The Vestmo Macro Weekly

Curated Macro Experts' Insights & Charts

Vestmo Global Research

Last Updated March 13, 2026

This Week's Experts:

Markets Enter 'Early Stages' Of Real Credit Crisis
By Lawrence McDonald
Link: https://youtu.be/bwZ1ardgEyA?si=7m9cf6VW87P1mwOS

This Hasn't Happened Since 1999
By Rob Arnott
Link: https://youtu.be/fp2M5114LGw?si=_1igp9vbyuZnHHlJ

Getting Ready for the "European Kill Switch"
By Matt Tuttle
Link: https://youtu.be/COVf7M9S6OU?si=-PN_WrtZvZKZ-VOp

Gold, Debt & the AI Boom: Warning From Historian
By Edward Chancellor
Link: https://youtu.be/Q42gOi2u-Q0?si=UPJt9dkZ8HQpzQM2

The Market Is Completely Wrong About Iran, Oil
By David Woo
Link: https://youtu.be/W2Z6UVv_wl4?si=Pq34D7ugf7bGUXcX

90% Crash Or Bust: 'Stay The Hell Away' From …
By George Noble
Link: https://youtu.be/9GwovLWglzE?si=rsgzW8KvN4h4xlMs

We're Selling Oil Stocks Now
By Adrian Day
Link: https://youtu.be/CDUAnRsFYMA?si=UYQf6y1pM2OpTnof

Extremely Cheap" Asymmetric Trades
By Tavi Costa
Link: https://youtu.be/5eiyX_PwsYE?si=3KqV9hBEuEF_WxvV

Bull Market May Already Be Over
By Michael Howell
Link: https://youtu.be/i0lm-mmBlQM?si=_NiKVbwNb1Ypp9h1

Positioning for Inflation and a Weaker Dollar
By Jeff Gundlach
Link: https://youtu.be/v7L-T5BjS44?si=yyq_In4NIILljgzO

This Week's Key Themes:

The Macro Regime is Shifting:

- Reduce cap-weight S&P; rotate into equal-weight, value, non-US equities and gold (10–25% of portfolio)
- Dollar in secular decline; European Defense, China tech (KWEB), and Japan are the key destinations
- Replace bond allocation with gold and energy; avoid 30-year Treasuries and private credit

Liquidity is rolling over — credit stress is real and early:

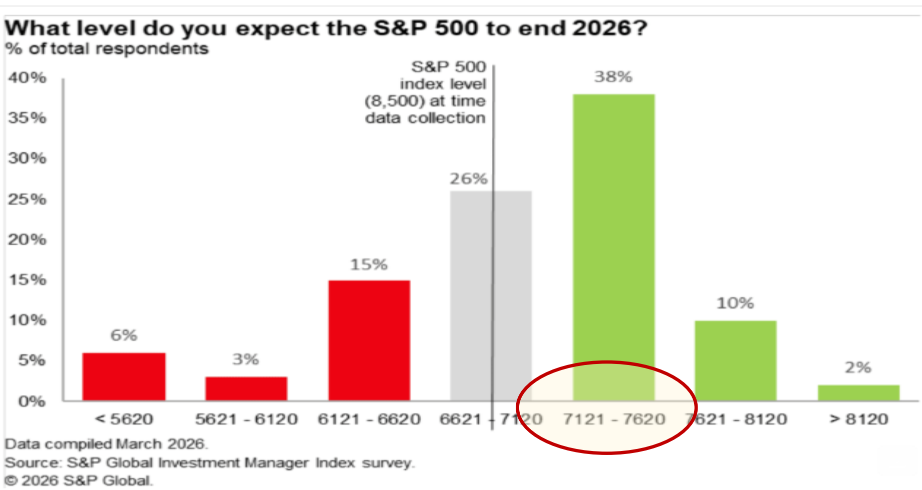
- Global liquidity cycle peaked late 2025; private credit gating redemptions; bank equities worst start since 2008
- Build cash; mid-duration bonds a contrarian buy as term premium peaks

AI valuations and oil risk are being ignored by investors:

- $600B+ AI capex has no path to profitability — trim Mag 7, buy cost-cutting adopters not builders
- Market underpricing Hormuz disruption — stay long oil; copper and agriculture are the most asymmetric commodity plays

For more analysis - see page 2

Chart of The Week



Investors see S&P 500 hitting 7,500 by Year-End despite Middle East tensions

Disclaimer: For informational purposes only. Not investment advice. Readers should conduct their own research and invest according to their individual objectives and risk tolerance.

This Week’s Experts Podcast Key Takeaways

Key Themes From This Week's Charts & Experts:

Liquidity & Credit Stress Emerging:

- Global liquidity cycle peaked late 2025 and is rolling over — risk assets face growing pressure (Howell)
- Private credit under serious strain: redemptions being gated, securities marked toward zero (McDonald, Chancellor)
- Bank equities down 10–13% YTD; triple-C software loans are the key contagion indicator to watch (McDonald)

Real Assets & Commodities: The Dominant Overweight:

- Gold is the #1 recommended holding across nearly all guests: target 10–25% of portfolio (Gundlach, Chancellor, Noble, Costa)
- Gold miners still priced as if gold is $4,100 — earnings leverage not yet reflected in equities (Noble, Day, Costa)
- Copper: structural supply deficit even on halved EV/AI demand — explosive move possible in 1–2 years (Costa, Day)
- Agricultural commodities most asymmetric near-term trade — a derivative of the energy move already underway (Costa)

Equities: Rotate Away from US Mega-Cap:

- Reduce cap-weighted S&P exposure; equal-weight outperformance now convincing (Gundlach, Noble)
- Value over growth; small cap value projected to beat large cap growth by ~700bps annually over 10 years (Arnott)
- Trim Mag 7 gradually — 8–9 of top 10 most valuable companies historically underperform over the next decade (Arnott)
- Avoid software-exposed equities — AI accelerating defaults; avoid semiconductors near-term (margins peak, capex glut by ~2028) (McDonald, Noble)

International & Emerging Markets: Multi-Year Theme:

- US price-to-book 5.32x vs. rest of world 2.27x — non-US equities recommended for all dollar-based investors (Gundlach)
- European Defense (EUAD ETF: Airbus, BAE, Rheinmetall) and Digital Sovereignty (CapGemini, ASML, SAP) are the two key European themes (Tuttle)
- China tech (KWEB) is the one unambiguous bull market in 2026 — PBOC injecting $1T+ with more to come (Howell, Tuttle)
- Japan and EM (especially Latin America) offer cheap valuations and policy flexibility; use thematic not generic ETFs (Chancellor, Costa, Tuttle)

Geopolitics & Oil: Tail Risk Underpriced:

- Market pricing Hormuz closure at 3–4 days — Woo says severe underestimation; stay long oil (long since $60s) (Woo)
- Don’t assume a quick resolution — Trump’s Iran focus is legacy-driven; China’s involvement raises the exit cost (Woo)
- Don’t trade gold on geopolitical spikes — use post-event pullbacks as buying opportunities (Day)

AI: Real Technology, Dangerous Valuations:

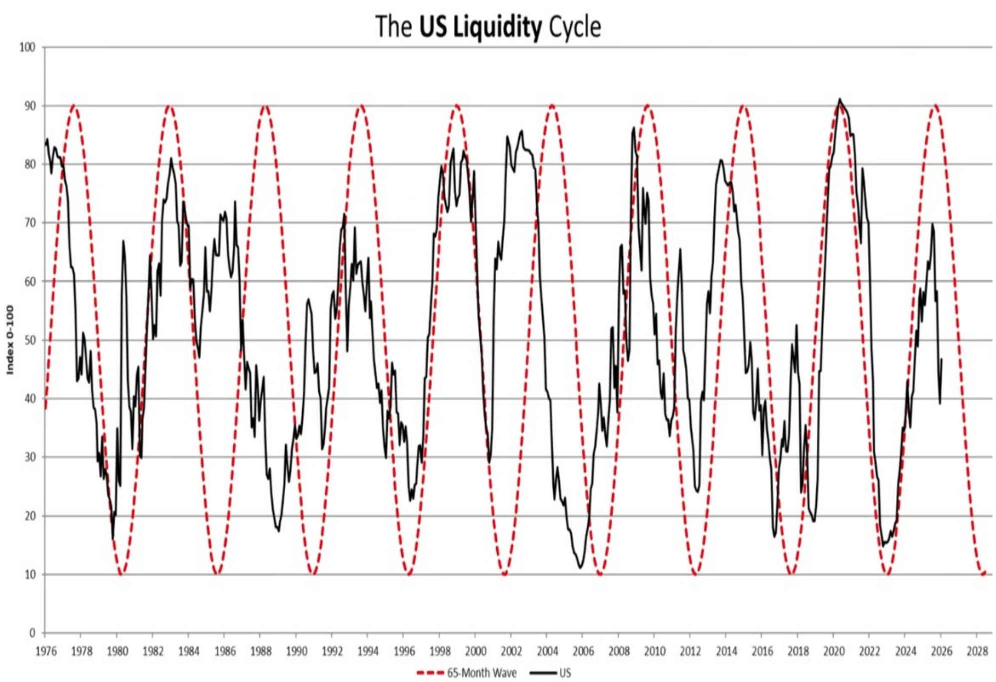
- AI will be transformative but $600B+ annual capex has no clear path to profitability — adoption slow outside coding (Woo, Arnott)
- ~45% of the US market already embeds AI exposure — passive investors don’t need to chase it (Chancellor)
- Look for cost-cutters using AI (healthcare, distributors), not infrastructure builders whose capex may never earn adequate returns (Noble)

Fixed Income & Portfolio Construction:

- Avoid 30-year Treasuries; Fed on hold — PCE re-accelerating, inflation could hit mid-3% by year-end (Gundlach)
- Mid-duration bonds: contrarian buy — term premium peaking; bullish yield curve flattening expected mid-year (Howell)
- Replace bond allocation with gold and energy as inflation hedge; reconsider 60/40 entirely (Noble, Chancellor)
- Target allocation: 40% equities (equal-weight, value, non-US) / 30% fixed income (EM local debt) / 15% real assets (10% gold, 5% commodities) / 15% cash (Gundlach, Howell)

