

The Weekly Market Brief

02/22/2026

Thank you again for all the positive feedback so far, it's very much appreciated. This Weekly Market Brief aims to provide a concise overview of the most relevant developments across markets and policy over the past week. Unlike last week, deal activity picked up again, while equity markets saw a modest rebound after recent volatility. At the same time, discussions around economic policy were largely dominated by new rulings and decisions related to President Trump's tariff agenda, which continued to shape sentiment across asset classes. It was another busy week overall, and I've tried to filter through the noise to highlight the key themes and developments that I personally found most relevant. As always, last week's full Market Brief is attached for reference.

M&A activity - Deal of the Week

After a quieter period last week, deal activity picked up meaningfully again, with transactions spanning healthcare, infrastructure, logistics, and utilities. Strategic buyers and financial sponsors alike were active, reflecting renewed confidence amid stabilizing markets and a clearer policy backdrop. Below are the most relevant developments, followed by this week's Deal of the Week.

Key M&A Developments

Hims & Hers agreed to acquire digital health platform Eucalyptus in a deal valued at **\$1.15 billion**, marking a major step in its international expansion strategy. The transaction strengthens Hims & Hers' footprint across Australia, Japan, and parts of Europe, while leveraging its U.S.-proven consumer-centric care model. Eucalyptus was advised by **Goldman Sachs** on the transaction.

In the telecommunications space, **IHS Towers** reached an **agreement to be acquired by MTN Group** in a **\$6.2 billion all-cash transaction**. The deal provides certainty for shareholders following a strategic review and simplifies MTN's long-term infrastructure positioning across Africa. IHS Towers was advised by **Latham & Watkins**.

Healthcare consolidation continued as **Danaher** struck a nearly **\$10 billion deal to acquire Masimo**, paying a roughly **40% premium** to the company's prior share price. The acquisition expands Danaher's diagnostics segment and follows activist-driven restructuring at Masimo. The deal underscores continued appetite for high-quality med-tech assets despite valuation sensitivity.

In shipping and logistics, **Hapag-Lloyd agreed to acquire Israeli rival ZIM for \$4.2 billion**, significantly expanding its global container capacity. ZIM was advised by **Evercore**, with **Barclays** providing a second fairness opinion, while legal counsel included **Skadden and Meitar Law Offices**.

Australia also saw notable activity, with **Qube Holdings agreeing to a Macquarie-led consortium takeover valuing the company at \$6.51 billion**. Qube was advised by **UBS**, while the consortium was advised by **Macquarie Capital**, highlighting strong sponsor interest in hard logistics infrastructure.

This Week's Deal of The Week: Portland General Electric to Buy PacifiCorp's Washington Assets for \$1.9 Billion

This week's standout transaction is **Portland General Electric's \$1.9 billion acquisition of PacifiCorp's Washington-based generation**, transmission, and distribution assets, backed by Manulife Investment Management.

From a strategic perspective, the deal is compelling for both sides. For Portland General Electric, the acquisition expands its regulated customer base by roughly 15% and meaningfully increases its rate base, offering long-term earnings visibility in a constructive regulatory environment. The asset mix, combining natural gas and wind generation, supports reliability today while aligning with long-term clean-energy transition goals. Manulife's minority equity participation reduces balance-sheet strain and limits capital-markets exposure during a period of higher funding costs.

For PacifiCorp and its parent Berkshire Hathaway Energy, the sale is primarily defensive. Facing mounting wildfire-related litigation and diverging regulatory regimes across western U.S. states, PacifiCorp has been under increasing liquidity and credit pressure. Divesting the Washington assets simplifies operations, improves financial flexibility, and allows management to focus on stabilizing its remaining footprint.

The deal also reflects broader themes shaping utility M&A: rising electricity demand from data centers and industrial customers, increasing capital requirements for grid resilience, and growing interest from long-term institutional investors seeking stable, infrastructure-like returns.

Risks remain. The transaction is subject to extensive federal and state regulatory approvals and could take up to a year to close. Cost overruns, political scrutiny, or adverse rulings could delay integration or pressure returns. However, given Washington's relatively favorable regulatory framework and the partnership structure, the risk-reward profile appears balanced. Portland General Electric was advised by **Lazard**, which also provided a fairness opinion, alongside **Barclays, J.P. Morgan, and Citi** as financial advisers. The structure and advisory lineup underscore the transaction's complexity and strategic importance.

