



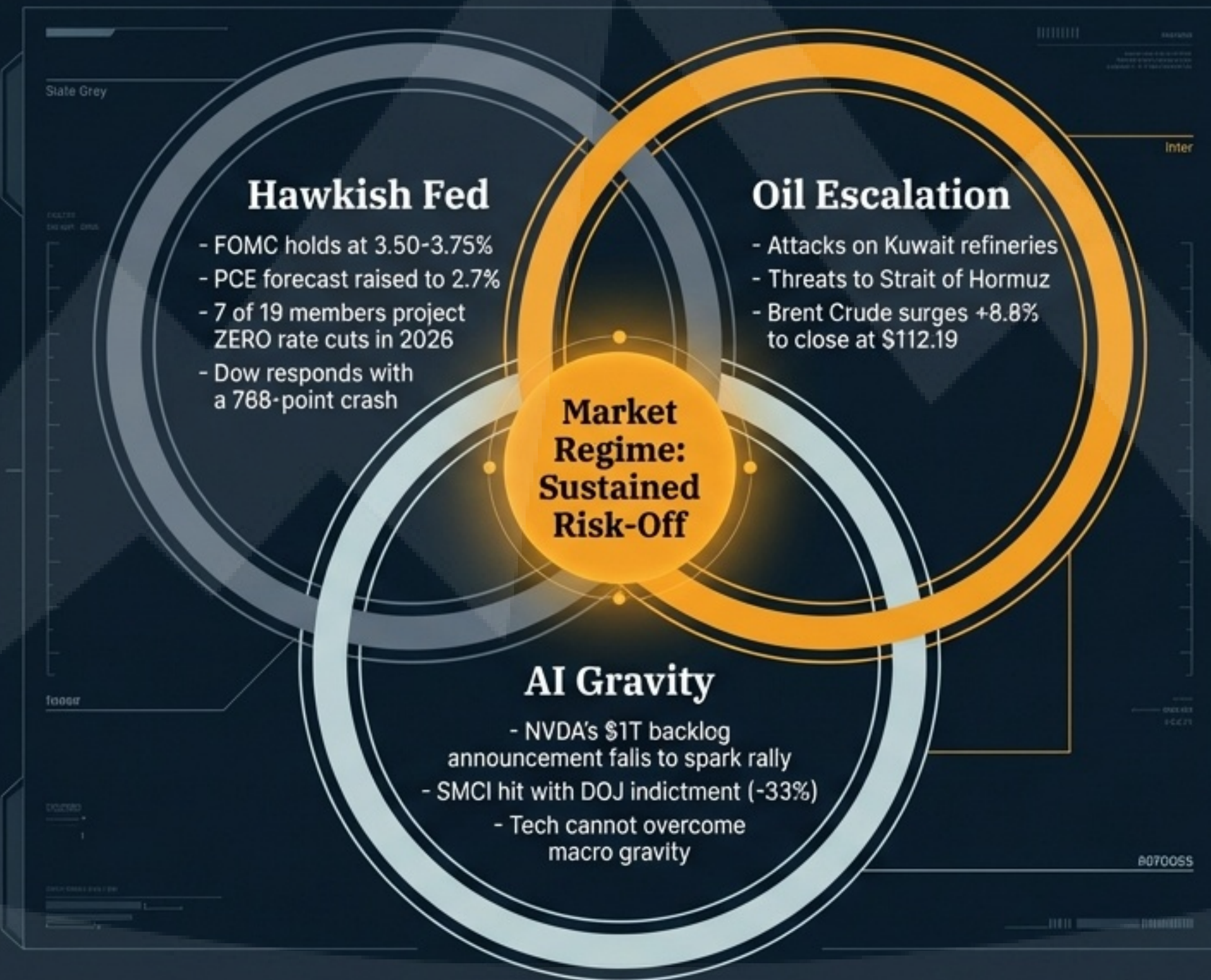
**MOATPEAK**  
INDEPENDENT RESEARCH

# **MoatPeak Independent Research: Weekly Investment Digest**

**The Fed, Nvidia, and the Oil Fire: A Week  
That Confirmed Our Worst Fears**

March 16 – 21, 2026

# The Collision of Three Forces



**KEY TAKEAWAY:** For the first time in 214 sessions, the S&P 500 broke its 200-day moving average, closing at 6,506.48.

# MoatPeak Accountability Scorecard

Transparent tracking of our previous predictive models.