The Week's Vestmo Macro Charts

The US Liquidity Cycle



The US Liquidity cycle continues to turn lower with rising USD, Oil Prices, and Bond volatility

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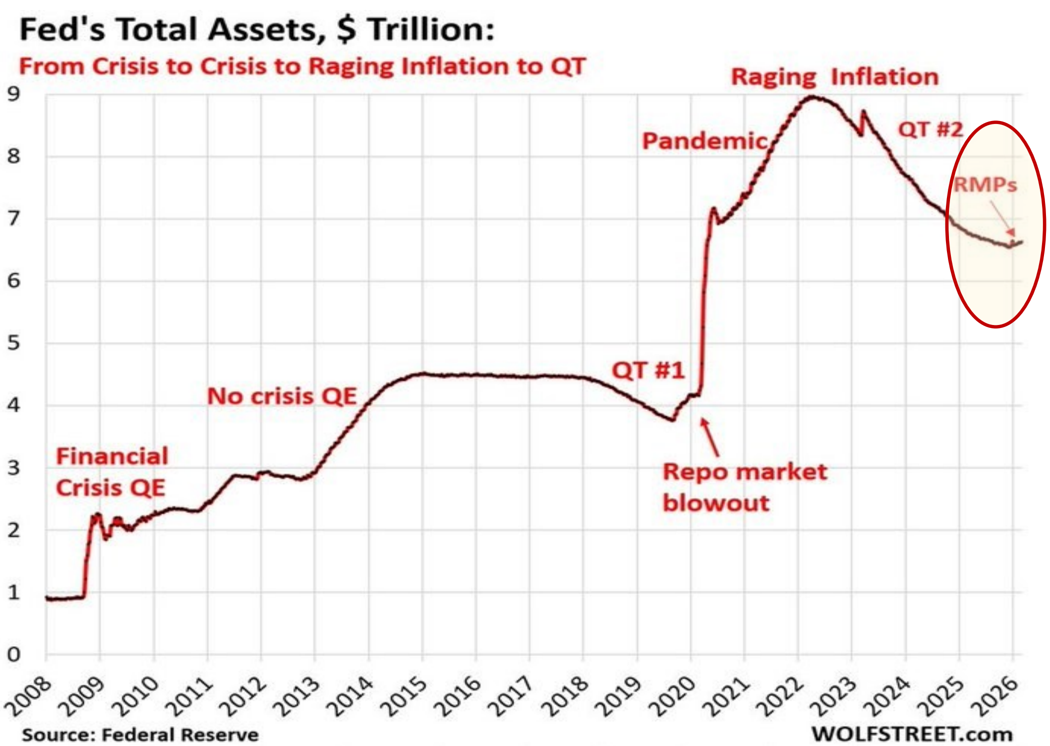
US Federal Reserve Bank - Balance Sheet



To counter, the Fed is now expanding its Balance Sheet to $6.63T, buying $40B in T-Bills monthly through mid-April

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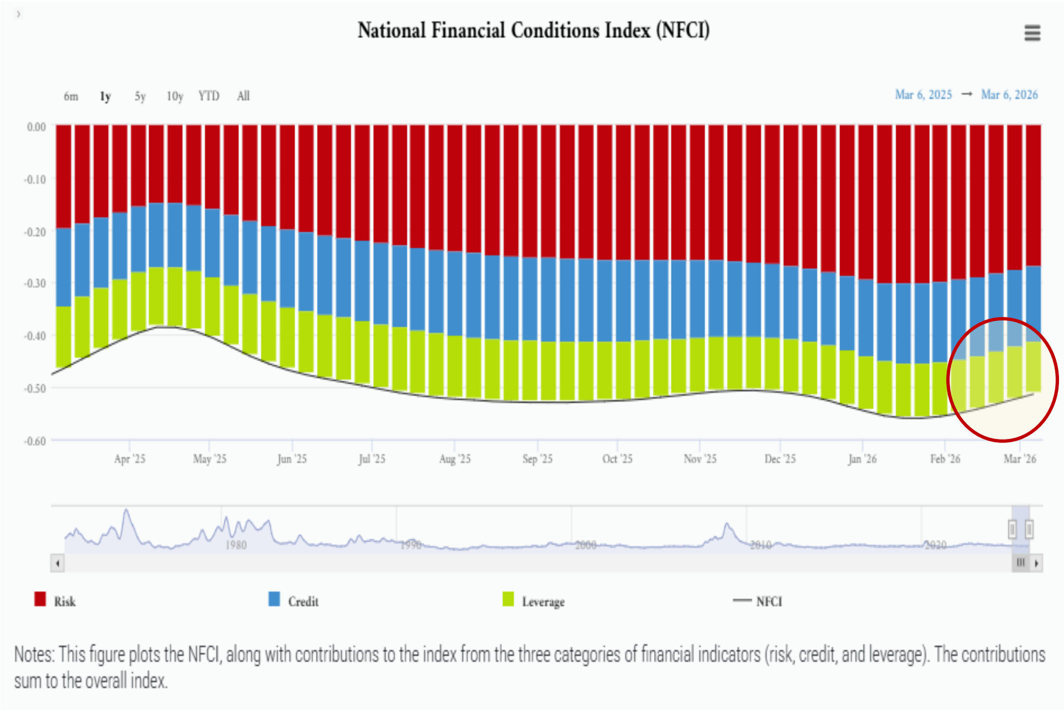
Vestmo Liquidity Conditions

Chicago National Financial Conditions Index



Chicago Financial Conditions Index points to **Tighter** financial conditions

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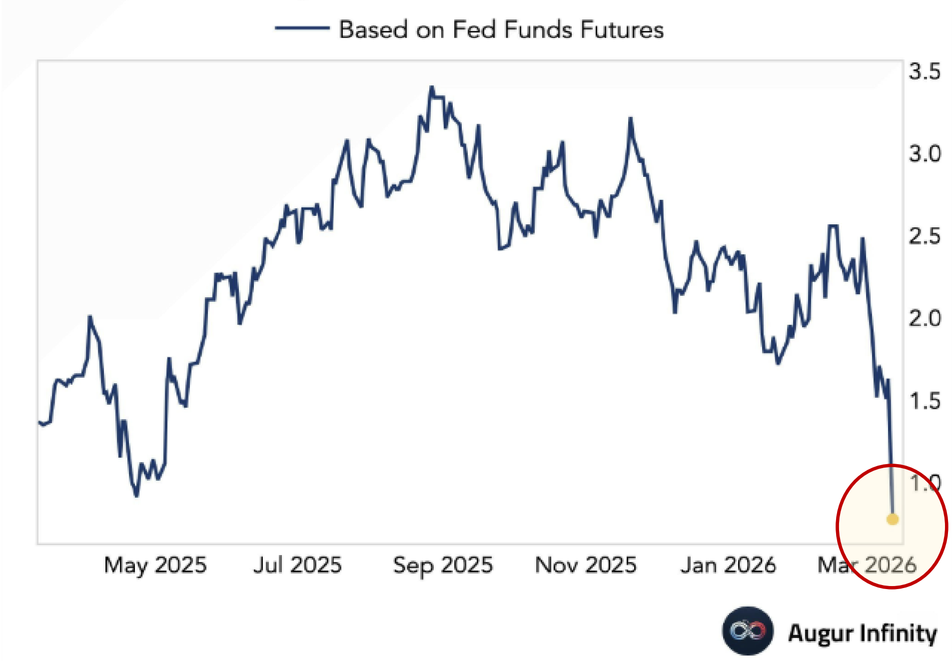
Probability of a Fed Rate Cut - March 18

The Fed was unlikely to cut rates next week as oil spiked higher, now there's less than a 1% chance of a rate cut at the March 18 meeting



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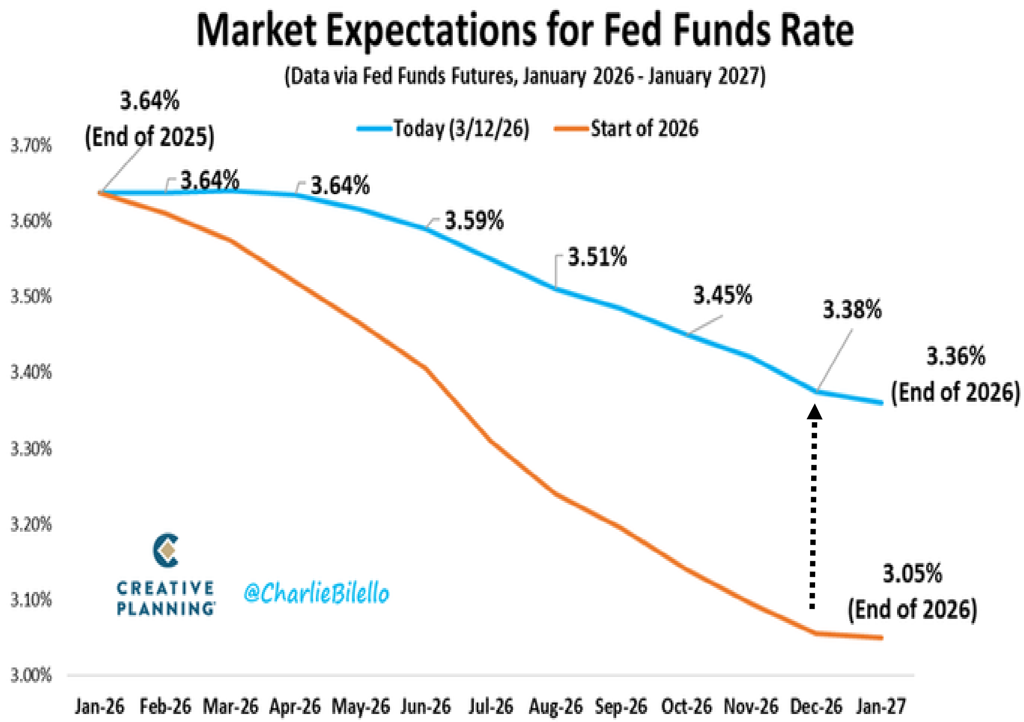
Market Expectations For Fed Funds Rate



