Week Ending 2/13/2026

WEEK IN **PERSPECTIVE**

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Mega-cap weakness and AI disruption fears outweigh rotational strength

Stocks started the week on a mostly positive note but ended with the major averages posting weekly losses amid persistent pressure on mega-cap and tech names.

The S&P 500 (-1.4%) and Nasdaq Composite (-2.1%) lagged, while the DJIA (-1.2%) also retreated. Strength in the broader market saw the S&P 500 Equal Weighted Index (+1.0%) handily outperform the major averages. Smaller-cap indexes also outperformed, with the Russell 2000 (-0.9%) and S&P Mid Cap 400 (-0.7%) showing relative resilience, reflecting broader participation beyond mega-cap leadership.

The week was defined by a familiar tug-of-war: AI disruption fears and software weakness weighed on the information technology sector and other mega-cap tech names, while defensive sectors and smaller cyclical components showed pockets of strength. Mega-cap names like Microsoft, NVIDIA, Apple, and Amazon faced repeated pressure, though select software and chip names rebounded midweek. Conversely, the utilities (+7.1%), real estate (+3.9%), and energy (+1.7%) sectors led sector gains, highlighting a defensive rotation amid uncertainty.

Economic data provided mixed signals for monetary policy. The January jobs report was encouraging, with payrolls rising 130K and moderate wage growth, suggesting continued strength in the labor market. At the same time, January CPI showed cooler-than-expected inflation at 0.2% headline and 0.3% core, signaling some disinflation. Together, these reports largely canceled each other out at the margin, keeping rate-cut expectations for later this year in check.

Overall, the market is navigating a split environment: mega-cap tech remains under pressure, AI concerns persist, but defensive sectors, smaller-cap stocks, and cyclical pockets continue to attract rotation.

- S&P Mid Cap 400: -0.7% week-to-date
- Russell 2000: -0.9% week-to-date
- DJIA: -1.2% week-to-date
- S&P 500: -1.4% week-to-date
- Nasdaq Composite: -2.1% week-to-date

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