

Weekly Market Analysis #602 — 20 February 2026

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This Week

From All Star Charts:

Last week, nearly \$1 trillion in software market cap was wiped out — not because businesses failed, but because expectations changed.

When expectations change, money rotates. And it's not rotating into the next speculative growth story. It's rotating into real cash flows. Tangible assets. Pricing power.

Translation: retailers and consumer brands that use AI...not the companies that sell AI.

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Magnificent 7 (AAPL, AMZN, GOOG/GOOGL, META, MSFT, NVDA, TSLA) have collectively declined ~8% year to date, with ~4–6% drops in the last 2 weeks amid brutal February rotation.

The decline has mostly been driven by skepticism about whether or not their massive capital expenditures are going to pay off in the long run. Ironically, it seems like the drop in SaaS stocks like Salesforce (-13), ServiceNow (-15), Intuit (-13), SAP (-17), Adobe (-10), Workday (-17), Monday.com (-20), and so on may have precipitated the reevaluation of the big AI providers,

A lot of investors are dissolving into “When in trouble, when in doubt, run in circles. scream and shout.” But there are AI categories that continue to climb:

1. AI power users like Walmart. Walmart made a dedicated effort to increase system efficiency and customer satisfaction. Their pilot project was Store #8 in 2017. Things really got rolling in 2023. WMT just made an all-time high while AMZN made a 39-week low.
2. AI “picks and shovels” companies (i.e., suppliers of AI infrastructure essentials like chips, fabrication tools, components, utilities, equipment, etc). For example: NVDA, TSM, AVGO, AMD, ASML, AMAT, AWS, INTC, QCOM, Google Cloud, and so on.

By the way, established AI providers like Palantir are being painted with the same brush as the newer AI headliners. PLTR is down by about 37%, despite the fact that it has future-oriented management, long-term contracts with financially strong customers, and has consistently focused on practical applications of AI for years. They will be among the first to recover and power ahead when investors get over their nervousness. (Watch the 5-year chart, not the 5-month chart.)

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Tony Zhang at StockCharts.COM wrote in [‘The "AI Bubble" Didn't Burst. It Went on Sale’](#):

If you read the headlines over the last two weeks, the narrative is clear: The "SaaSocalypse" has wiped out billions in software market cap, and investors are panic-selling the hyperscalers, convinced that their massive capital expenditure is a repeat of the dot-com excesses.

