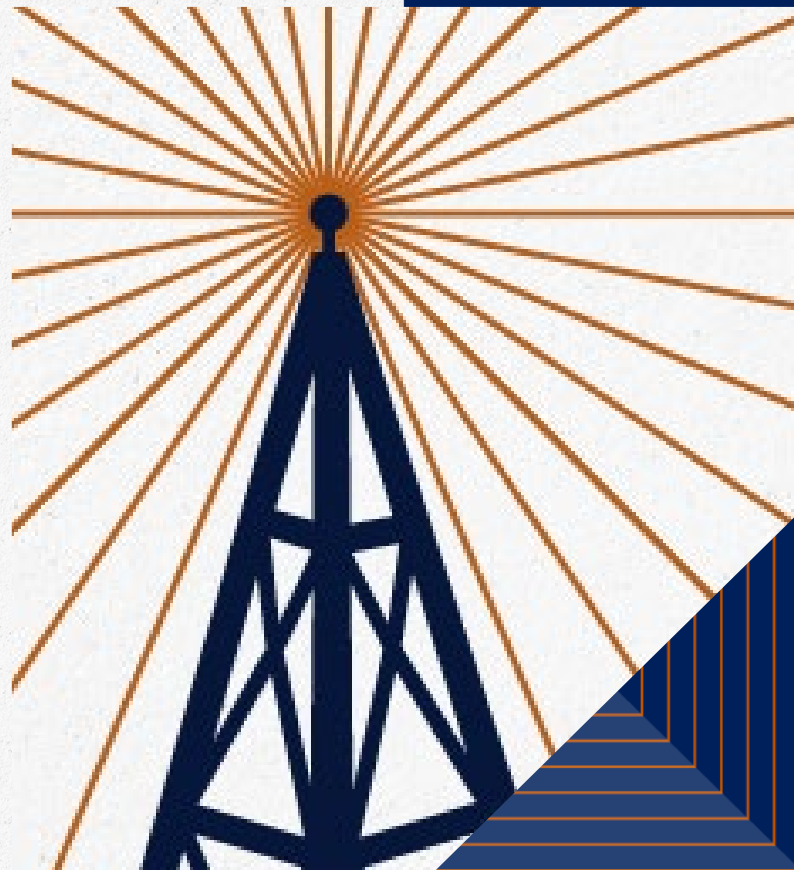


# LPL Market Signals

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# Agenda

1. Market Recap: AI Disruption Spreads Beyond Tech
2. The New AI Market Narrative: From Bubble Fears to Disruption Risk
3. Chart Check: Return of the Stock Picker's Market
4. Week Ahead: Core PCE Highlights Holiday-Shortened Week

# Market Recap

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## AI Disruption Spreads Beyond Tech

# Market Performance

## GLOBAL CAPITAL MARKET RETURNS

	Price (\$)	5-Day (%)	3-Mo. (%)	YTD (%)	1-Yr. (%)
<b>Domestic Equity Benchmarks (previous day)</b>					
S&P 500	6,836.17	-1.3	1.8	0.0	13.2
DJIA	49,500.93	-1.2	4.8	3.1	12.7
Nasdaq Composite	22,546.67	-2.1	-1.3	-3.0	13.8
Russell 2000	2,646.70	-0.9	11.5	6.8	17.6

### U.S. Equity Sectors (previous day)

S&P 500 Communication Svcs.	441.14	-3.5	4.6	-2.4	20.2
S&P 500 Consumer Disc.	1,832.20	-2.1	-3.0	-4.9	-0.4
S&P 500 Consumer Staples	999.63	1.4	16.9	15.8	12.8
S&P 500 Energy	833.91	1.9	21.8	21.8	26.7
S&P 500 Financials	857.56	-4.8	-2.2	-5.7	1.3
S&P 500 Health Care	1,835.92	0.0	3.7	1.9	9.7
S&P 500 Industrials	1,474.05	0.6	15.0	12.3	28.0
S&P 500 Materials	669.59	3.7	21.1	16.6	20.3
S&P 500 Real Estate	276.38	3.9	8.4	8.5	7.8
S&P 500 Technology	5,402.59	-2.0	-5.0	-4.9	16.8
S&P 500 Utilities	471.68	7.3	5.7	9.0	20.5

