

THE BULL CASE FOR AMERICA

Why US Equities Are Still the Only Game in Town

Updated: March 8, 2026 (as of Friday close)

Look, Let's Cut the BS

I know what you're thinking. Iran's FM just went on NBC and explicitly rejected any ceasefire. Mojtaba Khamenei — Ali's son — just got named the new Supreme Leader. Oil ripped 34% in a single week. Payrolls printed negative 92K. The VIX closed Friday at 29.49 — knocking on the door of 30, which is where the real panic starts.

But here's the thing: this is exactly the environment where US equities separate from the pack. Carson Group ran the numbers on 40 major geopolitical events across 85 years — the S&P averaged +3.4% in the six months after. **The world doesn't sell America in a crisis. It buys it.**

And there's a new variable in play: Trump gave the Daily Mail a **four-week timetable** for wrapping up operations. That gives the market a visible end date. The VIX doesn't stay at 29 when there's a countdown clock. It compresses. And when it compresses, equities rip.

Let me walk you through why this selloff is a gift, not a funeral. Ten sections. Real data from Friday's close. No hopium.

1. The War — Escalation Is the Headline, but Look at the Timeline

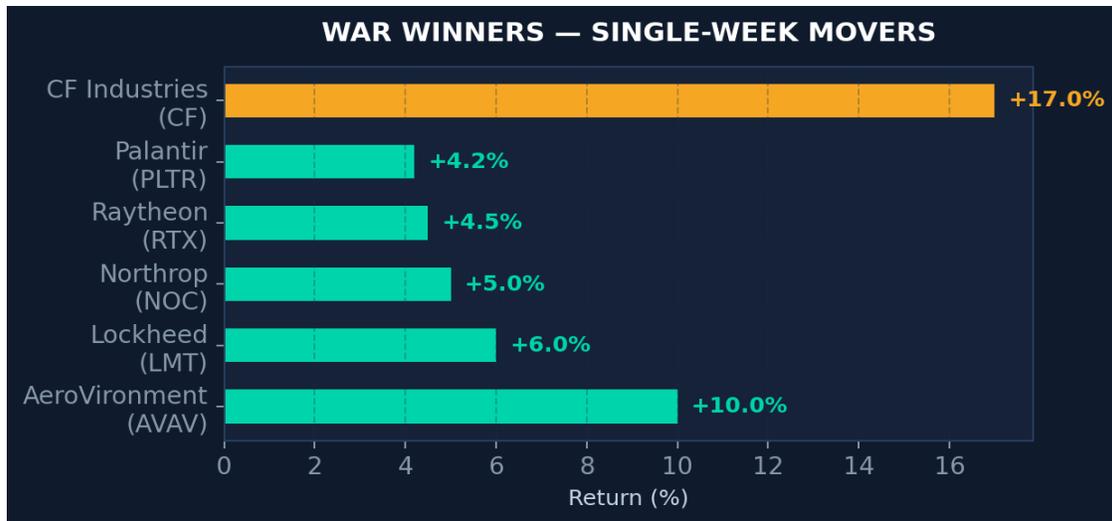
Let's get the scary stuff on the table first. Here's what's happened in 8 days:



February 28: Operation Epic Fury launches. 100+ aircraft, 1,000+ targets, B-2s and Tomahawks. Khamenei killed in the first wave. March 1: Iran retaliates with drone and missile strikes across the Gulf. Strait of Hormuz effectively closes. March 3: Kurdish forces launch ground offensive into Iranian territory. **AWS data center in UAE gets hit.** March 5: Iran's FM goes on camera and says "we are not asking for a ceasefire." March 6: Mojtaba Khamenei, the son, gets named new Supreme Leader by the Assembly of Experts. Trump demands "unconditional surrender."

