

# Weekly Recap

## Wider Participation Supports Market Resilience

### Economic Calendar

**Monday, February 16**

President's Day Holiday.  
Market Closed.

**Tuesday, February 17**

NY Empire State  
Manufacturing Index.

**Wednesday February 18**

Mortgage Applications,  
Durable Goods Orders,  
Housing Starts, Capacity  
Utilization, FOMC Meeting  
Minutes.

**Thursday, February 19**

Jobless Claims, Trade  
Balance, Pending Home  
Sales.

**Friday, February 20**

4Q GDP, 4Q PCE Index and  
Prices, S&P Manufacturing &  
Services PMI, New Home  
Sales, Consumer Sentiment.

### [The Latest from @CeteraIM](#)

[Existing Home Sales Reach  
Cycle Low](#)

[Retail Sales stays Flat for  
December](#)

[\\$88 Trillion: Boomer's Fuel  
Economic Activity](#)

[The Week Ahead Video](#)

### AI Stocks Drag on Performance

Markets continued to feel the effects of AI-related volatility for a second straight week, as investors work to determine how AI could disrupt traditional business models. Interestingly, overall market breadth has remained strong, with advancers outpacing decliners with more stocks having advanced than declined in 8 of the 10 trading days of February 2026—even though the S&P 500 itself closed positive on just four of those days. This broader participation helped the S&P 500 Equal Weight Index outperform the market-cap-weighted S&P 500 by 1.6% for the week.

### For the Week...

All three major indices declined for the week, with the tech-heavy Nasdaq Composite leading the pullback, down 2.1%. The S&P 500 fell 1.4%, while the Dow Jones Industrial Average slipped 1.2%. The small-cap-oriented Russell 2000 also ended the week lower, down 0.9%.

### Lower CPI fuels Rate Cut Chatter

Headline inflation was slightly lower than expected last month. CPI rose 0.2% vs 0.3% expected, while the annual increase slowed to 2.4%. Core CPI matched expectations at +0.3% month-over-month, while the annual increase eased to 2.5%, the lowest since March 2021.

### Weekly Sector Insights

Six of the eleven S&P 500 sectors posted gains last week, led by Utilities (+7.3%) and Real Estate (+3.9%) as investors rotated into defensive areas. Materials (+3.7%) also saw gains, supported by strong demand for raw materials tied to data-center construction. In contrast, Financials (-4.8%) sold off as concerns over AI's potential to disrupt traditional wealth-management business models weighed on the sector.

### Treasury Yields Fall

The yield on 10-year Treasury notes ended the week at 4.05%, down 1.6% as inflation came in remarkably lower. Yields rise as prices fall. The U.S. Dollar Index fell 0.7%. Precious metals strengthened as volatility dipped with gold ending the week up 1.3%. U.S. WTI crude oil fell 1.2%, after comments from President Trump indicating a preference for a diplomatic resolution to the Iran crisis.

