

## Hassan Fox Wealth Management

# Market Commentary

---

### Portfolio Strategy

March introduced a notably more cautious tone to markets, as investors shifted into a risk-off posture driven by a combination of geopolitical tensions, persistent inflation, and rising bond yields. The escalation of the conflict in Iran acted as a catalyst, disrupting global energy markets and pushing oil prices higher. This renewed inflation concerns, and led to a repricing of central bank expectations, with investors scaling back the likelihood of near-term interest rate cuts. As a result, equity markets declined during the month, particularly in the United States as well as other energy-importing countries, while Canadian markets proved more resilient but still ended modestly lower.

In the United States, the S&P 500 rallied late in month but still declined meaningfully, with weakness concentrated in large-cap technology and AI-related names, which had previously led the market. Rising bond yields and valuation sensitivity weighed on these sectors, as investors reassessed how much future growth has already been priced in. At the same time, leadership continued to rotate toward resources, energy, industrials, and pharmaceutical companies, as investors favoured sectors with stronger near-term earnings visibility and more attractive valuations. The rise in oil prices supported energy stocks, while healthcare and pharmaceutical companies benefited from their defensive characteristics and stable cash flows.

Fixed-income markets also struggled in March. U.S. Treasury yields moved higher across much of the curve, particularly at the long end, as investors adjusted expectations for the timing and magnitude of rate cuts (in fact, the possibility of rate increases have crept in). The Federal Reserve maintained its data-dependent stance, emphasizing the need for continued progress on inflation before considering further easing. Bond returns were modestly negative during the month, though yields are becoming increasingly attractive from an income perspective.

In Canada, the S&P/TSX Composite Index declined modestly but outperformed U.S. markets on a relative basis. Strength in energy and materials helped offset weakness in other sectors, as higher commodity prices supported resource-oriented equities. Financials were more mixed, reflecting sensitivity to both economic growth expectations and interest rate dynamics.

The Bank of Canada held its overnight rate at 2.25%, maintaining a cautious approach as it balances moderating inflation with softer domestic growth conditions. Canadian bond yields moved higher in sympathy with U.S. markets, though they remain below prior cycle peaks. The central bank continues to signal that any further policy moves will be measured and dependent on incoming data.

As we move further into 2026, markets remain focused on several key variables: the trajectory of inflation, the timing and magnitude of eventual rate cuts, the sustainability of corporate earnings, and the broader economic implications of geopolitical developments. While valuations in certain areas remain elevated, the continued rotation toward value-oriented and defensive sectors suggests a more disciplined and selective investment environment.

We made a small change to our equity positioning by selling our holding in US banks and using the proceeds to add to our energy weighting through Peyto Exploration & Development Corp. At HassanFox Wealth Management, our approach remains unchanged. We continue to adhere to our disciplined risk management process that focusses on identification of leadership across asset classes.

## Iran Conflict: Q/A Session

In the fog of war, there are often more questions than answers. This article with BMO's Senior Economist, Sal Guatieri, linked in this month's commentary delves into several issues facing the U.S. and Canada.

### [Iran Conflict: Q/A Session](#)

As always, should you have any questions please do not hesitate to contact us.

---

#### **[Hassan Fox Wealth Management](#)**

**Faisal Hassan** CIM<sup>?</sup>, PFP<sup>?</sup> | Portfolio Manager, Senior Wealth Advisor, Senior Investment Advisor | 416-590-7620

**Brad Fox** CIM | Portfolio Manager, Senior Investment Advisor | 416-590-7606

**Erik Olesen** CFA, CFP<sup>?</sup>, CIM | Portfolio Manager, Financial Planner, Senior Wealth Associate | 416-590-7644

**Suzanne Probyn** Client Service Associate | 416-590-7608

**Troy March** Client Service Assistant | 416-359-7351

[www.hassanfoxwealthmanagement.com](http://www.hassanfoxwealthmanagement.com) | toll-free: 1-800-567-2626 | fax: 416-590-7601



HassanFox  
Wealth Management



Recognized by BMO Private Wealth  
for Distinguished Client Loyalty

BMO Private Wealth is a brand name for a business group consisting of Bank of Montreal and certain of its affiliates in providing private wealth management products and services. Not all products and services are offered by all legal entities within BMO Private Wealth. Banking services are offered through Bank of Montreal. Investment management, wealth planning, tax planning, philanthropy planning services are offered through BMO Nesbitt Burns Inc. and BMO Private Investment Counsel Inc. Estate, trust, and custodial services are offered through BMO Trust Company. BMO Private Wealth legal entities do not offer tax advice. BMO Trust Company and BMO Bank of Montreal are Members of CDIC. ? Registered trademark of Bank of Montreal, used under license.

The opinions, estimates and projections contained herein are those of the author as of the date hereof and are subject to change without notice and may not reflect those of BMO Nesbitt Burns Inc. ("BMO NBI"). Every effort has been made to ensure that the contents have been compiled or derived from sources believed to be reliable and contain information and opinions that are accurate and complete. Information may be available to BMO NBI or its affiliates that is not reflected herein. However, neither the author nor BMO NBI makes any representation or warranty, express or implied, in respect thereof, takes any responsibility for any errors or omissions which may be contained herein or accepts any liability whatsoever for any loss arising from any use of or reliance on this report or its contents. This report is not to be construed as an offer to sell or a solicitation for or an offer to buy any securities. BMO NBI, its affiliates and/or their respective officers, directors or employees may from time to time acquire, hold or sell securities mentioned herein as principal or agent. BMO NBI -will buy from or sell to customers securities of issuers mentioned herein on a principal basis. BMO NBI, its affiliates, officers, directors or employees may have a long or short position in the securities discussed herein, related securities or in options, futures or other derivative instruments based thereon. BMO NBI or its affiliates may act as financial advisor and/or underwriter for the issuers mentioned herein and may receive remuneration for same. A significant lending relationship may exist between Bank of Montreal, or its affiliates, and certain of the issuers mentioned herein. BMO NBI is a wholly owned subsidiary of Bank of Montreal. Any U.S. person wishing to effect transactions in any security discussed herein should do so through BMO Nesbitt Burns Corp. Member-Canadian Investor Protection Fund.