Sounds terrible, right? But here's the contrarian read: **this is what regime change looks like in the early innings.** The IRGC leadership has been decapitated. The US SecDef confirmed all top IRGC commanders are dead or in hiding. Kurdish groups are opening a second front. The new Supreme Leader is an untested 55-year-old who's never held public office. And Trump gave a 4-week timetable. **The market will start pricing in resolution before CNN reports it.**

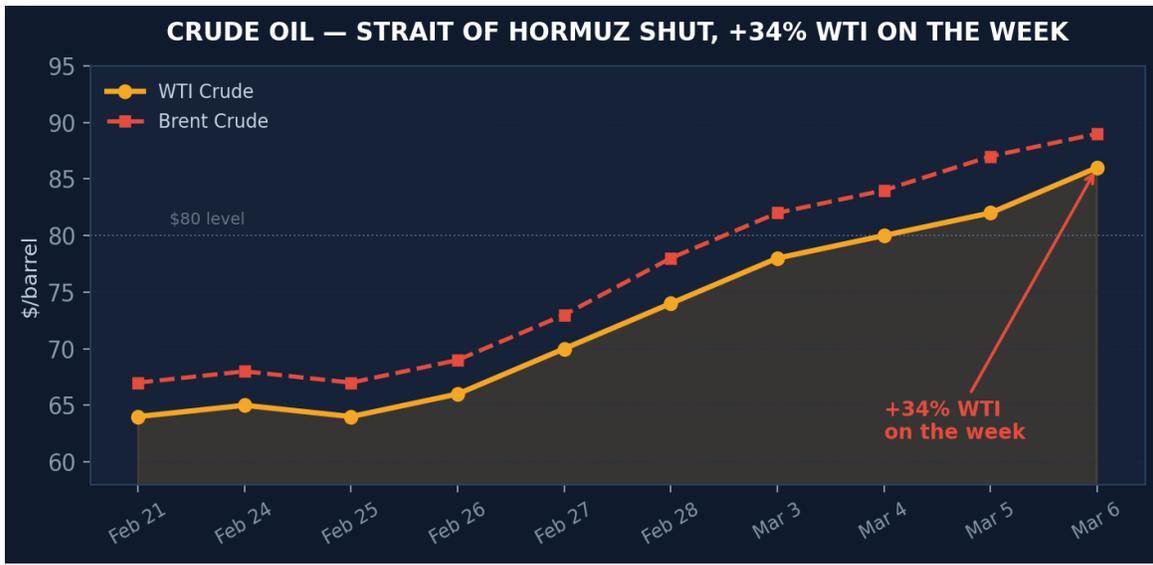
2. Hard Power = Capital Magnet



Defense names went absolutely ballistic. CF Industries — the fertilizer play — ripped **17% on the week** to a fresh 52-week high. AeroVironment +10%. Lockheed +6%. Northrop +5%. Even Palantir caught a bid. But the real tell is that these moves are holding — not one-day spikes that fade. The \$886 billion US defense budget is a secular revenue stream.

The bigger picture: the Dow puked 1,200 points Tuesday morning. By close? Down 400. **The dip-buyers showed up in size.** Mega-cap tech got hoovered up. Berkshire restarted buybacks for the first time since 2024 — Greg Abel personally bought \$15M. When Omaha is buying mid-war, you listen.

3. Oil: +34% in a Week — And We're Still the Best House



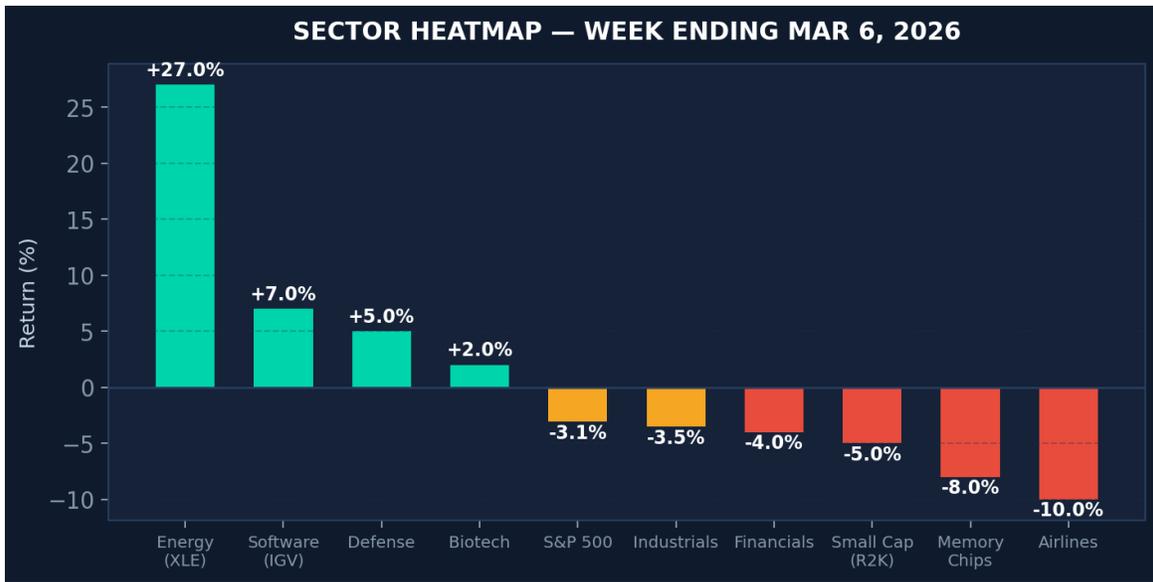
WTI ripped **34% in a single week** to \$86. Brent hit \$89. The Strait of Hormuz — 20% of global daily oil supply — is effectively closed. Maersk suspended all crossings. Qatar's energy minister warned that Gulf exporters could halt ALL shipments. The Treasury is so desperate they're giving India waivers to buy Russian oil. Let that sink in.

