CBC Weekly Economic Update for the Week Ending March 27th

Monday Loan & Deposit Pipeline Meeting

March 30, 2026

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Discussion Topics

- Stock & Oil Markets
- Weekly Initial Jobless and Continuing Claims
- Rate Cut Expectation & Treasury Yields
  - Treasury Forward Rates
- Key Takeaways

Stock & Oil Markets

Equity Market

Equity Markets Slide Again as Ongoing War and Inflation Weigh

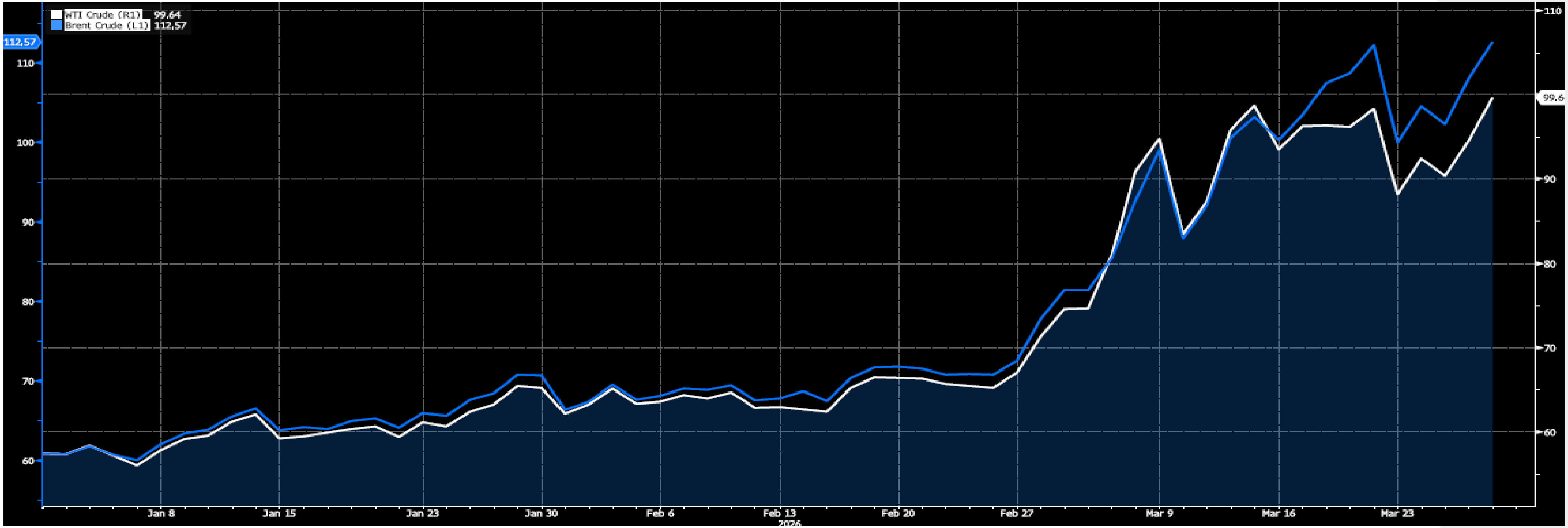
- Stocks fell for a fifth straight week as higher oil prices and Middle East uncertainty pressured sentiment, with large-cap tech leading the decline
- Small caps held up better—the Russell 2000 posted a modest gain—signaling a rotation away from mega-cap tech toward smaller companies

Source: Bloomberg

Brent & WTI Crue Oil Prices

Oil Prices Push Higher as Global Supply Risks Intensify

- Brent climbed to its highest level since mid-2022 as the Strait of Hormuz closure and regional attacks kept global supply concerns elevated
- The Brent–WTI spread widened sharply and gas prices jumped about $1 per gallon, signaling rising energy costs hitting consumers



