



MACROMATRIX



Earnings Concentration

U.S. Growth Moderation, Trade Policy Recalibration, and AI-Led Capital Market Realignment



Created by
RCK Analytics

Date Created
February 27, 2026

Issue Number
18

Table of Contents



01

U.S. GDP Moderates to 1.4% in Q4 2025 as Core PCE Holds at 3.0%

The U.S. enters 2026 with slowing real growth, persistent price pressures, and a cautious consumer backdrop.

02

State of the Union 2026: Markets, Tariffs, and Border Policy in Focus

The 2026 address tied record markets and 1.7% inflation to \$18 trillion investment claims, expanded tariffs, and strict border policy.

03

AI Markets 2026: Nvidia Earnings and Claude Cowork Impact

Nvidia's Q4 FY2026 earnings and Claude Cowork launch drove capital rotation, reshaping AI hardware and SaaS valuations.

04

U.S. Tariffs 2026: Supreme Court Ruling and 10%–15% Reset

2026 Supreme Court decision, new 10%–15% tariffs are redefining U.S. trade costs, supply chains, and corporate margin assumptions.

Executive Overview

Moderating U.S. GDP at 2.2%, core inflation at 3.0%, new 10%–15% tariffs, and AI-driven earnings concentration are collectively reshaping capital flows and corporate strategy in 2026. Macroeconomic deceleration, policy volatility, and AI-led market bifurcation now define the global investment landscape.

The U.S. enters 2026 at a complex macroeconomic inflection point defined by moderating real GDP, persistent inflation, policy driven trade recalibration, and AI-led capital market divergence. Real GDP expanded 1.4% annualized in Q4 2025, down from 4.4% in Q3, bringing full-year 2025 growth to 2.2% versus 2.8% in 2024, while core PCE inflation held at 3.0% in December, above the Federal Reserve's 2% target. Nominal GDP reached USD 5.1 trillion in Q4, personal income increased by USD 86.2 billion in December, and the personal saving rate stood at 3.6%, reflecting resilient but cautious consumer fundamentals.

Policy direction intensified following the February 20, 2026 Supreme Court ruling limiting prior tariff authority, after which a 10% baseline tariff rising to 15% for selected partners was implemented, materially altering corporate cost structures and global trade assumptions. Concurrently, the State of the Union address emphasized 53 record market highs, 1.7% recent core inflation claims, and USD 18 trillion in investment pledges, while reaffirming tariff expansion and border enforcement, drawing scrutiny over fiscal and trade sustainability.

In parallel, AI remains the dominant capital markets driver: Nvidia reported USD 68.1 billion in Q4 FY2026 revenue and USD 215.9 billion for the fiscal year, while Anthropic's Claude Cowork announcement coincided with a USD 285 billion SaaS market repricing. Collectively, monetary conditions, tariff recalibration, and AI-driven earnings concentration are redefining valuation, capital allocation, and cross-border investment strategy in 2026.

U.S. GDP Moderates to 1.4% in Q4 2025 as Core PCE Holds at 3.0%

The U.S. enters 2026 with slowing real growth, persistent price pressures, and a cautious consumer backdrop.

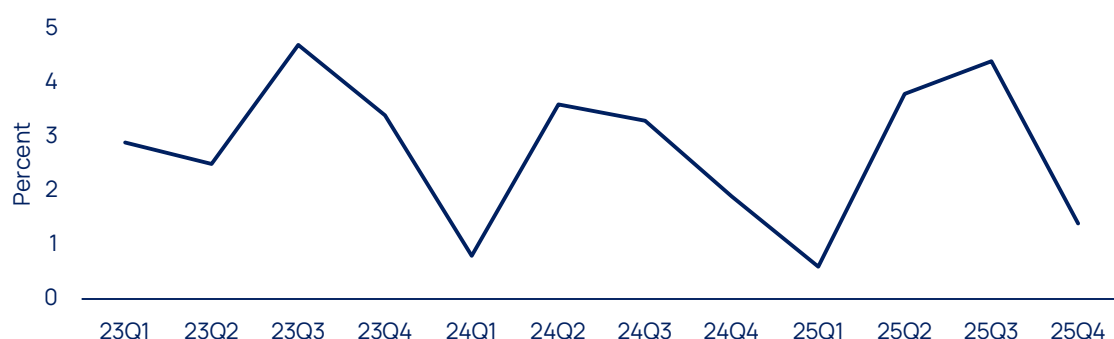
U.S. real GDP increased at a 1.4% annualized rate in the fourth quarter of 2025, according to the advance estimate released February 20, 2026, a sharp moderation from 4.4% in the third quarter, bringing full-year 2025 real GDP growth to 2.2% compared with 2.8% in 2024, indicating a sequential cooling in economic momentum entering 2026.

