

WEEKLY ECONOMIC UPDATE MARCH 9, 2026

Stocks fell last week as investors assessed the implications of a fresh Middle East conflict while digesting mixed reports on the jobs market.

The Standard & Poor's 500 Index fell 2.02 percent, while the Nasdaq Composite Index slid 1.24 percent. The Dow Jones Industrial Average declined 3.05 percent. The MSCI EAFE Index, which tracks developed overseas stock markets, lost 6.62 percent.^{1,2}

Middle East Conflict

Stocks opened lower on the first trading day as investors reacted to news of military action in the Middle East. However, the decline was short-lived as investors “bought the dip.” All three major averages recovered or nearly recovered from their intraday lows by Monday's close.³

Stocks opened lower again on Tuesday as the markets mulled over the possibility of a protracted conflict. However, afternoon comments from the White House—promising to provide risk insurance and U.S. Navy escorts to oil tankers and other maritime trade vessels in the Persian Gulf—seemed to calm investor nerves enough for stocks to partially recover before the close.⁴

Stocks opened higher at the opening bell on Wednesday, driven by a tech rebound and stabilized oil prices. News of stronger-than-expected private employer hiring from ADP boosted sentiment. By the closing bell, the S&P 500 and the Nasdaq were in the green for the week to date.⁵

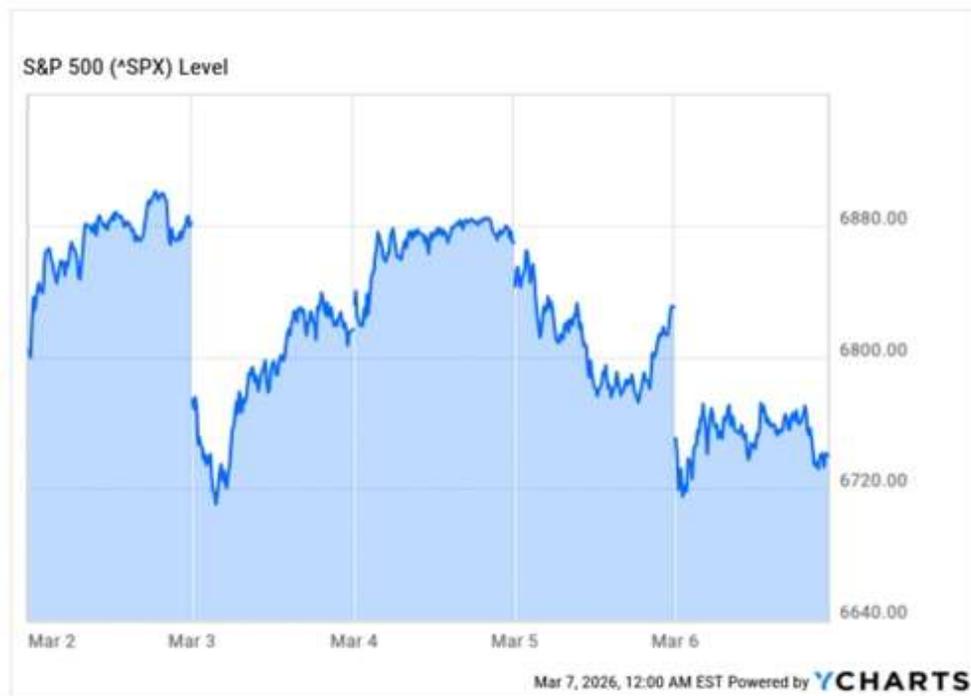
But markets were under pressure the rest of the week on concerns over a widening conflict. Stocks opened lower on Friday after the latest jobs report from the Bureau of Labor Statistics showed the economy unexpectedly lost 92,000 jobs last month. Meanwhile, news that some oil fields in the Middle East had begun to cut production amid dwindling storage capacity added new complexity to the ongoing conflict.^{6,7}

Weekly Market Insights (WMI)

