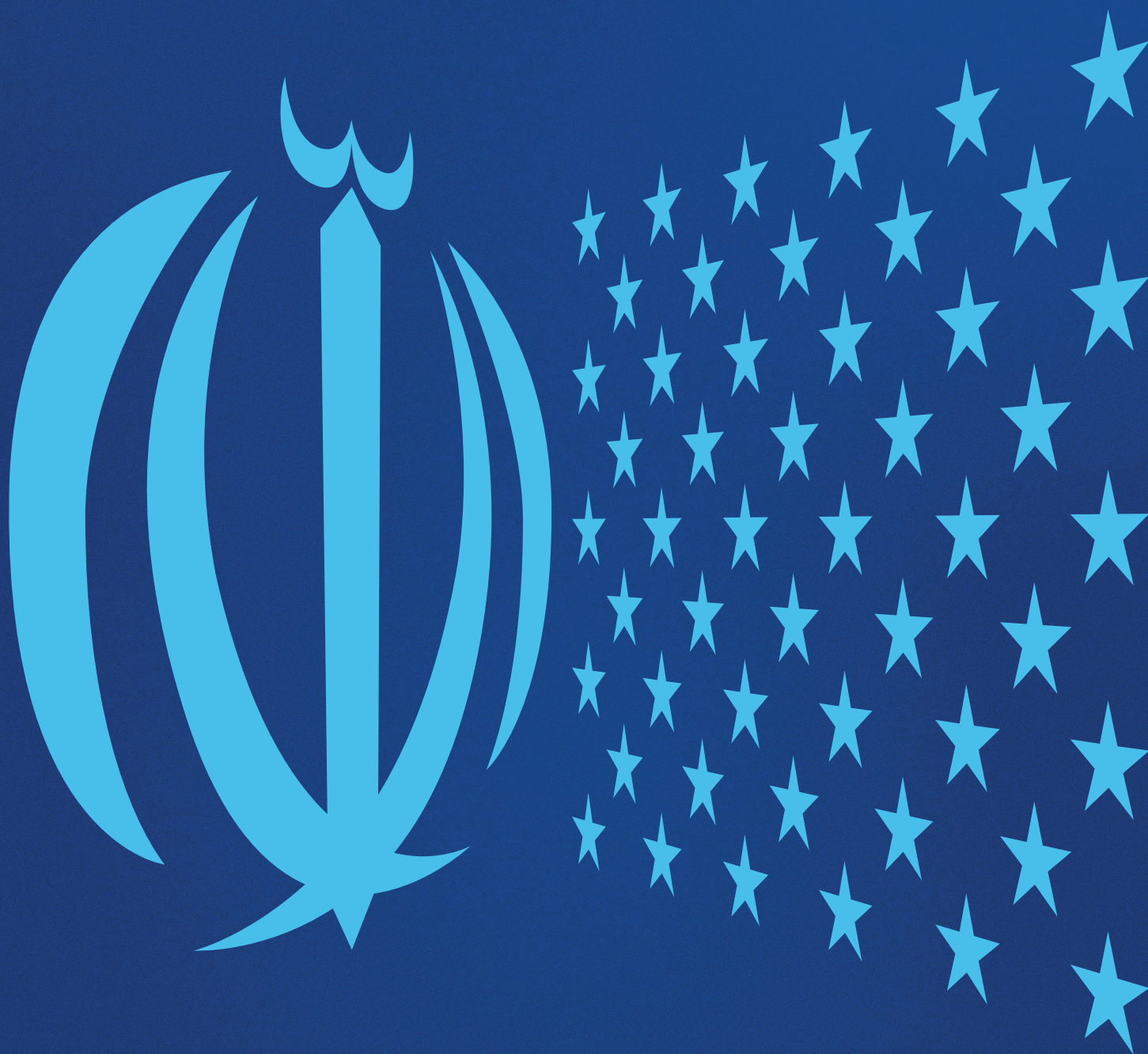


# ZITAPLUS

## WEEKLY BULLETIN











23 — 27 FEB 2026  
NO: 29

# US-IRAN TENSIONS RETURN TO FOCUS



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TIME	CUR.	EVENT	FORECAST	PREVIOUS
MONDAY, FEBRUARY 23				
ALL DAY		Chinese New Year Holiday	-	-
ALL DAY		Emperor's Birthday Holiday	-	-
TUESDAY, FEBRUARY 24				
19:00		CB Consumer Confidence (Feb)	87.6	84.5
WEDNESDAY, FEBRUARY 25				
06:00		U.S. President Trump Speaks	-	-
11:00		German GDP (QoQ) (Q4)	0.3%	0.3%
14:00		CPI (YoY) (Jan)	1.7%	1.7%
THURSDAY, FEBRUARY 26				
17:30		Initial Jobless Claims	216K	206K
FRIDAY, FEBRUARY 27				
17:00		German CPI (MoM) (Feb)	-	0.1%
17:30		PPI (MoM) (Jan)	0.3%	0.5%
18:45		Chicago PMI (Feb)	52.4	54.0

## US-IRAN TENSIONS RETURN TO FOCUS



Concerns over a possible shift toward US military action against Iran have resurfaced, placing geopolitics back at the center of global market attention. While diplomatic channels remain open, relations between Washington and Tehran continue to be strained, with limited trust on both sides. Recent talks in Geneva signaled ongoing engagement, but the absence of a clear breakthrough has kept uncertainty elevated and risk premiums firmly in place.

### DIPLOMATIC EFFORTS CONTINUE

Negotiations have so far failed to deliver a durable framework that would ease tensions. Analysts note that dialogue alone may not be enough to stabilize expectations, particularly given the broader regional backdrop. Iran's strategic position is increasingly viewed as more constrained than in previous years, shaped by sustained economic pressure, sanctions, and shifting regional dynamics. These factors have fueled debate over whether Tehran's ability to absorb or respond to external pressure has weakened, potentially altering the balance of risk.

