

## **WEEKLY ECONOMIC UPDATE FEB. 23, 2026**

Stocks ended a choppy four-session run in the green, with tech-led momentum earlier in the week prevailing over news of a slowing economy, sticky inflation, and geopolitical tensions.

The Standard & Poor's 500 Index advanced 1.07 percent, while the Nasdaq Composite Index rallied 1.51 percent. The Dow Jones Industrial Average inched up 0.25 percent. The MSCI EAFE Index, which tracks developed overseas stock markets, rose 0.75 percent.<sup>1,2</sup>

### **Focus on Tech**

Stocks kicked off the shortened trading week with a yawn as continuing investor angst over AI disruption in the software industry kept gains modest.<sup>3</sup>

But tech-led market momentum picked up—including gains from lesser-known names—as investors digested minutes from the Fed's January meeting.<sup>4</sup>

Stocks then came under pressure as investors fretted over geopolitical tensions in the Middle East and concerns about private credit in the financial sector.<sup>5</sup>

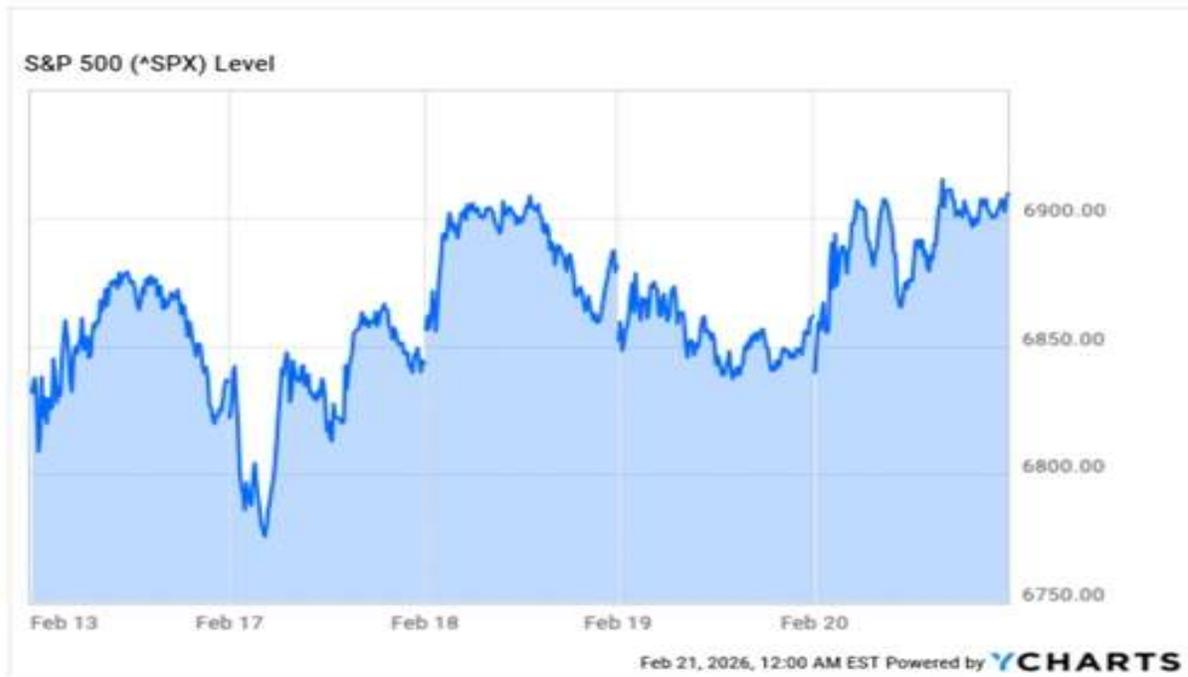
Markets rallied on Friday after the Supreme Court struck down the White House tariffs. The news overshadowed a sticky inflation report and a disappointing update on Q4 gross domestic product (GDP), which was hurt by federal spending during the government shutdown.<sup>6</sup>

## Weekly Market Insights (WMI)

### Major Index Return Summary

Name	1M TR	YTD TR	1Y TR	5Yr TR
<b><u>MSCI EAFE</u></b>	5.22%	8.25%	32.38%	63.50%
<b><u>Dow Jones Industrial Average</u></b>	0.21%	2.96%	12.58%	72.60%
<b><u>S&amp;P 500</u></b>	-1.02%	0.40%	13.11%	88.96%
<b><u>Nasdaq Composite</u></b>	-3.49%	-2.34%	13.84%	69.60%

### S&P 500 Daily Close



### 10-Year Note Review

Indicator Name Date	Latest Value	1M Ago 3M Ago 1Y Ago	1M Change 3M Change 1Y Change
<b><u>10 Year Treasury Rate</u></b> 02/20/26	<b>4.08%</b>	4.30% 4.10% 4.50%	-5.12% ▼ -0.49% ▼ -9.33% ▼

## **Friday Focus**

All week, the markets were eyeing the Friday economic updates and were a bit surprised at the timing of the tariff news.

GDP rose 1.4 percent in Q4, lower than the 2.5 percent expected and slower than the 4.4 percent pace in Q3. The slowdown reflected declines in federal and consumer spending.<sup>7</sup>

While the Supreme Court's ruling on tariffs had been expected, the news still took investors by surprise when it arrived on Friday. The decision was widely expected, but the timing of the news was uncertain. Investors appeared to welcome the news, as companies may have greater pricing flexibility without tariffs.