Real final sales to private domestic purchasers, which exclude inventories and trade and therefore better reflect underlying domestic demand, rose 2.4% in Q4, signaling that household consumption and private fixed investment remained constructive despite headline deceleration. Nominal GDP reached USD 5.1 trillion at an annual rate in Q4 2025, while the price index for gross domestic purchases increased 3.7% during the quarter, reinforcing that inflationary pressures persisted alongside moderating real output.

On the consumer side, December 2025 personal income increased by USD 86.2 billion (0.3%), driven primarily by compensation and government transfer receipts, while disposable personal income advanced in tandem, supporting nominal spending capacity. The real PCE increased by USD 11.5 billion (0.1%), reflecting limited inflation-adjusted consumption strength at year-end.

The PCE price index increased 2.9% year-over-year in December, and core PCE excluding food and energy rose 3.0%, both remaining above the Federal Reserve's 2% target, while the personal saving rate stood at 3.6%, highlighting a cautious household balance-sheet stance amid persistent inflation and moderating U.S. GDP growth, a combination that materially shapes 2026 monetary policy expectations and capital allocation strategy.

Figure 1: Gross Domestic Product



Source: U.S. Bureau of Labor Statistics

State of the Union 2026: Markets, Tariffs, and Border Policy in Focus

The 2026 address tied record markets and 1.7% inflation to \$18 trillion investment claims, expanded tariffs, and strict border policy.

President Trump characterized the U.S. economy as entering a “golden age,” citing 53 record stock market highs since the 2024 election and stating that core inflation fell to 1.7% in the final three months of 2025. He said gasoline prices were below USD 2.30 per gallon in most states and that annual mortgage costs declined by nearly USD 5,000 since taking office. The president claimed over USD 18 trillion in global investment commitments within 12 months, while official figures indicate approximately USD 9.7 trillion.

He also noted record-high total employment and a reduction of 2.4 million food-stamp recipients over the past year, attributing these outcomes to deregulation and private-sector job creation. Tariffs remained a core policy focus. Despite a Supreme Court ruling striking down parts of his earlier tariff framework, President Trump argued tariffs could eventually replace income taxes, though analyses show tariff revenues are far lower than income tax collections and costs are largely borne by U.S. consumers and firms.

He also defended new Trade Act tariffs, stating they strengthened economic and national security outcomes and supported equity markets. On border security, Trump declared the U.S. had the “strongest and most secure border in American history,” claiming zero illegal border crossings over the past nine months and a 56% reduction in fentanyl trafficking, though independent data indicate migrant encounters remain above zero and decline is relative to prior years.

While the president also addressed foreign policy, warning against nuclear proliferation and asserting U.S. diplomatic strength. The address drew intense partisan response: Republican lawmakers praised the vision of economic renewal and national resurgence, while Democratic leaders and independent fact-checkers characterized many economic claims as exaggerated or misleading, noting that inflation, affordability, and fiscal realities differ from the administration's portrayal.

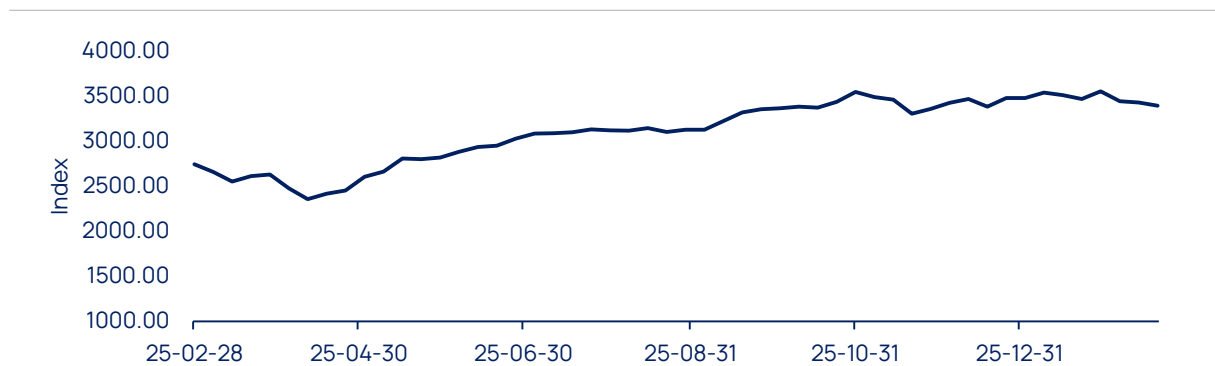
AI Markets 2026: Nvidia Earnings and Claude Cowork Impact

Nvidia's Q4 FY2026 earnings and Claude Cowork launch drove capital rotation, reshaping AI hardware and SaaS valuations.

