

### THE MONTH'S BIG THEMES

#### ECONOMY:

- **Economic data globally surprised to the upside**, with February business surveys pointing to a continued broadening of global growth. Signs of easing inflationary pressures in the US, UK, and Japan were welcomed by market participants.
- **US – Expanding economy at a slower pace:** Inflation data showed mixed signals with consumer inflation (CPI: 2,4% YoY) moderating while producer inflation remained firmer (PPI: +2,9% YoY). Headline inflation is gradually converging toward the Fed's target, although underlying pressures persist. The labor market remains solid but continues to show signs of cooling. Industrial activity is recovering though hiring and demand momentum remain uneven. The Fed remains cautious and data-dependent stance.
- **Eurozone – Modest but stabilizing economy:** Inflation remained close to the ECB's target (headline: 1.9% YoY), while core inflation stayed somewhat elevated (2,4% YoY) due to services price pressures. Growth remained modest but positive, supported by improving business activity and a rebound in manufacturing, although momentum remains uneven across countries and sectors. The labor market remains relatively resilient, despite slightly softer employment growth. The ECB kept rates unchanged.
- **UK – Sluggish growth with easing inflation pressures:** Inflation moderated (CPI: 3.0% YoY, the lowest level since early 2025), supported by lower energy and food prices, although core inflation (3.1%) remained elevated. Growth remained weak, with marginal activity expansion and softer consumer confidence. The labor market weakened slightly, with unemployment rising to around 5.2%. The BoE kept a cautious stance.
- **China – Weak domestic demand:** Inflation remained very low (headline CPI: 0,2% YoY) and producer prices stayed in deflation (PPI: -1,4% YoY), reflecting continued pressure on industrial sectors. Activity remained uneven, with exports and services more resilient than manufacturing. Policymakers maintained a supportive policy stance
- **Japan – Easing inflation momentum:** Consumer inflation stood at 1,5% YoY, while core inflation remained close to the BoJ's 2% target. Growth remained modest, supported by resilient corporate investment but constrained by weak consumer spending. Labor markets remained tight and wage growth remains a key factor for sustaining inflation. The BoJ kept rates unchanged.

#### GEOPOLITICAL TENSION:

- **US Supreme Court** ruled that the International Economic Emergency Powers Act cannot be used to impose the April 2025 reciprocal tariffs
- **US-Iran tensions escalated sharply**, culminating in military conflict at the end of the month, raising concerns about regional instability and disruption to global energy supply through the Strait of Hormuz

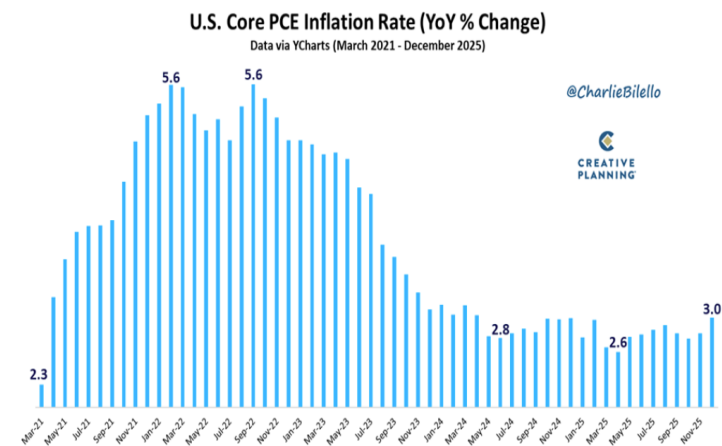
#### US EARNINGS RESULTS

- US corporate earnings released in February were generally robust, with results broadly exceeding expectations and confirming resilient profit growth
- FactSet estimates the S&P 500's blended earnings growth for Q4 2025 at 14.2% YoY, which would represent a fifth consecutive quarter of double-digit earnings growth

### CHARTS OF THE MONTH

Region	PMI	Inflation	Growth	Unemployment
US	52	2.4%	~2.4%	~4.4%
Eurozone	52	1.9%	~1.2%	~6%
UK	54	3.0%	~1%	5.2%
Japan	54	1.5%	~1%	~2.5%
China	49	0.2%	~4.5%	~5%

Source: S&P Global PMI, Bloomberg.



