

WEEKLY MARKETS ROUND-UP

Executive Summary

23rd February 2026

Top news: NVIDIA's earnings on Wednesday after the close, US PPI data on Friday – US equities bounced slightly last week, while Europe continued to push into new highs and outperformed. This disparity is partially explained by the data. Initially, on Wednesday, the FOMC Minutes continued to show division within the FED's committee and the status quo is for holding rates for now, which is rather hawkish. On Friday, the S&P Global PMIs for the EuroZone came out strongly, swinging into positive territory for Manufacturing (50.8 vs 49.9 exp.) and matching expectations for Services (51.8). The data in the US that afternoon was then less supportive with the US Advanced Q4 GDP coming in lower than expected (+1.4% vs 2.8% exp.) due to the negative impact of the Q4 Government shutdown, while on the other hand, Core PCE inflation surprised to the upside at +0.4 MoM (vs +0.3% exp.) resulting in a slight stagflationary feeling. Finally, later that afternoon, the US S&P Global PMIs then printed slightly below expectations. Friday also saw the Supreme Court ruling on the tariffs issue. These were deemed illegal, which outraged the current Administration and led to the announcement of a global replacement tariff of 15% on Saturday. It is still uncertain if these are themselves legal and if previous paid tariffs will need to be reimbursed. The markets' reaction is for now rather muted. This week will first focus on NVIDIA's earnings on Wednesday after the close. Revenues and EPS are both expected to grow strongly by circa 65%. Friday will then see the release of the US CPI data (exp. at +0.3% MoM for Core and Headline).

Equities: US equities remain in consolidation mode, yet could still resume higher into the Spring (will NVIDIA be the welcome catalyst?). European ones along with the Nikkei are now slightly Overbought, reflecting less upside potential.

Fixed Income: 10Y benchmark yields are still retracing slightly for now. We still expect higher highs later this year.

Forex: despite the negative US data, USD started to bounce last week, up circa 1% vs the Majors. This bounce is happening off a long term trendline (up since 2012) and as short positioning is extreme. It could hence extend further.

Commodities: Oil resumed higher as Iran/US talks couldn't make much progress and war preparations continued. Gold also nudged slightly higher again (> 5'100 \$/oz), probably within the same dynamics yet with a more risk-off twist.