### U.S. Equity Style (previous day)

Russell Top 200 Growth Index	2,082.84	-2.2	-5.1	-5.7	8.6
Russell Top 200 Value Index	1,259.58	-0.7	8.8	5.6	17.4
Russell Midcap Growth Index	2,167.20	-0.9	-1.8	-1.9	-2.4
Russell Midcap Value Index	3,499.88	0.2	10.8	8.1	16.7
Russell 2000 Growth Index	1,709.95	-1.4	7.9	3.6	13.9
Russell 2000 Value Index	2,990.84	-0.3	15.4	10.3	21.7

x

	Price (\$)	5-Day (%)	3-Mo. (%)	YTD (%)	1-Yr. (%)
<b>Global Equity Benchmarks (previous day)</b>					
MSCI All-Country World	1,042.64	-1.0	5.1	2.9	20.1
MSCI All-Country World ex US	455.95	0.3	11.4	8.4	34.9
MSCI EAFE	3,112.18	-0.1	10.7	7.7	31.2
MSCI Emerging Mkts	1,557.86	1.2	12.9	11.0	42.3

### Americas (previous day)

Brazil Bovespa	186,464.30	1.9	18.6	15.7	49.4
S&P/TSX Comp. (Canada)	33,073.71	1.9	10.0	4.5	32.1
S&P/BMV IPC (Mexico)	71,353.29	-0.2	15.6	11.0	37.2

### Europe (intra-session)

Euro Stoxx 600	632.08	-1.2	6.1	3.7	16.8
FTSE 100 (U.K.)	10,500.54	0.8	8.3	5.5	24.0
DAX Index (Germany)	24,769.86	-0.9	3.9	1.3	10.2
CAC 40 (France)	8,298.90	-0.1	2.0	2.1	5.1
FTSE MIB (Italy)	45,463.64	-3.0	4.8	1.4	25.6
Swiss Market Index	13,708.07	1.0	8.1	2.9	9.8
IBEX 35 (Spain)	17,870.90	-1.9	9.9	3.5	43.2

### Asia-Pacific (last night)

Nikkei 225 (Japan)	56,806.41	4.7	12.9	12.9	47.9
CSI 300 (China)	4,660.41	0.4	-0.5	0.9	22.7
Hang Seng (Hong Kong)	26,705.94	-1.2	0.8	4.2	22.0
Bombay Sensex (India)	83,277.15	-0.9	-1.3	-2.1	11.1
S&P/ASX 200 (Australia)	8,937.10	0.8	3.7	2.6	9.0
Kospi Index (Korea)	5,507.01	8.2	32.4	30.7	117.3

Source: LPL Research; Bloomberg, 02/17/26

Indexes are unmanaged and cannot be invested in directly. Past performance is no guarantee of future results.

# Market Performance (Continued)

GLOBAL CAPITAL MARKET RETURNS											
	Price	5-Day	3-Mo.	YTD	1-Yr.		Price	5-Day	3-Mo.	YTD	1-Yr.
	(\$)	(%)	(%)	(%)	(%)		(\$)	(%)	(%)	(%)	(%)
<b>Fixed Income (previous day)</b>						<b>Commodity Indices (previous day)</b>					
BBG U.S. Agg. Bond Index	2,378.92	0.8	2.0	1.3	7.5	BBG Commodity Index	296.83	-1.8	7.7	6.4	14.3
BBG U.S. Treasury Index	2,462.77	0.9	1.6	1.1	6.5	BBG Energy Index	69.25	-1.2	-1.5	8.5	-9.5
BBG U.S. MBS Index	2,378.14	0.9	2.6	1.6	9.0	BBG Industrial Metals Index	417.41	-3.4	10.6	1.4	16.0
BBG U.S. IG Corp. Index	3,589.20	0.7	2.1	1.2	7.7	BBG Precious Metals Index	1,316.68	-4.0	29.8	13.6	85.8
BBG U.S. HY Bond	2,935.87	0.1	2.1	0.7	7.9	BBG Grains Index	75.43	1.0	-3.0	3.7	-9.4
BBG U.S. Municipal Bond Index	1,415.24	0.4	1.8	1.6	5.5	BBG Softs Index	54.20	-4.5	-17.2	-14.6	-26.7
BBG U.S. Muni HY Index	478.38	0.4	1.8	1.9	3.3						
ICE/BoA U.S. Pref. Index	213.86	0.6	2.2	1.7	7.1						
BBG EuroAgg Bond Index	250.05	0.5	1.1	1.3	2.2						
BBG EM USD Index	1,404.77	0.6	2.1	1.3	10.7						
<b>Commodities (intra-session)</b>						<b>Forex (intra-session)</b>					
NYMEX WTI Crude	63.48	-1.4	6.6	10.9	-5.7	US Dollar Index	97.27	0.5	-2.3	-1.1	-8.9
NYM Nat Gas	3.10	-1.1	-19.5	-0.8	-23.8	Euro (€/€)	1.1827	-0.6	2.0	0.7	12.8
Spot Gold	4,920.20	-2.1	21.6	13.9	69.9	British Pound (£/\$)	1.3540	-0.8	2.9	0.5	7.2
Spot Silver	74.39	-7.9	48.1	3.8	130.0	Japanese Yen (\$/¥)	153.09	0.8	1.4	2.4	-1.0
LME Copper	12,850.50	-2.5	18.4	3.4	35.6	Canadian Dollar (\$/CAD)	1.3653	-0.7	2.9	0.5	3.9
CBT Corn	438.50	0.3	-3.7	-2.2	-10.5	Swiss Franc (\$/CHF)	0.7707	-0.4	3.3	2.8	16.9
CBT Wheat	541.00	0.4	-4.8	4.3	-19.4	Australian Dollar (AUD/\$)	0.7051	-0.3	8.6	5.7	10.9
						Hong Kong Dollar (\$/HKD)	7.8156	0.0	-0.5	-0.4	-0.4
						China Renminbi (\$/CNY)	6.9049	0.4	2.8	1.2	5.5