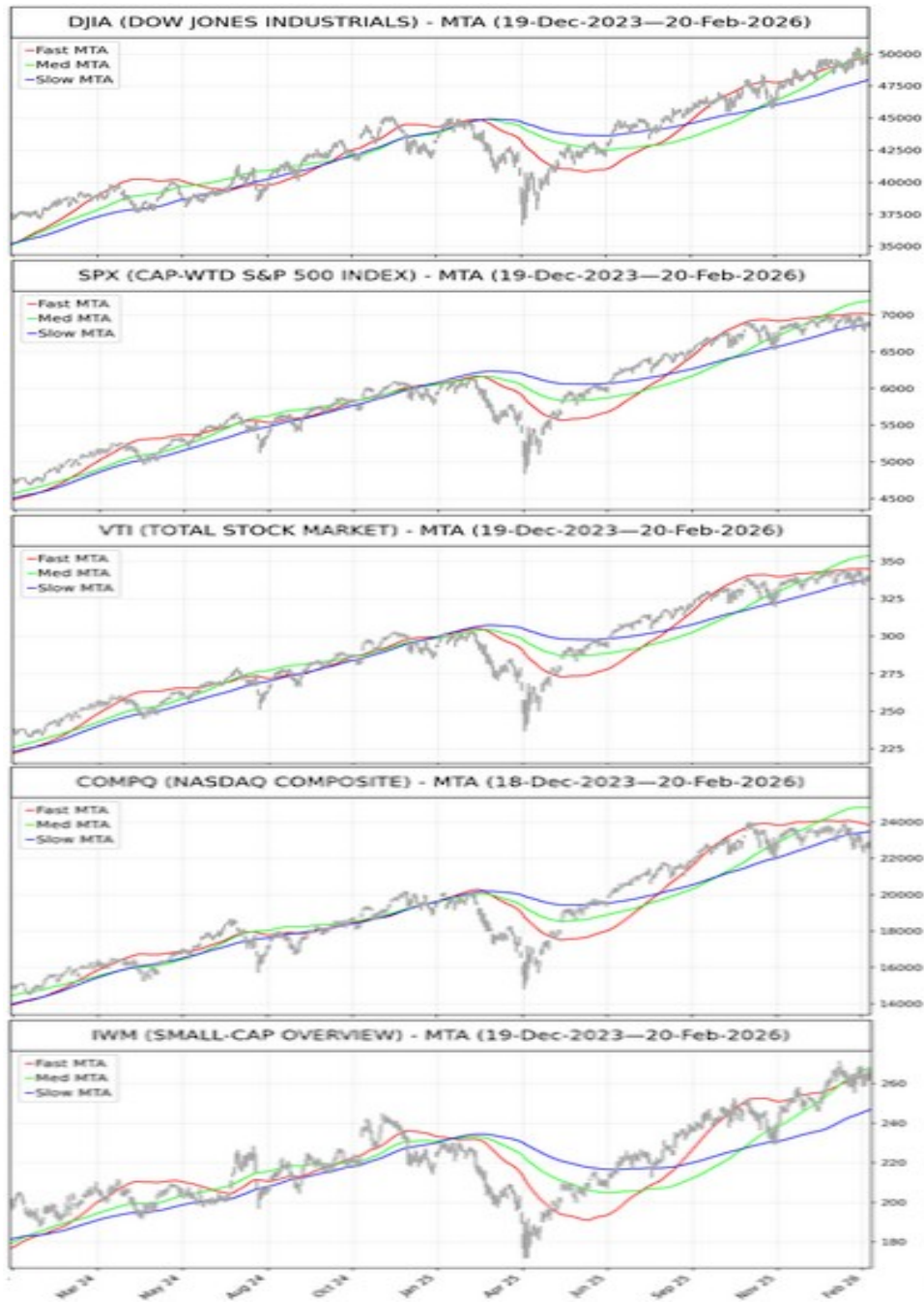
The market is wrong.

According to our latest research, the consensus view that AI infrastructure is "overbuilt" is fundamentally flawed. In fact, we believe it is structurally under-built.

I agree. I think the major AI players have incomplete business plans and are over-committed on spending, but they have only started their building phase. What we're in right now is an individual investors' panic. Remember, for every share sold, there has to be someone buying it. And I think that the professional traders are buying up all the shares they can as the market goes down so they can profit when the AI providers get better organized and the market turns back up.

Market Barometers

The MTAs for all 5 major indexes remain green, but the month-over-month results are far less optimistic, with 4 out of 5 being negative and the other one barely positive.



Month-over-month: DJIA: 0.5%, SPX: -0.1%, VTI: -0.2%, COMPQ: -2.3%, IWM: -1.9%

A Closer Look

The SPX has been bouncing back and forth in a 3% range between \$6800 and \$7000. BPSPX did better than price, as did NYAD. SPXA50R and SPXA200R moved sort of like price this week and are still positive.



[S&P Price](#) [Bullish Percent](#) [Advance-Decline Line](#) [Stocks Above Averages](#)

[Bullish Universe](#)

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[Bearish Universe](#)

← Use this link to get to the live summary table

[Inflation Universe](#)

← Use this link to get to the live summary table

[Auxiliary Universe](#)

← Use this link to get to the live summary table

[Dividend Universe](#)

← Use this link to get to the live summary table

The Relative Strength History table shows the sector with the highest slope at the top and the sector with the lowest slope at the bottom. The lower table shows the corresponding ETFs and their slopes for the current week.