At the same time, domestic challenges inside Iran add another layer of complexity. Political divisions and prolonged economic strain could influence how authorities respond to external threats. Market participants see these internal dynamics as a potential source of volatility, increasing the risk that geopolitical stress spills over into economic and financial instability across the region.

### MARKET SENSITIVITY, ESPECIALLY IN ENERGY

Any move toward direct US military involvement would likely have immediate global consequences. Energy markets remain particularly sensitive, given the Middle East's central role in oil supply and transport routes. Even without actual disruption, heightened geopolitical risk tends to push crude prices higher as traders price in potential supply shocks.

Beyond energy, broader financial markets would also feel the impact. Rising tensions typically weigh on risk appetite, support safe-haven assets, and increase volatility across currencies, equities, and commodities. Investors are therefore closely tracking political signals, military developments, and diplomatic messaging for early signs of escalation. For now, diplomacy remains the primary path forward, but markets are clearly preparing for a range of outcomes.

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# XAUUSD

## FOCUS ON THE \$5,180 GOLD THRESHOLD

Gold advanced to around \$5,160, marking a three-week high as tariff-related tensions increased demand for safe-haven assets. Prices are currently consolidating within the \$5,100–\$5,180 range, a zone likely to shape the next directional move.

A sustained move above \$5,180 may open the door toward \$5,220–\$5,230, while a drop below \$5,100 could lead to a pullback toward the \$5,050–\$5,055 support area.

### Key Technical Levels

**Support:** \$5,140 - \$5,100

**Resistance:** \$5,240 - \$5,300



# XAUAG

## SILVER HOLDS UPTREND NEAR \$87

Silver climbed past \$87 per ounce, marking a fourth consecutive gain as renewed trade tensions lifted safe-haven demand. The near-term setup stays constructive as long as prices remain above the \$86.30 area, which now serves as the main short-term pivot.

