VIEWS | FEBRUARY 6, 2026

Weekly market update: Market gyrations leave investors with mixed feelings.

The market and economy

- U.S. stocks were mixed over the week ending February 6 amid periods of volatility. There was a selloff on Tuesday in the technology sector, particularly software and services companies. New advances in artificial intelligence (AI) systems have the capabilities to write software, create apps, and analyze data, raising fears that they are threatening the viability of traditional software and data services providers. Later in the week, stocks declined on signs of weakness in the labor market. Stocks rebounded on Friday as investors appeared to go bargain-hunting following the earlier market downturn.
- The tech-heavy Nasdaq Composite Index retreated during the week due to the AI concerns and tempered business outlooks from several tech companies. The broad-market S&P 500 Index also was hampered by the tech selloff, but erased most of its losses for the week following the market upturn on Friday. The Dow Jones Industrial Average moved sharply higher—rising above 50,000 for the first time on Friday—benefiting mainly from a rally in pharmaceutical stocks on stronger-than-expected earnings, as well as improving outlooks for several companies in the industrials sector.
- On Tuesday, President Donald Trump signed a bill that ended a brief, partial government shutdown. The legislation, which the House of Representatives passed by a narrow margin of 217-214, funds most federal spending through the end of the government's fiscal year on September 30, but could lead to a significant political dispute over the Trump administration's immigration policy. The bill funds the Department of Homeland Security only through February 13, providing time for negotiations on immigration enforcement. Democratic Party leaders in the House support new constraints on Immigration and Customs Enforcement (ICE) and Border Patrol agents, including body cameras and limits on roving patrols.
- The government's monthly employment survey for January was delayed by the partial government shutdown, as many Department of Labor employees were briefly furloughed. Nonetheless, there was significant news during the week regarding the U.S. labor market. According to payroll processing services provider ADP's National Employment Report, the private sector added 22,000 jobs in January, down from a gain of 37,000 in December, and falling short of expectations. Payrolls in the education/health services and financial activities sectors expanded by 74,000 and 14,000, respectively, during the month, while the professional and business services sector shed 57,000 jobs.
- According to the Department of Labor's Job Openings and Labor Turnover Survey (JOLTS), open positions in the U.S. declined by 386,000 (-5.6%) in December (the most recent reporting period) to 6,542,000, and fell by 966,000 (-14.8%) from the 7,508,000 job openings a year earlier. There were sizeable month-over-month decreases in open positions in professional and business services, retail trade, and finance and insurance. Conversely, there were upturns in job openings in leisure and hospitality, as well as construction, in December.
- The Institute for Supply Management's (ISM) Manufacturing Purchasing Managers' Index (PMI) climbed 4.7 percentage points to 52.6% in January—its highest level since February 2022—indicating expansion in the U.S. manufacturing sector following 10 consecutive months of contraction. (A PMI reading above 50% denotes an increase in manufacturing activity.) The Employment Index was up 3.3 percentage points to 48.1%, but remained in contraction territory. However, the New Orders Index surged 9.7 percentage points to 57.1%—indicating expansion for the first time in five months. The ISM Services PMI ended January at 53.8%, unchanged from the reading in December and denoting expansion of activity in the services sector for the 19th month in a row. The Business Activity Index continued to expand in January, rising 2.2 percentage points to 57.4%. The Employment Index declined 1.4 percentage points to 50.3%, but remained in expansion territory for the second consecutive month.
- The University of Michigan's preliminary Index of Consumer Sentiment for February rose by a greater-than-expected margin of 0.9 point (+1.6%) to 57.3, but declined 7.4 points (-11.4%) year-over-year. Consumers' expectations for inflation over the next 12 months fell 0.5 percentage point to 3.5% in February, while long-run inflation expectations edged up 0.1 percentage point to 3.4%.

Stocks

- Global equities lost ground during the week. Emerging markets modestly outperformed developed markets.
- U.S. equities were mixed for the week. Consumer staples and industrials were the top-performing sectors, while consumer discretionary and communication services were the primary market laggards.
- Value stocks outperformed growth stocks, while small caps surpassed large caps.

Bonds

- The 10-year U.S. Treasury note yield dipped to 4.21% during the week.
- The U.S. bond market posted a modest gain for the week.
- Government bonds led the market, followed by corporate bonds and high-yield bonds.

As of February 6, 2026	1 Week	YTD	1 Year	Friday's Close
Global Equity Indexes				
MSCI ACWI ($)	-1.6%	1.2%	17.4%	1027.2
MSCI EAFE ($)	-0.5%	4.7%	26.3%	3028.9
MSCI Emerging Mkts ($)	-1.3%	7.3%	36.8%	1507.5
US & Canadian Equities				
Dow Jones Industrials ($)	2.5%	4.3%	12.0%	50115.7
S&P 500 ($)	-0.1%	1.2%	13.9%	6930.5
NASDAQ ($)	-1.8%	-0.9%	16.4%	23031.2
S&P/ TSX Composite (C$)	1.6%	2.2%	27.0%	32421.2
UK & European Equities				
FTSE All-Share (£)	1.2%	4.3%	17.8%	5579.7
MSCI Europe ex UK (€)	0.0%	2.4%	10.3%	2103.7
Asian Equities				
Topix (¥)	3.7%	8.5%	34.4%	3699.0
Hong Kong Hang Seng ($)	-3.0%	3.6%	27.1%	26560.0
MSCI Asia Pac. Ex-Japan ($)	-1.2%	6.7%	32.9%	770.6
Latin American Equities				
MSCI EMF Latin America ($)	-0.5%	14.6%	50.0%	3105.0
Mexican Bolsa (peso)	4.8%	10.1%	34.4%	70815.5
Brazilian Bovespa (real)	0.8%	13.5%	44.9%	182857.8
Commodities ($)				
West Texas Intermediate Spot	-2.9%	10.2%	-10.4%	63.3
Gold Spot Price	2.3%	14.8%	73.9%	4960.5
Bond Indices ($)				
Bloomberg U.S. Aggregate	0.3%	0.4%	6.4%	2358.2
Bloomberg Global Aggregate	-0.3%	0.6%	7.4%	504.2
JPMorgan Emerging Mkt Bond	0.2%	0.7%	12.1%	1025.4
10-Year Yield Change (basis points*)				
US Treasury	-3	4	-23	4.21%
UK Gilt	-1	4	3	4.51%
German Bund	0	-1	46	2.84%
Japan Govt Bond	-2	17	95	2.23%
Canada Govt Bond	-2	-3	44	3.40%
Currency Returns**				
US$ per euro	-0.2%	0.7%	13.9%	1.182
Yen per US$	1.5%	0.3%	3.8%	157.11
US$ per £	-0.5%	1.1%	9.5%	1.362
C$ per US$	0.3%	-0.5%	-4.6%	1.366

*Source: Bloomberg. Equity-index returns are price only, others are total returns. *100 basis points = 1 percentage point. **Increases in U.S. dollars (USD) per euro or pound indicate a decline in the value of the USD; increases in yen or Canadian dollars per USD indicate an increase in the value of the USD.*

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