But here's the relative value story:

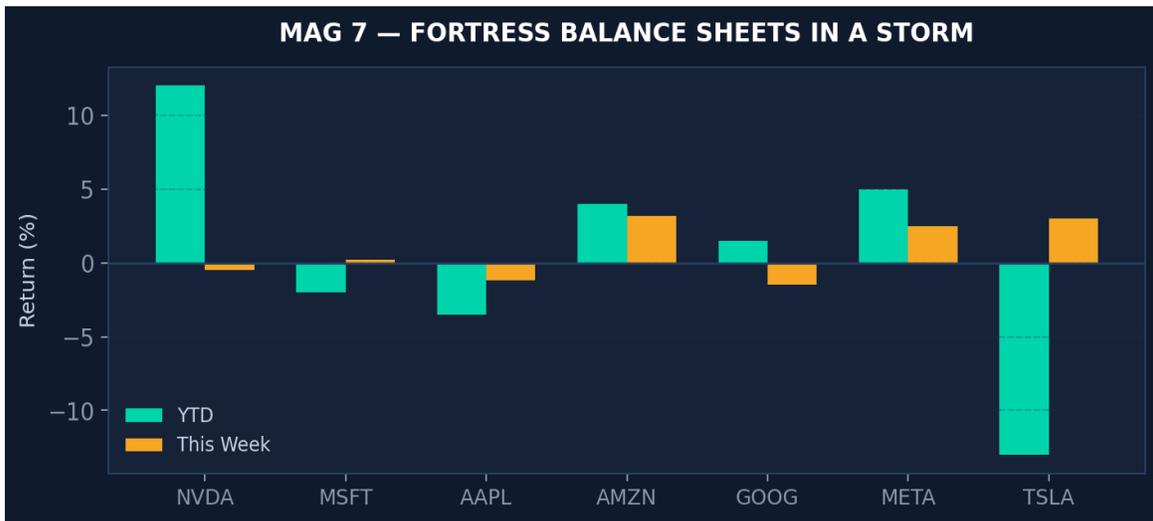
America is a net energy exporter. The XLE is up 27% YTD. Shale is pumping. LNG terminals are running hot. Every dollar higher on crude is a **relative competitive advantage** for the US. Europe's STOXX 600 just posted its worst week since April 2025 because the continent runs on Middle Eastern crude. Japan, Korea, India — all massive importers getting wrecked. Airlines are toast — United's CEO said the fuel spike will have a "meaningful" impact on Q1. Southwest -6%. Norwegian and Carnival -6%.