Prior Week Call	Reality	Status
Call 1: Fed Pause & Hawkish Dot Plot	Reality: Confirmed. Rate held; dot plot hawkish (7/7/5 split).	✓
Call 2: NVDA GTC as AI Trigger	Confirmed. GTC delivered huge numbers, but the market reaction was muted as predicted.	✓
Call 3: Private Credit Liquidity Stress	Confirmed. Morgan Stanley forecasts 8% defaults; BlackRock HLEND caps repurchases at 5%.	✓
Call 4: S&P 500 & 10Y Yield Targets	Confirmed. SPX hit bottom range (6,506); 10Y hit top range (4.39%).	✓
Call 5: Oil (\$85-\$95 Target)	Risk Exceeded. Brent surged to \$112.19 on faster-than-expected geographical escalation.	⚠

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# Market Dashboard & Asset Performance

Equities	Rates & FX	Commodities & Crypto
<b>\$SPX:</b> 6,506.48 (-1.9%) Weekly trends: ▼ 	<b>10Y UST:</b> 4.39% (+11 bps) Weekly trenk: ▲ 	<b>Brent:</b> \$112.19 (+8.8%) Weekly trenk: ▲ 
<b>Nasdaq:</b> 21,647.61 (-2.1%) Weekly trends: ▼ 	<b>2Y UST:</b> 3.88% (+15 bps) Weekly trenk: ▲ 	<b>WTI:</b> \$98.32 (-0.4%) Weekly trenk: ▼ 
<b>Russell 2000:</b> 2,438.45 (-1.7%) Weekly trends: ▼ 	<b>DXY:</b> 99.5 (-0.5%) Signal Amber ▼ 	<b>Gold:</b> ~\$4,575 (-1.8%) Signal Amber ▼ 
<b>Dow:</b> 45,577.47 (-2.1%) Weekly trends: ▼ 	<b>USD/JPY:</b> 159.2 (+2.7%) Weekly trenk: ▲ 	<b>BTC:</b> \$70,723 (-0.2%) Signal Amber ▼ 

## MOATPEAK INSIGHT: The Transatlantic Energy Divide

The WTI vs. Brent spread has violently widened to **\$13.87**. This divergence perfectly prices in Europe and Asia's severe vulnerability to the Persian Gulf supply shock, contrasted with America's relative energy independence.

# Macro Focus: The Fed's Hawkish Trap

## The Dot Plot Visual



Catalyst: Rate held at 3.50-3.75%. PCE forecast raised from 2.4% to 2.7%. Powell cites uncertain implications of events in the Middle East.

## Market Reaction

1. Fed Funds Futures repriced to <50% chance of a single cut in H2 2026.
2. Dow Jones suffered a 768-point (-1.63%) daily crash on Wednesday.
3. Long-duration assets (\$TLT) effectively repriced for a higher-for-longer stagflationary reality.

# The Week in 5 Battles


Micro fundamentals overpowered by macro gravity.



# Micro Focus: The AI Hardware Supercycle

## The Brain (\$NVDA)


Jensen Huang announces \$1T cumulative demand backlog through 2027 for Blackwell/Vera Rubin.

**Market Reaction:** -3.28% by Friday. The thesis is known, and the trade is crowded. 



## The Memory (\$MU)

Micron reports a staggering Q2.  
➤ Revenue **\$23.86B (+196% YoY)**.  
➤ Non-GAAP EPS **\$12.20**.

