Weekly Market Recap

February 17, 2026

	Price	Price Returns	
Index	**Close**	**Week**	**YTD**
S&P 500® Index	6,836	-1.4%	-0.1%
Dow Jones Industrial Average	49,501	-1.2%	3.0%
NASDAQ	22,547	-2.1%	-3.0%
Russell 2000® Index	2,647	-0.9%	6.6%
MSCI EAFE Index	3,145	2.9%	8.7%
Ten-Year Treasury Yield	4.05%	-0.2%	-0.1%
Oil WTI[1] ($/bbl[2])	$62.80	-1.2%	9.4%
Bonds[3]	$100.99	0.9%	1.1%

[1]WTI = West Texas Intermediate Oil. [2]bbl = Barrel. [3]Bonds are represented by the iShares U.S. Aggregate Bond ETF. Sources: Bloomberg L.P.; FactSet.

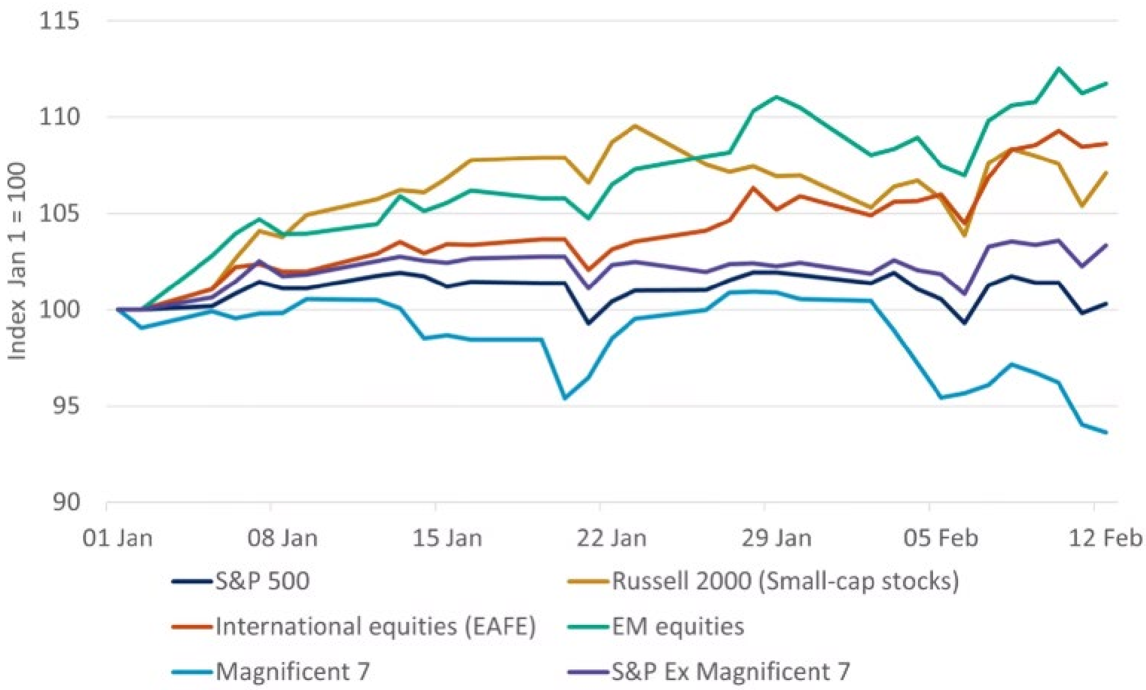
U.S. Equity Market

- U.S. large-cap equities (S&P 500 Index) fell -1.4%, while the S&P 500 Equal Weight Index rose +0.24% and outperformed as several “Magnificent 7” (Mag 7) stocks underperformed on concerns associated with artificial intelligence (AI) capital expenditure (capex) return on investment (ROI) scrutiny and resource constraints. Software stocks saw a tepid bounce from their recent plunge from AI displacement fears. Overall, 4Q25 earnings for the S&P 500 Index are up +13% year-over-year (y-o-y) (with 83% of companies reported), which is well above market expectations for +8.3%. January nonfarm payrolls posted a healthy beat of 130k above expectations for 70k, while the unemployment rate ticked down to 4.3%. January core consumer price index (CPI) rose +0.3% month-over-month. The 10-year Treasury yield fell to 4.05% from 4.21%. The U.S. Dollar Index was down -0.8%, while Gold and Silver rose +1.3% and +1.4%, respectively. Oil (WTI) fell -1.2% for the week.

