

newsquawk

US Market Wrap - 6th February 2026

Stocks rally into weekend as tech leads the way

- **SNAPSHOT:** Equities up, Treasuries flat, Crude up, Dollar down, Gold up
- **REAR VIEW:** US-Iran agreed to continue talks; UoM Sentiment tops expectations; Canada unemployment rate drops; Fed's Jefferson says policy is well positioned; Fed's Daly sees 1 or 2 rate cuts this year; China reportedly approves some rare earth exports to Japan; AMZN hikes FY26 capex outlook, reigniting overspending concerns; Trump admin is reportedly exploring opening an antitrust probe into homebuilders.
- **WEEK AHEAD:** Highlights include US NFP and CPI, Japanese Election, UK GDP and China Inflation. [Click here for the full report.](#)
- **CENTRAL BANK WEEKLY:** Previewing BoC Minutes; Reviewing BoE, RBA, ECB, RBI, Banxico and Riksbank Minutes. [Click here for the full report.](#)
- **WEEKLY US EARNINGS ESTIMATES:** Earnings season continues with highlights including CVS, CSCO, AMAT. [Click here for the full report.](#)

MARKET WRAP

Stocks surged on Friday, recouping some of the recent losses. Upside came despite the weakness in Amazon (AMZN) shares after the company ramped up its FY26 CapEx view. Gains were led by Tech and Industrials, with semiconductors surging, which are largely seen as a beneficiary of the hikes in CapEx plans from tech behemoths. However, it was the Russell that outperformed, followed by the Dow, which crossed 50k for the first time. The heavy caps, Google, Meta and Amazon underperformed on Friday - weighing on the Communication and Consumer Discretionary sector. Health Care was also green, albeit the medicare providers were hit following Molina (MOH) earnings (-30%), weighing on Centene (CNC) and initially others like UNH, HUM and ELV, albeit the latter three stocks managed to turn losses around. The risk on trade supported cyclical currencies with AUD and NZD outperforming, with GBP and CAD also gaining, while the havens - JPY, USD and CNH underperformed. Note, CAD was also supported by the jobs report, while JPY traders were tentative ahead of the election on Sunday. T-Notes were ultimately little changed across the curve with a slightly flatter bias while attention largely turns to next week's events, including US NFP and CPI, as well as Treasury issuance. Data today saw the UoM beat on the headline, while inflation expectations were revised down for the 1-year but revised up marginally for the 5-10 year. Crude prices settled in the green in choppy trade as attention resided on the outcome of US/Iran talks, which appear to have gotten off to a good start, but discussions will continue. Crypto prices rebounded from the recent slump, while gold and silver also surged.

US

JEFFERSON: Fed Vice Chair Jefferson said current monetary policy is well positioned and roughly neutral, allowing flexibility for supply-side developments, with future decisions to remain data-dependent. He is cautiously optimistic about the economic outlook, projecting 2.2% growth in 2026, and sees the job market as stabilizing in a low-hire, low-fire environment, with recent softness tied to reduced demand and immigration challenges. On inflation, Jefferson reaffirmed the Fed's strong commitment to price stability, viewing tariffs as a one-time driver of 2025 inflation, with pressures expected to ease in 2026. He noted that stronger productivity could help temper inflation, and while upside risks remain, inflation should moderate, with December PCE estimated at 2.9% Y/Y - in line with Fed Chair Powell's view.

DALY (2027 Voter, Dove): Said she keeps a "very open mind" on interest rates and currently leans toward more rate cuts in 2026, though it's unclear whether that would mean one or two cuts. She supported the Fed's recent decision to hold rates steady but noted that a case could have been made for a cut. Daly emphasized that to justify easing, the Fed would either need greater confidence that inflation is sustainably falling or see more signs of weakness in the labour market, which she views as more vulnerable than inflation at present. She observed that many workers feel they are walking a "knife's edge," and if the labour market shifts from a "no firing" to a "some firing" environment, the Fed may need to respond with rate cuts. However, she also stated she'd be comfortable holding rates steady for longer if inflation were to reaccelerate.

MICHIGAN: University of Michigan prelim for Feb, saw Sentiment unexpectedly rise to 57.3 from 56.4, despite the forecasted drop to 55. Current Conditions also unexpectedly lifted, printing 58.3 (exp. 54.9) from 55.4. Expectations fell more than expected to 56.6 from 57.0 (exp. 56.7). Inflation expectations were mixed. The 1yr fell to 3.5% from 4.0% while the 5yr ticked higher to 3.4% from 3.3%. UoM Director Hsu noted that sentiment surged for consumers with the largest stock portfolios, while it stagnated and remained at dismal levels for consumers without stock holdings. "Concerns about the erosion of personal finances from high prices and elevated risk of job loss continue to be widespread".