Source: LPL Research; Bloomberg, 02/17/26

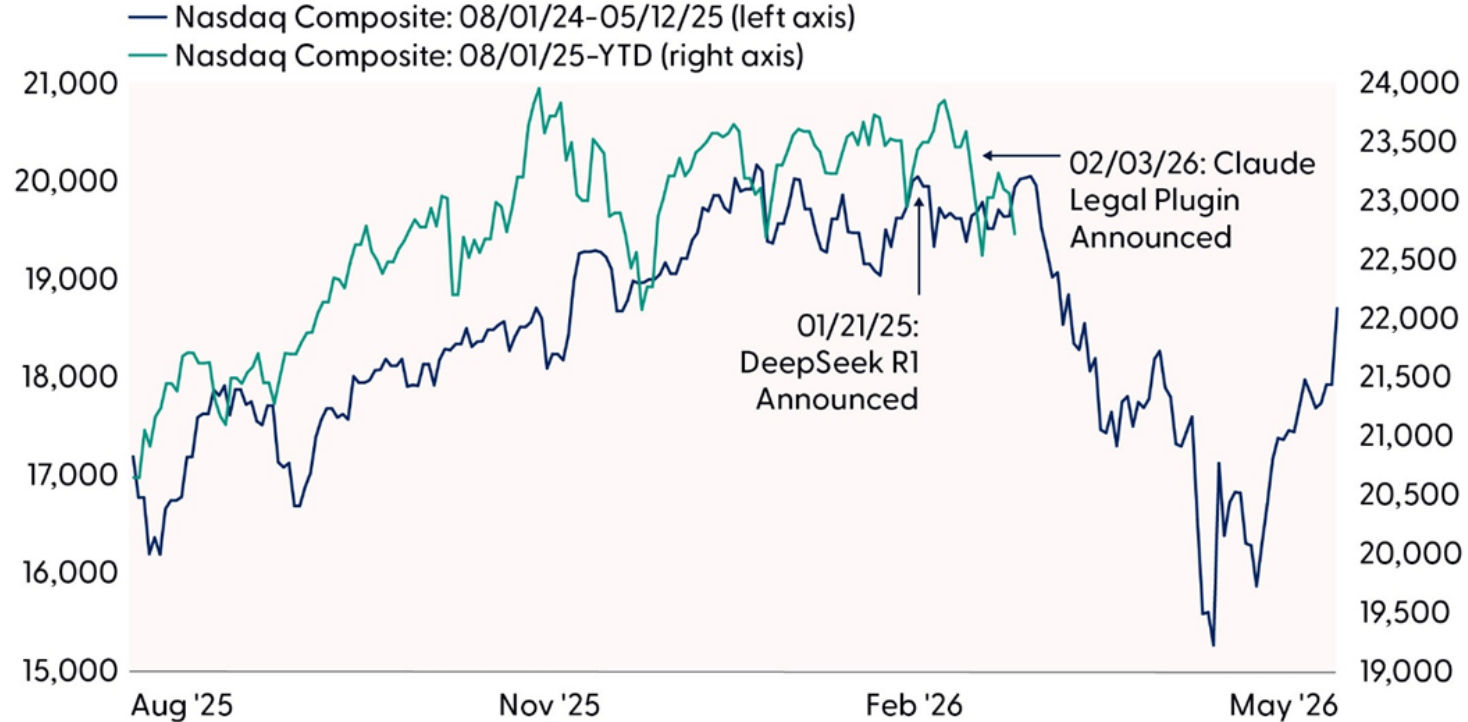
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# The New AI Narrative