Relative Strength History 28-Nov-2025 to 20-Feb-2026

28 Nov	05 Dec	12 Dec	19 Dec	26 Dec	02 Jan	09 Jan	16 Jan	23 Jan	30 Jan	06 Feb	13 Feb	20 Feb
BIOTC	BIOTC	BIOTC	BIOTC	BIOTC	BIOTC	BIOTC	BIOTC	BIOTC	GOLD	GOLD	GOLD	GOLD
SEMS	SEMS	SEMS	SEMS	GOLD	GOLD	SEMS	SEMS	SEMS	SEMS	SEMS	SEMS	SEMS
GOLD	GOLD	GOLD	GOLD	SEMS	SEMS	GOLD	GOLD	GOLD	BIOTC	BIOTC	ENRGY	ENRGY
HLTHY	HLTHY	HLTHY	HLTHY	HLTHY	HLTHY	HLTHY	DFEND	DFEND	DFEND	DFEND	ENRGY	MATER
TECHS	TECHS	TECHS	TECHS	TECHS	TECHS	DFEND	HLTHY	HLTHY	MATER	ENRGY	MATER	BIOTC
DFEND	SP500	SP500	TRANS	TRANS	TRANS	TRANS	TRANS	TRANS	ENRGY	MATER	DFEND	DFEND
SP500	INFRA	TRANS	INFRA	BANKS	BANKS	BANKS	SALES	MATER	HLTHY	INFRA	INFRA	INFRA
UTILS	DFEND	INFRA	BANKS	INFRA	DFEND	TECHS	BANKS	BANKS	EUROP	TRANS	INDUS	INDUS
INFRA	UTILS	ENRGY	SP500	SALES	SALES	SALES	EUROP	SALES	INFRA	EUROP	TRANS	TRANS
EUROP	TRANS	EUROP	EUROP	SP500	INFRA	EUROP	INFRA	INFRA	TRANS	INDUS	BANKS	BANKS
ENRGY	EUROP	DFEND	SALES	DFEND	EUROP	INFRA	MATER	EUROP	BANKS	BANKS	EUROP	EUROP
COMMS	ENRGY	COMMS	DFEND	EUROP	SP500	SP500	TECHS	INDUS	INDUS	HLTHY	STAPL	STAPL
DISCR	COMMS	BANKS	DISCR	DISCR	DISCR	DISCR	INDUS	ENRGY	SALES	SALES	HLTHY	BLDRS
TRANS	DISCR	DISCR	COMMS	COMMS	COMMS	FINAN	SP500	TECHS	TECHS	STAPL	BLDRS	HLTHY
INDUS	INDUS	SALES	ENRGY	INDUS	FINAN	COMMS	DISCR	DISCR	SP500	SP500	SALES	SALES
INSUR	BANKS	INDUS	INDUS	FINAN	INDUS	INDUS	ENRGY	SP500	DISCR	DISCR	SP500	SP500
FINAN	INSUR	UTILS	INSUR	INSUR	INSUR	MATER	FINAN	COMMS	COMMS	BLDRS	COMMS	REALE
BANKS	SALES	INSUR	FINAN	ENRGY	ENRGY	ENRGY	COMMS	FINAN	STAPL	TECHS	DISCR	UTILS
SALES	FINAN	FINAN	UTILS	MATER	MATER	INSUR	INSUR	BLDRS	BLDRS	COMMS	TECHS	COMMS
REALE	MATER	MATER	MATER	UTILS	UTILS	UTILS	BLDRS	INSUR	FINAN	FINAN	REALE	DISCR
MATER	REALE	REALE	STAPL	STAPL	STAPL	STAPL	STAPL	STAPL	INSUR	REALE	UTILS	TECHS
STAPL	BLDRS	BLDRS	BLDRS	BLDRS	REALE	BLDRS	UTILS	REALE	REALE	INSUR	FINAN	FINAN
BLDRS	STAPL	STAPL	REALE	REALE	BLDRS	REALE	REALE	UTILS	UTILS	UTILS	INSUR	INSUR

