

Financial HARTbeat

Big Tech
Feb 6th 2026



Good Morning,

AI and technology seem to be sliding...funny...doesn't AI make big tech more profitable not less...I think yes...but multiples seem to be ahead of themselves.

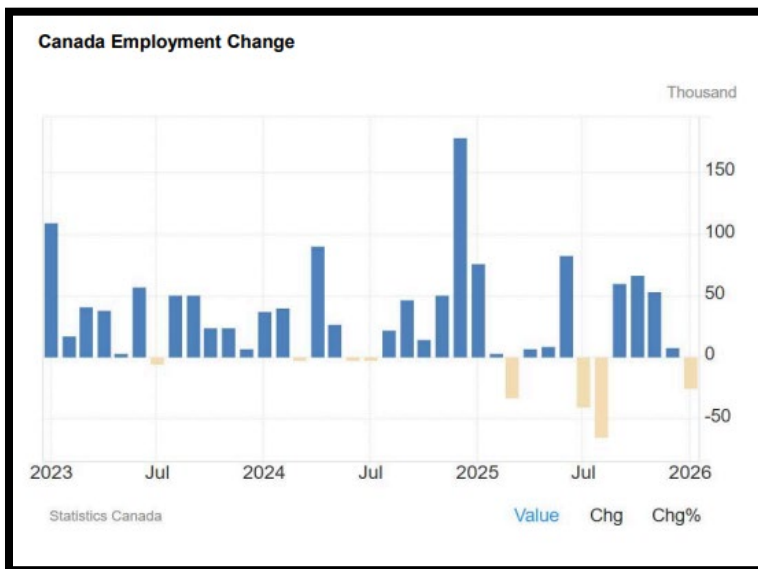
Social Media bans popping up around the world...does this halt, hinder or change the future of this..

SpaceX appears to be a conglomerate in the making....xAI (which is Xs AI division) appears to be purchased by SpaceX...what else rolls in here in the future? This IPO will be one to watch this year...

Catch the playback of our Weekly Roundup [Click here](#)

Also, catch the playback of our Annual Outlook [Click here](#)

Chart of the Day: if you watch my daily yesterday...I said this will be a major driver of rates this year.



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Top News

U.S. stock index futures move higher this morning after a bruising selloff in technology shares earlier this week, while Amazon drops as it became the latest Big Tech company to crank up its spending toward artificial intelligence initiatives. Amazon is sliding nearly 8% in premarket trading, after the company forecast a more than 50% jump in capital expenditures this year, adding on to the "Magnificent Seven" spending spree to expand AI infrastructure. Software and data-services shares begin to find their footing after a punishing week fueled by worries that fast-improving AI tools could erode demand for traditional businesses. The AI trade, one of the biggest engines of last year's rally, is now facing a substantial stress test as money flows into defensive havens such as consumer staples and telecoms. That rotation is unfolding just as risky assets are scaling back, with bitcoin down 50% from its October peak.

Futures for Canada's main stock index are rising this morning, indicating a positive start to the day after a sharp selloff in the previous session, as precious metals rebounded and oil prices climbed ahead of U.S.–Iran negotiations in Oman. Spot gold is gaining more than 2%, and looks set for a modest weekly gain, while silver is climbing over 4%, though still on track for steep weekly losses. Oil prices advance, though they look set for the first weekly decline in seven, with investors concerned about lack of consensus on the meeting agenda between the U.S. and Iran.

Investors now turn their attention to Canada's jobs data for January. Canada unexpectedly lost 24,800 jobs in January but the unemployment rate dipped to a 16-month low of 6.5% as fewer people looked for work, Statistics Canada indicated (see chart). Europe's benchmark shares index is slightly up this morning as carmaker Stellantis' dour preliminary results and concerns about the outlook for software companies were overpowered by a jump in defence company Kongsberg.

Stellantis stock triggered a trading halt after it tanked 23%, setting the stage for its biggest drop ever and sending the broader auto sector index down more than 3%. The Franco-Italian company booked charges of around 22.2 billion euros in the second half of last year as it scaled down electric-vehicle development plans. Meanwhile, defence stocks are among top gainers with a 1.4% rise.