Inflation remains above target and is rising again, weakening the case for rate cuts

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US Bonds MOVE Index

The MOVE Index rose again last week to 91.17 as Oil Prices spiked on Middle East supply cuts - Rising volatility reduces the value of bonds as collateral, tightening financial liquidity

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BDC Equity Performance

Private credit market cracks are rising at an alarming pace: The median listed BDC is trading at ~0.8x its net asset value (NAV), the lowest since 2020

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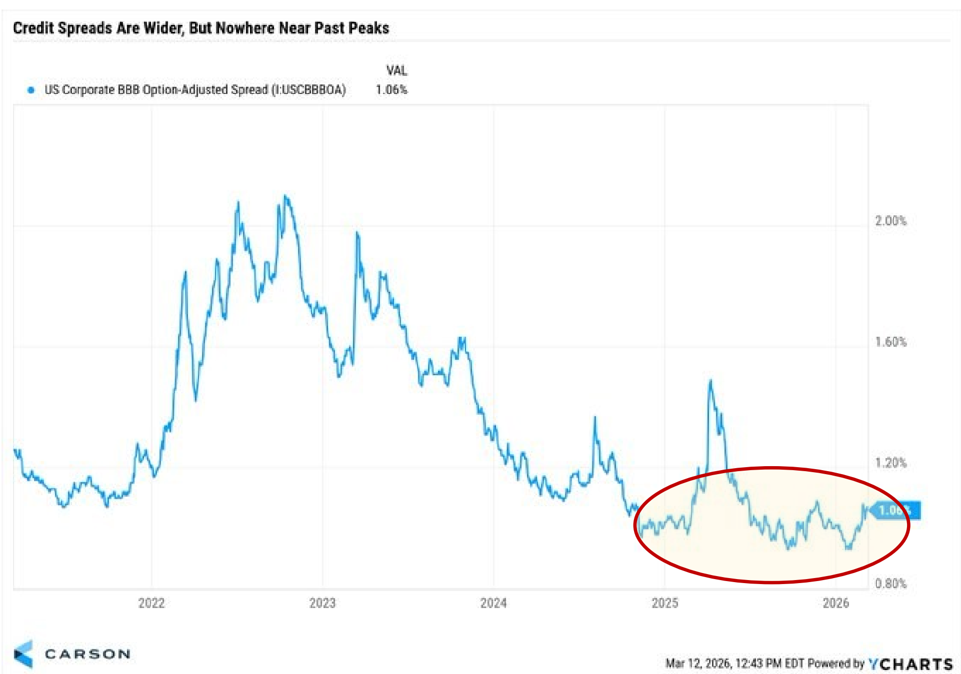
US Corporate BBB Spreads

If things are so bad in private credit then why are BBB credit spreads only rising slightly?



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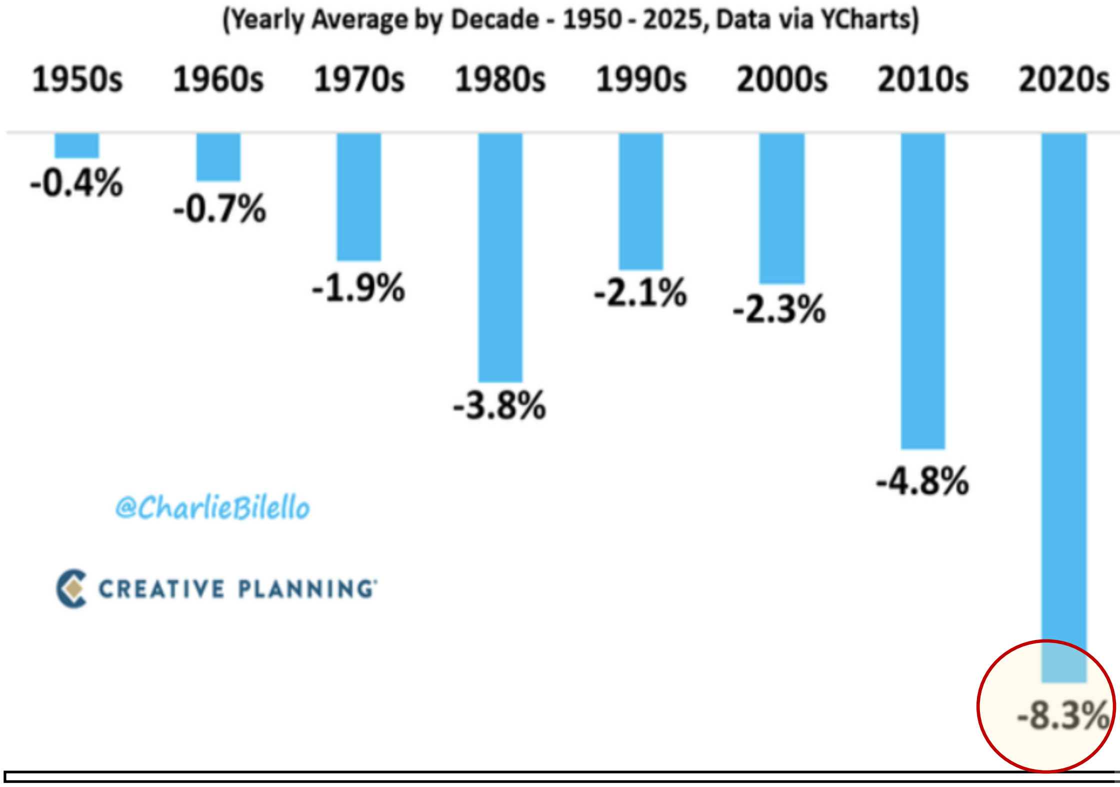
US Federal Budget Deficit % of GDP



The US Budget Deficit to GDP continues to deteriorate

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US National Debt to GDP

The US National Debt as % of GDP also keeps rising …

1975: 33%
1985: 40%
1995: 65%
2005: 61%
2015: 101%
2025: 122%

US National Debt vs. US Nominal GDP (1966 - 2025)

Year	Debt ($Tril)	% Ch	GDP ($Tril.)	% Ch	Debt/GDP	Year	Debt ($Tril)	% Ch	GDP ($Tril.)	% Ch	Debt/GDP
1966	0.33		0.83		40%	1996	5.32	7%	8.26	6%	64%
1967	0.34	5%	0.88	6%	39%	1997	5.50	3%	8.77	6%	63%
1968	0.36	4%	0.97	10%	37%	1998	5.61	2%	9.29	6%	60%
1969	0.37	3%	1.04	7%	35%	1999	5.78	3%	9.90	7%	58%
1970	0.39	6%	1.09	5%	36%	2000	5.66	-2%	10.4	5%	54%
1971	0.42	9%	1.19	9%	36%	2001	5.94	5%	10.7	2%	56%
1972	0.45	6%	1.33	12%	34%	2002	6.41	8%	11.1	4%	58%
1973	0.47	5%	1.48	11%	32%	2003	7.00	9%	11.8	6%	59%
1974	0.49	5%	1.60	8%	31%	2004	7.60	9%	12.5	6%	61%
1975	0.58	17%	1.76	10%	33%	2005	8.17	8%	13.3	6%	61%
1976	0.65	13%	1.93	10%	34%	2006	8.68	6%	14.0	5%	62%
1977	0.72	10%	2.16	12%	33%	2007	9.23	6%	14.7	5%	63%
1978	0.79	10%	2.48	14%	32%	2008	10.7	16%	14.6	-1%	73%
1979	0.85	7%	2.72	10%	31%	2009	12.3	15%	14.7	0%	84%
1980	0.93	10%	2.99	10%	31%	2010	14.0	14%	15.3	4%	92%
1981	1.03	11%	3.28	10%	31%	2011	15.2	9%	15.8	3%	96%
1982	1.20	16%	3.40	4%	35%	2012	16.4	8%	16.4	4%	100%
1983	1.41	18%	3.79	12%	37%	2013	17.2	4%	17.2	5%	100%
1984	1.66	18%	4.15	9%	40%	2014	18.1	6%	17.9	4%	101%
1985	1.95	17%	4.44	7%	44%	2015	18.9	4%	18.4	3%	103%
1986	2.21	14%	4.66	5%	48%	2016	20.0	6%	19.1	4%	105%
1987	2.43	10%	5.01	8%	49%	2017	20.5	3%	20.0	5%	102%
1988	2.68	10%	5.40	8%	50%	2018	22.0	7%	20.9	4%	105%
1989	2.95	10%	5.75	6%	51%	2019	23.2	6%	21.9	5%	106%
1990	3.36	14%	6.00	4%	56%	2020	27.7	20%	22.1	1%	126%
1991	3.80	13%	6.26	4%	61%	2021	29.6	7%	24.8	12%	120%
1992	4.18	10%	6.68	7%	63%	2022	31.4	6%	26.7	8%	118%
1993	4.54	9%	7.01	5%	65%	2023	34.0	8%	28.3	6%	120%
1994	4.80	6%	7.46	6%	64%	2024	36.2	7%	29.7	5%	122%
1995	4.99	4%	7.77	4%	64%	2025	38.5	6%	31.5	6%	122%

CREATIVE PLANNING @CharlieBilello

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US Treasury Buybacks

TREASURY NEWS

Department of the Treasury • Bureau of the Fiscal Service

FOR IMMEDIATE RELEASE
March 10, 2026

CONTACT: Treasury Auctions
202-504-3550

TREASURY DEBT BUYBACK OPERATION RESULTS

Operation Date	March 10, 2026
Settlement Date	March 11, 2026
Maturity Date Range	04/15/2026 - 02/29/2028
Maximum Par Amount to be Redeemed	$15,000,000,000
Total Par Amount Offered	$40,989,000,000
Total Par Amount Accepted	$14,697,000,000

US Treasury completes buyback of $14.7 Billion worth of debt, the LARGEST Treasury buyback in history