A sustained break above resistance at \$92.20 could open the way toward the \$95–\$96 region. On the downside, a drop below \$86.20 would likely soften momentum and bring lower support zones back into focus.

### Key Technical Levels

**Support:** \$86.20 – \$82.80

**Resistance:** \$92.20 – \$95.90/96.50



**EURUSD**

**EURUSD TESTS RESISTANCE ZONE**

The euro rebounded toward 1.1820, recovering from a one-month low as the US dollar softened after the Supreme Court blocked broad emergency tariffs. Stronger Eurozone PMI data, pointing to the fastest private sector growth since November, also supported the move.

Technically, the bias stays constructive above 1.1800, now key support. Initial resistance stands at 1.1870–1.1875, followed by 1.1950–1.1975 if momentum builds.

**Key Technical Levels**

**Support:** 1.1770 – 1.1680

**Resistance:** 1.1875 – 1.1950



**BTCUSD**

**BITCOIN AT A CROSSROADS**

Bitcoin moved sideways, trading just below the \$68,000 resistance as markets reacted to renewed tariff tensions and policy uncertainty following President Trump’s latest global tariff announcement. Price action remains steady, with no clear breakout yet.

Technically, \$68,000 is the key barrier. A firm move above it could open the way toward \$72,000. On the downside, \$64,000 is the first support, and a break below may bring \$60,000 into focus.

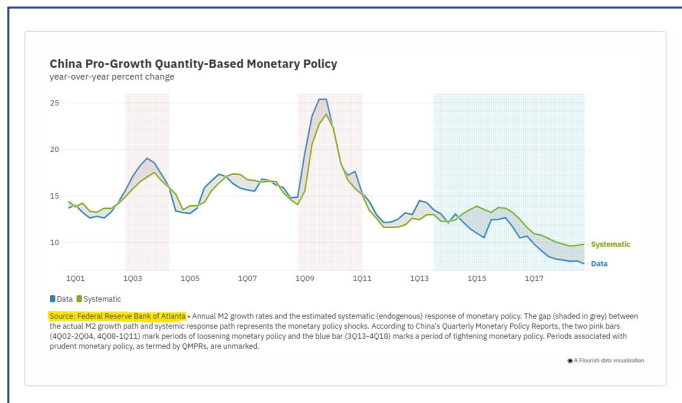
**Key Technical Levels**

**Support:** \$64,000 – \$60,000

**Resistance:** \$68,000 – \$72,000



# CHINA'S LIQUIDITY SIGNAL AND GLOBAL MARKETS



China's M2 money supply growth remains a key gauge of the country's monetary stance and an important signal for global markets. As one of the world's largest sources of demand, shifts in China's liquidity cycle often ripple through commodities, equities, and broader risk sentiment well beyond its borders.

The comparison between actual money supply growth and its estimated "normal" level offers insight into policy conditions:

- **Actual M2 growth (blue line) reflects how quickly liquidity is expanding in real terms.**
- **Estimated normal growth (green line) represents the pace implied by underlying economic fundamentals.**

When actual growth rises above the estimated norm, policy is effectively accommodative. Financing conditions ease, credit expands, and economic activity tends to accelerate. Historically, such phases have supported stronger performance in risk assets, including equities and commodities.

When actual growth falls below the estimated level, liquidity conditions are tighter than usual. This typically signals reduced policy support, slower credit creation, and weaker investment momentum. Over time, these conditions can weigh on demand for industrial inputs and raw materials.

## CURRENT POSITION: STILL RESTRICTIVE

At present, China's actual M2 growth remains below its estimated normal level and continues to trend lower. This indicates that the economy is not yet benefiting from a broad liquidity push. Compared with past easing cycles, monetary support appears limited, helping to explain why commodities and other China-sensitive assets have struggled to sustain rallies.

## GLOBAL IMPLICATIONS

China is a major consumer of key commodities such as copper, iron ore, and oil. When liquidity is tight, demand tends to soften, capping price upside. At the same time, the current backdrop increases the market's sensitivity to any policy shift. A move toward stronger liquidity support could have outsized effects.