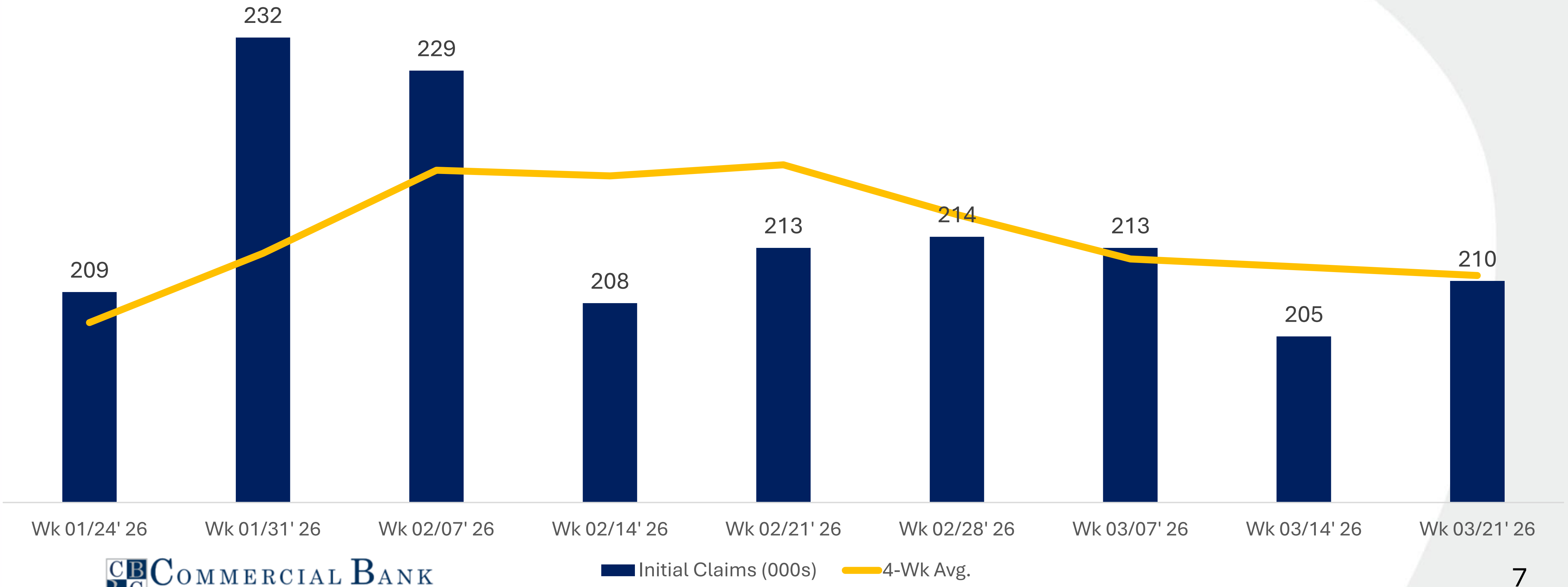
Source: Bloomberg

Employment - Weekly

Weekly Initial Jobless Claims – Week Ending 3/21/26

Jobless Claims Stay Low, Signaling Labor market Stability

- Initial claims edged up slightly but remained well below last year's levels and in line with expectations
- The four-week average moved lower, reinforcing signs of limited layoffs and a steady labor market



