

MARKET INSIGHTS

FEBRUARY 2026



As we move deeper into Q1, the macro environment continues to reward continuity over novelty. January largely validated the central signal we highlighted entering the year: sustained U.S. dollar weakness remains the dominant explanatory variable across assets. What moved quickly in our favor last month was not a surprise catalyst, but follow-through. The financial dollar and trade-weighted dollar failed, once again, to reclaim prior resistance, reinforcing the regime behavior that has been in place since mid-2025. Markets did not need a new story; they needed confirmation.

February introduces the first real test of that framework. The recent announcement of Kevin Warsh as the Federal Reserve Chair nominee shifts the conversation from abstract policy dissatisfaction toward a tangible change in future leadership. If the dollar is truly in a bearish regime, leadership headlines should not be sufficient to reverse it. In that sense, this moment represents an early stress test: can the dollar rally meaningfully on prospective credibility alone, or does it remain capped by broader liquidity, positioning, and regime forces? So far, the evidence favors the latter.

The macro regime debate itself remains unresolved. The tug of war between Quad 1 and Quad 2 risk-on environments continues, but shorter-term signals have tilted toward Quad 2 as the current front-runner. That distinction matters. Quad 2 favors nominal growth, reflationary impulses, and continued pressure on the dollar, even as volatility rises beneath the surface. This helps explain why metals continue to broaden beyond gold, why rates remain unsettled, and why equity leadership has been less uniform than headline indices suggest.

The key takeaway for February is not prediction, but observation. January demonstrated how quickly the dollar signal can assert itself when respected. February now asks whether that signal can withstand its first meaningful narrative challenge. If the dollar weakens despite this leadership change, the broader framework remains intact. If it does not, positioning across assets will need to adjust accordingly. For now, the regime has not changed, and until it does, dollar weakness remains the tailwind markets continue to trade against.

ASSET CLASS SIGNAL STRENGTH:

ASSET CLASS	FEBRUARY 2026	JANUARY 2025	1 - 3 MONTH OUTLOOK *
EQUITIES	OFFENSIVE LONG	OFFENSIVE LONG	FAVORABLE
FIXED INCOME	OFFENSIVE LONG	OFFENSIVE LONG	UNFAVORABLE
COMMODITIES	DEFENSIVE LONG	DEFENSIVE LONG	FAVORABLE
US DOLLAR	OFFENSIVE SHORT	DEFENSIVE SHORT	UNFAVORABLE
RFR (3M TBILL)	OFFENSIVE SHORT	OFFENSIVE SHORT	UNFAVORABLE
BITCOIN	DEFENSIVE LONG	DEFENSIVE LONG	FAVORABLE

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PORTFOLIO SNAPSHOT *(current exposure relative to target range)*

MODEL	EQUITIES			FIXED INCOME		
	RANGE	FEB 2026	JAN 2026	RANGE	FEB 2026	JAN 2026
BOND	--	--	--	-25 to 100%	70%	70%
PEA CORE STOCK	100%	100%	100%	--	--	--
MODERATE ARM	30 to 60%	60%	60%	10 to 40%	40%	35%
DIVIDEND INCOME	30 to 60%	60%	60%	10 to 40%	40%	40%
MACRO PERSIST	-40 to 40%	30%	30%	-40 to 40%	40%	40%
SYSTEMATIC MACRO	0 to 60%	60%	60%	--	--	--
ALL ASSET	-25 to 100%	60%	60%	-25 to 100%	30%	30%
FOCUS	-100 to 300%	10%	10%	-100 to 300%	30%	30%
Special Situation Equity	0 to 100%	85%	85%	--	--	--

CURRENT MARKET REGIME: *current conviction score 65%*

Quadrant	MARKET REGIME	
	Current % Share	Previous % Share
GOLDILOCKS / Quad 1	30%	41%
REFLATION / Quad 2	40%	33%
INFLATION / Quad 3	19%	8%
DEFLATION / Quad 4	11%	18%

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