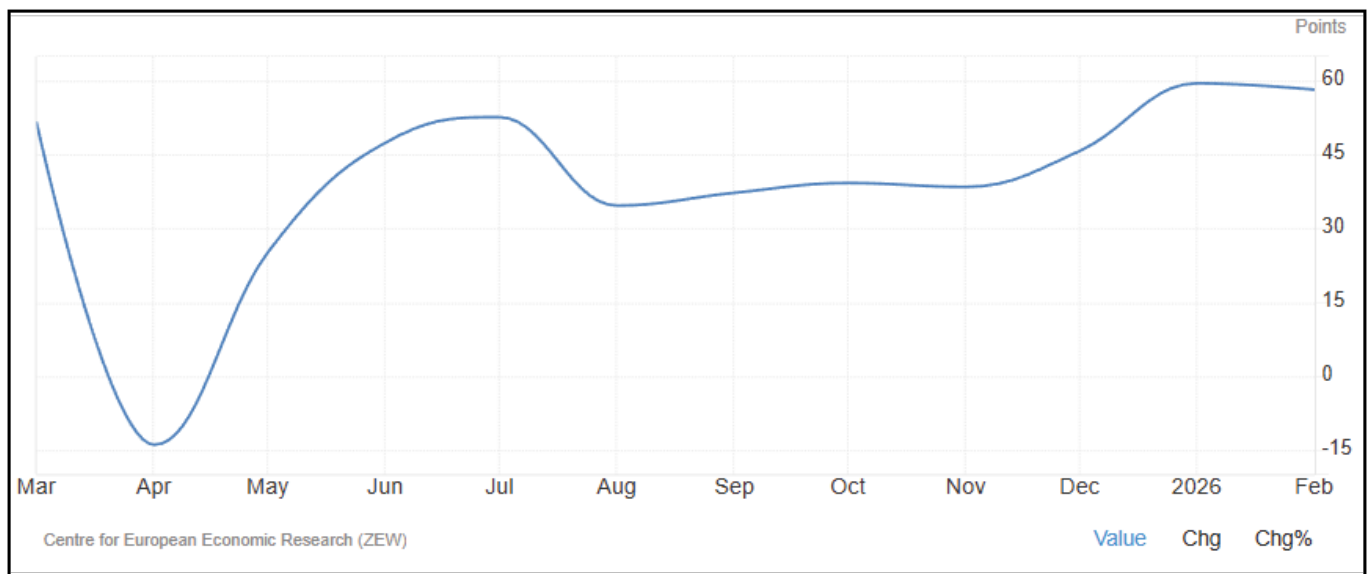
A return of M2 growth above the estimated norm could lift:

- **Industrial metals**
- **Energy markets**
- **Precious metals such as gold**

## WHAT INVESTORS ARE WATCHING

For investors, China's M2 trend remains a crucial indicator. Past liquidity cycles have often aligned with major turning points in global markets. Whether current tight conditions persist or give way to renewed easing will likely play a central role in shaping the next phase of global asset price movements.

# GERMANY'S RECOVERY HOPES TEMPERED



Germany's economic expectations softened in February as the ZEW Indicator of Economic Sentiment eased to 58.3, down from January's more than four-year high of 59.6. The figure also missed forecasts that had pointed to a further improvement. Even with the modest decline, the index remains at high levels, proving that investors and analysts still foresee a recovery. The message, however, is shifting toward a slower and less predictable rebound.

## STRUCTURAL PRESSURES PERSIST

The latest reading reflects an economy still navigating structural constraints. Germany's industrial base continues to contend with weak global demand, elevated production costs, and the transition toward new energy and technology systems. These challenges reinforce the case for reforms aimed at restoring competitiveness and strengthening Germany's position as a destination for business and capital.

