

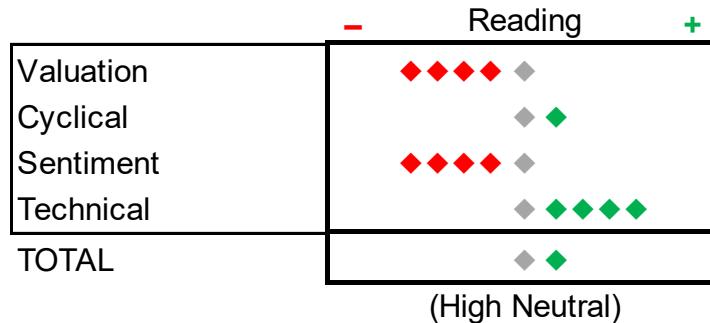
MAJOR TREND INDEX



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Report Date: February 9, 2026
Data for Week Ending: February 6, 2026

Major Trend Index



The Major Trend Index ended the week of February 6th at High Neutral. Our bellwether indexes provided another cluster of confirmation for the health of this market, with five of the eight posting new all-time highs on Friday. However, the dispersion of returns for the first week of February was considerable. The S&P 400 and 600 both gained roughly 4%, while the cap-weighted S&P 500 needed every bit of Friday's 2% gain to break even for the week. Net equity exposure in Leuthold tactical accounts moved higher and sits at 59%.

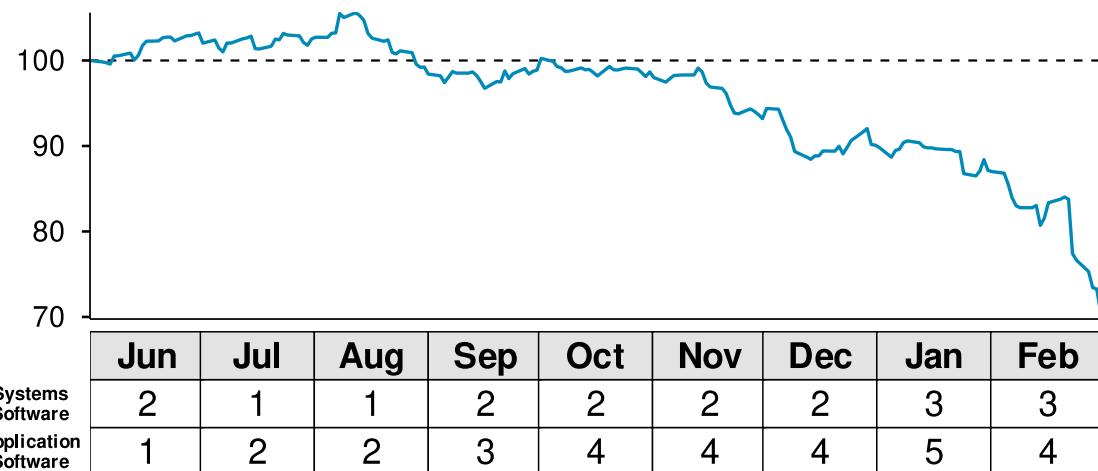
The previously bulletproof chart score for the Nasdaq Composite is now one of our weakest line items in the Trend category of our Technical work. That index, down 2% last week, is now 15 weeks removed from its all-time-high watermark. Blame the deepening selloff in software and professional services companies for a good chunk of the S&P 500 and Nasdaq's relative weakness. On the heels of Anthropic's new AI co-work agent, which promises to automate tasks across legal, sales, marketing, and data analysis (gulp), the S&P 500 Software Index is down 16% in the last eight sessions. For now, the promise of artificial intelligence has flipped from a tailwind to a headwind for a sizable portion of the Tech industry.

Our Group Selection Scores for Application Software and Systems Software have navigated this relative weakness very well. Both deteriorated last fall and we sold our underweight position in Systems Software in December. In addition, Application Software names have steadily migrated to the short equity sleeve of our tactical accounts during this span.

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S&P 500 Software Relative to S&P 500

with Leuthold Group Scores



1 - Attractive, 2 - High Neutral, 3 - Neutral, 4 - Low Neutral, 5 - Unattractive

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Alternative asset managers have also been dinged by the software slump. For them, the exposure cuts two ways, as software firms have been a large part of two very profitable business lines. A re-rating of tech and tech-adjacent firms within private equity vehicles will lower carry fees, while the private credit side is vulnerable to redemptions and, in a more adverse outcome, defaults.

The Technical factors have been at the wheel of the MTI bus for a few years now and it's driving record during that span is quite impressive. Recent deterioration in a handful of tech-heavy chart scores has been balanced out by improving breadth and leadership—a combination most all-cap active managers have been eagerly anticipating.