

Capital Markets Snapshot

Courtesy of Sage Advisors

Week ending February 13, 2026

Capital markets experienced continued volatility last week as a heavy slate of economic data coincided with rising concerns around artificial intelligence driven disruption across multiple sectors. Economic reports were mixed but generally constructive, with strong payroll growth, a decline in the unemployment rate, and cooler-than-expected inflation helping reinforce the view that U.S. fundamentals remain intact. At the same time, weaker December retail sales signaled some late-2025 consumer fatigue following an extended period of above-trend spending. Equity markets sold off, led by mega-cap technology stocks, as investors reacted to AI developments perceived as threats to established business models rather than growth catalysts. This weakness spilled into other sectors including financial services and telecommunications, contributing to broader risk-asset declines. Fixed income markets responded positively to softer inflation data, with Treasury yields falling, particularly longer-term rates, as bond prices rose. Overall, the week reflected a growing tension between solid macroeconomic fundamentals and an increasingly fragile market sentiment driven by volatility and rapid narrative shifts.

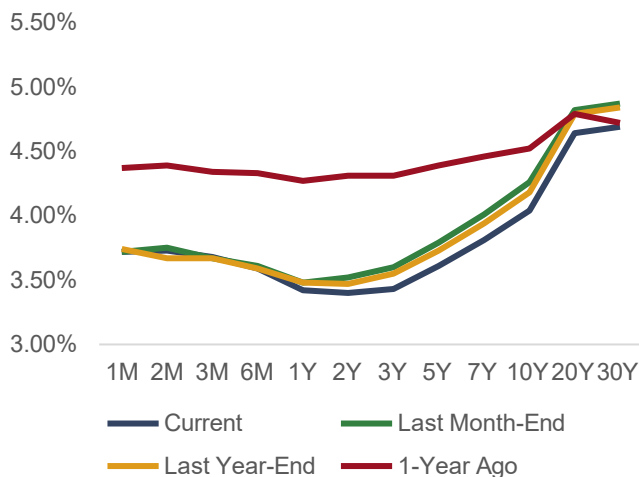
Fixed Income Markets Overview

- U.S. Treasury prices rose during the week, driving yields lower across the curve following cooler-than-expected inflation data. Treasury bonds benefited from a broader flight toward perceived safe-haven assets amid equity volatility.
- The yield curve flattened, with larger yield declines at the long end relative to the front end. The 10-year Treasury yield fell 18 bps, its largest 1-week decline since September, to end the week at 4.04%, reaching a year-to-date low.
- Softer CPI readings improved investor confidence that inflation is continuing to moderate toward the Federal Reserve's target. Bond markets reacted positively despite acknowledgment that core inflation measures remain somewhat elevated.
- Market expectations for near-term Federal Reserve rate cuts declined following stronger-than-expected labor market data.

Asset Class	Name	1W	YTD	3Y(Ann.)	5Y(Ann.)
Short	1-3 Year Govt/Credit	0.2%	0.6%	4.9%	2.1%
Core Plus	Intermediate Govt/Credit	0.5%	0.8%	5.0%	1.2%
	Global Aggregate	1.0%	1.7%	3.9%	-1.5%
	US Aggregate	0.9%	1.3%	4.5%	0.1%
	US Treasury	0.9%	1.1%	3.6%	-0.4%
	US TIPS	0.7%	1.2%	4.2%	1.4%
	US Corporate	0.8%	1.2%	5.7%	0.5%
	US Corporate High Yield	0.1%	0.7%	9.2%	4.4%
Other	Emerging Markets Aggregate	0.7%	1.3%	8.7%	1.9%
Muni	US Municipals	0.4%	1.6%	3.6%	0.9%
	US Municipals High Yield	0.6%	1.9%	5.2%	2.0%

Source: Bloomberg as of February 13, 2026

U.S. Treasury Yield Curve



Source: Bloomberg and U.S Treasury as of February 13, 2026

Interest Rates (%)

Date	2/13/2026	1/30/2026	12/31/2025	2/13/2025
1 Month Treasury	3.72%	3.72%	3.74%	4.37%
3 Month Treasury	3.68%	3.67%	3.67%	4.34%
6 Month Treasury	3.59%	3.61%	3.59%	4.33%
2 Year Treasury	3.40%	3.52%	3.47%	4.31%
5 Year Treasury	3.61%	3.79%	3.73%	4.39%
10 Year Treasury	4.04%	4.26%	4.18%	4.52%
30 Year Treasury	4.69%	4.87%	4.84%	4.72%
US Aggregate	4.21%	4.36%	4.32%	4.88%
US Corporate	4.74%	4.84%	4.81%	5.31%
US Corporate High Yield	6.62%	6.58%	6.53%	7.26%
US Municipal	3.35%	3.45%	3.60%	3.69%
US Municipal High Yield	5.44%	5.52%	5.59%	5.47%