### The Week Ahead.

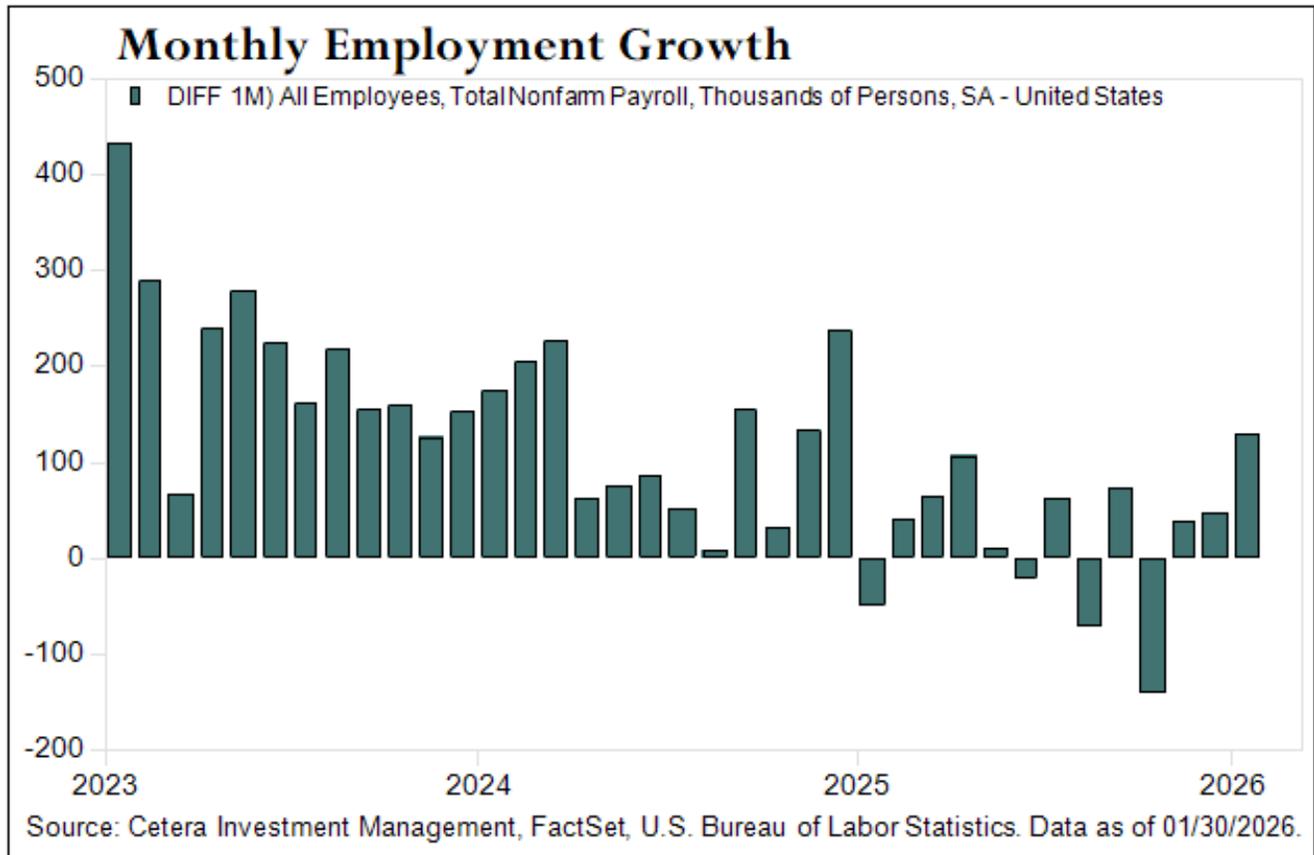
We continue to see spillover effects from the AI trade, as investors assess which sectors may be vulnerable to AI-driven business-model disruption. Markets will also get a read on consumer strength as a major retailer reports earnings on Thursday, February 19. Additionally, 4Q GDP will be released on Friday, February 20, offering a read on overall economic momentum.

## Market Watch

Stocks	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Dow Jones Industrial Avg.	-1.15%	1.32%	4.78%	3.14%	12.66%	15.23%
S&P 500	-1.35%	-1.43%	1.79%	0.00%	13.24%	19.89%
NASDAQ Composite	-2.08%	-3.88%	-1.27%	-2.95%	13.77%	24.64%
Russell 3000	-1.28%	-1.12%	2.33%	0.41%	12.81%	19.15%
Russell 2000	-0.85%	1.31%	11.42%	6.73%	17.57%	12.47%
MSCI EAFE	1.94%	2.46%	9.49%	7.81%	31.32%	17.19%
MSCI Emerging Markets	3.25%	1.80%	10.69%	10.81%	42.75%	18.11%
Bonds	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg US Agg Bonds	0.89%	1.17%	1.82%	1.28%	7.81%	4.48%
Bloomberg Municipal Bonds	0.38%	0.69%	1.79%	1.63%	5.46%	3.60%
Bloomberg US Corp High Yield	0.12%	0.22%	2.08%	0.73%	7.90%	9.18%
Commodities	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg Commodity	-0.45%	-2.64%	7.48%	7.45%	15.42%	7.63%
S&P GSCI Crude Oil	-1.20%	-3.77%	7.01%	9.28%	-11.79%	-7.90%
S&P GSCI Gold	1.34%	6.35%	19.28%	16.24%	71.33%	39.34%

Source: Cetera Investment Management, FactSet. Total returns used, which includes dividends and interest.

