The background features a dark teal color with a grid pattern. Overlaid on this are various financial data visualizations: a series of white candlesticks with black outlines, some with white triangles indicating price movement; a series of blue 3D-style bars; and several percentage values in a light blue font, such as +2,53%, -0,35%, +0,66%, -0,44%, and -0,61%. Faint numerical values like 432434, 433411, 343343, 234223, 343223, and 23332 are also visible in the background.

WJ Charts of the Month

March 2026

WJ Interests
WEALTH ADVISORS

WJ Charts of the Month Intro

"WJ Charts of the Month" is a comprehensive monthly slide deck designed to showcase recent significant financial events and data. The presentation is organized into four sections, beginning with a "Highlights" slide that sets the stage for the subsequent content.

1. What Happened Last Month: This section features a curated collection of charts and images from various publications, offering a visual summary of the previous month's key events.

2. WJ State of the Economy: Our team at WJ has created an array of charts to emphasize crucial economic factors and trends.

3. WJ State of the Markets: Similarly, this section comprises a series of charts crafted by WJ to provide an overview of the core markets we monitor.

We strive to maintain consistency across the charts to facilitate easy comparison month-over-month. However, we may adjust or emphasize specific charts if their relevance shifts over time.

Our objective with this publication is to establish a "One-Stop Shop" for the most vital financial information, presented in a concise and easily digestible format. **We value your feedback to help us achieve this goal.** If you have suggestions regarding the format, or if there's particular information you'd like to see in future editions, please don't hesitate to let us know.

Highlights

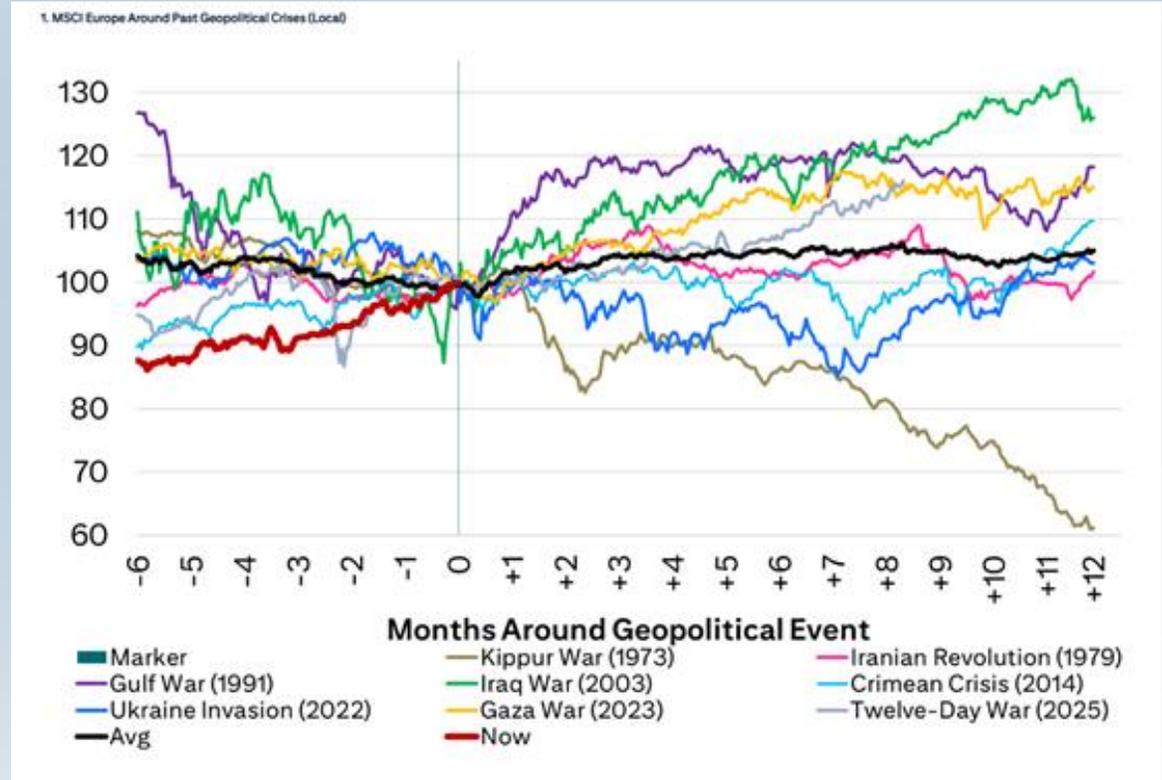
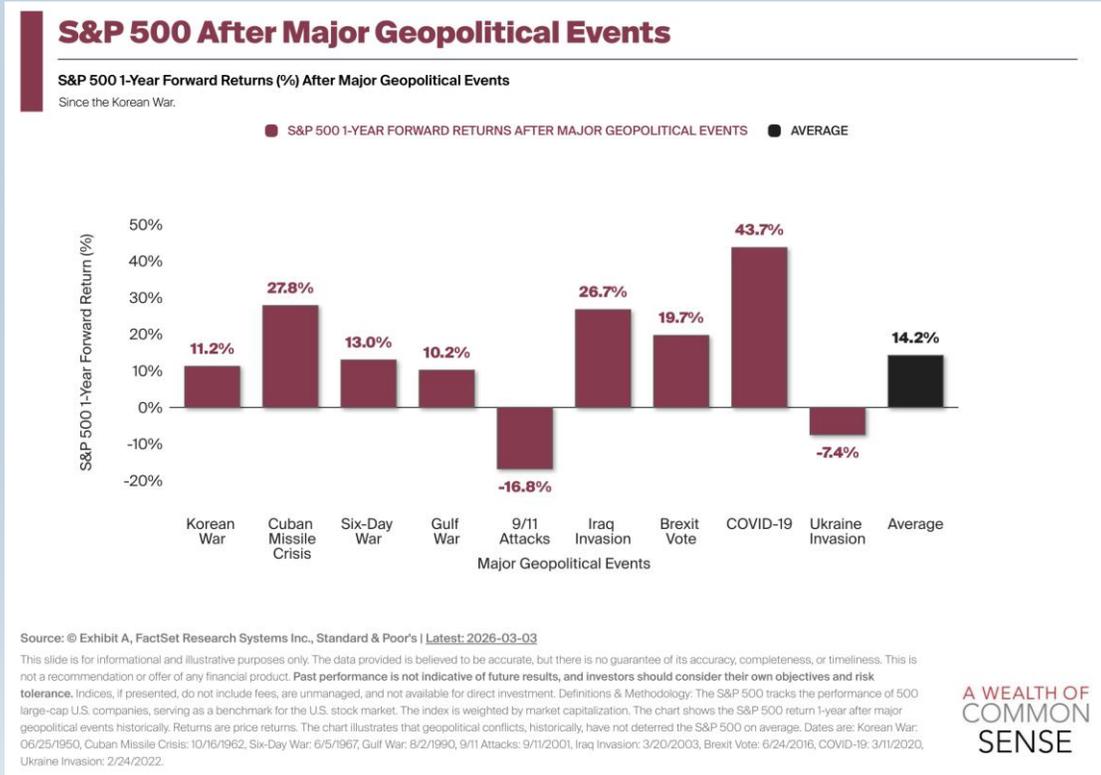
Turmoil in the Middle East
Tariffs Struck Down, and Replaced
AI Takes Down Software
Private Credit Issues
Energy Prices Spike
International Stocks Soar

What Happened

Turmoil in the Middle East

On Feb. 28, the US and Israel launched coordinated air and missile strikes against targets in Iran. The strikes targeted military infrastructure, nuclear-related facilities, and several regime leadership figures including the Iranian Supreme Leader, Ali Khamenei. The strikes mark a major escalation in the conflict with Iran, and Iran has responded with a series of retaliatory attacks against US bases and allied targets across several Middle East countries.

There was an immediate market reaction, with oil prices and interest rates spiking, as well as stocks around the world falling. The longer-term effect, however, remains unclear. The two charts below show the US (left) and European (right) stock markets after major geopolitical events. For the most part, markets seem to do fine.

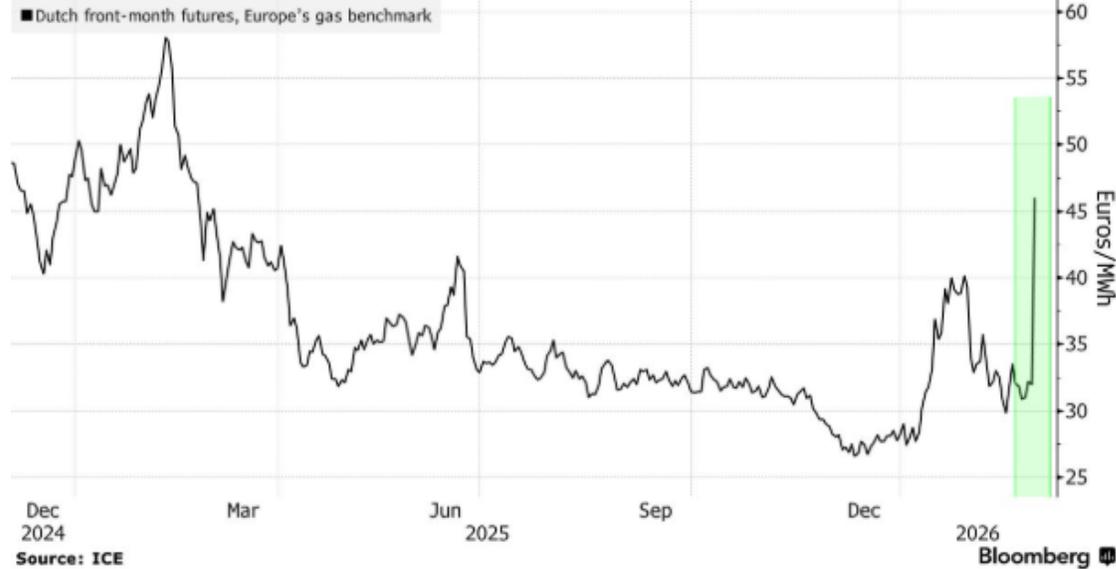


Energy Prices Spike

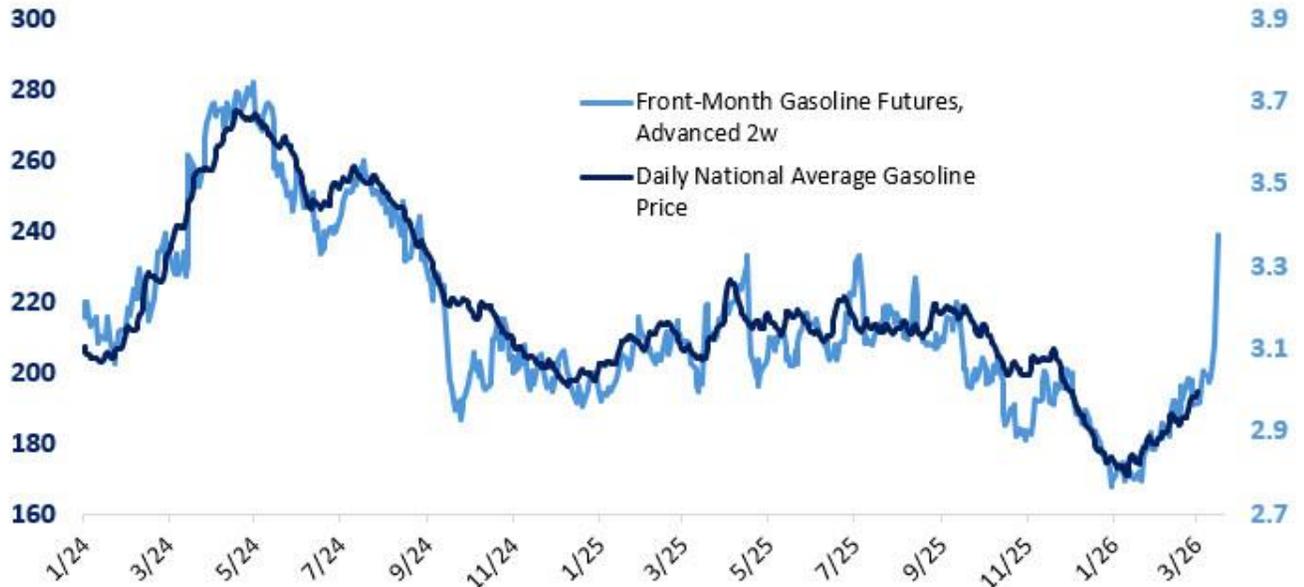
Of all market responses, energy is probably the most significant as the Middle East is a major source of supply. Qatar shut LNG (liquefied natural gas) production at the world's largest export facility after it was targeted in an Iranian drone attack, sending European gas prices surging as much as 54% (left chart)! That plant covers about a fifth of global LNG supply.

Brent Oil prices are now in the \$80s, and the price of gasoline (right) has jumped 40 cents in response. Though this affects the US, the pain is much larger particularly for Asian nations. About 84% of oil and natural gas going through the Strait of Hormuz was destined for Asian markets.

European Gas Surges to Highest in a Year



Iran Strikes Look Set To Cost US Consumers ~\$0.40/Gallon At The Pump



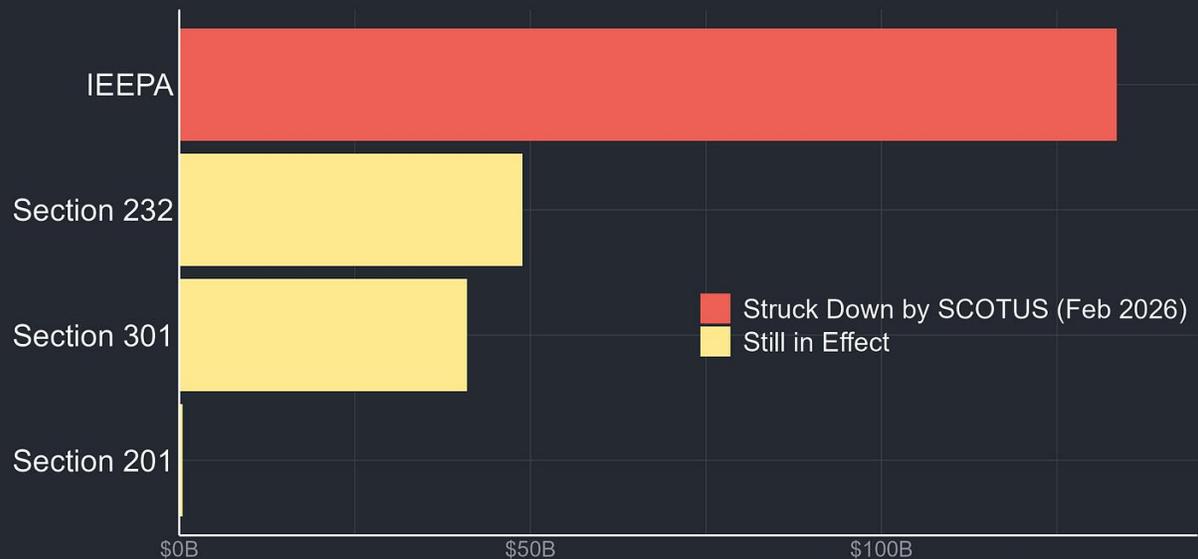
Supreme Court Deems Tariffs Illegal

The long-awaited Supreme Court ruling on tariff legality finally came in, and in a 6-3 decision, the court ruled that the President can not use the IEEPA law to pass tariffs without Congress. This ruling applied only to those IEEPA tariffs, and the others remain in effect. However, the first chart shows that the IEEPA tariffs are the majority. They are also the most flexible. Now that they're off the table, the President can no longer set tariffs on any nation at any rate.

