

Monthly Market Review

FEBRUARY 2026

Global equity markets delivered mixed results in February, with a marked shift in tone and pronounced divergence across styles, sectors and individual companies. While most major regions posted gains, the U.S. lagged: the S&P 500 Index declined 0.9% and the Nasdaq Composite Index fell 3.4%.

Sentiment was weighed down by escalating geopolitical uncertainty, stemming from rising U.S.-Iran tensions (refer to our [Monday, 2 March update](#)) as well as the U.S. detention of Venezuelan President Maduro. Investors also faced renewed trade-related uncertainty after the administration introduced a temporary global import tariff of up to 15% following a Supreme Court ruling that invalidated President Trump's earlier tariff program. A major theme for February was cautiousness towards AI-related disruption, which particularly affected technology, software and SaaS companies.

This rotation away from technology tempered an otherwise solid U.S. corporate earnings season, with 73% of S&P 500 companies reporting positive earnings-per-share surprises. In contrast, other regions advanced. The Euro Stoxx 600 Index gained 3.7%, while Japan's Nikkei 225 Index surged 10.4% following Prime Minister Sanae Takaichi's landslide victory. In Australia, the S&P/ASX 200 Accumulation Index rose 3.7% to close the month at a new record high, supported by a strong reporting season.

Commodity markets also strengthened in February, led by precious metals: Silver gained 10.1% (USD) and Gold rose 7.9% (USD). Oil prices moved higher, with Brent Crude and West Texas Intermediate up 2.5% and 2.8% respectively.

The Australian dollar appreciated a further 2.2% against the USD in February to 71.20¢ (up from 69.60¢ in January), supported by the Reserve Bank of Australia (RBA) lifting the official cash rate by 0.25% to 3.85% – its first hike since November 2023. The RBA now joins the Bank of Japan as the only major developed-world central banks currently tightening policy.

Australia

- The Australian equity market, as measured by the S&P/ASX 200 Accumulation Index, climbed 4.1% in February. Over the month, Materials (+9.0%) and Financials (+8.6%) outperformed, while Healthcare (-13.4%) and Information Technology (-9.1%) lagged the index.
- Australian bonds ended the month higher, with the Bloomberg AusBond Composite Index (AUD) up 0.9%.
- Following higher than expected inflation data and a relatively tight labour market (the seasonally adjusted unemployment rate held at 4.1% in January), the RBA increased interest rates by 0.25% to 3.85% in February. The Board highlighted it is *"focused on its mandate to deliver price stability and full employment and will do what it considers necessary to achieve that outcome"*. The RBA Board will next meet on 17 March, 2026.
- The Westpac-Melbourne Institute Consumer Sentiment Index slipped 2.6% to 90.5 in February, reflecting the impact of rising inflation on household confidence and a more cautious view of medium-term economic conditions.
- Nationally, residential property prices continued to rise, increasing 0.5% as measured by the PropTrack Home Price Index and up 9.1% over 12 months. Hobart climbed 1.0%, while both Brisbane and Adelaide prices rose 0.7%. Notably, national residential property prices increased by 9.1% over 12 months.

International

- U.S. equity markets fell in February, trailing developed market peers. The S&P 500 Index declined 0.9%, while the technology-heavy Nasdaq Composite Index fell 3.4%. Within the S&P 500 Index, Utilities led sector gains (+9.9%), ahead of Energy (+8.8%) and Materials (+8.3%). Consumer Discretionary was the weakest performer (-5.4%), followed by Communication Services (-5.1%) and Information Technology (-4.0%).
- The U.S. fourth-quarter earnings season is now 96% complete, with results broadly positive. According to FactSet, the blended (year-over-year) earnings growth rate of 14.2% puts the S&P 500 on track for its fifth consecutive quarter of double-digit earnings growth.
- Headline U.S. CPI moderated to 2.4% year-on-year in January (from 2.7% in December). Core CPI, (which excludes volatile food and energy) was in line with expectations at 2.5% in the 12 months to January, marking its lowest reading since April 2021.
- In early February, the nomination of Kevin Warsh as the next Federal Reserve Chair had a muted impact on markets as investors anticipated no major shift in monetary policy.
- U.S. 10-year bonds declined 30 basis points, closing February at 3.94% (versus 4.24% in January). The Bloomberg Global-Aggregate TR Index (AUD) climbed 1.4% over the month.
- The Nikkei 225 Index surged 10.4% in February, supported by Prime Minister Sanae Takaichi's landslide victory on 8 February and the increased likelihood of further fiscal stimulus. Meanwhile, the Euro Stoxx 600 Index climbed 3.7%, and the FTSE 100 Index climbed 6.7%.
- Emerging market equities delivered another strong month, climbing 5.4% as measured by the MSCI Emerging Markets Index (USD). The Korean KOSPI was the strongest contributor, up 19.5% over the month (taking CYTD performance to close to 45%).
- The USD Index (the value of the U.S. dollar against a basket of widely recognised, publicly traded currencies) rose 0.6% in February. The Australian dollar continued to rise versus the USD, closing the month at 71.20¢ (versus 69.60¢ in January), recording a 2.2% gain.