**Market Reaction:** Stock surges after hours on absolute High Bandwidth Memory pricing power. 

### MOATPEAK THESIS:

Micron is currently the purest “shovel-seller” in the AI gold rush. However, investors must remember that the memory cycle is historically the most violent in semiconductors; when the capex cycle turns, the fall will be brutal.

# Corporate Shock: The \$SMCI Contagion

Visualizing the systemic regulatory contagion to the AI hardware supply chain.



# Earnings vs. Market Regime Matrix

Market Reaction (Negative to Positive)

<p><b>\$BABA:</b> Weak China consumer, EBITDA -57%. Punished harshly (-7.16%).</p> <p><b>\$DLTR:</b> Discount migration shows severe consumer stress.</p>	<p><b>\$MU &amp; \$FDX:</b> Spectacular Beats (FDX +28% EPS beat; MU +196% Rev), but dragged down by broad macro selloff.</p> <p><b>\$ACN:</b> Strong beat, IT budgets holding, but closed week negative.</p>

Earnings Quality (Weak to Strong)

## MOATPEAK INSIGHT

When exceptional fundamental news fails to drive asset prices higher, the market regime has definitively shifted to **Risk-Off**. **Macro gravity** is currently stronger than micro velocity.

# Sector Rotation & Capital Flows

The severe bifurcation between Energy/Cash and everything else.

## The Safe Havens

- Energy (**\$XLE**) is the only sector with sustained momentum.
- E&P (**\$XOM, \$CVX**) vastly outperforming Services (**\$SLB**) due to logistics fears.
- Agchem (**\$CF**) rising on fertilizer transit fears.

## The Crushed Cyclicals

- Small Caps (**\$IWM/RUT**) record their 3rd straight week of losses.
- They face an existential threat from the **10Y yield** resting at **4.39%**.

## The Tech Rotation

- Value aggressively outperforming Growth.
- Within the Mag 7, defensive tech (**\$MSFT**) is holding far better than high-beta hardware (**\$AAPL, \$NVDA**).

**“THE MOATPEAK RULE: Sell everything except energy and cash. The market is abandoning duration and cyclicals for immediate, tangible cash flows.”**

# Gray Rhino 1: Regional Oil Crisis



1

## The Catalyst

Escalation beyond the Red Sea. Repeated strikes on Kuwait refineries; joint European reports of attempts to close the Strait of Hormuz (20% of global oil/LNG transit at risk).

2

## Exposed Channels

Major regional operators: [\\$XOM](#), [\\$CVX](#), [\\$BP](#).

3

## The Escalation Trigger

If attacks broaden to Saudi Arabia or the UAE, Brent crude models forecast a parabolic spike to the **\$130-\$150** range.

# Gray Rhino 2: Private Credit Systemic Risk

## Macro Pressure

Higher-for-longer rates drive up refinancing costs for highly leveraged software and tech buyouts.

## Fundamental Disruption

AI disruption compresses margins in legacy software borrowers. Morgan Stanley officially projects direct lending defaults to hit 8%.

## The Liquidity Gate

BlackRock's HLEND fund (~\$26B AUM) caps repurchases at 5% after facing 9.3% in redemption requests.



