Monthly Equities and Options Market Metrics and Trends: March

Analyzing Volatility, Market Performance, and Equity and Options Volumes

Theme for the Month: Oil Shocks and Energy Stocks

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Market Theme

- March saw the second-largest single-month increase in oil prices in the history of WTI crude oil futures.
- We evaluate the current oil price increase alongside the 1990 Persian Gulf Crisis, which serves as the most relevant historical precedent for the geopolitically-driven supply shock.

Market Metrics

- S&P 500 (Price Index): March close 6,528.52, -5.1% M/M, -4.6% YTD, +16.3% Y/Y
- S&P 500 Sector Total Return Performance:
  - Best = Energy +10.4% M/M / Energy +38.2% YTD / Energy +36.3% Y/Y
  - Worst = Industrials -8.4% M/M / Financials -9.5% YTD / Financials +0.6% Y/Y
- Volatility Index (VIX): Monthly average 25.6%; +6.5 pp M/M, +3.8 pp Y/Y
- Equity Average Daily Volume (ADV): Monthly average 20.5 billion shares; +2.4% M/M, +27.9% Y/Y
- Options ADV: Monthly average 66.3 million contracts; -1.3% M/M, +16.4% Y/Y

Market Theme

Oil Shocks and Energy Stocks

Fueling global transportation, energy generation, and industrial production, oil's importance to the global economy is impossible to understate. Large swings in oil prices can affect nearly all areas of business, and therefore, equity markets. Almost exactly 43 years ago today, the first ever futures contract based on a light sweet crude oil known as West Texas Intermediate, or WTI, was traded. Today, these are the most liquid commodity futures in the world, and the front-month WTI futures contract price (herein referred to as "oil futures") is widely quoted as a benchmark for oil prices. In March 2026, due to the conflict in Iran and the subsequent closure of the Strait of Hormuz, oil futures rose by 51.4%. A monthly increase of this magnitude has only been exceeded once (in May 2020) as a result of the rebound in oil prices following an initial COVID-induced decline.

Table 1: Top 5 Largest Monthly Percent Increases in Oil Futures

Month	Oil Futures (M/M % Chg)
1. May 2020	91.6%
2. Mar 2026	**51.4%**
3. Sep 1990	50.2%
4. Aug 1986	40.4%
5. Mar 1999	36.5%

Source: Bloomberg L.P., SIFMA estimates

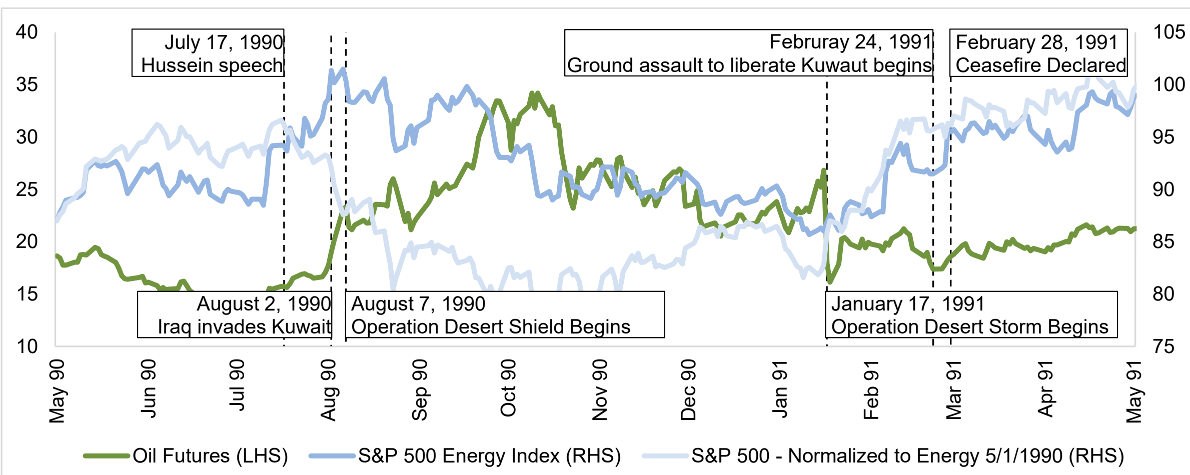
Note: We use generic front month futures, assuming a roll date that corresponds with the expiry of the current contract. For example, the last trade date of the March 2026 futures contract is February 20, 2026; the last trade of the April 2026 futures contract is March 20, 2026. We assume that the April 2026 contract is the front month contract for the period from February 23, 2026 – March 20, 2026. Prior contracts are price-adjusted using a ratio methodology, so that percentage changes over time don't reflect calendar differences.