Upon learning the news, the President used a different rule to add a blanket 15% tariff across all imports. So despite the ruling, tariff rates have only fallen marginally. The rate for certain countries, however, changed dramatically. China saw its tariff rate fall about 7% for example. The other major change is that this new rule only allows the President to set tariffs for 150 days. So it's an open question as to what happens later this summer.

Tariff Revenue by Legal Authority, FY25-26

The Supreme Court Struck Down the Largest Tariff Legal Authority by Revenue

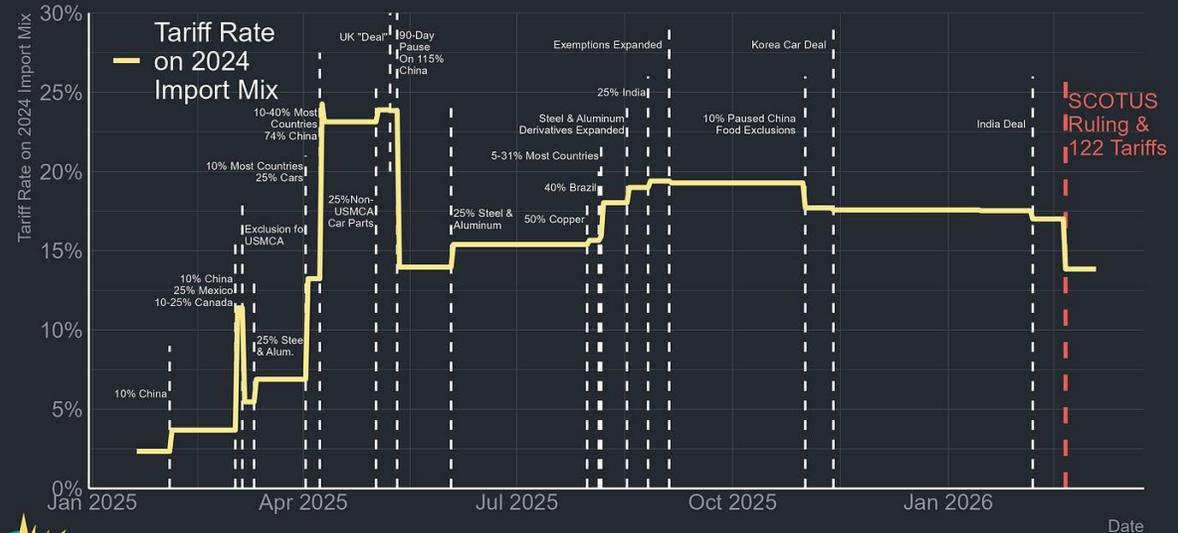


Trade Remedy Duties Assessed

Graph Created by @Josephpolitano Using CBP Data

A Timeline of Trump's 2nd-Term Tariffs

In His 2nd Term, Trump Has Imposed Tariffs On Trillions of Dollars in US Trade



Graph created by @JosephPolitano using US Census data.

Tariff Refund?

Another major effect of the Supreme Court's ruling is that now the government must refund all tariff revenue that was unlawfully collected, about \$160 billion. Not only that, but the law states this must be paid back with interest. The chart by the CATO institute estimates how much will be owed depending on how long it takes to return the funds.

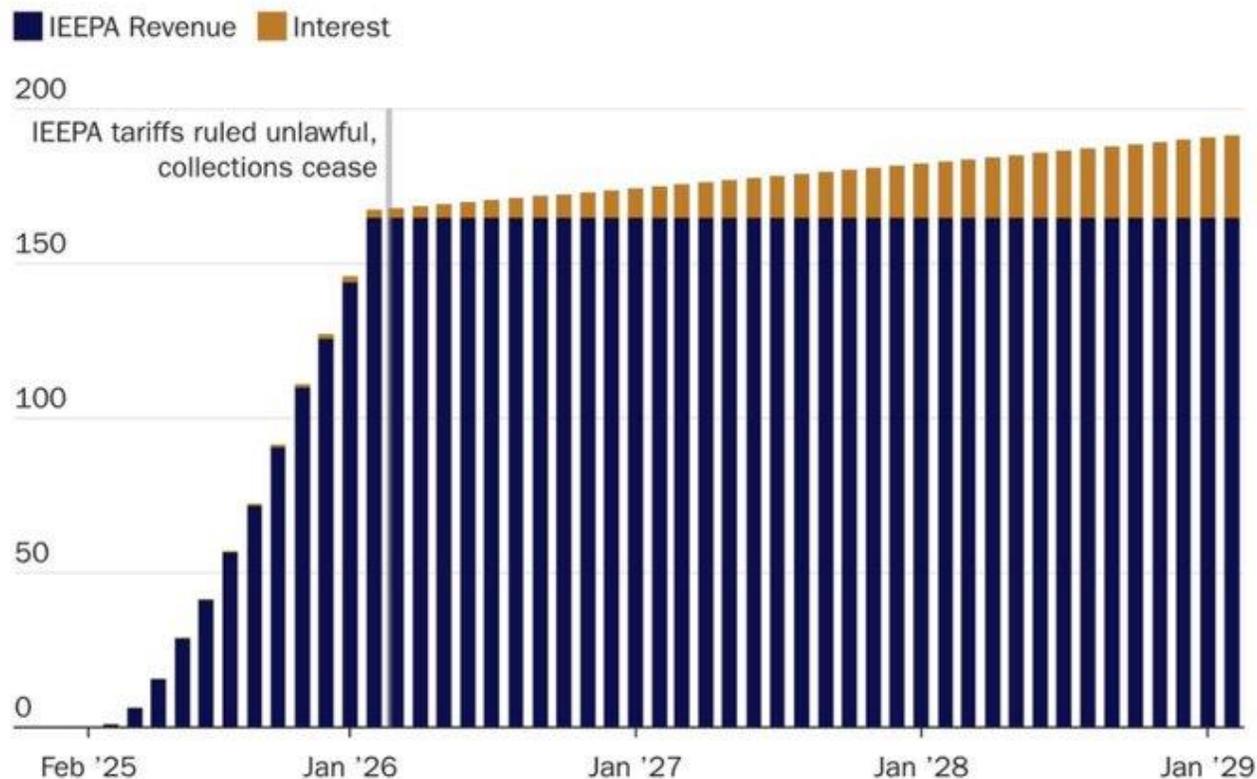
As we've stated before, these refunds go to those who paid for it, which are US companies. No refund is being paid to a foreign country, nor a consumer (although we can hope businesses that raised prices will do something to reward customers).

The market response was initially positive when they were struck down. A year in and it's hard to say what, if any benefit has been gained from tariffs. Trade deficits are the same as they were in 2024 (one of the stated goals was to reduce it), manufacturing has declined in 2025, and goods inflation is up around 9% in 2025.

Inflation wasn't as bad as originally feared, as many companies absorbed the costs (in hindsight for good reason) and companies accelerated imports prior to tariff's implementation. But it was higher. This has kept the Fed cautious in its approach to lower interest rates.

US owes almost \$700 million more in interest every month it delays IEEPA refunds

Cumulative IEEPA tariff collections and interest accrued, billions of USD



Sources: Penn Wharton Budget Model; authors' calculations applying interest formula from CBP and interest rate from IRS.

Note: Interest is calculated daily using compound interest formula of:

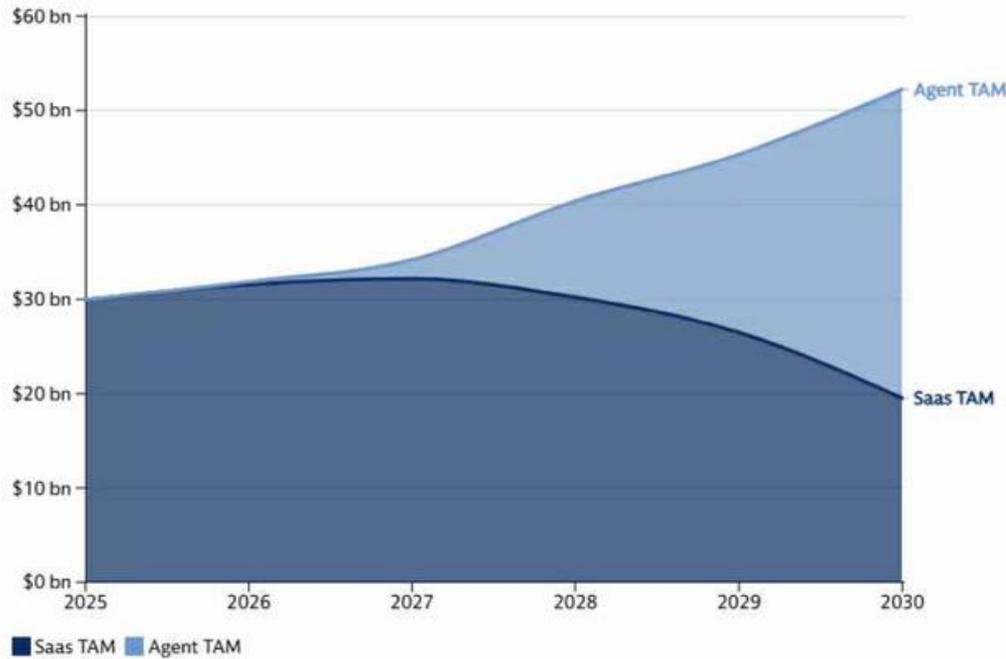
$$(((1 + (\text{RATE}/\text{NBR OF DAYS IN YR})) ^ \text{NO OF DAYS}) - 1) \text{ MULTIPLIED BY IEEPA TARIFFS COLLECTED.}$$
 To keep estimates conservative, authors apply the 4.5% rate for large corporate overpayments, even though the first \$10,000 of each overpayment earns 6%. We also assume all tariff collections occur on the last of each month, so no interest accrues within the month of collection.

AI Crashes Software

One of the more significant market events came from panic in the software industry. The rise of “agentic AI” (essentially AI models that can do complex tasks for you) has led many investors to believe that software as a service (SaaS) may not be as untouchable a business as it used to be. Perhaps anyone now can “vibe code” up their own software. Goldman Sachs illustrates this on the left using TAM (Total Addressable Market) shifting away from software towards AI agents. The chart on the right shows the sell off in the software industry.

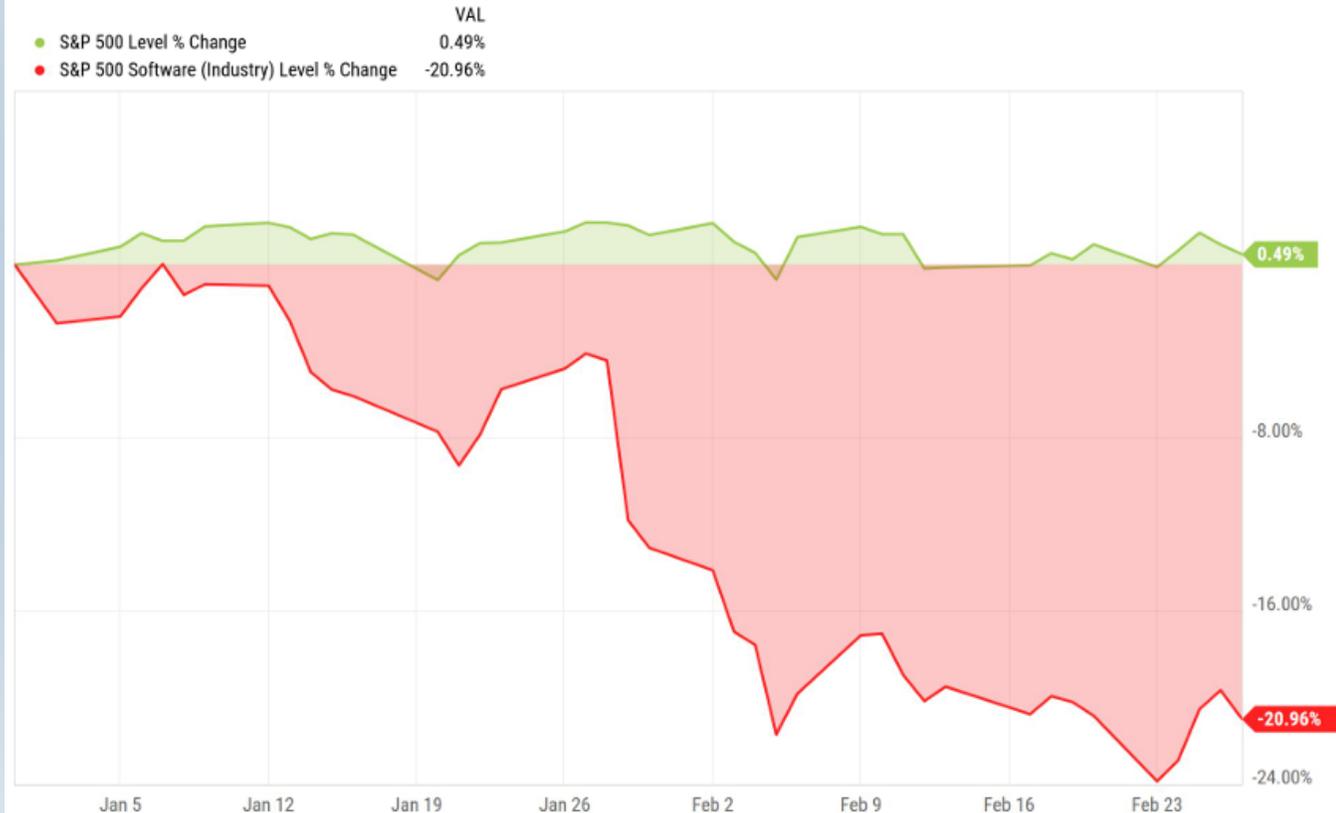
The profit pool in software is expected to shift toward AI agents

