

Markets

Wall Street Reels as Iran War Shatters Its Portfolio Defenses

By [Lu Wang \(News\)](#) and [Isabelle Lee](#)

March 27, 2026 at 3:43 PM CDT

...

Market declines sparked by the Iran war are morphing into a full-blown rout across Wall Street.

Efforts to broker an end to the fighting and restart the flow of Middle East oil produced only further escalation, which in turn fueled an ever-greater sense of dread in markets. The Nasdaq 100 fell 1.9% on Friday alone and sank into correction; the S&P 500 slipped for a fifth week, capping its longest losing streak since 2022; bonds fell, pushing the benchmark 30-year yield towards 5%; and Bitcoin is at about half its pre-war peak.

...

The reasons are complex. The bond selloff has been driven not only by rising inflation expectations but also by a repricing of what central banks intend to do next, a shift playing out from Washington to Frankfurt to Tokyo. Gold is different. The structural case – central bank buying, dollar diversification, fiscal deterioration – remains intact, but the metal ran too far too fast ahead of the crisis. Rising inflation-adjusted yields have compounded the damage.