Spreads Over 10-Year US Treasuries

Date	2/13/2026	1/30/2026	12/31/2025	2/13/2025
30 Year Treasury	0.65%	0.61%	0.66%	0.20%
US Aggregate	0.17%	0.10%	0.14%	0.36%
US Corporate	0.70%	0.58%	0.63%	0.79%
US Corporate High Yield	2.58%	2.32%	2.35%	2.74%
US Municipal	-0.69%	-0.81%	-0.58%	-0.83%
US Municipal High Yield	1.40%	1.26%	1.41%	0.95%

Source: Bloomberg and U.S. Treasury as of February 13, 2026

Equity Markets Overview

- The 3 major U.S. equity indices declined approximately 1%–2% for the week amid heightened volatility. This marked the 4th week of the last 5 the S&P 500 posted a weekly loss, though this was the first in excess of 1%.
- Despite index declines, market breadth remained resilient, with nearly two-thirds of S&P 500 constituents trading above their 200-day moving averages.
- Mega-cap technology stocks led the sell-off, with the “Magnificent 7” down about 2% for the week. AI-related disruption fears triggered selling beyond technology and impacting several sectors. Defensive equity sectors such as utilities outperformed amid a rotation toward lower-risk exposures.
- Earnings season remained supportive, with a majority of reporting companies exceeding both revenue and earnings expectations.
- Japanese equities were a notable outlier, rallying sharply following an election outcome supportive of fiscal stimulus and growth initiatives.

Asset Class	Name	1W	YTD	3Y(Ann.)	5Y(Ann.)
All-Cap	S&P 1500	-1.3%	0.6%	19.2%	12.9%
Large-Cap	S&P 500	-1.3%	0.0%	19.9%	13.3%
	S&P 500 Growth	-1.9%	-3.4%	24.7%	13.1%
	S&P 500 Value	-0.8%	3.9%	14.3%	12.8%
Mid-Cap	S&P Midcap 400	-0.6%	7.9%	11.8%	8.6%
	S&P Midcap 400 Growth	-0.2%	7.7%	13.3%	6.5%
	S&P Midcap 400 Value	-1.1%	8.2%	10.3%	10.6%
Small-Cap	S&P Smallcap 600	-0.8%	8.9%	9.5%	6.0%
	S&P Smallcap 600 Growth	-0.3%	8.1%	10.4%	3.9%
	S&P Smallcap 600 Value	-1.2%	9.8%	8.6%	7.9%
Int'l.	MSCI ACWI ex-USA	2.3%	8.4%	17.7%	8.4%
	MSCI EM	3.2%	10.8%	18.1%	4.2%

Source: Bloomberg as of February 13, 2026

Alternative Markets Overview

- Bitcoin experienced another volatile week, initially selling off before rebounding following softer inflation data. It ended the week down 1.8% but appeared to find support near its 200-week moving average, a level historically associated with market bottoms.
- Gold prices were volatile but finished last week up just over 1%. The precious metal's price rebounded sharply after a midweek selloff as softer-than-expected U.S. inflation data revived hopes for Federal Reserve rate cuts, prompting dip-buying
- Oil markets were broadly stable but ended the week slightly lower, with Brent and WTI crude holding near recent levels after sharp midweek losses, as investors balanced signs of easing U.S. inflation against concerns that OPEC+ may resume production increases, leaving both benchmarks with modest weekly declines.

Name	1W	YTD	3Y (Ann.)	5Y (Ann.)
S&P GSCI	-0.6%	7.3%	6.7%	13.5%
Gold	1.3%	16.2%	39.4%	22.6%
FTSE All Equity NAREIT	4.0%	9.4%	6.1%	5.8%
Bitcoin	-1.8%	-21.5%	46.9%	7.9%
Ethereum	-0.7%	-31.1%	11.2%	2.0%

Source: Bloomberg as of February 13, 2026



Upcoming Week

- Q4 earnings season continues with another full week of earnings releases. Noteworthy reports include DTE Energy, Deere & Company, and Walmart.
- It is a shortened week for economic releases, but there is data coming our way. Some key releases include industrial production and capacity utilization, new and pending home sales, the preliminary estimate for 4th quarter GDP, and Personal Consumption Expenditures (the Fed's preferred measure of inflation).

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S&P 1500 Index combines three leading indices, the S&P 500, the S&P Midcap 400, and the S&P Smallcap 600, to cover approximately 90% of U.S. equity market capitalization.

S&P 500 Index includes approximately 500 leading companies that covers approximately 80% of available U.S. equity market capitalization.

S&P 500 Growth Index is a stock index that represents the fastest-growing companies in the S&P 500 based on three factors: sales growth, ratio of earnings change to price, and momentum.

S&P 500 Value Index is a stock index that represents the companies in the S&P 500 with the most attractive valuations based on three factors: book value, earnings, and sales to price.