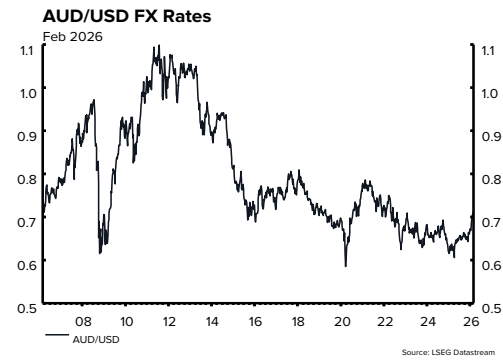
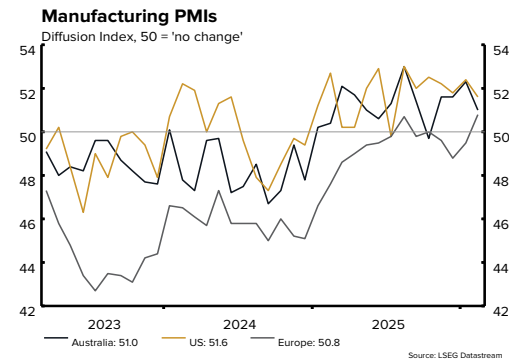
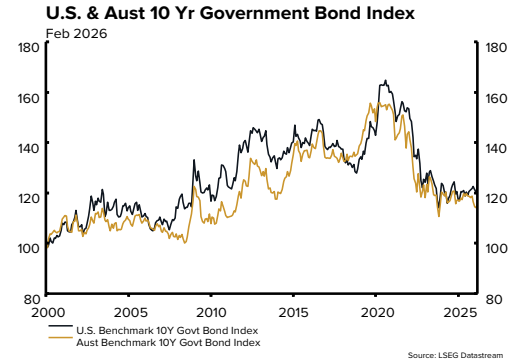
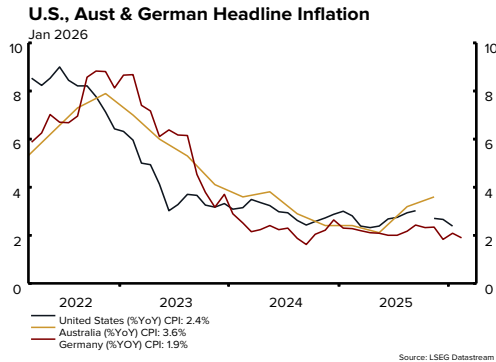
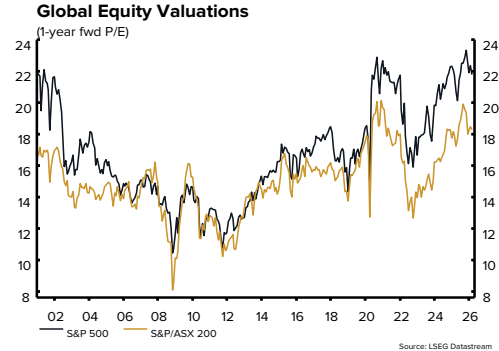
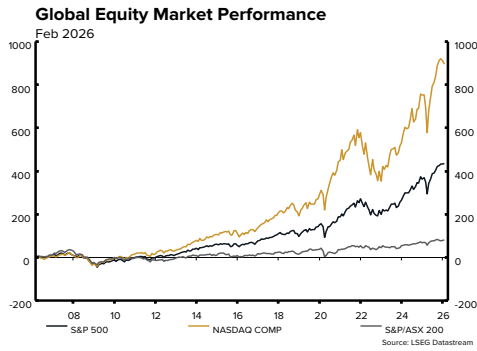
Commodities

- Commodity markets delivered strong outperformance in February. Oil prices continued to firm, with West Texas Intermediate Crude rising 2.8% to US\$67.02/bbl and Brent Crude up 2.5% to US\$72.48/bbl. Copper increased 1.7%, while Iron Ore declined 5.2%. Gold (USD) prices continued to climb, closing February up 7.9% at US\$5,278/oz. Silver closed the month up 10.1% at US\$93.79/oz.

Global Markets – 28 February 2026

Equities	CYTD	1 Month	3 Months	1 Year	3 Years (p.a.)	5 Years (p.a.)
S&P /ASX 200 Accumulation Index (AUD)	6.0%	4.1%	7.3%	16.2%	12.2%	10.8%
S&P/ASX Small Ordinaries Index (AUD)	-0.1%	-2.8%	1.1%	19.9%	9.5%	3.8%
S&P 500 Index (USD)	0.5%	-0.9%	0.4%	15.5%	20.1%	12.5%
Nasdaq Composite Index (USD)	-2.5%	-3.4%	-3.0%	20.3%	25.5%	11.4%
Russell 3000 Index (USD)	0.9%	-0.6%	0.7%	15.6%	19.3%	11.2%
FTSE 100 Index (GBP)	9.9%	6.7%	12.2%	23.8%	11.5%	11.0%
Euro Stoxx 600 (EUR)	7.0%	3.7%	10.0%	13.8%	11.2%	9.4%
Nikkei 225 (JPY)	16.9%	10.4%	17.1%	58.4%	29.0%	15.2%
Hang Seng (HKD)	3.9%	-2.8%	3.0%	16.1%	10.4%	-1.7%
MSCI Emerging Markets Index (USD)	14.7%	5.4%	17.8%	46.8%	18.7%	3.8%
MSCI World Ex Australia (AUD)	-3.8%	-1.1%	-4.7%	5.7%	18.5%	14.4%
Bonds						
Bloomberg AusBond Composite Index (AUD)	1.1%	0.9%	0.5%	3.1%	3.6%	0.6%
Bloomberg Global Agg Bond Index (AUD)	1.6%	1.4%	1.4%	4.5%	4.4%	0.2%
Currency						
AUD/JPY	6.2%	3.1%	8.6%	18.8%	6.6%	6.2%
AUD/USD	6.7%	2.2%	8.7%	14.6%	1.9%	-1.6%

Source: Bloomberg 28 February 2026 (All returns are in local currency terms.)



Please contact your Advisor for further details or [click here](#) for a copy of our latest Quarterly Outlook.

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