

Market Brief

- U.S. equities finished lower for the week amid, sticky inflation signals, and geopolitical tension, with a weaker tone. The S&P 500 fell 0.44% on the week, while the Nasdaq declined 0.95%. The Dow lost 1.31%, and small caps were down, with the Russell 2000 down roughly 1.20% on the week.
- European equities posted mixed weekly performance across benchmarks, supported by continued rotation into non-U.S. markets. The Euro STOXX 50 was essentially flat, gaining about 0.12% while the FTSE 100 outperformed, rising 2.09% for the week at fresh record highs.
- Treasury yields were lower on the week as investors leaned into duration on growth concerns despite firm inflation data. The 10-year yield finished around 3.95% on Friday, down roughly 14 bps from the prior Friday's level.
- Crude oil was modestly higher while precious metals extended gains. WTI crude settled near \$67.22 per barrel, up about 1.23% for the week. Gold futures finished around \$5,280 per ounce, up roughly 3.12%, while silver futures ended near \$94 per ounce, up about 10.93% on the week.
- Volatility rose on a weekly basis after swinging sharply during the week, reflecting firmer hedging demand as equities lost momentum into monthend. The VIX finished near 19.86 versus 19.09 the prior Friday, a 4.03% weekly increase, consistent with renewed caution into the close.
- Fund flows remained active but turned more defensive at the margin. U.S. equity funds saw \$2.01 billion in net inflows for the week ended February 25, while money market funds recorded \$19.97 billion in net inflows over the same period; global equity funds still led with \$19.75 billion in inflows.

Market Data Snapshot

Index	Value	WTD	1-Month	YTD
DOW JONES INDUS.	48,977.92	-1.31%	-0.05%	1.90%
S&P 500 INDEX	6,878.88	-0.44%	-1.43%	0.49%
NASDAQ COMPOSITE	22,668.21	-0.95%	-4.82%	-2.47%
RUSSELL 2000 INDEX	2,632.36	-1.18%	-1.29%	6.06%
S&P 500/TSX COMPOSITE INDEX	34,339.99	1.55%	3.76%	8.28%
EURO STOXX 50 PR	6,138.41	0.12%	3.03%	5.90%
FTSE 100 INDEX	10,910.55	2.09%	6.88%	9.86%
DAX INDEX	25,284.26	0.09%	1.57%	3.24%
CAC 40 INDEX	8,580.75	0.77%	5.25%	5.29%
NIKKEI 225	58,850.27	3.56%	10.34%	16.91%

Commodities	Value (\$)	WTD	1-Month	YTD
Crude Oil (WTI)	67.22	1.23%	7.73%	17.02%
Gold	5,279.57	3.12%	1.99%	22.06%
Silver	93.8165	10.93%	-19.52%	31.65%
Natural Gas	2.86	-6.07%	-25.02%	-22.82%

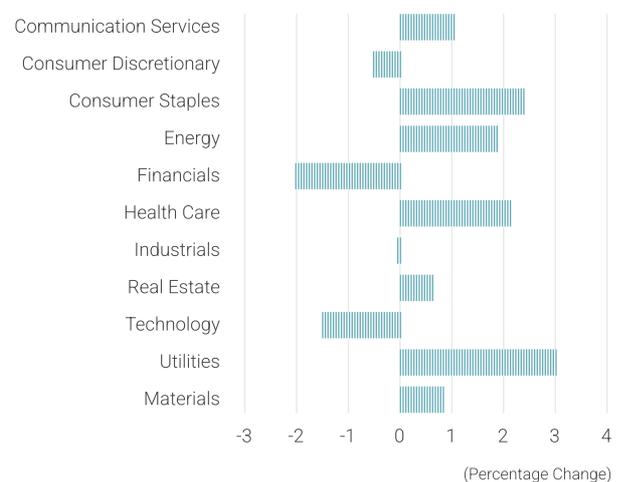
Fixed Income	Yield	WTD	1-Month	YTD
U.S. 2 Year Treasury	3.387%	-9.50	-15.20	-9.60
U.S. 10 Year Treasury	3.952%	-13.90	-28.60	-22.00
Germany 2 Year Bund	2.016%	-4.63	-6.41	-11.66
Germany 10 Year Bund	2.656%	-8.45	-19.13	-20.42