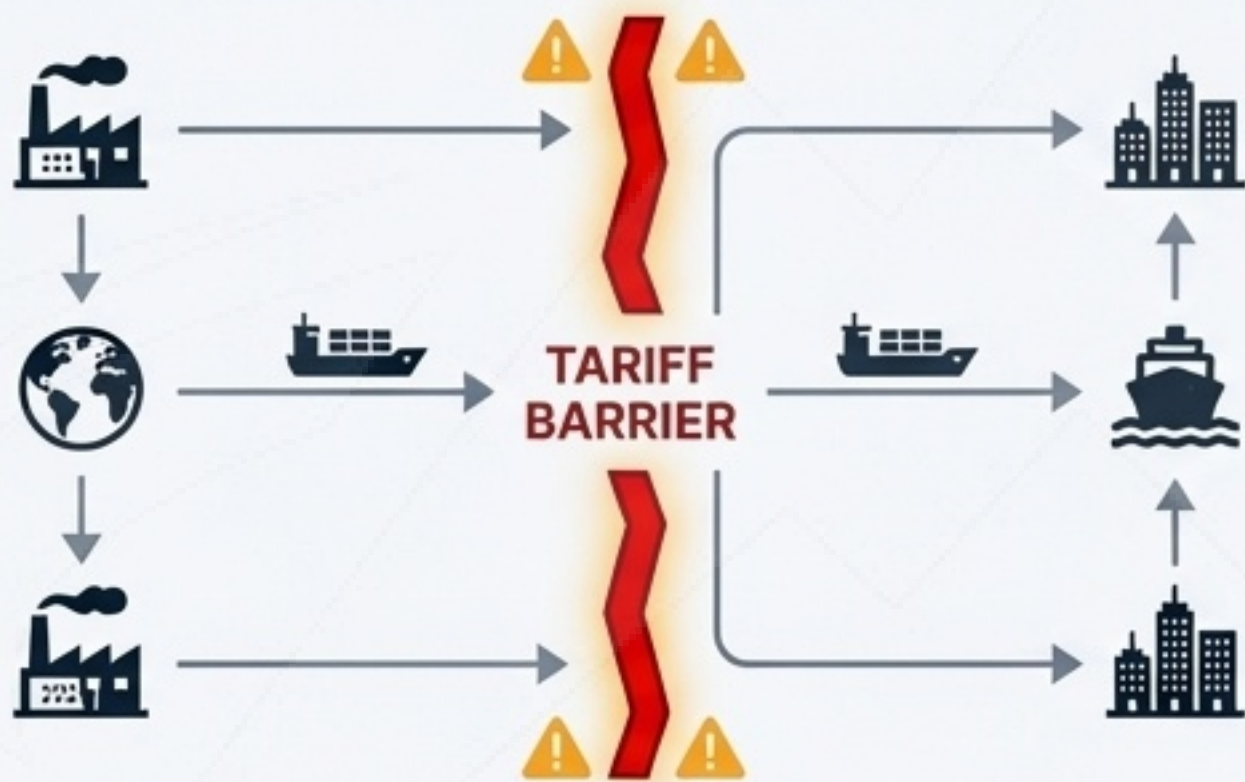
## THE ESCALATION TRIGGER

If Q2 redemption requests across the industry exceed 10%, forced liquidations could spill over into public equity markets.

