

Snapshot

March 29, 2026

## Nasdaq Composite Enters Correction Territory Due to 'Fog of War'

**Hardika Singh**

ECONOMIC STRATEGIST, MARKET INTELLIGENCE

The **"fog of war,"** as characterized by Fundstrat Head of Research Tom Lee, took the **stock market on a wild ride** this week.

The S&P 500 lost 2.1% this week to 6,368.85 points, **down for five straight weeks**, marking the longest losing streak since the **seven-week long stretch ending in May 2022**. The **Nasdaq composite, meanwhile, entered correction territory**, meaning that it has fallen 10% or more from a recent high. It was down 3.2% this week. This month, the S&P 500 is on track to decline 7.4%, **its worst monthly performance since 2022**.

The week started off with high spirits after the president posted on Monday morning that **he had a "very good and productive" conversation with Iran**, reversing the declines noted by stock futures over the weekend from concerns about an amped-up war. And **it didn't matter to investors that Iran said it had no wind** of such talks because at least it seemed like the president was considering an exit strategy. But as the week progressed, once again investors realized that it's not so easy to exit the war. On Thursday, the president said he is pausing strikes to allow for negotiations.

Though the whiplash is annoying, it's a good reminder that **the president cares about the stock market**. "Today was a reminder that the **Trump put comes into play**," Lee said on Monday.

Lee highlighted that there's still opportunities available in the market, despite all the red lately. **Tech stocks, for example, are trading at valuations** last seen a decade ago, he said.

Head of Data Science “Tireless” Ken Xuan believes that **the end of the war is near**. One reason for that is because the president set a date of May 14-15 to meet with Chinese President Xi Jinping.


Still, it’s becoming clearer that the **impact on the energy markets from the war will take months** to resolve. That means that the worry of higher oil prices feeding into inflation might remain a concern for longer than expected, **which could change the calculus of the Federal Reserve’s next move**. As it is, the Fed is struggling to balance its dual mandate of maximum employment and price stability. They will get a fresh look at the state of the **labor market on Friday** with the release of the March nonfarm payrolls report.

Head of Technical Strategy Mark Newton is **paying attention to the opposite signs in the market**. He pointed out that expectations for where five-year interest rates would be in five years from now have declined, while 1-year break-even inflation rate has surged, suggesting that “the implication is that the **Fed will come in to squash inflation by hiking.**”

Newton also **doesn’t believe that markets are through the worst of the sell-off**, in apparent contrast to Xuan and Lee. “The bears certainly have cropped up, but the bullish levels are not really showing capitulation,” he said. “My thinking is **we need to see some bulls capitulate**, and that would be more indicative of a potential low.”

As for buying the dip, **he’s still not convinced this is a good time**.

“I think we probably have **one more shoe to drop**, and if that happens in the next few weeks, I’d be inclined to say, ‘OK, hold your nose and buy,’” he said. “I think we’re getting close. **I just don’t sense that we’re there just yet.**”

