



DAILY DEBRIEF 4 (02/12/2026)



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AI scare trade + defensive rotation: early strength fades as Mag 7 (AAPL) and high-beta growth lead lower; software, semis, networking (CSCO), banks and cyclicals lag on capex scrutiny, memory-margin pressure and broadening disruption fears (logistics/CRE spillover). Relative resilience in memory/storage, managed care, A&D, insurers, homebuilders and staples. Rates rally with curve flattening after a strong 30Y auction; DXY firmer. Commodities and crypto softer on momentum/CTA unwind. Macro mixed (claims steady, housing weak) with focus shifting to CPI; earnings dispersion elevated.

Stocks

USA

Europe

APAC

S&P 500
-1.57%

DAX
-0.01%

Hang Seng
-1.45%

NASDAQ
-2.03%

Euro Stoxx 50
-0.40%

Nikkei 225
-0.85%

Dow Jones
-1.34%

FTSE 100
-0.67%

CSI 300
-0.55%

As of 8:43 PM ET

Commodities

Energy

Metals

Agriculture

WTI Crude
+0.16%

Spot Gold
+1.17%

Corn
-0.11%

Brent Crude
+0.18%

Spot Silver
+2.37%

Coffee
+1.57%

HH Nat Gas
+0.09%

Cotton
+0.45%

As of 8:43 PM ET

Market Overview

U.S. equities reversed early strength and finished broadly lower, closing near session lows as risk appetite deteriorated and volatility picked up ($VIX > 20$). The tone shifted decisively defensive amid continued Mag 7 underperformance, expanding AI-disruption fears, and margin scrutiny tied to rising memory costs. A strong 30Y Treasury auction helped drive a rally in long-end yields and flatten the curve, partially reversing the prior payrolls-driven backup. Positioning remained cautious ahead of CPI, with cross-asset volatility reinforcing a risk-off bias.

Equities

Leadership skewed defensive and idiosyncratic rather than cyclical. Memory/storage, managed care, hospitals, A&D, P&C insurers, homebuilders, building materials, staples, and telecom showed relative resilience. In contrast, high-beta growth, retail-favorite and most-shorted cohorts lagged sharply. Software remained ground zero for AI disruption concerns, with weakness spreading to networking, semis/semcaps, logistics, CRE-linked equities, banks/IB/PE, airlines, and consumer discretionary. Big tech broadly softened as capex scrutiny and the shift toward more asset-heavy AI investment models weighed on sentiment. Earnings dispersion stayed elevated, with sharp reward/punishment dynamics around guidance, margins, and exposure to AI tailwinds versus cost pressures.

Macro & Rates

Weekly initial claims were largely in line, though continuing claims ticked higher, while January existing home sales fell to their lowest level since September amid ongoing supply constraints. Treasury markets rallied following a well-received 30Y auction (solid bid-to-cover and foreign demand), flattening the curve and reversing part of the earlier post-payrolls yield rise. Markets remain sensitive to inflation risk after the hotter January NFP report, with CPI the key near-term catalyst and rate-cut expectations trimmed modestly versus earlier in the week.

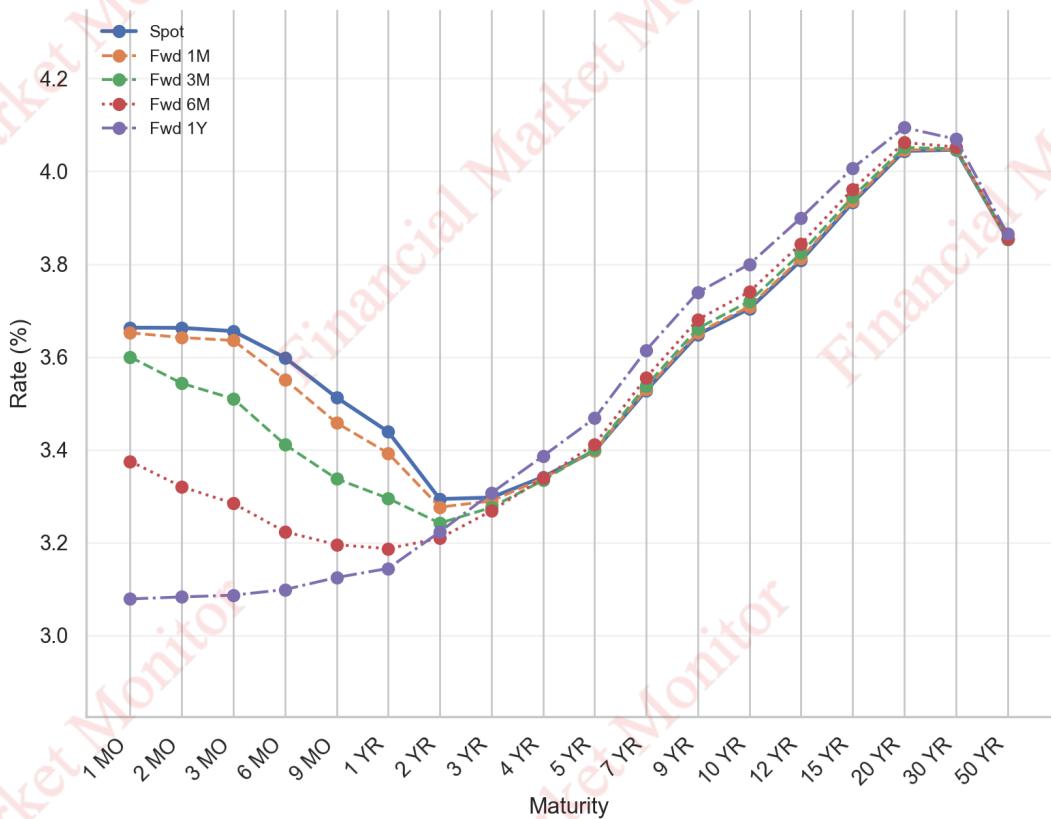
FX & Commodities

The dollar index edged firmer alongside shifting rate expectations. Commodities were broadly weaker amid momentum unwind dynamics: WTI crude fell despite geopolitical crosscurrents, gold and especially silver declined sharply, and bitcoin hovered near recent lows as crypto tracked broader risk sentiment and CTA positioning pressure.

Geopolitics

Trade headlines showed tentative signs of U.S.-China stabilization ahead of a potential April meeting, including a pause on certain tech restrictions, though legal uncertainty around tariff authorities persists with the Supreme Court yet to rule. Broader policy noise—including tariff debates, fiscal projections, and regulatory headlines—added to uncertainty. Globally, Asia followed the U.S. lower as the AI disruption narrative widened, reinforcing a market defined by defensive rotation, elevated dispersion, and heightened sensitivity to incoming macro data.

Forward Rate Curve



Rate Expectations — Implied Path & Net Policy Bias