Illustrative shift in total addressable market (TAM) for software as a service (SaaS) and agents



Source: Gartner, Goldman Sachs Research
Gartner data published October 10, 2024

Goldman Sachs

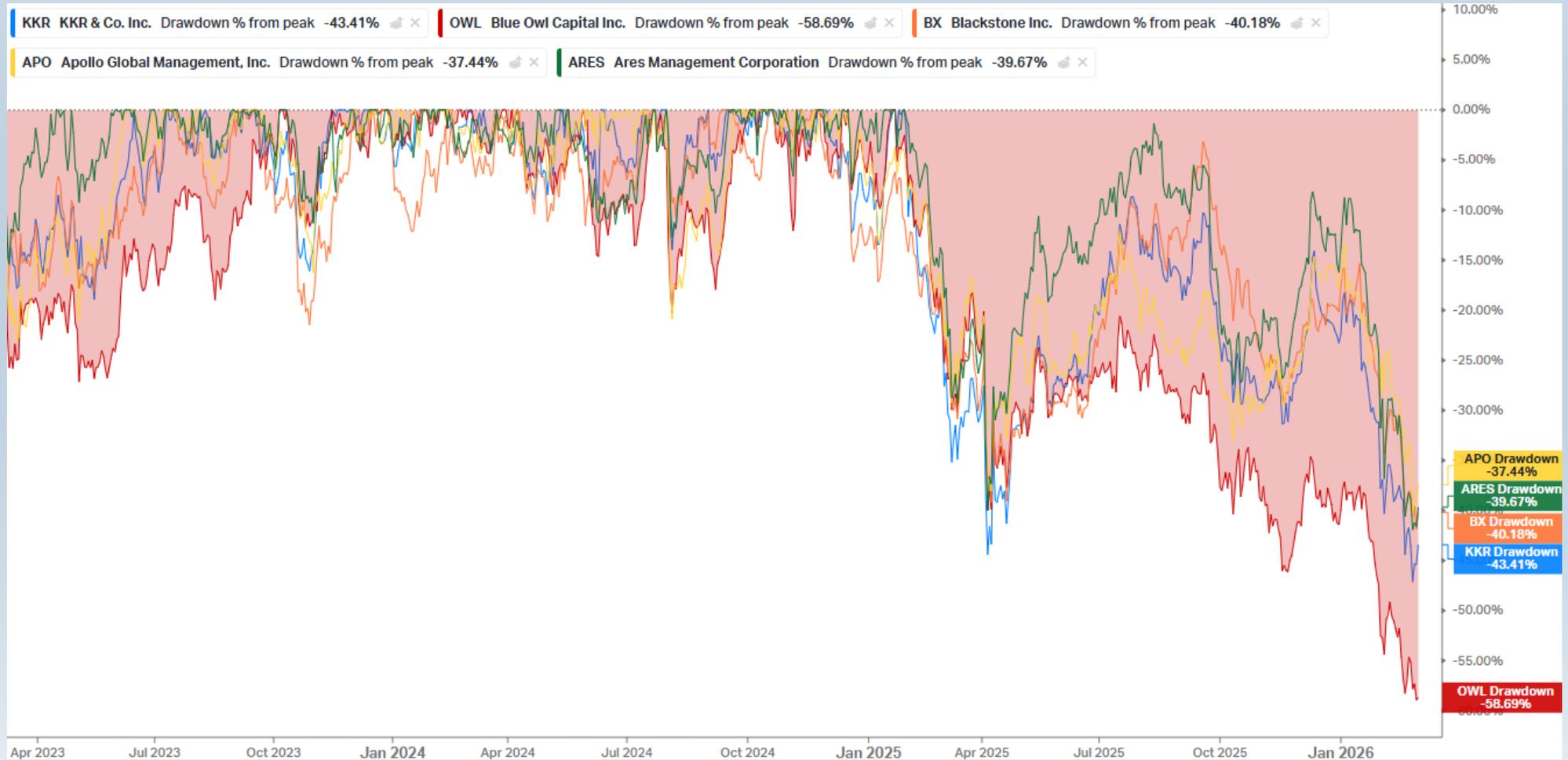


Date Range: 12/31/2025 - 02/27/2026

Past performance is no guarantee of future results. You cannot invest directly in an index

Trouble in Private Credit

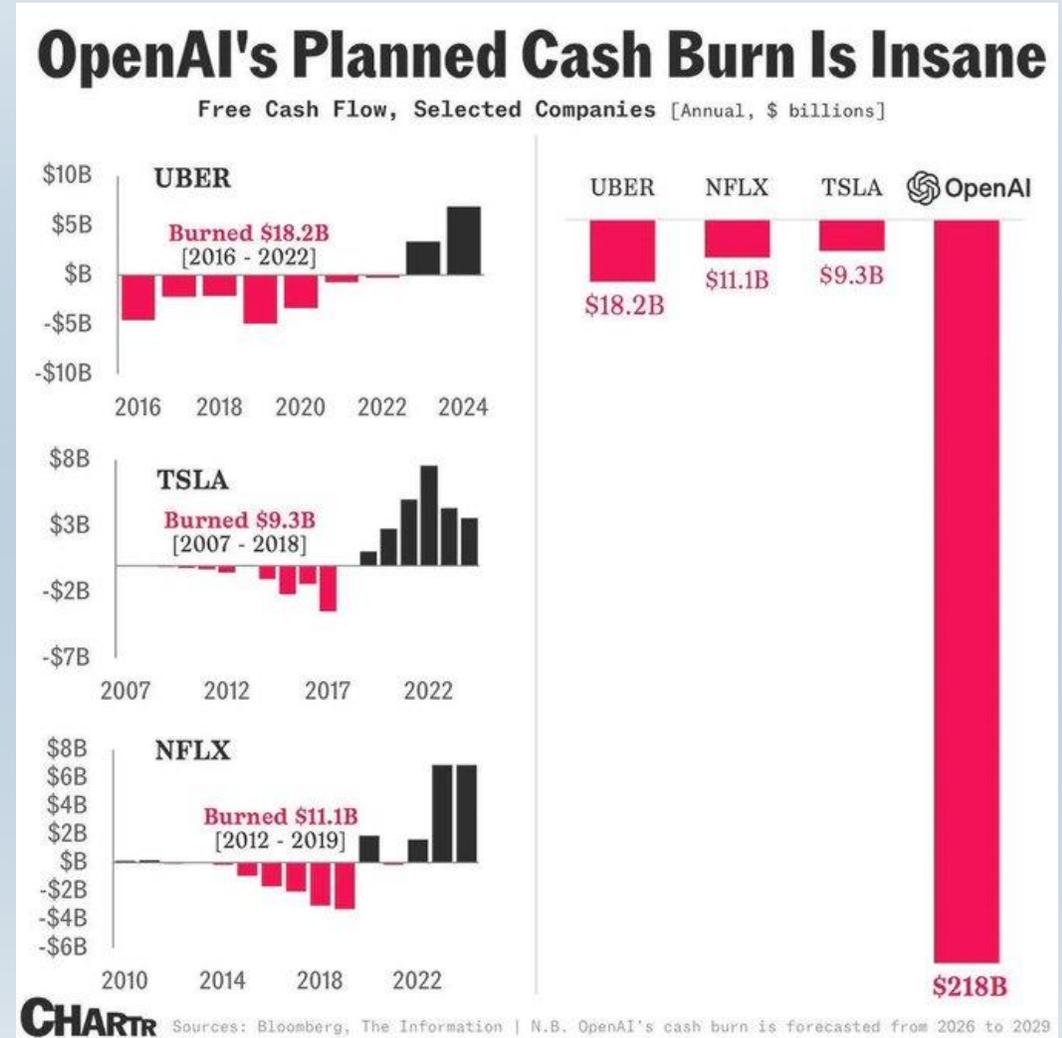
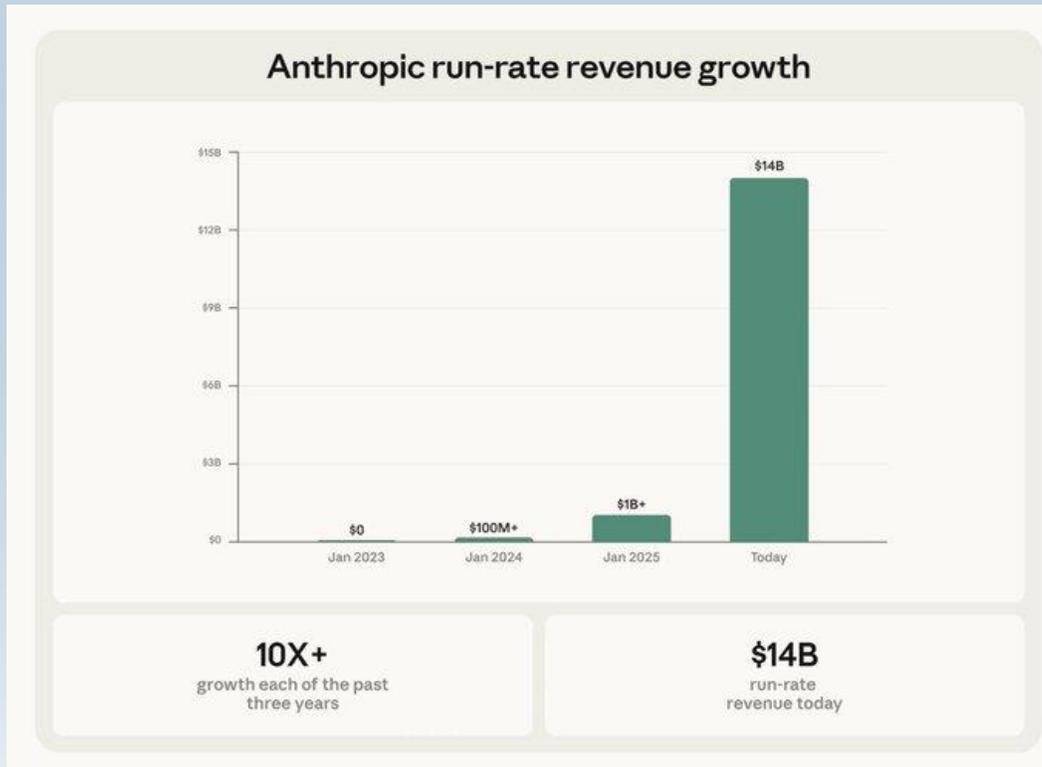
The pain wasn't isolated to just software stocks, however. Private Equity and Private Credit shops under heavy duress, as much of their portfolio is software dominated. Below are the stock prices of major private equity shops such as Blackstone, Apollo, Blue Owl and KKR. We've warned for a while now that even though private assets appear safe and often don't move with the market, they are taking every bit as much risk as public stock participants.



Who Will Win the AI Race?

On the topic of AI, there is still much unknown about who ultimately wins the AI race. The main AI model developers are growing exceptionally fast but spending an incredible amount of money to grow as well. The chart below shows Anthropic's (maker of the Claude models) amazing revenue growth. The other chart illustrates its main competitor's (ChatGPT) cash burn compared to other high profile cash burners of the past. As you can see, there is no comparison.

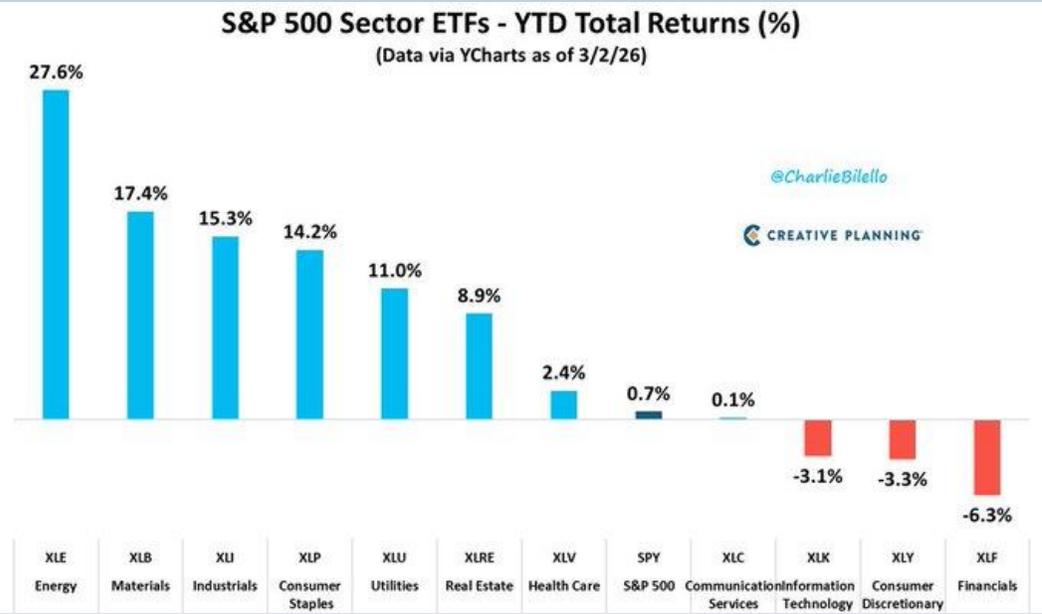
And just as a fun wrinkle, it was just announced this week that the White House is firing Anthropic in favor of OpenAI's models, as Anthropic refused to give unrestricted access in certain subjects, such as weapons and privacy concerns.



The Market “Winners” are Changing

The market has undergone significant changes in the last year, most notably it's marked the beginning of significant outperformance by the rest of the world to the US. 2025 marked one of the worst years for US vs International stock performance, and in just the first 2 months of 2026, its shaping up to be even more dramatic than last year.

Even within the US the winners are changing. The chart below shows that the more “old school” sectors like energy, materials and industrials are vastly outperforming technology and financials. This is in stark contrast to the asset light, high growth winners of the past.



Mortgage Rates Finally Below 6%

Finally, somewhat under the radar, mortgage rates finally dipped into the 5s. Perhaps crossing this psychological barrier gets the housing market going.

The other chart shows the % of mortgages above 6% and below 3%. For the first time since the pandemic, there are more 6% mortgages than sub 3%, meaning there is plenty of refinancing demand if rates continue to fall.