To gain insight into the equity market reaction in response to current world events, we examined previous oil price spikes. The steep increases in August 1986 and March 1999 came as a result of OPEC agreements to increase global oil prices, and as such, are not directly comparable to the current situation in Iran. Instead, we examine the events around the September 1990 price spike: the Persian Gulf Crisis and ensuing Gulf War.

In the summer of 1990, relations between Iraq and Kuwait, both OPEC members, began to deteriorate. On July 17th, Saddam Hussein, then-leader of Iraq, openly threatened to take military action against Kuwait in a televised speech. Reports of military buildup on the Iraq-Kuwait border emerged, relations further deteriorated, and on August 2, 1990, Iraq officially invaded Kuwait. Over the next six months conflict ensued, until a U.S. led intervention resulted in the liberation of Kuwait. On February 28th, 1991, President George H.W. Bush announced a ceasefire, and the conflict was (for the most part) over.

Chart 1 displays the price movement of oil futures, the S&P 500 Energy Sector Index, and the broad S&P 500 Index around this time period. In the period between the threat of military action from Iraq and its actual invasion of Kuwait, oil futures and energy sector equities rose while the S&P 500 fell, with the energy sector outperforming the broader index by 12 percentage points. From the time of the invasion to the peak of oil futures during the conflict, oil futures soared while energy sector equities and the S&P 500 fell, although again, the energy subindex outperformed the broader market (by 4 percentage points). Over the entire period, oil finished up 18.3%, while the S&P Energy Index only outperformed the S&P 500 by a modest 1.5 percentage points.

Chart 1: Oil Futures, S&P 500 Energy Sector Index and S&P 500 Index Prices, May 1990 - May 1991



Source: Bloomberg L.P., SIFMA estimates

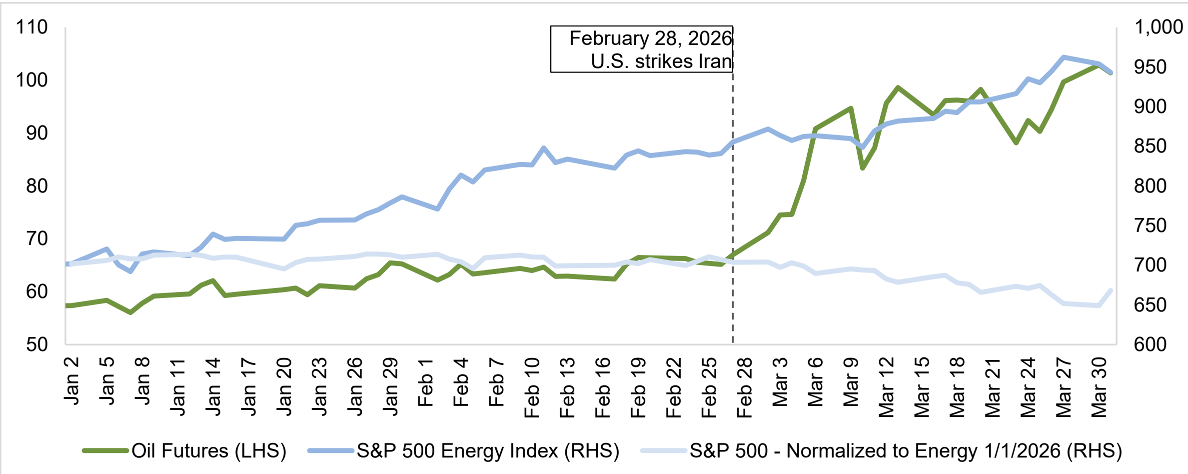
Table 2: Oil Futures, S&P 500 Energy Sector Index and S&P 500 Index Price % Changes