Market Movements

Markets saw a modest rebound this week after the recent pullback, but the recovery came against a still-fragile macro and policy backdrop. Investors continued to weigh slowing growth signals against firmer inflation data, while shifting expectations around tariffs and monetary policy kept sentiment highly sensitive to headlines. As a result, markets moved higher overall, but with conviction remaining selective rather than broad-based.

Key Market Movements This Week

After last week's drawdown, markets staged a **modest rebound** and continued what has been a slightly "two-steps-forward, one-step-back" start to 2026. U.S. equities recovered most of the ground they lost, with the **Nasdaq up ~1.5%** (snapping its five-week losing streak) and the **S&P 500 up ~1.1%** on the week, but the bigger story was that investors are still trying to reconcile three forces pulling in different directions: **slowing growth, re-accelerating inflation**, and **policy uncertainty** (especially around tariffs) that keeps shifting the distribution of outcomes.

The macro data offered a mixed signal. On the one hand, **U.S. GDP slowed sharply** at the end of 2025, with growth running at **~1.4% annualized in Q4**, well below expectations and far from Q3's pace. On the other hand, inflation didn't cooperate with the "growth is cooling, so policy can ease" narrative: the Fed's preferred gauge showed **PCE inflation heating up**, with **December printing ~2.9%**, the fastest pace in nearly a year.

In markets, that tension showed up clearly in rates: Treasury yields moved only modestly higher on the week and still sat near recent lows, leaving investors debating whether falling yields reflect weakening momentum, or something more structural, like expectations that AI-driven productivity could eventually prove disinflationary enough to give the Fed cover to cut faster.

Outside of equities and rates, the week also had two notable cross-asset tells.

First, **crude oil "woke up"**, rising nearly **6%** to above **\$66/bbl** (up roughly **17% YTD**) as rising U.S.-Iran tensions pushed a geopolitical premium back into energy.

Second, **crypto remained under pressure**: Bitcoin fell for the **fourth time in five weeks**, stabilizing only relative to the late-January selloff and sitting **below ~\$68,000** (down roughly **23% YTD**).

Meanwhile, style leadership hinted that risk appetite is still selective rather than broad-based: **large-cap growth** narrowed its year-to-date deficit versus value as growth outperformed on the week.

Focus Topic: Tariffs, the Supreme Court, and a short-term "uncertainty reset"

The biggest policy catalyst for risk assets this week was the **U.S. Supreme Court ruling against Trump's global tariffs**, which markets interpreted as an immediate reduction in headline uncertainty.

U.S. stocks finished higher on Friday, led by large-cap heavyweight strength, and importantly, by sectors that had been directly "tariff-sensitive." Names exposed to consumer goods and discretionary import dynamics bounced, while the broader tape benefited from a classic relief mechanism: a clearer near-term rulebook, even if the longer-term path remains contested.

That said, the relief rally came with an asterisk. Trump quickly responded by signaling a **temporary replacement**, a **10% global tariff for 150 days** under **Section 122 of the Trade Act of 1974**, which effectively told investors: *uncertainty has shifted shape, not disappeared*. That's why the market reaction felt less like a new bullish regime and more like a reset in probabilities. As discussed earlier **major US-indices rose**, strong enough to matter, but not strong enough to declare that policy risk has been fully repriced out.

This also ties back to the macro tension above: growth is slowing, inflation (via PCE) is heating up, and the Fed is stuck balancing both, which is why rate-cut expectations are still finely poised (markets are roughly around a "coin flip" probability of a cut by June). Layer on top an equity market that remains hypersensitive to the AI narrative, and you get exactly what we saw: a rebound week, but one that still feels fragile and headline-driven.

Risks and Opportunities for Investors

This week reinforced that the market is not trading a single macro story, it's trading **regime uncertainty**. The opportunity is that periods like this often create attractive entry points in quality assets when positioning gets too defensive and headlines overshoot fundamentals, especially in large-cap franchises that can defend margins through volatility. At the same time, the risk is that the mix of **slower growth + firmer inflation + policy whiplash** is precisely the setup that can reintroduce volatility quickly: if inflation remains sticky, the Fed's flexibility narrows; if growth slows further, earnings expectations become vulnerable; and if tariff policy continues to change shape week by week, sector leadership can rotate abruptly. Energy and commodities also re-enter the conversation when geopolitics intensifies, crude's move was a reminder that investors may need to think about inflation hedges again even while growth momentum softens. Crypto's ongoing weakness, meanwhile, continues to act as a barometer for speculative risk appetite rather than a diversifier.

