



MacroSpotlight

How is the macro shock propagating across industry groups?

23rd March 2026



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Since 27 Feb, the average S&P 500 stock is down ~7%.

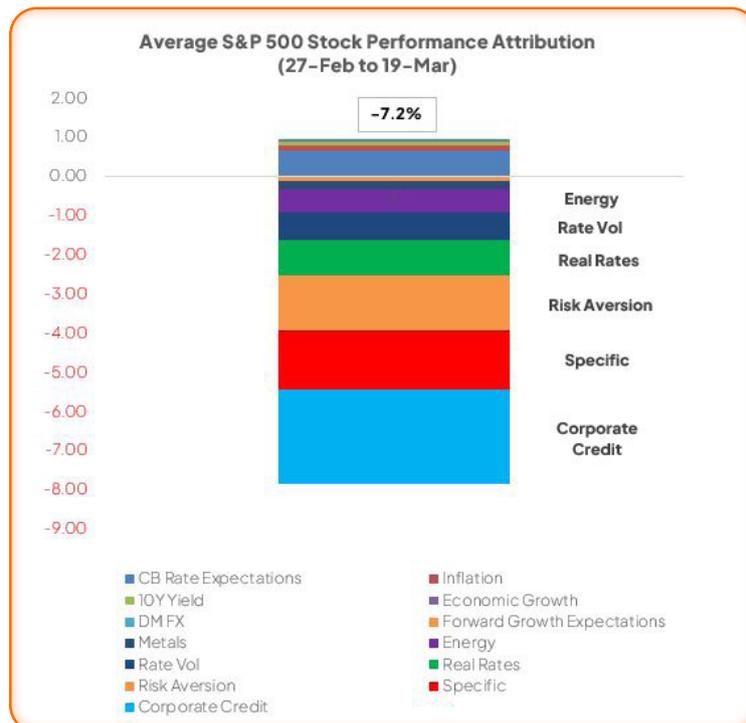
Quant Insight's risk model shows ~80% of that move is macro. Only ~20% is idiosyncratic. This is a macro repricing. See the first chart.

The instinct is to call this an energy shock. That's wrong.

Energy is fifth in the transmission.

The drivers, in order:

- Corporate credit (HY spreads)
- Risk aversion (VIX)
- Real rates
- Rate volatility
- Energy





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The sequence matters: geopolitics → credit widens → vol reprices → rate uncertainty rises → real rates adjust.

Looking across sectors, the extremes are obvious (Energy vs Autos). The signal is in the middle:

- Credit → Semis: High-beta duration gets hit first when spreads widen
- Risk aversion → Semis: Same sector. Credit + vol stress concentrated
- Real rates → Consumer Durables: Rate-sensitive demand takes the hit
- Rate vol → Autos: Financing + residuals = embedded duration
- Energy → Transportation: Direct margin pressure

<i>Industry Group Attributable Factor Returns (27-Feb to 19-Mar)</i>						
Industry Group	Energy	Rate Vol	10yr Real	Risk Aversion	US HY Credit	Sub-Total
Energy	12.71	1.34	-0.86	-1.10	-1.98	10.11
Food, Beverage & Tobacco	1.38	0.69	-1.06	-0.50	-0.99	-0.48
Telecommunication Services	-1.20	1.96	-0.43	-0.83	-0.84	-1.35
Utilities	0.23	-0.10	-0.55	-0.84	-0.99	-2.24
Consumer Staples Distribution	-0.71	0.42	-0.88	-1.05	-0.99	-3.21
Equity Real Estate Investment	0.47	-0.31	-0.86	-0.99	-1.82	-3.51
Insurance	-1.31	0.16	0.12	-1.17	-1.53	-3.72
Materials	1.03	-0.45	-1.32	-1.17	-2.26	-4.16
Commercial & Professional Serv	-0.50	-0.08	-1.06	-1.22	-1.60	-4.46
Household & Personal Products	0.14	-2.42	-0.74	-0.95	-0.88	-4.85
Health Care Equipment & Servic	-1.48	-0.63	-0.38	-1.15	-1.59	-5.23
Media & Entertainment	-0.13	-0.15	-0.88	-1.59	-2.60	-5.35
Real Estate Management & Devel	0.90	-2.50	-1.37	-1.52	-2.50	-6.98
Capital Goods	-1.52	-1.19	-0.51	-1.39	-2.90	-7.51
Consumer Discretionary Distrib	-2.15	-0.86	-0.95	-1.23	-2.40	-7.60
Pharmaceuticals, Biotechnology	-1.82	-1.21	-1.84	-1.51	-2.54	-8.92
Software & Services	-1.70	-1.23	-1.62	-1.90	-2.56	-9.02
Consumer Services	-2.08	-1.77	-0.56	-1.67	-3.12	-9.19
Financial Services	-1.87	-2.54	-1.06	-1.87	-2.82	-10.17
Semiconductors & Semiconductor	-2.40	1.16	-1.26	-2.82	-5.14	-10.47
Technology Hardware & Equipmen	-2.77	-0.94	-0.96	-2.39	-3.43	-10.50
Banks	-2.90	-2.51	-0.89	-1.55	-3.13	-10.98
Transportation	-4.18	-0.88	-0.64	-1.50	-3.85	-11.06
Consumer Durables & Apparel	-3.58	-0.44	-2.01	-1.14	-4.02	-11.17
Automobiles & Components	-2.22	-4.44	-0.29	-1.79	-3.77	-12.50

Only two sectors are green: Energy and Software. But for completely different reasons – Energy = macro tailwind; Software = idio tailwind post its de-rating.

At the other end: Autos = largest macro casualty; Consumer Staples = largest idio drag (post re-rating unwind)

Bottom line: This isn't just an oil story. It's a credit-led tightening shock propagating through volatility into rates.



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