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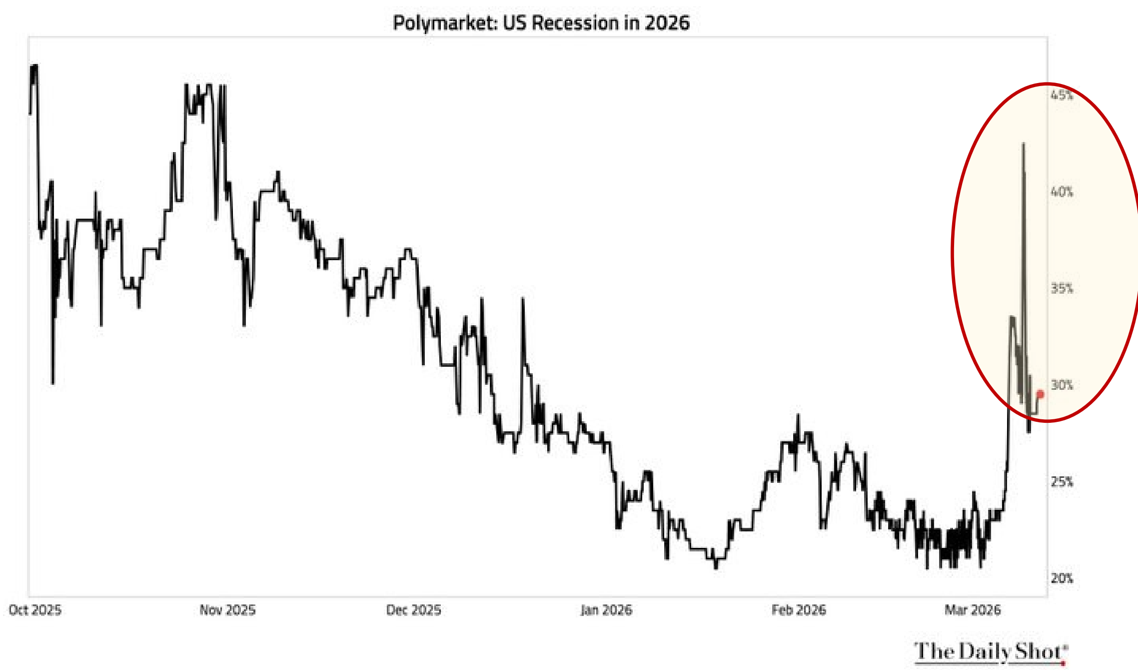
Polymarket US Recession in 2026

Betting markets show a rising probability of a US recession in 2026



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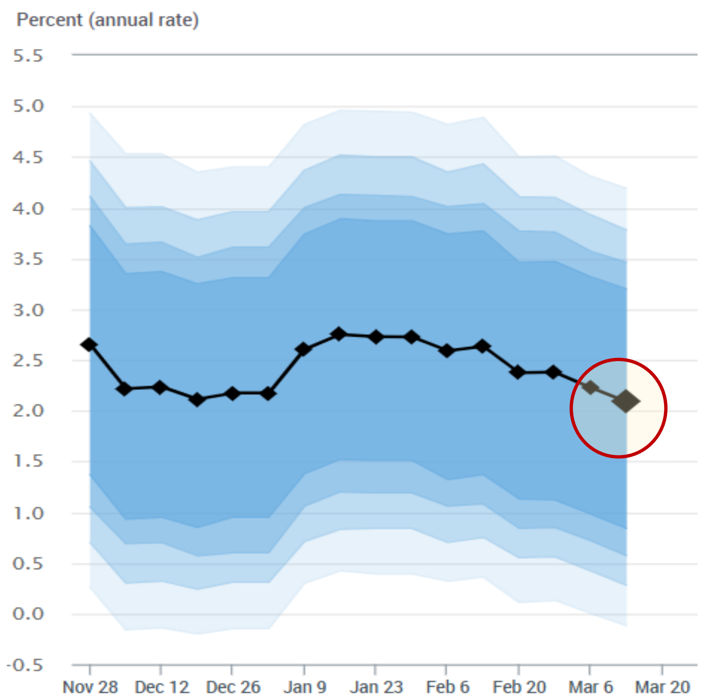
NY FED US GDPNow Q1 2026



NY Fed Q1 2026 GDP tracker dropped to 2.1% from 2.2% last week. This decrease was largely driven by the negative revision to 2025:Q4 GDP data

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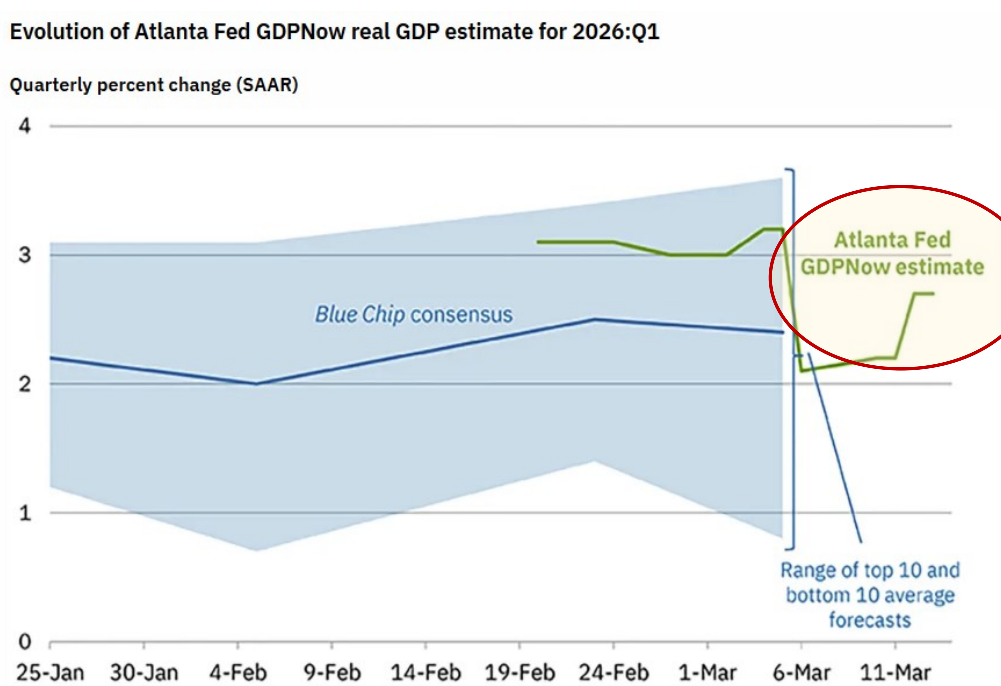
Atlanta Fed GDPNowcast Tracker Q1 2026

This GDPNow model Q1 2026 rose to 2.7% up from 2.1% last week



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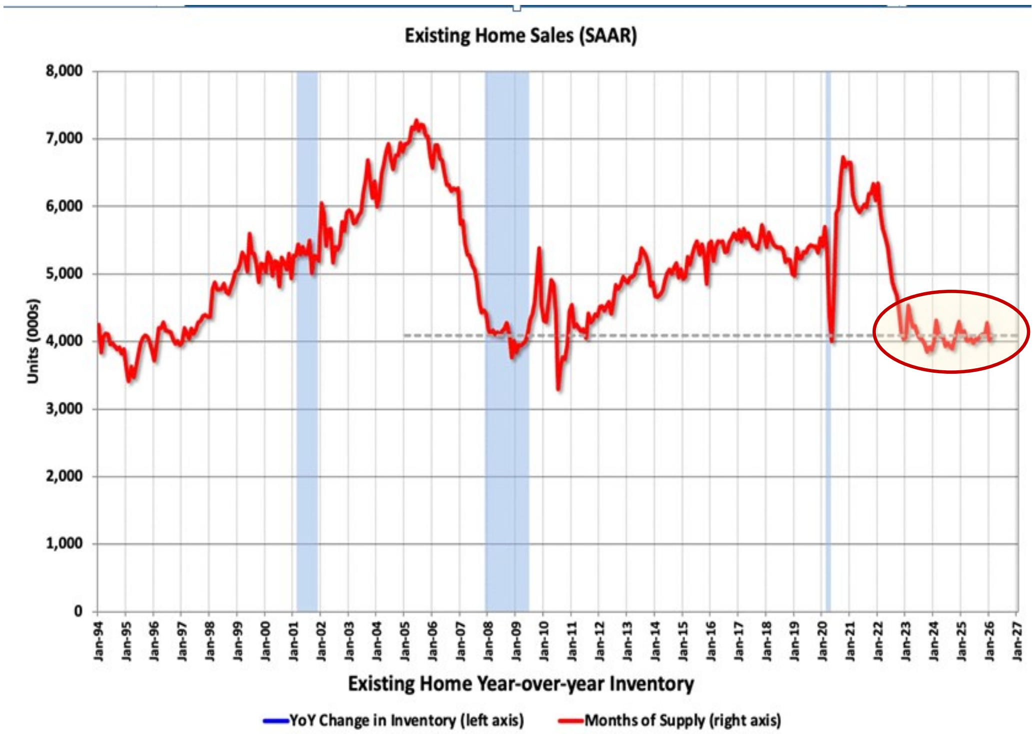
Existing Home Sales (SAAR)



Home Sales continue to to be very low…. Inventory was up 4.9% year-over-year

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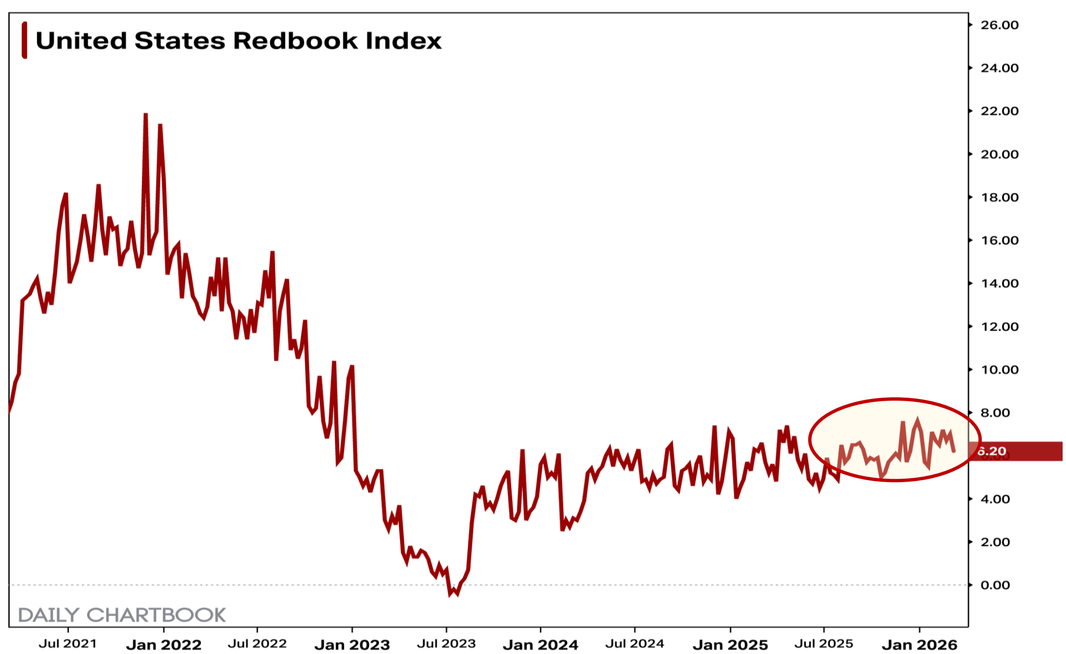
United States Redbook Index