Details

Symbol	Slope	Synonym	Sector Name	Symbol	Slope	Synonym	Sector Name
1. GLD	6.62	GOLD	GOLD	13. ITB	2.26	BLDRS	HOMEBUILDERS
2. SMH	5.66	SEMS	SEMICONDUCTORS	14. XLV	1.93	HLTHY	HEALTH CARE
3. XLE	5.37	ENRGY	ENERGY	15. XRT	1.43	SALES	RETAIL SALES
4. XLB	4.53	MATER	MATERIALS	16. SPX	0.96	SP500	S&P 500
5. XBI	4.39	BIOTC	BIOTECH	17. XLRE	0.73	REALE	REAL ESTATE
6. ITA	3.88	DFEND	AEROSPACE & DEFENSE	18. XLU	0.62	UTILS	UTILITIES
7. PAVE	3.71	INFRA	INFRASTRUCTURE	19. XLC	0.50	COMMS	COMMUNICATION SRVCS
8. XLI	3.26	INDUS	INDUSTRIALS	20. XLY	0.27	DISCR	CONSUMER DISCR
9. IYT	3.04	TRANS	TRANSPORTATION	21. IGM	0.21	TECHS	TECHNOLOGY
10. KBE	2.75	BANKS	BANKS	22. XLF	-0.31	FINAN	FINANCIALS
11. VGK	2.70	EUROP	EUROPE	23. KIE	-0.50	INSUR	INSURANCE
12. XLP	2.69	STAPL	CONSUMER STAPLES				

XLB (which invests in chemicals, metals and mining, paper and forest products, packaging, and construction materials) has been incorrectly rated due to data problems. The data has been corrected and now the materials ETF is being rated correctly, which brings it up to fourth place this week.

Compared to last week (after correcting XLB data), 12 of the 23 sectors remained unchanged. Biotech moved down from 3rd to 5th. Energy and Materials moved up 1, while Healthcare and Builders switched places.

Sector Universe

← Use this link to get to the live summary table

The order of the sector ETFs and their synonyms in this SPX Sector Universe Summary table should match the order of the synonyms in the rightmost column of the Relative Strength History Table above. This table provides a quick look at sector MTA status, Relative-Strength, Chaikin Money Flow, the number of weeks since price made a New High and New Low, and the MACD Histogram score.

SPX Sector Universe Summary for 20-Feb-2026								
Symbol	Synonym	Description	Instr	MTA 3	RelStr	CMF	NH/NL	MCHist
GLD	GOLD	SPDR GOLD SHARES	ETF	UP	6.62:1.02	«UP»	3/1	2.7
SMH	SEMIS	SEMICONDUCTORS	ETF	UP	5.66:1.02	UP	3/0	0.6
XLE	ENRGY	ENERGY	ETF	UP	5.37:1.02	-up-	999/0	2.7
XLB	MATER	MATERIALS	ETF	UP	4.53:1.02	up	0/1	1.9
XBI	BIOTC	BIOTECHNOLOGY	ETF	UP	4.39:1.02	-UP-	2/1	-1.0
ITA	DFEND	SPACE & DEFENSE	ETF	UP	3.88:1.02	-dn-	5/0	0.7
PAVE	INFRA	INFRASTRUCTURE	ETF	UP	3.71:1.02	-UP-	451/0	1.6
XLI	INDUS	INDUSTRIALS	ETF	UP	3.26:1.02	up	999/0	1.4
IYT	TRANS	TRANSPORT NDX	ETF	UP	3.04:1.02	«UP»	999/0	1.6
KBE	BANKS	S&P BANK SECTOR	ETF	UP	2.75:1.02	«UP»	1/0	0.9
VGK	EUROP	FTSE EUROPE	ETF	UP	2.70:1.02	-UP-	351/1	1.2
XLP	STAPL	CONSUMER STAPLES	ETF	UP	2.69:1.02	up	999/1	1.4
ITB	BLDRS	HOME CONSTRUCTION	ETF	UP	2.26:1.02	=DN=	21/1	0.8
XLV	HLTHY	HEALTH CARE	ETF	UP	1.93:1.02	-dn-	1/1	-0.0
XRT	SALES	RETAIL	ETF	UP	1.43:1.02	«UP»	2/0	-0.0
SPX	SP500	CAP-WTD S&P 500 INDEX	INDEX	UP	0.96:1.02	«UP»	1/0	-1.2
XLRE	REALE	REAL ESTATE	ETF	DN	0.73:1.02	«UP»	60/0	0.4
XLU	UTILS	UTILITIES	ETF	UP	0.62:1.02	-UP-	999/0	-0.1
XLC	COMMS	COMMUNICATION SRVCS	ETF	UP	0.50:1.02	≡UP≡	1/4	-1.2
XLY	DISCR	CONSUMER DISCR	ETF	UP	0.27:1.02	«UP»	1/11	-1.3
IGM	TECHS	EXPANDED TECH SECTOR	ETF	UP	0.21:1.02	=dn=	1/0	-2.5
XLF	FINAN	FINANCIALS	ETF	UP	-0.31:1.02	«UP»	0/11	-0.6
KIE	INSUR	INSURANCE SECTOR	ETF	DN	-0.50:1.02	«UP»	1/14	-0.2