Date Range	Oil Futures	S&P 500 Energy Index	S&P 500 Index	Energy Sector Outperformance
July 17, 1990 to August 2, 1990: Hussein speech to Iraqi Invasion of Kuwait	+21.1%	+7.6%	-4.4%	+12.0 pp
August 2, 1990 to October 11, 1990: Iraqi invasion of Kuwait to peak 1990 oil futures	+79.8%	-11.8%	-15.9%	+4.2 pp
July 17, 1990 to February 28, 1991: Hussein speech to ceasefire declaration	+18.3%	+1.4%	-0.1%	+1.5 pp

Source: Bloomberg L.P., SIFMA estimates

Chart 2 displays the same assets, with year-to-date performance. From the first strike on Iran on February 28th through the end of March, oil futures and the energy sector have risen and the S&P 500 has fallen, with the energy subindex of the S&P 500 outperforming the broader index by more than 15 percentage points.

Chart 2: Oil Futures, S&P 500 Energy Index and S&P 500 Index Prices, Year-to-Date 2026



Source: Bloomberg L.P., SIFMA estimates

In Table 3, below, we examine the one-month period following the "start" of each conflict. Using the July 17th televised speech threatening invasion as the beginning of the 1990 conflict, we see that in the first month, oil futures and energy equities rose, while the S&P 500 fell—similar to the movements we observed in March of 2026.

Table 3: Oil Futures, S&P 500 Energy Sector Index and S&P 500 Index Price % Changes, 1st Mo. of Conflict

Date Range	Oil Futures	S&P 500 Energy Index	S&P 500 Index	Energy Sector Outperformance
July 17, 1990 to August 17, 1990: 1 month following the July 17 speech precipitating the conflict	+50.1%	+5.3%	-10.8%	+16.1 pp
February 28, 2026 to March 31, 2026: 1 month following inception of U.S. airstrikes that killed Iranian leader Ayatollah Ali Khamenei	+51.4%	+10.3%	-5.1%	+15.4 pp

Source: Bloomberg L.P., SIFMA estimates

The U.S. economy is structurally quite different today than it was 35 years ago during the Gulf War. In 1990, the energy sector represented about 13% of the S&P 500 by weight whereas in 2026, this figure is closer to 4%; many of the current constituents of the S&P 500 are driven by technology companies that did not exist in 1990, for example. Nonetheless, despite these differences, in the one-month following the unofficial start of conflict (measuring from Saddam Hussein's saber-rattling speech in July 1990, and the launch of air strikes at the end of February 2026), we see similar performance in both the move in oil price as well as the outperformance of the energy sector of the S&P 500 relative to the broad index as a whole. While it's too soon to know how long the current conflict will last or what the long-term implications will be from the closure of the Strait of Hormuz (noting that the Strait was never completely closed during the 1990-1991 Gulf War), to date, the performance of oil and the relative outperformance of energy equities are quite similar.

Market Metrics

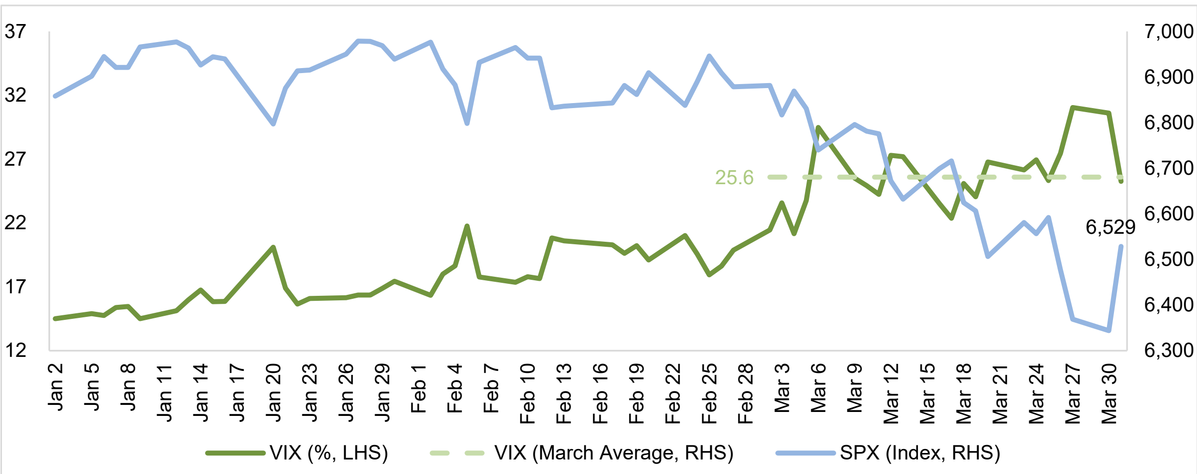
S&P 500 and Volatility Index (VIX)