- S&P 500 Index Sector Returns for 2026:
  - Utilities (+7.1%) and consumer staples (+1.4%) rose, as investors tend to favor more defensive sectors.
  - Real Estate (+3.9%) rose, led by cell towers and data centers.
  - Materials (+3.7%) rose, led by chemical companies.
  - Energy (+1.7%) rose, despite the price of oil falling -1.2%.
  - Industrials (+0.6%) rose, led by electrical supply and logistics companies.
  - Healthcare (0%) was flat, with strength from hospitals and managed care, offset by weakness from medical devices.
  - Technology (-2.0%) fell, led lower by software stocks on concerns that AI software coding tools may disrupt enterprise software businesses.
  - Consumer discretionary (-2.1%) fell, led lower by travel stocks and Amazon.
  - Communication services (-3.5%) fell, led lower by social media and internet search stocks.
  - Financials (-4.8%) fell, led lower by banks.

- Thus far in 2026, emerging market equities, international equities, U.S. small caps, and S&P 493 stocks are outperforming the Mag 7.

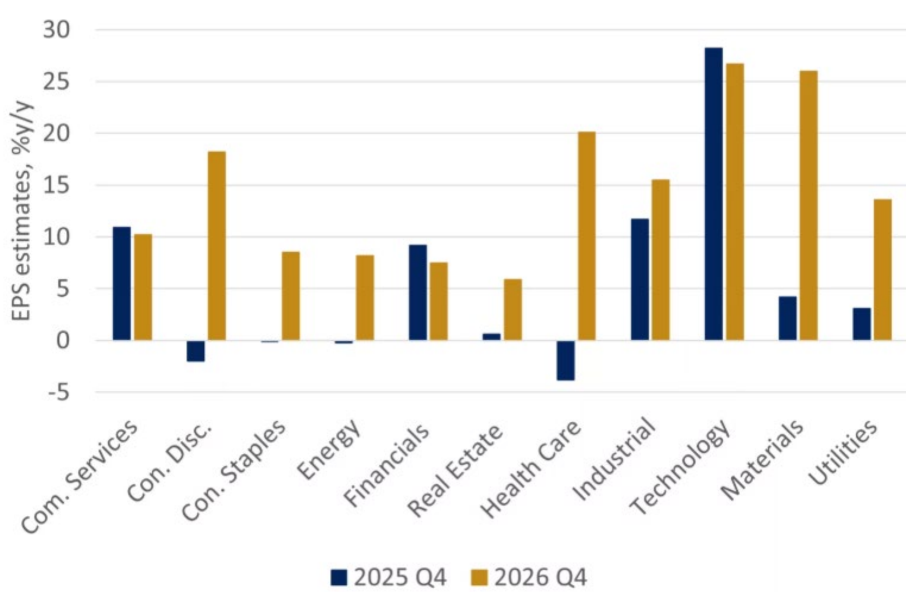
Anatomy of a Market Rotation



Note: The S&P Ex Magnificent 7 is the S&P 493 Index. Sources: Bloomberg L.P.; Edward Jones.

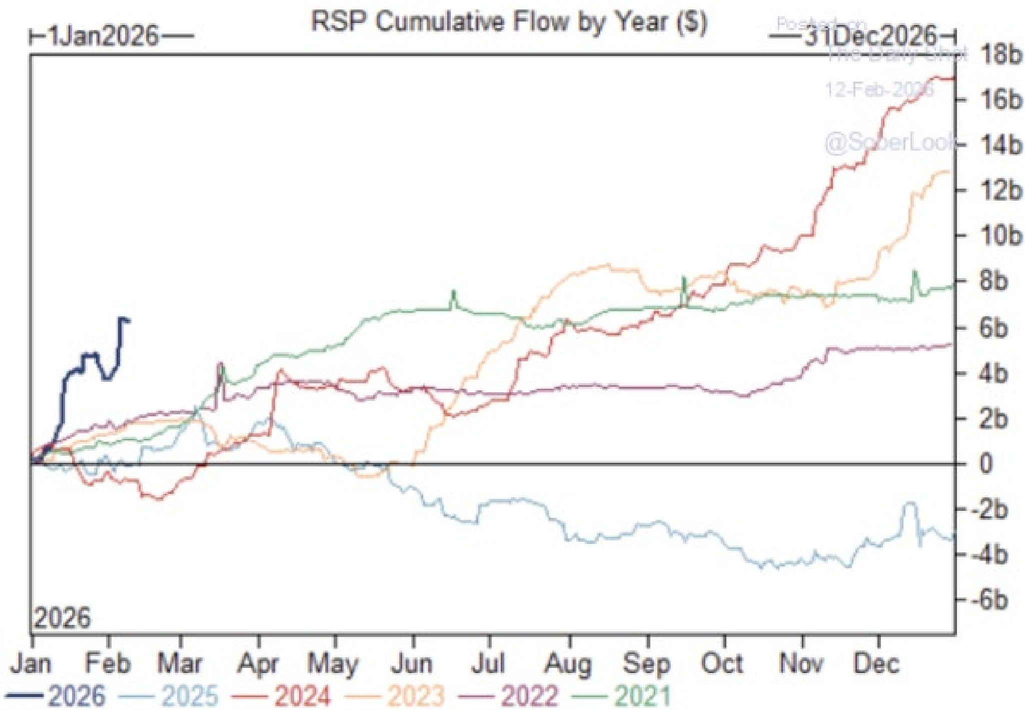
- The broadening out of equity returns away from the Mag 7 towards the S&P 493 is likely being driven by improving earnings expectations for most sectors outside of the information technology sector.