(Basis Point Change)

Currency	Value	WTD	1-Month	YTD
U.S. Dollar Index (DXY)	97.65	-0.06%	1.49%	-0.65%
EUR/USD	1.1812	0.28%	-1.83%	0.50%
USD/JPY	156.1780	0.71%	2.49%	-0.29%
GBP/USD	1.3473	-0.06%	-2.63%	-0.06%
USD/CAD	1.3647	-0.30%	0.49%	-0.57%
USD/CHF	0.7691	-0.85%	0.87%	-2.92%
EUR/JPY	184.4650	0.99%	0.62%	0.21%
EUR/CHF	0.9084	-0.58%	-0.98%	-2.43%

Risk Free Rates	1M	3M	6M	12M
CHF (SARON)	-0.05%	-0.05%	-0.05%	-0.05%
EUR (EURIBOR)	1.94%	2.01%	2.13%	2.22%
USD (SOFR)	3.67%	3.67%	3.62%	3.47%
GBP (SONIA)	3.73%	3.83%	3.93%	4.18%
JPY (TORF)	0.73%	0.80%	0.87%	-

S&P 500 Weekly Sector Performance



Market Drivers

U.S. Markets

U.S. equities ended the week on a weaker footing, with sentiment deteriorating into Friday as investors grappled with a mix of AI-related disruption fears, firmer inflation signals, and rising geopolitical tension tied to the U.S.-Iran situation. For the week ending February 27, the S&P 500 fell about 0.44% to 6,878.88, the Dow declined roughly 1.31% to 48,977.92, the Nasdaq dropped about 0.95% to 22,668.21, and the Russell 2000 lost around 1.18% to 2,632.36. The relative underperformance of the Dow and Russell 2000 pointed to more acute pressure in rate-sensitive and cyclical names compared to large-cap tech. Volatility picked up modestly, with the VIX closing at 19.86, while the 10-year Treasury yield moved down to about 3.95%. That combination of falling yields alongside falling equities signaled a growth-scare dynamic rather than a rate-driven selloff, a distinction worth watching in the weeks ahead. Fund flows remained positive but slowed materially, with U.S. equity funds drawing about \$2.01 billion in net inflows for the week ended February 25, suggesting that while investors haven't abandoned U.S. equities, conviction has moderated and the marginal dollar is increasingly finding its way elsewhere.

European Markets

European equities continued to lead global developed markets and finished the week at fresh highs, supported by resilient earnings, attractive valuations relative to the U.S., and continued investor preference for sectors seen as more insulated from AI-related disruption. The STOXX 600 closed at a record 633.85, up about 0.52% on the week, while the FTSE 100 ended at a fresh record of 10,910.55 for a roughly 2.09% weekly gain. The FTSE's relative strength within the region likely reflects its heavier tilt toward energy, mining, and financials, sectors that have benefited from commodity resilience and still-elevated interest rates supporting bank margins. Even with banks coming under some pressure late in the week on concerns around potential losses linked to the collapse of UK mortgage lender Market Financial Solutions, the broader tone stayed constructive as investors leaned into healthcare, food and beverage, and other defensive exposures. The episode is worth monitoring given lingering credit risk in parts of the UK mortgage sector, but contagion into broader European financials remained contained. Flows reinforced the constructive picture, with European equity funds drawing about \$11.69 billion in the week ended February 25, a figure that speaks to genuine conviction-driven allocation rather than short-term momentum.