MoM price changes for the top 5 sectors: [GLD](#): 3.7%, [SMH](#): 3.0%, [XLE](#): 12.2%, [XLB](#): 6.9%, [XBI](#): -5.2%

MoM price changes for the Big 8 (the Mag 7 plus AVGO): [AAPL](#): 6.5%, [AMZN](#): -10.3%, [AVGO](#): 2.2%, [GOOGL](#): -4.7%, [META](#): 1.2%, [MSFT](#): -11.9%, [NFLX](#): -5.8%, [TSLA](#): -8.4%

This Week's Selections

Last week my sector choices were: ITA, IYT, KBE, PAVE, SMH, XBI, XLE, XLI, and BIL (20%)

Top Sector ETFs By Slope

Symbol	MTA	ARI	SSlope	8% Stop	Close	Position
GLD	UP	Up	6.62%	\$431.13	\$468.62	no
SMH	UP	Up	5.66%	\$381.83	\$415.03	Hold 10%
XLE	UP	Up	5.37%	\$50.77	\$54.88	Hold 10%
XLB	Up	Up	4.53%	\$49.33	\$52.96	WATCH+
XBI	UP	Up	4.39%	\$118.48*	\$124.78	Hold 10%
ITA	UP	Up	3.88%	\$224.27	\$243.65	Hold 10%
PAVE	UP	Up	3.71%	\$51.19	\$55.64	Hold 10%
XLI	UP	Up	3.26%	\$163.05	\$177.23	Hold 10%
IYT	UP	Up	3.04%	\$75.81	\$82.40	Hold 10%
KBE	UP	Up	2.75%	\$62.02	\$65.52	Hold 10%
VGK	UP	Up	2.70%	\$82.81	\$90.01	WATCH+
XLP	UP	Up	2.69%	\$82.35	\$87.89	Hold 10%
ITB	UP	Up	2.26%	\$104.48	\$110.91	no
XLV	UP	Up	1.93%	\$146.89	\$156.82	no
XRT	UP	Up	1.43%	\$83.61	\$88.66	no
SPX	UP	Up	0.96%	\$6420.31	\$6909.51	INDEX
URA	UP	Up	5.19%	\$50.01	\$54.36	no

* \$118.48 is a manual stop

Analysis

[GLD](#) – After the steep drop 2 weeks ago, GLD got back above \$450 and is starting to turn up again. [SMH](#) is pulling up away from \$400 again. [XLE](#) made another all-time high and continues its climb on strong money flow. [XLB](#) is in a short consolidation just above \$52. Due to an unnoticed data glitch late last year, I missed an opportunity to get into this in early January. [XBI](#) is now flirting with \$125. I will continue to use \$118.48 as a stop. [ITA](#) is climbing away from support near \$225 and is now above \$240.

[PAVE](#) 's money flow remains strong and it is working on breaking away from \$55. [XLI](#) made another all-time high and is above \$175. [IYT](#) is back up to \$82, eking out another all-time high. [KBE](#) got as high as \$68 but is now trying to break away from \$65. [VGK](#) made a 6.75-year high and is now touching psychological resistance near \$90. [XLP](#) made yet another all-time high and most basic charts are up.

