for LNG.

LNG operations can't be toggled on and off. Given the complexity of cooling gas back to liquid form, Rapidan estimates the restart will take weeks, and Ras Laffan has never been fully taken offline before. LNG tankers valued at approximately \$250 million each won't move until ship operators have full confidence that the Strait is safe. QatarEnergy has also pushed its planned capacity expansion to 2027.

European gas surged 63% last week, which is its biggest weekly gain since Russia invaded Ukraine in 2022. Asian LNG (JKM) is trading at \$23.40 million British Thermal Units, with some Europe-bound vessels now diverting to Asia as that spread widens. US LNG is running near max capacity, leaving demand destruction as the likely market-balancing mechanism. A deliberate strike on the complex would have lasting structural consequences for global gas supply. This is a risk crude oil markets simply don't face at a comparable scale.

## Emerging Markets Outlook

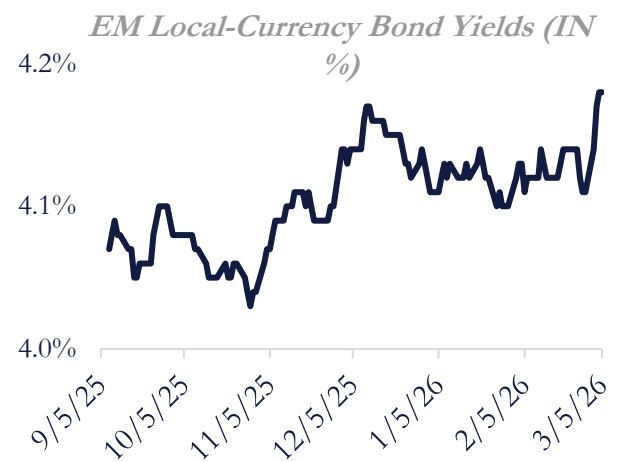
### *Iran Conflict Puts the Emerging-Markets Revival to the Test*

Western commercial shipping through the Strait of Hormuz remains effectively halted. However, minimal traffic is still moving, and the composition of those vessels is important. According to vessel-tracking data, there were eight commercial transits on Tuesday, March 10th, with four more identified early Wednesday morning. Almost all of them have some connection to Iran or China. Two sanctioned Iranian very large crude carriers (VLCCs) were spotted exiting the Persian Gulf fully laden, headed for Asia. A convoy of five bulkers, a container ship, and an LPG carrier, which were all Iran or China-linked, also exited the Persian Gulf on Tuesday.

These numbers are likely an undercount, as many vessels are shutting off their tracking signals altogether to avoid detection, and electronic jamming in the region is distorting vessel data further. The cargo vessel Mayuree Naree was struck by an unknown projectile on Tuesday while transiting the Strait, prompting a Chinese-flagged bulk carrier to immediately turn around. The fact that Trump also confirmed the destruction of 10 Iranian mine-laying vessels on the same day is a reminder that military activities are still ongoing in the waterway.

The closure is also having a ripple effect on emerging markets. The MSCI equity index has seen its biggest weekly fall in six years; bond yields have risen sharply, while the strength of the dollar is also tightening financial conditions globally.

Iran-China tankers operating undetected while Western ships are on the sidelines suggests that the gap may either narrow or grow depending on the dynamics of insurance markets and military activities. For now, however, if the situation remains the same, the closure for mainstream shipping is set to continue.



Note: Index Yield to Worst

## M&A Environment

### *Ondas Merger With Mistral Recasts Growth Prospects In Defense And Security*

Ondas Holdings (ONDS) is in the process of going through a strategic shift from being a technology provider to becoming a defense prime contractor through its merger with Mistral Inc., a leading defense company in the U.S. The merger gives Ondas access to U.S. Army and Special Operations contract vehicles, representing a significant shift for a company that was previously further down the defense supply chain.

In addition, recent bookings suggest that governments are willing to spend actual money on Ondas technology. The new contract for an autonomous border protection system for \$20 million, and counter-drone contracts for about \$6 million from Sentrycs, suggest that governments want Ondas technology. The company's \$10 million investment in World View Enterprises gives Ondas a high-altitude ISR capability, making the company's overall capabilities comparable to large defense conglomerates such as RTX and Northrop Grumman.

The company's stock is trading at about \$9.83 and has risen significantly over the last several years. However, the stock has fallen 10.8% year to date and 7.9% over the past week. The company's upcoming earnings release will still show a loss of \$0.05 per share, a reminder that profitability remains a work in progress.