**Exposed channels:**  
\$MS, \$BLK, \$OWL.

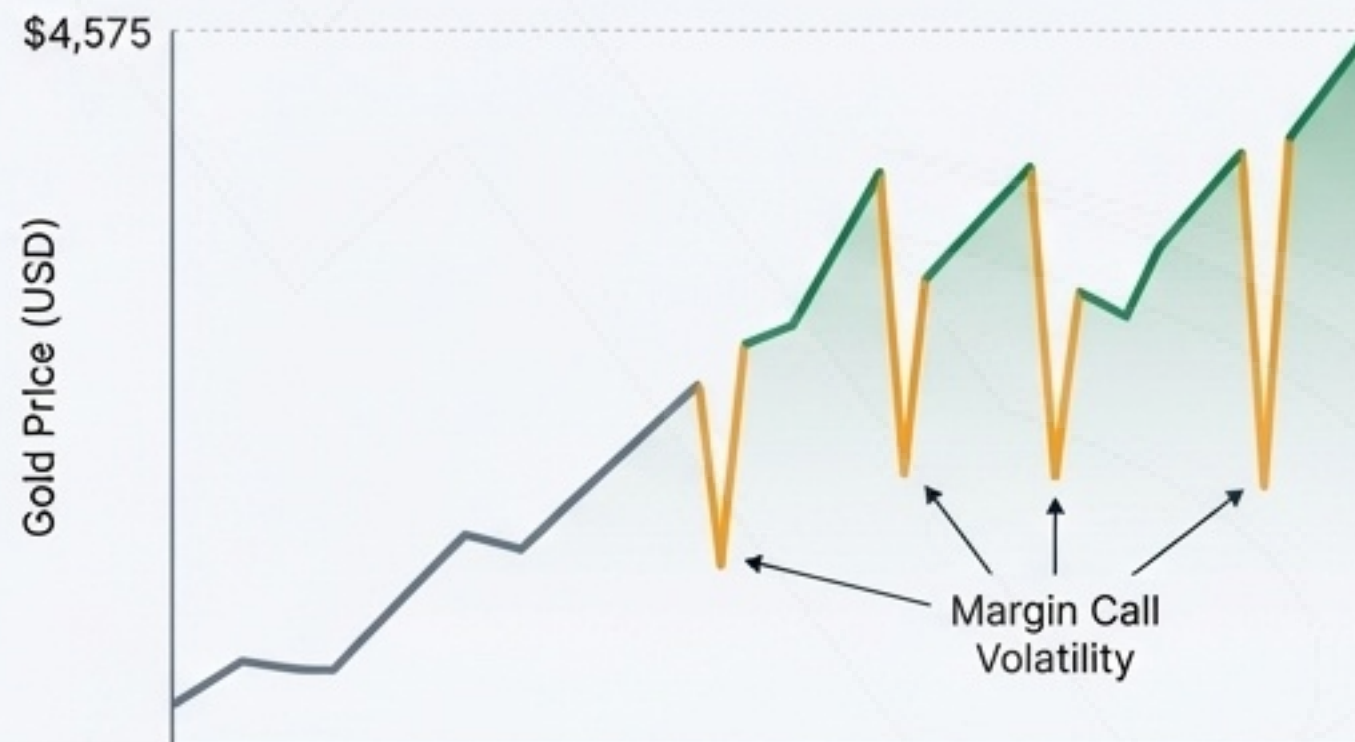
# Gray Rhino 3: Tariffs & The Gold Paradox

## The Tariff Trap



USTR Section 301/122 tariffs are acting as a stealth inflation driver, compounding the oil shock and trapping the Fed. Primary hits to **\$AAPL**, **\$TSM**, and **auto OEMs**.

## The Gold Paradox



Gold at ATHs signals deep structural dollar fears and geopolitical risk. Yet, intra-week volatility indicates forced liquidations: funds selling winning gold positions to meet margin calls on losing equity portfolios.

# MoatPeak Scenario Matrix (4-8 Week Horizon)

## Base (50%) - Prolonged Erosion

**Assumptions:** Conflict simmers without geographic expansion. Fed holds till Sept. Private credit stress contained.

### Targets:

- SPX **6,300-6,700** | 10Y Yield **4.30-4.55%** | Oil **\$95-\$110**

## Bear (30%) - Regional Oil Crisis [UPGRADED]

**Assumptions:** Attacks hit Saudi/UAE. Brent hits \$130+. Inflation spikes >4%. Fed trapped. Credit default wave.

### Targets:

- SPX **5,800-6,100** | 10Y Yield **4.60-5.00%** | Brent **\$130+**

## Bull (20%) - Diplomatic Breakthrough

**Assumptions:** Unexpected ceasefire. Oil drops. Fed signals dovishness.

### Targets:

- SPX **6,800-7,100** | 10Y Yield **4.00-4.15%** | WTI **\$75-85**

**MOATPEAK NOTE:** The Bear probability was upgraded by 5% this week due to the Kuwait refinery attacks validating escalation fears.

# Catalysts & Invalidation Radar

## Invalidation Triggers

### Base Invalidated

If: Brent Crude holds >\$120 for more than 5 consecutive sessions (shifts to Bear).

### Bear Invalidated

If: Sudden Middle East ceasefire announced (shifts to Bull).

