



Weekly Market Commentary

February 17, 2026

Couldn't Stick the Landing

Despite upbeat economic and corporate earnings news, stocks fell for a second consecutive week. For the week, the S&P 500 Index was -1.3%, the Dow Jones Industrials -1.2%, and the NASDAQ -1.3%. The Utility, Real Estate, and Materials sectors led the S&P 500 Index for the week, while the Financials, Communication Services, and Consumer Discretionary sectors lagged. The 10-year U.S. Treasury note yield was 4.051% at Friday's close versus 4.204% the previous week.

Economic news showed positive signs last week. The January Employment Situation report showed 130,000 net new jobs created versus an expectation of 70,000 and the unemployment rate moving down to 4.3%. The January Consumer Price Index (CPI) showed inflation at +0.2% month-over-month and +2.4% year-over-year, showing a modest disinflationary trend. Core CPI, which excludes food and energy prices, was +0.3% month-over-month and +2.5% year-over-year. The upbeat economic data may have investors thinking a rate cut is less likely in the near-term. CME Fed funds futures show 0.25% reductions forecast for the June and September Federal Reserve policy meetings.

This week 57 companies in the S&P 500 Index scheduled to report earnings. Quarterly earnings are expected to grow by 13.2% and quarterly revenue growth is expected at 9.0%. Full-year 2025 earnings are expected to grow by 13.3% with revenue growth of 7.5% and 2026 full-year earnings are expected to grow by 14.4% with revenue growth of 7.5%.

In our Dissecting Headlines section, we compare recent economic data points to the Federal Reserve's outlook for the year.

Financial Market Update

	<u>Weekly Return</u>	<u>YTD Return</u>		<u>Weekly Return</u>	<u>YTD Return</u>
S&P 500 Index	-1.3%	0.0%	Aggregate Bond Index	0.8%	1.2%
Dow Jones Industrial Average	-1.2%	3.1%	U.S. Dollar Index	-0.7%	-1.4%
NASDAQ 100	-1.3%	-2.0%	WTI Crude Oil	-1.0%	9.5%
Russell 2000 (Small Cap Index)	-0.9%	6.7%	Gold	1.7%	16.9%
International Stocks (MSCI ex-US)	2.3%	8.4%	Real Estate (US REIT Index)	3.3%	9.8%

Sources: S&P Global, FactSet

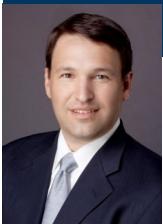
Dissecting Headlines: Correlating 2026

Early 2026 economic reports show the U.S. economy on fairly good footing. A weakening labor market seen at the end of 2025 does not look to be accelerating to the downside and inflation continues to grind toward the Federal Reserve's 2% target level.

At the December Federal Reserve meeting, the Summary of Economic Projections for 2026 forecast the unemployment rate at 4.4% and the January Employment Report showed unemployment at 4.3%. The Fed's forecast for inflation, as measured by the Personal Consumption Expenditures (CPE) Price Index is 2.4% and Core PCE, which excluded impact of food and energy prices, at 2.5%. The January CPI was 2.4% and Core CPI was 2.5%. Lastly, 2026 economic growth, as measured by Gross Domestic Product (GDP), is forecast at 2.3%, which was an increase from 1.8% prior. The potentially stronger GDP could be a product of a positive consumer spending stimulated by larger than normal income tax refunds due to changes from the One Big Beautiful Bill Act and a positive swing in exports versus imports due to recent tariff and trade negotiations.

We will see an updated 2026 economic forecast from the Federal Reserve at its March policy meeting. Trajectory of the economy, inflation, employment, and the overall feeling of the consumer should be crucial as the year unfolds. February's consumer becomes November's voter for the midterm elections.

The NovaPoint Team



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Joe has over 20 years of experience in the investment management industry. Prior to founding NovaPoint, he was a portfolio manager at Spectrum Advisory Services and GMT Capital in Atlanta, and Epoch Investment Partners in New York. He has also worked as an equity research analyst at Merrill Lynch and ABN Amro. Before beginning his investment career, Joe was an Infantry officer in the U.S. Army. Joe holds a BS from the U.S. Military Academy at West Point and an MBA from the University of Chicago. He is both a Chartered Financial Analyst (CFA) and a Chartered Market Technician (CMT).



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Alan has over 20 years of experience in the investment management industry. Prior to founding NovaPoint, he was a fixed income manager at both Spectrum Advisory Services and a private family office. Alan was also with the Bank Group division of Countrywide Capital Markets where he developed balance sheet strategies for depository institutions. He holds a BS in Banking and an MBA in Finance from Nova Southeastern University. Alan is an endurance athlete and three-time IRONMAN finisher.



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Frederick has over 30 years of experience in the investment management industry. Prior to joining NovaPoint, Frederick was a Partner and Investment Advisor at Brightworth where he advised high net worth investors. Frederick began his investment career in 1991 at Balentine & Co where he rose to Partner. He also co-founded and served as Chief Investment Officer at Wright Investment Management and at Smith & Howard Wealth Management. Prior to beginning his investment career, Frederick served as an Engineer officer in the U.S. Army. He holds a BS from the U.S. Military Academy at West Point and an MBA from Emory University. Frederick is a Chartered Financial Analyst (CFA).



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Larry leads NovaPoint's accounting, tax and outsourced CFO business. He built his previous company, Atlas Solutions, as a solo entrepreneur before merging into NovaPoint CFO. Larry began his career as a Field Artillery officer in the United States Army. Larry earned his Bachelor of Science degree from the U.S. Military Academy at West Point, where he was a four-year letterman on the football team. Larry is a certified Enrolled Agent, recognized by the U.S. Department of the Treasury to represent taxpayers before the Internal Revenue Service.



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Meghan is an Investment Associate focusing on financial planning. Prior to joining NovaPoint, Meghan spent 18 years in government service as an Operations Officer in military intelligence. She holds two Bachelor of Science degrees from the University of Maryland and a Master of Science from the Joint Military Intelligence College. Meghan has additional education specializing in financial planning and currently holds the Federal Retirement Consultant designation.

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