Table 4: S&P 500 Index Price and Volatility Index (VIX, %), March 2026

	Value	M/M Change	YTD Change	Y/Y Change	Monthly Peak	Monthly Trough
S&P 500 (Close Price)	6,528.52	-5.1%	-4.6%	+16.3%	6,978.60	6,343.72
VIX (Monthly Average)	25.6%	+6.5 pp	-	+3.8 pp	31.1%	14.5%

Source: Bloomberg L.P., SIFMA estimates
Note: Figures shown for the S&P 500 are price changes; total returns on a M/M, YTD, and Y/Y basis are -5.0%, -4.4% and +17.8% respectively. Total returns assume dividends are reinvested into the index.

Chart 3: S&P 500 Index Price and Volatility Index (VIX, %), Year to Date 2026



Source: Bloomberg L.P., SIFMA estimates

S&P 500 Index: Sector Breakout

Looking at market performance by sector, we highlight the following:

- Best-performing sectors:
  - Month = Energy at +10.4% followed by Utilities at -3.2%
  - YTD = Energy at +38.2% followed by Materials at +9.7%
  - Year = Energy at +36.3% followed by Communication Services at +32.5%
- Worst performing sectors:
  - Month = Industrials at -8.4% followed by Health Care at -8.1%
  - YTD = Financials at -9.5% followed by Consumer Discretionary at -9.2%
  - Year = Financials at +0.6% followed by Health Care at +2.3%

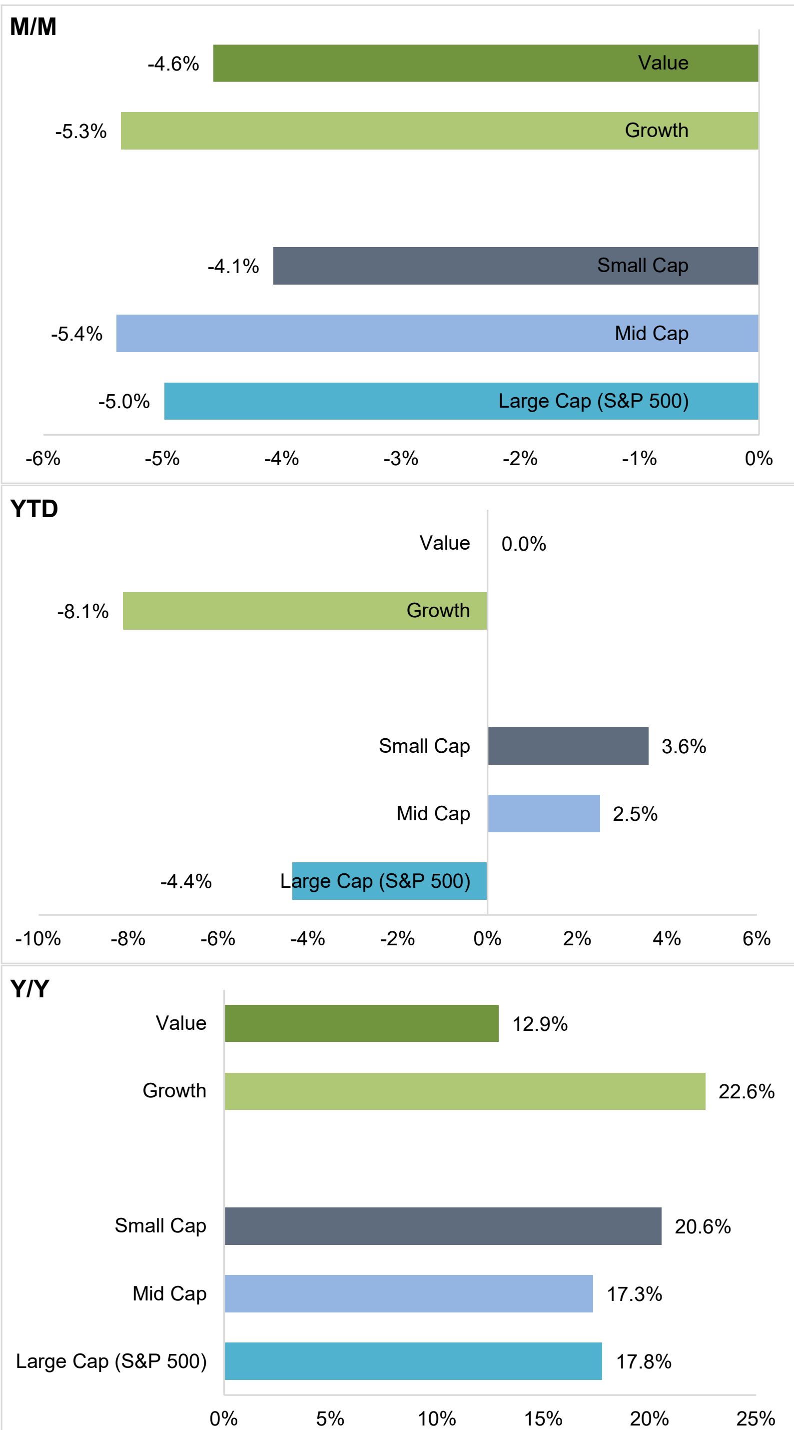
Table 5: S&P 500 Sector Indices – March 2026 Total Returns