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Norway's Kongsberg jumped 15% after reporting a bigger-than-expected rise in operating profit for the fourth quarter. It also won a \$165 million order from Germany and Sweden for remote weapon stations. Banks, which have rallied for much of last year, are up about 1%. Societe Generale climbed nearly 8% after the French lender lifted a key profitability target for 2026 and beat fourth-quarter profit forecast. On the data front, German exports rose by 4.0% on the previous month in December, surpassing a forecast 1% increase. By contrast, German industrial production fell more than expected in December by 1.9% compared with the previous month. Analysts had predicted a 0.3% fall.

Mainland China and Hong Kong shares ended lower, as a global selloff in technology shares and sharp losses in silver futures dampened investor sentiment.

Japan's Nikkei share average rose, recovering from early losses to extend a weekly gain, as investors took in quarterly earnings from major companies while remaining cautious ahead of a crucial election on Sunday.

Reasonable Valuation for Stocks (Argus)

Raising GDP Forecasts We are raising our 2026 GDP growth forecast to 2.3% from 2.2% and lifting our 2027 growth estimate to 1.8% from 1.7%. The \$31 trillion U.S. economy remains on course for modest growth, powered by corporate investments in AI and outsized spending by the wealthiest households. Unemployment remains low, the Fed's late-2025 rate cuts are a tailwind, and last year's tax legislation should result in healthy refunds and cash in consumers' pockets this spring. Recent economic data has been better than we expected. Yes, hiring remains slow, but the jump of almost 10 points in the Institute of Supply Management's Index of Manufacturing New Orders is an impactful upside surprise. The advance estimate of 4Q GDP will be released on February 20. We expect 3.1% growth, up from 2.4%, which will boost our estimate for 2025 GDP growth to 2.6% from 2.5%. We expect 2.6% GDP growth in 1Q26, followed by 2.5%, 2.3%, and 2.0% quarterly growth for the remainder of 2026. Indicators driven by a broad array of data are projecting continuing near-term growth. On February 2, the best known of these timely indicators, the Federal Reserve Bank of Atlanta's GDP Nowcast, provided an estimate for a 4Q GDP increase of 4.2%, with Personal Consumption Expenditures (PCE) projected to grow 3.1%. The categories where we would see AI investment are adding about a half point of growth. There are almost



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1.5 points of growth coming from net exports and inventory accumulation, which are more than we would expect on an ongoing basis.

On January 30, the Federal Reserve Bank of New York's Staff Nowcast for 4Q called for 2.74% growth, with a 70% probability range of 0.90% to 4.67%. The 1Q26 Nowcast is projecting 2.73% growth. The Weekly Economic Index tracked by the Federal Reserve Bank of Dallas is based on 10 daily and weekly indicators of consumer behavior, the labor market, and production. If, for example, an index value of 2% persisted for an entire quarter, the index would suggest that quarter's GDP would be 2% higher than a year ago. For the week ended January 24, 13-week moving average was 2.26%.

Bond Yields (bps (basis points) negative means prices up and positive means prices down)

Figure 1: Key Interest Rates (Canada & U.S.)

Canadian Key Rate	Last	Change bps	Canadian Key Rate	Last	Change bps
CDA o/n	2.25%	0.0	CDA 5 year	2.93%	2.0
CDA Prime	4.45%	0.0	CDA 10 year	3.41%	0.8
CDA 3 month T-Bill	2.20%	0.0	CDA 20 year	3.75%	1.5
CDA 6 month T-Bill	2.25%	0.0	CDA 30 year	3.87%	1.5
CDA 1 Year	2.35%	0.0			
CDA 2 year	2.57%	1.8			
US Key Rate	Last	Change bps	US Key Rate	Last	Change bps
US FED Funds	3.5-3.75%	0.0	US 5 year	3.74%	-0.7
US Prime	6.75%	0.0	US 10 year	4.20%	-0.8
US 3 month T-Bill	3.59%	-0.3	US 30 year	4.86%	-0.8
US 6 month T-Bill	3.60%	-0.4	5YR Sovereign CDS	34.24	
US 1 Year	3.45%	-0.1	10YR Sovereign CDS	44.19	
US 2 year	3.49%	0.2			
Preferred Shares Indicators	Last	Daily %	YTD		
S&P Preferred Share Index	694.02	-0.01%	-0.32%		
BMO Laddered Preferred Shares (ETF)	12.33	-0.08%	0.00%		

Source: LSEG

Things are looking up! Have a great day!

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