



A WEEKLY NEWSLETTER PUBLICATION OF BECKER WEALTH MANAGEMENT LLC

## Global markets close higher less than 2% from January record.

Last week markets received a good deal of information from a busy economic calendar, corporate earnings reports, ongoing geopolitical speculation, and even an important legal/constitutional ruling from the Supreme Court. Despite the heavy calendar, financial markets ended the week without any clear directional impulse with global equity markets closing modestly higher leaving U.S. markets less than 2% from the late January record high while international markets while developed and emerging international markets continued to march higher. Short rates and the USD traded higher thanks in part to a more hawkish tone from Fed speakers and FOMC meeting minutes last week. Commodity markets closed up over 3% last week as energy prices received a boost from U.S. saber rattling in the Middle East (Iran).

### Financial Market Highlights

- Stock markets maintained their primary focus on AI disruption and 4Q earnings reports last week with markets rotating back toward technology and cyclicals, away from defensive sectors.
- In a notable about face, Blue Owl's private credit fund gated investor redemptions in their private credit fund, leading to questions if the move is indicative of broader stress in private credit and financial markets or more fund specific protection of remaining investors.

### Economic Highlights

- Economic reports last week included key readings on PCE inflation, U.S. 4Q GDP/consumption, housing



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market data, PMI survey indications and healthy beats in durable goods and industrial production.

### Policy Highlights

- The anticipated SCOTUS decision on Trump's tariffs came last week ruling the IEEPA levies illegal. Trump responded with a 10% tax across the board set to begin Tuesday.
- FOMC meeting minutes poured cold water on expectations for more rate cuts with several officials wanting to see more progress toward their 2% inflation target before resuming cuts.
- Presumed incoming Fed Chair Warsh last week noted NY Fed officials should be disciplined for publishing the "worst paper in the history of the Federal Reserve system" which analyzed tariff policy burden and impact on inflation, a critique that didn't inspire apolitical confidence.

### Bullish Asset Allocation Narratives

- Resilient consumption with room for the consumer to re-lever and market-related wealth effects.

- AI boom including infrastructure buildouts, projected productivity gains, and earnings potential.
- Growth conducive policies including a less restrictive Fed, fiscal stimulus, and deregulation.
- Robust U.S. corporate earnings growth, strong profit margins, and positive forward guidance.

### Bearish Asset Allocation Narratives

- AI momentum given narrow equity market reliance, unproven capex ROI, and industry specific concerns including circular transactions, increasing debt, a shift to asset intensive business models.
- Policy uncertainty across geopolitical (Iran) and domestic (tariffs / immigration) fronts. Energy supply implications of the former and higher tax, inflation, and labor market implications of the latter.
- Risks to consumption due to lower/middle class price fatigue (cumulative inflation), higher interest rates (sluggish housing market), and slowing labor markets.

## INSIGHT

## SUMMARY OF ECONOMIC REPORTS

Economic Report	Release	Period	Prior	Estimate Range	Consensus	Actual
PCE YoY (Headline/Core)	2/20/26	Dec	3.0% / 3.0%	2.8% to 3.0%	2.8% / 2.9%	2.9% / 3.0%
PCE MoM (Headline/Core)	2/20/26	Dec	0.2% / 0.2%	0.2% to 0.4%	0.3% / 0.3%	0.4% / 0.4%
Personal Income / PCE (MoM)	2/20/26	Dec	0.3% / 0.5%	0.0% to 0.7%	0.3% / 0.3%	0.3% / 0.4%
U.S. GDP (QoQ AR)	2/20/26	Q4	4.4%	1.7% to 3.6%	2.8%	1.4%
PCE (QoQ AR)	2/20/26	Q4	0.5%	0.0% to 0.5%	0.3%	2.4%
PMI Services	2/20/236	Feb	52.7	N/A	N/A	52.3
PMI Manufacturing	2/20/26	Feb	52.4	51.8 to 52.1	51.9	51.2
Durable Goods Orders	2/18/26	Dec	5.3%	-5.1% to 1.0%	-2.3%	-1.4%
Industrial Production	2/18/26	Jan	0.2%	-0.2% to 0.6%	0.4%	0.7%
Retail Sales (Headline/Core)	2/10/26	Dec	0.6%	0.2% to 0.6%	0.4% / 0.3%	0.0% / 0.0%
Housing Market Index	2/17/26	Feb	37	37 to 41	38	36
New Home Sales	2/20/26	Dec	758k	690k to 755k	728k	745k
Pending Home Sales	2/19/26	Jan	-9.3%	0.2% to 6.5%	2.5%	-0.8%
Housing Starts & Permits (M)	2/18/26	Dec	1.25M / 1.41M	1.29M to 1.425M	1.31M / 1.40M	1.40M / 1.45M
Payrolls (MoM)	2/11/2026	Jan	48,000	0k to 130,000	70,000	130,000
Unemployment Rate	2/11/26	Jan	4.4%	4.3% to 4.5%	4.4%	4.3%
CPI (Headline/Core YoY)	2/13/26	Jan	2.7% / 2.6%	2.3% to 2.8%	2.5% / 2.5%	2.4% / 2.5%
CPI (Headline/Core MoM)	2/13/26	Jan	0.3% / 0.2%	0.1% to 0.4%	0.3% / 0.3%	0.2% / 0.3%
Existing Home Sales	2/12/26	Jan	4.35M	4.13M to 4.25M	4.20M	3.91M
Employment Cost Index	2/10/26	Q4	3.5%	3.4% to 3.5%	3.5%	3.4%
NFIB Small Biz Optimism	2/10/26	Jan	99.5	99.5 to 100.8	99.8	99.3
UofM Consumer Sentiment	2/6/2026	Feb	56.4	53.0 to 59.0	55.5	57.3
JOLTS	2/3/2026	Dec	6.928M	7.0M to 7.294M	7.245M	6.542M
ISM Services	2/4/2026	Jan	53.8	53.0 to 57.0	53.8	53.7
ISM Manufacturing	2/2/2026	Jan	47.9	48.0 to 49.5	48.5	52.6
Case-Shiller HPI (YoY)	1/27/26	Nov	0.4%	N/A	N/A	0.5%
Consumer Confidence	1/27/26	Jan	94.2	87.0 to 92.7	90.0	84.5



