WELLS FARGO
Investment Institute

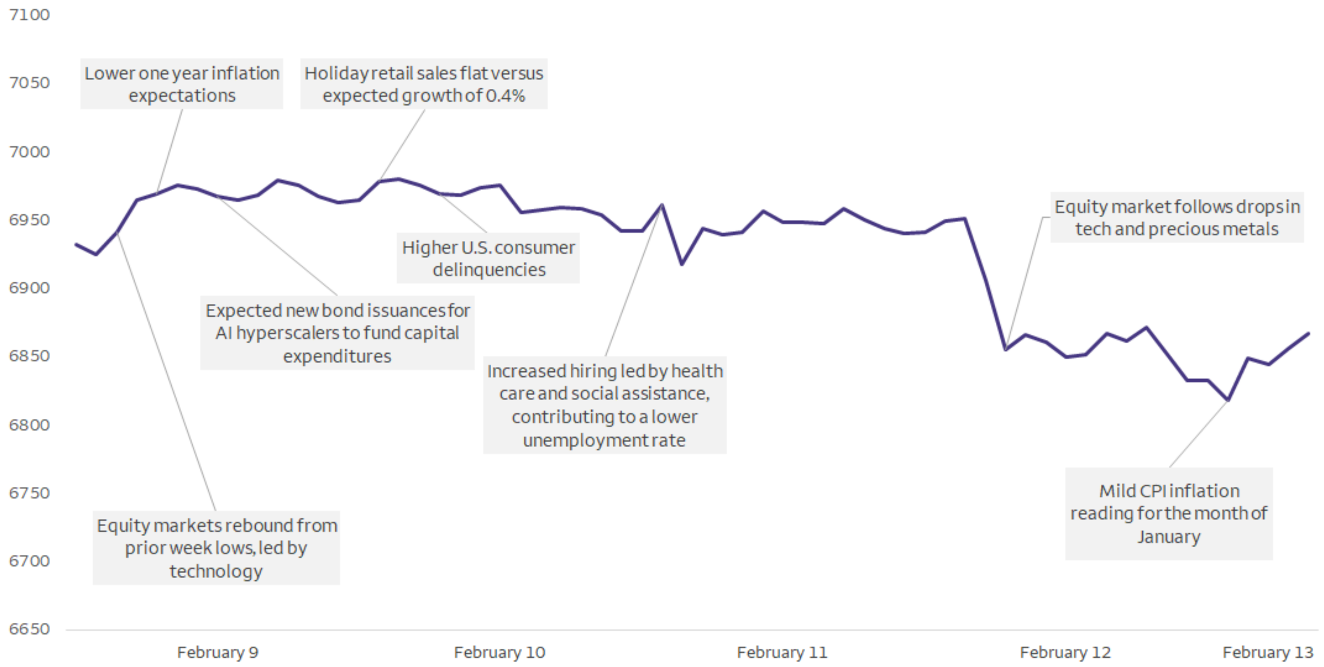
Looking Ahead

February 13, 2026

Equity market rotation continues

Stocks declined over the week, driven by a concentrated sell-off in financial and software stocks, while broader market concerns were offset by encouraging economic data and better performance in defensive sectors. Consumer Price Index (CPI) data for January came in below consensus expectations, corroborating the disinflation trend seen in recent months. Meanwhile, the jobs report for January evidenced stronger-than-expected payroll growth, lower unemployment, and still-solid wage gains. Ultimately, the combination of unexpected labor-market strength and cooling inflation supported the possibility of rate cuts later in the year. Meanwhile, retail sales declined unexpectedly, though perhaps anomalously, and small-business optimism fell slightly. Looking ahead to next week, investors will be watching the advance estimate of fourth-quarter gross domestic product (GDP) and personal consumption expenditures (PCE) inflation data for December. Other key updates will include manufacturing and services Purchasing Managers' Indexes (PMIs) and Federal Open Market Committee (FOMC) meeting minutes.

S&P 500 Index performance week of February 9 – 13



Sources: Bloomberg, Wells Fargo Investment Institute. Data from February 9, 2026, through February 13, 2026, at 12:00 p.m. ET. Past performance is no guarantee of future results. An index is unmanaged and not available for direct investment.