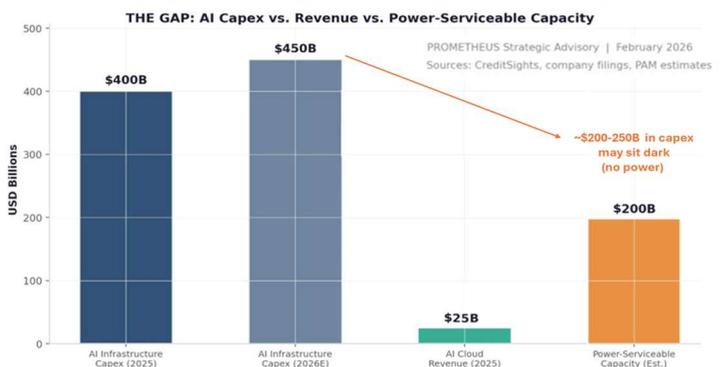
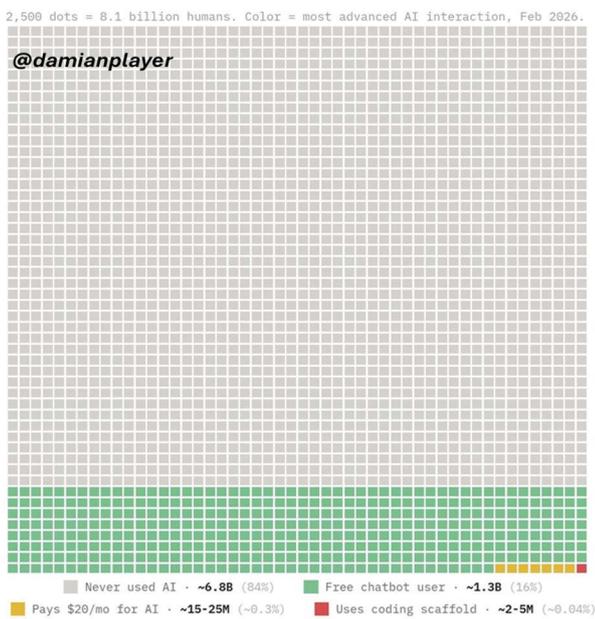
	Currencies	Price	Performance since 52 Week Low			Performance since 52 Week High			Performance YTD in %	Trend last 6m ¹	Exaggeration OB / OS ²
			Date Low	Low Price	Rise %	Date High	High price	Decline %			
S&P500 Index	USD	6'910	Apr-25	4'983	38.7%	Jan-26	6'979	-1.0%	0.9%	neutral	neutral
Nasdaq100 Index	USD	25'013	Apr-25	17'090	46.4%	Oct-25	26'120	-4.2%	-0.9%	neutral	neutral
Dow Jones Industrials Index	USD	49'626	Apr-25	37'646	31.8%	Feb-26	50'188	-1.1%	3.3%	up	neutral
EuroStoxx50	EUR	6'131	Apr-25	4'622	32.7%	Feb-26	6'131	0.0%	5.9%	up	slightly OB
Swiss Market Index	CHF	13'860	Apr-25	10'888	27.3%	Feb-26	13'860	0.0%	4.5%	up	slightly OB
Nikkei225	JPY	56'796	Apr-25	31'137	82.4%	Feb-26	57'651	-1.5%	12.8%	up	slightly OB
Shanghai Composite	CNY	4'082	Apr-25	3'097	31.8%	Jan-26	4'165	-2.0%	2.9%	up	neutral
US 10Y Treasury Yield	%	4.09%	Apr-25	3.89%	0.2%	May-25	4.61%	-0.5%	-0.1%	neutral	neutral
German 10Y Bund Yield	%	2.74%	Feb-25	2.39%	0.4%	Dec-25	2.91%	-0.2%	-0.1%	neutral	neutral
US 20Y Treasuries (TLT ETF, 17-18Y duration)*	USD	89	May-25	80	11.6%	Feb-26	90	-0.5%	2.7%	neutral	slightly OB
US Investment Grade (LQF ETF - 8-9Y duration)*	USD	112	Apr-25	101	10.8%	Feb-26	112	-0.1%	1.7%	neutral	neutral
US High Yield (HYG ETF, 3-4Y duration)*	USD	81	Apr-25	72	12.7%	Feb-26	81	0.0%	1.0%	neutral	neutral
EM USD Sovereigns (EMB ETF, 7-8Y duration)*	USD	98	Apr-25	83	17.5%	Feb-26	98	-0.0%	1.8%	neutral	neutral
EUR/USD		1.18	Feb-25	1.04	13.6%	Jan-26	1.20	-2.1%	0.3%	neutral	neutral
GBP/USD		1.35	Feb-25	1.26	7.2%	Jan-26	1.38	-2.6%	0.1%	neutral	neutral
USD/JPY		155	Apr-25	141	10.1%	Jan-26	159	-2.6%	-1.0%	neutral	neutral
USD/CHF		0.78	Jan-26	0.76	1.7%	Feb-25	0.90	-14.1%	-2.1%	neutral	neutral
AUD/USD		0.71	Apr-25	0.60	19.0%	Feb-26	0.71	-0.6%	6.2%	up	slightly OB
Brent Oil (per Barrel)	USD	72	Dec-25	59	21.8%	Jun-25	79	-9.0%	17.9%	up	slightly OB
Gold Spot (per Ounce)	USD	5'104	Feb-25	2'859	78.5%	Jan-26	5'416	-5.8%	18.2%	up	slightly OB

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AI focus: huge adoption potential yet not without some business challenges

Despite the recent buzz, AI adoption is probably still in its infancy (left-hand graph). Indeed, out of the world's 8bn population (yet we would ideally subtract children or the elderly), only a tiny fraction of people has crossed over to a semi-professional or professional usage of AI (either through paying subscription – yellow squares, or for coding / process automatization – red square). In this context, and as NVIDIA is getting ready to report, we remain positive for now on the AI Chips ecosystem, e.g. for NVIDIA, if we consider a very conservative trailing P/E ratio of 40 (the average since 2020 is closer to 60), current quarterly EPS data (1.30 a quarter ago, circa 1.50 exp. for the quarter just ended and 1.65 for the current quarter – top-right) would suggest valuations well north of \$200/share, perhaps even above 250 (vs 190 today). Medium to long term however, some concerns are starting to appear, according to Prometheus Strategic Advisory (bot-right). First of all, while yearly AI Capex figures are huge (\$400-450bn), monetization is still slow (only \$25bn revenue last year). There are also growing concerns about Data Centers securing enough power to run their infrastructures. The research firm estimates that up to \$200-250bn of AI investments may be “left in the dark”, a recipe for value destruction considering the rapid obsolescence of such tech. Investments in less power-hungry alternatives or power generation itself may then offer some diversification.

Each dot is ~3.2 million people



Notes:

- Trend last 6 months:** this Primis original algorithm, weighs the slope of the trend over the last 6 months vs the slope of the trend over the last 3 months yet factorised by the Fibonacci retracement ratio (0.618). Values are normalised using the average price over each period. If this combined slope is above +0.08% the trend is then “up”, below -0.08% then “down”, otherwise it is “neutral”.
- Overbought (OB) / Oversold (OS) measures:** this Primis original algorithm is computed by comparing the difference between the 8 days moving average and the 100 days combined with the 3 days vs the 15 days one and normalises this difference by dividing it by the 1 year standard deviation (circa 260 open market days). Values above 225% or under -225% are Overbought “OB”, resp. Oversold “OS”, values above 100% or under -100% are “slightly OB”, resp. “slightly OS”, otherwise there is no relevant exaggeration and the situation is then “neutral”.

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