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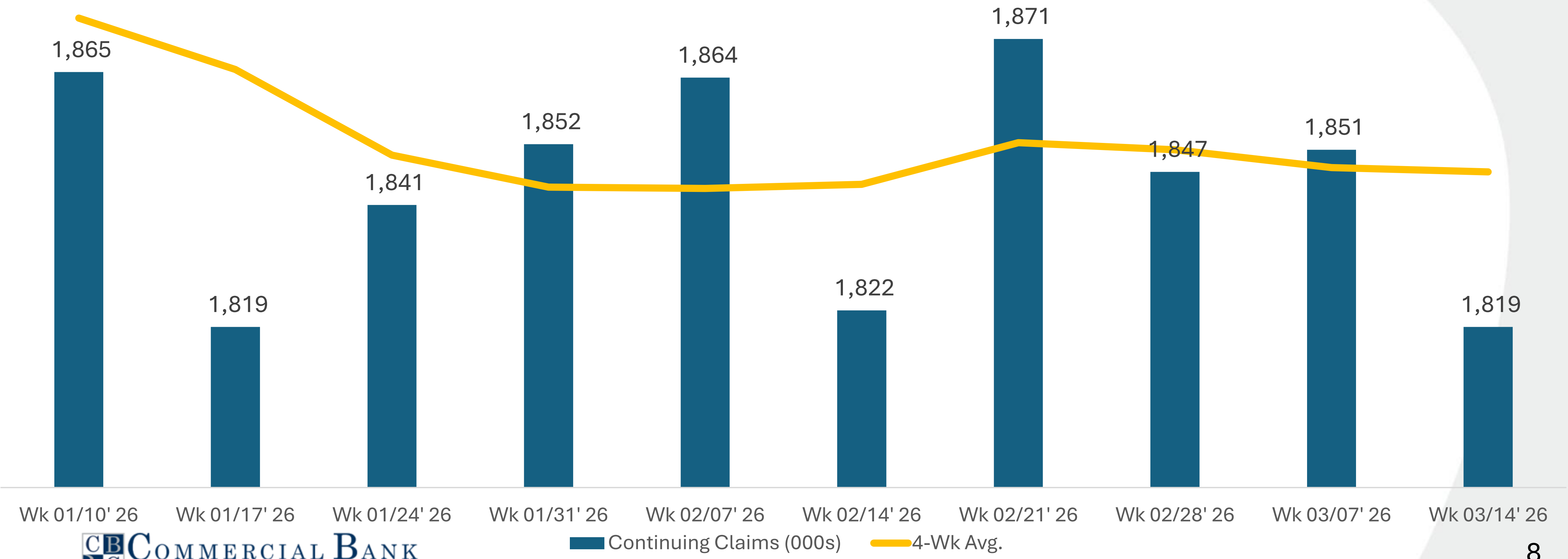
Source: Labor Department, Bloomberg

Weekly Continuing Jobless Claims – Week Ending 3/14/26

Continuing Claims Fall to Lowest Level Since Spring 2024

- Continuing claims dropped to 1.8 million, coming in below expectations and below last year's level
- The four-week average edged lower as well, reinforcing signs of a still-stable labor market