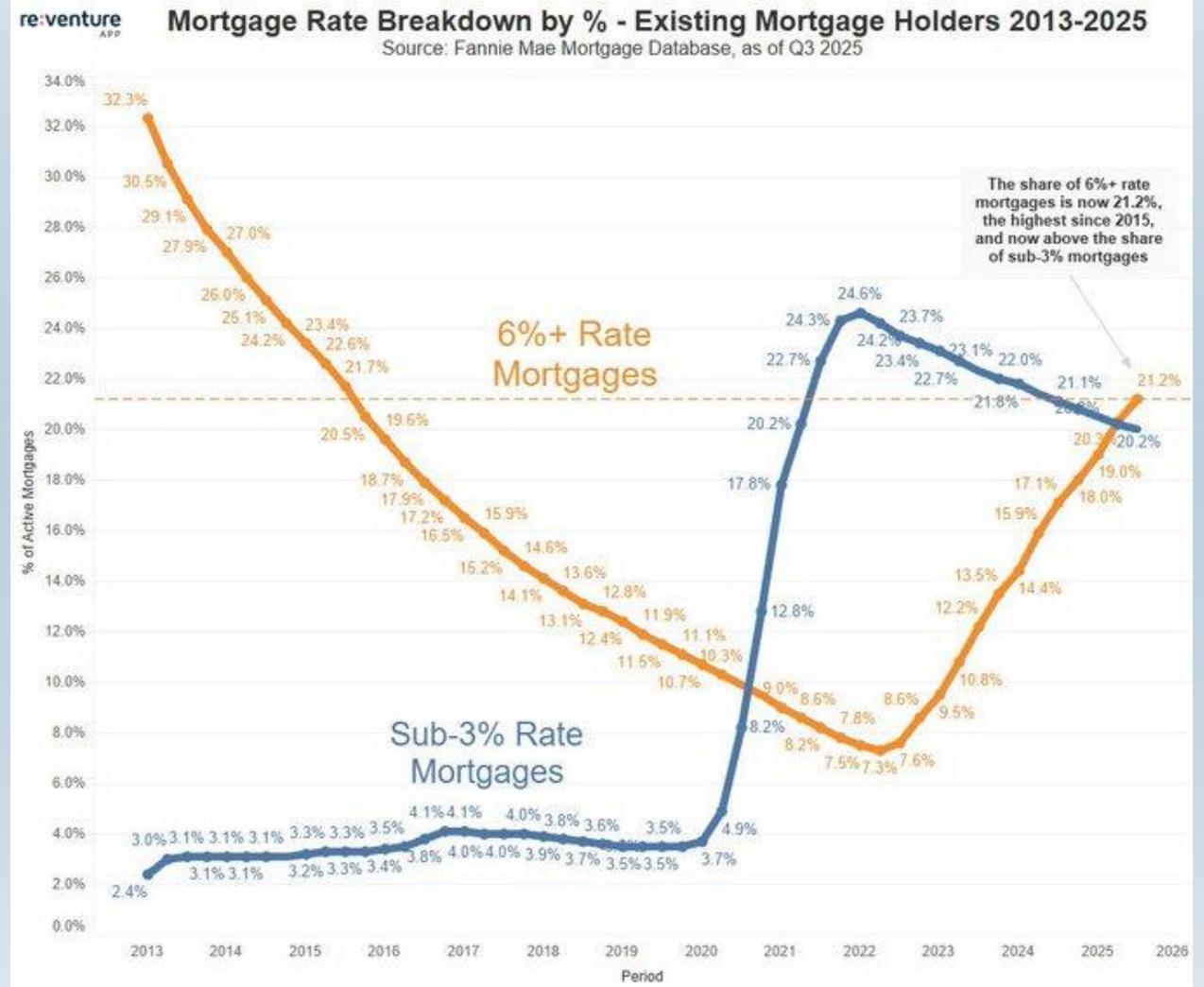
Mortgage Rates Dip Into the 5s

How quickly will buyers take advantage of improved affordability?