Broadening Earnings an Encouraging Signal



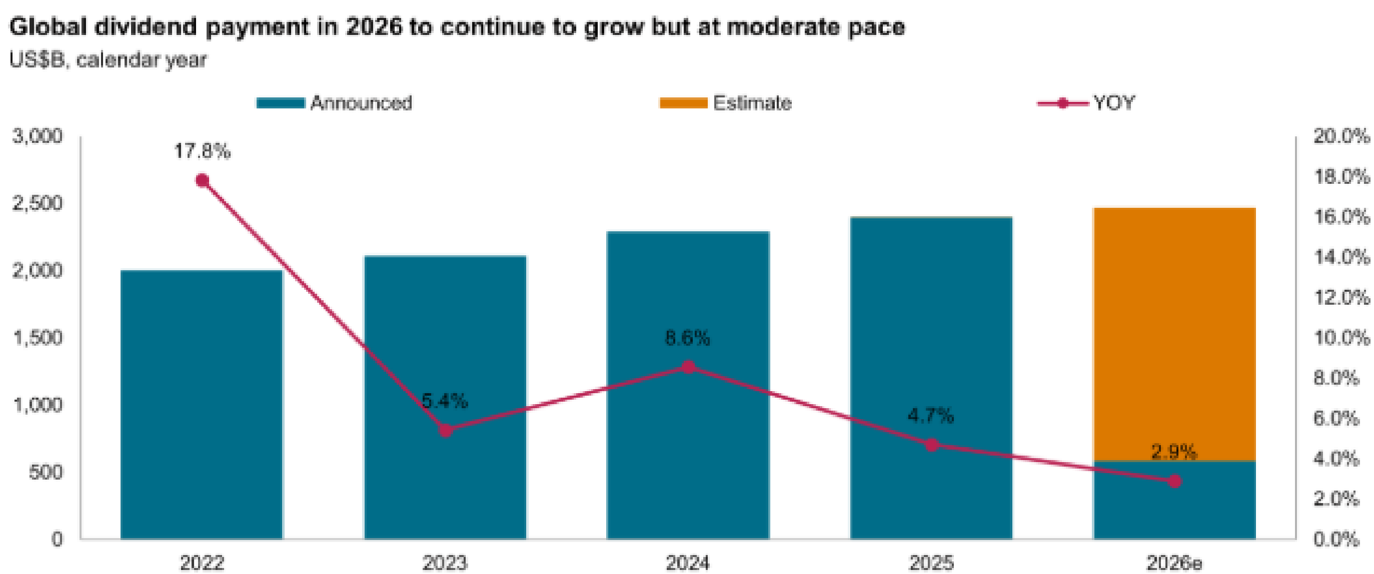
EPS: Earnings per share. Sources: Bloomberg, L.P.; Edward Jones.

- Investors appear to be allocating to the broadening-out theme as the equal-weighted S&P 500 exchange-traded fund (ETF) regular savings plan (RSP) has seen over $6B in cumulative inflows since the start of 2026.



Data is as of 02.12.2026. Sources: Goldman Sachs; The Daily Shot.

- Global dividends are expected to continue to grow in 2026 but at a modest growth rate.

