

Kisher Capital — Mar-26 Market Update

March 2nd, 2026

Executive Summary

- The Iran conflict escalated sharply over the weekend, moving markets into a higher-volatility, headline-driven environment.
- The SaaS sector is undergoing a sharp repricing as AI monetization lags elevated expectations.
- Market leadership is narrowing, reinforcing the importance of disciplined positioning and risk management.

Market Snapshot – What Happened

Asset	Ticker	February Return	YTD Return
S&P 500	SPY	-0.86%	0.60%
Nasdaq	QQQ	-2.34%	-1.14%
Russell 2000	IWM	0.68%	6.20%
Core U.S. Bonds	AGG	1.60%	1.85%
Bitcoin	IBIT	-21.69%	-25.10%

Two Key Stories

1. Iran Conflict— Oil and Volatility Jump

The Story:

Over the weekend, the Iran situation escalated into open conflict, with U.S. and Israeli strikes on Iran followed by Iranian retaliation across the region. Markets responded the way they usually do when a war risk becomes “real”: oil spiked and risk appetite weakened.

Why It Matters:

This is primarily an energy story. The big risk is disruption around the Strait of Hormuz, a critical chokepoint for global oil flows. Reports of tanker incidents and avoidance behavior have pushed the market to price in a higher “war premium.” If oil stays elevated, it can keep inflation sticky and make rate-cut timing harder—while also raising overall market volatility.

Investor Takeaway:

Ignore the noise; watch the two real tells:

Energy flows / shipping conditions in Hormuz (determines how long oil is more expensive).
Containment vs. widening retaliation (that determines how long the risk premium stays in markets).

2. SaaS Selloff – AI Reality Check

The Story:

SaaS (Software as a Service) stocks sold off sharply as investors reassessed AI expectations. Many companies talked about AI benefits, but actual revenue impact is coming in slower than the market had priced in. The market also started pricing in fears that these SaaS companies may be easily replaceable with AI coding tools. As a result, high-multiple software names fell quickly.

Why It Matters:

SaaS stocks were priced for near-perfect execution and accelerating AI growth. When growth slows even slightly, expensive stocks reprice fast.

Investor Takeaway:

The market is separating real earnings power from AI hype. Companies with strong cash flow and durable growth are holding up better than speculative names.

Selectivity matters more than ever.

What This Means for Investors

- Expect higher volatility while markets price “containment vs. escalation.” War-risk regimes tend to produce sharp, fast movements in both directions.
- Concentration risk in high-multiple growth sectors remains elevated; valuation discipline is critical.
- Markets are transitioning from liquidity-driven gains to earnings-driven differentiation.

What to Watch

- **03/02/2026:** CrowdStrike Earnings Announcement
- **03/03/2026:** Broadcom Earnings Announcement
- **03/06/2026:** March 2026 Unemployment Rate
- **03/08/2026:** Oracle Earnings Announcement
- **03/11/2026:** March 2026 Consumer Price Index Data Release

Sources

apnews.com/article/iran-israel-us-03-02-2026-cb42936de1d8c261be8f30f11c6665fa

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