Outlook: The To set the stage for the outlook, some context. Last week was one of the most volatile weeks in recent memory. The **S&P500** was roughly flat for the week (-0.1%) but its journey included a down day of -1.1% and an up Friday 2.0%. The **Nasdaq** fell -1.8% but included two days that were down more than -1.4% and a Friday up day of +2.2%. The **Dow** on Friday was up +2.5% and hit a new record high over 50,000 and the **Russell 2000** on Friday was up +3.6% after losing -2.7% over the prior two days. Bitcoin jumped +10% on Friday but still lost -16% on the week. **Sterling Infrastructure (STRL)** was up +9.9% Friday, **Comfort Systems (FIX)** up +7.2%, **Lumentum Holdings (LITE)** up +9.4% (on the way to +40.9% w/w), **Ciena (CIEN)** +7.3%, **Vertiv (VRT)** up 10.0% and **Credo Technology (CRDO)** up +13.6% (but lost -11% w/w). **Construction Partners (ROAD)** gained 15.6% w/w and **Granite Construction (GVA)** gained +7.8% w/w and **Caterpillar (CAT)** jumped 10%. Fans of the Dow Theory cheered transports surging with the index jumping +8.7% with truckers such as **Old Dominion (ODFL)** surging +16.9%. The US Bureau of Economic Analysis last revision of 3Q GDP was at +4.4% and the 4Q2025 estimate per the Atlanta Fed is +4.2%. Enterprise Software continues to get hammered with the sector down -8.7% w/w. Last week **Alphabet (GOOGL)** said it would spend $175-$185 near 2x 2025 and **Amazon (AMZN)** said it would spend $200B in 2026 well above previous expectations and which likely contributed to the surge in AI related names mentioned above.

Over the next two weeks we will see over 1300 companies reporting earnings. **Taiwan Semiconductor (TSM)** is due to report January sales on Tuesday, Feb 10 with impacts to **Nvidia (NVDA), Advanced Micro Devices (AMD), and Broadcom (AVGO)** among others. Headlined earnings due out include **Cisco Systems (CSCO), Arista Networks (ANET), Applied Materials (AMAT), Vertiv (VRT), Marriott, Coca Cola (KO), T-Mobile (TMUS), Howmet (HWM), Entergy (ETR)**.

Metals and Mining (XME) recovered some of the losses from the prior week, gaining +3.2% and **Materials (XLB)** climbed 4.55%. Investors added $430M into SLV despite prior selloff. Interestingly **Consumer Staples (XLP)** was acting more like technology stocks, posting a +5.3% gain, the largest weekly gain since the Covid era nearly 5 years ago. **Technology stocks (XLK, -3.6%)** with the steep sell-off in Tech software -8.7% a major contributor. **Service Now (NOW)** gave up another -13.9% and has lost over 1/3 of its value YTD after losing -28% in 2025. **Sales Force (CRM)** plummeted by -9.9% and is down nearly -28% YTD.

On the economic calendar is Retail Sales for December with +0.4% expected, Nonfarm payrolls for January (+80k expected), the CPI for Jan (+2.5% expected).

Market divergence continues: Enterprise Software in general continues to face massive investor skepticism regarding sustainability. One of the poster children is **Service Now**

(NOW) which posted excellent results and guide and yet the stock was hammered anyway. Subscription top line revenue growth was 21% y/y, EPS solid beat and up +26% y/y, the company's Now Assist offering more than doubled ACV y/y with RPO up 25% and raised subscription outlook for 2026 to +20%. Yet the stock plunged -10% the day after the earnings report.

Sunday night futures are modestly higher.

Dow Futures	Change	S&P 500 Futures	Change	NASDAQ Futures	Change
50,263.00	+ 58.00 0.12%▲	6,958.50	+ 5.75 0.08%▲	25,200.75	+ 37.50 0.15%▲
Fair Value	**Implied Open**	**Fair Value**	**Implied Open**	**Fair Value**	**Implied Open**
50,188.13	+ 74.87	6,951.94	+ 6.56	25,161.87	+ 38.88

Source: Pre-market Stock Trading | CNN

Key tailwind for 2026 remains the buildout in AI and AI infrastructure. Updating the estimates suggest AI infrastructure investments could reach well above the prior $6.9-$8.5 trillion by 2030 globally to $6.5T to $9.8T including Quantum compute as well as Tesla for robotics.

AI infrastructure capex scenarios, 2025–2030

(Global, annual, rough order of magnitude ranges in USD)

Year	Base Annual ($T)	Base Cumulative ($T)	Accelerated Annual ($T)	Accelerated Cumulative ($T)
2025	0.50	0.50	0.51	0.51
2026	0.80	1.30	1.12	1.63
2027	0.96	2.26	1.41	3.04
2028	1.15	3.41	1.77	4.81
2029	1.38	4.79	2.22	7.03
2030	1.66	6.45	2.78	9.81

Source: xAI's AI Buildout Funding and Plans - Grok

Summary: The major averages diverged. The Russell 2000 (IWM), 1gained 2.1%, and the S&P500 equal weight (RSP) added +2.1% as well. The S&P500 was flat (-0.1%), while the Nasdaq struggled (-1.8%). The Dow Jones Industrial Average gained +2.5% and hit a new high. Miners of precious metals gained some of what they lost: First Majestic Silver (AG,

+5.5%), SSR Mining (SSRM, +5.8%), Southern Copper (SCCO, +5.3%) and now up +39% YTD. Software providers continue their woes as investors continue punishing formerly top plays such as Service Now (NOW), was pounded another -13.9% w/w.