S&P Midcap 400 Index is distinct from the large-cap S&P 500 and designed to measure the performance of 400 U.S. mid-sized companies, which have differing liquidity and growth potential than large and small cap companies.

S&P Midcap 400 Growth Index is a stock index that represents the fastest-growing companies in the S&P Midcap 400 based on three factors: sales growth, ratio of earnings change to price, and momentum.

S&P Midcap 400 Value Index is a stock index that represents the companies in the S&P Midcap 400 with the most attractive valuations based on three factors: book value, earnings, and sales to price.

S&P Smallcap 600 Index measures the performance of 600 small-sized U.S. companies to reflect the small-cap segment of the U.S. equity market, which is typically known for less liquidity than large cap stocks.

S&P Smallcap 600 Growth Index is a stock index that represents the fastest-growing companies in the S&P Smallcap 600 based on three factors: sales growth, ratio of earnings change to price, and momentum.

S&P Smallcap 600 Value Index is a stock index that represents the companies in the S&P Smallcap 600 with the most attractive valuations based on three factors: book value, earnings, and sales to price.

MSCI ACWI ex-US Index captures large and mid-cap representation across 22 of 23 Developed Markets (DM) countries (excluding the US) and 24 Emerging Markets (EM) countries.

MSCI Emerging Markets Index captures large and mid-cap representation across 24 Emerging Markets (EM) countries.

S&P GSCI is broad-based and production weighted to represent the global commodity market beta. The index is designed to be investable by including the most liquid commodity futures.

S&P GSCI Gold a sub-index of the S&P GSCI, provides investors with a reliable and publicly available benchmark tracking the COMEX gold future.

FTSE All Equity NAREIT Index contains all tax-qualified REITs with more than 50 percent of total assets in qualifying real estate assets other than mortgages secured by real property that also meet minimum size and liquidity criteria.

Bitcoin USD Spot Exchange Rate measures the last price of 1 Bitcoin in USD.

Bloomberg Galaxy Bitcoin Index is designed to measure the performance of a single bitcoin traded in USD.

Ethereum USD Spot Exchange Rate measure the last price of 1 Ethereum in USD.

Bloomberg Galaxy Ethereum Index is designed to measure the performance of a single Ethereum traded in USD.

Bloomberg Barclays 1-3 Year Govt/Credit Index is the 1-3 Yr. component of the U.S. Government/Credit index, which includes securities in the Government, which includes treasuries and agencies debt securities, and Credit Indices, which includes publicly issued U.S. corporate and foreign debt that meet specified maturity, liquidity, and quality requirements.

Bloomberg Intermediate US Government/Credit Bond Index is a broad-based flagship benchmark that measures the non-securitized component of the US Aggregate Index with less than 10 years to maturity; this includes investment grade, US dollar-denominated, fixed-rate treasuries, government-related and corporate securities

Bloomberg Barclays Global Aggregate Bond Index provides a broad-based measure of the global investment-grade fixed income markets, with three major components of this index are the U.S. Aggregate, the Pan-European Aggregate, and the Asian-Pacific Aggregate Indices.

Bloomberg Barclays U.S. Aggregate Bond Index represents securities that are SEC-registered, taxable, and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities.

Bloomberg Barclays U.S. Treasury Aggregate Bond Index is the U.S. Treasury component of the U.S. Government index and represents public obligations of the U.S. Treasury with a remaining maturity of one year or more.

Bloomberg US TIPS Index consists of Inflation-Protection securities issued by the U.S. Treasury.

Bloomberg Barclays US Corporate Bond Index is the Corporate component of the U.S. Credit index and represents publicly issued U.S. corporate and specified foreign debentures and secured notes that meet the specified maturity, liquidity, and quality requirements.

Bloomberg Barclays U.S. Corporate High Yield Index covers the universe of fixed rate, non-investment grade debt.

Bloomberg Barclays Emerging Markets Bond Index is broad-based with country eligibility and classification as an Emerging Market being rules-based and reviewed on an annual basis using World Bank income group and International Monetary Fund (IMF) country classifications.

Bloomberg Barclays U.S. Municipal Index is a rules-based, market-value-weighted index engineered for the long-term tax-exempt bond market.

Bloomberg Barclays US High Yield Municipal Index is an unmanaged index of noninvestment-grade municipal debt securities, which provides a representation of the performance of US high-yield tax-exempt bonds.

Federal Funds Rate is the interest rate at which depository institutions trade federal funds (balances held at Federal Reserve Banks) with each other overnight.

U.S. Treasury Securities are issued by the federal government and are considered to be among the safest investments you can make, because all Treasury securities are backed by the "full faith and credit" of the U.S. government.

CBOE Volatility Index (VIX) is a real-time market index that represents the market's expectation of 30-day forward-looking volatility. Derived from the price inputs of S&P 500 index options, it provides a measure of market risk and investor sentiment.

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