## Chart of the Week: Job Growth Expands



The labor market strengthened in January as nonfarm payrolls rose 130,000 (13-month high) and outpaced expectations of a 75,000 increase. Private education and health services led all sectors in job gains at 137,000, while government employment fell by 42,000.

This report is created by Cetera Investment Management LLC. For more insights and information from the team, follow [@CeteraIM](#) on X.

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### **Glossary**

The **Dow Jones Industrial Average** is a price-weighted average of 30 significant stocks traded on the New York Stock Exchange and the NASDAQ.

The **S&P 500** is an index of 500 stocks chosen for market size, liquidity and industry grouping (among other factors) designed to be a leading indicator of U.S. equities and is meant to reflect the risk/return characteristics of the large cap universe.

The **NASDAQ Composite Index** includes all domestic and international based common type stocks listed on The NASDAQ Stock Market. The NASDAQ Composite Index is a broad based index.

The **Russell 2000 Index** measures the performance of the small-cap segment of the U.S. equity universe and is a subset of the Russell 3000 Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership.

The **Russell 3000 Index** measures the performance of the largest 3,000 U.S. companies representing approximately 98% of the investable U.S. equity market.

The **Russell Midcap Index** measures the performance of the mid-cap segment of the U.S. equity universe and is a subset of the Russell 1000 Index. It includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership.

The **Bloomberg US Aggregate Bond Index**, which was originally called the Lehman Aggregate Bond Index, is a broad based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate debt securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS and CMBS (agency and non-agency) debt securities that are rated at least Baa3 by Moody's and BBB- by S&P. Taxable municipals, including Build America bonds and a small amount of foreign bonds traded in U.S. markets are also included. Eligible bonds must have at least one year until final maturity, but in practice the index holdings have a fluctuating average life of around 8.25 years.

The **Bloomberg US Corporate High Yield Index** measures the USD-denominated, non-investment grade, fixed-rate, taxable corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch, and S&P is Ba1/BB+/BB+ or below, excluding emerging market debt. Payment-in-kind and bonds with predetermined step-up coupon provisions are also included. Eligible securities must have at least one year until final maturity, but in practice the index holdings has a fluctuating average life of around 6.3 years.

The **Bloomberg US Municipal Bond Index** covers the USD-denominated long-term tax exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds, and prerefunded bonds. Eligible securities must be rated investment grade (Baa3/BBB- or higher) by Moody's and S&P and have at least one year until final maturity.

The **MSCI EAFE** Index is designed to measure the equity market performance of developed markets (Europe, Australasia, Far East) excluding the U.S. and Canada. The Index is market-capitalization weighted.

The **MSCI Emerging Markets Index** is designed to measure equity market performance in global emerging markets. It is a float-adjusted market capitalization index.

The **Bloomberg Commodity Index** is a broadly diversified index that measures 22 exchange-traded futures on physical commodities in five groups (energy, agriculture, industrial metals, precious metals, and livestock), which are weighted to account for economic significance and market liquidity. No single commodity can comprise less than 2% or more than 15% of the index; and no group can represent more than 33% of the index.

The **S&P GSCI Crude Oil Index** is a sub-index of the S&P GSCI, provides investors with a reliable and publicly available benchmark for investment performance in the crude oil market.

The **S&P GSCI Gold Index**, a sub-index of the S&P GSCI, provides investors with a reliable and publicly available benchmark tracking the COMEX gold futures market.

The **U.S. Dollar Index** is a weighted geometric mean that provides a value measure of the United States dollar relative to a basket of major foreign currencies. The index, often carrying a USDX or DXY moniker, started in March 1973, beginning with a value of the U.S. Dollar Index at 100.000.