

# Framework Foundry Weekly

Week ending 2026-02-15

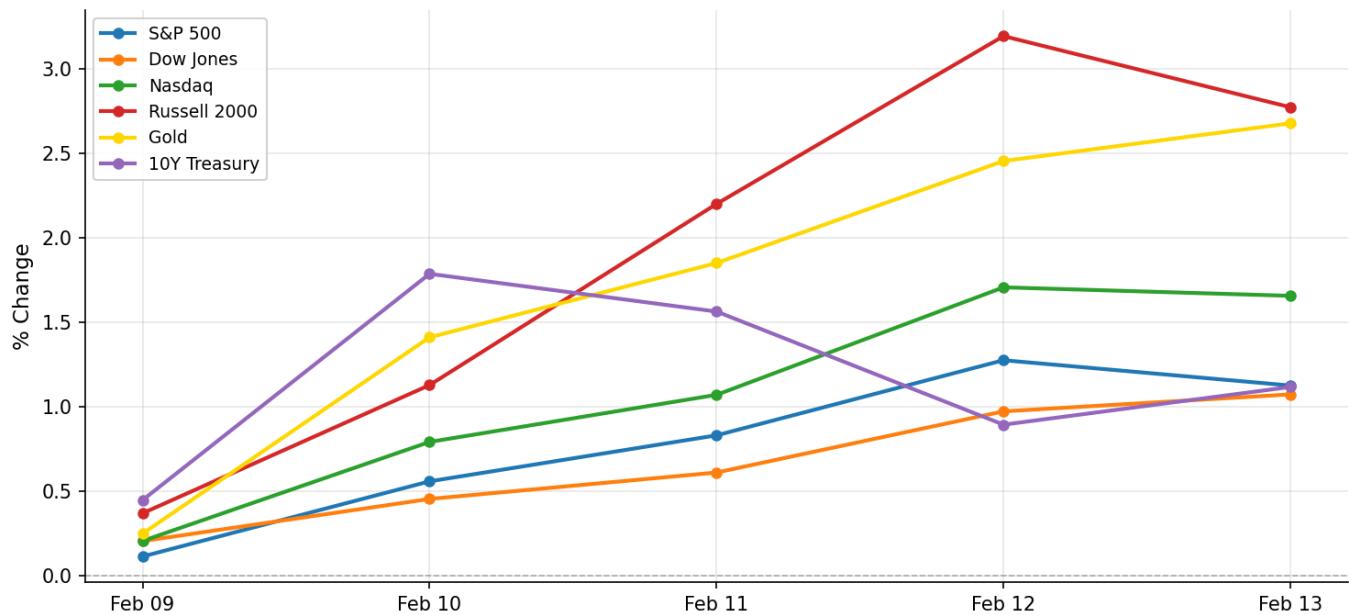
## The Week in Brief

Markets rallied across the board this week, with Russell 2000 leading at +2.77% and Dow Jones lagging at +1.07%. On the safe-haven front, Gold climbing 2.68% to \$2,942.10 while the 10-year yield rising to 4.53%.

The macro picture was busy. CPI (Year-over-Year) came in above expectations (3.1% vs. 2.9%). Initial Jobless Claims came in below expectations (218000 vs. 225000). Retail Sales (Month-over-Month) came in above expectations (0.6% vs. 0.3%). The combination of hot inflation and strong consumer spending paints a picture of an economy that's running warm -- good for earnings, but it keeps rate cuts off the table for now.

Looking ahead, the key events to watch are: FOMC Meeting Minutes, S&P Global Flash US Manufacturing PMI, S&P Global Flash US Services PMI. Position sizing and hedges should reflect the potential for volatility around these releases.

**Framework Foundry Weekly -- Performance (% Change from Monday Open)**



## Market Snapshot

| Index        | Close     | Weekly % | Week Range            |
|--------------|-----------|----------|-----------------------|
| Russell 2000 | 2,343.20  | +2.77%   | 2,270.00 - 2,365.00   |
| Gold         | 2,942.10  | +2.68%   | 2,858.20 - 2,948.20   |
| Nasdaq       | 20,005.80 | +1.66%   | 19,620.50 - 20,080.50 |
| S&P 500      | 6,106.40  | +1.12%   | 6,020.10 - 6,130.50   |
| 10Y Treasury | 4.53      | +1.12%   | 4.46 - 4.60           |
| Dow Jones    | 44,795.10 | +1.07%   | 44,250.00 - 44,800.00 |

**Best: Russell 2000 (+2.77%)**

**Worst: Dow Jones (+1.07%)**

## Last Week's Economic Events

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| Date       | Event                           | Actual | Expected | Previous | Surprise |
|------------|---------------------------------|--------|----------|----------|----------|
| 2026-02-10 | CPI (Year-over-Year)            | 3.1%   | 2.9%     | 2.9%     | above    |
| 2026-02-11 | Core CPI (Month-over-Month)     | 0.3%   | 0.3%     | 0.2%     | inline   |
| 2026-02-12 | Initial Jobless Claims          | 218000 | 225000   | 222000   | below    |
| 2026-02-13 | Retail Sales (Month-over-Month) | 0.6%   | 0.3%     | 0.4%     | above    |

## CPI (Year-over-Year):

*Hotter-than-expected inflation pressures the Fed to hold rates higher for longer. Bond prices may fall, and rate-sensitive sectors (REITs, utilities) could underperform. Consider inflation hedges like TIPS or commodities.*

## Core CPI (Month-over-Month):

*In-line core CPI is neutral -- no new signal for the Fed. Markets may look through this and focus on the headline number that came in hot.*

## Initial Jobless Claims:

*Fewer layoffs than expected signals continued labor market strength. Good for consumer spending and cyclical stocks, but reinforces the Fed's case to stay hawkish.*

## Retail Sales (Month-over-Month):

*Consumers are spending more than expected -- bullish for retail and discretionary ETFs (XLY, XRT). But strong demand can also feed inflation, keeping rate-cut expectations in check.*

## Upcoming Week

| Date       | Event                                 | Importance |
|------------|---------------------------------------|------------|
| 2026-02-16 | Presidents' Day -- Markets Closed     | Low        |
| 2026-02-18 | FOMC Meeting Minutes                  | High       |
| 2026-02-19 | Housing Starts                        | Medium     |
| 2026-02-20 | S&P Global Flash US Manufacturing PMI | High       |
| 2026-02-20 | S&P Global Flash US Services PMI      | High       |

## Positioning Tips

| Signal   | Action   |
|--|--|
| CPI came in hot at 3.1% vs. 2.9% expected                        | inflation-sensitive sectors may see pressure. Consider TIPS (TIP) or defensive tilts (XLU, XLP). |
| Jobless claims came in lower than expected (218,000 vs. 225,000) | labor market remains tight, supporting risk-on positioning.                                      |
| Retail sales surprised to the upside (0.6% vs. 0.3%)             | consumer discretionary (XLY) and cyclicals may benefit.  |
| FOMC Meeting Minutes drop 2026-02-18                             | expect volatility. Consider trimming position sizes or hedging with VIX calls.                   |
| Flash Manufacturing PMI on 2026-02-20                            | a key read on factory activity. Watch industrials (XLI) for directional cues.                    |