



PACIFIC GLOBAL  
Investment Management Company

## Weekly Recap

February 13, 2026

### Market Returns

INDEX <sup>1</sup>	CLOSE	WEEKLY CHANGE	YTD CHANGE
Dow Jones Industrial Avg.	49,500.93	-614.74 / -1.23%	2.99%
S&P 500 <sup>®</sup>	6,836.17	-96.13 / -1.39%	-0.14%
Nasdaq	22,546.67	-484.54 / -2.10%	-2.99%
Russell 2000 <sup>®</sup>	2,646.70	-23.64 / -0.89%	6.64%

	02/13/26 CLOSE	02/13/25 CLOSE
10-Year U.S. Treasury	4.05%	4.52%

Data: The Wall Street Journal, Federal Reserve

### The Bottom Line

The equity markets retreated while increased demand for bonds drove yields lower. Investor concerns over **AI** spending again impacted the Nasdaq, which declined for the fifth consecutive week, as the performance gap between the Russell 2000<sup>®</sup> Index and the Nasdaq widened. For the week, the Russell 2000<sup>®</sup> (-0.89%) fared best followed by the Dow Jones Industrial Average (-1.23%), the S&P 500<sup>®</sup> Index (-1.39%) and the Nasdaq (-2.10%). The yield on the 10-Year U.S. Treasury Note declined sharply to 4.05% from 4.21% last Friday.

**AI** continues to create confusion and uncertainty as the cost of data centers soar and new “displacement narrative” comments suggest massive job losses related to AI adoption. For example, an announcement by *Algorhythm Holdings*, formerly a penny stock company which converted from in-car karaoke systems to an **AI** freight platform, announced an efficiency tool which triggered a massive selloff in major trucking company stocks: *C.H. Robinson*, *Landstar* and *RXO* stock prices fell double digits. In contrast, *Solaris Energy Infrastructure* gained over 10% after announcing new a long-term contract to provide power generation for a data center customer. Such drastic price responses to headline news likely reflect algorithm-led trading activity in the absence of in-depth analysis.

January data included **Nonfarm Payrolls** which rose by 130,000, well above consensus of 70,000. Revisions to the nonfarm payroll reports for 2025 lowered total job gains to 181,000 from 584,000. The **unemployment** rate declined to 4.3% from 4.4% in December. Most of the new jobs were in healthcare with construction (only 5,000). The **Consumer Price Index** rose 0.2%, below estimates of 0.3%; the **Core CPI** rose 0.3%, in line with estimates. Year-over-year, **Core CPI** rose 2.5%, the lowest level since March 2021. Lower fuel costs were significant factor in inflation data. However, concerns are developing that electrical prices may climb due to data center demand. **Initial jobless claims** (227,000) were consistent with estimates while **continuing claims** (1.862 million) were higher than consensus (1.834 million).

Corporate commentaries continues to reflect optimism for economic growth along with the evolving benefits of **AI**-enhanced business opportunities. The markets remain vulnerable to disruption trades based on

headlines such as this week's claims by an **AI** executive that fully-automated tasks which will soon revolutionize business operations. The economy continues to grow despite the concerns regarding tariffs, **AI** and geopolitical events. Volatility, however, may continue as investors assess the risks and investment opportunities.

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<sup>1</sup>The Dow Jones Industrial Average is an unmanaged, price weighted measure of 30 U.S. stocks selected by the Averages Committee to represent the performance of all U.S. stocks outside the Transportation and Utilities sectors. The S&P 500® Index is an unmanaged, market capitalization weighted index which measures the performance of the large cap segment of the U.S. equities market, covering approximately 75% of the U.S. equities market. The Index includes 500 leading companies in leading industries of the U.S. economy. The Nasdaq Composite Index is an unmanaged, market capitalization weighted measure of all domestic and international common stocks listed on The Nasdaq Stock Market. The Russell Midcap® Index measures the 800 smallest companies within the Russell 1000® Index based on a combination of their market cap and current index membership. The Russell 2000® Index is an unmanaged, market-weighted measure of stock market performance. It contains stocks of the 2,000 smallest publicly traded companies of the Russell 3000® Index. It is not possible to invest in the Indices.

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