THRYVE

MARKET OUTLOOK

Q2 Market Outlook

A volatile start to the year driven by geopolitical tensions and the Iran conflict, separating short-term headlines from long-term fundamentals across equities, private credit, and Bitcoin.

Mar 30, 2026

It has been a volatile start to the year, driven largely by geopolitical tensions, including the recent conflict involving Iran. While markets have reacted, it is important to separate short-term headlines from longer-term fundamentals.

Here is how we are thinking about the current environment and how it impacts your portfolios:

What is driving markets right now

Geopolitical conflict and energy prices: Concerns around the conflict have pushed oil prices above $100 per barrel, raising questions about inflation and global growth

Interest rates and Federal Reserve policy: Interest rate expectations have shifted as investors balance the impact of higher energy prices with the possibility of future rate cuts to support the economy

Growth concerns, not recession: While markets have pulled back, this appears more consistent with a short-term growth scare rather than a fundamental economic downturn

How we are thinking about equities

The S&P 500 has declined approximately 8% since the war with Iran began February 28th, 2026. Analysts continue to expect roughly 9% to 10% revenue growth and approximately 17% earnings growth in 2026. Valuations have moved back toward long-term averages, with the forward price-to-earnings ratio near 20x. In simple terms, prices have come down while earnings expectations remain intact. Historically, markets have recovered from similar periods once uncertainty begins to ease.

Private credit and income investments

Private credit has seen increased attention following a few borrower-specific issues and temporary redemption limits across some funds. These developments have caused negative headlines leading to investor redemptions. Importantly, underlying loan performance remains stable, with default and recovery rates within normal historical ranges. We do expect income distributions may moderate somewhat in the coming months. We continue to view private credit as a valuable income component of portfolios, while actively managing position sizes and diversification.

Bitcoin

Bitcoin declined approximately 22% during the quarter, alongside broader risk assets. Some of the pressure has come from investor outflows and position reductions by larger holders. Despite short-term volatility, we continue to view Bitcoin as a long-term store of value, particularly given ongoing fiscal deficits. Recently, Bitcoin has traded more like a growth asset, meaning it may recover alongside broader markets as conditions improve.

What this all means for your portfolio

Your portfolio is designed to be diversified across asset classes that respond differently in environments like this. We are not making reactive, headline driven changes, but instead continuing to manage risk through thoughtful positioning and rebalancing where appropriate. Periods like this are a normal part of investing, and maintaining discipline is key to long-term success.

We will continue to monitor developments closely, particularly around energy markets and geopolitical conditions, and will adjust as needed.

As always, please reach out if you have any questions about your portfolio.

Written by THRYVE Wealth Management, LLC, an SEC Registered Investment Advisor.

About THRYVE

At THRYVE, we believe the human side of wealth management isn’t a feature — it’s the foundation. Every financial decision a client faces is ultimately a life decision, and the relationship between an advisor and a client is one of the most consequential professional bonds a person can have. We take that seriously.

THRYVE is an independent, fiduciary-based Registered Investment Adviser built on a simple and uncompromising standard: no products, no commissions, no conflicts. Our loyalty is to our clients — and only our clients. Backed by a team with over 100 years of combined wealth management experience, we deliver comprehensive financial planning, forward-looking investment strategies, and family office-level services to individuals, families, and business owners who expect both excellent advice and a genuine relationship.

We also believe the best relationship in the world is made stronger by the best tools available. Our AI-powered, fully integrated platform gives our advisors more time for the conversations that matter most, and our investment approach is built around where the world is going — not where it has been. At THRYVE, we are committed to building and earning our clients' trust: the kind that shows up in the difficult times — when markets are down or you're faced with a major financial decision. It is those real conversations about financial goals, core values, and legacy that provide our clients comfort when they need it most. That's the THRYVE difference.

General Disclosure

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