

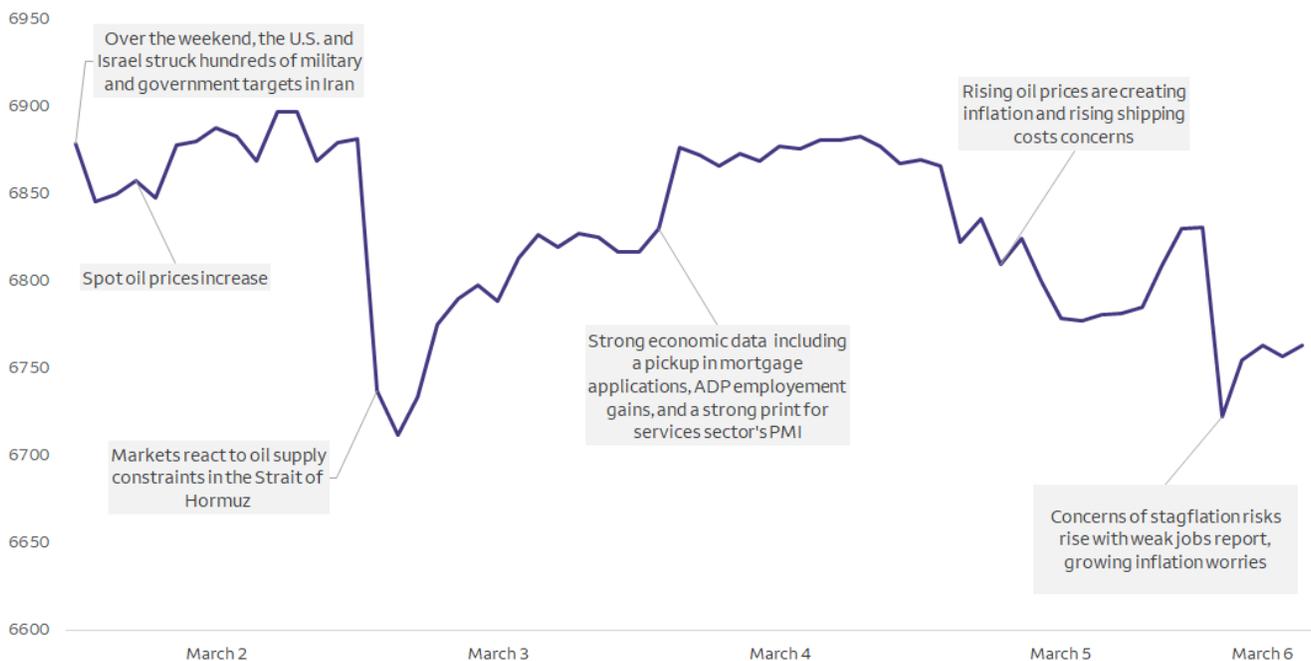
# Looking Ahead

March 6, 2026

## Markets react to Iran War

Stocks declined and U.S. Treasury yields steepened over the past week, driven by concerns about the implications of the Iran War. Markets have been closely watching the progression of the war, weighing signs of its likely duration and potential impact. By Friday morning, traffic through the Strait of Hormuz (which supplies roughly 20% of global oil and natural gas) had nearly halted and oil prices had spiked, reigniting fears of higher inflation and potentially impacting the course of Federal Reserve (Fed) policy. Market uncertainty was further compounded by unexpected softening in the labor market and a contraction in retail sales. Looking ahead to next week, investors will be chiefly focused on the Iran War. February inflation data will also be top of mind, with both Consumer Price Index (CPI) and Personal Consumption Expenditures (PCE) data out along with personal income and spending. Other key updates will include the second print of fourth-quarter gross domestic product (GDP), consumer sentiment from the University of Michigan, Job Opening and Labor Turnover Survey (JOLTS) data, and small-business optimism.

