

The Macro Outlook: Navigating Macro & Geopolitical Crosscurrents

The key events for the w/c 23 February 2026: US tariff ruling fallout, State of the Union, earnings, data (PPI), and geopolitical headline risks.

Outlook for the week ahead

Events in the coming week highlight the macroeconomic and geopolitical crosscurrents facing markets right now. While the U.S. domestic data calendar is relatively light this week, broader uncertainty is being shaped by renewed trade policy upheaval, structural technological change, and heightened geopolitical risk. As markets digest the administration's latest pivot toward a 15% blanket tariff, President Trump will give the State of the Union address this week, likely addressing trade, tariffs, and the upcoming midterms.

Beyond Washington, market sentiment regarding AI capability is shifting from broad excitement toward a more critical assessment of viability across sectors, placing tech earnings under the spotlight this week. Simultaneously, the geopolitical environment remains one of elevated risk; tensions with Iran have intensified following the US President's 10-to-15-day ultimatum.

With Fed officials, such as Governor Waller, providing his latest assessment of the US economic outlook, and key data points from Australia, Japan, and Canada filling the gaps, the week ahead is less about new data and more about how these forces might shift or reshape economic expectations for 2026.

Key factors & events to watch this week:

US Trade & Policy: The State of the Union and the Tariff Pivot

- Focus: the weekend announcement of a pivot to a 15% blanket tariff, plus what the Supreme Court ruling will mean for existing or newly negotiated trade deals. This is a fluid situation with many open questions, especially about how the administration will navigate this ruling and what it will mean for the broader economy.
- US President Trump's State of the Union speech.

Technology: From AI Excitement to Structural Repricing

- Earnings, and especially tech earnings, will be in focus this week (Nvidia).

The Fed & Inflation: Parsing the Last of 2025

- There will be several US Fed speeches, but of note will be Fed Gov Waller on the Economic Outlook – usually an important speech that will provide his updated view of growth, inflation,

and labor market risks. Gov Waller was one of two dissents at the last FOMC meeting – preferring a further 25bps cut. Gov Waller will also give another speech later in the week on “Technology”.

- Fed Governor Cook will give a speech on AI and Productivity, and Vice Chair (Supervision) Bowman will provide testimony at the Hearing on Update from the Prudential Regulators.
- US PPI for Jan will be released this week (Fri) – an important catch-up release, providing key inputs for the more up-to-date PCE price index data for Jan. Headline PPI for Jan is expected to slow to +0.3% over the month in Jan (from +0.5% in Dec), while the annual headline rate is expected to slow to +2.6% in Jan (from +3% in Dec). Core PPI is expected to increase by +0.3% over the month in Jan (from +0.7% in Dec), while the annual rate is expected to slow to +3% in Jan (from +3.3% in Dec).

Global Data

- Australia: The new monthly CPI series for Jan is expected to show little change in core measures of CPI. From the prior report, the Dec trimmed mean came in at +3.3% over the year, while the median CPI came in at +3.6% over the year. Inflation remains a key area of concern for the RBA. Aus GDP partials will also be released throughout the week.
- Japan: Tokyo CPI for Feb; the core CPI – ex fresh food is expected to slow to +1.7% over the year in Feb from +2% in Jan.
- Canada: GDP for Q4 will be important ahead of the BoC’s assessment of economic activity. While growth in Q3 had come in higher than expected at +0.6%, there was concern that growth may have stalled through Q4.

Geopolitical Risks

- Iran: Based on the 19 Feb announcement of a 10–15-day deadline for Iran to make a deal on its nuclear program or face possible military action, this is an important week in the lead-up to that deadline.

US Treasury Issuance; 23 - 27 February 2026

This week, the US Treasury will auction and settle approx \$562bn in ST Bills, FRNs, and 30-Year TIPS, raising approx. \$74bn in new money. The US Treasury will also auction the 2-year, 5-year, and 7-year Notes this week – to settle on 2 Mar. Approx \$10bn in ST Bills will mature on the Fed balance sheet and will be reinvested.

WEEK	Auction Date	Settlement Date	Marketable Securities	Auction Amount \$B (TBAC)	Amount Maturing \$B	New Money \$B	Actual	Prior Auction High Rate %
23 - 27 Feb	19-Feb	24-Feb	4 week Bill	105			Actual 3.625%	3.630%
	19-Feb	24-Feb	8 week Bill	95			Actual 3.630%	3.630%
	18-Feb	24-Feb	17 week Bill	69			Actual 3.595%	3.595%
				269	254	15		
	23-Feb	26-Feb	13 week Bill	89			Announced	3.600%
	23-Feb	26-Feb	26 week Bill	77			Announced	3.500%
	24-Feb	26-Feb	6 week Bill	90			Announced	3.640%
				256	234	22		
	25-Feb	27-Feb	2-yr FRN	28			Announced	
	19-Feb	27-Feb	30yr TIPS	9			Actual 2.473%	2.650%
				37		37		
	Total - securities settling this week			562	488	74		
	Net New Cash Raised Qtr to Date			4930	4553	377		
	<i>Estimated Net Cash to be Raised Q1 (\$ Bn)</i>					574		
Upcoming Auctions				\$B				
	24-Feb	02-Mar	2yr Note	69				
	25-Feb	02-Mar	5yr Note	70				
	26-Feb	02-Mar	7yr Note	44				
				183				
Face value of US Fed SOMA securities maturing				\$B				
	Maturing & reinvestment							
	24-Feb		ST Bills	0.8				
	26-Feb		ST Bills	9.6				
				10.3				

Reserve Management Purchase (RMP) Operations

Operations commenced on 12 Dec 2025. See announcement [here](#). See operation details and announcements [here](#) and [here](#).

