
S&P Global

01 APR, 2026

Major US stock indexes fall over 5% in March

By **Nick Lazzaro** and **Umer Khan**

US benchmark stock indexes declined more than 5% in March amid escalating geopolitical tensions and rising oil prices.

The large-cap S&P 500 and Dow Jones Industrial Average fell 5.1% and 5.4%, respectively, in March, according to S&P Global Market Intelligence data. The small-cap-focused Russell 2000 index shed 5.2% after outperforming the two large-cap indexes in the previous two months.

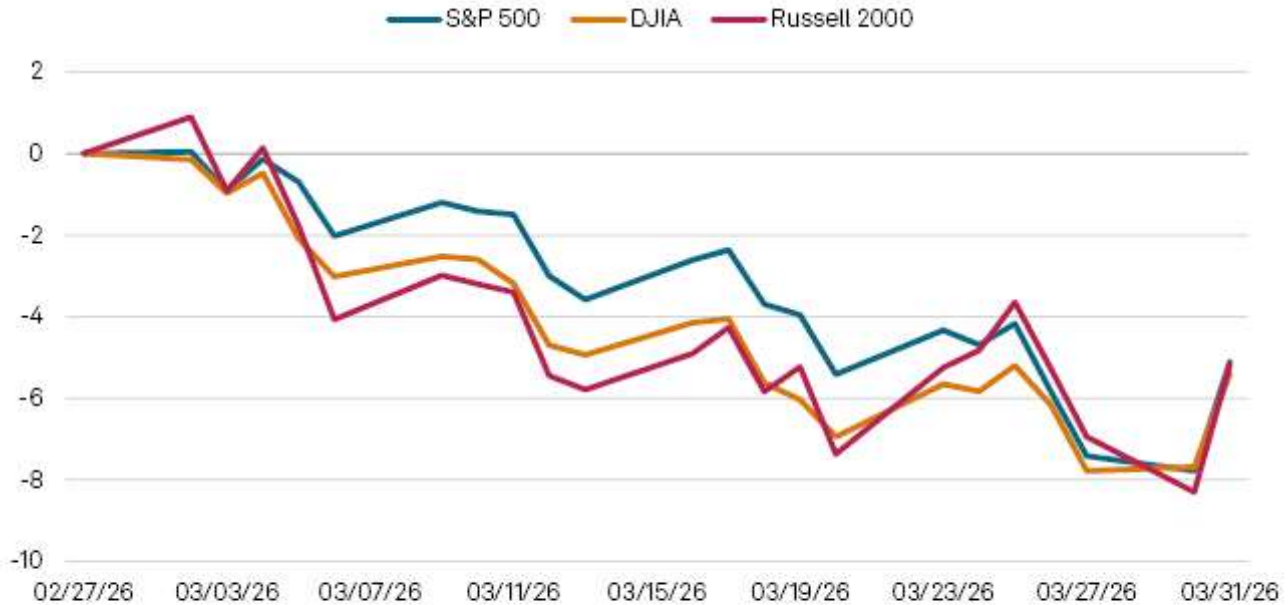
Stocks slumped in March as the joint US-Israeli strikes in Iran and Iran's retaliation triggered risk-off activity among investors. The war has stifled shipping activity in the Strait of Hormuz, causing a spike in oil prices and reigniting global inflation concerns. The front-month Brent crude oil futures contract traded at \$112.78/barrel on March 31, up from \$70.75/b at the start of the month.

"The Middle East conflict is adding volatility for sure, primarily through energy prices and risk sentiment, but it's only one driver of the sell-off," said West Riggs, head of equity capital markets at Truist Securities, in an interview.

Index performance

March 2026

Index	Closing value	Monthly change	Monthly change (%)
S&P 500	6,528.52	-350.36	-5.1 ▼
DJIA	46,341.51	-2,636.41	-5.4 ▼
Russell 2000	2,496.37	-135.99	-5.2 ▼



Data as of March 31, 2026.

DJIA = Dow Jones Industrial Average.

Source: S&P Global Market Intelligence.

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Factors such as inflation concerns also pushed US Treasury yields higher in March, tightening financial conditions and pressuring equity valuations, Riggs said.

The 10-year US Treasury yield rose to 4.3% at the end of March, up from 4.05% at the start of the month.

April outlook

Stock index moves have been sensitive to headline updates. The S&P 500 rose 2.91% on March 31 after reports that the US could end military operations without fully reopening the Strait of Hormuz.

"There is a lot of cash on the sidelines, and many market players are short the market, so a near-term bounce in April is very possible, particularly if tensions in the Middle East ease and some of the geopolitical risk premium comes out of the market," Riggs said. "That said, the durability of any rally will still be driven by fundamentals."

Earnings reports in the coming months could also support a rebound for the S&P 500.

"Since the start of the conflict, Wall Street's earnings estimates for S&P 500 firms for 2026 have moved higher, not lower," John Canally, chief portfolio strategist at TIAA Wealth Management, told Market Intelligence. "While politics and geopolitics can matter in the short and medium run, what matters most for stocks in the long run is earnings growth."