 Live Webinar with Q&A

# Macro Update & Top Ideas Webinar



Tom Lee, CFA  
Head of Research



Mark Newton, CMT  
Head of Technical Strategy



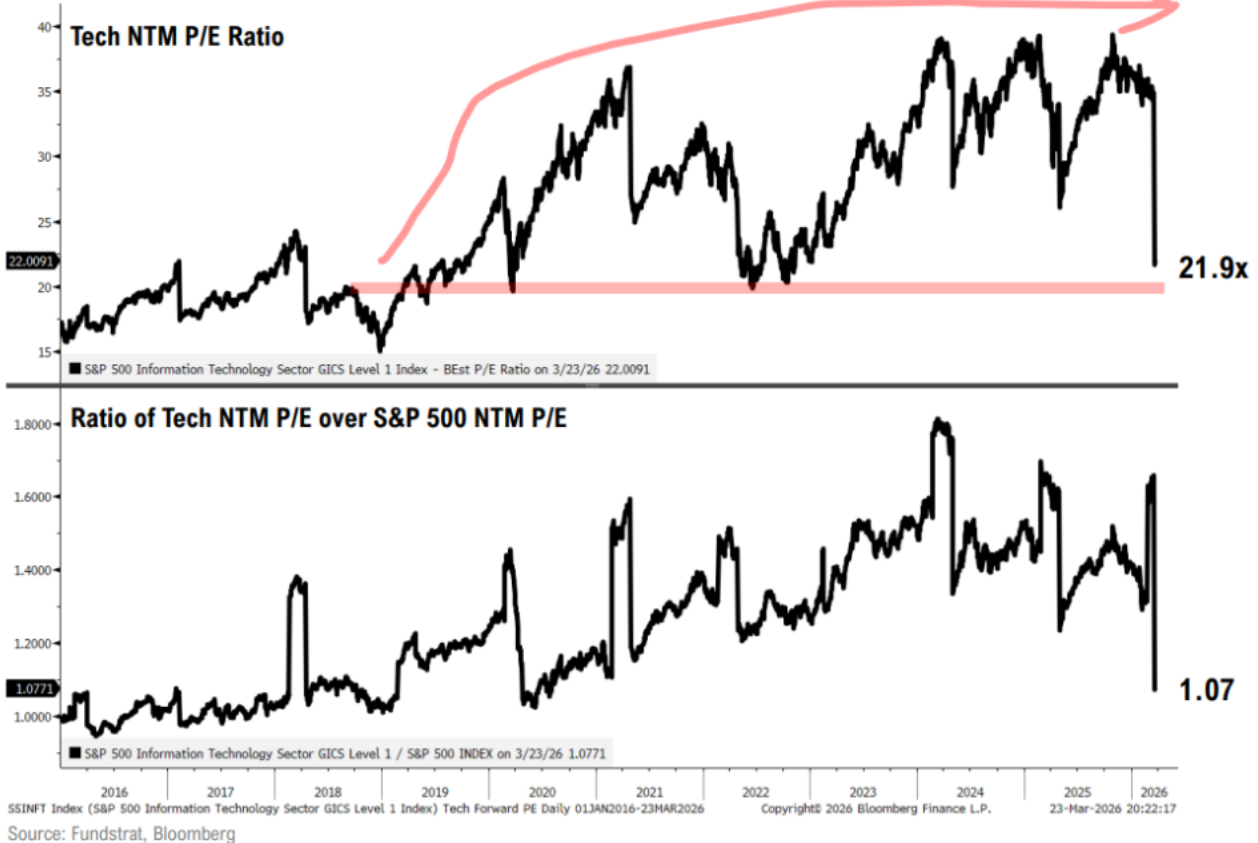
Tuesday, March 24 @ 2pm ET

## ***Chart of the Week***

## TECH: Cheapest valuation in years

Tech NTM P/E Ratio and relative to S&P 500 NTM P/E Since 2016

Entire 10-yr premium gain erased



3/24/2026

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*“The entire premium that tech stocks have built up has been erased, and that to me, doesn’t make sense,” Fundstrat Head of Research Tom Lee said. “All this consistent earnings growth, increasing share of the economy, AI – all that’s been erased. I think that’s why the risk reward for tech is so good.” Our Chart of the Week shows the same. Lee recommends investors buy shares of the Magnificent Seven, which have been performing better than the broader market since the U.S.-Israeli strike on Iran. “AI rotation to ‘bullet makers’ is not the end of the Magnificent Seven,” he added.*

**Recent *FlashInsights***

[fsi-flash-insights]