Source: C. Bilello

### MARKET'S REACTION

#### EQUITY

- Despite mounting geopolitical risks, global equities posted positive returns in February, with the MSCI Emerging Markets (+7,9%) outperforming the MSCI World (+0,5%). Developed markets were supported by improving earnings expectations.
- Investors continued to rotate away from mega-cap US technology names into asset-heavy sectors linked to AI infrastructure. With AI remaining a key source of volatility, US equities posted negative returns in February, underperforming their European peers. Concerns about returns on AI-related capital expenditure and potential sector disruption weighed on Software and Financials, while Materials, Utilities and Energy outperformed. The Magnificent 7 index declined 7.19% in February. Value stocks outperformed growth stocks, while Defensives outperformed Cyclical.
- Supported by sector composition (lower tech exposure, greater exposure to cyclical sectors) and valuation dynamics (improving earnings expectations outside the US), European equities were less affected by the AI-related sell-off. The UK market outperformed, benefitting from its large exposure to energy and commodity companies.
- In Japan, equities strongly rallied following the snap election victory of Prime Minister Sanae Takaichi,. Expectations of fiscal stimulus helped the Nikkei rise 11.8%, making it the strongest-performing regional market.
- Emerging market outperformance was mainly driven by gains in Taiwan and South Korea, supported by technology and AI-related sectors, while commodity-linked markets such as Brazil also contributed positively.

#### FIXED INCOME

- Developed market government bonds delivered positive return in February, as investors favored safe-haven assets amid rising AI and geopolitical risks. Emerging market local currency debt outperformed.
- Within credit markets, Investment-grade bonds outperformed High Yield. Concerns around private credit exposure to the software sector remained contained in public markets. Credit spreads widened across both investment-grade and high-yield segments.

#### COMMODITIES

- Commodities rose in February, supported by a strong rebound in precious metals (Gold: +13,3%, Silver: +18,3%) following the correction seen in late January.
- Higher US inventory levels weighed on energy prices during the month, although escalating tensions in the Middle East at month-end pushed oil prices higher. Natural gas prices weakened in February, reflecting ample supply conditions and milder winter temperatures, but the late-month Middle East tensions pushed LNG prices moved higher late in the month.

#### CURRENCIES & CRYPTO

- The US Dollar index remained broadly stable against its currencies basket. The AUD benefitted from resilient commodity prices, while the JPY strengthened on rising Japanese yields and expectations of further BoJ policy normalization
- Cryptocurrency markets experienced a sharp sell-off in February, with Ethereum leading the decline. As a high-beta risk asset, the crypto market was negatively affected by rising geopolitical tensions and increased volatility in equity markets.

### CHARTS OF THE MONTH



Source: C. Billelo

Global Equity ETFs: 2025-2026 Total Returns (in US \$)								
Country/Region	Ticker	2025-26	Country/Region	Ticker	2025-26	Country/Region	Ticker	2025-26
South Korea	EWY	204.2%	Taiwan	EWT	52.9%	Ireland	EIRL	31.8%
Peru	EPU	142.3%	Sweden	EWD	51.8%	Australia	EWA	30.2%
South Africa	EZA	107.8%	<b>Emerging Markets</b>	<b>IEMG</b>	<b>51.4%</b>	China	MCHI	28.8%
Poland	EPOL	92.2%	<b>Eurozone</b>	<b>EZU</b>	<b>49.8%</b>	Thailand	THD	28.8%
Spain	EWP	89.0%	United Kingdom	EWU	49.4%	<b>Total World</b>	<b>VT</b>	<b>28.3%</b>
Greece	GREK	88.9%	Netherlands	EWN	48.5%	Kuwait	KWT	24.4%
Austria	EWO	86.0%	Belgium	EWK	48.0%	Malaysia	EWM	23.6%
Colombia	COLO	84.7%	<b>Total International</b>	<b>VXUS</b>	<b>47.0%</b>	<b>US</b>	<b>SPY</b>	<b>18.4%</b>
Brazil	EWZ	81.5%	<b>Europe</b>	<b>VGK</b>	<b>46.5%</b>	Turkey	TUR	16.2%
Mexico	EWVW	79.4%	Canada	EWK	46.1%	Philippines	EPHE	13.7%
Chile	ECH	78.1%	<b>EAFE</b>	<b>IEFA</b>	<b>45.2%</b>	Qatar	QAT	12.5%
Vietnam	VNM	66.5%	Switzerland	EWL	44.3%	Argentina	ARGT	9.5%
Italy	EWI	64.3%	Japan	EWJ	44.0%	New Zealand	ENZL	7.4%
Finland	EFNL	64.2%	Germany	EWG	41.6%	Denmark	EDEN	4.6%
Norway	NORW	57.8%	Singapore	EWS	37.3%	Indonesia	EIDO	0.0%
Israel	EIS	56.6%	France	EWQ	37.1%	India	INDA	-0.7%
Hong Kong	EWH	53.2%	UAE	UAE	35.4%	Saudi Arabia	KSA	-6.3%

Source: C. Billelo, as of February 28



# MONTHLY MARKET INSIGHTS

February 2026

## MONTHLY MARKETS REVIEW (As of February 2026, 27th)

### EQUITY MARKETS

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

### FIXED INCOME MARKETS

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

### CRYPTO CURRENCY MARKETS

	MTD	YTD
Bitcoin	-14,7%	-24,8%
Ethereum	-19,0%	-34,8%
Ripple	-14,9%	-26,8%

### COMMODITY MARKETS

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

### CURRENCY MARKETS

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

Source: Bloomberg

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