## S&P 500 Index performance week of March 2 – 6



Sources: Bloomberg, Wells Fargo Investment Institute. Data from March 2, 2026, through March 6, 2026, at 12:00 p.m. ET. **Past performance is no guarantee of future results.** An index is unmanaged and not available for direct investment. PMI = Purchasing Managers' Index

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## Week in review: March 2 – 6

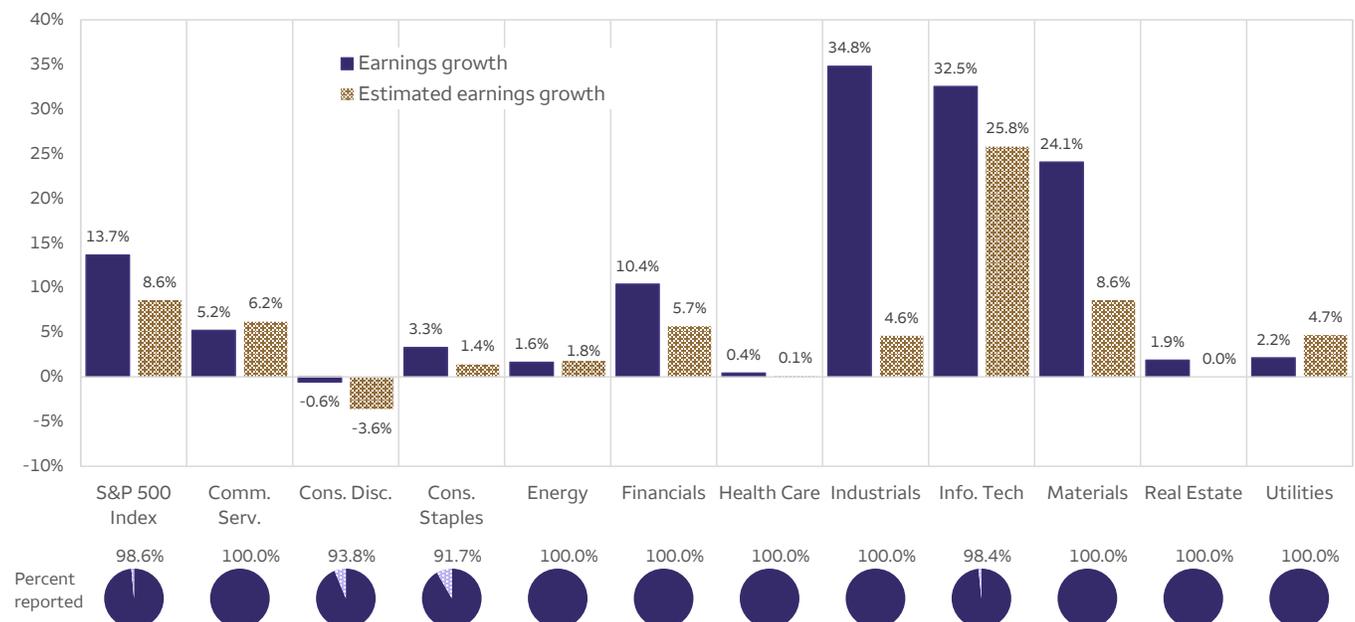
### Economic data

- The February jobs report showed unexpected softening in the labor market, with nonfarm payrolls declining by 92K month over month (MOM) and the unemployment rate edging up to 4.4%. The report added to the case for additional Fed interest-rate cuts, though a new wave of inflation concerns offset the impact.
  - The decline in nonfarm payrolls was led by the health care industry, which saw the largest strike of health care workers in U.S. history and amounted to a 28K deduction. This was followed by information jobs as employment in the industry continued its downward trend, having lost an average of 5,000 jobs per month over the prior 12 months. Severe winter weather also contributed to the MOM decline.
  - The labor force participation rate declined to 62.0%, the lowest in over four years.
- The ADP Employment Report, in contrast, showed that 63K jobs were added in February.
  - Education and health services continued to lead job growth, adding 58K jobs for the month. Meanwhile, professional and business services saw 30K job losses.
  - With hiring concentrated rather than broad based, the incentive for switching employers (as measured by the pay premium) declined to a record low.
- The Challenger Report showed a similar picture as the number of layoffs announced in February fell to 48K, a 55% MOM decline, and nearly a quarter of the announcements came from the technology sector.
  - So far in 2026, the primary reason for job cuts has been market and economic conditions.
  - Hiring plans improved notably MOM but remained well below year-ago levels.
- Retail sales fell 0.2% in January with weather-related disruptions likely contributing to the contraction. However, control-group sales (which feed directly into the goods-spending component of GDP) were up 0.3%.
- February Purchasing Managers' Index (PMIs) from the Institute for Supply Management showed almost boom-like conditions in the services sector and another month of expansion in manufacturing conditions, printing at 56.1 and 52.4, respectively.
  - Notably, services sentiment rose to its highest level in three and a half years.