The trade here is simple: **long US energy, short anyone who has to import it.**

4. AI & Tech — Software Rotation Was the Week’s Stealth Story

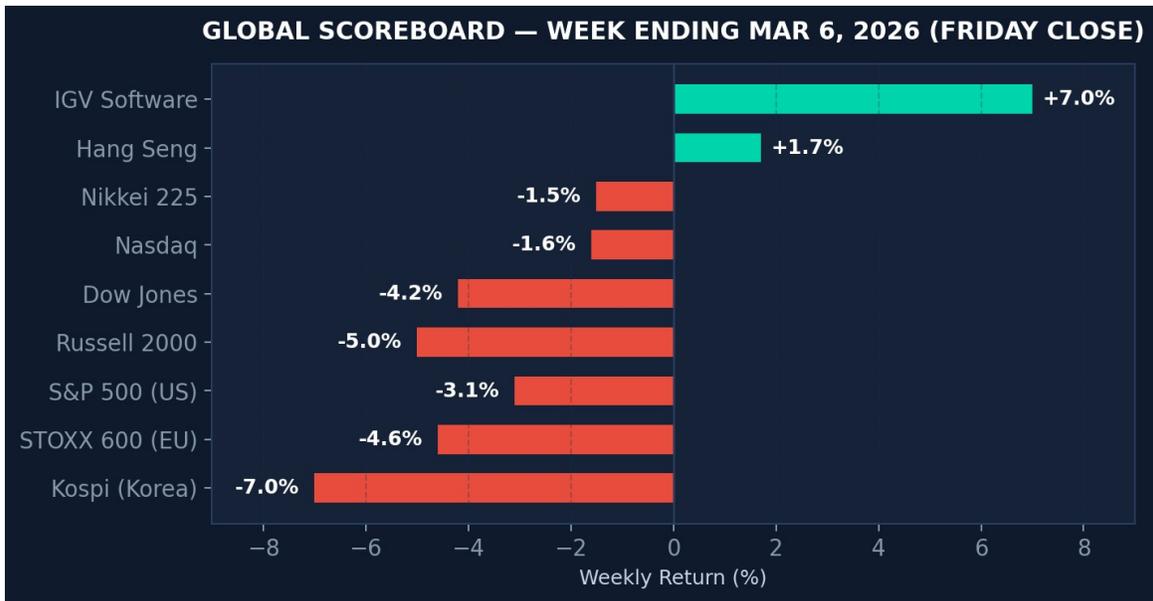


While everyone was watching oil and bombs, US software stocks quietly ripped **7% in a single week**. The IGV had four consecutive green days while the broader market was red. Marvell dropped a banger guidance and surged 15%. Salesforce +5%. Intuit and ServiceNow +6% each. Expedia and Booking popped 8-11% after OpenAI reportedly scaled back plans to disrupt travel booking.



The Mag 7 held up like fortresses. Amazon +3.2% on the week. Meta +2.5%. Tesla +3% on the BofA robotaxi upgrade. NVDA barely red. These are cash-generative monsters. Over **70% of global hyperscaler capex** comes from US companies. \$200B+ in AI capital commitment for 2026. China’s got ambition, but we’ve got the chips, the cloud, and the software stack. **Nobody else is close.**