Nvidia reported record quarterly revenue of USD 68.1 billion for the fourth quarter ended January 25, 2026, marking a 20% sequential and 73% year-over-year increase, while full fiscal 2026 revenue reached USD 215.9 billion, up 65% year-over-year, confirming extraordinary monetization of AI infrastructure demand.

Data Center revenue, the core AI compute segment, hit USD 62.3 billion, up 22% quarter-on-quarter and 75% year-on-year, driving operating income up 84% from the prior year to USD 44.3 billion and net income to USD 42.96 billion, as global Hyperscalers accelerated enterprise AI capex commitments. NVIDIA also returned USD 41.1 billion to shareholders through dividends and buybacks in fiscal 2026, with USD 58.5 billion still authorized, and guided fiscal Q1 2027 revenue to approximately USD 78.0 billion, signaling sustained AI compute demand.

Figure 2: Nasdaq Global Artificial Intelligence and Big Data Index



Source: Federal Reserve Economic Data

Concurrently, Anthropic introduced Claude “Cowork,” an AI agent positioned to automate knowledge-worker workflows, including document analysis, reporting, and enterprise task execution. Market reaction was immediate: global SaaS equities saw approximately USD 285 billion erased in market value within days of the announcement, reflecting investor reassessment of software margin durability and labor-substitution risk.

The divergence between AI infrastructure earnings concentration and SaaS multiple compression highlights capital market sensitivity to generative AI monetization pathways, positioning AI infrastructure, enterprise automation, and compute economics as central drivers of U.S. equity performance and global capital flows in 2026.

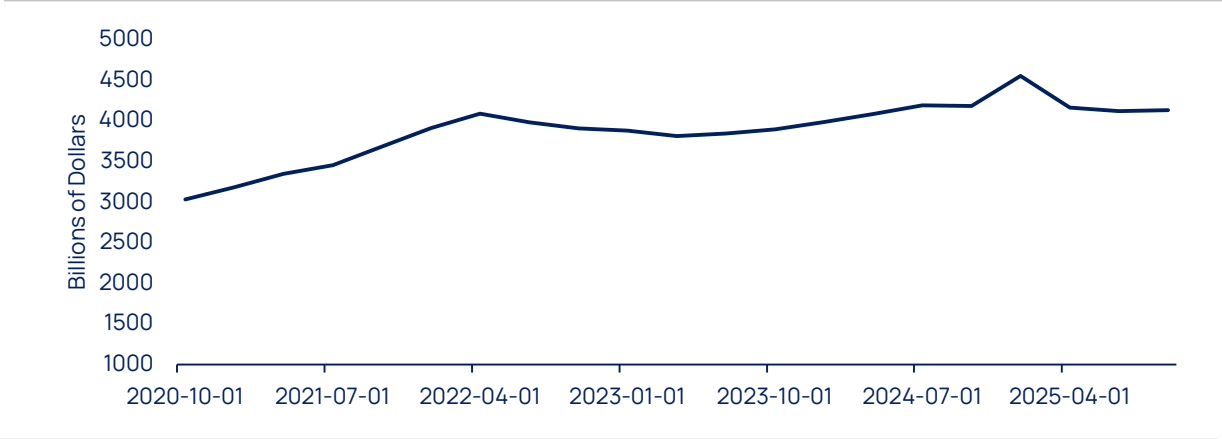
U.S. Tariffs 2026: Supreme Court Ruling and 10%–15% Reset

2026 Supreme Court decision, new 10%–15% tariffs are redefining U.S. trade costs, supply chains, and corporate margin assumptions.

On February 20, 2026, the U.S. Supreme Court ruled against significant portions of the administration’s prior global tariff framework, determining that certain broad-based tariffs exceeded statutory authority, effectively invalidating key components of earlier trade measures. Within days, the administration confirmed that a 10% tariff on imported goods would take effect, with the rate increasing to 15% for selected trading partners and product categories.

Financial markets reacted immediately, with heightened volatility across global equities, foreign exchange markets, and multinational industrial stocks as companies recalibrated landed cost assumptions and cross-border pricing models

Figure 3: Imports of Goods and Services



Source: Federal Reserve Economic Data

For U.S. importers, a 10%–15% tariff directly increases input costs across consumer goods, intermediate components, and capital equipment, compressing operating margins unless offset by price pass-through or supply chain relocation. For global exporters to the U.S., the new structure materially alters revenue forecasts denominated in dollar terms, particularly in sectors such as autos, electronics, machinery, and consumer retail.