### *Ackman's Pershing Square Seeks Up to \$10 Billion in Combined IPO Offering*

Bill Ackman is taking another shot at the IPO market with a combined offering for his hedge fund manager, Pershing Square Inc., and a new closed-end fund called Pershing Square USA. The deal seeks to raise between \$5 billion and \$10 billion, with investors buying shares of the closed-end fund at \$50 each and receiving shares in the management company at no additional cost. For every 100 shares of Pershing Square USA purchased, investors will get 20 shares in Pershing Square Inc.

This marks Ackman's second attempt to bring his long-term investment strategy to a broader investor base after a plan to raise as much as \$25 billion for a NYSE-listed closed-end fund fell apart in 2024. The billionaire has been working to build an asset management empire modeled after Warren Buffett's Berkshire Hathaway. In a letter to investors, Ackman noted that recent market volatility from the Iran war helps his acquisition strategy, as Pershing Square has historically benefited from buying strong companies at discounted prices during macro events. Pershing Square manages roughly \$30.7 billion in assets and holds concentrated positions in companies like Alphabet, Chipotle, and Brookfield.

The offering includes a \$2.8 billion private placement from family offices, pension funds, and insurance companies, who will receive 30 management company shares for every 100 closed-end fund shares purchased. Pershing Square USA will charge a 2% management fee with no performance fee. The closed-end fund will trade under the ticker PSUS, while the management company will trade as PS. The deal is being led by Citigroup, UBS, Bank of America, Jefferies, and Wells Fargo.

### *Cintas Acquires UniFirst*

Cintas Corp. has issued an agreement to purchase uniform supplier UniFirst Corp. for \$5.5 billion, as of March 11. Cintas, a workplace product manufacturer, has long been seeking a buyout of its rival. In a cash-and-stock transaction, shareholders of UniFirst stand to be given \$155 in cash, along with 0.772 shares of Cintas for each share of UniFirst. This sums to a market value of \$310 per share using Cintas' ending price on March 9th. UniFirst equity soared on March 11th, peaking at \$278.09 and up 7.8%. Cintas shares sank 1.4%.

This deal is projected to close in 2H 2026, hinging on the approvals from shareholders. The transaction is also intended to strengthen the companies' ability to compete in the apparel market, where competitors are expanding their product offerings and investing in their distribution and delivery networks.

Following the merger, the combined company will serve approximately 1.5 million businesses across North America. Cintas Chief Executive Todd Schneider declared, “By combining, we will be better positioned to drive growth and deliver on efficiencies that will benefit our collective customers and employee-partners”.

Cintas has been hunting to purchase UniFirst for years, starting in at least 2022. The companies expect the deal to increase Cintas’s earnings by the second full year after it closes and anticipates about \$375 million in operating cost cuts. In its most recent fiscal year, Cintas generated roughly \$10 billion in revenue, while UniFirst reported about \$2.4 billion in sales.

## Trade of the Week

### *Long Vertex Pharmaceuticals – Jessica Chen*

Vertex Pharmaceuticals has long been synonymous with cystic fibrosis, but the company is undergoing a meaningful transformation into multi-franchise biotech. The market is beginning to reflect that shift. Last week, Vertex reported that its kidney drug povetacept passed its final clinical trial, cutting a key marker of kidney damage by 52%. Shares surged over 8% over this news, and management has framed the renal franchise as potentially rivaling cystic fibrosis in long-term scale. A Biologics License Application (BLA) filing for accelerated FDA approval is expected in the first half of 2026.

The broader diversification story is also gaining traction. JOURNAVX, which is Vertex's non-opioid painkiller, is expected to triple prescriptions in 2026 after securing coverage across all major insurers, and CASGEVY, its gene-editing treatment for sickle cell disease, is expanding globally. Vertex has guided \$500 million or more in non-cystic fibrosis revenue this year. As these franchises mature, the historical valuation discount tied to cystic fibrosis concentration risk should compress. The stock trades at roughly 32x earnings with a 33% net margin and 24% return on equity, which is reasonable for this pipeline depth.

The key risk is execution, as competitors’ late-stage trial readouts in kidney disease later this year could pressure sentiment. With a durable cystic fibrosis business funding one of the most credible diversification stories in large-cap biotech, Vertex looks well-positioned for the long term.