Asia-Pacific Markets

Asia-Pacific markets were again broadly constructive, with North Asia continuing to dominate regional performance even as some profit-taking emerged late in the week. The MSCI AC Asia Pacific ex Japan index ended at 826.18, up about 2.98% from the prior week's 802.25, reflecting another strong advance in the regional benchmark. South Korea remained the clear standout, with the KOSPI closing at 6,244.13 for a roughly 7.50% weekly gain after crossing the 6,000 level for the first time on February 25, driven by persistent strength in chipmakers and AI-linked exporters benefiting from accelerating global AI infrastructure buildout. The milestone is more than symbolic, as it reflects a fundamental rerating of Korean equities that had long traded at a discount to global peers and may attract a new wave of institutional interest. Japan also held a firm tone, with the Nikkei 225 ending the week around 58,850 and still near record territory, though gains have become more measured and selective as investors increasingly focus on valuations and earnings quality rather than momentum alone.

Emerging Markets

Emerging markets posted another solid week, with performance continuing to be driven heavily by Asia as investors stayed constructive on semiconductor-linked growth, softer U.S. yields, and still-supportive cross-border allocation trends. The MSCI Emerging Markets index ended the week at 1,610.70, up about 2.77% from the prior week's 1,567.23, a firmer advance than the more measured moves seen earlier in the month. Price action continued to suggest that investors favored liquid, index-heavy exposures with clear earnings visibility rather than indiscriminately chasing lower-quality high beta, which is generally a healthier sign for the durability of the rally. On the fixed income side, softening U.S. Treasury yields improved the relative attractiveness of EM debt at the margin, drawing in income-oriented allocators looking for carry opportunities. Flows were again a key source of support, with EM equity funds drawing about \$11.86 billion and EM bond funds adding roughly \$3.13 billion for the week ended February 25, one of the stronger combined readings in recent months. Overall the backdrop remained constructive, though the speed of the rally increasingly argued for selectivity rather than assuming a uniform lift across the full EM complex.

Technical Update

The S&P 500 wrapped up the week ending February 27, 2026 at 6,878.88, posting a modest weekly loss after a stretch that briefly looked like it might break higher before fading late. Trading opened Monday on a weak note, with the index dropping to 6,819.82 intraday before closing at 6,837.75 as sellers stayed in control. Tuesday brought a clean rebound, as the index dipped to 6,815.43 early, rallied to 6,899.17, and finished at 6,890.07, recovering most of Monday's damage. Wednesday added to that strength, with the index climbing to a weekly high of 6,952.51 and closing at 6,946.13, putting the market back near the top of its recent range. Thursday spoiled the breakout attempt as the index reversed sharply from an early high of 6,947.25 down to 6,859.73 before settling at 6,908.86. Friday followed through lower, with the S&P opening at 6,856.54, slipping to 6,831.74, and closing at 6,878.88. What looked midweek like a constructive recovery turned back into another failed push near the highs, leaving the index just below its 50-day moving average rather than reclaiming it decisively. The primary support zone to watch is 6,830 to 6,860, which captures Friday's low, Thursday's reversal area, and several late-week pivots. Within that, 6,815 to 6,835 is the more critical pocket, as it includes Tuesday's low and sits right around the 100-day moving average, making it the key line in the sand if pressure builds again. Below that, deeper support sits at 6,775 to 6,800, which remains the next meaningful backstop from the prior week's reversal base. On the upside, first resistance sits between 6,900 and 6,925, where the 50-day moving average and multiple failed closes converged late in the week. Above that, 6,945 to 6,955 is the next hurdle, followed by the broader 6,975 to 7,000 area if momentum returns.

Market internals softened a bit from the prior week's improvement. About 62% of S&P 500 members were trading above their 50-day moving averages, while roughly 65.6% remained above their 200-day, suggesting that longer-term breadth is still holding up better than the shorter-term trend. The gap between those two readings is worth noting since it implies that while recent price action has been choppy, the majority of stocks have not broken down on a structural basis. Volatility also firmed back up, with the VIX ending at 19.86 versus 19.09 the week before. Rates were less of a headwind though, with the 10-year Treasury yield easing to around 3.95%, helping cushion the downside even as equities lost momentum.