	Total Return (%)		
Sector (Weight)	M/M	YTD	Y/Y
SPX	**-5.0**	**-4.4**	**17.8**
Information Technology (32.8%)	-3.8	-9.1	29.0
Financials (12.6%)	-3.6	-9.5	0.6
Communication Services (10.3%)	-7.3	-6.9	32.5
Consumer Discretionary (9.8%)	-5.6	-9.2	11.7
Health Care (9.4%)	-8.1	-4.9	2.3
Industrials (9.0%)	-8.4	4.6	25.0
Consumer Staples (5.2%)	-7.4	7.7	6.3
Energy (4.0%)	10.4	38.2	36.3
Utilities (2.5%)	-3.2	8.3	19.7
Materials (2.1%)	-6.9	9.7	18.0
Real Estate (1.9%)	-6.1	2.8	2.3

Source: Bloomberg L.P., SIFMA estimates
Note: Sectors are ordered by their respective weights in the SPX Index at the end of the month, which are indicated in parenthesis. Total returns assume dividends are reinvested into the index.

S&P 500 Index: Strategy Breakout

Chart 4: S&P 500 Total Return Indices by Type, March 2026, M/M, YTD, and Y/Y



Source: Bloomberg L.P., SIFMA estimates
Note: Total returns assume dividends are reinvested into the index.

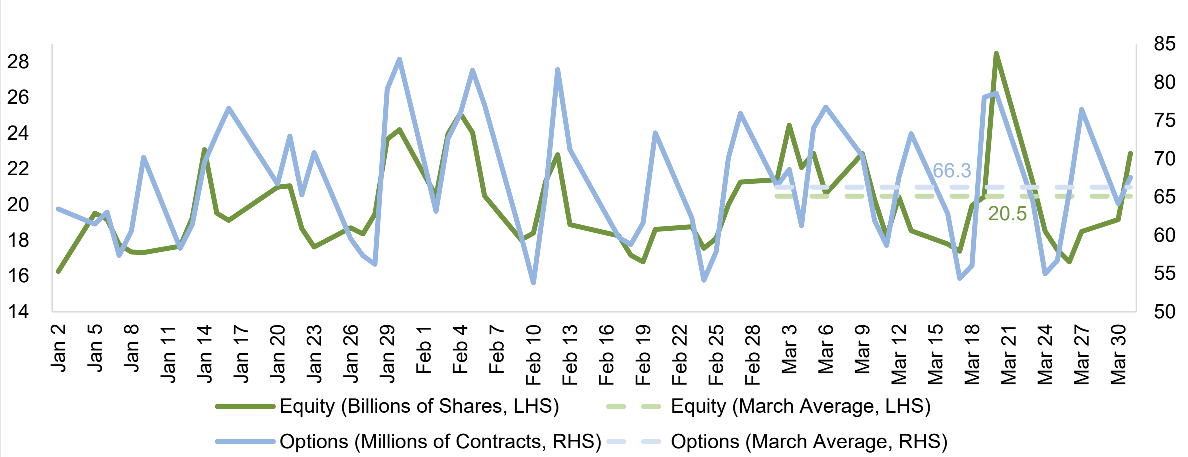
Equity and Options Volumes (ADV)