## FS Insight Video: Weekly Highlight



### Key incoming data

~~3/24 8:30 AM ET: 4Q F Unit Labor Costs~~ **Tame**

~~3/24 8:30 AM ET: 4Q F Nonfarm Productivity QoQ~~ **Tame**

~~3/24 9:45 AM ET: Mar P S&P Global Services PMI~~ **Tame**

~~3/24 9:45 AM ET: Mar P S&P Global Manufacturing PMI~~ **Tame**

~~3/24 10:00 AM ET: Mar Richmond Fed Manufacturing Survey~~ **Tame**

~~3/26 11:00 AM ET: Mar Kansas City Fed Manufacturing Survey~~ **Tame**

~~3/27 10:00 AM ET: Mar F U. Mich. 1yr Inf Exp~~ **Tame**

3/30 10:30 AM ET: Mar Dallas Fed Manuf. Activity Survey

3/31 9:00 AM ET: Jan S&P Cotality CS 20-City MoM SA

3/31 10:00 AM ET: Feb JOLTS Job Openings

3/31 10:00 AM ET: Mar Conference Board Consumer Confidence

4/1 8:30 AM ET: Feb Retail Sales

4/1 9:45 AM ET: Mar F S&P Global Manufacturing PMI

4/1 10:00 AM ET: Mar ISM Manufacturing PMI

4/2 8:30 AM ET: Feb Trade Balance

4/3 8:30 AM ET: Mar Non-farm Payrolls

4/3 9:45 AM ET: Mar F S&P Global Services PMI



▶ Live Webinar with Q&A

# Mark Newton's Live Technical Analysis

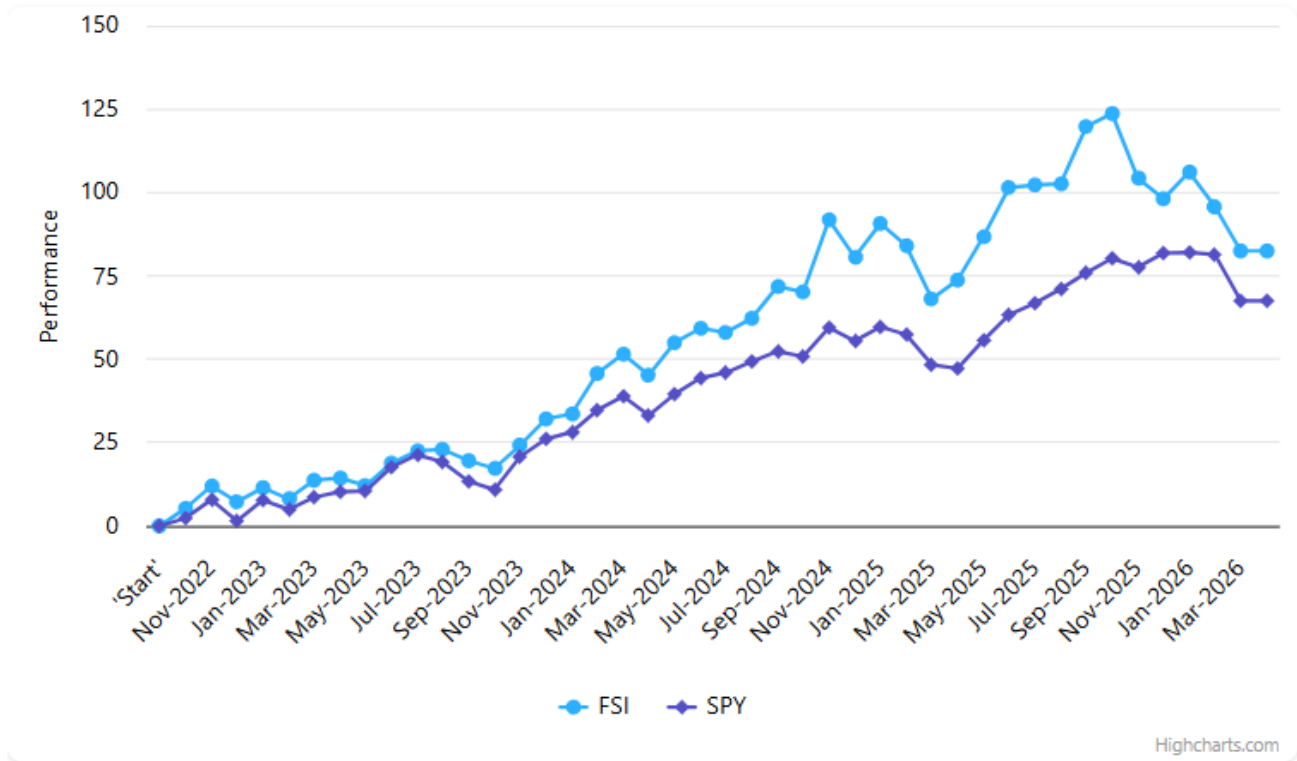
April 2 at 2pm ET

 Mark Newton, CMT  
Head of Technical Strategy



## ***Stock List Performance***

## Upticks vs SPY ( Inception to Date )



Highcharts.com

Performance period: October 5, 2022 through March 29, 2026

### In the News

[fsi-in-the-news]

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