

MARKET VIEW WEEKLY

Ladenburg Asset Management



ECONOMIC REVIEW¹

- Last week the Supreme Court ruled 6-3 that tariffs imposed by the Trump Administration under the International Emergency Economic Powers Act (IEEPA) were not valid.
 - The Court did not address the issue of refunds, which will likely be handled by lower courts. It is estimated that these tariffs have raised between \$133 and \$175 billion, a large portion of which could potentially be returned.
- In response to the decision, President Trump over the weekend announced a 15% global tariff using a different legal authority under Sec. 122 of the Trade Act of 1974.
 - The administration still has other tools available to re-impose the tariffs ruled illegal, although some are temporary or require a more detailed process.
 - Overall, while the path forward will change, it appears likely that tariffs will remain part of the policy landscape, though potentially with less flexibility as a geopolitical negotiating tool.
- The first estimate of the fourth quarter Gross Domestic Product (GDP) came in below expectations, rising at a 1.4% annualized rate.
 - While consumer spending and business investment remained solid during the quarter, the government shutdown weighed on overall growth, which is expected to reverse and rebound in first-quarter GDP.
- The Personal Consumption Expenditures (PCE) index rose 0.4% in December and 2.9% year over year (YoY)
 - Core PCE, which excludes volatile food and energy categories, rose 0.4% in December and 3.0% YoY.
- Building permits came in above expectations and rose 4.3% in December to an annualized rate of 1.448 million.
 - Building permits for multi-family housing jumped over 18% while single-family permits declined 1.7%.
- Housing starts moved up 6.2% in December to an annualized rate of 1.404 million, its highest reading since July.

How does the most recent economic data impact you?

- The Supreme Court's ruling temporarily reduced the average U.S. effective tariff rate from 13.6% to 6.5%, but the administration's plan to impose new global tariffs under Section 122 is expected to lift it back to roughly 14.4%, reinforcing ongoing trade uncertainty and limiting meaningful relief for businesses and consumers.
- Despite the lower headline figure due to the government shutdown, GDP growth was largely in line with expectations and continued to reflect underlying economic momentum.
- The PCE report showed that the Federal Reserve will likely remain patient rather than shift policy aggressively, with rate cut expectations not expected until the second half of the year.



A LOOK FORWARD¹

- This week, investors will be closely watching the Producer Price Index (PPI) report for January along with consumer confidence data.

How does this week's slate of economic data impact you?

- Investors will be looking for signs of whether inflation pressures are easing at the wholesale level after last month's volatile reading, as well as whether consumer sentiment shows signs of improvement.



MARKET UPDATE²

Market Index Returns as of 2/20/26	WTD	QTD	YTD	1 YR	3 YR	5 YR
S&P 500	1.11%	1.11%	1.11%	16.37%	21.71%	13.73%
NASDAQ	1.53%	-1.47%	-1.47%	17.97%	26.71%	11.34%
Dow Jones Industrial Average	0.29%	3.44%	3.44%	16.21%	16.57%	11.64%
Russell Mid-Cap	1.00%	6.74%	6.74%	16.04%	14.57%	8.38%
Russell 2000 (Small Cap)	0.67%	7.44%	7.44%	22.97%	13.76%	4.68%
MSCI EAFE (International)	0.86%	8.74%	8.74%	31.90%	17.67%	9.89%
MSCI Emerging Markets	0.79%	11.68%	11.68%	39.56%	19.14%	4.35%
Bloomberg US Agg Bond	-0.08%	1.20%	1.20%	7.02%	5.02%	0.24%
Bloomberg High Yield Corp.	0.18%	0.92%	0.92%	7.85%	9.92%	4.43%
Bloomberg Global Agg	-0.17%	1.56%	1.56%	8.13%	4.41%	-1.46%



OBSERVATIONS

- Major U.S. large-cap indices finished higher on the week, as a rebound in large-cap tech lifted broader benchmarks.
 - The Nasdaq led for the week (+1.53%), followed by the S&P 500 (+1.11%), and the Dow Jones (+0.29%).
- Small-cap (+0.67%) and mid-cap (+1.00%) stocks finished positive for the week as well but trailed their large-cap counterparts.
- International markets also posted positive returns on the week. Developed markets rose +0.86% while emerging markets finished slightly behind and posted a return of +0.79%.
- Domestic and international fixed income indices were mixed for the week as interest rates rose slightly. The U.S. Aggregate Bond Index dipped -0.08% while high-yield corporate bonds advanced +0.18%.
 - International bonds also experienced lower returns for the week and finished down -0.17%.