## EXPORT SECTORS OFFER SUPPORT

There were encouraging signals within export-oriented industries. Sentiment improved notably in chemicals and pharmaceuticals, steel and metals, and mechanical engineering. The gains appear linked to firmer order flows recorded toward the end of 2025, hinting that external demand may be finding a floor. For an economy deeply reliant on exports, sustained progress in these sectors will be central to broader stabilization.

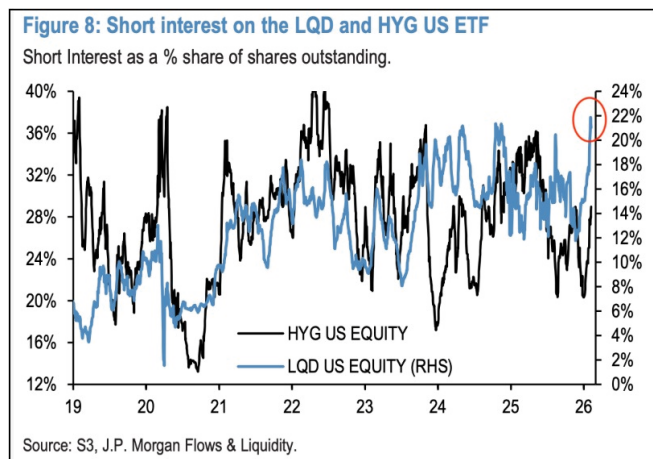
## CONSUMPTION HIGHER, SERVICES LOSE GROUND

Domestic demand showed tentative improvement. Expectations for private consumption strengthened, suggesting a more constructive backdrop for household spending. Confidence weakened in financial services, information technology, and insurance, reflecting concerns around profitability and medium-term growth prospects.

## CURRENT CONDITIONS STILL IN NEGATIVE TERRITORY

The assessment of present economic conditions improved further, yet it remains firmly in negative territory. This contrast highlights a familiar pattern: forward-looking expectations are comparatively resilient, while the current environment still carries the imprint of earlier slowdowns. February's ZEW data points to gradual stabilization rather than acceleration. Germany's recovery path remains intact, but progress is likely to be measured and closely tied to domestic reforms and the direction of global demand.

## CREDIT HEDGES RISE AS BIG TECH DEBT GROWS



A surge in borrowing by major technology companies is starting to reshape credit markets, prompting investors to step up hedging activity. This shift is becoming increasingly visible in the sharp rise in short interest across large credit exchange-traded funds, pointing to a more cautious stance toward corporate debt even as demand for tech-led growth remains strong.

Since September, leading firms including Alphabet, Amazon, Meta, and Oracle have issued roughly \$125 billion in new debt. The pace and concentration of issuance have drawn attention to balance-sheet risks, particularly as these companies continue to fund heavy spending on artificial intelligence, data centers,

and infrastructure. In response, demand for credit protection has increased, with notable growth in credit default swap activity linked to these issuers.

### INVESTMENT-GRADE ETFS SEE UNUSUAL BEARISH BETS

One of the clearest signs of rising caution is the jump in short positions in investment-grade credit ETFs:

- **LQD ETF, a benchmark for high-quality corporate bonds, has seen short interest climb rapidly. Bearish positioning is now nearing levels more commonly associated with high-yield bond funds.**

This development stands out because investment-grade bonds are typically viewed as low risk. Growing short interest in this segment suggests that investors are reassessing credit exposure more broadly, not just in speculative corners of the market.

The shift reflects concerns over several factors:

- **Higher corporate leverage following heavy debt issuance**
- **Rising refinancing costs in a less accommodative rate environment**
- **Uncertainty around economic growth and funding conditions**

While large technology firms still enjoy strong cash flows and market dominance, the scale of recent borrowing has made investors more sensitive to potential volatility in credit spreads.

### POTENTIAL FOR REVERSAL

Elevated short interest does not necessarily point to immediate stress. If credit conditions remain stable and fears prove overstated, bearish positions could be forced to unwind, offering temporary support to bond prices. For now, however, the trend underscores a market increasingly focused on credit risk.