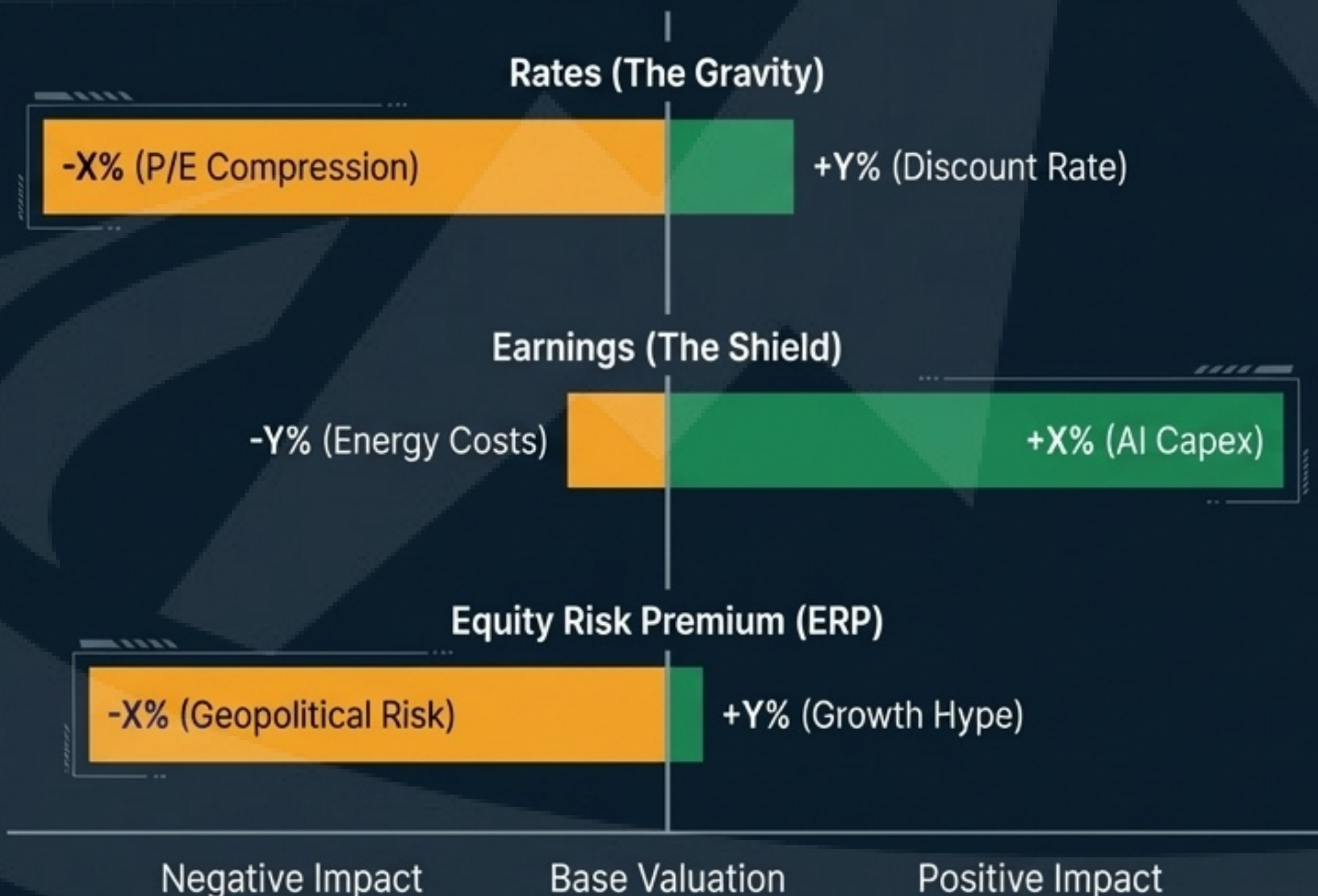
### Bull Invalidated

If: Tech earnings drastically miss Q2 estimates.