FIXED INCOME

T-NOTE FUTURES (H6) SETTLED HALF A TICK LOWER AT 112-03+

T-Notes flatten ahead of supply and key macro data next week . At settlement, 2-year +1.5bps at 3.498%, 3-year +1.2bps at 3.569%, 5-year +0.3bps at 3.755%, 7-year -0.1bps at 3.973%, 10-year -0.4bps at 4.206%, 20-year -0.8bps at 4.796%, 30-year -0.8bps at 4.855%.

THE DAY: T-Notes flatten in quiet trade, as price action was likely profit taking from the upside seen on Thursday following the soft labour market data, which saw 10-year yields fall by 7bps - the largest move in the 10-year this year so far. Attention next week turns to supply with 3, 10 and 30-year issuance due from the Treasury, while corporate supply may also pick up following a busy few weeks of earnings. Next week also sees key data from the US, including the delayed January NFP report, now scheduled for Wednesday, with US CPI on Friday. The focus today was largely on geopolitics, particularly around the US and Iran talks - which are seemingly off to a good start but with more discussions to follow. Meanwhile, data saw the preliminary February UoM report, where headline sentiment rose to 57.3 from 56.4 and above the 55 forecast. The upside was led by current conditions rising to 58.3 from 55.4, above the 54.9 forecast, while forward-looking expectations eased to 56.6 from 57.0, marginally below forecasts. The inflation expectation saw the 1-year drop to 3.5% from 4.0%, while the 5-year rose to 3.4% from 3.3%. Meanwhile, we saw Fed speak from Vice-Chair Jefferson, San Francisco Fed's Daly and outgoing Atlanta Fed President Bostic. Jefferson largely toed a neutral stance, noting policy is roughly neutral. Daly highlighted how businesses are more optimistic than consumers, while Bostic said sentiment in his district is one of cautious optimism, noting they need to keep policy restrictive to get inflation to 2%. Looking ahead, and when trade reopens after the weekend, attention might reside around the reaction in JGBs following the Japanese election.

SUPPLY

Bills

- US to sell USD 90bln of 6-week bills on February 10th; to sell USD 89bln 3-month bills and USD 77bln of 6-month bills on February 9th; all to settle on February 12th

Notes

- US to sell USD 58bln in 3-year notes on February 10th, USD 42bln in 10-year notes on February 11th, and USD 25bln in 30-year bonds on February 12th.

STIRS/OPERATIONS

- Market Implied Fed Rate Cut Pricing: March 1.3bps (prev. 1bps), April 5.3bps (prev. 5.3bps), June 16.8bps (prev. 16.8bps), December 49.2bps (prev. 49.2bps).
- NY Fed RRP op demand at USD 3.11bln (prev. 1.75bln) across 6 counterparties (prev. 6)
- EFRR at 3.64% (prev. 3.64%), volumes at USD 110bln (prev. 109bln) on February 5th
- SOFR at 3.65% (prev. 3.65%), volumes at USD 3.228tln (prev. 3.310tln) on February 5th.

CRUDE

WTI (H6) SETTLED USD 0.26 HIGHER AT 63.55/BBL; BRENT (J6) SETTLED USD 0.50 HIGHER AT 68.05/BBL

The crude complex ended a choppy day with gains amid broad-based risk-on sentiment, despite US-Iranian talks. On the day, WTI and Brent moved lower throughout the duration of the EU session to hit troughs of USD 62.20/bbl and 66.56, respectively, before rebounding through the US afternoon to settle off highs, as benchmarks were seemingly tracking risk-on sentiment, amid the rebound in US stocks and tech. US/Iran talks did not yield much new, although in conclusion of the meeting in Muscat, delegations returned to their capitals for further consultations, with the Iranian foreign minister noting the two agreed on continuous negotiations and the wall of mistrust should, and must, be overcome. In more recent reports, a regional diplomat briefed by Iran remarked that Tehran insists on its right to enrich uranium during talks with US, and believes US negotiators seemed to understand Iran's stance on enrichment. Meanwhile, on the parties present, Axios sources noted Trump's advisers Witkoff and Kushner met directly with Iran's foreign minister Abbas Araghchi in Oman. Note, this saw energy come off highs. For the record, the weekly Baker Hughes rig count saw oil rigs rise by 1 to 412, natgas lift 5 to 130, leaving the total up 5 to 551.

EQUITIES

CLOSES: SPX +1.90% at 6,927, NDX +2.15% at 25,076, DJI +2.52% at 50,140, RUT +3.53% at 2,669

SECTORS: Technology +4.13%, Industrials +2.86%, Energy +1.88%, Real Estate +1.84%, Materials +1.80%, Financials +1.79%, Health +1.78%, Consumer Staples +1.34%, Utilities +0.54%, Consumer Discretionary -0.64%, Communication Services -1.49%.

EUROPEAN CLOSES: Euro Stoxx 50 +1.20% at 5,997, Dax 40 +0.93% at 24,720, FTSE 100 +0.59% at 10,370, CAC 40 +0.43% at 8,274, FTSE MIB +0.13% at 45,877, IBEX 35 +1.11% at 17,943, PSI +1.27% at 8,890, SMI +0.34% at 13,512, AEX +1.04% at 995.