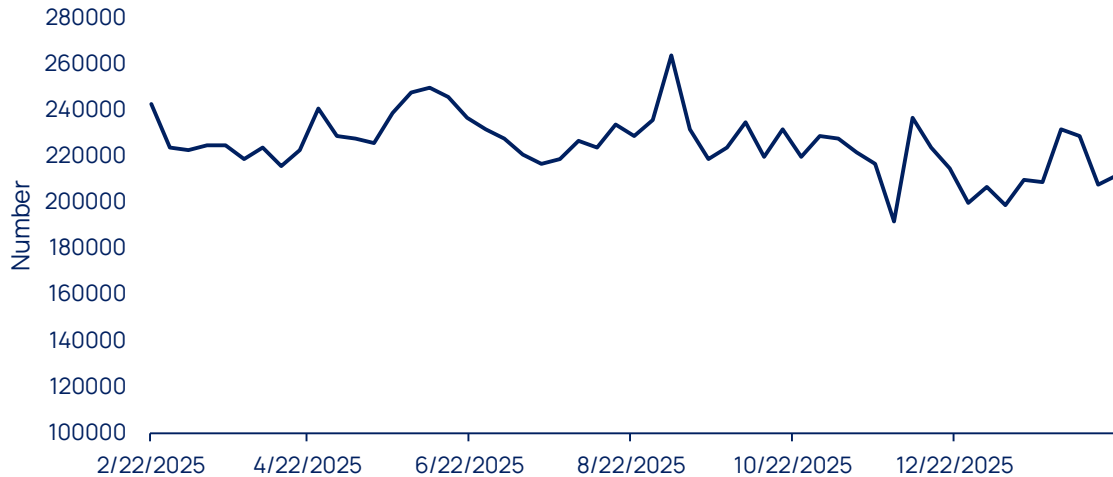
The evolving tariff framework, combined with judicial oversight, introduces elevated policy uncertainty for multinational corporations, cross-border M&A, private equity underwriting models, and global trade finance strategy in 2026.

Steady Labor Market, Growth Signal Steady Momentum

Labor steady, growth accelerating and regaining momentum.

Jobless claims remained range-bound between ~210K–250K with brief volatility, ending mid-range and signaling a stable labor market.

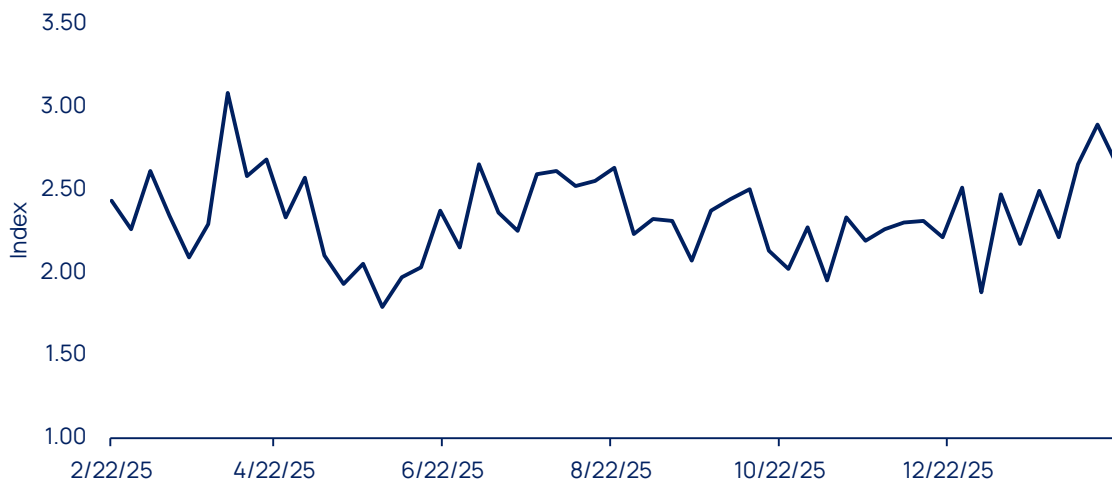
Figure 4: Initial Jobless Claims



Source: Federal Reserve Economic Data

The Weekly Economic Index hovered near ~2% for most of the year before accelerating to ~2.8% at year-end, indicating renewed growth momentum.

Figure 5: Weekly Economic Index



Source: Federal Reserve Economic Data

Work With Us

RCK Analytics is a global provider of high-quality investment research, investment banking support, PE/VC insights, data science and engineering solutions, market research, analytics, and assurance services. We serve a diverse client base including investment firms, PE/VC funds, asset managers, hedge funds, investment banks, consulting firms, and corporates across sectors. Backed by a skilled team, we deliver data-driven insights and strategic support to help clients make informed decisions and drive financial outcomes.

Our capabilities extend to deal origination support, financial due diligence, valuation analysis, portfolio monitoring, and advanced data analytics, enabling clients to enhance decision precision and operational efficiency. Our team focuses on delivering measurable outcomes through insight-driven strategies, helping clients strengthen investment theses, improve capital allocation, and unlock long-term value across dynamic global markets.



Website: www.rckanalytics.com



Phone: +91 72194 74999



M-109, City Avenue Corporate Park, Wakad,
Mumbai-Bangalore Highway, Pune, India - 411 057