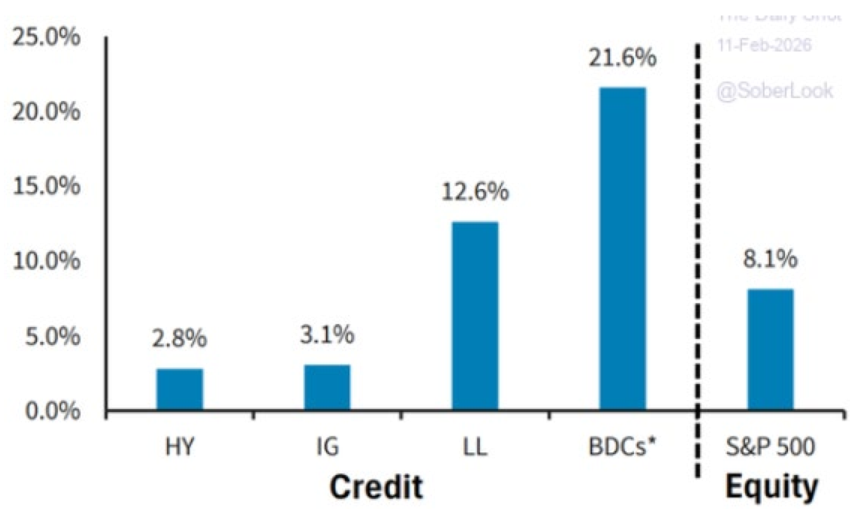


e: estimate. Data is as of 12.22.2025. Source: S&P Global Market Intelligence.

Fixed Income Markets

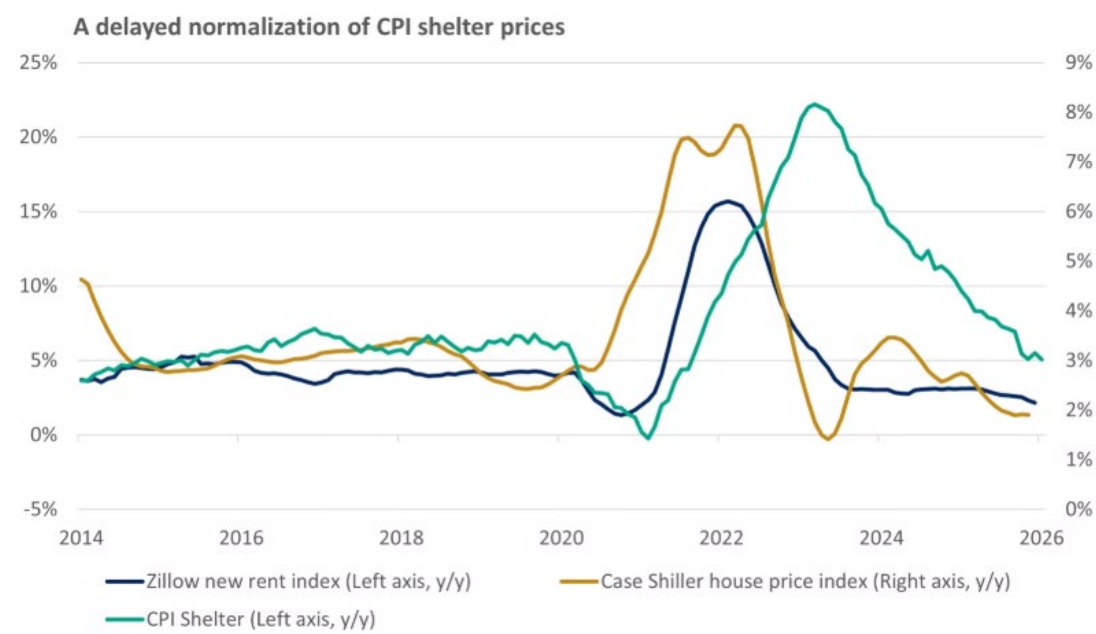
- The chart below shows Barclay's estimates of software exposure for different asset classes and suggests that Business Development Companies (BDCs) have the most credit/bonds issued to the software industry.

Software % of Market



HY: High yield. IG: Investment grade. LL: Limited liability. *BDC exposure denotes software as percent of portfolios across BDCs with publicly traded unsecured bonds. Data is as of 02.11.2026. Sources: The Daily Shot; Barclays.

