

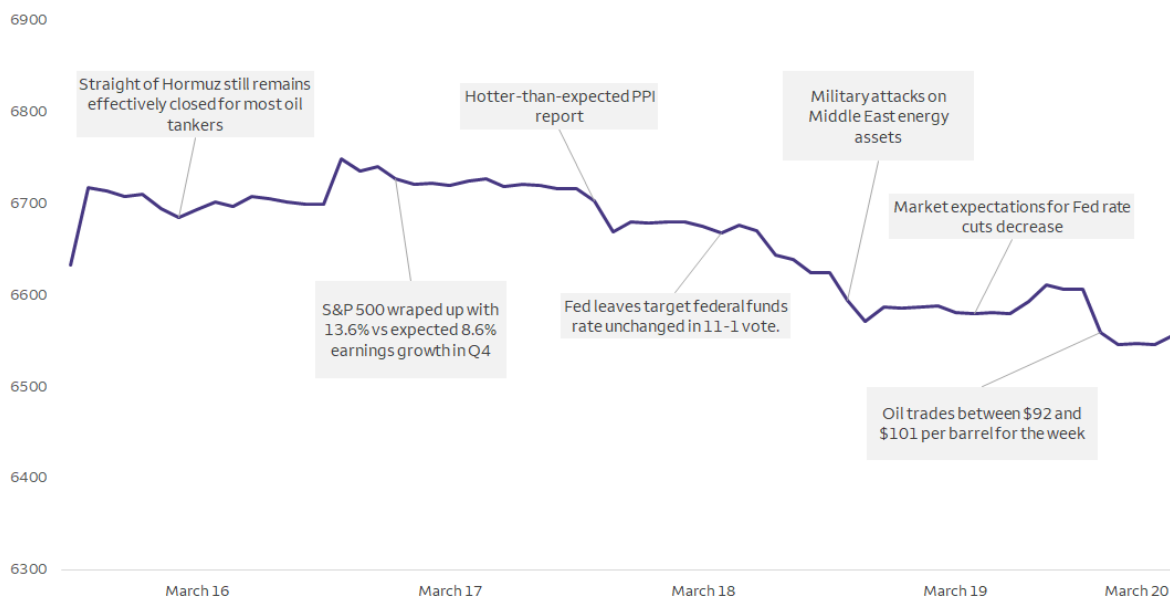
Looking Ahead

March 20, 2026

Oil prices slick the road ahead

Stock markets navigated a week of rough seas as rising oil prices, an increase in Treasury yields, and ongoing Iran War headlines weighed negatively on investor sentiment. Fourth-quarter (Q4) earnings wrapped up with S&P 500 Index earnings growing 13.6% versus the expected 8.6% Bloomberg consensus estimate. The Industrials and Materials sectors saw notable earnings gains beyond consensus estimates (34.9% versus an expected 4.6% and 24.1% versus 8.6%, respectively). The Federal Open Market Committee (FOMC) meeting concluded with officials deciding to leave the target federal funds rate unchanged, acknowledging heightened uncertainty with inflation and the Iran War. Inflation concerns were reflected in the bond market, with 2-year, 10-year, and 30-year Treasury yields moving higher. February's Producer Price Index (PPI) demonstrated further evidence of upstream price pressures, while February industrial production and January factory orders both exhibited modest gains, consistent with steady economic momentum. Looking ahead to next week, investors will continue to monitor developing news related to the Iran War. It will be a relatively light week of economic data, with updates including services and manufacturing Purchasing Managers' Indexes (PMIs) and construction spending.

S&P 500 Index performance week of March 16 – 20



Sources: Bloomberg, Wells Fargo Investment Institute. Data from March 16, 2026, through March 20, 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.

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Week in review: March 16 – 20