Same-store retail sales rose 6.2% YoY for the week ending Mar 7, 2026 (7% previous)



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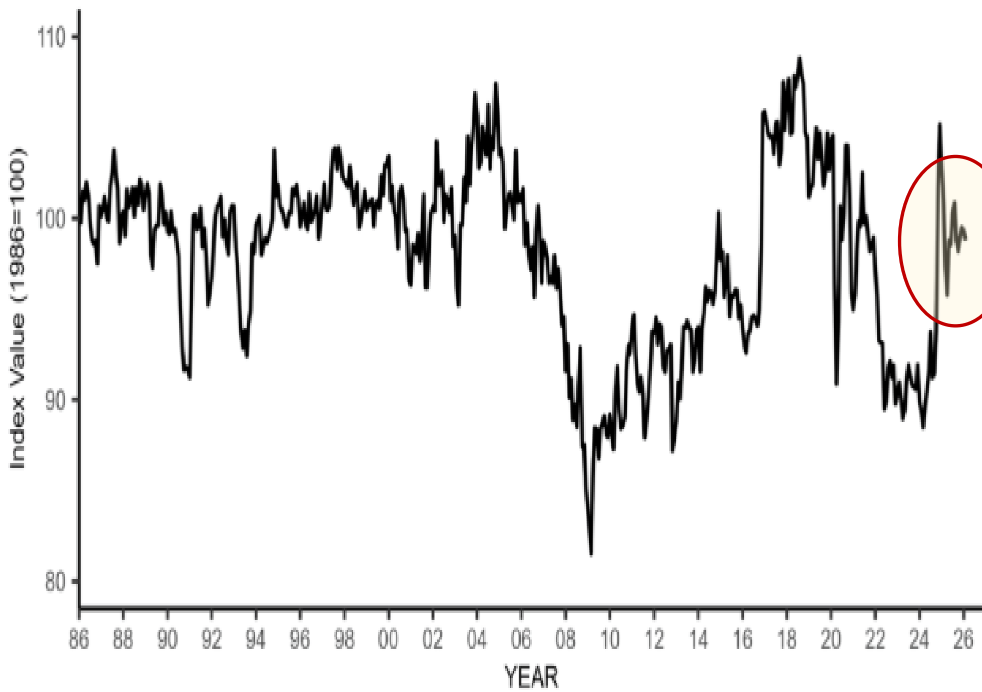
NFIB Small Business Optimism



NFIB Small Business Optimism ticked down in February (second consecutive decline) but remains above the long-term average (98)

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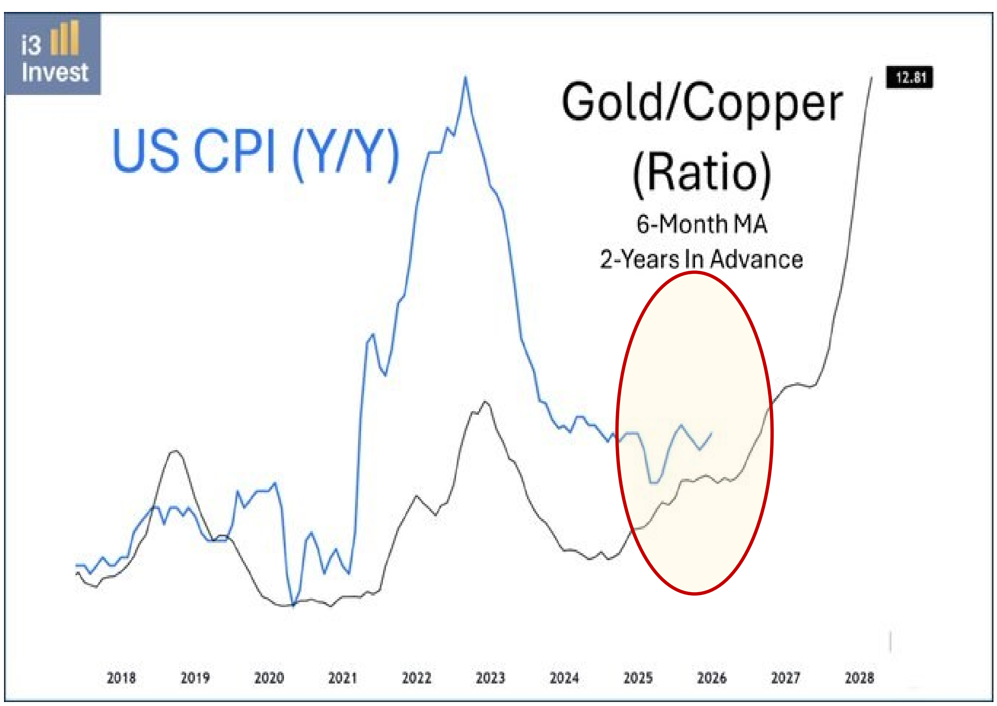
Inflation

US CPI (Y/Y) & Gold/Copper ratio (2Yr advanced) suggests inflation risk re-mains an issue



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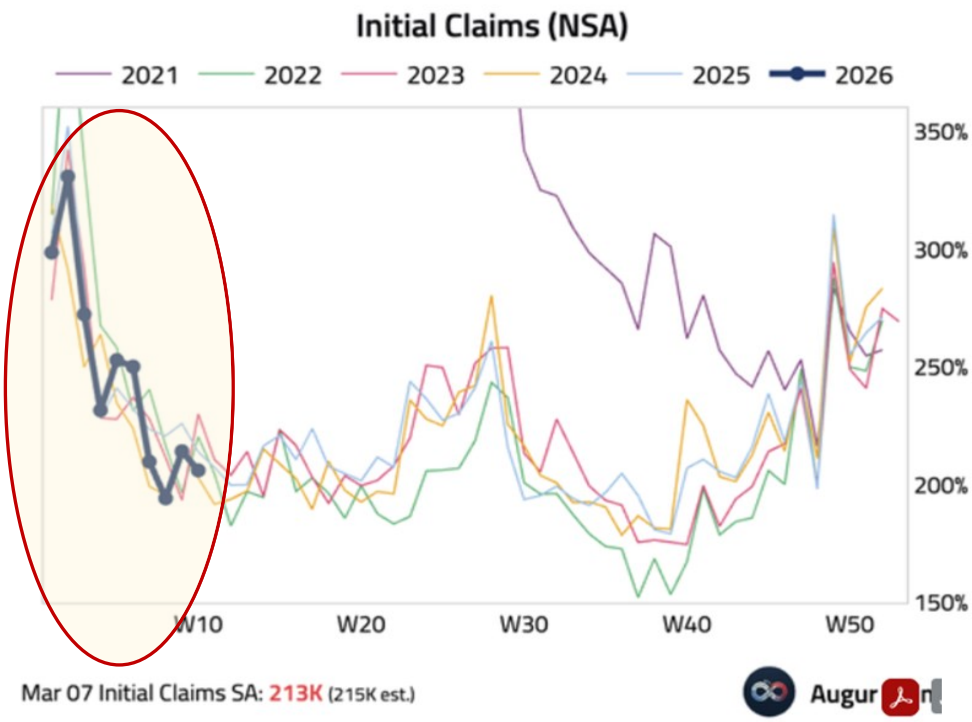
US Initial Claims



US initial jobless claims fell to 213k, signaling subdued layoffs

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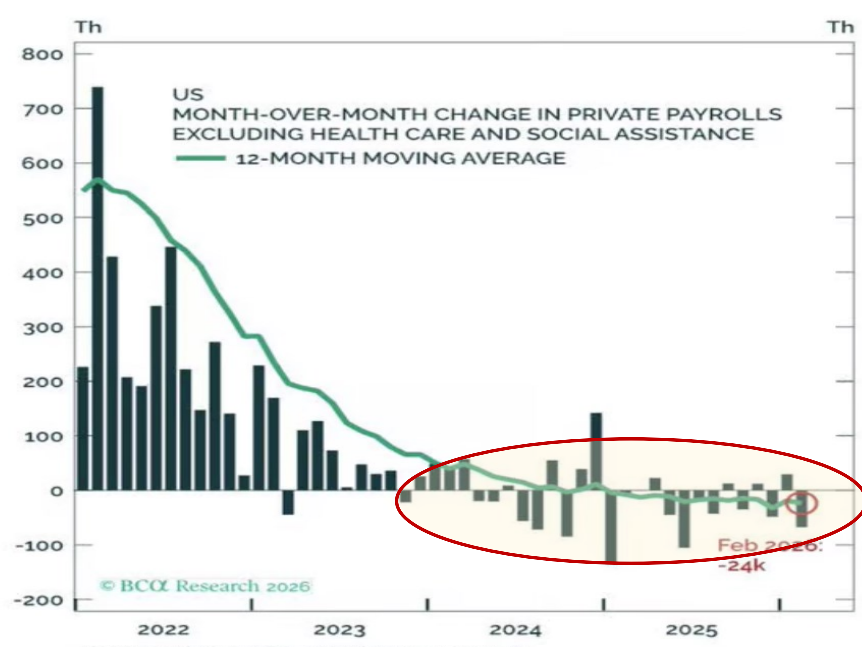
US Private Payroll (M/M)