- The continued easing in shelter inflation should help drag inflation rates back toward the Fed's target of 2% as house prices and rents generally take time to show up in official CPI figures due to the Bureau of Labor Statistics (BLS) methodology.



Data is as of 01.31.2026. Sources: Bloomberg L.P.; Zillow; Edward Jones.

International Markets Summary

- European markets (STOXX 600 Index) rose +0.1% as the Eurozone gross domestic product (GDP) grew by +0.3% in the final quarter of 2025, which represented annual growth of +1.5%, according to Eurostat.
- The Chinese stock market (Shanghai Composite Index) rose +0.4% as China's consumer CPI decelerated in January, while producer prices remained in deflation territory.
- Japanese equities (Nikkei 225 Index) rose +5.0% as Prime Minister Sanae Takaichi's Liberal Democratic Party secured a supermajority, winning more than two-thirds seats, which appears to set the stage for Takaichi's policies of aggressive fiscal spending (defense spending), investment, and targeted tax cuts.

This Week:

- The volume of corporate earnings reports will be moderate this week.
- Economic data:
  - Monday: Limited U.S. economic data;
  - Tuesday: Empire Manufacturing, Retail Sales, National Association of Home Builders Housing Market Index, Redbook Chain Store, American Petroleum Institute Crude Inventories;
  - Wednesday: Mortgage Bankers Association Mortgage Purchase Applications, Building Permits, Durable Orders, Housing Starts, Capacity Utilization, Industrial Production, Treasury International Capital Flows, Federal Open Market Committee Minutes, Department of Energy Crude Inventories;
  - Thursday: Philadelphia Federal Index, Wholesale Inventories (Preliminary), Trade Balance, Pending Home Sales, Weekly Jobless Claims, Energy Information Administration Natural Gas Inventories;
  - Friday: CPI.

As always, thank you very much for your interest in our thoughts and support of our services.

Whitney Stewart, CFA®
Executive Director

Griffith Jones, Jr.
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Index Definitions

Performance is compared to an index, however, the volatility of an index varies greatly. Indices are unmanaged and investments cannot be made directly in an index.

The **S&P 500® Index** is a readily available, carefully constructed, market-value-weighted benchmark of common stock performance. Currently, the S&P 500 Composite includes 500 of the largest stocks (in terms of stock market value) in the United States and covers approximately 80% of available market capitalization.
The **S&P 500® Equal Weight Index (EWI)** is the equal-weight version of the widely-used S&P 500®. The index includes the same constituents as the capitalization-weighted S&P 500, but each company in the S&P 500 EWI is allocated a fixed weight - or 0.2% of the index total at each quarterly rebalance.
The **Russell 2000® Index** measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000® Index is a subset of the Russell 3000® Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2,000 of the smallest securities based on a combination of their market cap and current index membership. The Russell 2000® is constructed to provide a comprehensive and unbiased small-cap barometer and is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set.
The **Dow Jones Industrial Average (DJIA)** is an index that tracks 30 large, publicly-owned blue chip companies trading on the New York Stock Exchange (NYSE) and the NASDAQ.
The **NASDAQ Composite Index** is the market capitalization-weighted index of over 2,500 common equities listed on the NASDAQ stock exchange. The types of securities in the index include American depositary receipts, common stocks, real estate investment trusts (REITs) and tracking stocks, as well as limited partnership interests. The index includes all Nasdaq-listed stocks that are not derivatives, preferred shares, funds, exchange-traded funds (ETFs) or debenture securities.
The **MSCI EAFE Index** is an equity index which captures large and mid-cap representation across 21 Developed Markets countries around the world, excluding the U.S. and Canada. With 900 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.
The **STOXX Europe 600 Index** is derived from the STOXX Europe Total Market Index (TMI) and is a subset of the STOXX Global 1800 Index. With a fixed number of 600 components, the STOXX Europe 600 Index represents large, mid and small capitalization companies across 17 countries of the European region: Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Norway, Poland, Portugal, Spain, Sweden, Switzerland and the United Kingdom.
The **Nikkei 225** is a price-weighted index composed of Japan's top 225 blue-chip companies traded on the Tokyo Stock Exchange.
The **Shanghai Stock Exchange Composite Index** is a capitalization-weighted index. The index tracks the daily price performance of all A-shares and B-shares listed on the Shanghai Stock Exchange.
The **S&P 493** refers to the S&P 500 index excluding the seven, high-performing "Magnificent 7" technology giants (Apple, Microsoft, Alphabet, Meta, Amazon, Nvidia, Tesla). This group represents a more value-oriented, diversified cross-section of the U.S. economy, often trading at lower, more stable P/E ratios than the tech-heavy 500 index.
The **Empire Manufacturing Index** is a monthly survey of CEOs & executives from manufacturing companies conducted by the Federal Reserve Bank of New York; highlighting the state of manufacturing the New York region.
The **Philadelphia Federal Index** tracks changes in manufacturing activity across Pennsylvania, New Jersey, and Delaware. Above zero generally signals growth and below zero suggests contraction, and because it's been published since May 1968, it's often used as an early read on broader U.S. conditions.

