MONTHLY VIEWPOINT

OUR CURRENT VIEW ON INVESTMENTS AND THE ECONOMY

FEBRUARY 2026

PARALLEL PORTFOLIOS

BIG THOUGHT

Did this feel like the longest January ever? Between nonstop geopolitical headlines, market volatility and even the extreme cold and snow in parts of the country not accustomed to it, most were ready to turn the calendar. Importantly beyond all of that there were positives for financial markets. Top of the list is earnings season, which has been mostly strong. In fact, earnings for the broader market are expected to grow double digits this year. Should that prove true it should be a tailwind for stocks, but not without potential volatility as described on the next page. It is beginning to feel like more than just a short-term event as international, small caps, value, commodities and other long neglected investments perform well. This broadening of the market is another positive that frankly we had hoped to see for years now. In addition to those broad investment opportunities, we are also adding new investments in healthcare, while continuing to believe in the long-term impact of AI. Lastly, we are excited to be launching a new quantitative based stock portfolio. Please reach out to your advisor for additional information.

DASHBOARD

- TREND
- VALUATION
- SENTIMENT
- ECONOMY
- CREDIT

BULLISH

- Market breadth healthy with small caps and international performing well
- Recent inflation data moderate
- Double digit earnings growth expected in 2026
- Corporate profit margins are strong
- Stock market in uptrend

BEARISH

- Perceptions of risk to Fed independence
- Market valuation above average
- China relations and risk of attack on Taiwan
- Do commodity prices foreshadow future inflation
- Job market is weakening

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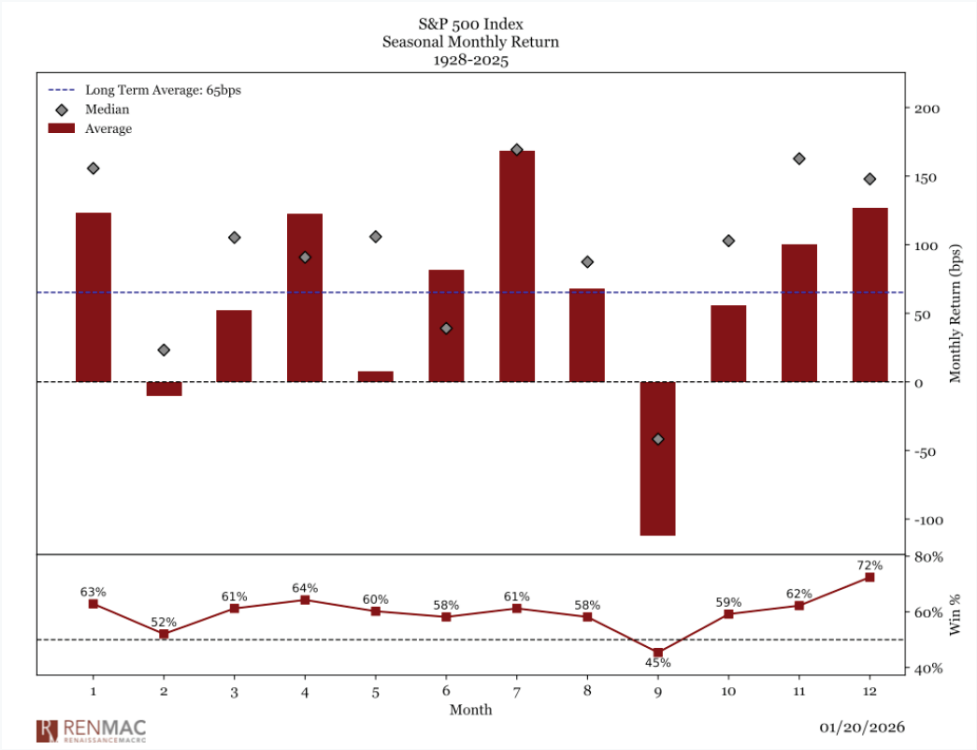
CHART OF THE MONTH



Historically February has been the second worst month of the year for stocks. Dating back to 1928 it has averaged a slightly negative return and is only positive about half of the years. Of course, at any given time there are many factors impacting financial markets and seasonal tendencies are well down the list of importance. What if there is a correction this month, or anytime this year? Consider that in each of the past three years the S&P 500 had intra-year declines of 8-19% and yet each year finished with double digit gains.

GREG TOWNER, CFA, CMT

CHIEF INVESTMENT OFFICER

Mr. Towner has worked in the investment industry since 1999 and received his MBA from the University of Central Florida and BA from the University of Mount Union. At Parallel he oversees the implementation of the firm's overall investment philosophy and is the Senior Portfolio Manager for several strategies. Prior to his current role Mr. Towner was comanager of large cap core and equity income portfolios totaling approximately $1 billion at Sterling Capital Management. He holds the designations of Chartered Financial Analyst and a Chartered Market Technician.

BRIAN BOUGHNER, CFA, CMT

PRINCIPAL

Mr. Boughner has worked in the investment industry since 2000 and holds a BS from Florida State University. He is a cofounder of Parallel, a Senior Portfolio Manager for several strategies and has developed the firm's quantitative tools. Prior to Parallel he had extensive experience with U.S. Trust, BB&T Wealth, Royal Bank of Canada (RBC Centura), Amsouth Bank, and Charles Schwab Co. Mr. Boughner holds the designations of Chartered Financial Analyst and Chartered market Technician.

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