Table 6: Equities and Options Average Daily Trading Volumes, March 2026

	Monthly Average	M/M Change	Y/Y Change	Monthly Peak	Monthly Trough
Equities ADV (Bil. Shares)	20.5	+2.4%	+27.9%	28.5	16.8
Off-Exchange	46.5%	-1.3 pp	-2.4 pp	-	-
Options ADV (Mil. Contracts)	66.3	-1.3%	+16.4%	78.6	54.4
Equity Options	59.6	-2.8%	+15.2%	-	-
Index Options	6.7	+14.3%	+27.8%	-	-

Source: Cboe Global Markets, SIFMA estimates. Equity trading volumes include ETF trading volumes.

Chart 5: Equities and Options ADV, Year to Date 2026



Source: Cboe Global Markets, SIFMA estimates
Note: Equity and options values reflect average daily volumes across all US equity and options exchanges.

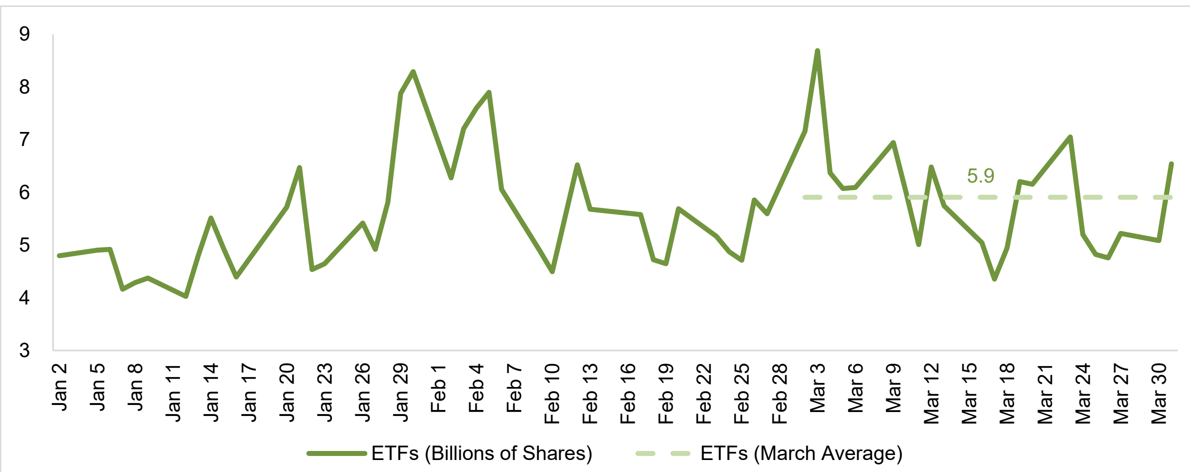
ETF Trading Volumes (ADV)

Table 7: ETF Average Daily Trading Volumes, March 2026

	Monthly Average	M/M Change	Y/Y Change	Monthly Peak	Monthly Trough
ETF Trading (Bil. Shares)	5.9	3.0%	+76.0%	8.7	4.4
% of Equity Trading	28.9%	+0.2 pp	+7.9 pp	-	-

Source: Cboe Global Markets, SIFMA estimates

Chart 6: ETF Trading ADV (Billions of Shares) – Year to Date 2026



Source: Cboe Global Markets, SIFMA estimates
Note: Equity and options values reflect average daily volumes across all US equity and options exchanges.

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