BY THE NUMBERS

Miracle in Milan: Team USA Beats Canada in Overtime for Men’s Hockey Gold: The U.S. men's hockey team defeated Canada 2-1 in the gold medal game at the 2026 Milan Cortina Olympics on Sunday, which marked the 46th anniversary of the "Miracle on Ice." Jack Hughes scored the overtime win for Team USA in 3-on-3 play to clinch the gold. Team USA now has three Olympic gold medals in men's hockey and its first since pulling off a miracle at the 1980 Winter Games. This is the team's first gold off home ice, as it won its first Olympic title at the 1960 Squaw Valley Olympics and its second 20 years later in Lake Placid. On the other side, Canada was chasing its 10th Olympic gold but instead settled for its fifth silver. The country was going for its first gold since 2014; the last year NHL players were allowed to play in the Winter Olympics prior to the Milan Cortina Games.³

Blizzard Warnings Cascade Across East Coast with Winter Storm’s Approach: Snow and rain began falling Sunday across parts of the East Coast, the first jabs of an intense winter storm expected to wallop the region through the day and overnight, with blizzard alerts and weather warnings buzzing in communities from Maryland to Massachusetts. The National Weather Service said 1 to 2 feet of snow was possible in many areas, along with heavy winds and potential flooding in certain spots. Blizzard warnings have been issued by the weather service in New York City and Long Island, Boston and coastal communities in New Jersey, Connecticut, Delaware, Maryland, Rhode Island and Massachusetts. Emergency declarations were issued in New York and New Jersey ahead of the storm, as officials mobilized readiness efforts. The weather service warned that the storm, with gusts up to 55mph, could cause whiteout conditions that “will make travel treacherous and potentially life-threatening.”⁴

Economic Definitions

Building Permits: This concept tracks 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.

Conference Board Consumer Confidence Index: The Consumer Confidence Survey® reflects prevailing business conditions and likely developments for the months ahead. This monthly report details consumer attitude, buying intentions, vacation plans and consumer expectation for inflation, stock prices and interest rates. Data are data available by age, income, region and top 8 states.

Federal Reserve (Fed): The Federal Reserve System is the central banking system of the United States of America.

GDP: 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 expenditure approach measures total final expenditures (at purchasers' prices), including exports less imports. This concept is adjusted for inflation.

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

PCE (headline and core): 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.

Producer Prices - PPI (headline and core): Producer prices (output) are 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).

Index Definitions

S&P 500: The S&P 500® is widely regarded as the best single gauge of large-cap U.S. equities and serves as the foundation for a wide range of investment products. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization.

NASDAQ: 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. The index was developed with a base level of 100 as of February 5, 1971.

Dow Jones Industrial Average: 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.

Russell Mid-Cap: Russell Midcap Index measures the performance of the 800 smallest companies in the Russell 1000 Index, which represent approximately 25% of the total market capitalization of the Russell 1000 Index.

Russell 2000: The Russell 2000 Index is comprised of the smallest 2000 companies in the Russell 3000 Index, representing approximately 8% of the Russell 3000 total market capitalization. The real-time value is calculated with a base value of 135.00 as of December 31, 1986. The end-of-day value is calculated with a base value of 100.00 as of December 29, 1978.

MSCI EAFE: The MSCI EAFE Index is a free-float weighted equity index. The index was developed with a base value of 100 as of December 31, 1969. The MSCI EAFE region covers DM countries in Europe, Australasia, Israel, and the Far East.

MSCI EM: The MSCI EM (Emerging Markets) Index is a free-float weighted equity index that captures large and mid-cap representation across Emerging Markets (EM) countries. The index covers approximately 85% of the free float-adjusted market capitalization in each country.

Bloomberg US Agg Bond: The Bloomberg US Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate pass-throughs), ABS and CMBS (agency and non-agency).

Bloomberg High Yield Corp: The Bloomberg US Corporate High Yield Bond Index measures the USD-denominated, high yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below. Bonds from issuers with an emerging markets country of risk, based on Bloomberg's EM country definition, are excluded.

Bloomberg Global Agg: The Bloomberg Global Aggregate Index is a flagship measure of global investment grade debt from twenty-four local currency markets. This multi-currency benchmark includes treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers.

Bloomberg Municipal Bond Index: The Bloomberg U.S. Municipal Index covers the USD-denominated long-term tax-exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds and prerefunded bonds.

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Investing involves risk, including the potential loss of principal. No investment strategy can guarantee a profit or protect against loss. In general, the bond market is volatile; bond prices rise when interest rates fall and vice versa. This effect is usually pronounced for longer-term securities. Any fixed-income security sold or redeemed prior to maturity may be subject to a substantial gain or loss. Vehicles that invest in lower-rated debt securities (commonly referred to as junk bonds or high-yield bonds) involve additional risks because of the lower credit quality of the securities in the portfolio. International investing involves special risks not present with U.S. investments due to factors such as increased volatility, currency fluctuation, and differences in auditing and other financial standards. These risks can be accentuated in emerging markets.

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<https://adviserinfo.sec.gov/firm/summary/108604> 8786046

¹ Data obtained from Bloomberg as of 2/20/26.

² Data obtained from Morningstar as of 2/20/26.

³ [Team USA beats Canada in overtime for men’s hockey gold – NBC New York](#)

⁴ [US East Coast braces for heavy snow amid blizzard alerts in the region | AP News](#)