The US private job (ex Healthcare & Social Assistance) market has rarely been this weak



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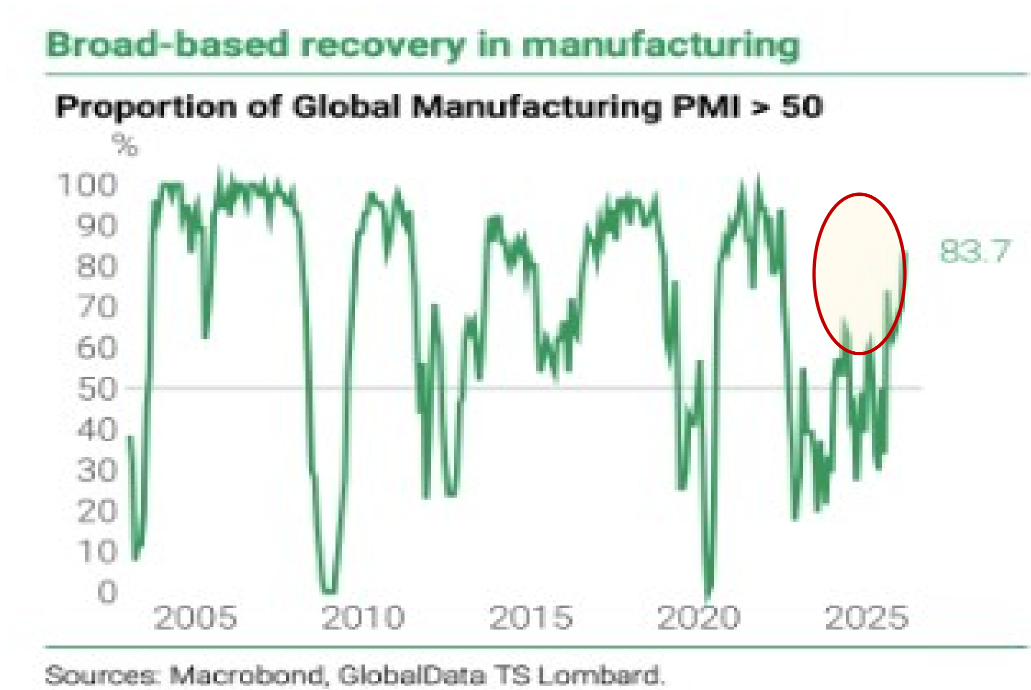
Vestmo Int'l Economic Conditions

Global Manufacturing PMI



Global growth accelerates: 85% of Manufacturing PMIs in expansion as composite hits two-year high

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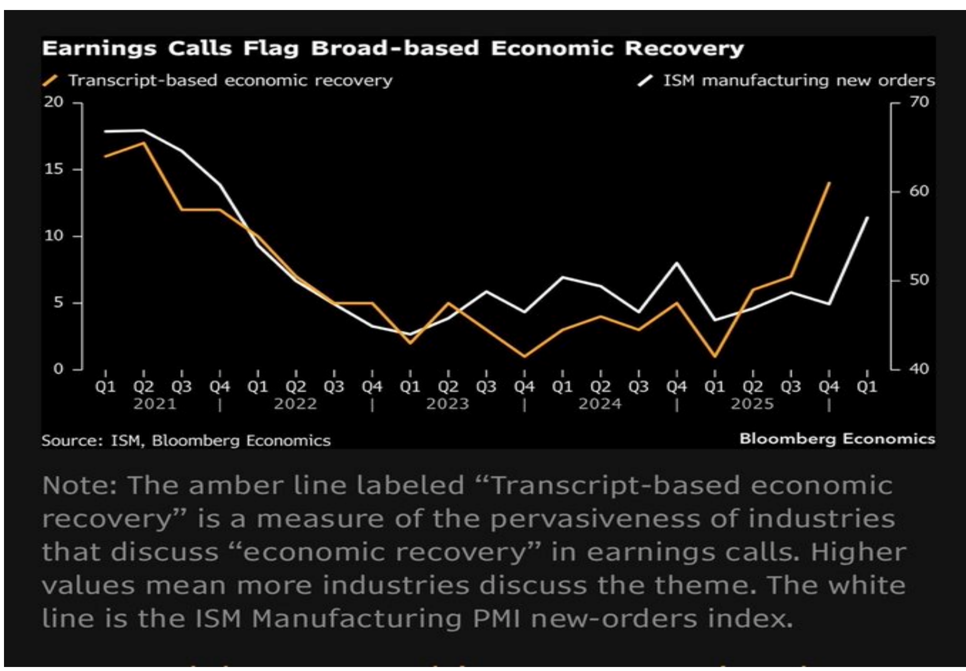
JP Morgan Global Manufacturing PMI Prices

Rising earnings calls suggest the US economy is resilient



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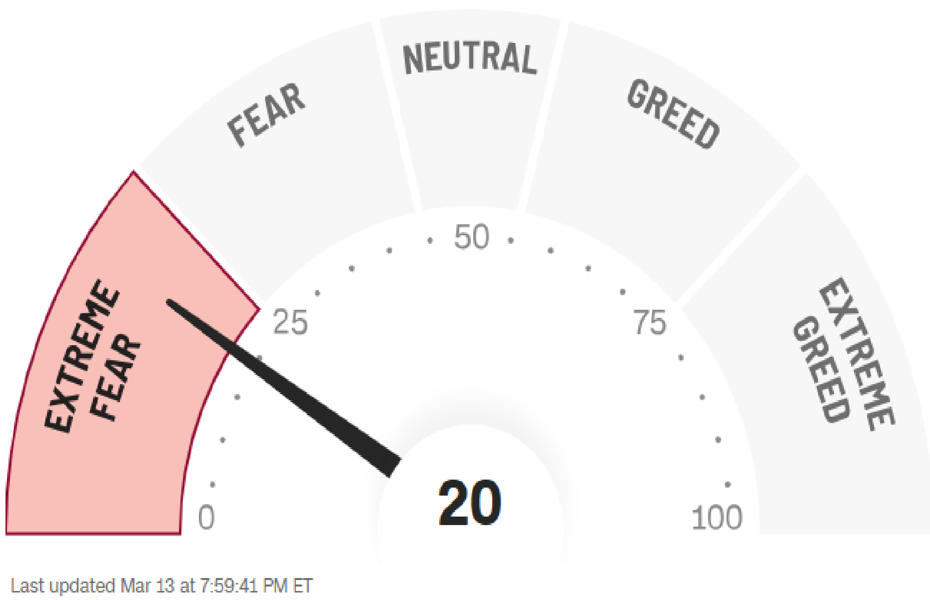
CNN Greed and Fear Index



The CNN Greed and Fear Index dropped to Extreme Fear Mode last week

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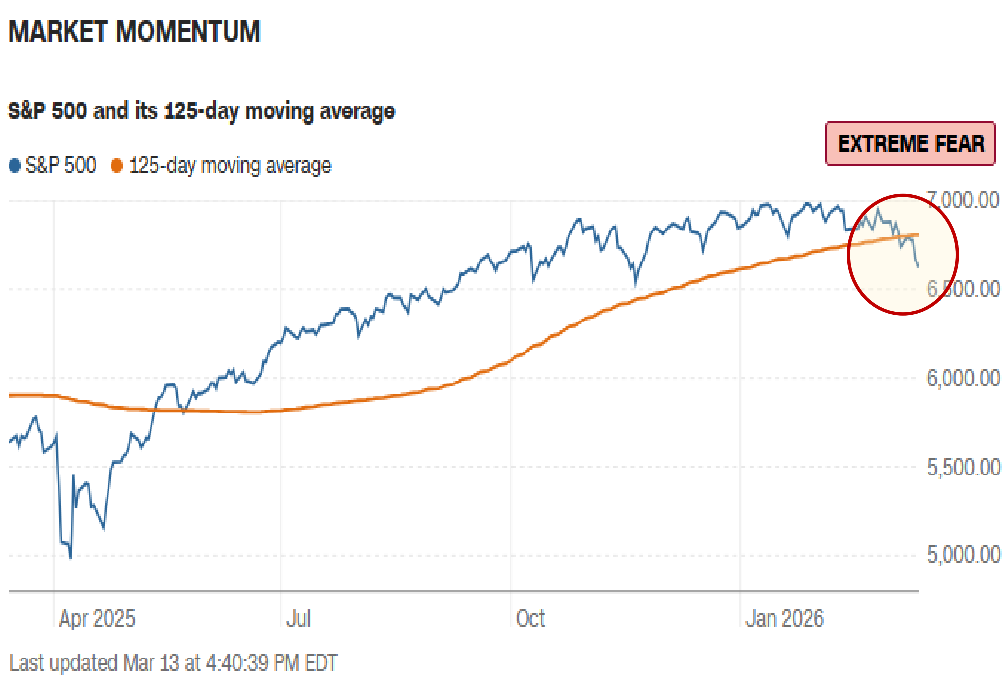
S&P 500 Market Momentum