VERTEX PHARMACEUTICALS INC. STOCK PRICE (IN USD)



Note: Adjusted Closing Prices

*Long CRISPR Therapeutics – Ahmad Shaikh*

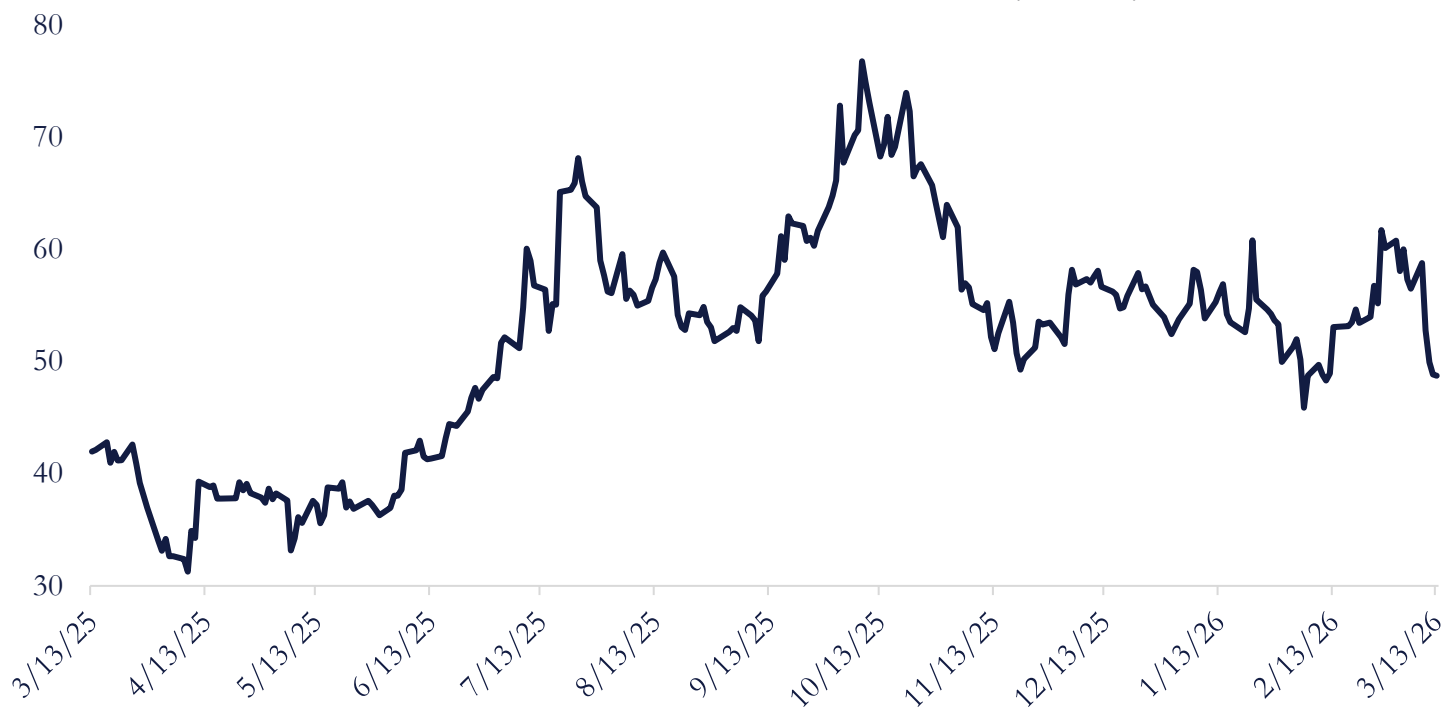
CRISPR Therapeutics recently dropped from \$60 to around \$40 after announcing a convertible debt offering, creating a solid entry point for a company that's finally starting to see commercial traction.

CRISPR has the first approved gene-editing therapy in the U.S., Casgevy, which treats sickle cell disease with a one-time treatment priced at \$2.2 million. After a slow rollout, things are picking up. Revenue topped \$100 million in 2025, with patient numbers nearly tripling from the year before. Additionally, only 300 patients have started treatment among the 60,000 who qualify, indicating significant potential for growth. As more insurance companies approve reimbursement and doctors get comfortable prescribing it, CRISPR's market size will only grow.

When looking at financials, revenue is projected to jump from \$3.5 million in early 2025 to around \$130 million this year, with expectations of over \$330 million next year. CRISPR has \$2 billion in cash and no debt, so they're not desperate for funding despite the recent capital raise. Beyond Casgevy, the pipeline is starting to deliver. Their cardiovascular therapy CTX310 showed 50% gene editing efficiency in Phase 1 trials and was published in The New England Journal of Medicine. Multiple trial results are coming in the second half of 2026 across different disease areas.

Gene editing is still young, and CRISPR has the only approved therapy that's gaining real momentum. The recent selloff gives investors a chance to buy growth at a discount.

CRISPR THERAPEUTICS AG STOCK PRICE (IN USD)



Note: Adjusted Closing Prices