

Last Week at a Glance

US equities led markets lower last week amid heightened concerns about the disruptive potential of AI in certain sectors. Japanese equities outperformed following a landslide election win. Lower-than-expected US inflation data contributed to a decline in yields.

- Concerns over AI's disruptive impact on parts of the economy intensified, with stocks in the commercial real estate, wealth management, and advertising sectors following the software sector's decline. While US equity indexes fell, due in a large part to these developments, performance elsewhere was more mixed with the MSCI ACWI little changed overall.
- Japanese equities continue to outperform after Prime Minister Sanae Takaichi secured an overwhelming majority in the Lower House election. The result bolstered expectations for fiscal expansion, tax relief, and a more assertive economic growth agenda. The Japanese yen also strengthened notably against the dollar after the election result.
- US bond yields moved lower as macroeconomic data boosted optimism about potential Fed rate cuts, despite strong January payroll employment figures. Softer-than-expected inflation data and disappointing retail sales drove the ten-year treasury yield 18 bps lower. While January's employment figure notably beat expectations, the gains were highly concentrated, and there were significant downward revisions to prior years' data.

Market Performance

As of February 15, 2026 • Local Currency • Percent (%)

Equities	Last Week	This Month	This Year
Global	-0.2	-0.1	2.4
Developed Markets	-0.6	-0.3	1.4
United States	-1.3	-1.5	-0.3
Euro Area	-0.1	0.8	3.6
United Kingdom	0.8	2.3	5.5
Japan	3.4	7.0	12.3
Emerging Markets	2.8	1.6	10.5
Fixed Income			
US Aggregate	0.9	1.2	1.3
US Treasuries	0.9	1.2	1.1
US Corporate IG	0.8	1.1	1.2
US Corporate HY	0.1	0.2	0.7
Real Assets			
Global Equity REITs	4.8	6.4	9.2
Global Natural Resources	2.7	4.2	16.8
Gold Bullion	1.4	6.5	16.1
Currencies			
EUR/USD	0.3	-0.4	0.9
GBP/USD	0.0	-0.8	1.2
USD/JPY	-2.4	-0.7	-2.3

Sources: Bloomberg Index Services Limited, MSCI Inc., and Thomson Reuters Datastream. MSCI data provided "as is" without any express or implied warranties.

Notes: This edition was prepared on February 15, 2026, and it reviews developments of the prior week. The equity data are total returns net of dividend taxes of MSCI indexes in local currency. Global natural resources equities are represented by the MSCI All Country World Commodity Producers Index. The fixed income data are total returns for Bloomberg indexes. Gold Bullion uses near-month gold futures contracts, as traded on the COMEX, to determine performance. Currency performance is based on Reuters data.