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Week in review: February 9 – 13

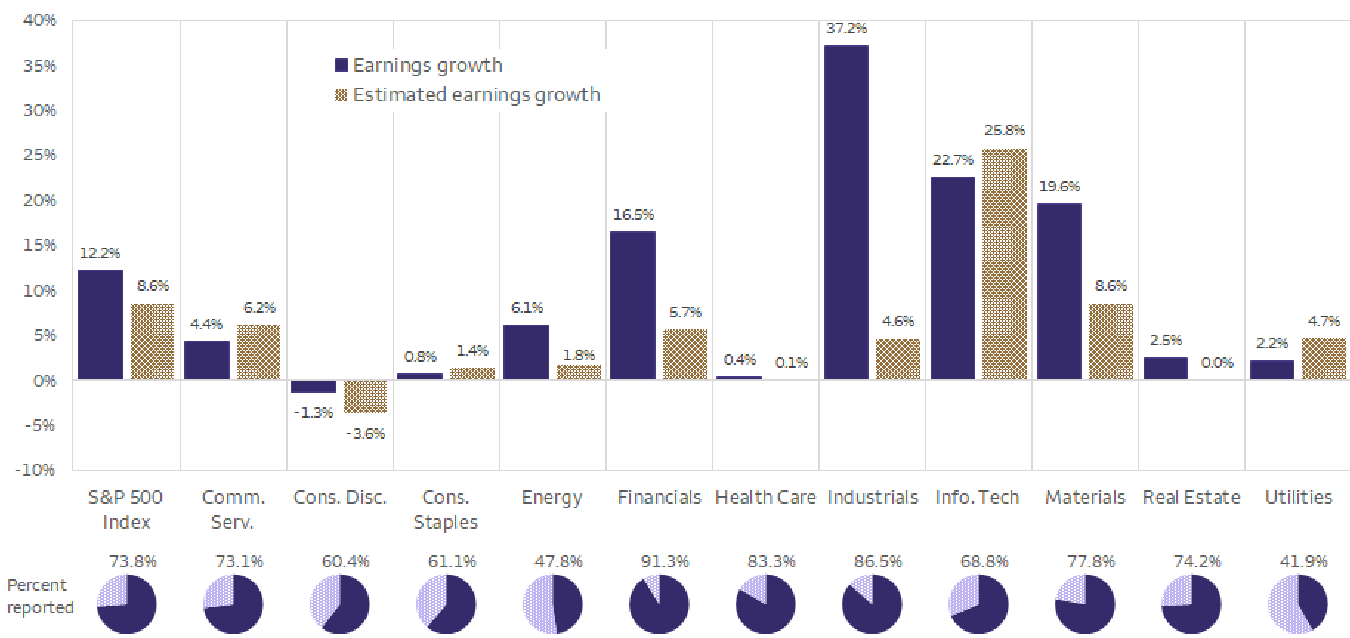
Economic data

- The CPI report for January showed muted inflation, adding to recent months' subdued prints and supporting the possibility of additional rate cuts in 2026. The headline prints came in at 0.2% month over month (MOM) and 2.4% year over year (YOY), while core inflation rose 0.3% MOM and 2.5% YOY.
  - Notably, YOY core inflation's gain represents the slowest pace since March 2021's pre-pandemic rate. Further, the disinflation trend in shelter prices (approximately a third of the CPI) continued.
  - Lower energy costs were a significant contributor to cooler headline inflation.
- The jobs report for January surprised to the upside, breaking from a recent trend of slowing hiring and rising unemployment. The report was followed by a decrease in market expectations for rate cuts this year.
  - Nonfarm payrolls surprised to the upside with a MOM increase of 130K, the largest gain since December 2024. However, the job gains were concentrated in health care and social assistance.
  - The unemployment rate declined to 4.3%, within the range that many Federal Reserve (Fed) policymakers believe to represent full employment. Further, the report showed both rising employment and a solid gain in the labor force, suggesting a material improvement in conditions rather than workforce contraction.
  - Wage gains remained unchanged from the prior month, rising 0.4% MOM and 3.7% year over year (YOY). Notably, YOY wage gains continued to outpace inflation with a solid margin.
- Retail sales for December remained unchanged MOM, though with significant imbalance and particularly weak goods spending. The print was likely influenced by several anomalous factors, and additional months of data will be needed to determine whether it marks the beginning of a sustained slowdown in consumer spending.
- Small-business optimism for January declined slightly to 99.3 as expectations for the economy softened. Notably, a measure of small-business employment indicated a balanced labor market, though the pace of hiring as well as plans for hiring and capital expenditures slowed. Meanwhile, sales expectations improved among firms.
- Existing home sales for January saw a sharp MOM drop off, though weather was likely a significant driver. While price appreciation has eased, still-limited inventory has contributed to ongoing affordability constraints.

