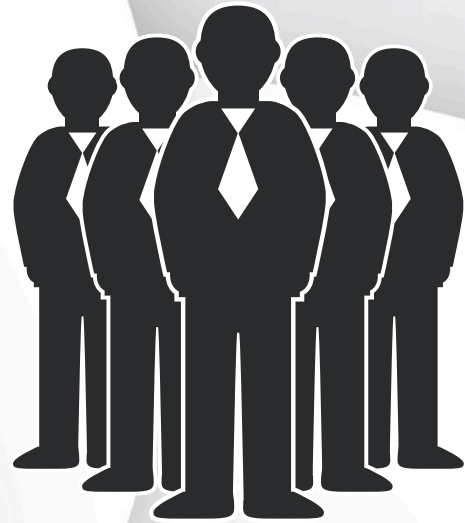


INTEREST RATE HELD STEADY

MARCH 18, 2026



INFLATION- LABOR MARKET- WAR

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THE KEY POINT

The Federal Reserve kept its key interest rate unchanged at the March 18, 2026, meeting. Officials are watching high inflation, mixed job data, and ongoing war risks.

Rate held steady between 3.5%-3.75%



WHY DID IT HOLD STEADY?

- The economy unexpectedly shed 92,000 jobs. The unemployment rate was 4.4% in February 2026 (4.3% in January 2026).
- Consumer Price Index: Inflation was 2.4% in February, well above the Fed's 2% target.
- Producer Price Index: The producer price index (PPI) increased 0.7% in February, accelerating from 0.5% in January, and pushing the annual rate to 3.4%, the highest in a year.
- Oil briefly rose above \$110 per barrel- about 54% higher than before the Middle East conflict- raising concerns about wider economic damage if the war continues or spreads.



IMMEDIATE IMPACT OF A STEADY RATE ON THE CAPITAL MARKET

↓ DJIA	46,225.15	-768.11	-1.63%
↓ S&P 500	6,624.70	-91.39	-1.36%
↓ NASDAQ	22,152.42	-327.11	-1.46%
↓ RUSSELL 2000	2,478.64	-41.35	-1.64%
↓ DJ TOTAL MKT	65,447.62	-896.30	-1.35%



PROBABLE IMPACT ON THE CAPITAL MARKET

- A prolonged war and high oil prices could hurt the global economy. However, history shows that events like this usually have a limited long-term impact.
- The USA is the net energy exporter. So, the energy sector will rally if the war drags on.
- The defence sector will rally if war widens.
- The luxury sector may struggle



HOW SHOULD INVESTOR REACT?

Currently, diversification is the optimal solution.





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