MONTHLY VIEWPOINT

OUR CURRENT VIEW ON MARKETS AND THE ECONOMY

FEBRUARY 2026

FORWARD WEALTH MANAGEMENT

BIG THOUGHT

January's FOMC rate decision, combined with the continued absence of a Supreme Court ruling on IEEPA, left markets largely "comfortably numb" at month end, with equities still struggling to break decisively from their late-October trading ranges. Adding to the policy backdrop, President Trump announced Kevin Warsh as his nominee to lead the Federal Reserve—a strategically important appointment for an administration staring down November midterms ("the Big MaC": Midterms Are Coming).With consumer sentiment at multi-year lows, domestic policy focus is likely to narrow toward a familiar refrain: it's the economy—and affordability—stupid. While the Fed is an independent, non-political institution, the open question is whether Warsh (if confirmed) would push to lower borrowing costs where they matter most—particularly housing—and lean into the positive wealth effects associated with rising asset prices. Doing so would require convincing colleagues to adopt a more flexible framing of the Fed's dual mandate.

DASHBOARD

Valuation	Red
Trend	Green
Economy	Yellow
Inflation	Green
Money Flow	Red
Credit	Yellow

BULLISH

- No deleterious effects from tariffs (Regardless of IEEPA ruling, tariffs will remain)
- Fiscal Deficits are historically bullish, and AI should energize productivity (GDP)
- Warsh appointment likely to deliver monetary easing above concensus
- Robust corporate profit growth for 2025. 2026 earnings estimates rising.

BEARISH

- Market valuation at levels last seen in 2000 and speculative behavior is prevelant
- Global trade restructuring and heightened geopolitics risk negative feed-back loop
- Credit strains appearing in peripheral assets- private lending/BDCs
- Trump's pressure to lower rates (Fed/Treasury) major source of risk to Treasuries

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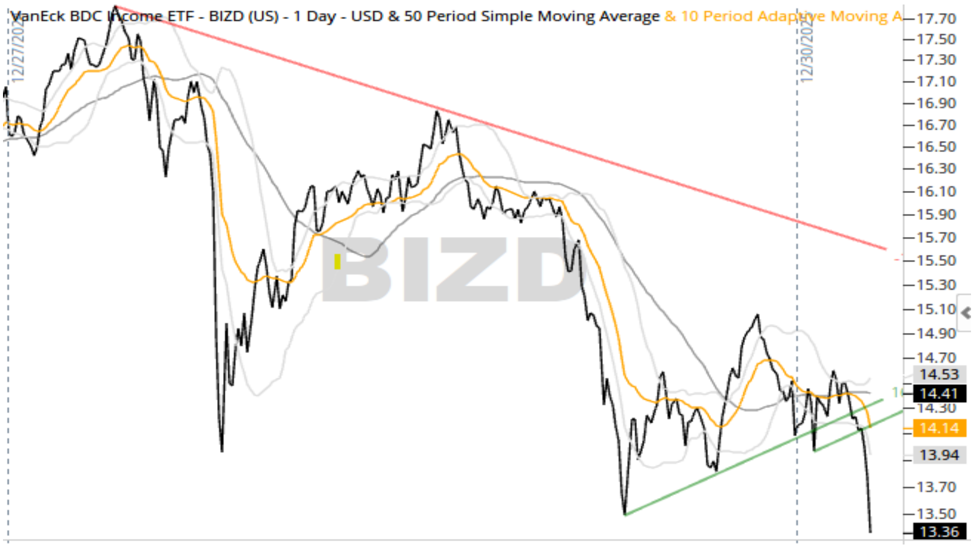
CHART OF THE MONTH



In January, we noted rising volatility (VIX) occurring alongside higher stock prices—a signal that markets were beginning to price in the "left tail" of the return distribution. Those risks are now evident in February's Dashboard assessment. Private credit, in particular, is showing renewed signs of stress, observable even in publicly traded vehicles such as BDCs (see BIZD chart). Apollo Global co-founder Josh Harris recently warned that the surge of capital into private assets is "not going to end well," arguing that many investors underestimate the duration and liquidity constraints embedded in the asset class. At the same time, Money Flow—a measure of institutional buying activity—has weakened, suggesting that institutions have used recent price strength to reduce exposure rather than add risk. While neither indicator, in isolation, signals an imminent "event," the combination warrants attention from risk-conscious investors.

ABOUT FORWARD WEALTH MANAGEMENT

Founded in 2014, Forward Wealth Management provides personalized financial guidance that helps clients find confidence and peace of mind where their goals meet real-world markets and money decisions. Our proprietary framework, TRAC, is a goals-based process that measures and maps Timelines, Resources, and Asset Allocation against current market Conditions and the expected cost of retirement income – helping clients stay on course through changing markets.

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