### Stock market recap

By Friday morning, the major averages were lower than at the start of the week. As of 12:00 p.m. ET, the S&P 500 Index decreased by 1.7%, the Nasdaq shrank by 0.4%, while the Dow was lower by 3.2%.

### Fourth Quarter (Q4) earnings are around 99% completed



Sources: Bloomberg, Wells Fargo Investment Institute. Chart shows actual versus projected S&P 500 Index earnings growth by sector. Actual earnings growth as of March 6, 2026, at 8:30 a.m. ET. Bloomberg consensus estimated earnings growth as of December 26, 2025, at 8:30 a.m. ET. **Past performance is no guarantee of future results.** An index is unmanaged and not available for direct investment.

## Looking ahead to next week: March 9 – 13

### U.S.

- The highlight early in the coming week will be the February CPI, out on Wednesday. Attention will then shift to Friday's releases, including January's personal income, personal spending, and PCE Deflator (the Fed's preferred gauge of inflation); the second reading of Q4 GDP; preliminary March consumer sentiment and inflation expectations survey from the University of Michigan; and the JOLTS report.
- Also on tap: February small business optimism, existing home sales, Federal budget balance, and inflation expectations based on the New York Fed's survey. Rounding out the docket are January's trade balance, housing starts, preliminary building permits, preliminary durable goods orders, and household net worth.
- In the auction space, the U.S. Treasury department issues \$119 billion in 3-, 10-, and 30-year securities.

### Asia

- In China, the focus will be on the February CPI, Producer Price Index (PPI), trade balance, and money supply.
- From Japan, look for February's PPI and money stock; January's labor cash earnings, household spending, and preliminary leading index; and finalized Q4 GDP.
- Elsewhere in the region, South Korea's preliminary Q4 GDP hits the tape, along with Australia's February business confidence and March consumer confidence.

### Europe

- Europe will announce regional January trade-balance and industrial-production data, euro-area finalized February CPIs, and the eurozone's March investor confidence. Germany will release its January factory orders.
- From the U.K., watch for January's Index of Services, manufacturing production, and monthly GDP.

### Scheduled economic releases for week of March 9, 2026

Date	Time	Country	Release	For	Consensus	Prior
Monday, 3/9	7:00 PM	South Korea	GDP SA QoQ	4Q Prelim	-0.3	-0.3
Monday, 3/9	7:50 PM	Japan	GDP SA QoQ	4Q Final	0.3	0.1
Tuesday, 3/10	6:00 AM	U.S.	NFIB Small Business Optimism	February	99.6	99.3
Tuesday, 3/10	10:00 AM	U.S.	Existing Home Sales	February	3.87m	3.91m
Tuesday, 3/10	7:50 PM	Japan	PPI YoY	February	2.2	2.3
Wednesday, 3/11	8:30 AM	U.S.	Core CPI YoY	February	2.4	2.5
Wednesday, 3/11	8:30 AM	U.S.	CPI YoY	February	2.5	2.4
Thursday, 3/12	8:30 AM	U.S.	Initial Jobless Claims	March 7		213
Thursday, 3/12	8:30 AM	U.S.	Building Permits	January Prelim	1,392	1,455
Thursday, 3/12	8:30 AM	U.S.	Housing Starts	January	1,340k	1,404k
Friday, 3/13	3:00 AM	U.K.	Industrial Production MoM	January	0.3	-0.9
Friday, 3/13	3:00 AM	U.K.	Manufacturing Production MoM	January	0.3	-0.5
Friday, 3/13	6:00 AM	Eurozone	Industrial Production SA MoM	January	0.6	-1.4
Friday, 3/13	8:30 AM	U.S.	Core PCE Price Index YoY	January	3.08	3.00
Friday, 3/13	8:30 AM	U.S.	Durable Goods Orders	January Prelim	0.4	-1.4
Friday, 3/13	8:30 AM	U.S.	GDP Annualized QoQ	4Q Second	1.4	1.4
Friday, 3/13	8:30 AM	U.S.	PCE Price Index YoY	January	2.9	2.9
Friday, 3/13	8:30 AM	U.S.	Personal Income	January	0.5	0.3
Friday, 3/13	8:30 AM	U.S.	Personal Spending	January	0.3	0.4
Friday, 3/13	8:30 AM	Canada	Unemployment Rate	February	6.6	6.5
Friday, 3/13	10:00 AM	U.S.	JOLTS Job Openings	January		6,542k
Friday, 3/13	10:00 AM	U.S.	U. of Mich. Sentiment	March Prelim	56.3	56.6

