

# RobustQuant Weekly Compass

Weekend Edition | March 1, 2026

 **COMPASS FOR EMOTIONAL DISCIPLINE---NOT TRADING ADVICE**

*Weekly boundaries to help reduce fear and greed in market decisions*

## 1 | At a Glance

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S&P 500 (SPX) 6,659 – 7,144  $\pm 3.5\%$  59/62 (95.2%) Gold (GLD)\* 438 – 558  $\pm 12.0\%$  31/33 (93.9%) REITs (XLRE)\* 42.4 – 46.0  $\pm 4.1\%$  22/23 (95.7%)

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\*Newsletter-exclusive coverage

Target: ~95% of weekly closes fall within these ranges

Track record details → [robustquant.com/predictions](https://robustquant.com/predictions)

## 2 | This Week's Summary

Hot data. Cracking tech. War risk. PPI came in at +0.8% core---quadruple the consensus. Nvidia beat every metric and fell 5.5%. The 10-year yield broke below 4% for the first time since October. S&P 500 posted its worst month since March 2025.

Then Saturday: US and Israel struck Iran. Khamenei killed. Strait of Hormuz disrupted. Markets haven't priced any of it yet.

### Key Results:

- S&P 500: 6,879 (mid-lower range) 
- Gold: 484 (mid-upper range) 
- REITs: 43.84 (mid-lower range) 

**Pattern of the week:** SPX mid-lower, GLD mid-upper---classic positioning when inflation sticks and risk appetite fades. All three contained. Range for March 6 is set. Friday's close will show whether Saturday's strikes in Iran shift the regime or markets absorb them within existing boundaries.

## 3 | What Moved Markets (Feb 23–28)

### PPI Shock:

January PPI rose +0.5% month-on-month (vs +0.3% expected), core surged +0.8%---quadruple consensus and largest monthly increase since July. Year-on-year headline at 2.9%, core at 3.6%. This layered onto core PCE already at 3.0%. The 10-year Treasury yield fell below 4% for the first time since October---not on optimism, but on stagflation positioning.

## Nvidia Paradox:

Revenue \$68.1B (beat), EPS \$1.62 (beat), data centre \$62.3B (+75% YoY), Q1 guidance \$78B (above consensus). Stock fell 5.5%---worst day since April 2025. Block announced 4,000 layoffs citing AI replacing workers. Software sector (\$2 trillion wiped from SaaS market caps in February) remained under pressure. SPX posted worst monthly decline since March 2025. **SCOTUS**

### Aftermath:

Section 122 tariff (15%) took effect Tuesday. Trump's State of the Union proposed "Trump Accounts" and argued tariff revenue could replace income tax. EU paused Turnberry Deal ratification. Over 2,000 refund cases lodged.

→ For detailed regional breakdowns, Iran events, and economic data, see Appendix at end of newsletter

## 4 | S&P 500 (SPX) Boundaries (Mar 6)

 **Range for Friday Mar 6: 6,659–7,144**

 **Hit Rate: 59/62 weeks (95.2%)**

### Last Week's Performance:

Last week: Range 6,698-7,190, closed **6,879** (mid-lower range) 

SPX declined 0.43% for the week, posting its worst month since March 2025. Close at 6,879 positioned mid-lower. Range shifts slightly lower ( $\pm 3.5\%$  maintained). Track record improved to 95.2% (59/62).

### For Your Planning:

- Lower zone (6,659-6,820): Where fear often peaks
- Middle zone (6,820-6,982): Normal trading area
- Upper zone (6,982-7,144): Where excitement builds

Remember: These are weekly movement boundaries, not buy/sell signals.

## 5 | Gold (GLD) Coverage (Newsletter-Exclusive)

 **Range for Friday Mar 6: 438–558**

 **Containment: 31/33 weeks (93.9%)**

### Last Week's Performance:

Last week: Range 424-542, closed **484** (mid-upper range) 

GLD closed **484** as spot gold reached \$5,226 (+1.5% for the week), extending its position above \$5,000. Range widens slightly ( $\pm 12.0\%$  vs  $\pm 12.2\%$ ). Track record improved to 93.9% (31/33).

### For Your Planning:

- Lower zone (438-478): Where consolidation may emerge
- Middle zone (478-518): Current close territory
- Upper zone (518-558): Where safe-haven demand peaks

## 6 | REITs (XLRE) Coverage (Newsletter-Exclusive)

 Range for Friday Mar 6: 42.4–46.0

 Containment: 22/23 weeks (95.7%)

### Last Week's Performance:

Last week: Range 42-46, closed **43.84** (mid-lower range) 

REITs closed **43.84**, holding mid-lower range. Range adjusts slightly (42.4-46.0 vs 42-46). Track record reached 95.7% (22/23)---above design parameters.

