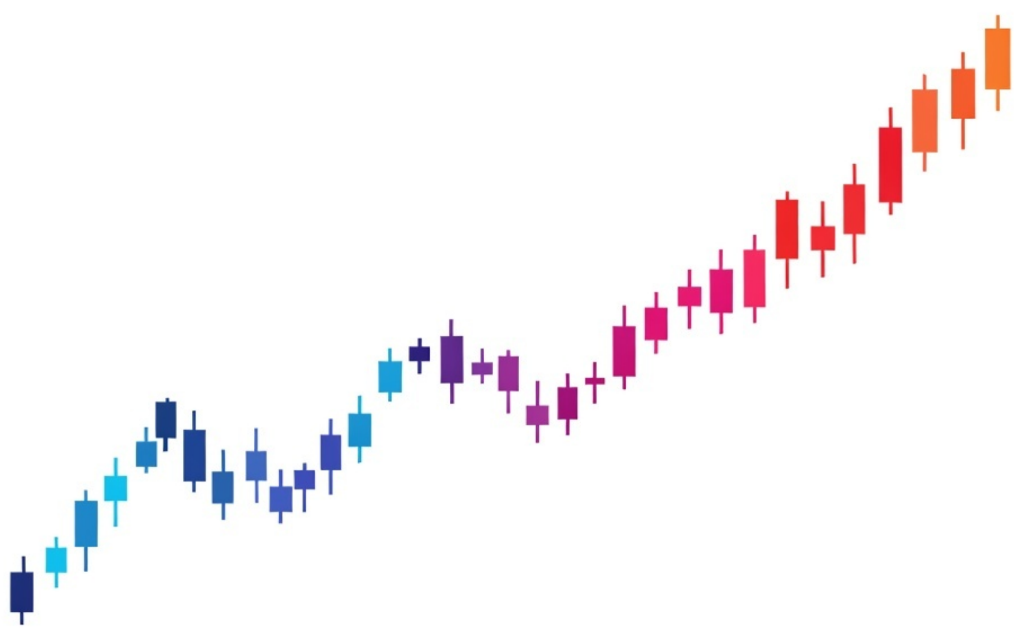
AVANTAS Research

Weekly Market Newsletter

Week of February 8, 2026

EXECUTIVE SUMMARY

Risk appetite softened into the weekend as bitcoin slid -12.3% and Asian equities lagged (Hang Seng -3.4%), while the S&P 500 was roughly flat at -0.1% and Nasdaq held up at +0.9%. Fed officials left policy unchanged at 3.50%–3.75% and San Francisco Fed President Mary Daly called the outlook “precarious” (Reuters), reinforcing a cautious tone even as Europe and Japan posted modest gains (STOXX +0.9%, Nikkei +0.8%) and gold ended slightly lower at -1.0%.



PERFORMANCE TABLE

Instrument	1W Perf	1M Perf	6M Perf	1Y Perf	1Y %ile
STOXX Europe 50	+0.9%	+1.3%	+14.0%	+13.8%	99
Nasdaq 100	+0.9%	-1.3%	+7.6%	+15.8%	75
Nikkei 225 (Japan)	+0.8%	+3.3%	+33.0%	+38.9%	100
US 10Y Treasury Yield	+0.1%	+0.6%	-1.8%	-6.4%	39
S&P 500	-0.1%	-0.1%	+9.9%	+15.4%	95
iShares IG Corp Bond (LQD)	-0.1%	+0.1%	+0.6%	+2.2%	69
Gold (USD/oz)	-1.0%	+9.3%	+43.7%	+70.1%	98
CSI 300 (China)	-1.3%	-3.1%	+12.9%	+20.8%	94
Hang Seng Index (Hong Kong)	-3.4%	-0.6%	+6.6%	+27.1%	99
Bitcoin (BTC-USD)	-12.3%	-24.2%	-41.1%	-28.3%	1

Note: Performance calculations use the closest available historical data points.

TOP CATALYSTS

1. Fed Tone: “Precarious” Outlook Keeps Policy Cautious

San Francisco Fed President Mary Daly said the U.S. outlook feels “precarious,” underscoring that inflation remains above target and labor market risks could re emerge quickly.

Market Impact:

Reinforces a higher for longer bias and supports selective risk exposure into upcoming macro data.

Further Reading:

- Reuters: Daly remarks

2. Gold Pulls Back After Record Highs Ahead of Jobs Data

Gold slipped after hitting fresh records as the dollar firmed and investors took profits ahead of the U.S. payrolls report.

Market Impact:

Signals ongoing demand for hedges but highlights near term sensitivity to data and rates volatility.