Source: Bloomberg. Data as of March 6, 2026, as of 12:00 P.M. ET. Times in table are in Eastern Time.

## Scheduled earnings releases for week of March 9, 2026

Ticker	Company	Report date	Call time	Revenue est. (billions)	EPS est.	EPS year ago
HPE	Hewlett Packard Enterprise Co.	Monday, 3/9	5:00 PM	\$9.35	\$0.59	\$0.49
ORCL	Oracle Corporation	Tuesday, 3/10	5:00 PM	\$16.92	\$1.70	\$1.47
CPB	Campbell's Company	Wednesday, 3/11	9:00 AM	\$2.61	\$0.57	\$0.74
DG	Dollar General Corporation	Thursday, 3/12	9:00 AM	\$10.80	\$1.64	\$1.68
LEN	Lennar Corporation Class A	Thursday, 3/12	11:00 AM	\$6.84	\$0.95	\$1.96
ULTA	Ulta Beauty Inc.	Thursday, 3/12	4:30 PM	\$3.82	\$8.02	\$8.46
ADBE	Adobe Inc.	Thursday, 3/12	5:00 PM	\$6.28	\$5.87	\$5.08

Source: FactSet. Data as of March 6, 2026, as of 8:30 A.M. ET. Times shown in table are in Eastern Time. EPS = earnings per share.

### Risk Considerations

Different investments offer different levels of potential return and market risk. The level of risk associated with a particular investment or asset class generally correlates with the level of return the investment or asset class might achieve. **Stock markets**, especially foreign markets, are volatile. Stock values may fluctuate in response to general economic and market conditions, the prospects of individual companies, and industry sectors. **Foreign investing** has additional risks including those associated with currency fluctuation, political and economic instability, and different accounting standards. These risks are heightened in emerging markets. **Bonds** are subject to market, interest rate, price, credit/default, liquidity, inflation and other risks. Prices tend to be inversely affected by changes in interest rates. Although **Treasuries** are considered free from credit risk they are subject to other types of risks. These risks include interest rate risk, which may cause the underlying value of the bond to fluctuate.

Sector investing can be more volatile than investments that are broadly diversified over numerous sectors of the economy and will increase a portfolio's vulnerability to any single economic, political, or regulatory development affecting the sector. This can result in greater price volatility.

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### Definitions

An index is unmanaged and not available for direct investment.

The S&P 500 Index is a market capitalization-weighted index composed of 500 widely held common stocks that is generally considered representative of the US stock market.

The Dow Jones Industrial Average is a price-weighted average of 30 blue-chip stocks that are generally the leaders in their industry. It has been a widely followed indicator of the stock market since October 1, 1928.

The NASDAQ Composite Index is a broad-based capitalization-weighted index of stocks in all three NASDAQ tiers: Global Select, Global Market and Capital Market.

The ADP employment change (private employment or payrolls) report measures the number of employees on business payrolls. It is also sometimes referred to as establishment survey employment to distinguish it from the household survey measure of employment.

The budget balance (or budget statement) is the difference between government revenues and government expenditures.