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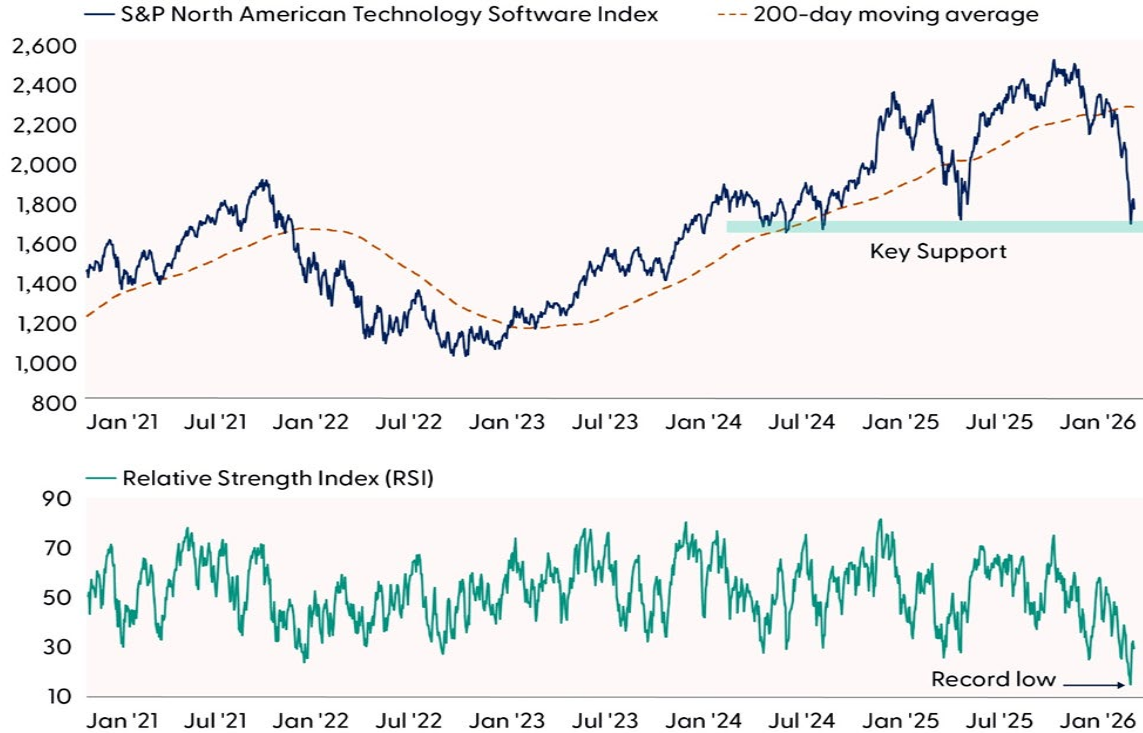
**From Bubble Fears to Disruption Risk**

# Nasdaq Momentum Mirrors its Pre-DeepSeek Pattern



Source: LPL Research; Bloomberg, 02/17/26  
Indexes are unmanaged and cannot be invested in directly. Past performance is no guarantee of future results.

# Software Stocks are Oversold, But is the Selling Over?



Source: LPL Research; Bloomberg, 02/17/26  
Indexes are unmanaged and cannot be invested in directly. Past performance is no guarantee of future results.