Major Index Return Summary

Name	1M TR	YTD TR	1Y TR	5Yr TR
Nasdaq Composite	0.99%	-2.04%	23.40%	82.65%
S&P 500	0.59%	-0.01%	18.40%	91.22%
MSCI EAFE	-1.32%	3.37%	23.45%	61.37%
Dow Jones Industrial Average	-1.72%	0.08%	13.43%	67.57%

S&P 500 Daily Close



10-Year Note Review

Indicator Name	Latest Value	1M Ago	1M Change
Date		3M Ago	3M Change
		1Y Ago	1Y Change
10 Year Treasury Rate	4.15%	4.22%	-1.66% ▼
03/06/26		4.14%	0.24% ▲
		4.29%	-3.26% ▼

Focus On Oil

U.S. crude oil prices rose 36 percent—the biggest weekly gain since 1983. The conflict has brought tanker traffic in the Strait of Hormuz, a key shipping route for energy supplies, to a near standstill. Also, an ongoing concern is how insurance companies will adjust rates in the coming weeks due to heightened risks.⁸

This Week: Key Economic Data

Tuesday: NFIB Small Business Optimism Index. Existing Home Sales.

Wednesday: Consumer Price Index (CPI). Federal Budget.

Thursday: Weekly Jobless Claims. Trade Deficit. Housing Starts. Building Permits.

Friday: Gross Domestic Product (Q4—first revision). Personal Consumption & Expenditures Index* (Jan). Durable Goods* (Jan). Job Openings* (Jan). Consumer Sentiment.

Quote of the Week



"A mistake is only an error; it becomes a mistake when you fail to correct it"

- John Lennon

Of Note



The silver market has entered a period of extreme volatility as the March 2026 COMEX delivery season begins, fueled by a precarious imbalance between physical supply and paper demand. As of March 4, 2026, market participants are closely monitoring the CME Group (Nasdaq: CME) and its ability to facilitate the delivery of tens of millions of ounces of silver amidst dwindling registered inventories. Reports of a potential “supply squeeze” have intensified, raising questions about the stability of the existing pricing mechanism and the possibility of a systemic failure that could ripple through gold and credit markets.

The immediate implications are stark: with registered silver stocks hitting multi-year lows, the buffer between available inventory and delivery obligations has reached its thinnest level in exchange history. While the exchange has managed to avoid a formal default thus far through aggressive margin hikes and the introduction of cash-settled alternatives, the persistent backwardation in silver prices indicates a market desperate for physical metal. If the COMEX struggles to fulfill these delivery obligations, the resulting loss of confidence could trigger a significant revaluation of precious metals and a shift in price discovery away from Western futures markets.

The current crisis traces its roots to late 2025, when silver was officially added to the U.S. Critical Minerals List, recognizing its indispensable role in green energy and advanced electronics. This regulatory shift coincided with a significant decline in COMEX inventories. By the end of February 2026, registered

silver stocks—those specifically designated as available for delivery—fell to approximately 86.1 million ounces, a sharp 31% decline from levels seen only months prior. On the "First Notice Day" for the March contract, delivery notices were issued for 10,526 contracts, representing roughly 52.63 million ounces of silver.

This delivery demand represents more than 60% of the total registered inventory, leaving a dangerously small margin for error. The situation was further complicated by a massive price surge in January 2026, which saw silver touch an all-time high of \$121.62 per ounce. In response to the growing squeeze, the CME Group took the drastic step of raising margin requirements from 15% to 18% in mid-February. This move triggered a violent "leverage unwind," sending prices back toward the \$80 range, but it did little to alleviate the physical scarcity that continues to drive the March delivery cycle.

Key stakeholders, including major bullion banks and institutional investors, are now positioned on opposite sides of a high-stakes trade. While J.P. Morgan (NYSE: JPM) reportedly pivoted to a net long position in late 2025 to capitalize on the rising prices, other institutions such as HSBC (NYSE: HSBC), UBS (NYSE: UBS), and Barclays (NYSE: BCS) have remained under pressure with significant net short exposures. Rumors of "cash-for-delivery" incentives—where the exchange offers cash bonuses to traders to close their positions rather than taking physical metal—have only added to the sense of a market operating at its absolute limit.