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# INSIGHT

## MARKET ANALYSIS

Equity	Level	1 Wk	1 Mo	3 Mo	YTD	1 Yr	Commodities	Current	12/31/25	9/30/25	6/30/25
Dow Jones	49626	0.43	2.47	8.92	3.44	14.24	Oil (WTI)	62.53	57.26	63.17	66.30
NASDAQ	22886	1.31	(0.24)	3.80	(1.47)	15.38	Gold (Mo-End)	4744.50	4744.50	3665.20	3352.00
S&P 500	6910	1.17	1.77	5.99	1.11	14.38					
Russell 1000 Growth		1.11	(1.02)	(0.08)	(4.06)	10.22	<b>Currencies</b>	<b>Current</b>	<b>12/31/25</b>	<b>9/30/25</b>	<b>6/30/25</b>
Russell 1000 Value		1.38	4.33	13.28	7.13	17.61	USD/Euro (\$/€)	1.18	1.18	1.17	1.17
Russell 2000		1.87	0.77	15.90	7.44	19.37	USD/GBP (\$/£)	1.36	1.36	1.34	1.37
Russell 3000		1.27	1.61	6.62	1.50	14.17	Yen/USD (¥/\$)	152.77	152.77	147.97	144.17
MSCI EAFE		0.86	5.93	15.16	8.75	32.81	<b>Treasury Rates</b>	<b>Current</b>	<b>12/31/25</b>	<b>9/30/25</b>	<b>6/30/25</b>
MSCI Emg Mkts		0.79	5.90	14.72	11.70	42.22	3 Month	3.69	3.67	4.02	4.41
<b>Fixed Income</b>	<b>Δ Yield</b>	<b>1 Wk</b>	<b>1 Mo</b>	<b>3 Mo</b>	<b>YTD</b>	<b>1 Yr</b>	2 Year	3.48	3.47	3.60	3.72
US Aggregate	3.85	0.00	(0.05)	0.01	(0.04)	0.11	5 Year	3.65	3.73	3.74	3.79
High Yield	6.54	(0.01)	0.02	(0.08)	(0.00)	(0.01)	10 Year	4.08	4.18	4.16	4.24
Municipal	3.31	0.00	0.00	0.07	(0.01)	0.30	30 Year	4.72	4.84	4.73	4.78
Treasury	3.47	0.16	0.16	0.22	0.15	0.46					

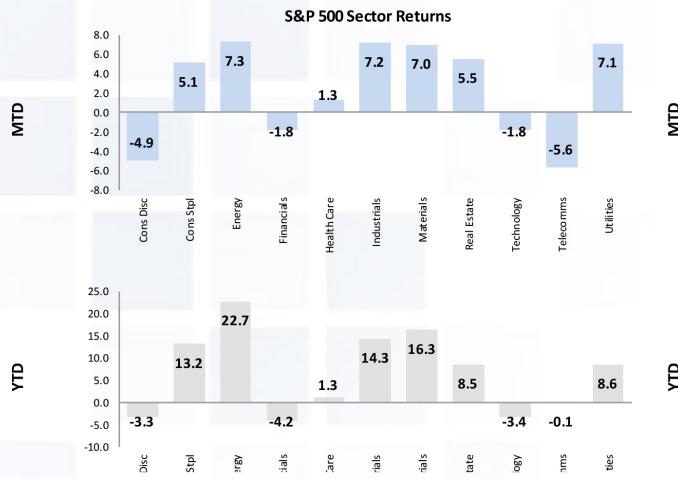
**Style Returns**

	V	B	G
L	2.45	-0.14	-2.59
M	4.52	3.58	0.38
S	3.74	1.98	0.34

MTD

	V	B	G
L	7.13	1.23	-4.06
M	9.00	6.74	-0.49
S	10.86	7.44	4.33

YTD



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