

## THE WEEK'S BIG THEMES

### ECONOMY:

- **US Inflation fight remains tricky:** Wholesale price inflation picked up (+2,9% yoy), driven by services prices. Headline PCE was around 2.6% and core PCE near 2.9%, both above the Fed's 2% target. Factory orders decline 0.7% in December, down from an increase of 2.7% in the prior month. After declining in January, the Consumer Confidence composite Index edged higher in February, supported by less pessimistic expectations about future business and labor market conditions. As per the latest claims release, labor data remained relatively resilient
- **Divergent inflation data across the Euro area:** Inflation eased in Germany while it hedged up in France and Spain. According to the IFO index, German business confidence shows signs of continued improvement while optimism about a potential economic recovery in France decreased
- **Further BoE cuts to come in 2026:** A. Taylor, a member of the BOE's Policy Committee, suggested that the central bank may cut three time in 2026, as inflation converges to the 2.0% target
- **A less aggressive approach to interest rates in Japan?** To replace BoJ's policy board outgoing members, the Japanese Prime Minister nominated two economists perceived as dovish. Tokyo's inflation data rose 1,8% yoy in February (from 2,0% last month), higher than expected (+1,7%)
- **China efforts to ease domestic currency appreciation:** the PoBC announced that it will cut the risk reserve requirement ratio for financial institutions conducting foreign exchange forward trading to zero from 20% on March 2nd.

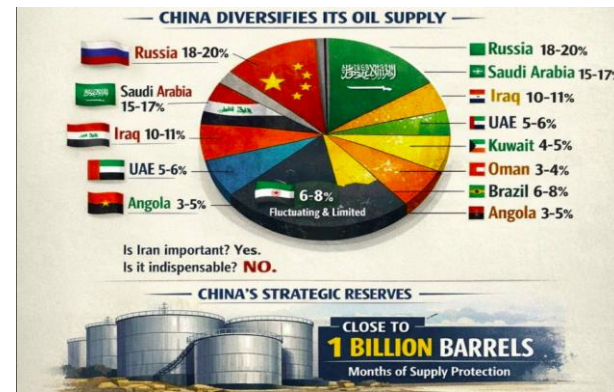
### RISING GEOPOLITICAL TENSIONS

- **Tension between the US and Iran have been rising,** with the US concentrating one of its largest military force near Iran since 2003. Although talks were taking place in Geneva, this weekend saw an increase of the conflict (Flash Special on page 3).
- **Five year of war between Ukraine and Russia,** with the later continuing high intensity strikes on Ukraine and no resolution to the conflict in sight

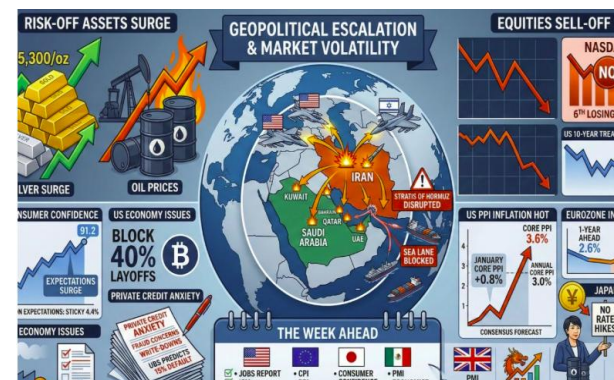
### US EARNINGS RESULTS

- Nvidia reported quarterly figures that exceeded expectations. IBM, on the other hand, suffered its biggest daily decline since 2020 after Anthropic announced that its Claude Code tool could streamline legacy COBOL modernisation
- According to FactSet, 96% of S&P 500 companies have reported results: 73% have reported a positive EPS surprise and 73% a positive revenue surprise. According to Schwab, 66% have beat on the top line while 74% have beat on the bottom line. Revenue growth has been tracking at +9.60% year-over-year while earnings per share (EPS) growth is up to 14.64%.