The S&P500 have their moving averages stacked in the proper positions for a power trend to kick into gear while the Nasdaq is out of position with the 10day and 21day below the 50 day and the Nasdaq trading below the 50day.

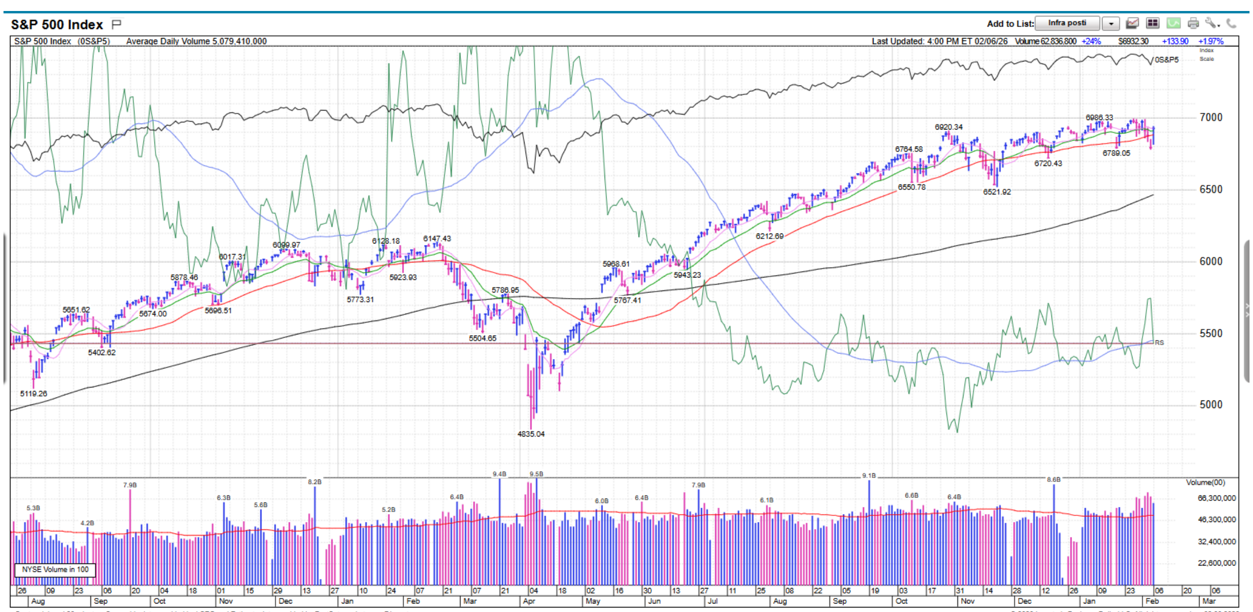
Decisive odds of rate cut remain well out in the future with June 17 meeting (+67%, FedWatch - CME Group).

The US 10-year interest rate fell 6bps to 4.20%.

Stock Market Today/Week: Feb 6, 2026

Index	**Level**	**Day change**	**Week Change**
S&P 500	6,932.30	+1.97%	-0.10%
Nasdaq Composite	23,031.21	+2.18%	-1.84%
Dow Jones Industrial Avg.	50,115.67	+2.47%	+2.50%
US 10 year	4.20%		-6bps

Source: Factset



Source: MARKETSURGE BY INVESTOR'S BUSINESS DAILY

Key events for the week ahead:

Earnings season in full swing as mentioned earlier. Federal Government budget is expected to be passed early in the week.

2/9/2026 CLF DT KD ON

2/10/2026 SAIA NET DDOG AEIS LEU FI

2/11/2026 CSCO GNRC NI WTS TMUS VRT AEE CS CFLT

2/12/2026 VALE IR HWM GEL ETR COIN AMAT GVA EXC

2/13/2026 CCJ TRP ENB

Source: Factset

Bullish talking points: Q4 EPS growth running _13% y/y for S&P500 well above the +8.3% expected at Q4 end. ISM manufacturing highest level since 2022 in January providing support for broadening pro cyclical trade. 10-point jump in new orders, biggest increase since 2021. Massive hyperscaler cap ex (nearly $700B for 2026). Investment showing more signs of paying off as Google Cloud growth accelerated to +48% y/y, 9pp+ above consensus and AWS growth at Amazon accelerated 4pp to +24%, +2pp above consensus. Costco US sales growth up 50bp m/m to +6.8% in January. Feb University of Michigan consumer sentiment highest since last August. AI infrastructure buildout supported is strong as $25B debt raise by Oracle 5x oversubscribed.

Bearish talking points: AI disruption on Software which has lost $1T in market value first three days of last week. Amazon and Google dramatically increased cap ex. JOLTS job openings weakest since September 2020 at 6.5M. Challenger layoffs +205% m/m to 108k in January, highest January total since 2009. Retail not buying the dips as much. Jensen Huang downplayed $100B deal with OpenAI. Memory shortages from AI boom are becoming a growing problem across more tech.

What to do now: Maintaining equity exposure levels.

Appendix:

What kind of positive technical confirmations for a power trend per IBD ("Webby's rules"):

1. Follow through day (FTD)

2. Subsequent FTDs.
3. Close above 21-day exponential moving average (EMA).
4. Low above 21EMA.
5. 3 consecutive days with low above 21EMA.
6. Close above 50-day moving average (DMA).
7. Low above 50dma.
8. 3 consecutive days with low above 50dma.
9. Close above 200dma.
10. Low above 200dma.
11. 3 consecutive days low above 200dma.
12. 21ema moves above 50dma.
13. 21ema moves above 200dma.
14. 50dma moves above 200dma.

In the current rally as of 2/6/2026 all conditions met.

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