

Weekly Market Update



Market Data as of Week Ending: 2/27/2026 unless noted otherwise

Major U.S. stock indexes declined last week as investors adopted a risk-off tone amid concerns over AI disruption, geopolitics and trade. A research paper from Citirini Research set the mood, painting a potential, although unlikely, bleak scenario where AI disruption sends the economy into a deep recession. Equities recovered mid-week ahead of NVIDIA's quarterly earnings; however, technology stocks led the market lower to finish the period despite a blockbuster report from the chipmaker. Value stocks continued to outperform growth, expanding the year-to-date gap. Defensive and interest-rate-sensitive sectors outperformed as yields dropped and as the technology and financials rout continued. Foreign equities continued to outperform domestic markets, boosted by strong local returns and dollar pressure.

Fixed income performance was mixed last week. Long-term government bonds outperformed, supported by lower capital market rates. High-yield bonds traded lower as spreads slightly widened throughout the week. The 10-year Treasury yield finished the week at 3.97%, falling below 4.0% for the first time this year. The 2-year Treasury yield fell to 3.38%, leaving the 2/10yr slope relatively unchanged. The average 30-year fixed mortgage fell below 6.0% for the first time in 3.5 years. Investment-grade corporate yields remained unchanged at 4.74%, while high-yield bond yields increased to 7.16%.

The focus of economic news for the week shifted back to inflation. Friday's Producer Price Index (PPI) reignited concerns about price stability. The headline number showed a 0.5% increase from January, ahead of estimates of a 0.3% increase. This upside surprise was driven by a 0.8% increase in service prices, the largest increase since July 2025. The S&P CoreLogic Case-Shiller Index reported that national home prices increased 1.3% in 2025, notably below inflation. However, a geographic divergence remains, with Chicago and New York leading all markets with gains above 5%. New orders for manufactured goods dropped 0.7% in December, following a revised 2.7% increase from the prior month. The Conference Board reported that the Consumer Confidence Index increased 2.2 points in February to 91.2. The report indicated that pessimism around the short-term outlook improved, offsetting a small decline in the assessment of current business conditions. Initial claims for unemployment continue to support the "low hire, no fire" narrative with 212K claims for the week ending February 21, a slight increase from the previous week. Meanwhile, continuing claims were 31K lower.

U.S. Equity Returns (Size & Style - Russell)

	Value	<u>Week</u> Core	Growth	Value	<u>MTD</u> Core	Growth	Value	<u>QTD</u> Core	Growth	Value	<u>YTD</u> Core	Growth
Large	0.14%	-0.39%	-0.79%	2.59%	-0.54%	-3.36%	7.28%	0.83%	-4.82%	7.28%	0.83%	-4.82%
Mid	0.19%	0.23%	0.41%	4.72%	3.82%	0.79%	9.21%	6.99%	-0.09%	9.21%	6.99%	-0.09%
Small	-1.75%	-1.15%	-0.58%	1.93%	0.80%	-0.24%	8.92%	6.20%	3.72%	8.92%	6.20%	3.72%

U.S. Fixed Income Returns (Quality & Duration - Bloomberg)

	Short	<u>Week</u> Interm	Long	Short	<u>MTD</u> Interm	Long	Short	<u>QTD</u> Interm	Long	Short	<u>YTD</u> Interm	Long
Govt	0.35%	0.49%	1.43%	0.81%	1.19%	4.19%	0.93%	1.20%	3.70%	0.93%	1.20%	3.70%
Corp	0.21%	0.26%	0.09%	0.64%	0.96%	1.99%	0.99%	1.19%	2.08%	0.99%	1.19%	2.08%
HY	-0.22%	-0.22%	-0.34%	0.01%	0.16%	1.41%	0.47%	0.67%	2.21%	0.47%	0.67%	2.21%

Index Returns

	Week	MTD	QTD	YTD
Equities (Stocks)				
S&P 500	-0.42%	-0.76%	0.68%	0.68%
S&P MidCap 400	-0.85%	4.12%	8.34%	8.34%
Russell 2000	-1.15%	0.80%	6.20%	6.20%
MSCI EAFE	1.24%	4.63%	10.09%	10.09%
MSCI Emerging Markets	2.82%	5.50%	14.83%	14.83%
MSCI EAFE Small Cap	1.24%	4.79%	10.86%	10.86%
Fixed Income (Bonds)				
Bloomberg Int Gov/Credit	0.42%	1.13%	1.21%	1.21%
Bloomberg US Agg	0.54%	1.64%	1.75%	1.75%
Bloomberg US High Yield	-0.22%	0.19%	0.69%	0.69%
Other				
Bloomberg Commodity	1.74%	1.10%	11.58%	11.58%
S&P Dev Property	1.14%	7.10%	11.28%	11.28%

Commodities and Currency

	2/27/26	1/31/26	12/31/25	12/31/25
Oil (\$/barrel)	67.39	65.21	57.42	57.42
Gold (\$/oz.)	5278.93	4894.23	4319.37	4319.37

S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	-0.48%	-5.38%	-3.76%	-3.76%
Consumer Staples	2.72%	7.94%	16.26%	16.26%
Energy	2.03%	9.43%	25.22%	25.22%
Financials	-1.95%	-3.72%	-6.03%	-6.03%
Health Care	2.20%	3.54%	3.52%	3.52%
Industrials	-0.04%	7.12%	14.26%	14.26%
Info Technology	-2.17%	-3.91%	-5.51%	-5.51%
Materials	1.32%	8.38%	17.82%	17.82%
Real Estate	0.81%	6.35%	9.38%	9.38%
Communication Svcs	0.50%	-5.13%	0.37%	0.37%
Utilities	3.03%	10.35%	11.85%	11.85%

Bond Yields

	2/27/26	1/31/26	12/31/25	12/31/25
SOFR 3Mo Swap	3.65%	3.66%	3.65%	3.65%
2Yr Treasury	3.38%	3.52%	3.47%	3.47%
10Yr Treasury	3.97%	4.26%	4.18%	4.18%
2-10 Slope	0.59%	0.74%	0.71%	0.71%

Past performance is not a guarantee of future results. We believe the information presented is reliable, but we do not guarantee its accuracy.