## CHARTS OF THE WEEK



Source Vincent Barret, LinkedIn



Source Mohamed El-Erian LinkedIn

## ECONOMIC EVENTS TO WATCH

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
<ul style="list-style-type: none"> <li>• ISM Manufacturing (US)</li> <li>• Manufacturing PMI (JP)</li> <li>• Inflation (ID)</li> <li>• GDP growth (TR)</li> </ul>	<ul style="list-style-type: none"> <li>• Unemployment rate (JP)</li> <li>• Inflation rate &amp; PPI (TR)</li> <li>• Inflation rate (EZ)</li> <li>• GDP Growth (BR)</li> </ul>	<ul style="list-style-type: none"> <li>• PMI Composite Final, consumer confidence (JP)</li> <li>• PMI final, PPI, Unemployment rate (EZ)</li> <li>• ADP, ISM (US)</li> </ul>	<ul style="list-style-type: none"> <li>• Claims, Nonfarm productivity, Unit labor costs, Export &amp; Import prices (US)</li> <li>• Retail sales(EZ)</li> </ul>	<ul style="list-style-type: none"> <li>• Retail sales, Nonfarm payrolls, Unemployment rate, Average hourly earnings (US)</li> <li>• GDP growth rate QoQ 3<sup>rd</sup> estimate (EZ)</li> </ul>

## MARKET REACTION

## EQUITY

- In a context of increasing geopolitical tensions and fears about AI-driven disruption, **global stocks posted slightly positive return**. The MSCI World (+0,06%) underperformed the MSCI Emerging Markets (+2,83%), with Taiwan and South Korea enjoying decent return (MSCI Taiwan: +5,08%, MSCI Korea: 9,15%).
- US equities ended the week lower**, with the Small caps index underperforming (Russel 2000: -1,15%). The S&P 500 declined a smaller 0,42% while the S&P 500 Equal weighted enjoyed a positive return of 0,44%. The Nasdaq posted a negative return of -0,20%. More defensive areas (+2,03%) held up better than cyclical segments (-0,04%). Value stocks (+0,10%) outperformed growth-heavy segments (-1,13%). Technology (-2,17%), Financials (-1,96%) were detractor of performance.
- European markets outperformed again their US peers**. The Stoxx 600 (+0,53%) hit a new high in a context of broadly supportive macroeconomic data. The UK index outperformed (Footsie 100:+2,13%).
- Japanese stocks gained strongly** (Nikkei:3,62%, reaching record highs), led by metals & Mining and Financials, in a context of optimism about the policy outlook under Prime Minister.
- Mainland China stocks ended flat** (CSI 300: +0,07%), driven by a mix of policy optimism and sector rotation.

## FIXED INCOME

- Global bond markets benefited from the risk-off environment** amid equity market weakness.
- U.S. Treasuries posted their best month since February 2025**: Flight-to-quality drove U.S. Treasury yields lower, with the US 10-year benchmark breaking the 4% threshold. German bunds declined, hitting a 12-week low around 2.64%, helped by a soft German inflation.
- Credit bonds underperformed Treasuries**, while credit spreads widened, dragging credit total returns. High yields underperformed. EUR credit (IG & HY) held up better than their USD peers. Emerging local currency debt outperformed hard currency debt amid volatile global risk sentiment.

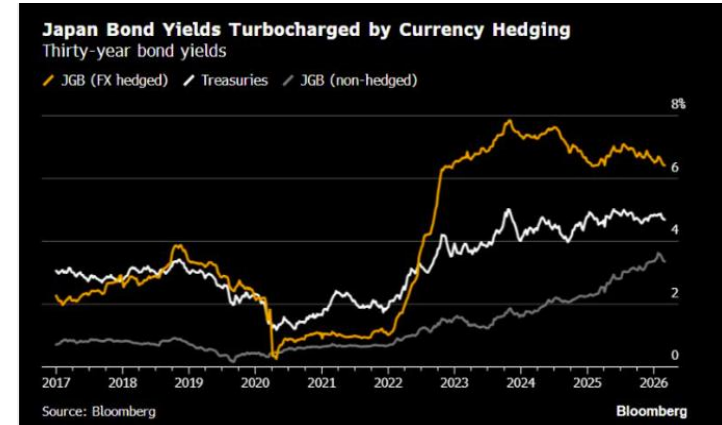
## COMMODITIES

- Gold (+3,36%) and silver (+10,8%) posted solid gains** fueled by rising uncertainty and safe-haven demand amid US tariffs, geopolitics and sticky US inflation. Silver outperformed sharply on industrial demand bets and tariff volatility.
- Oil benchmark posted positive return** (WTI: 0,95%, Brent: +1%). Industrial metals gained strongly (+1,50%) while Agriculture was mixed (+1,1%).

## CURRENCIES &amp; CRYTO

- The US Dollar weakened modestly** versus its currencies basket (-0,19%) and **major cryptocurrencies extended their downtrend**.