SOMA Reinvestment – Feb 2026

The program of Quantitative Tightening (QT), or balance sheet roll-off, ended as of 1 December. See note [here](#). All principal payments from the Fed's holdings of Treasury securities will be rolled over, and all principal payments from the Fed's holdings of agency securities will be reinvested into Treasury bills through secondary market purchases.

Recommended US Treasury Financing Q1 2026 and Est Q1 2026

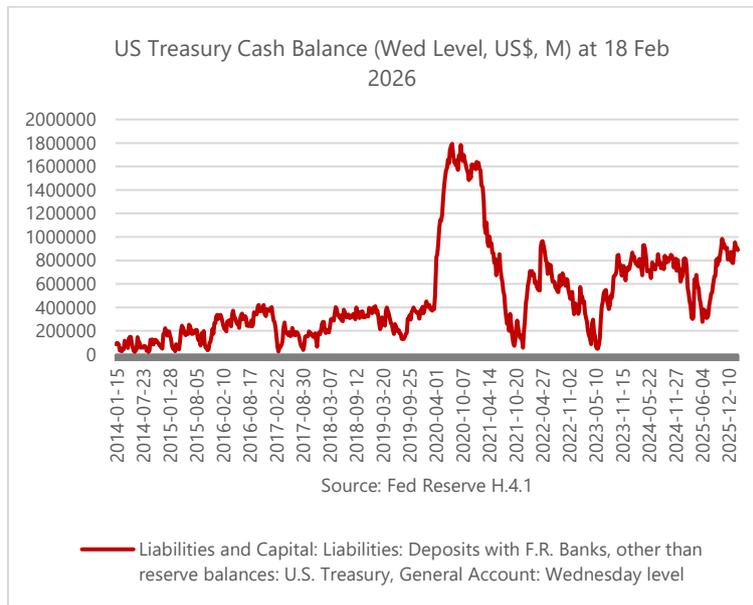
The latest update of the US Treasury borrowing requirements for Q1 and Q2 2026 (estimate) can be found on the US Treasury website [here](#).

Updated Q1 estimates: Treasury expects to borrow \$574 billion in privately held net marketable debt (only \$3bn lower than initially estimated), assuming an end-of-December cash balance of \$850 billion.

Estimated Q2 borrowing requirement: Treasury expects to borrow \$109 billion in privately-held net marketable debt, assuming an end-of-June cash balance of \$900 billion.

US Treasury Cash Levels (TGA)

As of Wed 18 Feb 2026, the level of the TGA decreased to \$888.8bn (-\$21bn compared to the week prior). The TGA balance is now approx. \$149bn *higher* than the same week a year ago.



<https://www.federalreserve.gov/datadownload/Download.aspx?rel=H41&series=53198152b62add5ad59ae42b6d3d720d&filetype=sheetml&label=include&layout=seriescolumn&from=01/01/2002&to=01/27/2021>

CALENDAR W/C 23 February 2026

MONDAY 23 FEBRUARY (US Eastern Time, unless stated otherwise)

US	Factory Orders (Dec), Fed speeches: Gov Waller (Econ Outlook)
China	PBoC Loan Prime Rate (announcement)

TUESDAY 24 FEBRUARY

US	S&P/Case Shiller House Price Index (Dec), CB Consumer Confidence (Feb), Richmond Fed Manufacturing Index (Feb) Fed speeches: Goolsbee, Collins, Bostic, Waller (tech), Cook (AI & productivity) US President Trump – State of the Union
UK	BoE Gov Bailey (Treasury Select Committee appearance)
Australia	CPI (Jan), Construction Work Done Q4, RBA Governor Bullock speech

WEDNESDAY 25 FEBRUARY

Europe	Euro area CPI – final (Jan)
US	MBA Mortgage Applications wk ending 21 Feb
Australia	Private Capex Q4

THURSDAY 26 FEBRUARY

US	Initial Jobless Claims wk ending 21 Feb, Kansas City Fed Manufacturing Index (Feb), Fed speeches: Vice Chair (Supervision) Bowman – hearing
Japan	Tokyo CPI (Feb), Industrial Production – prelim (Jan)
Australia	Private Sector Credit (Jan)

FRIDAY 27 FEBRUARY

US	PPI (Jan), Chicago PMI (Feb)
Canada	GDP Q4