US Equity market momentum is losing steam



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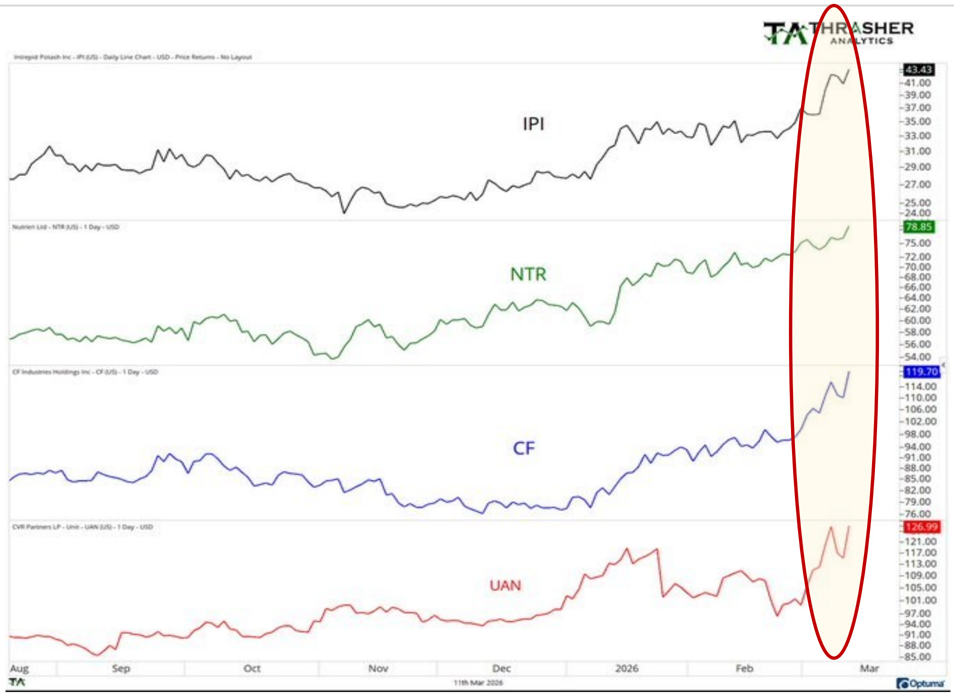
US Fertilizer Equity Sectors



Crude oil has pulled back from its high of over $110/barrel, but fertilizer stocks are still moving, hitting multi-year highs

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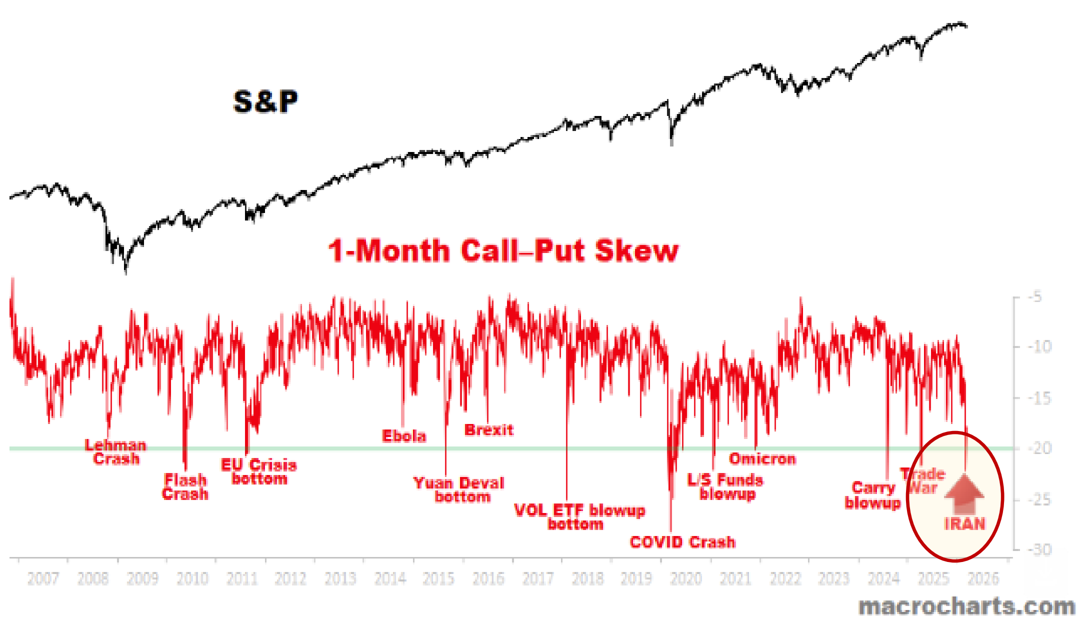
US Equity Put-to-Call Ratio Index

The cost of protection is near the most expensive levels in history - too late to short?



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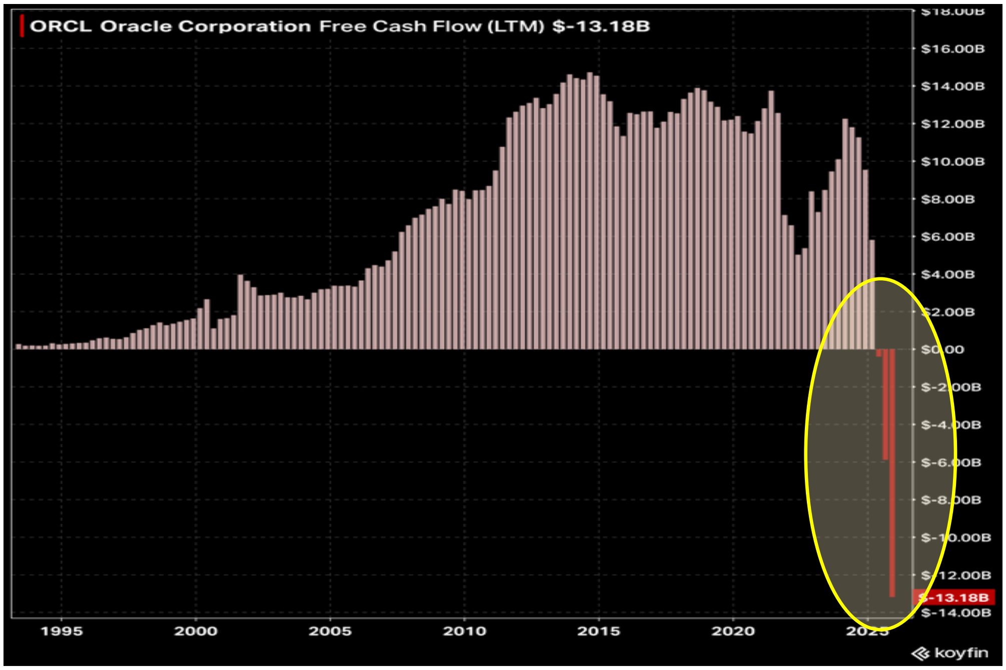
Investor Positioning

Oracle is starting to report negative free cash flows (trailing) for the first time in multiple decades



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Software vs S&P 500

Software's relative trend is thrusting - is the relative underperformance bottom in?

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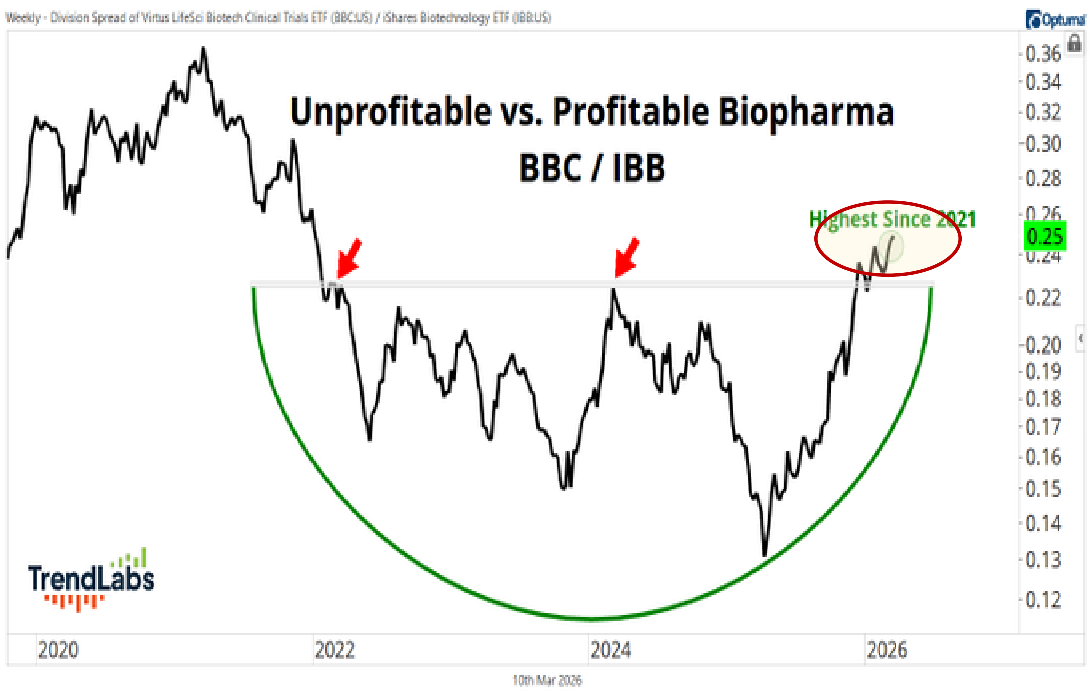
Health Care Sector: Risk On/Off Proxy



Risk-on for Biotech

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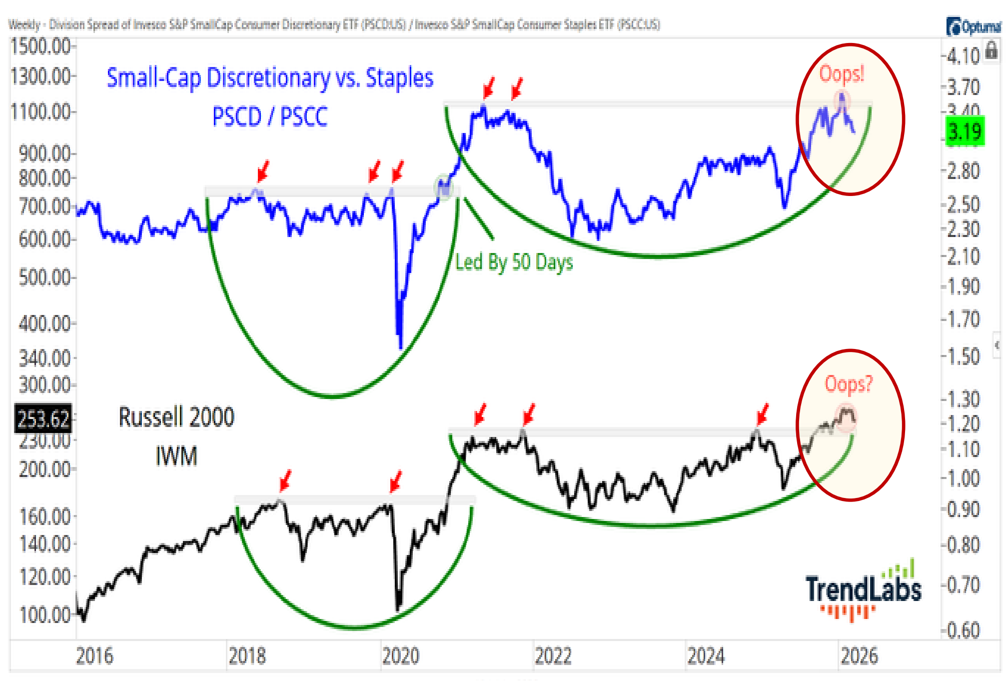
US Size Factor: Small Caps

Small Cap Discretionary versus Staples is experiencing a failed breakout at its prior cycle highs -
Can small caps break out?