EARNINGS:

- **Amazon (AMZN):** Profit missed and alarmed investors by forecasting a sharply higher CapEx driven by aggressive investment in AI infrastructure. For a full Newsquawk sell-side piece, please click [here](#).
- **Bloom Energy (BE):** EPS and revenue beat with strong FY outlook.
- **Coty (COTY):** EPS light, withdrew FY26 guidance and warned of a weaker-than-expected next quarter, citing a leadership transition and challenging beauty market backdrop.
- **Doximity (DOCS):** Adj. EBITDA light alongside weak next and FY revenue view.
- **Fortinet (FTNT):** Strong Q4 metrics with solid FY and next quarter revenue view.
- **Molina Healthcare (MOH):** Dismal FY outlook and will exit MAPD product for 2027; weighed on other healthcare names.
- **Reddit (RDDT):** Top and bottom-line surpassed Wall St. consensus.
- **Roblox (RBLX):** Revenue topped with strong guidance.
- **Under Armour (UAA):** Surprise profit per share, revenue beat accompanied by solid FY EPS outlook.

STOCK SPECIFICS:

- **Apple (AAPL)** is scaling back plans for an AI-based virtual health coach.
- **GE Aerospace (GE)** raised quarterly dividend c. 30% to USD 0.47/shr (prev. 0.36).
- **Stellantis (STLA)**: Will take a EUR 22.2bln charge as part of a business reset.
- **Williams Companies (WMB)** is said to explore potential natural gas agreements for data centres, according to reports.
- DoJ investigating in merge probe whether **Netflix (NFLX)** has engaged in anticompetitive tactics, according to WSJ. Also of note for **Warner Bros (WBD)** and **Paramount Skydance (PSKY)**.
- H&F reportedly in talks for a buyout of **Bill Holdings (BILL)**, according to Bloomberg.
- US FDA Commissioner Makary recently said the FDA will be taking action against Cos. producing "illegal copycat drugs". Of note for **Hims & Hers Health (HIMS)**.
- US President Trump's admin is reportedly exploring opening an antitrust probe into homebuilders, according to reports. Of note for **Toll Brothers (TOL)**, **Lennar (LEN)**, **KB Home (KBH)**, and **D.R. Horton (DHI)**.

FX

The Dollar was weaker on Friday amid broader risk-on sentiment, as US equities, and in particular tech, try to recoup some of the week's heavy losses. For the Greenback specifically, there wasn't too much headline-driven newsflow, as Fed speak (Jefferson, Bostic, Daly) added little new and as traders await the delayed US payrolls report next Wednesday. We did get prelim UoM for February, which saw sentiment and conditions rise and top analyst forecasts, although expectations did fall marginally short. 1yr ahead inflation expectations tumbled to 3.5% from 4.0%, while the longer-term 5-10yr ticked higher to 3.4% from 3.3%.

G10 FX was more-or-less firmer across the board and benefitted from the selling in the Dollar, although the Yen, flat, underperformed given the risk tone and ahead of the Japanese election on Sunday. Sentiment was also weighed by weak Japanese Household Spending data overnight, while BoJ's Masu reiterated the Bank would raise rates if economic and price conditions align with its outlook. USD/JPY traded between 156.51-157.15.

As expected in risk-on trade, **Antipodeans, Pound** and the **Loonie**, saw outperformance, with the Aussie and Kiwi clear gainers as they were also supported by gains in precious metals. AUD/USD hit a peak of 0.7025 and NZD/USD of 0.6027. As mentioned, **GBP** firmed to see Cable hit a peak of 1.3624, although sentiment around the Pound remains cautious as calls continue to intensify for PM Starmer to resign following mounting political pressure.

USD/CAD saw a knee-jerk lower to a trough of 1.3624 following the Canadian jobs report, whereby Employment in January fell 24.8k (exp. 7k, prev. 8.2k), alongside the unemployment rate tumbling to 6.5% (exp. 6.8%, prev. 6.8%). Although the headline missed, the jobs lost were due to part-time workers, with full-time employment rising in January.

In **Europe**, there was a slew of ECB commentary following the non-event ECB on Thursday, which had little market impact, while the Survey of Professional Forecasters showed inflation expectations largely unchanged and only a slight 2026 GDP upgrade. **SEK** saw weakness after Swedish CPIF Y/Y Prelim for January rose 2%, shy of the expected, and previous, 2.1%.

In **EMFX**, overnight, the RBI kept rates unchanged at 5.25%, as expected, via a unanimous decision, and also voted to maintain its policy stance. RBI stated that the current policy rate is appropriate, and underlying inflation remains low, while the Indian economy is on a steady and improving trajectory, but noted that external headwinds intensified since the last meeting.

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