Stock market recap

By Friday morning, the major averages were on track to end lower. As of 12:00 p.m. ET, the S&P 500 Index was down 0.9%, the Nasdaq shrank 1.6%, while the Dow was lower by 0.9%.

Fourth-quarter (Q4) earnings season is rounding second and on its way to third base



Sources: Bloomberg, Wells Fargo Investment Institute. Chart shows actual versus projected S&P 500 Index earnings growth by sector. Actual earnings growth as of February 13, 2026, at 8:30 a.m. ET. Bloomberg consensus estimated earnings growth as of December 26, 2025, at 8:30 a.m. ET. **Past performance is no guarantee of future results.** An index is unmanaged and not available for direct investment.

Looking ahead to next week: February 16 – 20

U.S.

- The highlight of the holiday-shortened, data-packed week will be Friday with a first look at fourth-quarter GDP; December's personal income, personal spending, and PCE Deflator; and S&P Global's preliminary February PMIs for both the manufacturing and service sectors.
- Other potential market movers include the FOMC January 28 meeting minutes and the finalized February consumer sentiment and inflation expectations survey from the University of Michigan.
- Also on tap: January's industrial production and leading index; December's trade balance, preliminary durable goods orders, and wholesale inventories; and measures of economic activity from the regional Fed banks.
- Rounding out the docket are housing-market indicators, including February homebuilder sentiment; January pending home sales, new homes sales, and housing starts; and December building permits.

Asia

- Investors will look past a light calendar from China with the February 17 start of the Lunar New Year holiday and focus on major Japanese releases. Among them: preliminary fourth-quarter GDP and February PMIs, along with the national CPI, trade balance, industrial production, Tertiary (services) Industry Index, and core machine orders.
- From Australia, look for February PMIs, January's leading index and labor-market data, and the fourth-quarter Wage Price Index.

Europe

- The highlight will be preliminary February PMIs, January's finalized euro-area CPIs, December's eurozone industrial production, February consumer confidence, and ZEW expectations for economic growth.
- From the U.K., watch for the January CPI, a companion Retail Price Index, Producer Price Index, retail sales, jobless claims, December labor-market data, and February house prices.
- France's retail sales report hits the tape, along with Germany's PPI and ZEW index of current conditions.

Scheduled economic releases for week of February 16, 2026

Date	Time	Country	Release	For	Consensus	Prior
Tuesday, 2/17	5:00 AM	Germany	ZEW Survey Expectations	February	65.0	59.6
Tuesday, 2/17	8:30 AM	Canada	CPI YoY	January	2.4	2.4
Wednesday, 2/18	2:00 AM	U.K.	CPI YoY	January	3.0	3.4
Wednesday, 2/18	8:30 AM	U.S.	Durable Goods Orders	December Prelim	-1.7	5.3
Wednesday, 2/18	8:30 AM	U.S.	Housing Starts	December	1,325	1,246
Wednesday, 2/18	9:15 AM	U.S.	Industrial Production MoM	January	0.40	0.37
Wednesday, 2/18	2:00 PM	U.S.	FOMC Meeting Minutes	January 28		
Thursday, 2/19	10:00 AM	Eurozone	Consumer Confidence	February Prelim	-11.7	-12.4
Thursday, 2/19	10:00 AM	U.S.	Pending Home Sales MoM	January	2.50	-9.34
Thursday, 2/19	6:30 PM	Japan	Natl CPI YoY	January	1.5	2.1
Thursday, 2/19	7:30 PM	Japan	S&P Global Japan PMI Mfg	February Prelim		51.5
Friday, 2/20	4:00 AM	Eurozone	HCOB Eurozone Manufacturing PMI	February Prelim	50.0	49.5
Friday, 2/20	4:30 AM	U.K.	S&P Global UK Manufacturing PMI	February Prelim	51.5	51.8
Friday, 2/20	8:30 AM	U.S.	GDP Annualized QoQ	4Q Advance	2.8	4.4
Friday, 2/20	8:30 AM	U.S.	Personal Spending	December	0.4	0.5
Friday, 2/20	8:30 AM	U.S.	PCE Price Index YoY	December	2.8	2.8
Friday, 2/20	9:45 AM	U.S.	S&P Global US Manufacturing PMI	February Prelim		52.4
Friday, 2/20	9:45 AM	U.S.	S&P Global US Services PMI	February Prelim		52.7
Friday, 2/20	10:00 AM	U.S.	New Home Sales	December	735	737

Source: Bloomberg. Data as of February 13, 2026, as of 12:00 P.M. ET. Times in table are in Eastern Time. 4Q = fourth quarter.