Building permits (or building approvals) track the number of permits that have been issued for new construction, additions to pre-existing structures or major renovations. These statistics are based on the number of construction permits approved.

Business confidence tracks the general state of the economy as it relates to businesses. It can include broad economy-wide conditions or specific economic conditions of a particular industry.

Challenger job cuts track involuntary job separations initiated by the employer.

The change in nonfarm payrolls measures the number of employees on business payrolls.

Consumer confidence (or consumer sentiment) tracks sentiment among households or consumers.

The Consumer Price Index (CPI) is a measure of prices paid by consumers for a market basket of consumer goods and services. The yearly (or monthly) growth rates represent the inflation rate.

Durable goods orders track the value of new orders received during the reference period. Orders are typically based on a legal agreement between two parties in which the producer will deliver goods or services to the purchaser at a future date.

Existing home sales tracks the sales of previously owned homes during the reference period.

Factory orders track the value of new orders received during the reference period. Orders are typically based on a legal agreement between two parties in which the producer will deliver goods or services to the purchaser at a future date.

Gross domestic product (GDP) measures the final market value of all goods and services produced within a country. It is the most frequently used indicator of economic activity. The GDP by industry approach (or output-based GDP) is the sum of the gross value added (output less intermediate consumption) of all industry and services sectors of the economy (at basic prices), plus all taxes less subsidies on products. This concept is adjusted for inflation.

Household change in net worth tracks a breakdown of assets, liabilities and net worth for households and nonprofit organizations. It includes domestic hedge funds, private equity funds and personal trusts.

Housing (or building) starts track the number of new housing units (or buildings) that have been started during the reference period.

The Index of Services shows the monthly movements in the gross value added of the service industries.

Industrial production measures the output of industrial establishments in the following industries: mining and quarrying, manufacturing and public utilities (electricity, gas and water supply). Production is based on the volume of the output.

The international trade balance (or foreign trade) measures the difference between the movement of merchandise trade and/or services leaving a country (exports) and entering a country (imports). This measure tracks the value of the merchandise trade balance.

Investor confidence tracks the general state of the economy as it relates to businesses. It can include broad economy-wide conditions or specific economic conditions of a particular industry.

The Job Openings by Industry Total Survey (JOLTS) tracks the number of specific job openings in an economy.

Leading indicators (leading indexes) include economic variables that tend to move before changes in the overall economy.

Manufacturing production measures the output of industrial establishments in the manufacturing industry.

The money supply (or money stock) measures the total amount of money in circulation in a country or group of countries in a monetary union.

Mortgage applications data tracks the volume of mortgage loan applications that have been submitted to lenders.

PCE deflators (or personal consumption expenditure deflators) track overall price changes for goods and services purchased by consumers. Deflators are calculated by dividing the appropriate nominal series by the corresponding real series and multiplying by 100.

Personal income or consumer/household income tracks all income received by households including such things as wages and salaries, investment income, rental income, transfer payments, etc. This concept is not adjusted for inflation.

Personal spending or consumer/household spending (also referred to as consumption) tracks consumer expenditures on goods and services. This concept is not adjusted for inflation.

The Producer Price Index (PPI) is a measure of the change in the price of goods as they leave their place of production (i.e. prices received by domestic producers for their outputs either on the domestic or foreign market).

Purchasing Managers' Indexes (PMIs) track sentiment among purchasing managers at manufacturing, construction and/or services firms. An overall sentiment index is generally calculated from the results of queries on production, orders, inventories, employment, prices, etc.

Retail sales (also referred to as retail trade) tracks the resale of new and used goods to the general public, for personal or household consumption. This concept is based on the value of goods sold.

Small business optimism tracks the general state of the economy as it relates to businesses. It can include broad economy-wide conditions or specific economic conditions of a particular industry.

The unemployment (or jobless) rate tracks the number of unemployed persons as a percentage of the labor force (the total number of employed plus unemployed).

These figures generally come from a household labor force survey.

Wage growth (or labor cash earnings) generally tracks total remuneration (in cash or in kind) paid to employees in return for work done (or paid leave).

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