# Software Valuations & Earnings Rerate Sharply Lower



Source: LPL Research; Bloomberg, 02/17/26

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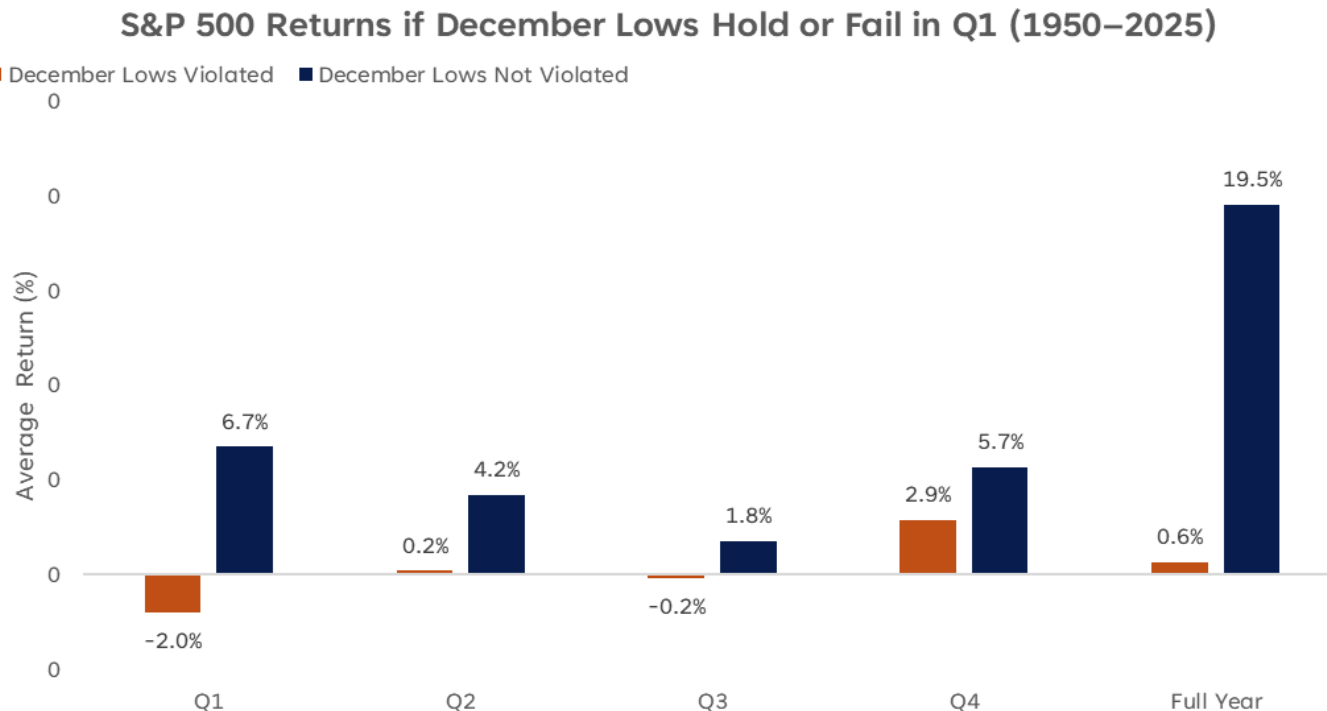
# Chart Check

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## The Return of the Stock Picker's Market



# Stocks are Uncomfortably Close to the December Lows

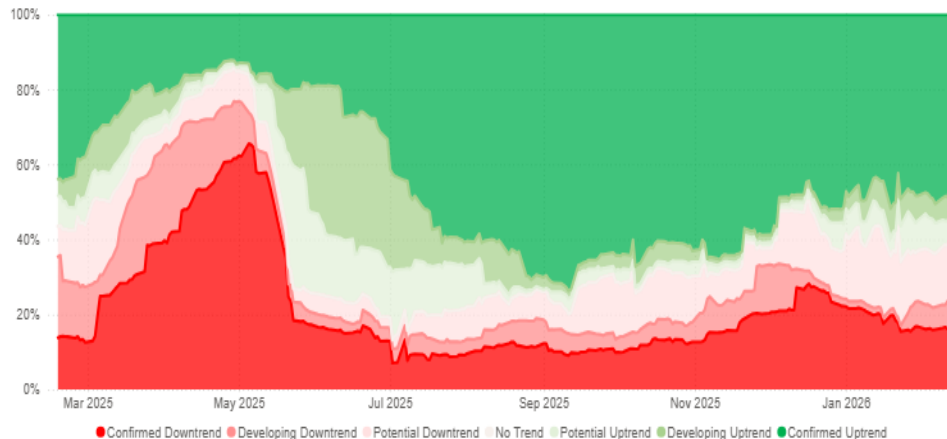


Source: LPL Research; Bloomberg, 02/16/26

Past performance is no guarantee of future results. All indexes are unmanaged and can't be invested in directly. The modern design of the S&P 500 stock index was first launched in 1957. Performance back to 1950 incorporates the performance of the predecessor index, the S&P 90.