5. The Global Tape — Everyone Else Got Wrecked Harder

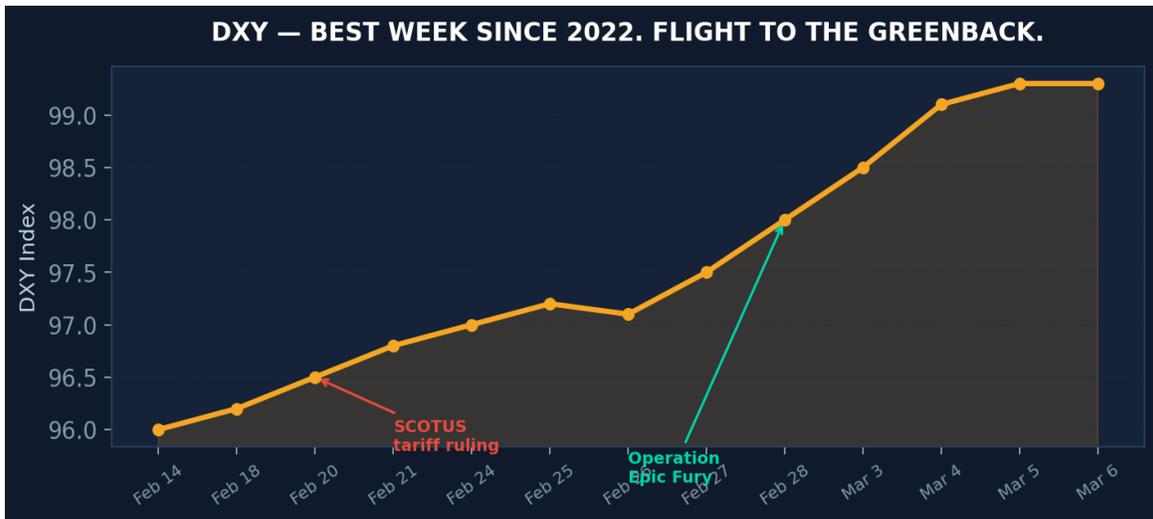


This is where the pitch sells itself. S&P down 3.1% on the week. Bad, sure. But the **Russell 2000 dropped 5%**. **Kospi cratered 7%**. **STOXX 600 down 4.6%**. Dubai and Abu Dhabi literally closed their exchanges for two days because of strikes. The **Nasdaq was only down 1.6%** — tech is absorbing a Middle East war, a Strait closure, a payroll miss, AND oil at \$86, and it's barely red.



The VIX closed at 29.49 on Friday. That's elevated — I won't sugarcoat it. We're flirting with 30, which is the psychological panic line. But here's context: the VIX hit 80+ during COVID, 45 during the 2022 selloff. At 29, the market is **nervous, not capitulating**. And every major vol spike in the last decade has been a buying opportunity on a 6-month horizon.

6. Dollar Dominance — DXY Best Week Since 2022



The DXY rallied **+2.4% to 99.3** — its best week since the 2022 Russia/Ukraine crisis. When the world gets scared, it doesn't run to the euro (biggest loser this week — Europe's oil dependency exposed). It doesn't run to the yen (weakened despite safe-haven status). It runs to the US dollar. Every. Single. Time.

Three structural reasons the dollar bid is bullish for US equities:

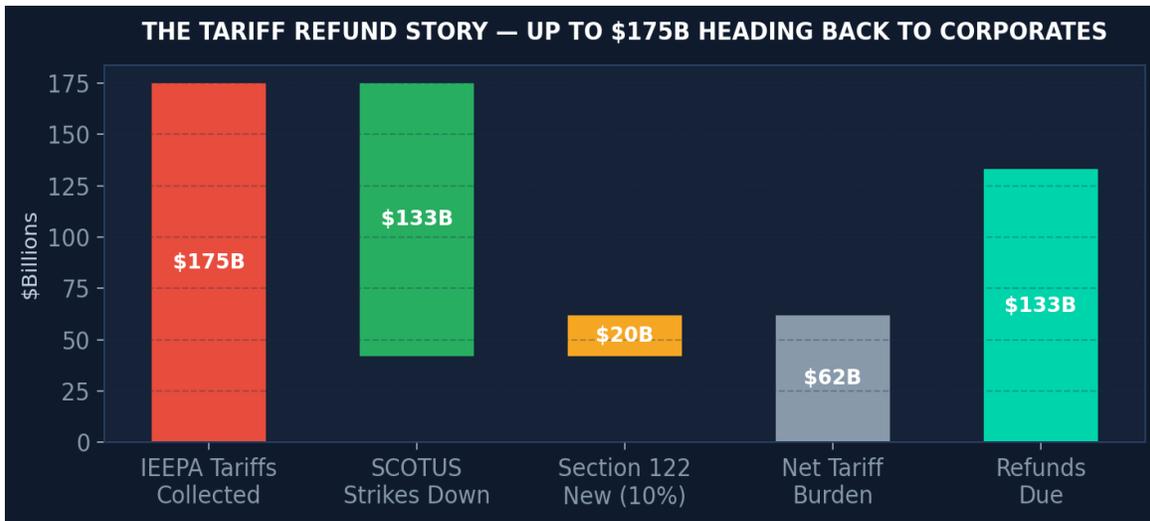
Net energy exporter: Oil spikes = dollar gets bid because the US sells energy, doesn't buy it.

Rate premium: Fed cut expectations pushed to maybe 1 cut in 2026. US yields highest in G7. That carry trade is a magnet.

Reserve mechanics: 57.6% of DXY is the euro. Europe's pain is literally, mathematically, the dollar's gain.

Strong dollar = foreign investors get **equity upside PLUS currency appreciation** when they buy US stocks. Virtuous cycle. Capital inflows → stronger dollar → more inflows.

