PACIFIC GLOBAL
Investment Management Company

Weekly*Recap*

February 27, 2026

Market*Returns*

INDEX[1]	CLOSE	WEEKLY CHANGE		YTD CHANGE
Dow Jones Industrial Avg.	48,977.92	-648.05 /	-1.31%	1.90%
S&P 500®	6,878.88	-30.63 /	-0.44%	0.49%
Nasdaq	22,668.21	-217.86 /	-0.95%	-2.47%
Russell 2000®	2,632.36	-31.42 /	-1.18%	6.06%

	02/27/26 CLOSE	02/27/25 CLOSE
10-Year U.S. Treasury	3.95%	4.29%

Data: The Wall Street Journal, Federal Reserve

The*Bottom*Line

NVIDIA's strong earnings results and growth outlook were not enough to allay investors' concerns; uncertainties about the profitability outlook of **AI** initiatives continues to influence the overall market. For the week, the S&P 500® Index (-0.44%) posted the smallest loss followed by the Nasdaq (-0.95%), the Russell 2000® Index (-1.18%) and the Dow Jones Industrial Average (-1.31%). ***NVIDIA***'s 6.7% selloff contributed to the widening gap between the S&P 500®'s year-to-date equal-weighted results (6.94%) compared to the Index's weighted results. The yield on the 10-Year U.S. Treasury Note fell to 3.95% compared to 4.09% last Friday. The decline in long-term yields carried over to mortgages as rates fell below 6% for the first time in over three years.

Analysts and **AI** companies emphasize the anticipated job losses resulting from the **AI** revolution. Corporate commentaries, while acknowledging these claims, emphasize the value of **AI** in enhancing productivity and providing better products and services. ***NVIDIA*** CEO Huang stressed that the idea **AI** will replace software is "the most illogical thing in the world." Profitability concerns related to data centers under construction across the country are impacting the **AI** stock prices; the big winners may be those firms that provide construction products and services, and maintenance, to data centers. As *Technology* stocks pullback, robust demand for building equipment companies to build-out data center power supplies benefit *Industrials* stocks such as ***Caterpillar*** (+31% year-to-date).

The **Producer Price Index** rose 0.5% in January higher than consensus (0.3%) and December (0.4%) even as food and energy prices declined; **Core PPI** rose 0.8% for the month, and 3.6% year-over-year, both well above expectations. **Initial jobless claims** (212,000) were in line with estimates while **continuing claims** (1.833 million) fell below consensus (1.865 million).

Uncertainties related to geopolitical events in the Middle East and unanswered questions about tariff refunds following the Supreme Court's ruling overshadow the markets. Earnings season is essentially over; economic data and headline events will likely determine market momentum.

[1]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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