# Internal S&P 500 Trends Remain Bullish

Trends Over Time - Market Cap Weighted



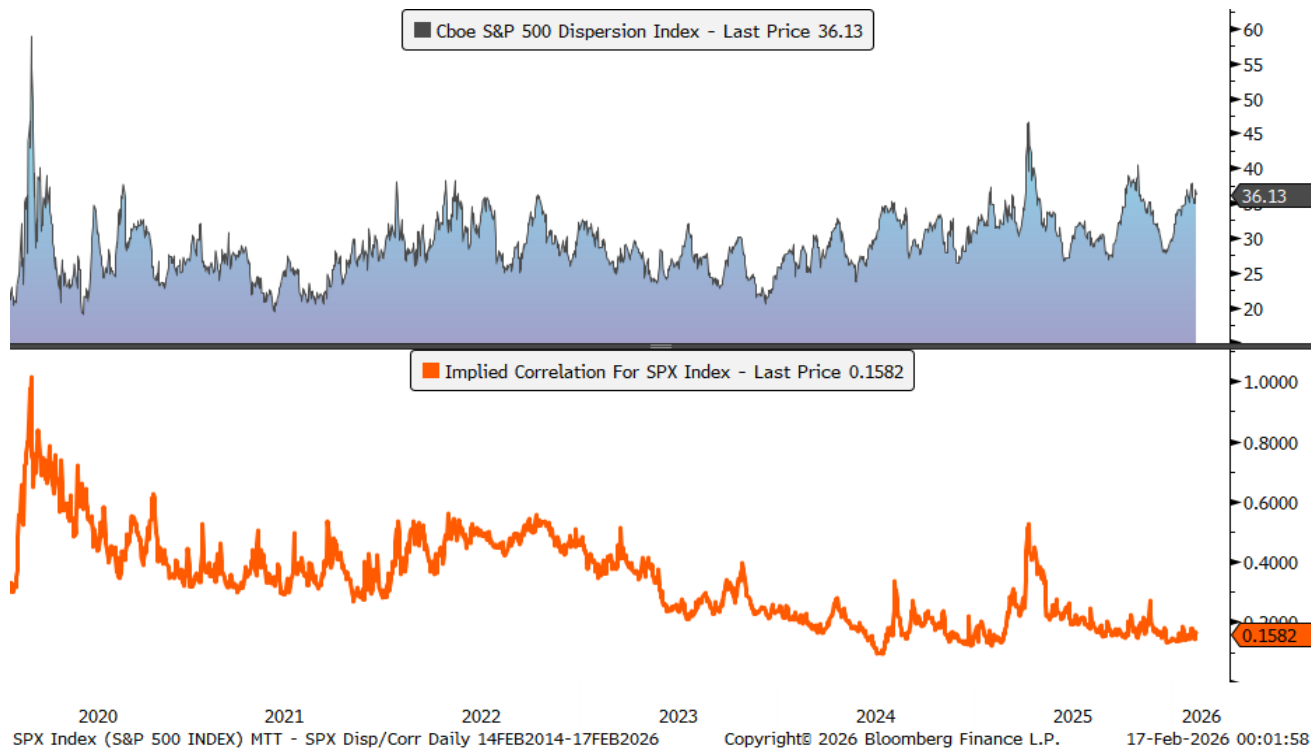
Market Cap Weighted Summary by Sector

Sector	Confirmed Downtrend	Developing Downtrend	Potential Downtrend	Potential Uptrend	Developing Uptrend	Confirmed Uptrend
Energy	0.00%	1.20%	1.78%	0.00%	8.35%	88.66%
Industrials	8.14%	0.00%	1.65%	3.21%	0.23%	76.76%
Consumer Staples	2.40%	0.00%	1.07%	2.17%	30.17%	64.20%
Materials	0.00%	0.00%	0.00%	0.74%	36.63%	62.63%
Communication Services	13.25%	0.00%	1.13%	25.87%	4.97%	54.78%
Health Care	10.94%	12.22%	26.68%	5.54%	0.97%	43.66%
Information Technology	26.48%	8.83%	21.85%	2.15%	0.12%	40.57%
Utilities	15.26%	4.26%	0.00%	25.80%	17.34%	37.34%
Real Estate	13.82%	0.00%	12.46%	14.09%	26.63%	33.00%
Financials	26.82%	29.31%	13.59%	0.18%	3.63%	26.47%
Consumer Discretionary	5.31%	58.39%	4.21%	4.70%	0.64%	16.75%
<b>Total</b>	<b>16.34%</b>	<b>14.01%</b>	<b>12.33%</b>	<b>5.77%</b>	<b>6.96%</b>	<b>44.59%</b>