Source: Mortgage News Daily, Compass

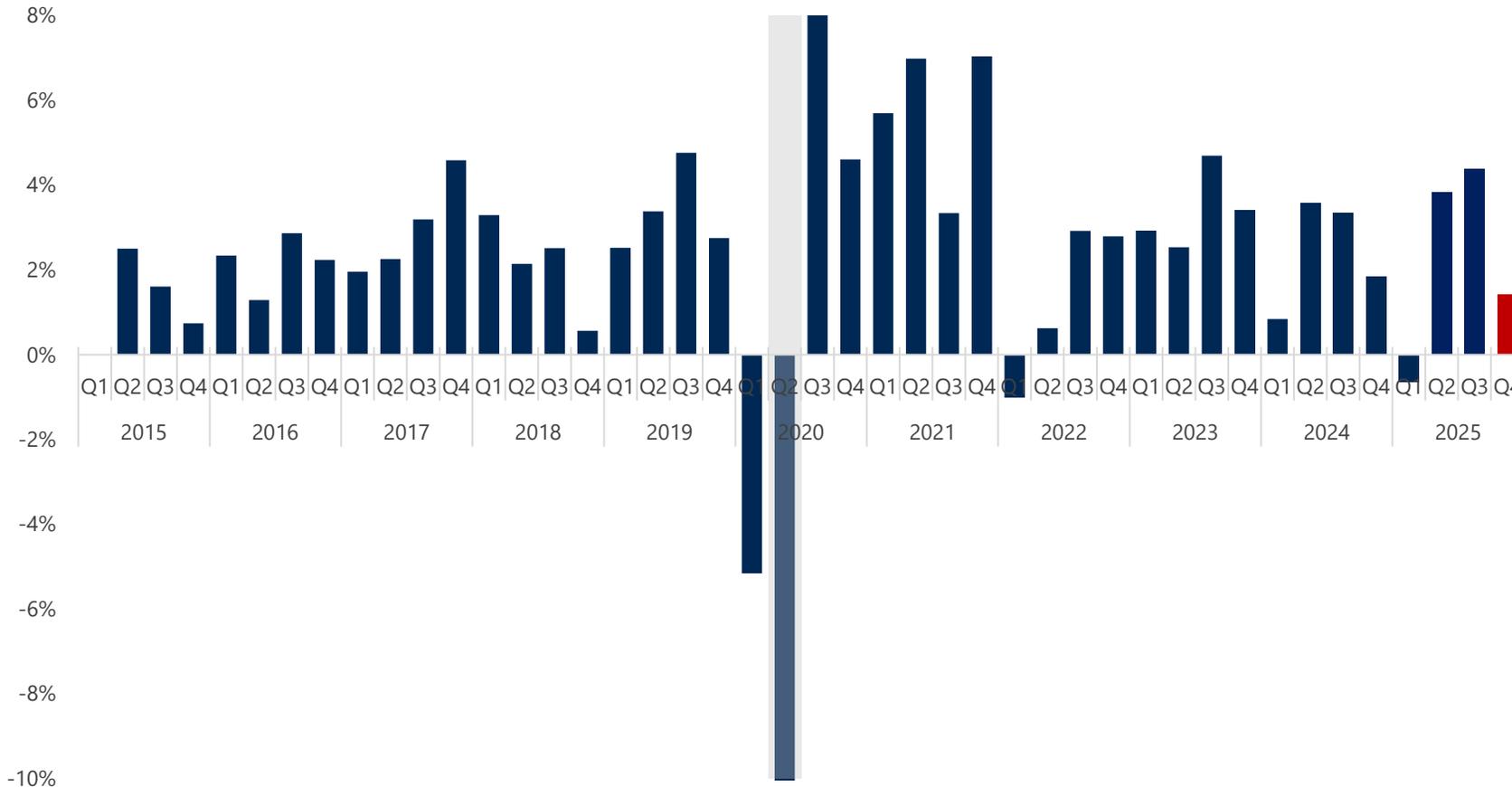
COMPASS



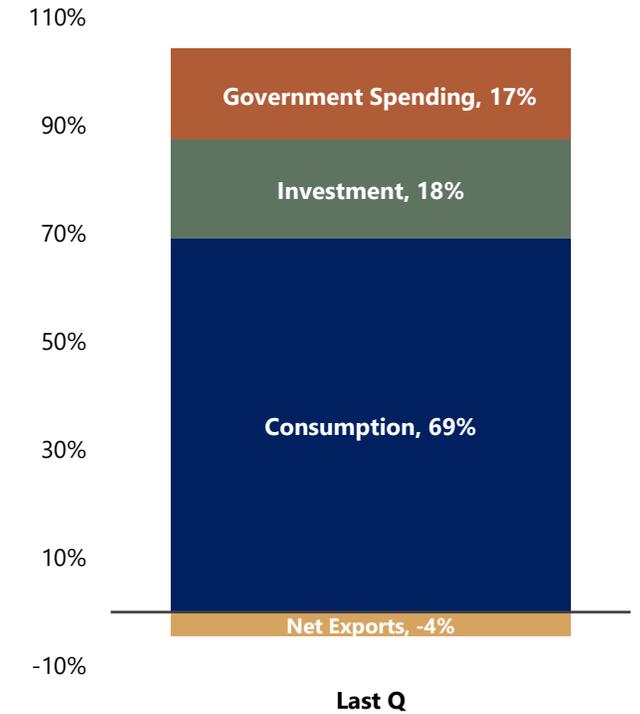
WJ State of the Economy

Q4 GDP Disappoints at 1.4%

Annualized Real Gross Domestic Product (GDP) % Chg

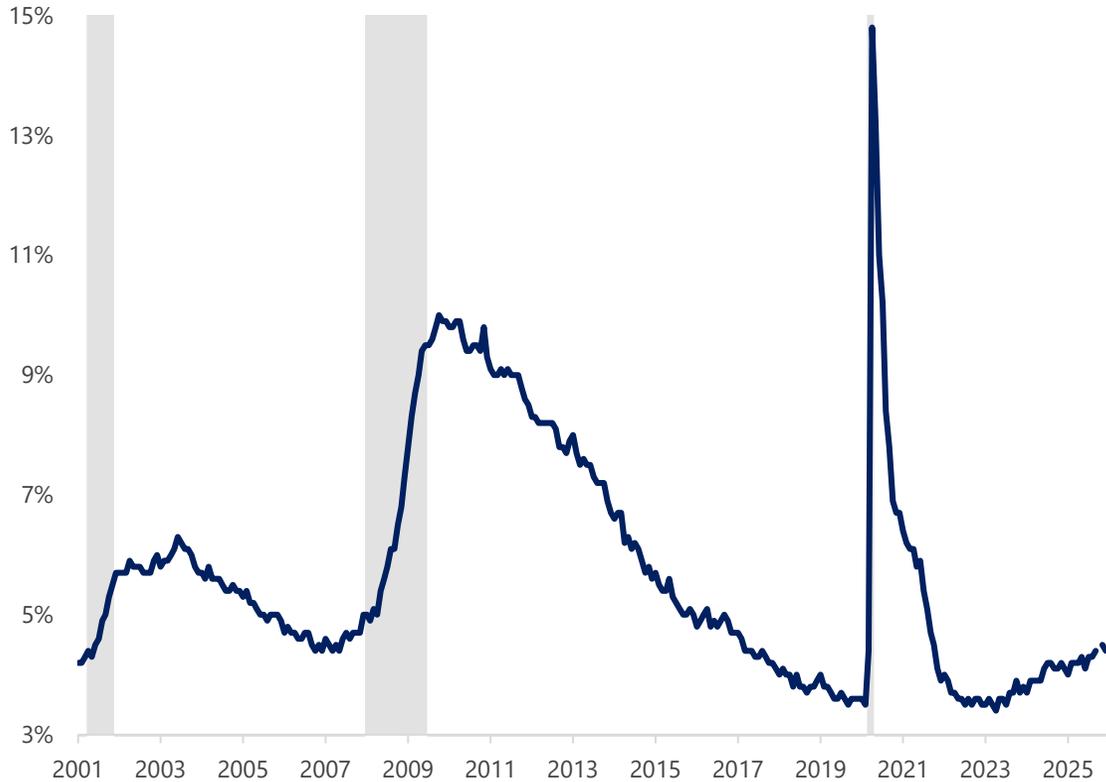


Components of GDP



Employment Slowly Weakening

Unemployment Rate

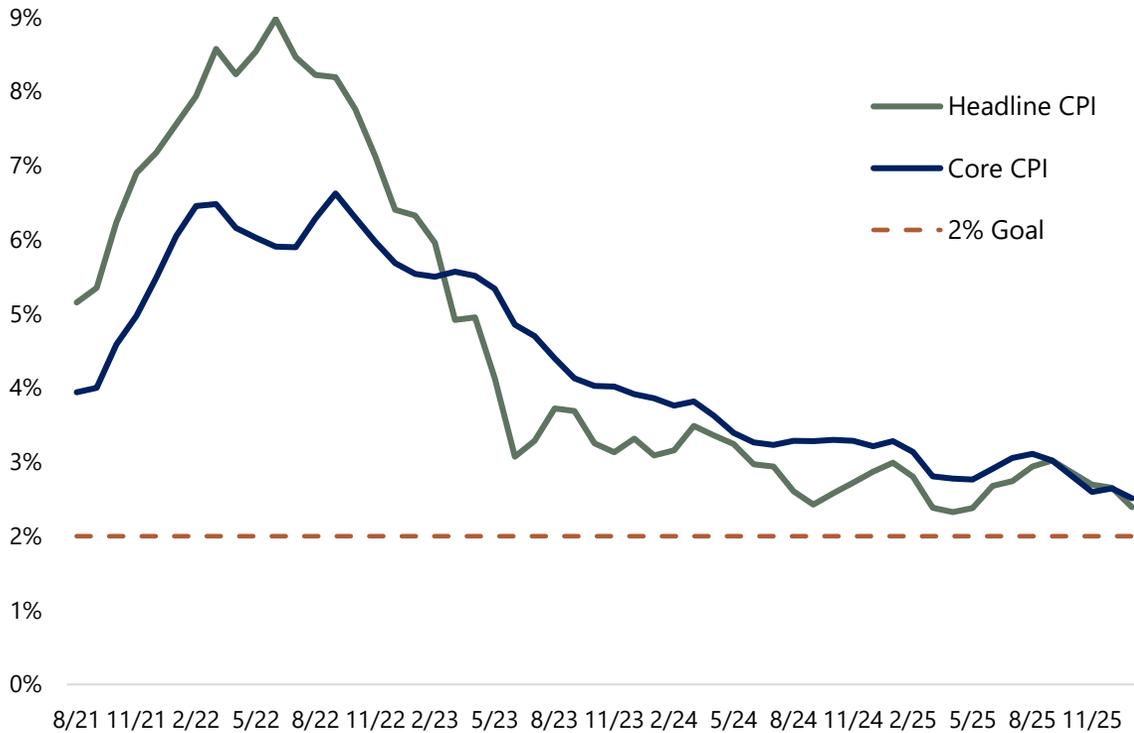


Job Opening per Seeker and Quits



CPI Warmer than Expected

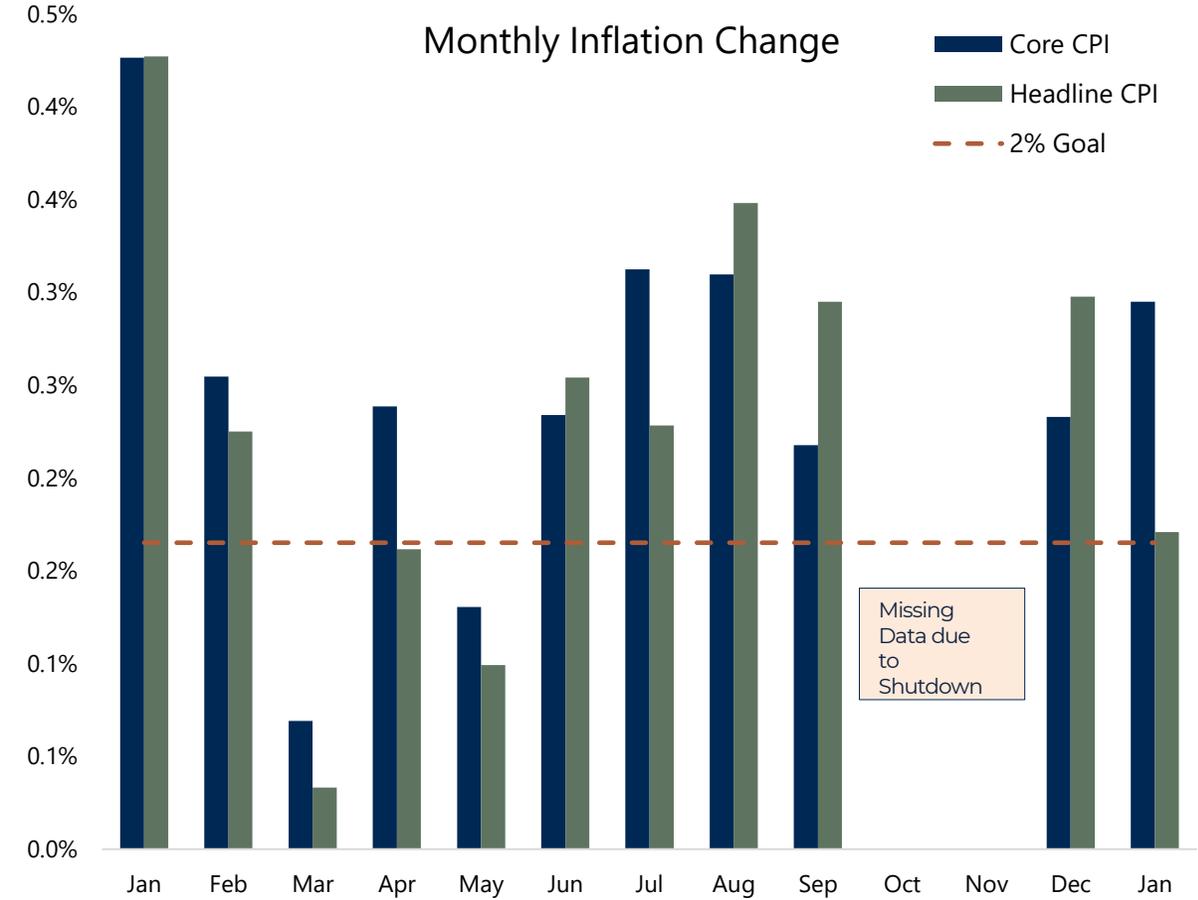
Annual Inflation Change



CPI is cooling but will be a bit distorted until after May. Housing costs are input 6 months at a time, and due to the shutdown, no prices were collected in October or November. Rather than omitting the number or using old data, they input 0% price change, which will artificially lower CPI for 6 months.

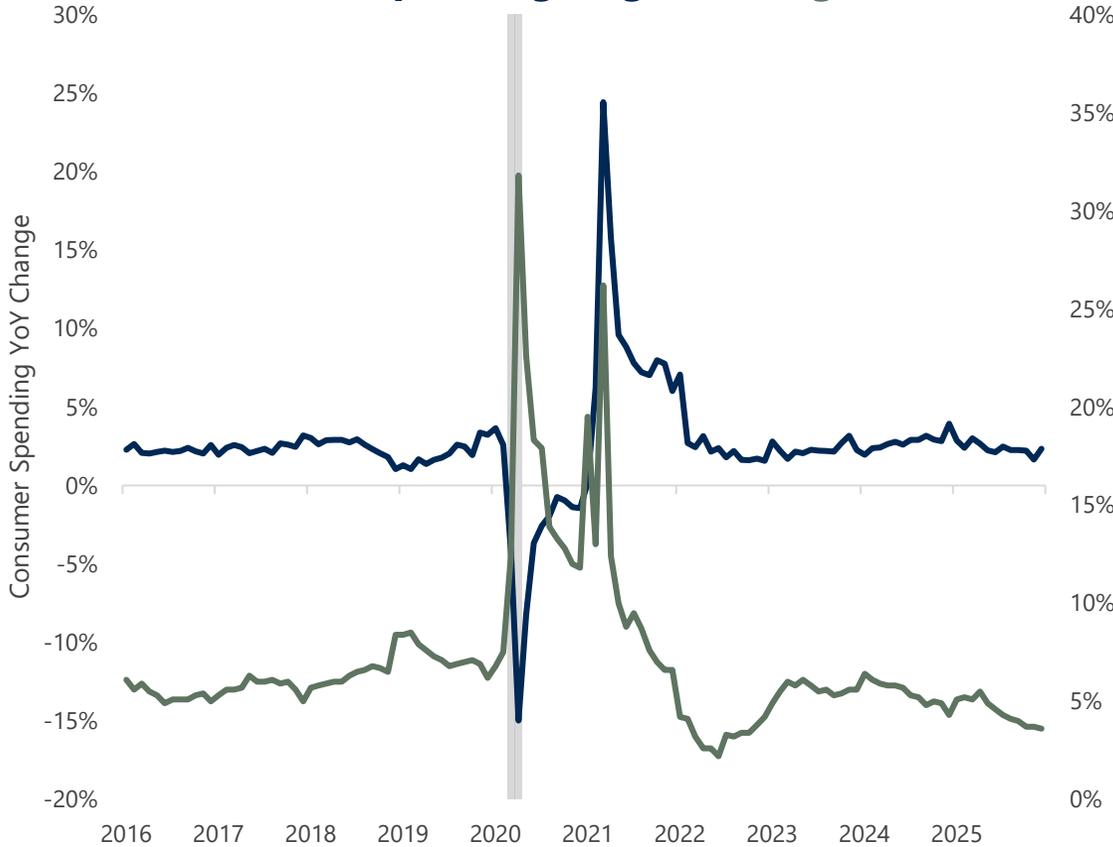
Source: Federal Reserve Economic Database (FRED). Consumer Price Index. Annual CPI Forecasts are made by WJ using past month over month CPI data and extrapolating forward with different growth rates.

Monthly Inflation Change

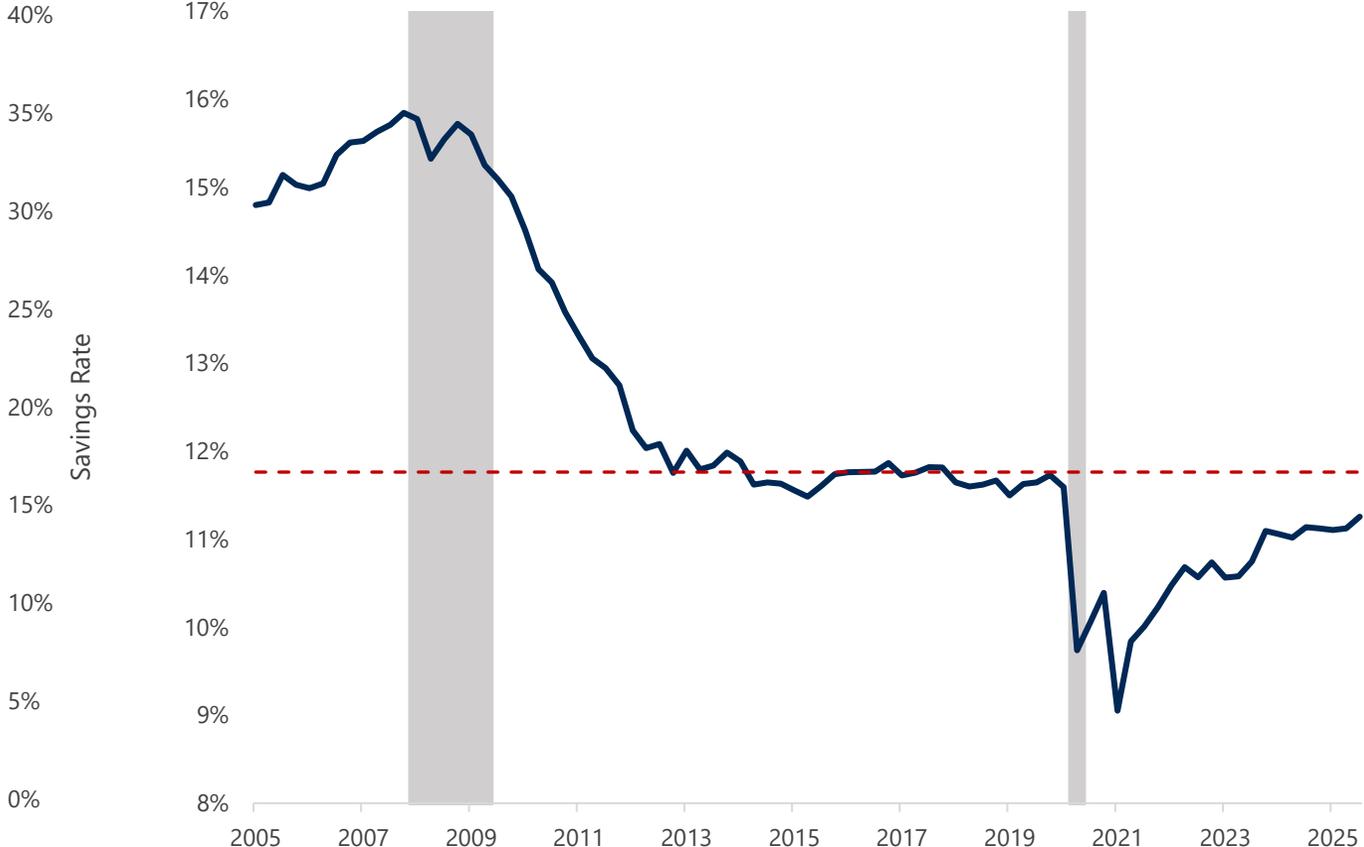


Consumer is Still Strong

Consumer Spending Chg vs Savings Rate



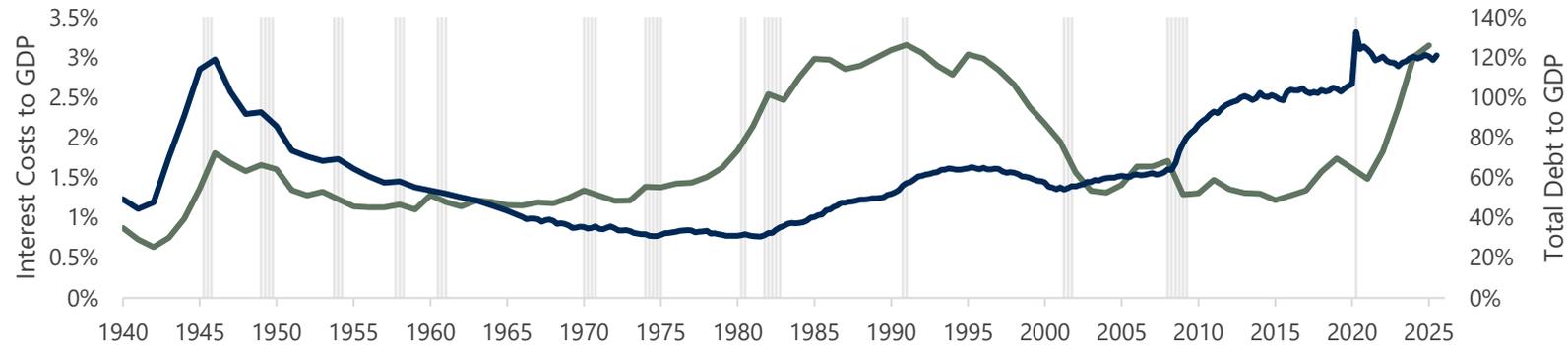
Household Debt Service Payments as % of Income



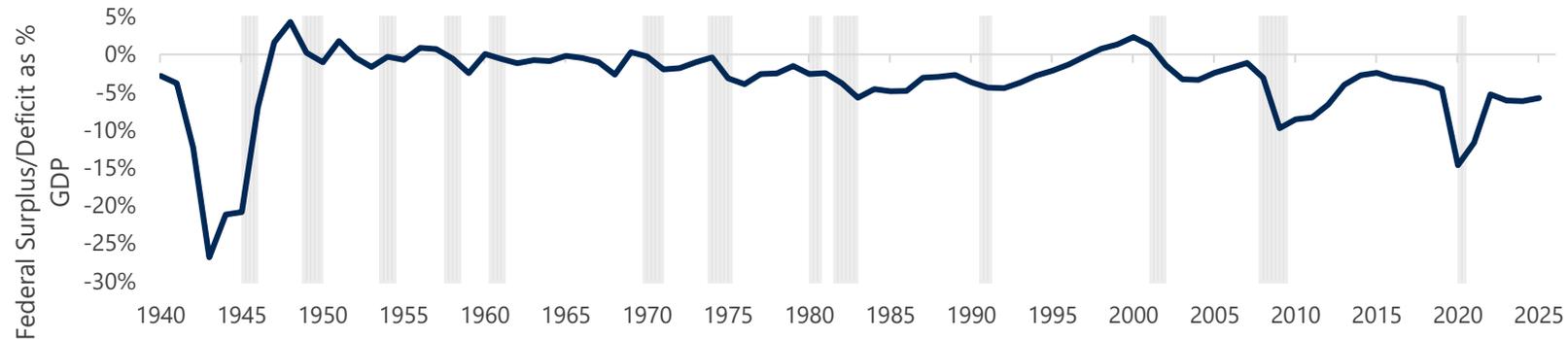
Source: Federal Reserve Economic Database (FRED). Personal Saving Rate plus Real Personal Consumption Expenditures (left) and Household Debt Service Payments as a Percent of Disposable Personal Income (right). Recessions from NBER based Recession Indicators for the United States from the Period following the Peak through the Trough