# INFLATION SLOWS, BUT THE FED ISN'T RELAXING



The latest Federal Reserve minutes underline a careful approach to managing inflation. While price pressures have eased and appear to be moving toward the 2% target, policymakers stressed that the job is not finished. Services inflation and firm labor costs remain areas of concern, keeping the risk alive that disinflation could stall.

## AUTOMATION ENTERS THE CONVERSATION

Officials also discussed structural shifts in the economy. Rising investment in automation and technology may help contain future cost pressures by improving productivity. The impact on wages, employment patterns, and consumer spending is uncertain, which adds complexity to the policy debate.

## RATES: HIGHER FOR LONGER STILL ON THE TABLE

Although easing later this year remains a possibility, the discussion made clear that flexibility is central to the Fed's approach. Several members signaled that rates could remain high if inflation doesn't slow to satisfactory levels. The option of renewed rate hikes was not dismissed, reinforcing a readiness to respond if price pressures reaccelerate.

## GROWTH VS. PRICE STABILITY

Policymakers acknowledged a more complex balance of risks. The labor market continues to show resilience, supporting demand, yet that strength could also slow the pace of inflation's decline. The path forward will hinge on incoming data, particularly inflation and employment trends. The overarching message is adaptability. Markets may be positioned for rate cuts, but the Fed is keeping multiple scenarios in play. Future decisions will depend on whether inflation continues to ease without damaging economic stability.

# Market Roundup

## OIL MARKETS: SUPPORT NOW, RISKS AHEAD

Oil prices remain supported in the near term, but Citi warns that downside risks could emerge later in the year. Potential peace deals involving Russia and Ukraine or Iran could weigh on Brent, with prices possibly sliding toward the \$60–\$62 range by summer. For now, supply disruptions from Russia may keep Brent within a \$65–\$70 band, a level that could prompt OPEC+ to tap spare capacity. Citi also cautioned that improving supply conditions could cut diesel and gasoline refining margins by \$5–\$10.



## RBA SIGNALS INFLATION CAUTION

Minutes from the Reserve Bank of Australia’s February meeting confirmed the recent rate hike, with policymakers highlighting ongoing inflation pressures and concern that earlier tightening may not have gone far enough. At the same time, the RBA stressed uncertainty around the growth outlook, indicating that future moves will depend on incoming data rather than a preset policy path.



Image Source: Dean Lewins/AAP

## AI OPTIMISM DRIVES TECH SENTIMENT

Global markets continue to weigh strong enthusiasm for technology against rising geopolitical and security risks. OpenAI is reportedly nearing completion of the first stage of a large funding round that could lift its valuation above \$850 billion. The development underlines sustained investor demand for artificial intelligence and shows how AI remains a key magnet for capital as competition among major tech firms intensifies.

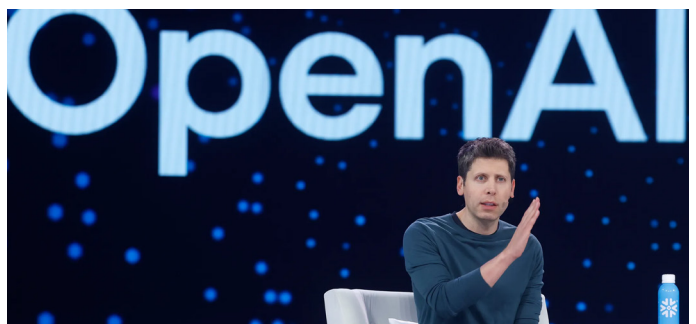


Image Source: Justin Sullivan/Getty

## GEOPOLITICAL RISKS REMAIN HIGH

Russian Foreign Minister Sergei Lavrov warned that any new US military action against Iran could lead to serious consequences, calling for restraint and highlighting escalation risks. His remarks come as markets remain highly sensitive to Middle East developments, given the region’s importance to global energy markets and financial stability.