Scheduled earnings releases for week of February 16, 2026

Ticker	Company	Report date	Call time	Revenue est. (billions)	EPS est.	EPS year ago
EQT	EQT Corporation	Tuesday, 2/17	10:00 AM	$2.13	$0.75	$0.69
VMC	Vulcan Materials Company	Tuesday, 2/17	10:00 AM	$1.96	$2.11	$2.17
WSO	Watsco, Inc.	Tuesday, 2/17	10:00 AM	$1.62	$1.88	$2.37
DVN	Devon Energy Corporation	Tuesday, 2/17	11:00 AM	$3.87	$0.80	$1.16
PANW	Palo Alto Networks, Inc.	Tuesday, 2/17	4:30 PM	$2.58	$0.94	$0.81
CDNS	Cadence Design Systems, Inc.	Tuesday, 2/17	5:00 PM	$1.42	$1.91	$1.88
CZR	Caesars Entertainment, Inc.	Tuesday, 2/17	5:00 PM	$2.88	-$0.15	$0.05
RSG	Republic Services, Inc.	Tuesday, 2/17	5:00 PM	$4.21	$1.62	$1.58
ALLE	Allegion Public Limited Company	Tuesday, 2/17	8:00 AM	$1.04	$1.98	$1.86
BLDR	Builders FirstSource, Inc.	Tuesday, 2/17	8:00 AM	$3.45	$1.31	$2.31
LDOS	Leidos Holdings, Inc.	Tuesday, 2/17	8:00 AM	$4.30	$2.61	$2.37
MDT	Medtronic Plc	Tuesday, 2/17	8:00 AM	$8.91	$1.34	$1.39
GPC	Genuine Parts Company	Tuesday, 2/17	8:30 AM	$6.06	$1.82	$1.61
DTE	DTE Energy Company	Tuesday, 2/17	9:00 AM	$3.39	$1.52	$1.51
EXE	Expand Energy Corporation	Tuesday, 2/17	9:00 AM	$2.94	$1.87	$0.55
FE	FirstEnergy Corp.	Tuesday, 2/17	9:00 AM	$3.07	$0.54	$0.67
LH	Labcorp Holdings Inc.	Tuesday, 2/17	9:00 AM	$3.56	$3.94	$3.45
KVUE	Kenvue, Inc.	Tuesday, 2/17		$3.68	$0.22	$0.26
OXY	Occidental Petroleum Corporation	Wednesday, 2/18	1:00 PM	$5.57	$0.19	$0.80
ADI	Analog Devices, Inc.	Wednesday, 2/18	10:00 AM	$3.11	$2.31	$1.63
HST	Host Hotels & Resorts, Inc.	Wednesday, 2/18	10:00 AM	$1.50	$0.47	$0.15
GRMN	Garmin Ltd.	Wednesday, 2/18	10:30 AM	$2.02	$2.40	$2.41
TPL	Texas Pacific Land Corporation	Wednesday, 2/18	10:30 AM	$0.21	$1.79	$1.71
CF	CF Industries Holdings, Inc.	Wednesday, 2/18	11:00 AM	$1.78	$2.43	$1.90
INVH	Invitation Homes, Inc.	Wednesday, 2/18	11:00 AM	$0.69	$0.48	$0.23
BKNG	Booking Holdings Inc.	Wednesday, 2/18	4:30 PM	$6.14	$48.69	$41.55
EIX	Edison International	Wednesday, 2/18	4:30 PM	$4.35	$1.38	$1.05
OMC	Omnicom Group Inc	Wednesday, 2/18	4:30 PM	$4.71	$2.68	$2.41
DASH	DoorDash, Inc. Class A	Wednesday, 2/18	5:00 PM	$3.98	$0.59	$0.33
GPN	Global Payments Inc.	Wednesday, 2/18	8:00 AM	$2.31	$3.16	$2.95
PODD	Insulet Corporation	Wednesday, 2/18	8:00 AM	$0.77	$1.46	$1.15
CRL	Charles River Laboratories International, Inc.	Wednesday, 2/18	8:30 AM	$0.99	$2.35	$2.66
NDSN	Nordson Corporation	Wednesday, 2/18	8:30 AM	$0.65	$2.37	$2.06
VRSK	Verisk Analytics, Inc.	Wednesday, 2/18	8:30 AM	$0.77	$1.60	$1.61
AWK	American Water Works Company, Inc.	Wednesday, 2/18	9:00 AM	$1.29	$1.26	$1.22
MCO	Moody's Corporation	Wednesday, 2/18	9:00 AM	$1.86	$3.43	$2.62
TAP	Molson Coors Beverage Company Class B	Wednesday, 2/18		$2.72	$1.15	$1.30
EXR	Extra Space Storage Inc.	Thursday, 2/19	1:00 PM	$0.85	$2.04	$1.24
SO	Southern Company	Thursday, 2/19	1:00 PM	$6.10	$0.56	$0.50
LNT	Alliant Energy Corporation	Thursday, 2/19	10:00 AM	$0.71	$0.59	$0.70
DE	Deere & Company	Thursday, 2/19	10:00 AM	$7.59	$2.02	$3.19
POOL	Pool Corporation	Thursday, 2/19	11:00 AM	$1.00	$0.97	$0.97
TRGP	Targa Resources Corp.	Thursday, 2/19	11:00 AM	$4.89	$2.29	$1.48