The setup is less constructive than it looked midweek. The 6,830 to 6,860 zone is the key area to defend on any pullback, with 6,815 to 6,835 as the more important support shelf and 6,775 to 6,800 as the deeper backstop. To the upside, 6,900 to 6,925 is now the first checkpoint, followed by 6,945 to 6,955 and then 6,975 to 7,000 if buyers can regain control. As long as the index keeps finding support above the 100-day, the broader structure should remain intact, but repeated failures around the 50-day and near the highs keep the market choppy rather than cleanly trending.

S&P 500: 50 & 200 Day Moving Average



Source: WSJ

The Week in Focus

The week ahead is likely to be driven more by earnings quality and follow-through than by macro alone. The broader question is whether solid corporate results can continue to support risk appetite across sectors, or whether investors remain willing to reward only a narrow group of familiar leaders. What matters most is not simply whether companies beat expectations, but whether those beats translate into durable share-price reactions that help widen participation beneath the surface. The principal earnings anchors are MongoDB on Monday, Target, Best Buy, AutoZone, CrowdStrike, and Ross Stores on Tuesday, Broadcom on Wednesday, and Kroger, Burlington Stores, BJ's Wholesale Club, Ciena, Costco, Marvell, and Samsara on Thursday.

Monday, March 2 is a relatively light start, but MongoDB reporting after the close makes it an early test of investor appetite for software and higher-multiple growth outside the largest mega-cap platforms. ISM Manufacturing also arrives that morning and may shape the tone for cyclicals and rates, but from an equity perspective the more important question is whether investors are prepared to position ahead of the heavier slate to come.

Tuesday, March 3 is the first major earnings day of the week. Target and Best Buy are important reads on the consumer, particularly around discretionary spending, traffic, and category demand, while AutoZone adds a more defensive, maintenance-oriented angle. CrowdStrike and Ross Stores extend the focus after the close into cybersecurity and value retail. If the market is willing to reward strength across both consumer-facing and technology-oriented businesses, that would be a constructive sign that participation is broadening rather than staying confined to a narrow leadership group.

Wednesday, March 4 is centered on Broadcom, which reports after the close and sits near the heart of the AI infrastructure theme that has carried so much of the market's recent leadership. ADP employment and ISM Services arrive earlier in the day and will help frame the rates backdrop, but for equities the more practical question is whether Broadcom can reinforce confidence in the semiconductor complex without pulling the entire tape back into an excessively narrow thematic trade.

Thursday, March 5 is the busiest day of the week. Kroger, Burlington Stores, BJ's Wholesale Club, and Ciena report before the open, covering grocery, off-price retail, warehouse-club behavior, and networking infrastructure. Costco, Marvell, and Samsara then take over after the close, combining consumer spending signals with semiconductor and enterprise-technology exposure. If this lineup produces broad beat-and-hold reactions across such a diverse set of businesses, it would be one of the clearest signs yet that the market is becoming more comfortable supporting a wider group of winners.

Friday, March 6 is largely a reaction day, with the February employment report at 8:30 a.m. ET as the main event. By then, the market's internal message should already be taking shape through the pattern of earnings reactions earlier in the week. If MongoDB starts things well, Tuesday's consumer and technology names hold their gains, Broadcom reinforces confidence Wednesday night, and Thursday's dense slate produces follow-through rather than fade, the setup points toward a healthier and more durable widening in participation. If instead strong numbers are sold, guidance is treated harshly, and leadership keeps collapsing back into the same narrow group of perceived safety names, it would suggest the market still lacks the breadth needed to make the advance feel fully durable.

In all, the cleanest way to judge the week is through the quality of earnings reactions rather than the headline index level alone. If MongoDB starts the week well, Tuesday's consumer and technology names are rewarded, Broadcom reinforces confidence on Wednesday night, and Thursday's dense slate from Costco, Marvell, Kroger, and others produces follow-through rather than fade, the setup would support a healthier and more durable widening in participation. If instead strong numbers are sold, guidance is treated harshly, and leadership keeps collapsing back into the same narrow group of perceived safety and secular growth, it would suggest that the market still lacks the breadth needed to make the advance feel fully durable.