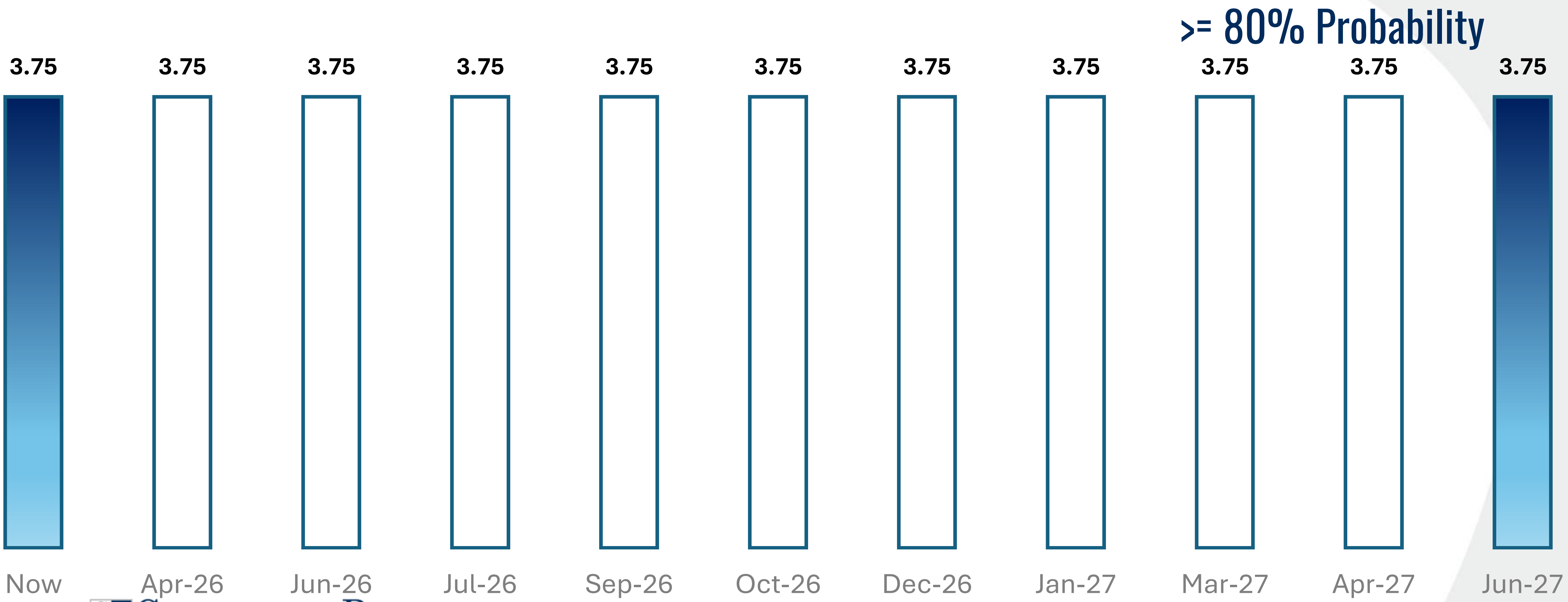
Source: Labor Department, Bloomberg

Rate Cut Expectation & Treasury Yields

Rate Cut Expectation – 3/27/2026

Markets Price in No Rate Cuts for 2026

- Investors continue to expect the Fed to hold rates steady throughout 2026, with no cuts priced in
- A small 23%–24% chance of a rate hike later in the year reinforces the higher-for-longer outlook



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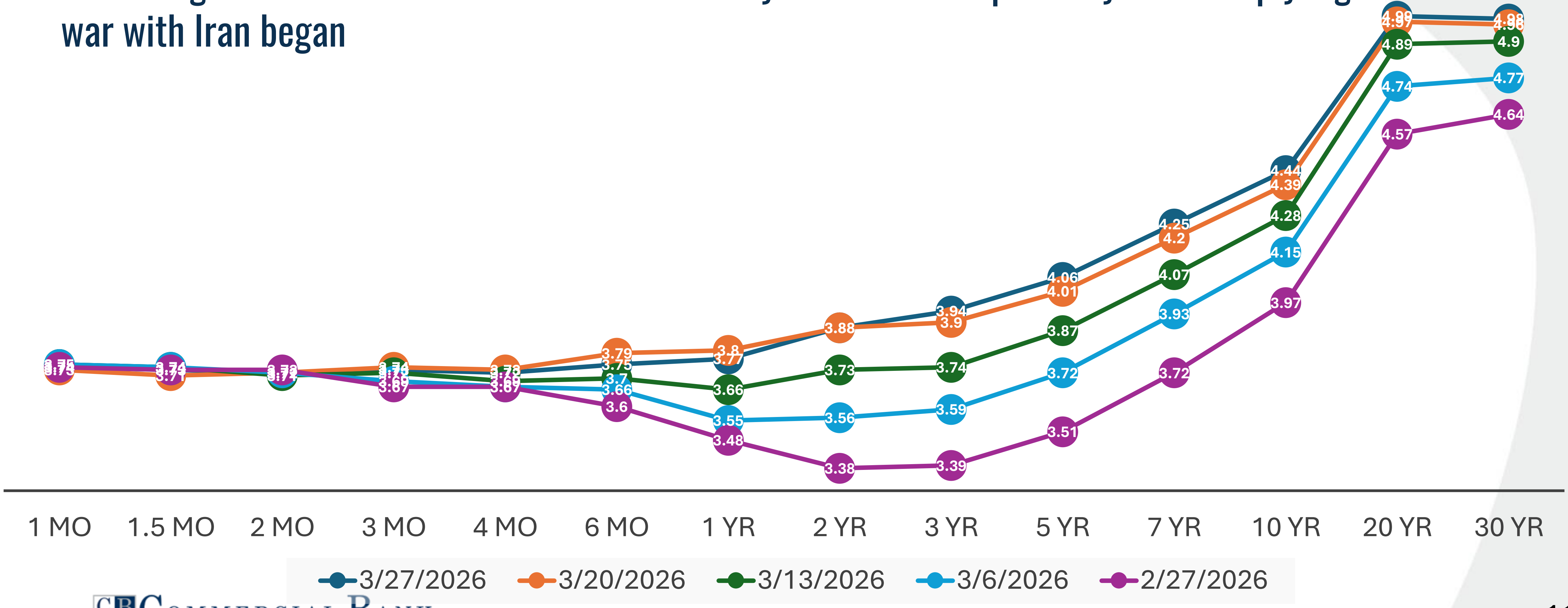
Source: Bloomberg