Image Source: Russian Foreign Ministry

# Market Roundup

## CYBERSECURITY CONCERNS IN EUROPE

In Europe, focus shifted to data security after French authorities disclosed that information linked to about 1.2 million bank accounts was accessed illegally. The breach reportedly stemmed from compromised credentials belonging to a government employee, exposing sensitive personal and tax data. The incident has heightened concerns over financial data protection and may prompt stricter regulatory and cybersecurity measures across the banking sector.



## GOLD DEMAND OUTLOOK IMPROVES

Goldman Sachs expects central bank gold buying to resume in 2026, even under conservative assumptions where private diversification remains limited. The bank said sustained official purchases, combined with rising private investor interest tied to potential Fed rate cuts, could lift gold prices toward \$5,400 per ounce by end-2026. Goldman also flagged upside risks if private investors increase diversification through instruments such as call options, which could magnify gains.



## CORPORATE DEVELOPMENTS IN FOCUS

Airbus warned that production challenges linked to Pratt & Whitney engine supply constraints are likely to persist until 2027. CEO Guillaume Faury said slow engine deliveries could cap output growth, with A320 monthly production expected to remain below targets next year. Airbus still plans to raise total deliveries from 793 aircraft in 2025 to 870 this year, even as Boeing continues to ramp up production, intensifying competition.



Image Source: Patrick ALLARD/REA/Redux

## CENTRAL BANK AND FINANCIAL SECTOR SIGNALS

ECB member Alexander Demarco said euro strength is not a major concern, adding that EUR/USD near 1.25 would not be disruptive. He noted that current data broadly support the ECB's inflation outlook and that rates could remain unchanged if trends hold. Bank of America plans to invest \$25 billion in the private credit market, highlighting rising competition among banks for higher-yield lending opportunities outside traditional channels.



Image Source: ECB

# The Week Ahead

Markets begin the week balancing a heavy earnings calendar against critical inflation data and central bank guidance. Investors are weighing whether corporate performance can sustain risk sentiment while policymakers continue to debate the timing and scale of potential interest rate cuts.

## AMERICAS

U.S. sentiment will be driven by Q4 earnings from Nvidia, Berkshire Hathaway, Salesforce, Keurig Dr. Pepper, HP, Snowflake, Synopsys, The Trade Desk, Intuit, and Baidu. Fed officials are scheduled to speak, following recent minutes that revealed internal divisions regarding the pace of future easing. Key economic data centers on Friday's Producer Price Index (PPI), with headline and core figures both forecast to rise 0.3% in January. Other indicators include factory orders, Case-Shiller home prices, Conference Board consumer confidence, and regional reports like the Chicago Fed National Activity Index, Chicago PMI, and Dallas Fed Manufacturing Index. Regionally, focus falls on Canada's Q4 GDP and current account, Mexico's trade balance, and Brazil's unemployment rate.

## EUROPE

Preliminary February inflation data arrives for Germany (forecast at 2.1% harmonized), France, and Spain. Germany's Ifo Business Climate is expected to hit a four-month high, while GfK Consumer Climate should improve for a second month. German unemployment is projected to stay at 6.3% (roughly 3 million jobless). Switzerland anticipates a decline in its KOF Economic Barometer, while GDP figures are due for both Switzerland and Turkey. The UK will release CBI distributive trades, GfK confidence, and Nationwide house price data.

## ASIA PACIFIC

As Chinese markets reopen post-Lunar New Year, the PBoC is expected to hold one and five-year Loan Prime Rates at 3% and 3.5%. Japan's industrial production is forecast to rise 5.3%, alongside data for retail sales, housing starts, and Tokyo inflation. India will publish Q4 GDP. Australia's January inflation is likely to ease to 3.7%, paired with reports on construction work and private capital expenditure. Finally, central banks in Thailand and South Korea will announce policy decisions, accompanied by regional trade and inflation data.







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