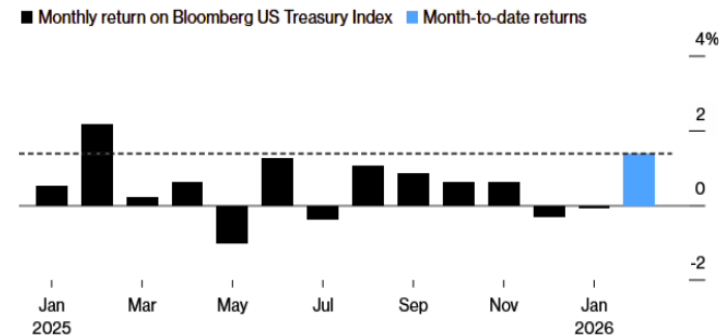
## CHARTS OF THE WEEK



Source: Blackrock

**US Treasuries Are Headed for Best Month in a Year**

Bonds boosted partly by AI concerns that have jolted stocks



# FLASH MIDDLE EAST TENSIONS



## MARKET REACTION

### What about the conflict?

- Since February 28<sup>th</sup>, The US and Israel have conducted joint strikes on Iran, with attacks on intelligence headquarters and the presidential palace.
- Iran's Supreme Leader Khamenei and President Pezeshkian were targeted, with the former officially killed along with senior commanders.
- Iran has been retaliated by striking US bases in Kuwait, the UAE, and Qatar, and launching attacks on Israel.
- The Strait of Hormuz is currently at the center of a major geopolitical crisis. Iran warned vessels not to pass through the maritime corridor. Of note that approx. 20% of global oil trade passes through this crucial waterway

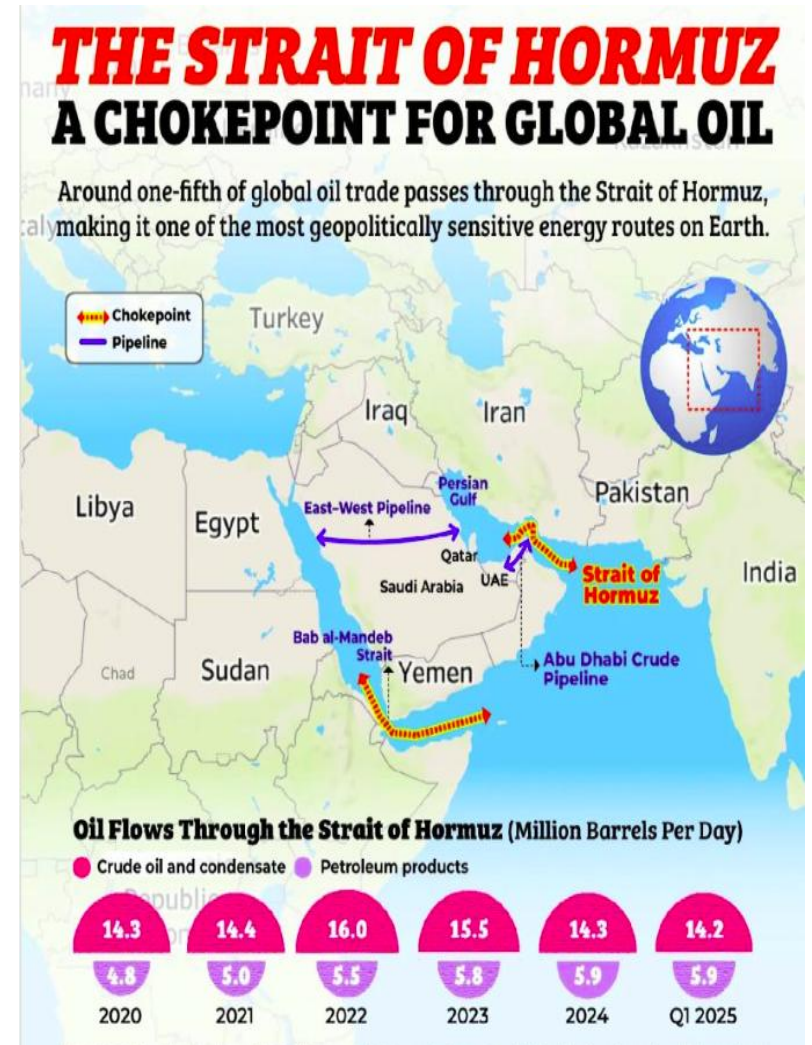
### Impact on the markets?