7. The Tariff Tailwind — \$175B Refund Catalyst



Flying under the radar. On February 20, SCOTUS nuked IEEPA tariffs 6-3. The government collected **up to \$175 billion** (Penn Wharton estimate). On March 5, the Court of International Trade ordered CBP to start refunds. Over 2,000 companies have filed suits — FedEx, Dyson, you name it. The appeals court **rejected the admin’s attempt to delay**.

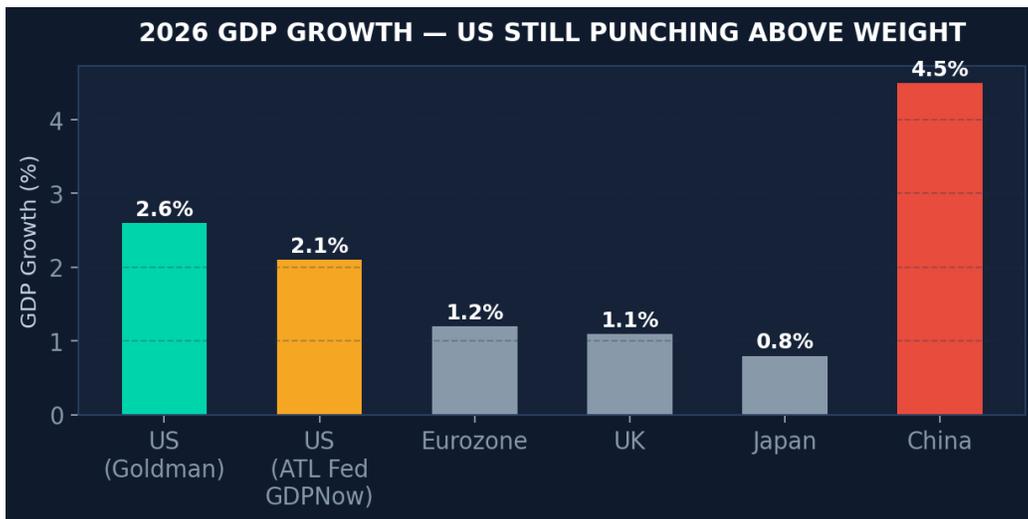
Yes, Trump slapped a new 10% Section 122 tariff. But it’s a **150-day temporary measure** expiring in July, covering only ~34% of imports vs. the old blanket regime. The net tariff burden just dropped massively. Morgan Stanley sees \$85B in refunds. Raymond James says \$175B. Either way, it’s a de facto fiscal stimulus hitting corporate P&Ls over the next 12-18 months.

8. The Economy — Wobbly, Not Broken

The payroll print was ugly. -92K, with December and January revised down another 69K combined. The Atlanta Fed’s GDPNow dropped from 3.0% to 2.1% on Friday. I’m not going to pretend that’s fine.

But let’s look at the full dashboard:

| | | |
|----------------------|------------|------------------------------------------|
| GDP Growth (GS est.) | 2.6% | vs 2.0% consensus — still above trend |
| ATL Fed GDPNow | 2.1% | Down from 3.0% Mon — watch this closely |
| ISM Services PMI | 56.1 | Fastest expansion in 3.5 years |
| Chicago PMI | 57.7 | Manufacturing robust |
| ISM Prices Paid | 63.0 | Actually fell — inflation easing pre-war |
| Unemployment | 4.4% | Up from 4.3% but still historically low |
| Gold | \$5,159/oz | Safe-haven bid but off weekly highs |
| Bitcoin | \$71,400 | +5% week — alt safe-haven bid |
| VIX | 29.49 | +24% Friday — elevated but not 2020 |



Goldman still has US GDP at 2.6% — 30% above consensus. The ISM services index expanded at its fastest pace in 3.5 years. Chicago PMI printed 57.7. **One bad payroll print doesn't kill a cycle.** The Q4 GDP drag was largely the government shutdown. Q1 is getting tariff refund stimulus and the One Big Beautiful Bill Act fiscal boost.