[ITB](#) is in a 23-week converging channel with a mostly-horizontal center line. I'm still concerned about its historical resistance from September near \$120. [XLV](#) is range bound between \$150 and \$160. [XRT](#) has been largely range bound between \$85 and \$90 since December. [SPX](#) continues to swing between \$6800 and \$7000. [XLU](#) made an all-time high but its Smoothed Slope is just now reaching the top of the neutral zone. [URA](#) found support near \$50 but it won't really get interesting until it breaks \$60.

Thoughts and Decisions

I bought XLP on Tuesday for \$52.40 at about 11:00. I seldom buy at the open. Next week, I will buy XLB if it clears \$55, maybe sooner if its money flow continues to remain steady. I'll buy VGK if it clears \$90.

So my sector choices this week are: ITA, IYT, KBE, PAVE, SMH, XBI, XLE, XLI, XLP and BIL (10%).

New Highs and Lows

9 securities made all-time highs, including Consumer Staples and Utilities.

SECURITIES MAKING NEW HIGHS DURING THE WEEK OF 20-Feb-2026					
SYMBOL	COMPANY	INSTR	MTA	SLOPE	WEEKS
EEM	EMERGING MARKETS	ETF	UP	3.75	999
IYT	TRANSPORT NDX	ETF	UP	3.04	999
JNJ	JOHNSON AND JOHNSON (DK)	STOCK	UP	6.64	999
RSP	EQU-WTD S&P 500 INDEX	ETF	UP	1.82	999
WMT	WALMART STORES	STOCK	UP	4.85	999
XLE	ENERGY	ETF	UP	5.37	999
XLI	INDUSTRIALS	ETF	UP	3.26	999
XLP	CONSUMER STAPLES	ETF	UP	2.69	999
XLU	UTILITIES	ETF	UP	0.62	999
ACWX	ACWI INDEX MINUS U.S.	ETF	UP	3.02	901
USMV	USA MIN VOLATILITY	ETF	UP	0.37	721
IEMG	EMERGING MARKETS	ETF	UP	3.56	670
IEFA	EUROPE/AUSTRALIA/FAR-EAST	ETF	UP	2.70	456
IQLT	GLOBAL QUALITY	ETF	UP	2.44	456
PAVE	INFRASTRUCTURE	ETF	UP	3.71	451
EPD	ENTERPRISE PRODUCTS PRINRS	STOCK	UP	2.86	448
EMXC	EMERGING MARKETS x CHINA	ETF	UP	5.28	431
BMO	BANK OF MONTREAL (DS 1829)	STOCK	UP	3.71	414
MO	ALTRIA GROUP (DK)	HLD	UP	1.85	405
ASML	ADVANCED SEMICONDUCTOR MANU.	STOCK	UP	12.02	353
GSK	GLAXOSMITHKLINE PLC	STOCK	UP	7.38	353
AZN	ASTRAZENECA	STOCK	UP	28.62	352
NVS	NOVARTIS	STOCK	UP	5.97	352
VGK	FTSE EUROPE	ETF	UP	2.70	351
AMCR	AMCOR PLC (DK)	STOCK	UP	106.06	316
CM	CANADIAN IMPERIAL BANK (DS 1868)	STOCK	UP	3.95	315
KO	COCA COLA (DK)	STOCK	UP	2.93	315
LMT	LOCKHEED MARTIN	STOCK	UP	9.31	315
ED	CONSOLIDATED EDISON (DK)	STOCK	UP	2.54	314
NEE	NEXTERA ENERGY (DA)	STOCK	UP	3.73	314
SECURITIES MAKING NEW LOWS DURING THE WEEK OF 20-Feb-2026					
FLO	FLOWERS FOODS	STOCK	DN	-3.91	302
RWAY	RUNWAY GROWTH FINANCE	CEF	DN	-2.59	217
HTGC	HERCULES CAPITAL	STOCK	DN	-2.31	110

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