Interest Costs and the Deficit Rising

Gov't Interest/GDP and Gov't Total Debt/GDP



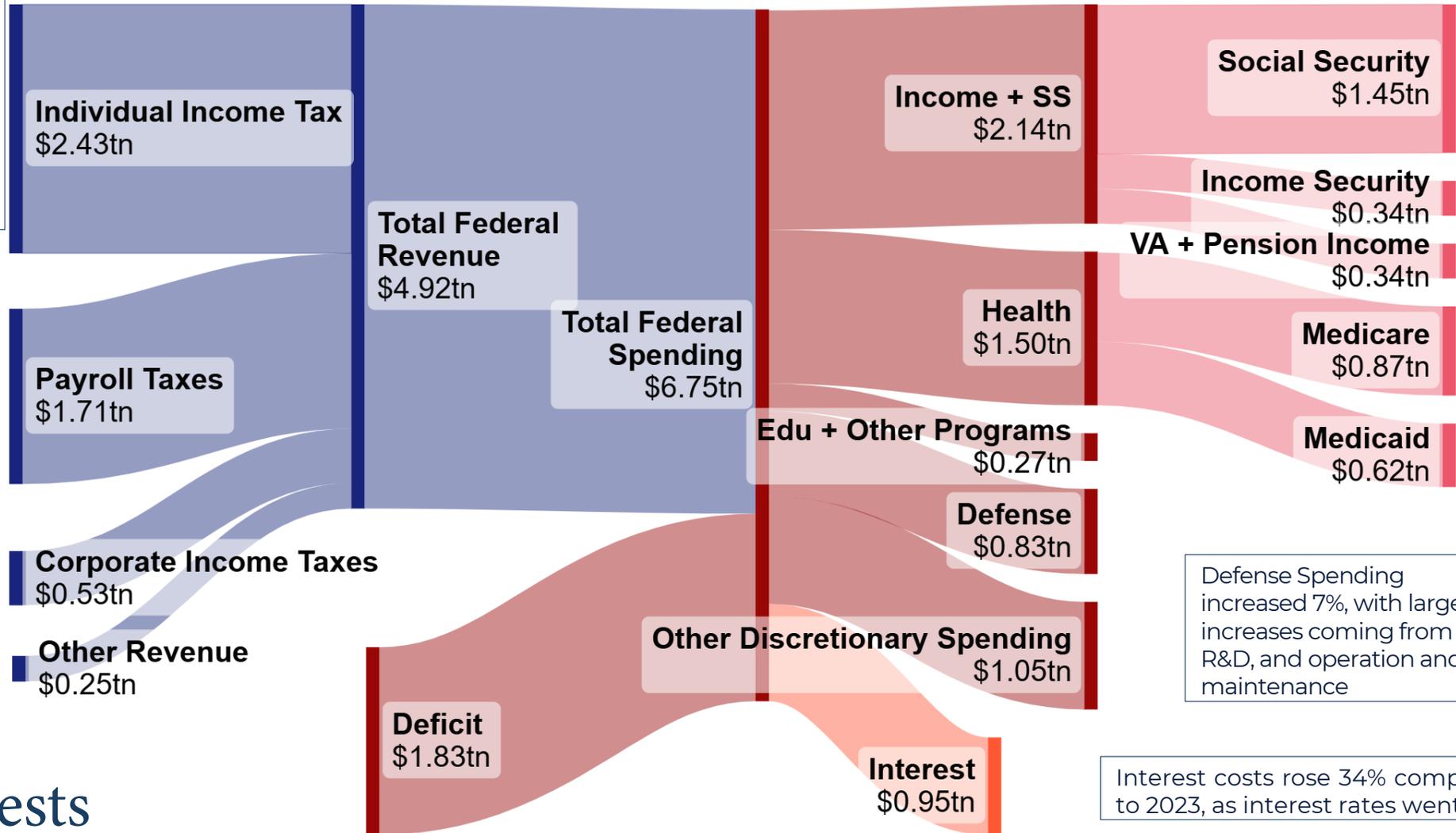
Federal Budget Surplus/Deficit



Government Expenditures 2024

This is an in depth look at how the US makes and spends money. On the spending side, the top 3 categories are known as “mandatory spending” and are unable to change without major reform. That leaves “Defense” and “Other Discretionary Spending” as the two categories congress can change on any year.

Total Receipts were up 11% in fiscal year 2024 compared to 2023. Most of these came from higher income tax receipts, and deferrals from 2023 that were paid in 2024.



Total Outlays were up 10% in fiscal year 2024 compared to 2023

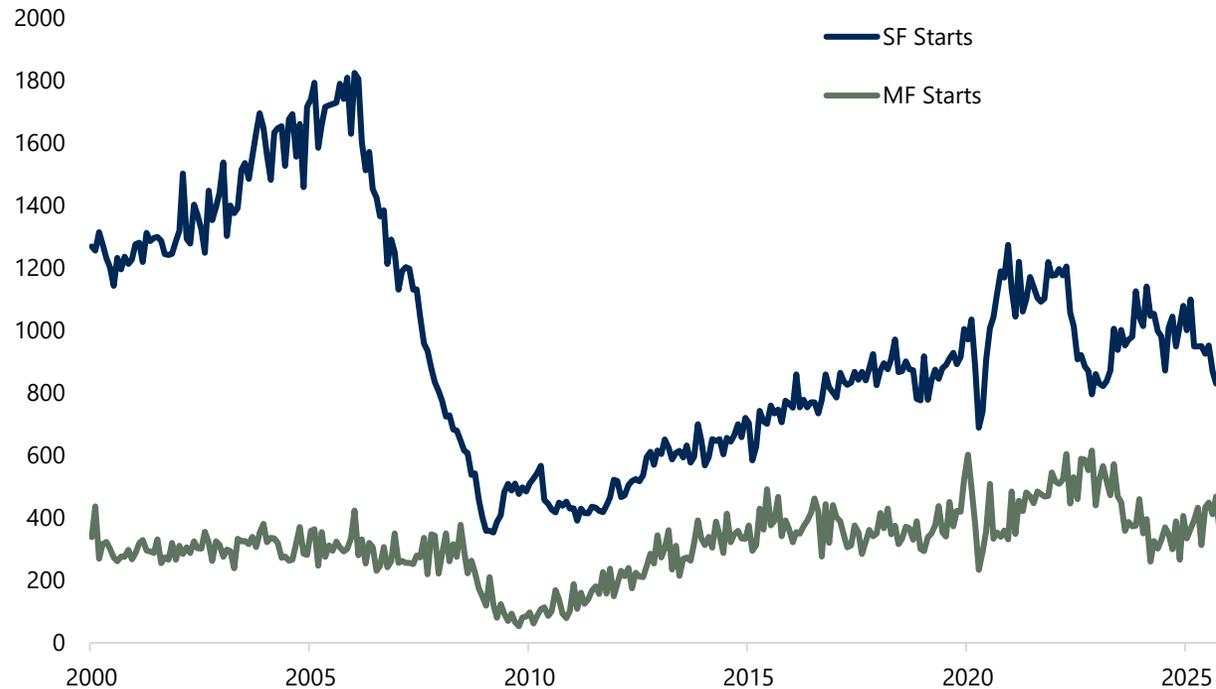
SS and Medicare rose 8% and 9% respectively, due to cost of living adjustments and more beneficiaries.

Defense Spending increased 7%, with largest increases coming from R&D, and operation and maintenance

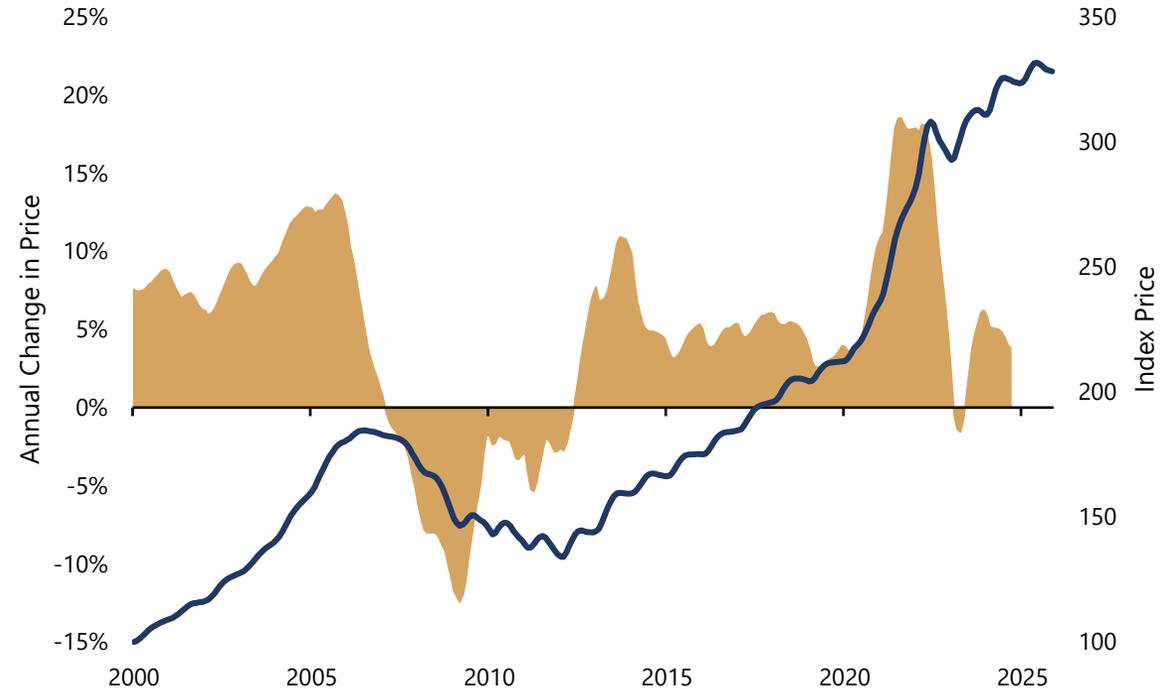
Interest costs rose 34% compared to 2023, as interest rates went up.

Housing Prices Have Stalled

Housing Starts and Completes



Home Prices

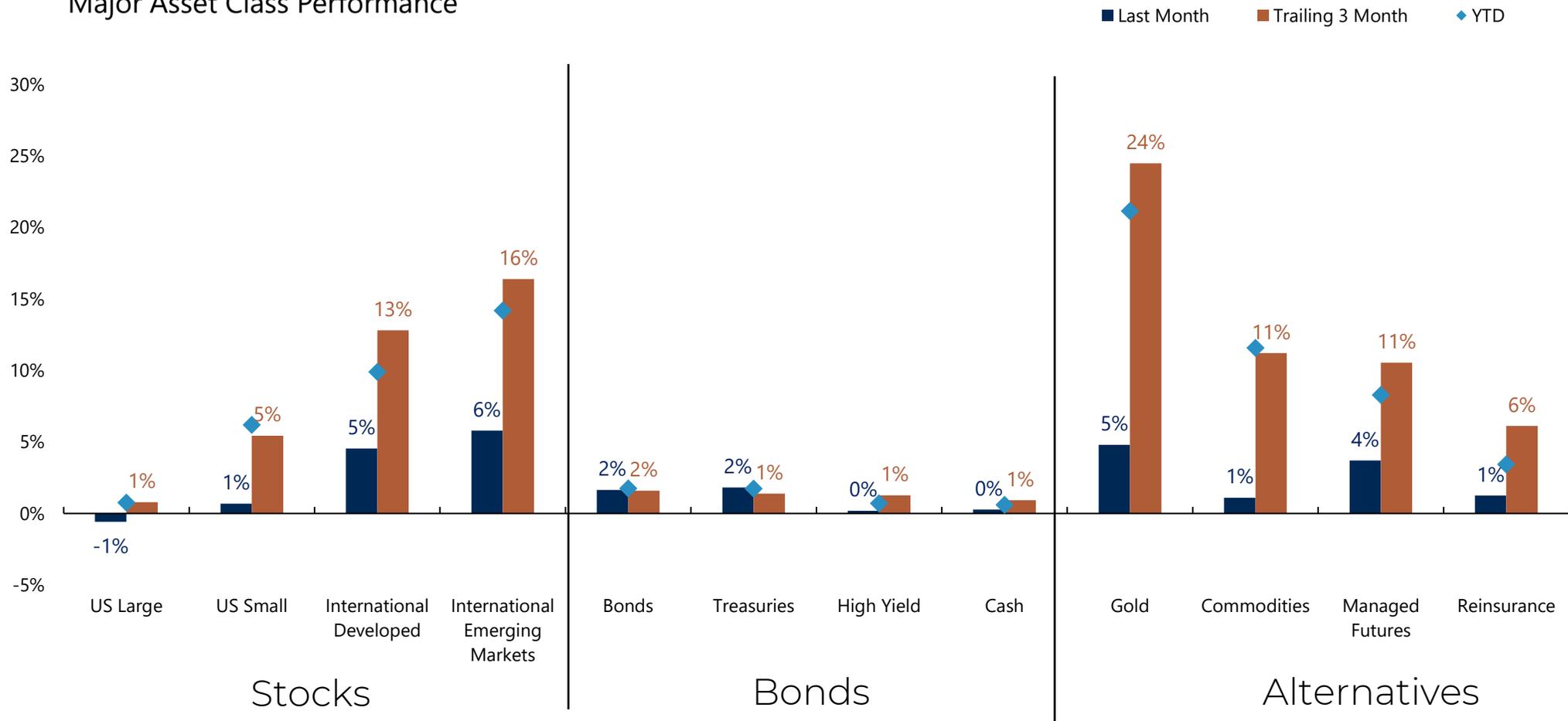


A housing start is the beginning of construction on a new residential housing unit and indicates how much new housing supply is on the horizon. On the right we show home prices over time, as well as the annual rate of change. Prices surged in 2021-2022 but have stopped growing altogether. What they do next will depend on how much pent-up demand there is, and how much housing we build going forward. Note of how significantly starts dropped after the 2008 crisis, and led to the undersupply we have today.