Source: LPL Research; Bloomberg, 02/16/26

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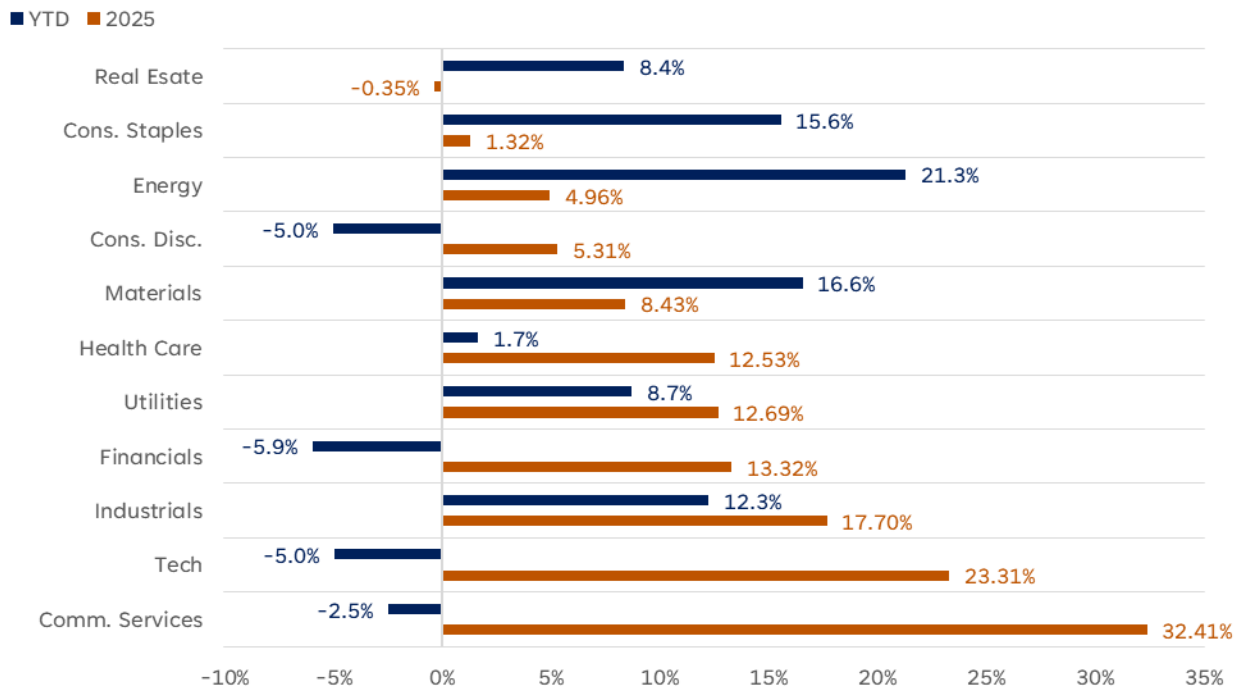
# High Dispersion & Low Correlation Backdrop



Source: LPL Research; Bloomberg, 02/16/26

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# S&P 500 Sector Performance — From Worst to First



Source: LPL Research; Bloomberg, 02/16/26

All indexes are unmanaged and cannot be invested in directly. Past performance is no guarantee of future results.

# New Relative Highs > New Relative Lows

S&P 500 Stocks at 20-day Relative Highs vs. the Index

Sector	Stocks	% S&P	% Sector	Mkt Cap (B)	% S&P
⊕ Utilities	30	6.00%	96.77%	\$1,348	2.20%
⊕ Energy	14	2.80%	63.64%	\$1,076	1.76%
⊕ Real Estate	14	2.80%	45.16%	\$725	1.18%
⊕ Consumer Staples	16	3.20%	44.44%	\$2,138	3.49%
⊕ Industrials	28	5.60%	35.44%	\$2,063	3.37%
⊕ Materials	9	1.80%	34.62%	\$445	0.73%
⊕ Consumer Discretionary	13	2.60%	27.08%	\$973	1.59%
⊕ Health Care	12	2.40%	20.00%	\$1,585	2.59%
⊕ Information Technology	9	1.80%	12.68%	\$961	1.57%
⊕ Communication Services	2	0.40%	10.00%	\$279	0.45%
⊕ Financials	2	0.40%	2.63%	\$123	0.20%
<b>Total</b>	<b>149</b>	<b>29.80%</b>		<b>\$11,716</b>	<b>19.12%</b>

S&P 500 Stocks at 20-day Relative Lows vs. Index

Sector	Stocks	% S&P	% Sector	Mkt Cap (B)	% S&P
⊕ Consumer Discretionary	6	1.20%	12.50%	\$2,419	3.95%
⊕ Communication Services	2	0.40%	10.00%	\$3,455	5.64%
⊕ Financials	7	1.40%	9.21%	\$1,233	2.01%
⊕ Health Care	3	0.60%	5.00%	\$368	0.60%
⊕ Real Estate	1	0.20%	3.23%	\$19	0.03%
⊕ Consumer Staples	1	0.20%	2.78%	\$26	0.04%
⊕ Industrials	1	0.20%	1.27%	\$28	0.05%
<b>Total</b>	<b>21</b>	<b>4.20%</b>		<b>\$7,548</b>	<b>12.32%</b>

Source: LPL Research; Bloomberg, 02/16/26

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# Week Ahead

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**Core PCE Highlights Holiday-Shortened  
Week**