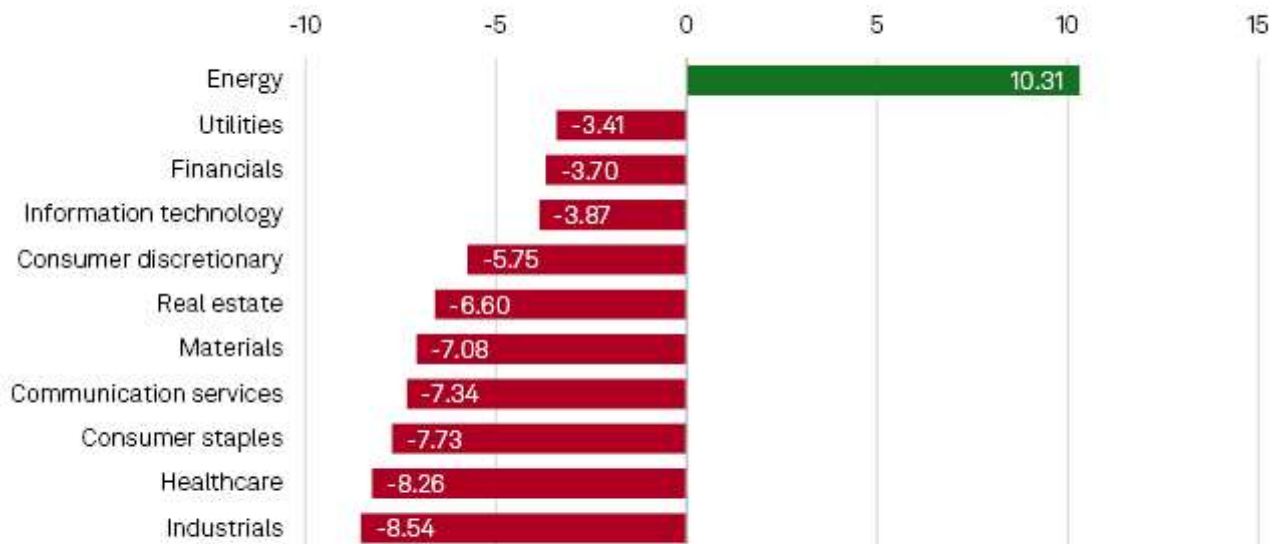


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Sector results

Energy was the only sector in the S&P 500 to record a gain in March. Energy stock prices rose more than 10% in aggregate alongside rising oil prices, with 19 of the sector's 22 stocks posting gains. APA Corp. and Marathon Petroleum Corp. led the sector in stock price gains.

S&P 500 sector indexes monthly price change (%)



Data as of March 31, 2026.

Source: S&P Global Market Intelligence.

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The industrials sector dropped more than 8.5% in March, the steepest decline among sectors. Seventy-five of the sector's 79 constituents posted decreases, led by Southwest Airlines Co. and Axon Enterprise Inc.

Largest gains, drops

LyondellBasell Industries NV was the best-performing S&P 500 stock in March, gaining 40.1% from the end of February. The global chemical company issued two force majeure notices in March, one related to disrupted logistics in the Middle East and one related to a fire incident at its Pasadena, Texas, facility. The company's stock price still climbed alongside rising chemical prices.

"Prices around [polyethylene] and [polypropylene] have increased. Our oxyfuels pricing has also benefited as it is linked to crude," Agustin Izquierdo, the company's executive vice president and CFO, said March 17 during a presentation at the JPMorgan Industrials Conference. "It's becoming obvious that North America is an advantaged region in terms of feedstock, and we'll continue to take advantage of that going forward."

Equistar Chemicals LP, a subsidiary of LyondellBasell, reportedly issued a price increase of 15 cents per pound for all grades of polyethylene sold in North America, effective April 1. This was up from a previously announced increase of 10 cents per pound.

S&P 500 company performance

Rank	Company (ticker)	Primary industry	Market capitalization (\$B)	Monthly price change (%)	Monthly average daily volume (shares)	Average daily volume as a percentage of common shares outstanding (%)
Top performers						
1	LyondellBasell Industries NV (LYB)	Materials	25.95	40.1 ▲	10,193,685	3.2
2	APA Corp. (APA)	Energy	14.99	39.7 ▲	10,580,957	3.0
3	Dow Inc. (DOW)	Materials	29.97	35.5 ▲	16,139,231	2.2
4	CF Industries Holdings Inc. (CF)	Materials	19.95	30.4 ▲	7,020,302	4.6
5	Marathon Petroleum Corp. (MPC)	Energy	71.91	23.2 ▲	3,234,631	1.1
Bottom performers						
501	The Estée Lauder Cos. Inc. (EL)	Consumer staples	25.96	-34.4 ▼	5,496,227	1.5
500	Paramount Skydance Corp. (PSKY)	Communication services	10.17	-33.2 ▼	17,903,948	1.6
499	Super Micro Computer Inc. (SMCI)	Information technology	13.67	-29.7 ▼	44,303,083	7.4
498	McCormick & Co. Inc. (MKC)	Consumer staples	13.54	-29.0 ▼	4,129,191	1.5
497	Centene Corp. (CNC)	Healthcare	16.10	-27.0 ▼	7,176,767	1.5
Most traded						
1	Sandisk Corp. (SNDK)	Information technology	93.78	0.0 ▼	18,665,300	12.6
2	Lumentum Holdings Inc. (LITE)	Information technology	50.18	0.3 ▲	7,510,845	10.5
3	Super Micro Computer Inc. (SMCI)	Information technology	13.67	-29.7 ▼	44,303,083	7.4
4	Norwegian Cruise Line Holdings Ltd. (NCLH)	Consumer discretionary	8.52	-24.6 ▼	24,011,408	5.3
5	Coherent Corp. (COHR)	Information technology	46.52	-8.0 ▼	10,022,303	5.1

Data as of March 31, 2026.

Limited to S&P 500 constituents.

Source: S&P Global Market Intelligence.

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Shares in The Estée Lauder Cos. Inc. fell the most of any S&P 500 company during March, losing 34.4%. The US cosmetics company has faced pressure this year from tariffs and softer demand, but it could achieve sales growth in 2026 with support from international growth and portfolio repositioning, according to Visible Alpha analysts.

Estée Lauder is in discussions about a merger with Spanish fashion and beauty company Puig Brands SA.

Visible Alpha is part of S&P Global Market Intelligence.