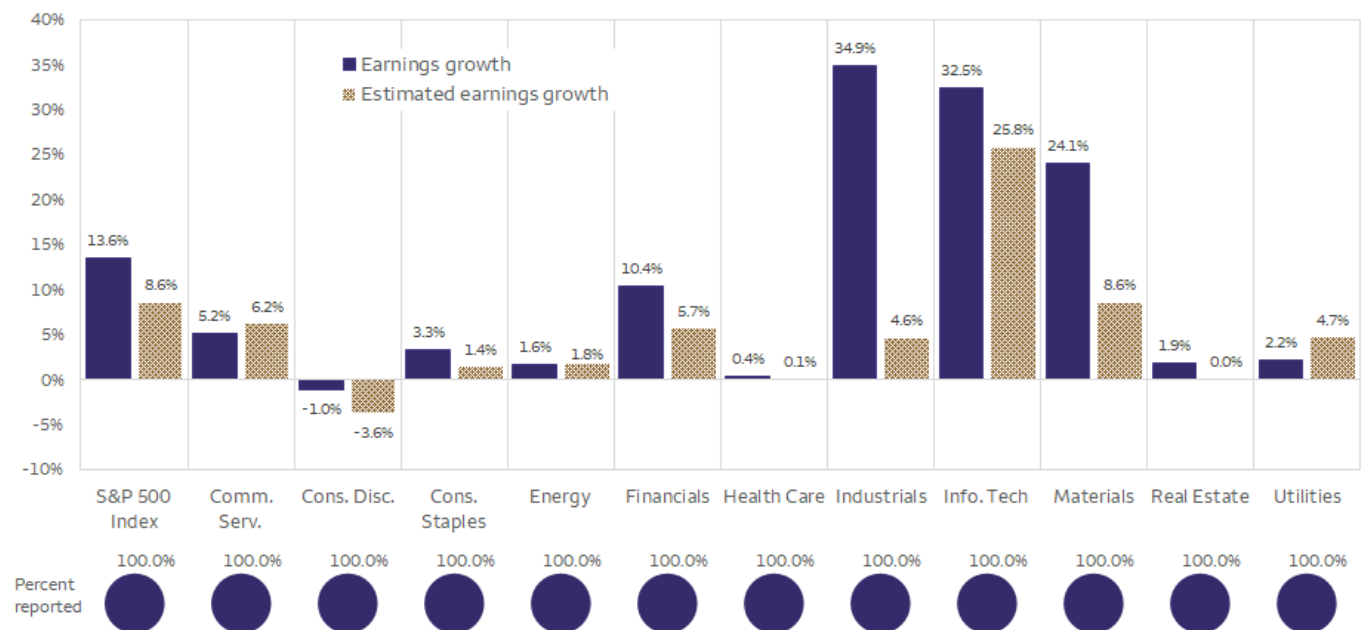
Economic data

- The FOMC’s policy decision on Wednesday left the target federal funds rate unchanged at 3.50% – 3.75%, with the updated Summary of Economic Projections still showing one rate cut before year-end 2026.
 - Fed Chair, Jerome Powell, stated that he will continue to lead until his presumed successor, Kevin Warsh, is confirmed.
- February’s PPI data indicated a continued acceleration of inflation pressures, further complicating the path of Fed policy in the coming year.
 - Core PPI rose 0.5% month over month (MOM), and the headline print’s 0.7% gain represented the highest MOM increase since July 2025. Overall, this represented the fourth straight acceleration of MOM inflation at the wholesale level.
 - On a year-over-year (YOY) basis, the headline and core prints accelerated to 3.4% and 3.9%, respectively.
 - The main drivers included food prices as well as a strong uptick in energy and services.
- Industrial production for February saw a mild increase of 0.2% in comparison to 0.7% in January, mainly supported by rising production in electrical equipment and motor vehicle parts productions.
- New factory orders for January rose 0.1%, an improvement from December’s 0.4% decline. Key contributors included an increase in computers and electronic products.
- The week’s housing-market data supported the idea that we are currently in a buyer’s market, with the number of U.S. home sellers far exceeding the number of buyers.
 - New home sales for January fell sharply to an annualized 587K, the lowest reading since October 2022. However, February pending home sales surprised to the upside with a solid 1.8% MOM increase, driven by somewhat improved affordability conditions.
 - The National Association of Home Builders Housing Market Index increased by one point in March, likely related to lower mortgage rates, though rising oil prices could push rates higher and reverse this progress.

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 1.1%, the Nasdaq shrank by 1.2%, while the Dow was lower by 1.6%.

Fourth Quarter (Q4) earnings are complete



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 20, 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 23 – 27

U.S.

- The week will include a first look at S&P Global's March PMIs for both the manufacturing and service sectors on Tuesday as well as the Q4 current account balance, January construction spending, February Import and Export Price Indexes, and finalized March consumer sentiment and inflation expectations survey from the University of Michigan.
- Rounding out the docket are finalized Q4 nonfarm productivity and unit labor costs, the Fed Bank of Chicago's February National Activity Index, and measures of March economic activity from the Philadelphia, Richmond, and Kansas City regional Fed banks.
- Investors will also be watching for any developments in the Iran War and its impact on the global oil market.
- In the auction space, the U.S. Treasury department issues \$211 billion in two-, five-, and seven-year notes.

Asia

- In China, the focus of an otherwise data-light week will be February's industrial profits.
- From Japan, look for preliminary March PMIs and February's national Consumer Price Index (CPI), services Producer Price Index (PPI), and department store sales.
- Elsewhere in the region, South Korea's March consumer confidence and February PPI and retail sales hit the tape, along with Australia's February CPI and preliminary March PMIs.