## **This Week: Key Economic Data**

**Monday:** Factory Orders (Dec). Fed Governor Christopher Waller speaks.

**Tuesday:** S&P Case-Shiller Home Price Index (Dec). Fed Presidents Austan Goolsbee (Chicago) and Raphael Bostic (Atlanta) speak. Fed Governors Waller and Lisa Cook speak. Wholesale Inventories (Dec). Consumer Confidence.

**Wednesday:** Richmond Fed President Tom Barkin speaks.

**Thursday:** Weekly Jobless Claims.

**Friday:** Producer Price Index (Jan). Construction Spending (Nov, Dec).

## Quote of the Week



*"A people that elects corrupt politicians, imposters, thieves and traitors are not victims, but accomplices."*

– **George Orwell**

## Of Note



The markets have been rocked by news of a possible intervention to control the Japanese yen slump, after it reached a forty-year low relative to the US dollar. Fixing the yen and any other fiat currency is simple: Implement an Austrian approach; eliminate constant deficit spending and monetization of government outlays; and implement clear, sound money policies that support the purchasing power of the currency.

Letting rates float and having zero deficit would help.

However, no government seems to want to control spending and eliminate constant artificial currency creation, even knowing that, by doing so, they would limit the risk of financial crises, excessive risk-taking, and erosion of citizens' wage purchasing power.

The best a citizen can expect today is a mild form of Keynesianism that aims for lower taxes, relatively lower

spending, and a constant expansion of money supply as the driver of economic growth. Even this “lesser evil” approach ends with malinvestment, financial crises, and more politicians demanding “public investment” as the solution.

Governments avoid sound money and controlling spending because these choices can hurt them politically right away, while using inflation and interventionist methods allows them to take a lot of wealth from citizens and give it to themselves and their favored industries.

Governments refer to the constant issuance of new currency that exceeds private sector demand as the “social use of money.” Inflationism is a tool to create dependency and limit individuals’ financial freedom.

Inflation is not an accident; it is a policy. The erosion of the purchasing power of the currency makes governments more powerful; they present themselves as the solution to the problems their policies create, and citizens have fewer tools to gain financial independence.

Governments and their “experts” constantly try to blame inflation on anything except what really creates it: monetary excess preceded by fiscal irresponsibility and uncontrolled deficit spending. Politicians point to “greedy companies,” “supply shocks,” or “external factors,” even to wage growth, as causes of inflation to hide the simple fact that issuing more currency than the private sector demands inevitably destroys its purchasing power.

Inflation is a de facto slow default and signals a constant loss of fiscal credibility for governments. High taxes and inflation become two sides of the same policy: controlling citizens and making them servants to an ever-rising bureaucratic power that rewards a few private enablers in the process.

This erosion is not neutral. It is a permanent, silent tax on real wages and savings that benefits the state, the most indebted agent in the economy, which can spend more than it receives. When governments double down on spending and central banks accommodate with quantitative easing and artificially low rates, there is a simple calculated transfer of wealth from the middle class to the public sector.

Central banks have become tools to maintain the government debt bubble rather than defenders of price stability, especially when they view such stability as an annual inflation increase based on a carefully selected basket that masks the true extent of currency debasement. The Fed's panic in 2020-2024 is a clear signal of a monetary authority subordinating its mandate to the needs of the Treasury.

The ECB has followed a similar path, maintaining its anti-fragmentation tools, rolling over massive holdings of sovereign bonds and giving permanent support for highly indebted states such as France and Spain. Central banks will not oppose the government; instead, they will transfer the burden to consumers.

Governments never end inflation because they benefit from it.

High nominal growth, fueled by money printing and deficit spending, inflates tax revenues and masks the deterioration of real wages, while the real value of outstanding public debt is gradually dissolved.

Sound money, balanced budgets, and structural reforms require the elimination of clientelist spending, politically protected programs, and subsidy dependent sectors.

Sound money benefits the private sector and citizens. Inflationism makes the state larger and more powerful at the expense of families and businesses. Politicians consistently

pledge “free” benefits, which ultimately result in increased inflation, reduced growth, and diminished productivity.

This is why, even as headline inflation moderates, citizens feel poorer and angrier. Governments created the inflation shock with massive stimulus at the peak of the cycle, then forced central banks to tighten late and aggressively, placing the full burden of adjustment on families, small businesses, and productive investment while public sectors remained largely untouched. The result is stagnation with high taxation and persistent inflation expectations—a slow motion confiscation of the middle class.

Refusing to adopt sound money is not an intellectual mistake but a political choice. Governments and central banks have built a framework that systematically sacrifices citizens’ real wages, savings, and freedom to preserve an ever larger, ever more indebted state. You pay.<sup>8</sup>

## Footnotes And Sources

1. WSJ.com, February 20, 2026
2. Investing.com, February 20, 2026
3. CNBC.com, February 17, 2026
4. CNBC.com, February 17, 2026
5. CNBC.com, February 19, 2026
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8. [zerohedge.com/personal-finance/governments-can-fix-money-fast-here-why-they-will-not-do-it](https://www.zerohedge.com/personal-finance/governments-can-fix-money-fast-here-why-they-will-not-do-it)

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