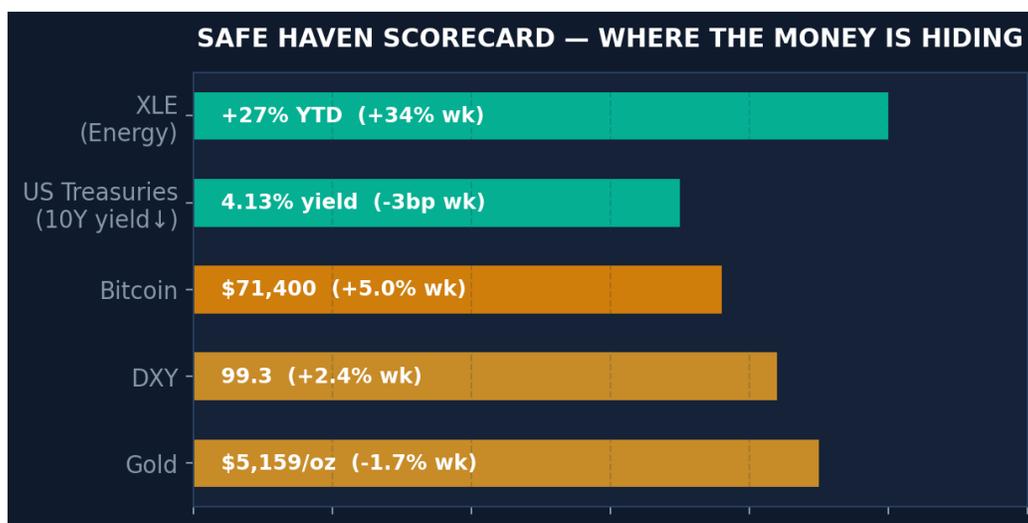
9. The Fed — Higher for Longer Is Relatively Bullish



Markets now price maybe **one rate cut in 2026** — pushed to October/December from the pre-war expectation of July. Oil at \$86 means inflation expectations are repricing. The 2-10 spread widened to 57 bps.

Counterintuitive take: **this is bullish on a relative basis.** Higher US rates = higher yields = more foreign capital chasing dollar assets. The ECB has to cut because Europe's growth is getting crushed by energy. The BoJ is stuck at zero. The rate differential is widening, and that's gravity pulling capital into US markets. Plus, the Fed has ammunition if things go sideways. Europe doesn't. Japan doesn't. Asymmetry favors the US.

10. Where the Money Is Actually Going



Retail bought a record \$49 million in XLE in a single session Monday — highest ever, surpassing March 2022 Russia/Ukraine. Berkshire restarted buybacks. IGV software rotation ran four straight green days. Gold pulled back from highs but is still at \$5,159/oz. Bitcoin reclaimed \$71K as a digital safe-haven narrative revives.

The signal from flows is clear: smart money is leaning in, not running. This is a **buy-the-dip** setup, not a run-for-the-hills moment.

What Could Go Wrong — We're Not Delusional

Strait closure beyond 4 weeks: If this drags, Brent goes above \$100 and recession risk is real. Qatar's energy minister is already warning about a total Gulf export halt.

VIX through 30: Friday's 29.49 is uncomfortably close. A break above 30 could trigger systematic selling from vol-targeting funds and CTAs.

Payrolls trend: If -92K isn't an outlier but the start of a trend, the soft landing thesis dies. GDPNow already dropped to 2.1%.

Private credit cracks: Blue Owl -6%, Blackstone -4%, Blackrock -4%. If the private credit complex unwinds, contagion hits financials.

Escalation beyond Iran: Houthis are making noise about Red Sea ops. Hezbollah launched from Lebanon. Any wider regional war changes everything.

But the risk management framework holds: **every one of these risks hurts the rest of the world MORE than it hurts the US.** We're not buying because it's perfect. We're buying because it's the best house in a bad neighborhood.

The Bottom Line

In times of global uncertainty, capital flows to strength. There is **no country on Earth** that combines:

- Military power securing trade routes — with a stated 4-week operational timetable
- Energy independence insulating the economy while everyone else gets crushed by \$89 Brent
- AI and tech supremacy — IGV software +7% even as the world burned
- A currency the world runs TO in a crisis — DXY best week since 2022
- \$175 billion in tariff refunds heading back to corporate balance sheets
- Macro fundamentals (ISM 56.1, GDP 2.6% GS est.) outpacing every G7 peer
- A Fed with more ammunition than any other central bank
- Smart money (Berkshire, retail energy flows, software rotation) saying BUY

The selloff is the setup. The dip is the opportunity. The US is the trade.

Overweight US equities. This is where the alpha lives.