Further Reading:

- Reuters: Gold eases ahead of payrolls

3. Crypto Volatility Triggers Large Liquidations

A sharp crypto sell off triggered sizeable liquidations as risk appetite faded, pressuring bitcoin and high beta risk assets.

Market Impact:

Keeps crypto positioning tactical and can spill over into broader risk sentiment.

Further Reading:

- Reuters: Crypto liquidation wave

4. Oil Dips on Possible U.S.–Iran De Escalation

Crude prices eased as markets weighed a potential easing of U.S.–Iran tensions alongside a firmer dollar.

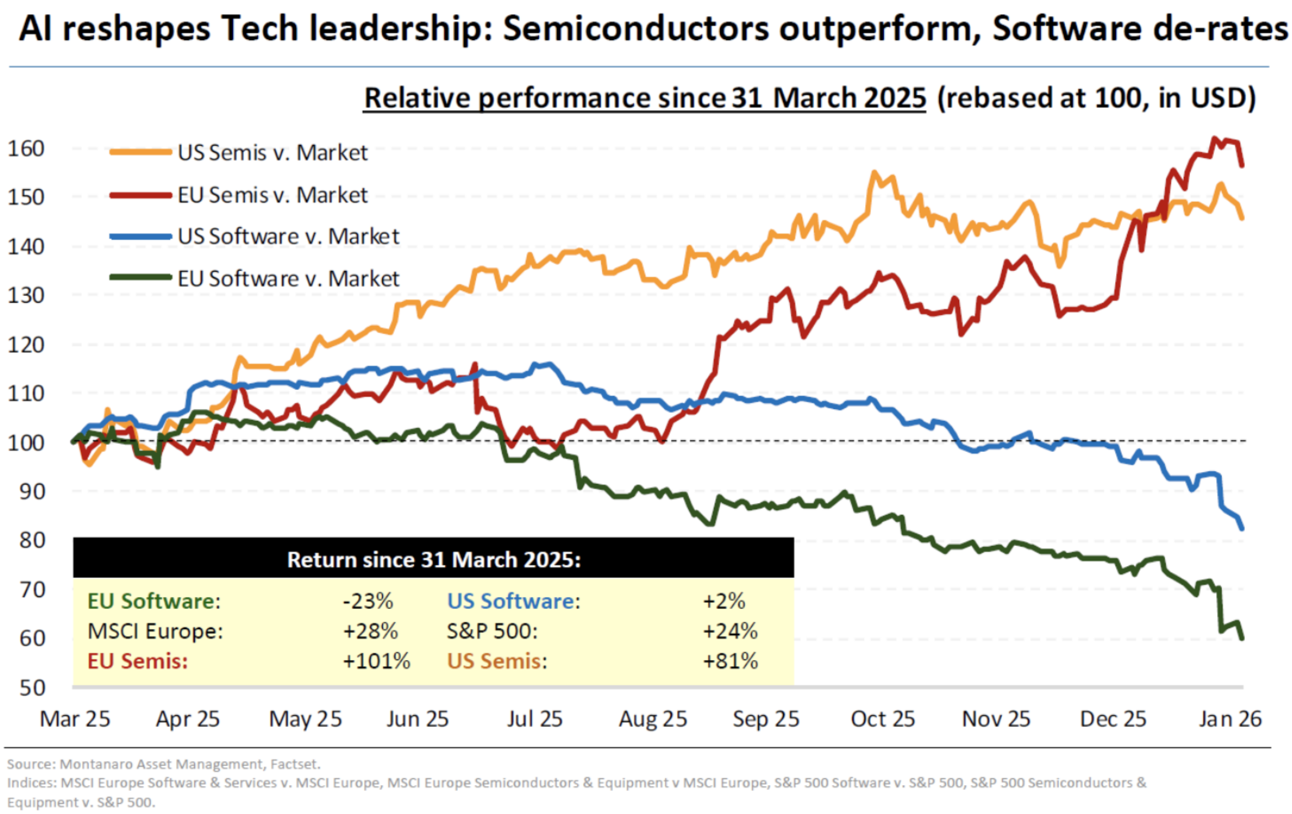
Market Impact:

Temporarily caps energy inflation pressure and reduces near term tail risk in oil sensitive sectors.

Further Reading:

- Reuters: Oil steady on de escalation hopes

CHART OF THE WEEK



Source: Montanaro Asset Management, FactSet

Semiconductor leadership has widened versus software, with US and EU semis sharply outperforming since late March 2025. By contrast, software has de rated, especially in Europe, highlighting a rotation toward AI hardware beneficiaries and away from long duration software valuations.