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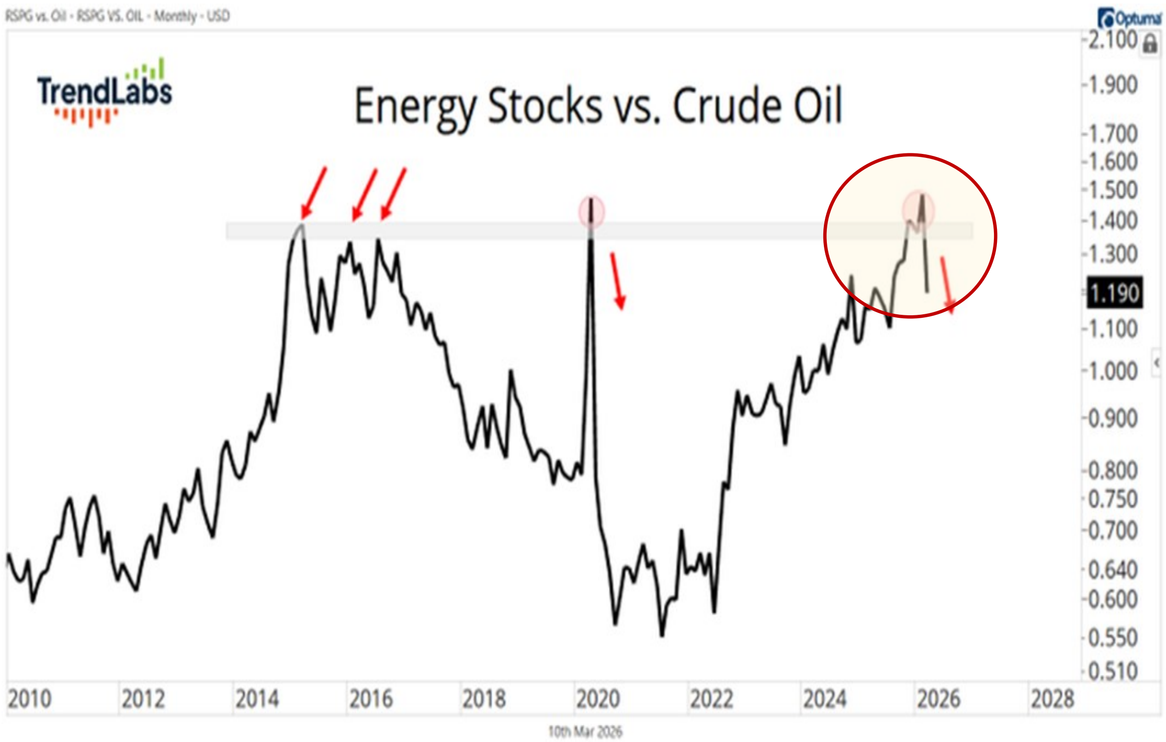
Energy Stocks vs Crude Oil



Crude set to outperform energy stocks?

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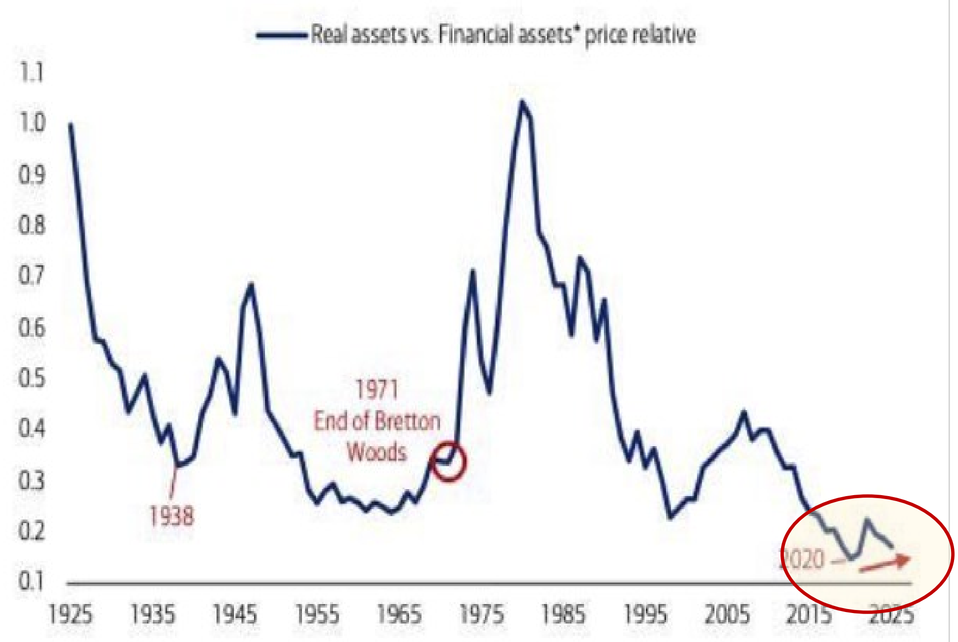
Secular Charts - Real vs Financial Assets

This chart may be one of the most important historical analyses to consider over the next 5–10 years - @TaviCosta



Source: BofA Global Investment Strategy, Bloomberg.

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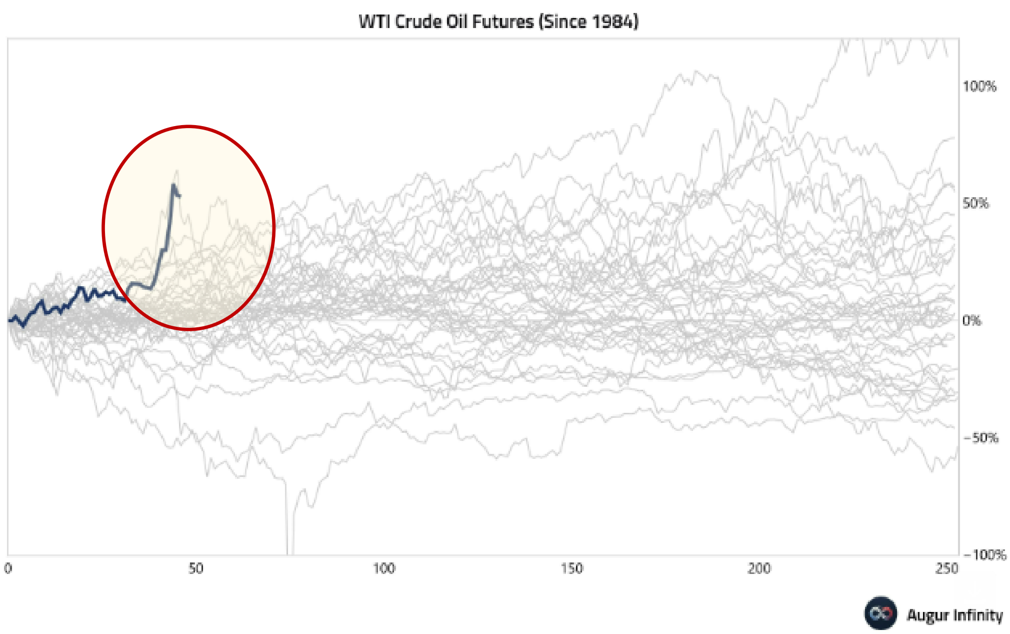
Vestmo Real Asset Conditions

Real Assets vs Financial Assets



Crude prices are having the best year on record even with the sell off

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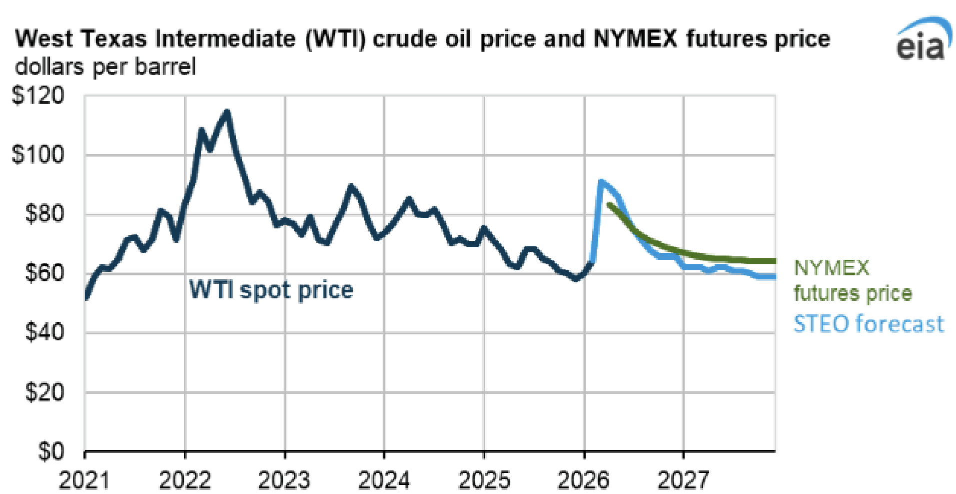
EIA West Texas Crude Prices Forecasts

Brent Crude: near-term pain $90+, second-half relief $65 — If the Middle East stabilizes according to the EIA



Data source: U.S. Energy Information Administration, Short-Term Energy Outlook, March 2026, Bloomberg, L.P., and LSEG Data
Note: Futures curve is the average settlement price for five trading days ending March 9, 2025.

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Vestmo Digital Asset Conditions

BTC US Spot Price Net Flows

Bitcoin's gains relative to Gold since the war started are very notable - Has a regime shift occurred?

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CMC Crypto Fear and Greed Index

The Crypto Greed and Fear Index remained in Fear Mode last week

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