

Framework Foundry Weekly

Research for the serious investor

Week ending 2026-02-16

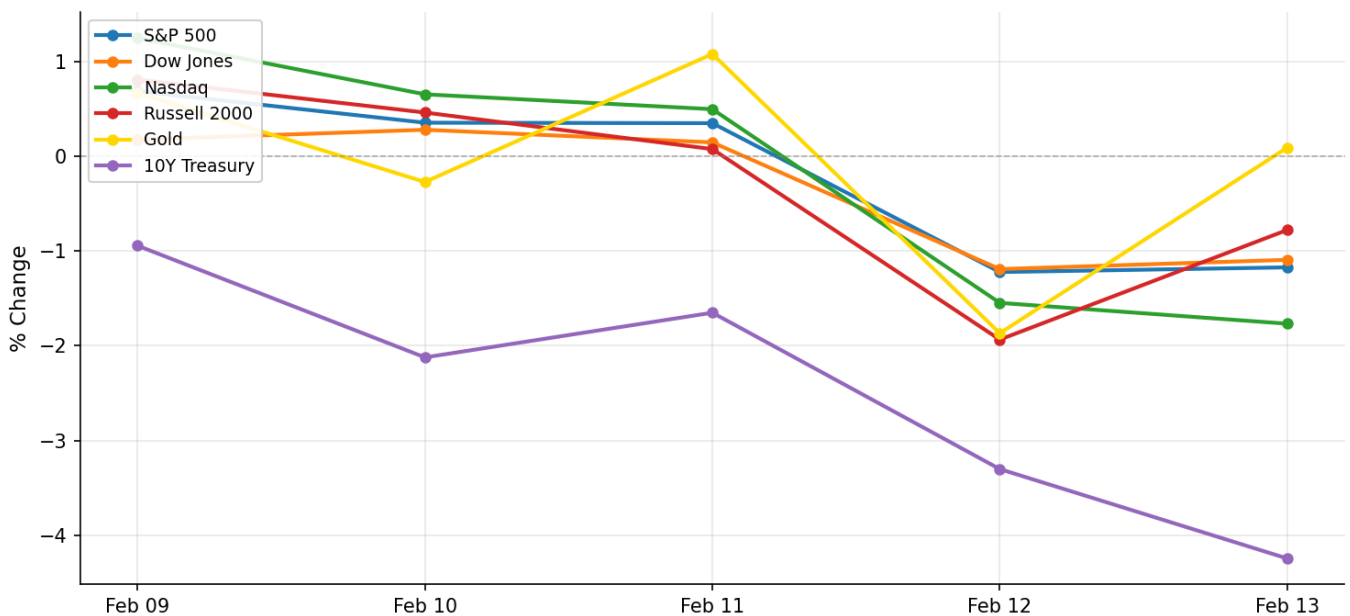
The Week in Brief

Markets were mixed this week, with Gold leading at +0.09% and 10Y Treasury lagging at -4.25%. On the safe-haven front, Gold climbing 0.09% to \$5,022.00 while the 10-year yield falling to 4.06%.

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
Gold	5,022.00	+0.09%	4,892.00 - 5,111.30
Russell 2000	2,646.70	-0.78%	2,604.50 - 2,706.36
Dow Jones	49,500.93	-1.09%	49,084.35 - 50,512.79
S&P 500	6,836.17	-1.17%	6,794.55 - 6,993.48
Nasdaq	22,546.67	-1.77%	22,402.38 - 23,320.62
10Y Treasury	4.06	-4.25%	4.05 - 4.24

Best: Gold (+0.09%)

Worst: 10Y Treasury (-4.25%)

Last Week's Economic Events

Disclaimer: For informational purposes only. Not investment advice. Past performance is not indicative of future results.

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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.