Technical Terms:

The **Consumer Price Index (CPI)** measures the monthly change in prices paid by U.S. consumers. The Bureau of Labor Statistics (BLS) calculates the CPI as a weighted average of prices for a basket of goods and services representative of aggregate U.S. consumer spending. The **Magnificent 7 (Mag 7)** stocks are a group of seven dominant, high-growth U.S. technology companies that significantly influence the stock market: Apple (AAPL), Microsoft (MSFT), Amazon (AMZN), Alphabet (GOOGL), Meta Platforms (META), Nvidia (NVDA), and Tesla (TSLA). **Capital expenditures (CapEx)** are the funds companies allocate to acquire, upgrade, and maintain essential physical assets like property, technology, or equipment, crucial for expanding operational capacity and securing long-term economic benefits. **Return on investment** (ROI) is a financial ratio that measures the profit generated by an investment relative to its cost. Key factors influencing ROI include the initial investment amount, ongoing maintenance costs, and the cash flow generated by the investment. The **U.S. Dollar Index** is a measure of the U.S. dollar's value relative to its most significant trading partners' currencies: EUR, JPY, CAD, GBP, SEK, and CHF. **Earnings per share (EPS)** is a commonly used measure of a company's profitability. It indicates how much profit each outstanding share of common stock has earned. **Gross domestic product (GDP)** is the total monetary or market value of all the finished goods and services produced within a country's borders in a specific time period. As a broad measure of overall domestic production, it functions as a comprehensive scorecard of a given country's economic health. Created by the U.S. Congress in 1980, **Business Development Companies** (BDCs) are specialized, closed-end funds designed to fuel economic growth by investing in small- to medium-sized enterprises and financially distressed businesses. These organizations not only provide the necessary capital to help emerging firms in their early phases but also assist struggling companies in restoring fiscal health. An **Equal-Weight exchange-traded fund (ETF)** applies the same weight to all of its components, whereas a cap-weighted fund assigns the largest weight to the stock with largest market value and so on. For example, an equal-weight exchange-traded fund (ETF) that has 100 stocks will, in most instances, assign a weight of roughly 1% to each of its holdings when that ETF rebalances**.** Today, there are hundreds of equal-weight ETFs trading in the U.S., but the dominant name among those products remains the Guggenheim **S&P 500 Equal Weight ETF (RSP)**. **Federal Open Market Committee** is the Federal Reserve's primary monetary policymaking body, responsible for setting U.S. interest rates and directing open market operations (buying/selling Treasuries). Comprising 12 members—the Board of Governors, NY Fed President, and four rotating Reserve Bank presidents—it meets eight times annually to promote maximum employment and stable prices. The **Zillow New Rent Index** is a repeat-rent index that is weighted to the rental housing stock to ensure representativeness across the entire market, not just those homes currently listed for-rent. **CPI shelter** is a major component of the Consumer Price Index (CPI) measuring changes in the cost of housing services for consumers, accounting for over 30% of the total index. The Case Shiller house price index measures changes in residential home prices in the U.S., offering insights into national and regional trends. They use repeated sales of single-family homes to ensure consistent data, reflecting true market dynamics without external influences. The **NAHB/Wells Fargo Housing Market Index (HMI**) is a monthly sentiment survey of members of the National Association of Home Builders (NAHB). The index measures sentiment among builders of U.S. single-family homes, and is a widely watched gauge of the U.S. housing sector. Participating builders rate current single-family sales, sales prospects over the next six months, and the traffic of prospective buyers. **Treasury International Capital Flow** is data from the U.S. Treasury and tracks the flow of portfolio capital into and out of the U.S. and can predict trends in the U.S. dollar and interest rates. (Technical definitions are sourced from Corporate Finance Institute.)

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