# Week Ahead: Core PCE Highlights Holiday-Shortened Week

02/17/26	Event	Period	Survey	Actual	Prior	Revised
★	ADP Weekly Employment Change	31-Jan	--	--	6.500k	--
	Empire Manufacturing	Feb	8.7	--	7.7	--
	NAHB Housing Market Index	Feb	--	--	37	--
02/18/26	Event	Period	Survey	Actual	Prior	Revised
	MBA Mortgage Applications	13-Feb	--	--	-0.30%	--
	Nov./Dec. Housing Starts					
	Durable Goods Orders	Dec P	-1.70%	--	5.30%	--
	Durables Ex Transportation	Dec P	0.30%	--	0.40%	--
	Cap Goods Orders Nondef Ex Air	Dec P	--	--	0.40%	--
	Cap Goods Ship Nondef Ex Air	Dec P	--	--	0.20%	--
	Housing Starts	Dec	1325k	--	--	--
	Building Permits	Dec P	1420k	--	--	--
	Housing Starts MoM	Dec	6.30%	--	--	--
	Building Permits MoM	Dec P	0.60%	--	--	--
	New York Fed Services Business Activity	Feb	--	--	-16.1	--
	Industrial Production MoM	Jan	0.40%	--	0.40%	--
	Manufacturing (SIC) Production	Jan	--	--	0.20%	--
	Capacity Utilization	Jan	76.50%	--	76.30%	--
★	Leading Index	Dec	--	--	-0.30%	--
	FOMC Meeting Minutes	28-Jan	--	--	--	--
	Total Net TIC Flows	Dec	--	--	\$212.0b	--
	Net Long-term TIC Flows	Dec	--	--	\$220.2b	--
02/19/26	Event	Period	Survey	Actual	Prior	Revised
	Advance Goods Trade Balance	Dec	-\$85.1b	--	--	-\$84.7b
	Advance Goods Imports MoM SA	Dec	--	--	--	--
	Advance Goods Exports MoM SA	Dec	--	--	--	--
	Wholesale Inventories MoM	Dec P	--	--	0.20%	--
	Retail Inventories MoM	Dec	--	--	--	--
	Philadelphia Fed Business Outlook	Feb	7.7	--	12.6	--
	Initial Jobless Claims	14-Feb	--	--	227k	--
	Initial Claims 4-Wk Moving Avg	14-Feb	--	--	219.50k	--
	Continuing Claims	7-Feb	--	--	1862k	--
02/19/26	Event (Continued)	Period	Survey	Actual	Prior	Revised
	Trade Balance	Dec	-\$55.5b	--	-\$56.8b	--
	Exports MoM	Dec	--	--	-3.60%	--
	Imports MoM	Dec	--	--	5.00%	--
	Pending Home Sales MoM	Jan	2.50%	--	-9.30%	--
	Pending Home Sales NSA YoY	Jan	--	--	-1.30%	--
02/20/26	Event	Period	Survey	Actual	Prior	Revised
	Bloomberg Feb. U.S. Economic Survey					
	Personal Income	Dec	0.30%	--	0.30%	--
	Personal Spending	Dec	0.40%	--	0.50%	0.50%
	Real Personal Spending	Dec	--	--	0.30%	0.30%
	PCE Price Index MoM	Dec	0.30%	--	0.20%	--
	PCE Price Index YoY	Dec	2.80%	--	2.80%	--
★	Core PCE Price Index MoM	Dec	0.30%	--	0.20%	--
	Core PCE Price Index YoY	Dec	2.90%	--	2.80%	--
	GDP Annualized QoQ	4Q A	2.80%	--	4.40%	--
	Personal Consumption	4Q A	--	--	3.50%	--
	GDP Price Index	4Q A	--	--	3.80%	--
	Core PCE Price Index QoQ	4Q A	--	--	2.90%	--
	S&P Global US Manufacturing PMI	Feb P	--	--	52.4	--
	S&P Global US Services PMI	Feb P	--	--	52.7	--
	S&P Global US Composite PMI	Feb P	--	--	53	--
	Nov./Dec. New Home Sales					
	New Home Sales	Dec	735k	--	--	--
	New Home Sales MoM	Dec	-0.30%	--	--	--
	U. of Mich. Sentiment	Feb F	56.9	--	57.3	--
	U. of Mich. Current Conditions	Feb F	--	--	58.3	--
	U. of Mich. Expectations	Feb F	--	--	56.6	--
	U. of Mich. 1 Yr Inflation	Feb F	--	--	3.50%	--
	U. of Mich. 5-10 Yr Inflation	Feb F	--	--	3.40%	--
	Building Permits	Dec F	--	--	--	--
	Building Permits MoM	Dec F	--	--	--	--

*We may also get a Supreme Court decision on IEEPA tariffs this week.*

*And 57 S&P 500 companies will report fourth quarter earnings.*

Source: LPL Research; Bloomberg, 02/17/26  
Estimates may not materialize as predicted and are subject to change.

Thank You for  
Joining

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