On the investment side, the struggle for physical metal has highlighted the structural differences between various exchange-traded products. The iShares Silver Trust (NYSEARCA: SLV), the world's largest silver ETF, has faced renewed scrutiny over its ability to source physical metal during periods of extreme demand. Conversely, the Sprott Physical Silver Trust

(NYSEARCA: PSLV), which holds fully allocated physical silver, has frequently traded at a premium to its Net Asset Value (NAV) as investors seek "safe haven" exposure that guarantees physical backing.

Financial institutions with heavy short exposure are the most vulnerable in this scenario. If physical delivery demands exceed the available registered supply, these banks—including Citigroup and Bank of America—could face multi-billion dollar losses as they are forced to cover positions in a skyrocketing market. The potential for a "short squeeze" of this magnitude poses a systemic risk, as the interconnectedness of these banks could lead to liquidity constraints in the wider credit markets if collateral values for silver contracts are called into question.

The current delivery stress at the COMEX is not merely a technical anomaly; it represents a fundamental shift in the global silver market. For decades, silver was treated primarily as a financial asset or "poor man's gold," with price discovery dominated by paper futures contracts. However, the implementation of strict export controls on refined silver by China on January 1, 2026, has severed traditional arbitrage routes. This has led to a persistent premium of \$8 to \$13 per ounce on the Shanghai Gold Exchange (SGE) compared to New York prices, drawing physical metal away from Western vaults toward Asian hubs.

Historically, the silver market has seen similar squeezes, most notably the Hunt Brothers era and the retail-driven "Silver Squeeze" of 2021. However, the 2026 crisis is differentiated by the strategic nature of the metal's industrial demand. With silver now classified as a critical mineral, industrial users are increasingly bypassing futures exchanges to secure long-term supply directly from miners. This "disintermediation" of the COMEX reduces the pool of metal available for financial settlement, exacerbating the current inventory crunch.

Furthermore, any failure of the COMEX to deliver could have a "contagion" effect on the gold market. Because silver and gold often trade in tandem and are held by the same bullion banks, a crisis in one can lead to forced liquidations in the other. If the silver pricing mechanism is perceived to be broken, the broader credibility of fiat-based credit markets and paper-settled commodity exchanges could be severely undermined, leading to a flight toward hard assets across the board.

In the short term, the market is bracing for the conclusion of the March delivery cycle. If the CME Group can satisfy the current 52.63 million ounce demand without a formal suspension of trading or a forced cash settlement, a temporary relief rally in the dollar and a correction in silver may occur. However, the long-term outlook remains tilted toward scarcity. Analysts expect that industrial users will continue to stockpile physical metal, further depleting exchange inventories and maintaining the state of backwardation.

Strategic pivots are already underway. Many large-scale electronics and solar manufacturers are reportedly negotiating "off-take" agreements directly with primary silver producers to ensure their production lines remain operational. This shift suggests that the era of relying on "just-in-time" delivery from exchange warehouses may be coming to an end. For investors, the challenge will be navigating the extreme price swings caused by margin-induced liquidations while recognizing the underlying physical deficit.

The March 2026 COMEX delivery season serves as a definitive "stress test" for the global financial system's handling of physical commodities. The combination of record-low registered inventories, aggressive institutional positioning, and geopolitical shifts has pushed the silver market to a breaking point. While the exchange has utilized every tool in its arsenal—from margin hikes to new cash-settled contracts—to maintain order, the

underlying physical shortage cannot be solved by financial engineering alone.

For the market moving forward, the key takeaway is the transition of silver into a strategic technology metal whose price is increasingly dictated by physical availability rather than speculative trading. Investors should watch the COMEX inventory reports closely in the coming months, specifically the "Registered" category, as well as the ongoing premium in the Shanghai markets. As the March cycle concludes, the resilience of the silver pricing mechanism will determine whether the current squeeze is a temporary hurdle or the beginning of a wholesale restructuring of the precious metals landscape.⁹

Footnotes And Sources

1. WSJ.com, March 6, 2026
2. Investing.com, March 6, 2026
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