Treasury Market – Week Ending 3/20/2026

Treasury Yields Climb to Highest Levels Since Mid-2025

- Yields moved higher across most maturities, led by the 5- and 10-year, as inflation concerns and rising oil prices resurfaced
- Escalating Middle East conflict and weak Treasury auctions have pushed yields sharply higher since the war with Iran began

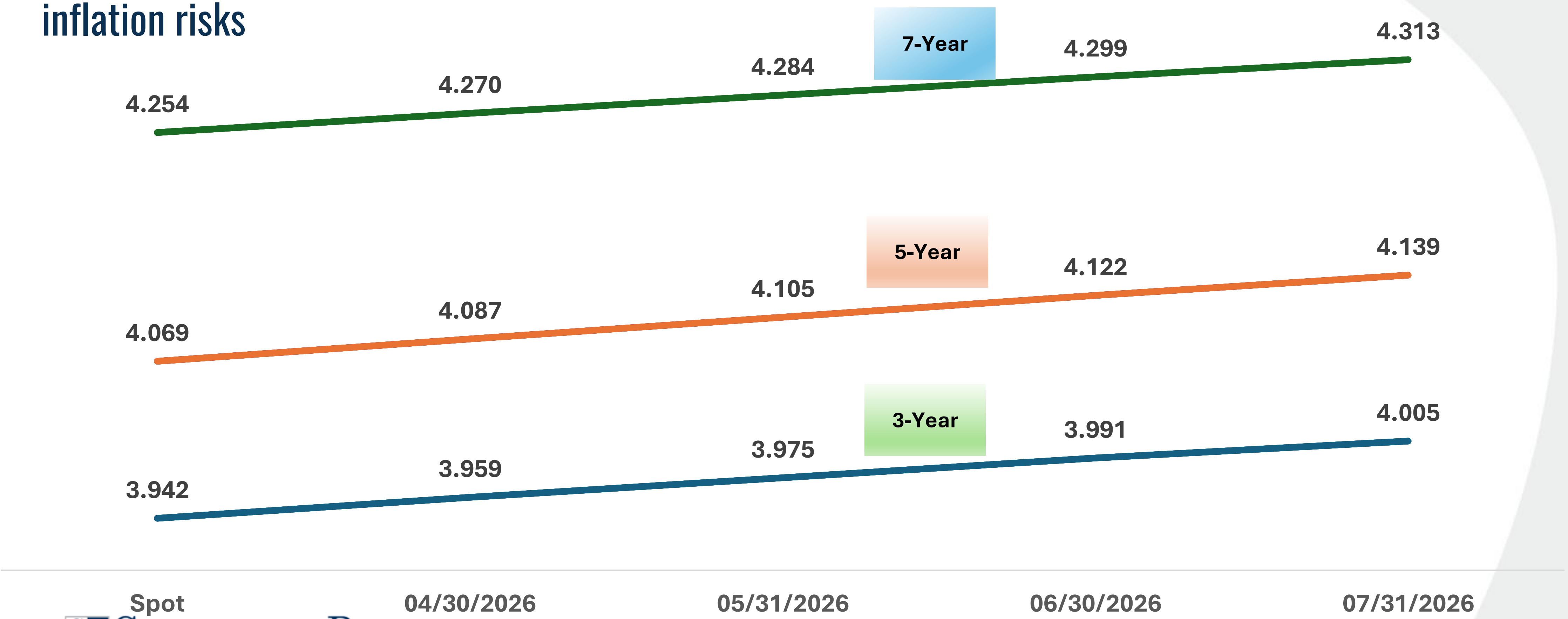


Source: Department of Treasury

Treasury Forward Rates - 3/20/2026

Treasury Forward Rates Signal Higher-for-Longer Rates

- Forward rates across the 3-, 5-, and 7-year maturities drift higher into the summer, pointing to sustained elevated yields
- The steady upward slope suggests markets are not pricing in near-term rate cuts and remain cautious on inflation risks



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Source: Bloomberg

Key Takeaways

Recap

- Jobless claims remain low overall, with limited layoffs and continuing claims at their lowest level since last spring—pointing to a stable and resilient labor market.
- Treasury yields moved higher again on inflation worries tied to rising oil prices, Middle East tensions, and weak auctions, while markets continue to price in no rate cuts in 2026.

Questions?