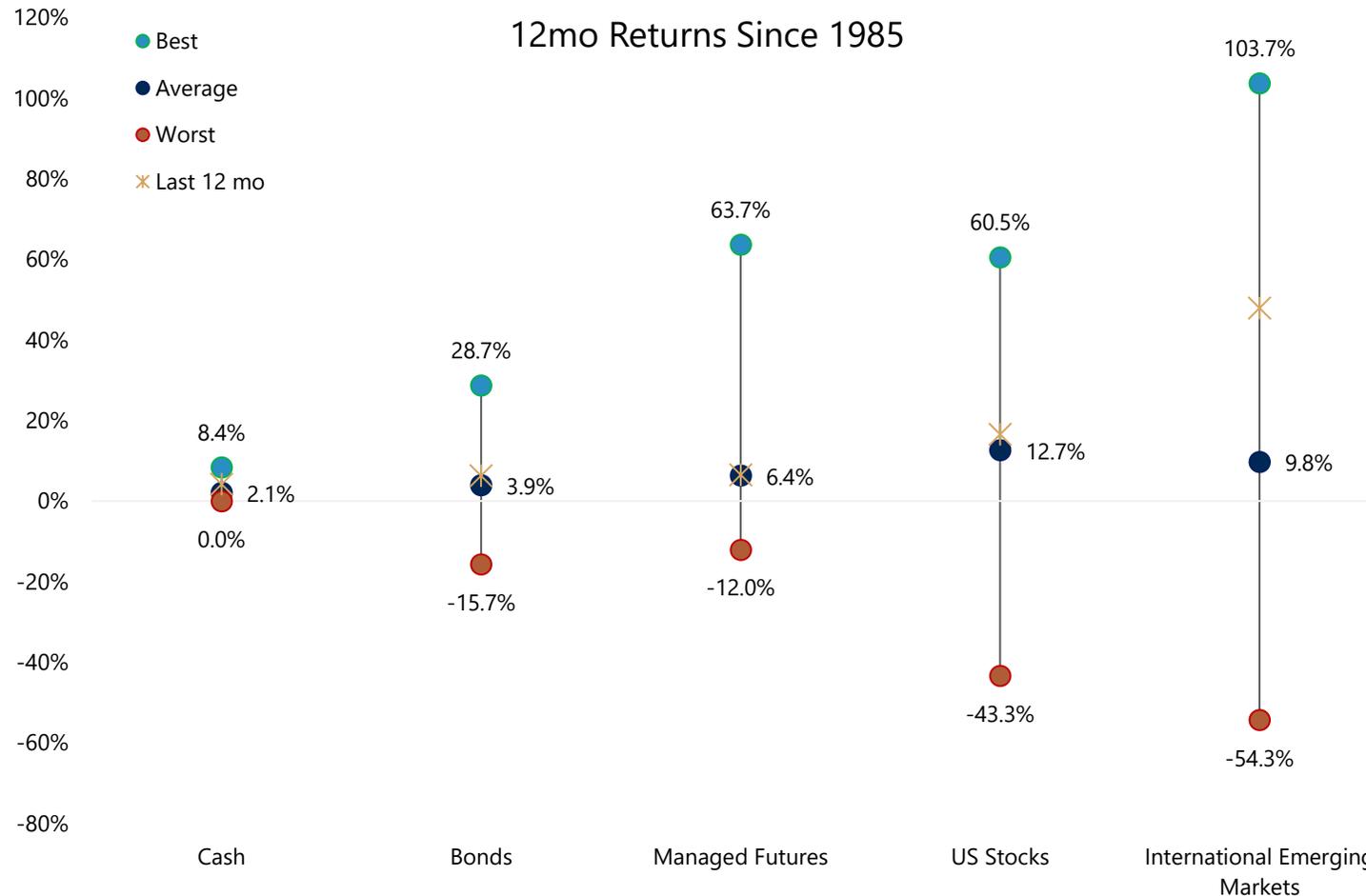
WJ State of the Markets

Alts and International Stocks Surge

Major Asset Class Performance



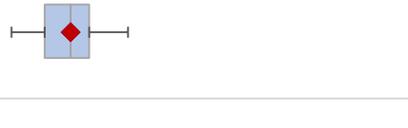
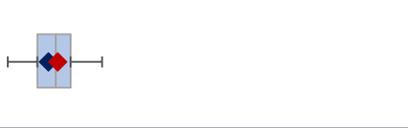
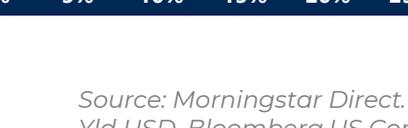
Historical Asset Class Return Range

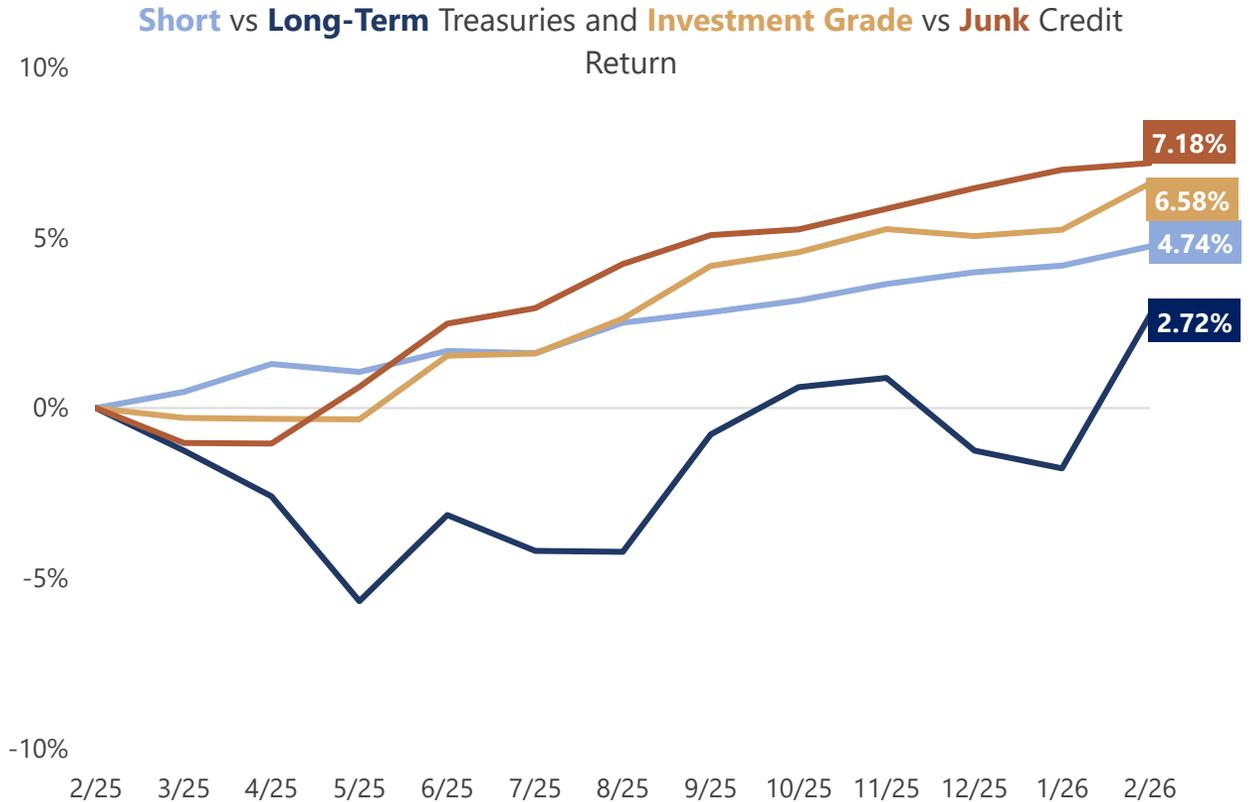


This chart shows the range of 12 month returns historically, by asset class. As you'd expect, the riskier investment leads to a greater potential gain, as well as loss.

The X on the line represents the last 12 months.

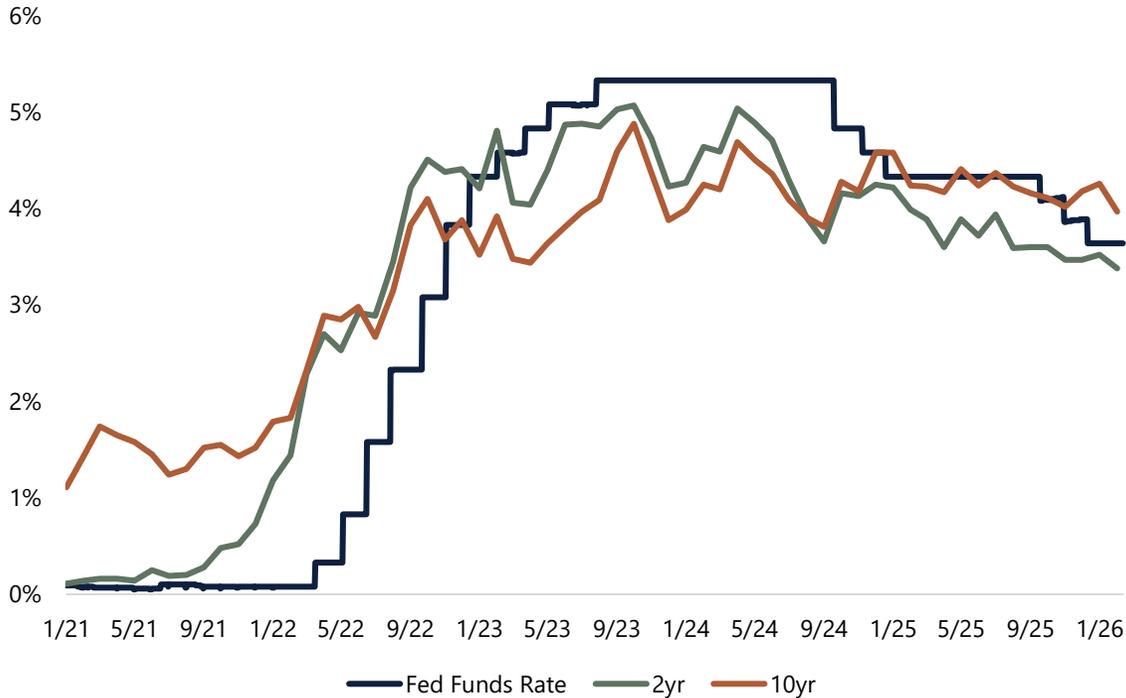
Yields Down, Bond Prices Up

Bond Type	Yield (%)			Yield History
	Last Month	Last Year	Change	
ST Treasury	3.42	3.93	-0.51	
LT Treasury	4.68	4.66	0.02	
Investment Grade	4.73	5.15	-0.42	
High-Yield	6.71	7.73	-1.02	
Mortgage-Backed	4.38	4.92	-0.54	
Municipal Bonds	3.29	3.85	-0.56	

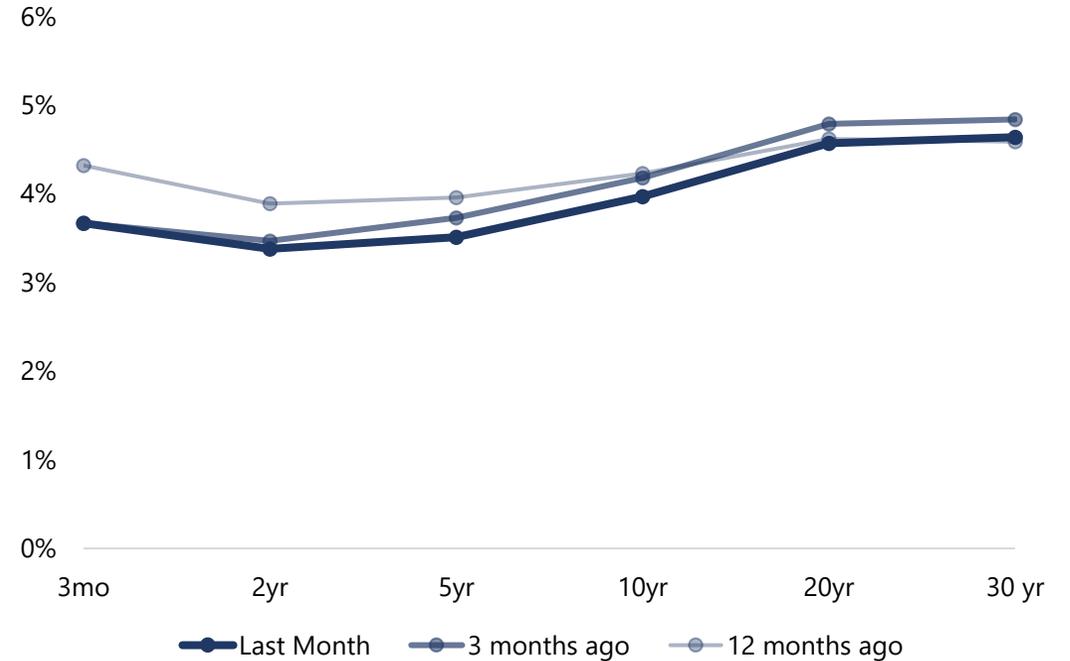


Interest Rates Fall in February

Key Treasury Yields



Treasury Yield Curve

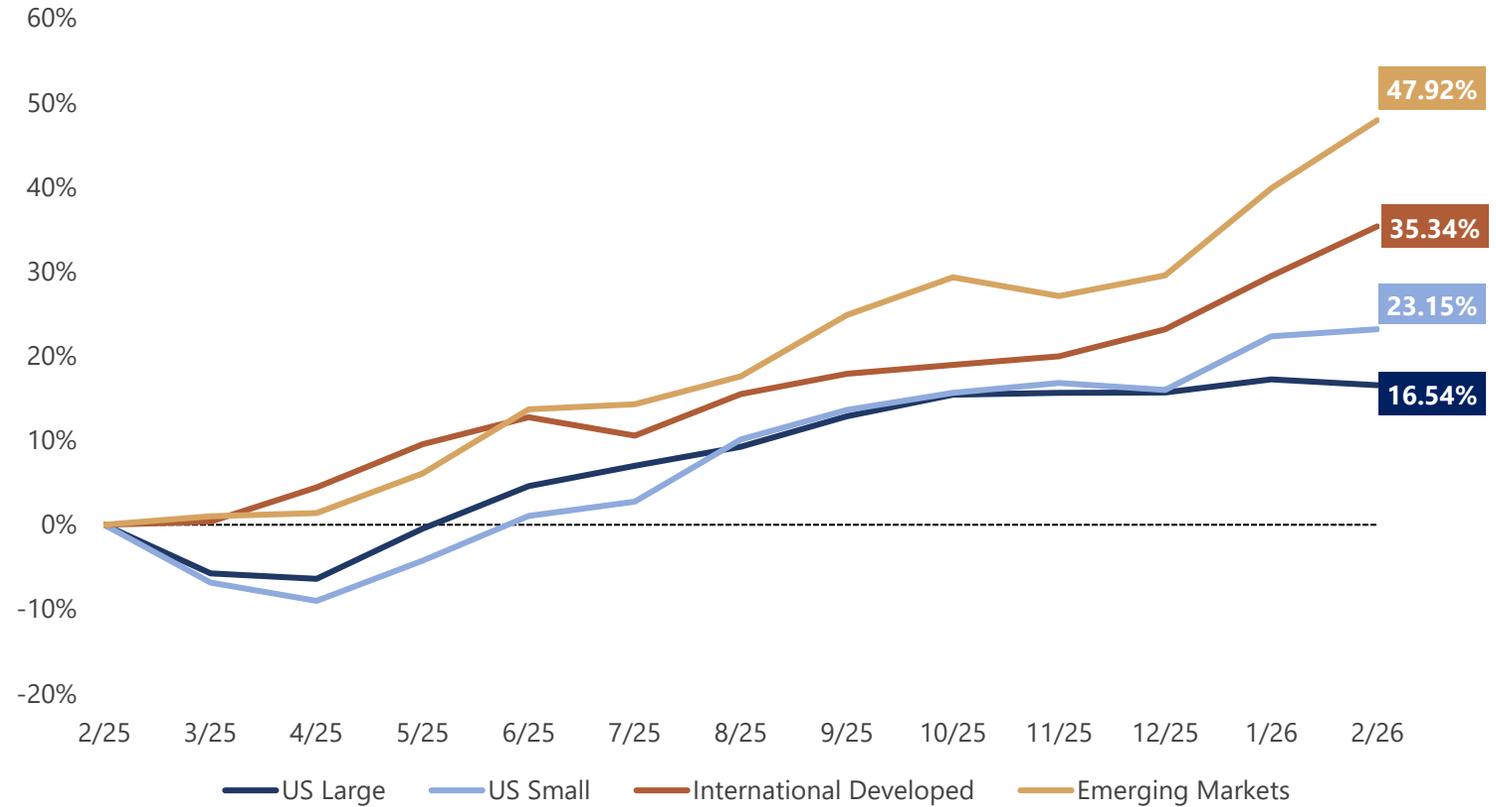


	3mo	2yr	5yr	10yr	20yr	30 yr
Last Month	3.7%	3.4%	3.5%	4.0%	4.6%	4.6%
3 months ago	3.7%	3.5%	3.7%	4.2%	4.8%	4.8%
12 months ago	4.3%	3.9%	4.0%	4.2%	4.6%	4.6%