Looking Ahead

Next week brings a combination of **key U.S. data** and an **AI sentiment stress test**. On the macro side, markets will parse updates on demand, prices, and confidence, including **factory orders, Case-Shiller home prices, consumer confidence, wholesale inventories, weekly jobless claims, PPI, and construction spending**. But the focal point for positioning may be earnings: **Nvidia reports mid-week**, and alongside other major tech updates (including **Salesforce, Intuit, and Dell**), it will be another real-time referendum on whether the market is willing to keep underwriting the AI narrative at scale, or whether valuation sensitivity and "proof of monetization" requirements tighten further. In a tape like this, the lesson from this week is simple: relief rallies can happen fast when uncertainty temporarily clears, but durability will depend on whether the next set of data and earnings supports a coherent path for growth, inflation, and policy.

Economic Policy Shifts & Other Key Developments

Economic policy discussions this week were dominated by renewed uncertainty around global trade, following a landmark **Supreme Court ruling** that **struck down** most of President Trump's second-term **tariffs**, already mentioned earlier. The Court ruled that the administration had exceeded its authority by imposing sweeping global duties under emergency powers without explicit congressional authorization. While markets initially welcomed the decision as a reduction in legal and policy uncertainty, the relief proved short-lived. Within hours, President Trump announced a replacement global tariff, first at 10% and then raised to 15%, using alternative trade authorities with more limited duration. The episode reinforced a broader theme investors have become accustomed to: even when policy constraints appear to tighten, the administration continues to search for new channels to pursue its trade agenda, keeping tariff risk firmly on the table.

The ruling has reopened unresolved questions around refunds for previously collected tariffs, potentially exceeding \$175 billion, while also introducing a new layer of complexity as the administration prepares to transition toward longer-lasting trade measures under Section 301 investigations later this year. From a market perspective, the episode underlined how judicial checks may slow, but not necessarily stop, protectionist policy impulses. Equities exposed to global supply chains saw modest gains on the initial ruling, while the dollar softened and

Treasury yields edged higher, reflecting shifting expectations around trade, growth, and inflation.

Beyond tariffs, the macro backdrop continued to show signs of moderation. U.S. economic growth slowed sharply in the fourth quarter, with GDP expanding at a 1.4% annualized pace, well below expectations and a sharp deceleration from the prior quarter. The drag was driven in large part by the prolonged government shutdown, which significantly reduced federal spending, but underlying private demand also cooled. While economists largely view shutdown-related weakness as temporary, the data reinforced the idea that U.S. growth is losing momentum at the margin, even as it remains comparatively strong versus other developed economies.

At the same time, global trade dynamics continue to shift. China is accelerating efforts to deepen its integration into global commerce by fast-tracking trade agreements across Europe, Asia, Africa, and the Gulf, aiming to insulate its economy from U.S. pressure over the long term. Beijing's strategy reflects a broader recalibration: leveraging U.S. policy unpredictability to position itself as a stable partner in multilateral trade frameworks. For markets, this underscores a gradual re-fragmentation of global trade into competing blocs, with supply chains increasingly shaped by geopolitics rather than pure economic efficiency.

In Europe, the United Kingdom and the European Union signaled renewed momentum toward resetting post-Brexit economic relations, targeting agreements across emissions trading, energy markets, food standards, and defense cooperation by mid-year. While meaningful political and financial hurdles remain, the push highlights a broader search for stability and partnership amid rising global uncertainty and strained transatlantic relations.

Taken together, this week's developments reinforced a key theme for investors: policy uncertainty is no longer episodic but structural. Trade, fiscal coordination, and geopolitical alignment continue to evolve in ways that directly influence growth expectations, inflation dynamics, and capital allocation decisions. Markets may react positively to moments of clarity, but the underlying environment remains defined by shifting rules, legal challenges, and strategic repositioning across major economies.

A Few Words

This has been another eventful week across markets, with renewed M&A activity, a tentative rebound in risk assets, and policy discussions once again shaping the broader narrative. From shifting trade dynamics and tariff uncertainty to signs of moderation in growth and inflation, the past few days offered plenty of signals worth watching closely. While some clarity has emerged, many of the underlying themes will continue to unfold over the coming weeks and months, making it an especially interesting time to stay engaged with markets.

Thank you again to everyone who has been reading and sharing *The Weekly Market Brief*. Your feedback is always appreciated, so feel free to leave a comment or reach out with thoughts and suggestions. And if you haven't already, make sure to subscribe to the newsletter to be notified when next week's brief is published.

Author: Lasse Kuehner

Contact: +49 (0) 1514 0349278

lasse_kuehner@theweeklymarketbrief.com