

EQUITIES PERSPECTIVE

February 13, 2026
DJIA: 49,452

Last Thursday the world was ending... Monday saw new highs. More specifically, Thursday afternoon Software and Bitcoin looked about to waterfall – Bitcoin did just that after hours. So, Friday’s up open was a “bit” of a surprise. They say never buy an up opening in a bear market. Up 1200 DJ points Friday seems another sign this is no bear market, at least for the market as a whole. Software has a bear market look, yet even the recent bad days often saw positive advance/declines. And by Monday we were already at new highs in the Dow and the Equal Weight S&P. Argue this is fluky, but it is no fluke. Rather, another testament to expanding participation is always a good thing.

Bad days happen, and despite Thursday’s action, the worst could be over. The most important question now is not whether to be in, but where to be in. Even when it comes to the averages, is it the Dow or is it the S&P, is it the S&P or the Equal Weight S&P, or the Russell 2000. The Dow, The Equal Weight S&P, and the Russell have the edge for now — meaning you want to be light Tech or Tech selective at the least — Semis versus Software. Tech isn’t going away, and you can quote that, but we doubt this year’s Tech will do as well as last year’s Tech. For one reason, there’s too much elsewhere that acts well. If you doubt the Commodity trade, you might look at Chicago Merc (CME - 302).

Leadership often changes during a correction. While the recent weakness hardly qualifies as a correction, a new strength in Staples/defensive stocks seems apparent. It’s tempting, especially for Tech lovers, to call this a Pavlovian response to the weakness in Tech. We have all seen this many times, we all know it doesn’t last. Unless, of course, this time is different – words which have cost investors untold fortunes. We think it just may be different this time. If you look at XLP (89), or any of the myriad of names in this ETF, Food, Retail, Tobacco, the charts are not those of just a bounce. There is a real change. There’s little wonder the Equal Weight S&P is performing well, it’s not just about Tech underperforming. And when we look at Walmart (WMT - 134), we can’t help but muse, here’s a stock as of a couple of days ago, which had no holders underwater. In other words, a stock in favor, and in a long-term uptrend.

If you are not worried about something, you’re probably not taking this business seriously. In this case, we worry about Bitcoin, not Bitcoin itself, we have no position. Rather, we worry about those who do. Someone out there, perhaps many, could be having a problem that becomes a problem for the rest of us. Gold took a hit recently, but until Thursday seemed on its way back. Bitcoin can’t lift - not a good sign. Adding to our worry, such as it is, what is suddenly wrong with the financial ETF XLF (52)? We understand Robinhood (HOOD – 71) is just a Bitcoin derivative, but who else might suddenly be exposed, to borrow from Warren.

We read and later saw, “an unprecedented number of AI firms are advertising during the Super Bowl.” Hard to forget not that long ago the line would have read Dotcoms. They called that a bubble, but maybe there’s instead a Super Bowl curse. While most of those companies are no longer with us, the cream of the crop Cisco (CSCO - 75) still is. And, after some 25 years, you recently broke even, giving new meaning to long-term investing. Meanwhile, despite Thursday’s weakness, the chart isn’t all that bad. Downside gaps usually are not a good thing, but when they don’t change the trend, they often are. By the way, the other Sysco (SYU - 90) looks better.

Frank D. Gretz

S&P 500 (SPX - 6833) - DAILY

\$SPX O: 6,957.54 H: 6,972.54 L: 6,844.26 C: 6,851.37 ▼ -90.10
MA(50.0) ▼ M: 6,894.87 MA(200.0) ▼ M: 6,498.44



NASDAQ 100 (NDX - 24688) - DAILY

\$NDX O: 25,281.27 H: 25,310.56 L: 24,733.76 C: 24,807.37 ▼ -393.89
MA(50.0) ▼ M: 25,433.64 MA(200.0) ▼ M: 23,887.67



INVESCO S&P EQUAL WTG ETF (RSP - 201) DAILY

RSP.BZ O: 204.33 H: 205.24 L: 201.02 C: 201.26 ▼ -2.20
MA(50.0) ▼ M: 196.10 MA(200.0) ▼ M: 187.14



ISHARES RUSSELL 2000 ETF (IWM - 260) - DAILY

IWM.BZ O: 266.19 H: 267.44 L: 259.18 C: 259.59 ▼ -5.36
MA(50.0) ▼ M: 257.23 MA(200.0) ▼ M: 234.59



SPDR CONSUMER STAPLES ETF (XLP - 89) - DAILY

XLP.BZ O: 88.49 H: 90.05 L: 88.48 C: 89.66 ▲ 1.26
MA(50.0) ▼ M: 81.05 MA(200.0) ▼ M: 80.35



SPDR TECHNOLOGY ETF (XLK - 139) - DAILY

XLK.BZ O: 143.86 H: 143.92 L: 139.15 C: 139.78 ▼ -3.19
MA(50.0) ▼ M: 144.59 MA(200.0) ▼ M: 134.54



VANECK SEMICONDUCTOR ETF (SMH - 406) - DAILY

SMH.BZ O: 419.01 H: 420.26 L: 405.92 C: 408.72 ▼ -6.06
MA(50.0) ▼ M: 381.56 MA(200.0) ▼ M: 317.53



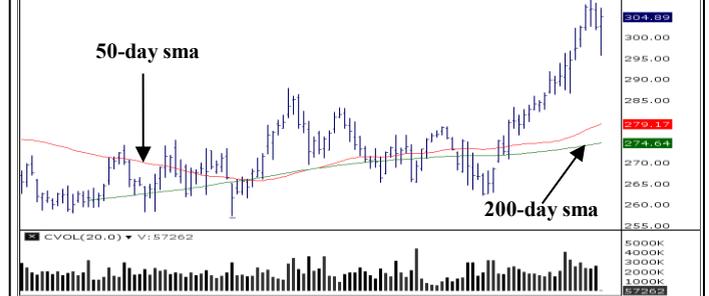
ISHARES SOFTWARE ETF (IGV - 81) - DAILY

IGV.BZ O: 83.07 H: 83.40 L: 79.81 C: 79.93 ▼ -3.30
MA(50.0) ▼ M: 100.23 MA(200.0) ▼ M: 106.68



CME GROUP (CME - 302) - DAILY

CME.BZ O: 302.63 H: 307.05 L: 295.64 C: 304.89 ▲ 2.41
MA(50.0) ▼ M: 279.17 MA(200.0) ▼ M: 274.64



STATE ST FINANCIALS ETF (XLF - 52) - DAILY

XLF.BZ O: 52.90 H: 53.11 L: 51.60 C: 51.61 ▼ -1.13
MA(50.0) ▼ M: 54.26 MA(200.0) ▼ M: 52.73