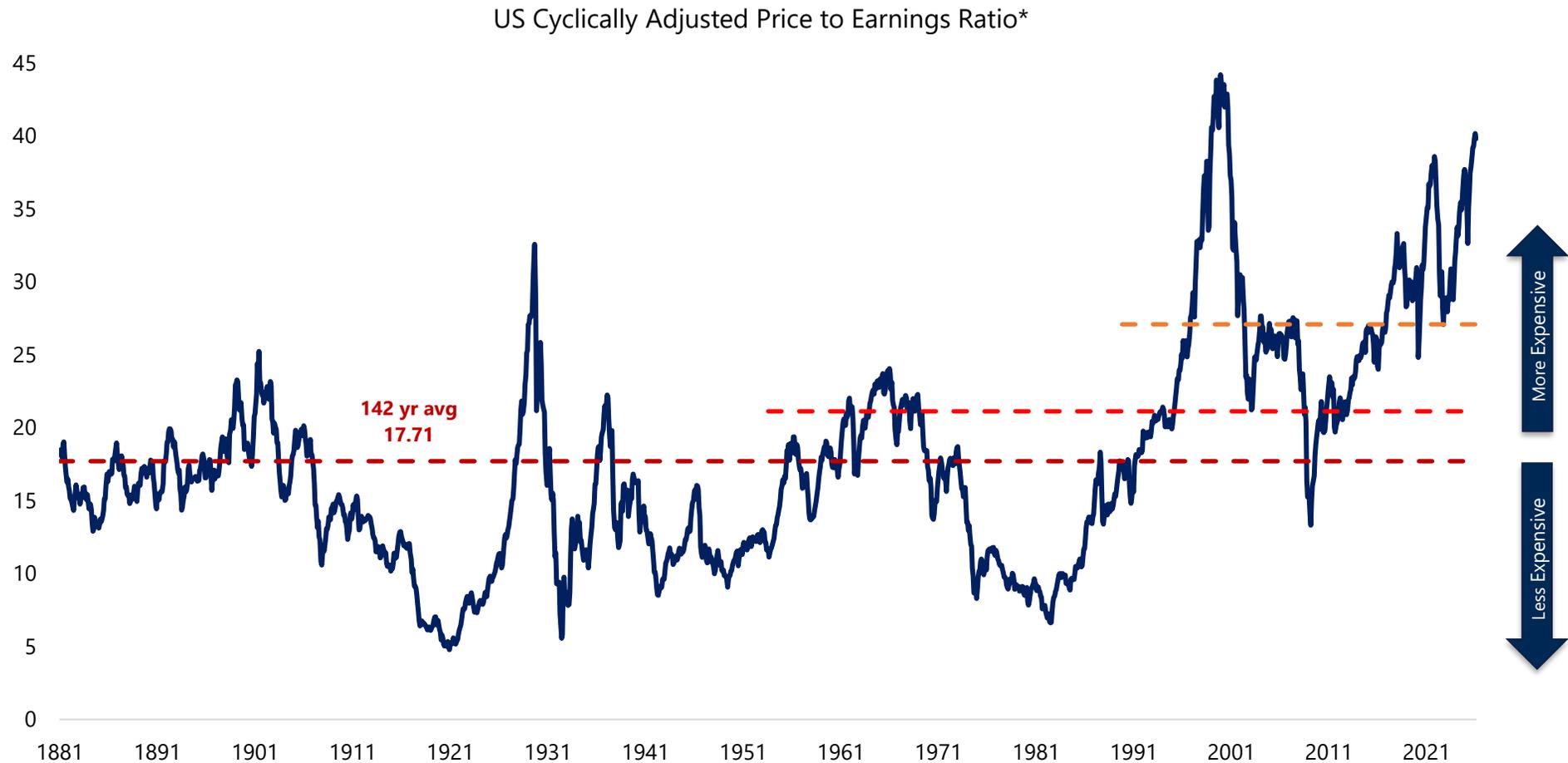
International and Value Stocks Running Away

	Stock Type	Last Month	Last 3 Months	Last 12 Months
Core	US Large	-0.6%	0.8%	16.5%
	US Small	0.7%	5.4%	23.2%
	International Developed	4.5%	12.8%	35.3%
	International Emerging	5.8%	16.4%	47.9%
Other	US Value	2.6%	8.0%	18.2%
	US Growth	-3.4%	-5.4%	14.6%
	Nasdaq	-2.3%	-1.8%	20.1%

US vs International Stock Performance



US Stock Valuations Near Tech Bubble Highs

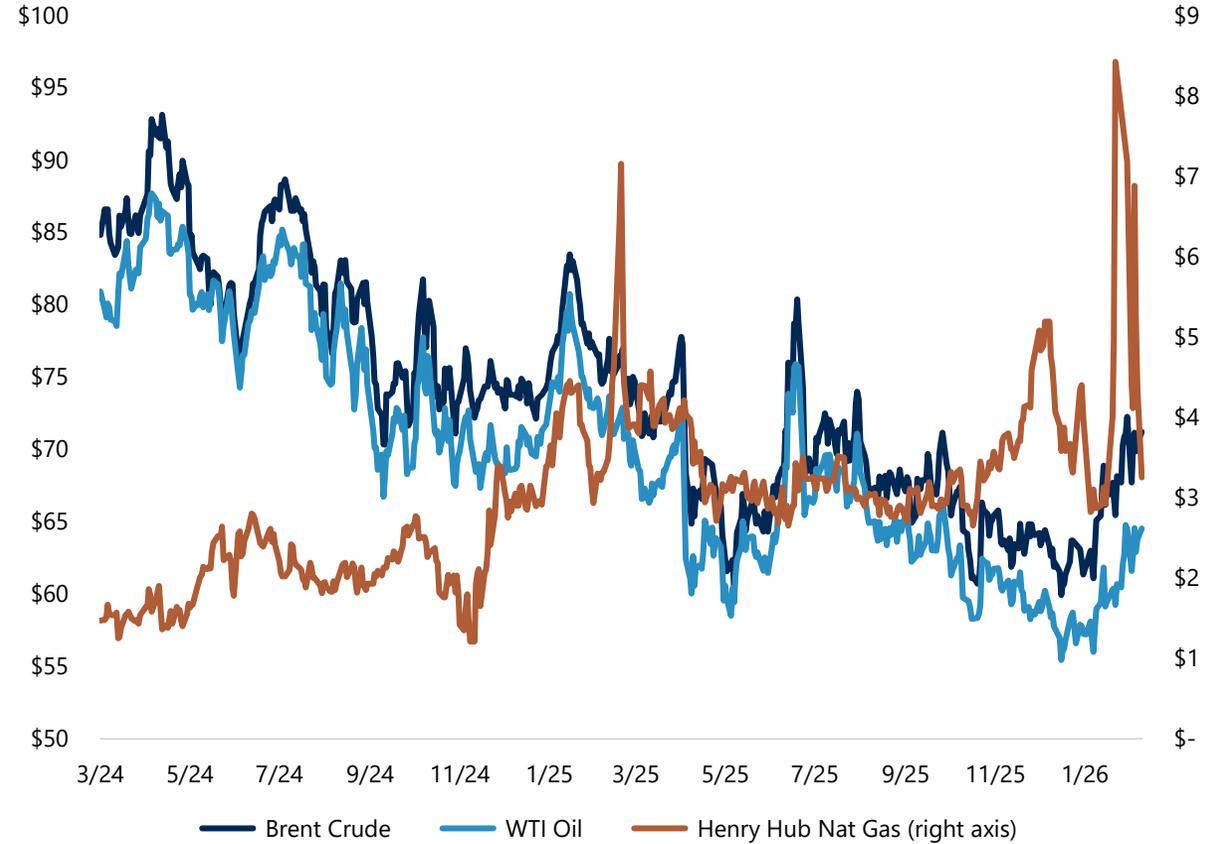


Oil Breaking Higher

Bloomberg Commodity Index



Energy Prices



Periodic Table of Asset Class Returns



											Through Last Month End 2/28/2026	
2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	5 Yr	10 Yr
US Small Stock 22%	Intl Emerging Stk 37%	Cash 2%	US Large Stock 31%	US Large Stock 21%	US Large Stock 26%	Trend Following 22%	Reinsurance 44%	Reinsurance 31%	Intl Emerging Stk 33%	Intl Emerging Stk 14%	Reinsurance 21%	US Large Stock 15%
US Large Stock 12%	Intl Developed Stk 27%	Bonds 0%	US Small Stock 25%	US Small Stock 20%	US Small Stock 15%	Reinsurance 3%	US Large Stock 26%	US Large Stock 24%	Intl Developed Stk 32%	Intl Developed Stk 10%	US Large Stock 13%	Intl Emerging Stk 11%
Intl Emerging Stk 10%	US Large Stock 22%	US Large Stock -5%	Intl Developed Stk 23%	Intl Emerging Stk 18%	Intl Developed Stk 12%	Cash 2%	Intl Developed Stk 18%	TAA 12%	Reinsurance 30%	TAA 9%	Intl Developed Stk 10%	US Small Stock 11%
Reinsurance 6%	TAA 19%	Reinsurance -6%	TAA 20%	Moderate Blended Port 13%	Moderate Blended Port 11%	Bonds -12%	US Small Stock 17%	US Small Stock 11%	Moderate Blended Port 18%	Trend Following 7%	TAA 9%	Intl Developed Stk 10%
Moderate Blended Port 6%	Moderate Blended Port 17%	Moderate Blended Port -7%	Moderate Blended Port 20%	Intl Developed Stk 8%	TAA 10%	TAA -12%	Moderate Blended Port 17%	Moderate Blended Port 10%	US Large Stock 17%	US Small Stock 6%	Moderate Blended Port 8%	Moderate Blended Port 9%
TAA 5%	US Small Stock 15%	TAA -8%	Intl Emerging Stk 18%	Reinsurance 7%	Trend Following 5%	Moderate Blended Port -15%	Intl Emerging Stk 12%	Intl Emerging Stk 7%	TAA 16%	Moderate Blended Port 5%	Intl Emerging Stk 7%	Reinsurance 9%
Intl Developed Stk 2%	Bonds 5%	US Small Stock -11%	Bonds 8%	Bonds 7%	Cash 0%	Intl Developed Stk -15%	TAA 12%	Cash 5%	US Small Stock 13%	Reinsurance 3.4%	US Small Stock 4%	TAA 8%
Bonds 1%	Trend Following 2%	Trend Following -13%	Trend Following 4%	Trend Following 3%	Bonds -1%	US Large Stock -19%	Bonds 6%	Intl Developed Stk 3%	Bonds 7%	Bonds 1.8%	Trend Following 4%	Cash 2%
Cash 0%	Cash 1%	Intl Developed Stk -14%	Cash 2%	Cash 0%	Intl Emerging Stk -1%	Intl Emerging Stk -20%	Cash 5%	Trend Following 3%	Cash 4%	US Large Stock 0.8%	Cash 3%	Bonds 2%
Trend Following -6%	Reinsurance -11%	Intl Emerging Stk -15%	Reinsurance -4%	TAA -2%	Reinsurance -5%	US Small Stock -20%	Trend Following -3%	Bonds 1%	Trend Following -4%	Cash 0.6%	Bonds 1%	Trend Following 0%

Disclaimer

PAST PERFORMANCE IS NOT A GUARANTEE OF CURRENT OR FUTURE RESULTS. Examples of historical information included in this presentation do not, nor are they intended to, constitute a promise of similar future results. Specific client portfolio allocations, risks and returns can and may deviate from these examples depending on accounts and types of investments available through each account. Future market views by WJ Interests, LLC may vary significantly from the historical examples presented herein and no one receiving this summary should assume that WJ Interests, LLC will be able to replicate successful views in the future.

Moderate Blended Portfolio is for illustrative purposes only. It is calculated by taking a weighted average of the following asset classes and represents a moderate risk portfolio incorporating leverage and the asset classes in the table:

27%	US Large Stock: iShares Russell 1000 (IWB)
6%	US Small Stock: iShares Russell 2000 (IWM)
21%	Intl Developed Stock: iShares Core MSCI EAFE (IEFA)
6%	Intl Emerging Stock: iShares Core MSCI Emerging Markets (IEMG)
40%	Bonds: Vanguard Total Bond Market (BND)
-15%	Cash: Morningstar USD 1M Cash TR USD
5%	Reinsurance: Stone Ridge Reinsurance Fund (SRRIX)
5%	Managed Futures: SG Trend Index, PIMCO Trends (PQTIX), Virtus Alphasimplex (ASFYX), Standpoint (BLNDX)
5%	TAA: GMO Benchmark Free (GBMIX) and Strategy Shares Nwfn/Rslv Rbt ETF (ROMO)

Assumes annual rebalancing. All data represents total return for stated period.