### For Your Planning:

- Lower zone (42.4-43.6): Where rate-hike fears typically pressure sector
- Middle zone (43.6-44.8): Normal trading area
- Upper zone (44.8-46.0): Where rate-cut optimism drives positioning

## 7 | Psychology & How to Read

PPI quadrupled expectations. Nvidia beat everything and dropped. \$2 trillion wiped from software stocks. Block fired half its workforce. SPX worst month since March 2025. And then: war.

Headlines stacking crisis upon crisis---that's when emotional decisions happen.

### What They Show:

Weekly boundaries where markets typically move---designed to help you stay grounded when inflation, tech disruption, and geopolitics collide.

### What They Don't Show:

Buy/sell signals, price targets, or guaranteed outcomes.

### The Retail Trap:

Most individual investors buy high when excitement peaks and sell low when fear dominates. This pattern---amplified when headlines stack crisis upon crisis---is the primary destroyer of long-term returns. This compass is designed to help you avoid this trap.

### Professional Approach:

- Stay systematic within boundaries
- Lower ranges: Fear creates opportunities for planned strategies
- Upper ranges: Excitement may warrant risk review
- Outside ranges: Market behaviour shifting beyond normal parameters

### Key Point:

**You don't know what war in Iran will do to markets. Nobody does. But you can control your capital---if you already know what you'll do when markets move outside boundaries, and what you'll do when they stay inside. That preparation is your edge, not prediction.**

## 8 | Track Record

### Performance Since Launch:

- S&P 500: 59 hits in 62 weeks (95.2%)
- Gold: 31 hits in 33 weeks (93.9%)
- REITs: 22 hits in 23 weeks (95.7%)

### What This Means:

SPX improved to 95.2% (59/62) with mid-lower close at 6,879. Worst monthly decline since March, 10-year yield below 4%---containment held.

GLD improved to 93.9% (31/33) with mid-upper close at 484. Gold extended above \$5,000 for a second consecutive week. Model maintains wide range ( $\pm 12.0\%$ ).

REITs reached 95.7% (22/23) with mid-lower close at 43.84. All three assets above design parameters at current track record lengths.

### Transparency:

All ranges published before each week starts. No retroactive changes. Complete history available on our website.

## 9 | Method and Limitations

### How Ranges Work:

Combines current volatility patterns, trend direction, and momentum indicators. Targets ~95% weekly containment rate. Model tracks Friday closes, not intraday moves, earnings reactions, or weekend events.

### When Ranges Break:

Breakouts signal markets transitioning beyond normal parameters. These aren't failures---they're signals that create opportunities for disciplined investors prepared to recognise regime changes.

### Current Environment:

Hot PPI, weak GDP, sticky PCE, a three-way Fed split, tech disruption, and a major military escalation---stacked in one week. Model doesn't require these events to resolve coherently. Ranges are set. Friday measures the result.

### Questions About Your Situation:

#### Q: Saturday's Iran strikes---do they change the ranges?

A: Ranges are published regardless of news and events---they reflect the model's reading of market behaviour, not geopolitics. Friday's close happened before the strikes, so markets haven't priced Iran yet. Friday March 6 will show whether the regime shifted or markets absorbed the shock within existing boundaries.

#### Q: Tech is crashing and AI is replacing jobs---should I exit?

A: Tech is down, but other sectors are up---energy, materials, consumer staples are leading the S&P 500 this year. Dow +1.9% YTD while Nasdaq is negative. Whether to exit, rotate, or hold depends

entirely on your pre-established strategy. Compass tracks where the broad index closes, not which sectors lead.

**Next Week:** Ranges for March 6 close

**Updates:** Quick social media notes if exceptional volatility occurs

*This is a hobby project providing market context. Not investment advice. Past performance doesn't guarantee future results. Consult qualified professionals for personal financial decisions.*

**Systematic over emotional. Structure over speculation.**

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# APPENDIX | Detailed Market Review (Feb 23–28)

*For readers who want comprehensive economic data and regional breakdowns*

## United States: Sticky Inflation Meets Constitutional Flux

### PPI delivers the week's sharpest jolt

January PPI rose +0.5% month-on-month against expectations of +0.3%, the fastest pace since September. Core PPI surged +0.8%---quadruple the consensus and the largest monthly increase since July. Year-on-year, headline PPI stood at 2.9% and core at 3.6%. A 14.4% jump in margins for professional and commercial equipment wholesaling drove the services component. This followed core PCE at 3.0% (released 20 February), well above the Fed's 2% target. The 10-year Treasury yield settled at 3.96%, breaching 4% for the first time since October. Markets now see less than 10% probability of a rate cut at the 17-18 March FOMC meeting and roughly even odds for June.

