

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	3.674 (0.3 bps)	Bond Buyer 40 Yield:	4.72 (-3 bps)
6 Mo. T-Bill:	3.624 (2.1 bps)	Crude Oil Futures:	66.39 (3.50)
1 Yr. T-Bill:	3.506 (8.5 bps)	Gold Spot:	5,107.45 (65.41)
2 Yr. T-Note:	3.478 (7.0 bps)	Merrill Lynch High Yield Indices:	
3 Yr. T-Note:	3.497 (5.2 bps)	US High Yield:	7.05 (-7 bps)
5 Yr. T-Note:	3.647 (4.3 bps)	BB:	5.86 (-7 bps)
10 Yr. T-Note:	4.083 (3.4 bps)	B:	7.40 (-7 bps)
30 Yr. T-Bond:	4.723 (2.9 bps)		

Treasury yields rose slightly to moderately over the course of the week on speculation of rising geopolitical tensions and the Supreme Court striking down President Trump's tariff program. On Thursday, President Trump said that Iran will have to make a "meaningful deal" with the U.S. and implied that it will have to be within the next 10 days. Despite President Trump saying that both sides are engaged in "good talks" he did call Iran a "hot spot" right now and the Middle East has seen a vast build up of military forces from the United States within the last few days. This led to a material rise in Oil prices, which ended the week up 6%. On Friday, the Supreme Court ruled that the President could not use the International Emergency Economic Powers Act (IEEPA) to impose sweeping global tariffs. This eliminated much of President Trump's import tariffs, though the President has said that he will continue to pursue tariffs in a different direction, including asking Congress for authority. In the meantime, investors speculated that with the lack of tariff revenue, the budget deficit would be higher than expected, therefore putting upward pressure on inflation. On Friday, the 4th quarter advanced reading of GDP showed only a 1.4% annualized increase, compared to expectations of 2.8%. The market-implied probability of cuts to the Federal Funds Rate at the next few meetings dropped further, and the implied end of year rate rose from 3.01 to 3.08 over the course of the week. Major economic reports (related consensus forecasts, prior data) for the upcoming week include: Monday: December Factory Orders (-0.5%, 2.7%), December Final Durable Goods Orders (-1.4%, -1.4%); Tuesday: February Conf. Board Consumer Confidence (87.5, 84.5), December Final Wholesale Inventories MoM (0.2%, 0.2%); Wednesday: February 28 MBA Mortgage Applications (n/a, 2.8%); Thursday: February 21 Initial Jobless Claims (215k, 206k); Friday: January PPI Final Demand MoM (0.3%, 0.5%), February MNI Chicago PMI (52.5, 54.0), December Construction Spending MoM (0.2%, n/a).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	49,625.97 (0.29%)	Strong Sectors:	Comm. Services, Industrials,
S&P 500:	6,909.51 (1.11%)		Cons. Discretionary
S&P Midcap:	3,606.95 (1.24%)	Weak Sectors:	Utilities, Health Care,
S&P Smallcap:	1,604.98 (0.52%)		Cons. Staples
NASDAQ Comp:	22,886.07 (1.53%)	NYSE Advance/Decline:	1,652 / 1,154
Russell 2000:	2,663.78 (0.67%)	NYSE New Highs/New Lows:	404 / 116
		AAll Bulls/Bears:	34.5% / 36.9%

Equities showed notable resilience this past week as the S&P 500 returned 1.11%, while mid-caps via the S&P 400 gained 1.24% and small-cap S&P 600 trailed slightly with a 0.52% return. The week's defining headline was a major legal shift as the Supreme Court issued a 6-3 ruling striking down President Trump's use of the International Emergency Economic Powers Act (IEEPA) to unilaterally impose sweeping tariffs. While the decision delivered a blow to the administration's trade agenda, President Trump predictably signaled a pivot toward alternative legal authorities to maintain his protectionist stance. Simultaneously, the "AI-erasure" narrative claimed a fresh victim in the cybersecurity sector after Anthropic's limited release of Claude Code Security sparked fears that specialized security firms are being commoditized; consequently, authentication leader **Okta Inc.** plummeted 9.2% to hit new 52-week lows. This disruption mirrored broader year-to-date trends where generative AI has aggressively reset growth expectations for enterprise software and outsourced IT. Meanwhile, the private credit market faced its own "Lehman moment" scare as **Blue Owl Capital** shares cratered nearly 20% following a controversial move to halt redemptions and liquidate \$1.4 billion in assets. Earnings season further bifurcated the tape: **Global Payments Inc.** soared 20.4% after an impressive quarterly beat and raised 2026 guidance, while **Pool Corp.** sank 16.6% as management warned that a sluggish housing market would continue to weigh on pool installations and maintenance outlooks. Investors now enter next week with a sharp focus on the evolving tariff fallout and the potential for widening contagion within the private lending markets.

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