Europe

- The highlight will be regional preliminary March PMIs and consumer confidence readings.
- From France, watch for March manufacturing confidence, while German releases include March's Ifo business climate survey and February's Import Price Index and retail sales.
- Also be on the lookout for the U.K.'s CPI, a companion Retail Price Index, PPI, and retail sales, along with January's House Price Index. Meanwhile, G7 foreign ministers will meet in France toward the end of the week.

Scheduled economic releases for week of March 23, 2026

Date	Time	Country	Release	For	Consensus	Prior
Monday, 3/23	10:00 AM	U.S.	Construction Spending MoM	January	0.1	0.3
Monday, 3/23	11:00 AM	Eurozone	Consumer Confidence	March Prelim	-14.6	-12.2
Monday, 3/23	5:00 PM	South Korea	PPI YoY	February		1.9
Monday, 3/23	7:30 PM	Japan	Natl CPI YoY	February	1.5	1.5
Monday, 3/23	8:30 PM	Japan	S&P Global Japan PMI Services	March Prelim		53.8
Monday, 3/23	8:30 PM	Japan	S&P Global Japan PMI Mfg	March Prelim		53
Tuesday, 3/24	5:00 AM	Eurozone	S&P Global Eurozone Services PMI	March Prelim	51.0	51.9
Tuesday, 3/24	5:00 AM	Eurozone	S&P Global Eurozone Manufacturing PMI	March Prelim	49.5	50.8
Tuesday, 3/24	5:30 AM	U.K.	S&P Global UK Services PMI	March Prelim	53.0	53.9
Tuesday, 3/24	5:30 AM	U.K.	S&P Global UK Manufacturing PMI	March Prelim	50.0	51.7
Tuesday, 3/24	9:45 AM	U.S.	S&P Global US Services PMI	March Prelim		51.7
Tuesday, 3/24	9:45 AM	U.S.	S&P Global US Manufacturing PMI	March Prelim		51.6
Tuesday, 3/24	5:00 PM	South Korea	Consumer Confidence	March		112.1
Tuesday, 3/24	8:30 PM	Australia	CPI YoY	February	3.8	3.8
Wednesday, 3/25	3:00 AM	U.K.	CPI YoY	February	3	3
Wednesday, 3/25	5:00 AM	Germany	Ifo Business Climate	March	86.3	88.6
Thursday, 3/26	8:01 PM	U.K.	GfK Consumer Confidence	March	-24	-19
Thursday, 3/26	9:30 PM	China	Industrial Profits YTD YoY	February		0.6

Source: Bloomberg. Data as of March 20, 2026, as of 12:00 P.M. ET. Times in table are in Eastern Time.

Scheduled earnings releases for week of March 23, 2026

Ticker	Company	Report date	Call time	Revenue est. (billions)	EPS est.	EPS year ago
CTAS	Cintas Corporation	Wednesday, 3/25	10:00 AM	\$2.82	\$1.24	\$1.13
PAYX	Paychex, Inc.	Wednesday, 3/25	9:30 AM	\$1.78	\$1.67	\$1.49
CCL	Carnival Corporation	Friday, 3/27	10:00 AM	\$6.14	\$0.18	\$0.13

Source: FactSet. Data as of March 20, 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. **Real estate** has special risks including the possible illiquidity of underlying properties, credit risk, interest rate fluctuations and the impact of varied economic condition.

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.

Additional information available upon request. Past performance is not a guide to future performance. The material contained herein has been prepared from sources and data we believe to be reliable, but we make no guarantee as to its accuracy or completeness. This material is published solely for informational purposes and is not an offer to buy or sell or a solicitation of an offer to buy or sell any security or investment product. Opinions and estimates are as of a certain date and subject to change without notice.

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.

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.

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.

Core machine 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 track the sales of previously owned homes during the reference period.

Export price indexes track changes in the prices of goods produced domestically and sold abroad (exports).

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.

Fixed asset investment tracks investment in or capital expenditures on fixed assets such as buildings, plant, equipment, machinery, etc.

The German ZEW index of current conditions (or business conditions) 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.

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.

Homebuilder sentiment tracks sentiment among participants in the housing industry.

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

House prices track changes in residential property prices.

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.

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.

New home sales track sales of newly constructed homes during the reference period.

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.

Pending home sales track signed real estate contracts for existing single-family homes, condos and co-ops that have not yet closed. As such, they are a leading indicator for existing home sales.

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).

Retail sales (also referred to as retail trade) track 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 Tertiary Industry Index measures the change in the total value of services purchased by businesses.

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.

Wholesale sales (also referred to as wholesale trade) are a form of trade in which goods are purchased and stored in large quantities and sold to resellers, professional users or groups, but not to final consumers. This concept is based on the value of goods sold.

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