### Growth data confirms deceleration

The delayed Q4 2025 GDP advance estimate showed 1.4% annualised growth---sharply below 2.8% consensus and down from Q3's 4.4%. The government shutdown subtracted roughly 1.0 percentage point. Full-year 2025 GDP came in at 2.2%, down from 2024's 2.8%. Consumer confidence edged up to 91.2 but the expectations sub-index at 72.0 remained well below the 80 recession threshold. Weekly initial jobless claims came in at 212,000, below forecast---the "low firing, low hiring" characterisation of the labour market persists. The Conference Board LEI declined for a fifth consecutive month.

### Nvidia paradox and tech disruption deepens

Nvidia beat on every metric: revenue \$68.13B (vs \$66.21B expected), EPS \$1.62 (vs \$1.53), data centre revenue \$62.3B (+75% YoY). CEO Huang announced first Vera Rubin chip samples had shipped. Guidance for Q1 was \$78.0B, above consensus. Stock fell 5.5%---worst day since April 2025---as investors entered "prove it" mode on AI spending returns. Block announced layoffs of approximately 4,000 employees (nearly half its workforce) citing AI replacing human workers.

The software sector continued its February rout---JP Morgan estimated \$2 trillion wiped from SaaS market caps. Microsoft -18% YTD, with ServiceNow, Salesforce, CrowdStrike at 52-week lows. The iShares Expanded Tech-Software Sector ETF fell ~28% from its recent high. Retail investors stopped buying the dip in semis and software for the first time. Margin debt at 3.91% of GDP---above both the dot-com and 2007 peaks. SPX closed at 6,878.88, posting worst monthly decline since March 2025. Dow at 48,977.92, Nasdaq at 22,668.21. VIX at 19.86.

### SCOTUS aftermath and State of the Union

Section 122 tariff (15%) took effect Tuesday 24 February. Exemptions covered goods already subject to Section 232 duties, critical minerals, pharmaceuticals, energy, and certain agricultural products. USTR Greer stated tariffs on China to remain at 35-50%. Over 2,000 refund cases lodged

at the Court of International Trade, with up to \$175B in potential liabilities. DOJ had not filed its response to expedited refund motions by Thursday's deadline.

Trump's State of the Union (one hour 47 minutes) proposed government-backed "Trump Accounts"---401(k)-style retirement vehicles for workers without employer plans, featuring a federal match of up to \$1,000---and argued that tariff revenue could eventually replace income tax.

## **European Union: Manufacturing Expansion and Defence Surge**

Eurozone manufacturing PMI at 50.8 (44-month high), Germany at 50.7 (first expansion in 3.5 years). The Ifo Business Climate Index rose to 88.6 (six-month high), with the institute observing "first signs of recovery." However, GfK Consumer Climate fell to -24.7 as propensity to save hit a record since 2008.

January HICP confirmed at 1.7%---below ECB's 2% target. Flash February estimates: German CPI 1.9% (below 2.0% forecast), French HICP 1.1% (above 0.7% expected), Spanish HICP 2.5% (above 2.3%). ECB deposit rate at 2.00%, markets pricing ~30% probability of cut by year-end. Lagarde before European Parliament noted inflation down from 10.6% peak to 1.7%, described trade situation as "difficult."

EU paused Turnberry Deal ratification---committee chair called it "pure tariff chaos." EU identified \$93B in American goods for potential retaliatory tariffs. European defence spending rose 12.6% in 2025---Germany reached \$107B (world's fourth-largest). EU ReArm Europe plan: up to €800B in additional defence expenditure, 17 member states activating Stability and Growth Pact escape clause. STOXX 600 closed at fresh record, eighth consecutive monthly gain---longest streak since 2013. EUR/USD at ~\$1.18 (+13.8% over twelve months).

## **China: Post-Holiday Rebound, Yuan Intervention**

NBS manufacturing PMI rebounded to 50.2 (from 49.3), crossing back into expansion. Production sub-index rose to 52.5. Non-manufacturing recovered to 50.4, composite reached 51.1. The 2025 Statistical Communiqué confirmed GDP at 140.19 trillion yuan (+5.0%), meeting target. Manufacturing value added rose 6.4%, high-tech manufacturing up 9.4%, NEV production surged 25.1%. However, real estate investment fell 17.2%, sales values dropped 12.6%.