Ticker	Company	Report date	Call time	Revenue est. (billions)	EPS est.	EPS year ago
AKAM	Akamai Technologies, Inc.	Thursday, 2/19	4:30 PM	$1.08	$1.76	$1.66
LYV	Live Nation Entertainment, Inc.	Thursday, 2/19	5:00 PM	$6.11	-$0.99	$0.58
CPRT	Copart, Inc.	Thursday, 2/19	5:30 PM	$1.15	$0.40	$0.40
NEM	Newmont Corporation	Thursday, 2/19	5:30 PM	$6.17	$2.04	$1.40
CNP	CenterPoint Energy, Inc.	Thursday, 2/19	8:00 AM	$2.24	$0.45	$0.40
EPAM	EPAM Systems, Inc.	Thursday, 2/19	8:00 AM	$1.39	$3.16	$2.84
LKQ	LKQ Corporation	Thursday, 2/19	8:00 AM	$3.25	$0.65	$0.80
WMT	Walmart Inc.	Thursday, 2/19	8:00 AM	$190.49	$0.73	$0.66
EVRG	Evergy, Inc.	Thursday, 2/19	9:00 AM	$1.43	$0.55	$0.35
PWR	Quanta Services, Inc.	Thursday, 2/19	9:00 AM	$7.36	$3.02	$2.94
ED	Consolidated Edison, Inc.	Thursday, 2/19		$3.61	$0.86	$0.98
PPL	PPL Corporation	Friday, 2/20	11:00 AM	$2.42	$0.41	$0.34

Source: FactSet. Data as of February 13, 2026, as of 8:30 A.M. ET. Times shown in table are in Eastern Time. EPS = earnings per share.

Risk Considerations

Different investments offer different levels of potential return and market risk. The level of risk associated with a particular investment or asset class generally correlates with the level of return the investment or asset class might achieve. **Stock markets**, especially foreign markets, are volatile. Stock values may fluctuate in response to general economic and market conditions, the prospects of individual companies, and industry sectors. **Foreign investing** has additional risks including those associated with currency fluctuation, political and economic instability, and different accounting standards. These risks are heightened in emerging markets. **Bonds** are subject to market, interest rate, price, credit/default, liquidity, inflation and other risks. Prices tend to be inversely affected by changes in interest rates. **Real estate** has special risks including the possible illiquidity of underlying properties, credit risk, interest rate fluctuations and the impact of varied economic condition.

Sector investing can be more volatile than investments that are broadly diversified over numerous sectors of the economy and will increase a portfolio's vulnerability to any single economic, political, or regulatory development affecting the sector. This can result in greater price volatility.

Additional information available upon request. Past performance is not a guide to future performance. The material contained herein has been prepared from sources and data we believe to be reliable, but we make no guarantee as to its accuracy or completeness. This material is published solely for informational purposes and is not an offer to buy or sell or a solicitation of an offer to buy or sell any security or investment product. Opinions and estimates are as of a certain date and subject to change without notice.

Definitions

An index is unmanaged and not available for direct investment.

The S&P 500 Index is a market capitalization-weighted index composed of 500 widely held common stocks that is generally considered representative of the US stock market.

The Dow Jones Industrial Average is a price-weighted average of 30 blue-chip stocks that are generally the leaders in their industry. It has been a widely followed indicator of the stock market since October 1, 1928.