# Key Valuation Drivers & Sensitivities

## Sensitivity Analysis Tornado Chart



### Rates (The Gravity)

Every **25bps increase** in the **10Y yield** mathematically **compresses** P/E multiples by approximately  **$\sim 0.8x$** . At **4.39%**, duration equities are mechanically overpriced.

### Earnings (The Shield)

**AI Capex** is single-handedly holding up aggregate SPX EPS. However, the **energy input cost shock** is threatening operating margins for the 'S&P 493' (non-tech names).

### Equity Risk Premium (ERP)

ERP is currently **squeezed** to historically thin levels. The market has priced the geopolitical premium exclusively into Oil, but has **NOT** adequately priced it into equities.

# MoatPeak Portfolio Decision Checklist



**1. Build a Liquid Cash Cushion:** Increase allocation to ultra-short duration (\$SHV, \$BIL) to deploy when capitulation hits.



**2. Stress-Test for Brent >\$130:** Run portfolio models assuming a parabolic oil spike. Hedge with \$XLE.



**3. Audit AI Exposure:** Separate pure hardware infrastructure (\$MU) from vulnerable software names facing private credit headwinds.



**4. Purge Price-Takers:** Eliminate exposure to highly cyclical names and airlines (\$CCL, \$AAL) that lack the pricing power to pass on \$110 oil costs.



**5. Anchor with Quality Yield:** Rotate equity allocations into high-quality dividend ETFs (\$SCHD) with low beta.

# Tactical Watchlist: Equities & ETFs

**\$MU**

AI memory cycle peaking; pure infrastructure play.

10000

**\$XLE**

Overbought, but the only working momentum trend.

10000

**\$FDX**

Barometer of real economy; +28% EPS beat proves resilience.

10000

**\$SCHD**

Quality dividend sanctuary in a storm.

10000

**\$CF**

Agchem structurally supported by fertilizer transit fears.

10000

**\$GLD**

Ultimate hedge, but vulnerable to margin call liquidations.

10000

**\$SMCI**

DOJ indictment (-33%); regulatory contagion risk.

10000

**\$TLT**

Crushed by 10Y at 4.39%; wait for yield stabilization.

10000

**\$IWM**

Small caps facing existential threat from high rates.

10000

**\$BABA**

EBITDA -57%; Chinese consumer remains deeply broken.

10000

**\$ADBE**

Software facing AI disruption + private credit headwinds.

10000

**\$NVDA**

\$1T backlog priced in; watch \$172.70 support.

10000

# **The 5 Critical Questions for Next Week**

- 1. Will infrastructure attacks breach Saudi Arabia or the UAE, triggering a \$130+ Brent scenario?**
- 2. Can the massive earnings beats in AI hardware (\$MU) act as a firewall for the broader tech sector?**
- 3. Will the DOJ expand the \$SMCI probe into a sector-wide export control audit?**
- 4. What will the delayed April 1-3 macro data (Retail Sales, ISM, Payrolls) reveal about the real economy?**
- 5. Will private credit redemptions breach critical thresholds, triggering forced asset liquidations?**

# Closing MoatPeak Analyst Memo

The week that passed confirmed our most severe warnings: the geographic expansion of conflict, a stubbornly hawkish Fed, and critical technical supports failing one by one.

However, context is paramount. Even after four consecutive weeks of selling, the S&P 500 resting at ~6,500 represents a historically moderate correction. The worst error an investor can make today is abandoning their framework to make emotional, headline-driven liquidations.

Stick to the scenario matrix. Maintain liquidity. Remember: the most lucrative buying opportunities in history always appear exactly when buying feels the most terrifying.



## MoatPeak — Independent Research

MoatPeak is an independent macroeconomic and sector-focused research platform dedicated to helping investors navigate complex market regimes through scenario-based analysis, institutional synthesis, and disciplined risk frameworks.

Our research integrates insights from global investment banks, asset managers, and macroeconomic data sources, translated into clear, actionable perspectives for long-term, strategic investors.

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