PBOC held LPR at record lows (1-year 3.00%, 5-year 3.50%) for a ninth month. On 27 February, PBOC slashed the FX risk reserve ratio from 20% to 0%---reversing September 2022 policy---as the yuan surged to 6.83 per dollar (strongest since April 2023). Daily midpoint fixing set 623-800 pips weaker than market estimates---the largest deviation on record---in a clear effort to slow appreciation.

SCOTUS ruling reduced China's effective US tariff rate to approximately 30% (Section 301/232 plus Section 122). USTR Greer stated tariffs on China to remain at 35-50%. China froze rare earth exports to 20 Japanese defence companies including Mitsubishi Heavy Industries and Kawasaki Heavy Industries. Two Sessions preparations intensified---GDP growth target expected at 4.5-5%, fiscal deficit ~4% of GDP, 15th Five-Year Plan unveiling. CSI 300 at ~4,790, up 2.3% YTD, outperforming Nasdaq.

## **Japan: Nikkei Record, BOJ Tug-of-War**

Nikkei 225 hit an intraday all-time record of 59,332 on Thursday before closing at 58,850 (+3.56% for the week, +10.37% for February). TOPIX also hit record territory at 3,939. Prime Minister Takaichi nominated two reflationist academics to the BOJ board---Toichiro Asada (MMT supporter, Chuo University) and Ayano Sato (weak-yen advocate, Aoyama Gakuin)---signalling intent to constrain rate normalisation. Ministry of Finance reportedly kept out of the loop.

Tokyo CPI showed core inflation at 1.8%---below BOJ's 2% target for the first time since late 2024, driven by Takaichi's utility subsidies. BOJ board member Takata delivered hawkish speech calling current period a "true dawn" for normalisation---he had dissented at the January meeting proposing a hike to 1.0% (defeated 8-1). Shunto wage negotiations showed early promise: automakers Mazda, Mitsubishi Motors, and Yamaha Motor fully met union demands. Rengo targeting at least 5% overall.

Industrial production rose 2.2% month-on-month (below 5.3% consensus). Retail sales beat dramatically at +1.8% YoY (vs -0.4% expected), strongest month-on-month gain since September 2019. USD/JPY traded 155.5-156.8. BOJ rate at 0.75%, next meeting 18-19 March.

## **Commodities and Iran**

### **Gold and silver**

Gold closed at \$5,226 (+1.5% for the week), extending above \$5,000 for a second week. JP Morgan raised 2026 year-end target to \$6,300. PBOC extended gold purchases for 15th consecutive month, reaching 74.19 million troy ounces. Global gold demand reached record 5,002 tonnes in 2025. DXY held near 97.6---down ~9.3% over twelve months, speculative positioning against the dollar at most pessimistic in 14 years.

Silver climbed from \$86.28 to \$92.06 (+6.7%), recovering toward January's \$100 level on tight supply, industrial demand from electronics and solar, and China's new export controls elevating silver to strategic material status.

### **Oil**

Brent at \$72.87 (+2.87%), WTI at \$67.02 (+2.78%), hitting six-month highs Thursday on escalating US-Iran tensions. EIA reported a 16 million barrel US inventory build---largest since February 2023---capping upside earlier in the week. OPEC+ maintained production pause through March, with eight key producers keeping voluntary cuts of 1.65 million bpd. January OPEC production fell 230,000 bpd to 28.83 million (five-month low).

### **Rare earths**

China froze exports of rare earth magnets and critical materials to 20 Japanese companies linked to defence work on 24 February, with 20 more placed on a watch list. China controls 60% of global production, 90% of refining, and 94% of sintered permanent magnet manufacturing.

## **Saturday 28 February: Iran strikes**

The United States and Israel launched joint military strikes on Iran (Operation Epic Fury / Operation Roaring Lion) targeting sites across Tehran, Isfahan, Qom, Karaj, and Kermanshah. Iranian state media confirmed Supreme Leader Khamenei was killed. Iran retaliated with missile strikes against US bases in Qatar, Kuwait, UAE, and Bahrain. The IRGC issued broadcasts barring transit through the Strait of Hormuz---vessel traffic dropped 40-50% within hours. Hapag-Lloyd suspended all transits. Houthis announced resumption of Red Sea attacks.

Approximately 20 million barrels per day of oil and oil products transit the Strait (~20% of global supply). Pipeline bypass capacity (Saudi + UAE) can handle only ~2.6 million bpd. Analysts projected Brent to jump \$5-20 when markets reopen. An OPEC+ emergency meeting was expected on 1 March. These events occurred after Friday's market close and are not reflected in this week's closing prices or track record.