The NASDAQ Composite Index is a broad-based capitalization-weighted index of stocks in all three NASDAQ tiers: Global Select, Global Market and Capital Market.

Average hourly earnings (wages) tracks total hourly remuneration (in cash or in kind) paid to employees in return for work done (or paid leave).

Building permits (or building approvals) track the number of permits that have been issued for new construction, additions to pre-existing structures or major renovations. These statistics are based on the number of construction permits approved.

The change in nonfarm payrolls measures the number of employees on business payrolls.

Consumer confidence (or consumer sentiment) tracks sentiment among households or consumers.

The Consumer Price Index (CPI) is a measure of prices paid by consumers for a market basket of consumer goods and services. The yearly (or monthly) growth rates represent the inflation rate.

Core machine orders tracks the value of new orders received during the reference period. Orders are typically based on a legal agreement between two parties in which the producer will deliver goods or services to the purchaser at a future date.

Durable goods orders track the value of new orders received during the reference period. Orders are typically based on a legal agreement between two parties in which the producer will deliver goods or services to the purchaser at a future date.

Existing home sales tracks the sales of previously owned homes during the reference period.

The German ZEW index of current conditions (or business conditions) tracks the general state of the economy as it relates to businesses. It can include broad economy-wide conditions or specific economic conditions of a particular industry.

Gross domestic product (GDP) measures the final market value of all goods and services produced within a country. It is the most frequently used indicator of economic activity. The GDP by industry approach (or output-based GDP) is the sum of the gross value added (output less intermediate consumption) of all industry and services sectors of the economy (at basic prices), plus all taxes less subsidies on products. This concept is adjusted for inflation.

Homebuilder sentiment tracks sentiment among participants in the housing industry.

House/home prices track changes in residential property prices.

Housing (or building) starts track the number of new housing units (or buildings) that have been started during the reference period.

Industrial production measures the output of industrial establishments in the following industries: mining and quarrying, manufacturing and public utilities (electricity, gas and water supply). Production is based on the volume of the output.

The international trade balance (or foreign trade) measures the difference between the movement of merchandise trade and/or services leaving a country (exports) and entering a country (imports). This measure tracks the value of the merchandise trade balance.

Jobless (or unemployment) claims tracks the total number of people who have filed jobless claims with the appropriate government labor office; typically, in order to receive unemployment benefits.

Leading indicators (leading indexes) include economic variables that tend to move before changes in the overall economy.

New home sales tracks sales of newly constructed homes during the reference period.

PCE deflators (or personal consumption expenditure deflators) track overall price changes for goods and services purchased by consumers. Deflators are calculated by dividing the appropriate nominal series by the corresponding real series and multiplying by 100.

Pending home sales tracks signed real estate contracts for existing single-family homes, condos and co-ops that have not yet closed. As such it is a leading indicator for existing home sales.

Personal income or consumer/household income tracks all income received by households including such things as wages and salaries, investment income, rental income, transfer payments, etc. This concept is not adjusted for inflation.

Personal spending or consumer/household spending (also referred to as consumption) tracks consumer expenditures on goods and services. This concept is not adjusted for inflation.

The Producer Price Index (PPI) is a measure of the change in the price of goods as they leave their place of production (i.e. prices received by domestic producers for their outputs either on the domestic or foreign market).

Purchasing Managers' Indexes (PMIs) track sentiment among purchasing managers at manufacturing, construction and/or services firms. An overall sentiment index is generally calculated from the results of queries on production, orders, inventories, employment, prices, etc.

The retail price index is a measure of inflation that tracks changes in retail prices paid by households for a market basket of goods and services.

Retail sales (also referred to as retail trade) tracks the resale of new and used goods to the general public, for personal or household consumption. This concept is based on the value of goods sold.

Small business optimism tracks the general state of the economy as it relates to businesses. It can include broad economy-wide conditions or specific economic conditions of a particular industry.

The Tertiary Industry Index measures the change in the total value of services purchased by businesses.

The unemployment (or jobless) rate tracks the number of unemployed persons as a percentage of the labor force (the total number of employed plus unemployed). These figures generally come from a household labor force survey.

The wage price index tracks total hourly remuneration (in cash or in kind) paid to employees in return for work done (or paid leave).

Wholesale inventories track the level of inventories (goods acquired for the purpose of reselling them without further processing) held by wholesalers.

The ZEW survey of expectations for economic growth concept tracks the general state of the economy as it relates to businesses. It can include broad economy-wide conditions or specific economic conditions of a particular industry.

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