



Happy Spring! The first quarter of 2026 has been nothing short of a rollercoaster for investors. After starting the year on a hopeful note with market gains in January and February for most investors, the financial landscape shifted dramatically as geopolitical tensions escalated into open conflict. As we close the books on March, the U.S. stock market finds itself grappling with its worst first-quarter performance since 2022, leaving many to wonder if the "soft landing" investors had hoped for has been grounded by global instability.

The defining factor of this quarter's volatility was the outbreak of the war in Iran. The closing of the Strait of Hormuz has sent energy prices skyrocketing worldwide and left many investors and economists struggling to determine how long this price shock will last. The lingering impact once things have calmed down may be significant—there are already companies baking in fuel surcharges to their pricing models, potentially setting up higher inflation numbers as we continue further into 2026. While I believe that there will be some sort of truce in the near term and a temporary calming of energy markets, the true mission for why the war was started in the first place leaves one questioning if any truce will hold for long. Time will tell. Hopefully calmer heads will prevail and soon.

Entering 2026, the narrative was centered on how many rate cuts the Federal Reserve would deliver. That conversation has changed due to the hike in energy costs. At the last Federal Reserve meeting, interest rates were held steady, and the "dot plot" signifying what the Federal Reserve might do has suggested the possibility of no cuts later this year, even with a new Federal Reserve chairperson potentially being confirmed in May.

As we move into the second quarter, the market is essentially in a "wait-and-see" mode. Corporate earnings remain surprisingly resilient, with the S&P 500 on track for its sixth consecutive quarter of double-digit earnings growth. However, until there is a diplomatic resolution or a reopening of global shipping lanes, investors should expect the "torque" in the market to continue. We will continue to monitor market events and make changes to portfolios as things progress.

#### Market Summary As of 3/31/26

<b>S&amp;P 500:</b>	<b>6,528.52</b>
<b>Dow Ind.:</b>	<b>46,341.51</b>
<b>Nasdaq:</b>	<b>21,590.63</b>
<b>10 YR Treas.:</b>	<b>4.31</b>

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#### Zenith Staff Updates

We are very excited to welcome Gillian Golden to our staff! Gillian has many years of experience working with a different financial advising firm in Wisconsin and is in the process of relocating to Rochester. We are very delighted to have her expertise in our corner working with our clients. Gillian will work with scheduling, operations, and marketing. You can learn more about Gillian here: <https://zenithwealth.net/gillian-golden/>

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Thank you for the continued opportunity to work with you and guide you through these uncertain times we find ourselves in. We look forward to our next interaction and wish you and your family a blessed and Happy Easter!



Written by Zenith Wealth Management with assistance from Google Gemini.

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