- Sharp volatility in global financial markets, with energy prices, both oil and gas, surging amid supply fears. QatarEnergy has announced halting LNG production, drifting up liquefied natural gas prices in Europe by nearly 50%. Brent crude is jumping by 10% after at least three ships were attacked near the Strait of Hormuz at the weekend and a big refinery in Saudi Arabia stopped
- Risk-off sentiment is boosting safe havens like Gold (+2%) and Treasuries (yields hit 11-month lows). The US dollar is climbing
- Credit markets are widening modestly without systemic stress.
- While US futures for Dow, S&P 500, and Nasdaq slid over 1% at open, spot indexes pared most of the slide. Energy and Defence companies are rallying. Airlines are tumbling and software firms are bouncing. European stocks are underperforming, mainly due to the rise in gas prices and the reduction in traffic in the Strait of Hormuz. The risk premium on gas should not be sustainable (we are coming out of winter) and gas stocks in Europe are still at 33%.
- For the time being, there is uncertainty, but the markets are globally fairly complacent.

### Oil prices will be key!

- Best case: a rapid de-escalation of the conflict, a normalization of the traffic in the Strait of Hormuz, oil prices around \$80/bbl for a short period of time: the impact on global economy and inflation should remain limited.
- Bad case: no de-escalation, disruption in the maritime corridor continues, oil prices reach \$100-\$120/bbl for several months: significant second-round inflation and consumer spending pull-back
- In brief, an extended conflict between US and Iran could stoke inflation and delay central banks' rate cuts. It could lead to higher interest rates and hit economic growth (stagflation pattern)

## CHARTS OF THE WEEK



Source A. Romei, LinkedIn



# WEEKLY MARKET INSIGHTS

20 Feb 2026 – 27 Feb 2026

## WEEKLY MARKETS REVIEW (As of 27 February 2026)

### EQUITY MARKETS

	WoW	MTD	YTD
MSCI World (USD)	+0,1%	+0,5%	+3,0%
MSCI Emerging (USD)	+2,8%	+7,9%	+14,9%
S&P 500 (USD)	-0,4%	-1,3%	+0,7%
NASDAQ (USD)	-0,2%	-3,0%	-1,1%
RUSSELL 2000 (USD)	-1,2%	-0,2%	+6,2%
STOXX 600 (EUR)	+0,5%	+2,8%	+7,3%
DAX (EUR)	+0,1%	+2,0%	+3,0%
CAC 40 (EUR)	+0,8%	+4,9%	+5,3%
FTSE 100 (GBP)	+2,1%	+5,8%	+10,2%
NIKKEI (JPY)	+3,6%	+11,8%	+12,1%
CSI 300 (CNY)	+0,1%	+2,4%	+2,3%
BOVESPA (BRL)	-0,9%	+3,3%	+17,6%
HANG SENG (HKD)	+0,8%	-0,5%	+1,6%

### FIXED INCOME MARKETS

	WoW	MTD	YTD
Global Aggregate USD (Hedged)	+0,4%	+1,5%	+1,7%
Global Aggregate EUR (Hedged)	+0,3%	+1,5%	+1,5%
US Investment Grade	+0,3%	+1,4%	+1,5%
US High Yield	-0,2%	+0,1%	+0,7%
EU Investment Grade	+0,2%	+0,6%	+1,3%
EU High Yield	+0,0%	+0,3%	+1,0%
EM Local Ccy. Gov (Unhedged)	+0,7%	+1,7%	+2,5%
EM Hard Ccy. Aggregate (Unhedged)	+0,2%	+1,2%	+1,7%

### CRYPTO CURRENCY MARKETS

	WoW	MTD	YTD
Bitcoin	-3,4%	-14,7%	-24,8%
Ethereum	-2,7%	-19,0%	-34,8%
Ripple	-5,0%	-14,9%	-26,8%

### COMMODITY MARKETS

	WoW	MTD	YTD
Gold	+3,4%	+13,3%	+25,2%
WTI Crude	+1,0%	+7,9%	+27,4%
Brent Crude	+1,0%	+9,3%	+30,3%
Silver	+10,8%	+18,3%	+33,9%
Natural Gas	-6,2%	-11,7%	-18,7%
Copper	+2,7%	+3,0%	+5,9%

### CURRENCY MARKETS

	WoW	MTD	YTD
US Dollar Index (DXY)	-0,2%	-0,0%	+0,1%
EURUSD	+0,2%	-0,3%	-0,3%
GBPUSD	+0,0%	-1,6%	-0,9%
AUDUSD	+0,5%	+2,4%	+5,7%
USDCHF	-0,8%	-0,4%	-2,5%
USDJPY	+0,6%	+0,7%	+0,2%

Source: Bloomberg

## GET IN TOUCH



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