Source: AVANTAS Research Analysis

MARKET OUTLOOK

Near-Term Outlook (3-6 months):

Risk appetite is tentative as investors weigh a cautious Fed tone and incoming macro data. Equity leadership is narrow, with semiconductors outperforming while software de rates, and cross asset signals remain mixed with gold easing after record highs and crypto volatility weighing on risk sentiment.

Medium-Term Outlook (6-12 months):

The next 6–12 months hinge on whether inflation stays sticky and labor data cools without a sharp slowdown. If rates stay higher for longer, quality cyclicals and pricing power franchises should fare better than long duration software, while a clearer disinflation path would broaden equity leadership.

Long-Term Outlook (12+ months):

AI adoption and reshoring remain durable multi year themes, but the market is likely to reprice winners and laggards unevenly. A balanced posture that favors semis/AI infrastructure, quality balance sheets, and selective international exposure should help navigate regime volatility.

Asset Class Impact of the Week

Underweight　Neutral　Overweight

Asset	View	Commentary
US Equities		Neutral. Broad indexes were flat-to-modestly higher while leadership rotated toward semis and away from software, keeping market breadth selective.
International Equities		Neutral. Japan and Europe posted modest gains, but Hong Kong lagged; positioning remains region selective.
Fixed Income		Neutral. Rates remain range bound as investors await payrolls and CPI clarity, with carry still supportive.
Commodities		Neutral. Gold pulled back after record highs and oil softened on de escalation hopes, keeping the complex range bound.
Cryptocurrency	-1	Underweight. Elevated volatility and liquidation pressure keep risk management front of mind.

Source: AVANTAS Research Analysis

LATEST AVANTAS RESEARCH ARTICLES

1. Quality vs. Value in a Late-Cycle Soft Landing

Late cycle conditions reward balance sheet strength as policy uncertainty stays elevated. We outline how quality factors tend to lead in this regime while value can work tactically around rate cut expectations.

Read article: https://www.avantasresearch.com/research.html

2. US Earnings Breadth vs. Index Concentration

Leadership is still concentrated and breadth remains uneven. This piece tracks equal weight performance and identifies the earnings catalysts needed for a broader, more durable advance.

Read article: https://www.avantasresearch.com/research.html

3. De-Dollarization Reality Check: Erosion, Not Regime Change

The dollar remains dominant, but marginal diversification is real through gold, local settlement, and regional payment rails. We map where change is incremental versus structural.

Read article: https://www.avantasresearch.com/research.html

ECONOMIC CALENDAR

Stay informed of key upcoming economic events and data releases that may impact global markets.

Date	Time (GMT+8)	Event	Country	Forecast	Previous	Impact
Tue 10th	21:30	Retail Sales (MoM) (Dec)	US	0.4%	0.6%	High
Tue 10th	21:30	Core Retail Sales (MoM) (Dec)	US	0.4%	0.5%	High
Wed 11th	21:30	Average Hourly Earnings (MoM) (Jan)	US	0.3%	0.3%	High
Wed 11th	21:30	Nonfarm Payrolls (Jan)	US	70K	50K	High
Wed 11th	21:30	Unemployment Rate (Jan)	US	4.4%	4.4%	High
Wed 11th	23:30	Crude Oil Inventories	US	-	-3.455M	High

Date	Time (GMT+8)	Event	Country	Forecast	Previous	Impact
Thu 12th	02:00	10-Year Note Auction	US	-	4.173%	High
Thu 12th	21:30	Initial Jobless Claims	US	222K	231K	High
Thu 12th	23:00	Existing Home Sales (Jan)	US	4.22M	4.35M	High
Fri 13th	02:01	30-Year Bond Auction	US	-	4.825%	High
Fri 13th	21:30	CPI (MoM) (Jan)	US	0.3%	0.3%	High
Fri 13th	21:30	CPI (YoY) (Jan)	US	2.5%	2.7%	High
Fri 13th	21:30	Core CPI (MoM) (Jan)	US	0.3%	0.2%	High

NEXT WEEK EXPECTATIONS

This week’s focus is U.S. retail sales, labor market data, CPI inflation, and Treasury auctions. Jobless claims and housing data help frame growth momentum, while crude inventories and CPI prints shape near term rate expectations.

RISK WATCHLIST

- Labor market inflection: payrolls, earnings, and jobless claims could shift rate expectations.
- Inflation persistence: CPI prints remain the key hurdle for a sustained risk-on move.
- Crypto volatility: liquidation-driven selloffs can spill into broader risk sentiment.
- Commodities whipsaw: gold profit-taking and oil headlines keep hedges in focus.

Sources: Reuters; Montanaro Asset Management; AVANTAS Research.