



Sum of All Fears

CIO Insights
February 2026

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Sum of All Fears | CIO Insights

Churchill's "sum of all fears" - convergence of risks from multiple fronts.

In markets last week, the sum of all fears came true as markets digested higher producer price inflation, higher margins on precious metals, lacklustre earnings from some tech majors and the nominee for the next FED chair, waking volatility from its somnolence.

While post-event narratives attributing causality warrant skepticism, the forward trajectory remains clear-Volatility, Earnings, and Inflation will dominate 2026 market dynamics.

Equities face a critical inflection point where earnings quality and forward guidance separate winners from losers, exemplified by the stark divergence in Microsoft and Meta post-earnings price action. AI development velocity threatens established norms, howsoever nascent, with Moltbot and Kimi representing emerging competitive threats. Sector preferences favor Memory, Semis, and Chips within Technology, alongside overweight positions in Industrials and Healthcare.

Inflation and Interest Rates present persistent headwinds as Treasury yields anchor above 4.2%, reflecting structural inflationary pressures (tariffs), commodity prices, economic resilience, and fiscal expansion that collectively are a headwind to monetary easing.

Precious Metals maintain fundamental support through currency diversification dynamics (gold) and supply constraints (silver), though elevated margins will likely trigger speculative position unwinding. The path forward suggests heightened volatility rather than the secular appreciation trend witnessed over the past three years, with gold maintaining preference over silver.

Sum of All Fears

The Precious Metals Liquidity Squeeze

Margin-Induced Volatility

Cascading Liquidations & Speculative Unwinding



Silver Faces Aggressive Tightening

Margin Req.
11% → 15%

36% Increase

Price tested \$75-80 zone

COMEX Margin Increase (Standard)

Asset	Previous	New	% Increase
Silver	11.0%	15.0%	38%
Gold	6.0%	8.0%	33%

Gold Breaks Psychological Support

Price Declined to **\$4,745**



Macro & Equity Headwinds

Treasury Yields Anchor Above 4.2%

Structural Pressures: Tariffs, Fiscal Expansion, Commodities



Alphabet, Amazon

Mega-Cap Tech Dependency

Represent 15% of S&P Weighting, Results to Set Market Tone



Nifty 50 Technical Breakdown

Benchmark Plummeted 2.3%

NotebookLM

Precious Metals – Less Precious...

Gold & Silver Margin Requirements (January 31, 2026)

COMEX Gold & Silver Margin Changes (Jan 31, 2026)

Asset	Contract Type	New Margin (Non-Heightened)	Previous Margin	Change
Gold (GC)	Initial	~8% of contract value	6%	Increased
Silver (SI)	Initial	~15% of contract value	11%	Increased
Gold (GC)	Heightened Risk	8.8%	6.6%	Increased
Silver (SI)	Heightened Risk	16.5%	12.1%	Increased

source: CME

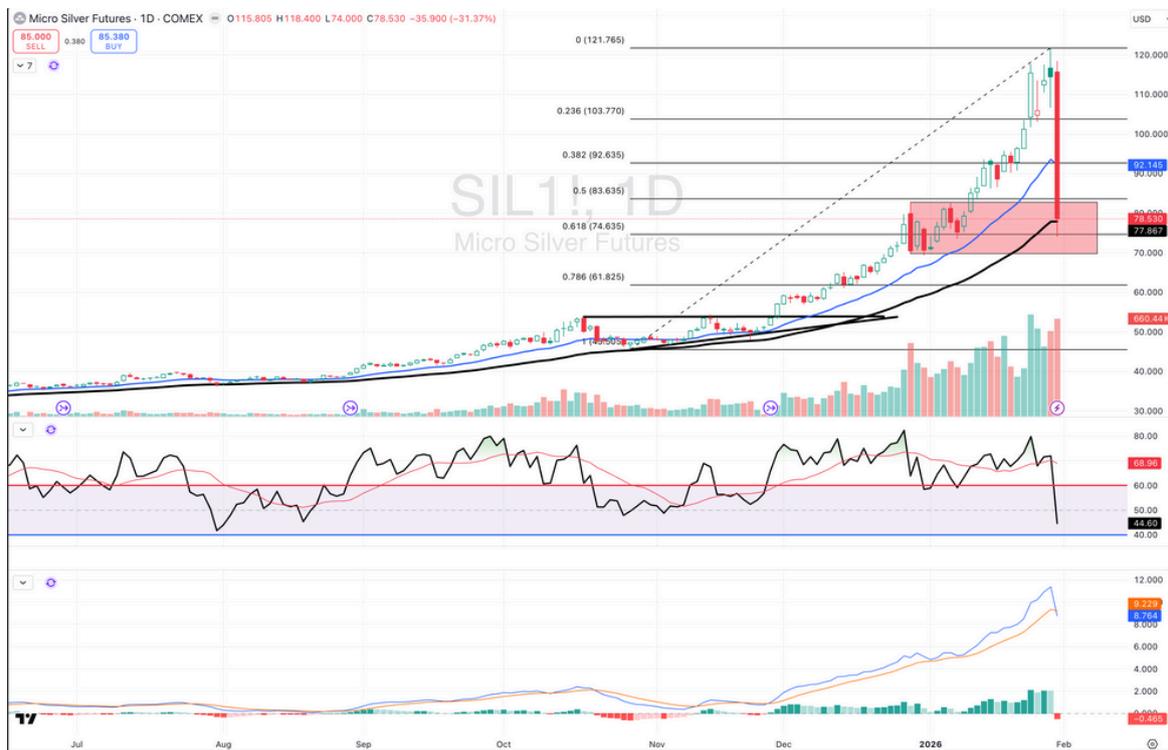
COMEX implemented substantial margin increases across precious metals contracts, with silver experiencing the most aggressive tightening. Initial margin requirements jumped from 11% to 15% (36% increase) for standard accounts and 12.1% to 16.5% (36% increase) for heightened risk accounts. Gold margins increased from 6% to 8% (33% increase) and 6.6% to 8.8% (33% increase) respectively.

Coming in response to elevated volatility and risk of disorderly markets, such margin changes typically trigger cascading price moves exacerbating downside momentum.

Implication: Margin-induced volatility should subside as weak hands exit. However, elevated margin requirements will limit speculative participation going forward, potentially dampening upside momentum even as fundamental support remains intact.

Silver Futures - Margin-Induced Correction

MicroSilver Futures (COMEX) - Daily Chart



source: Trading View

Parabolic increases also correct exponentially. The dramatic decline on 30th Jan, has sailed through retracement levels and now testing critical 61.8% retracement in the \$75 area. Ability to hold \$75-80 support zone will define the path for bullish positions.

While many narratives attributed the collapse to the nomination of the new FED chair, higher CME margins are likely to have had a cascading impact, especially given the speculative rally in recent weeks.

Outlook: Until remnant speculative positioning is flushed out, volatility is likely to remain elevated – sharp upside reversals are likely post that. A break below the \$75-80 support zone will warrant deeper corrections towards the \$60 zone.

Gold Futures - Testing Critical Support

MicroGold Futures (COMEX) - Daily Chart



source: Trading View

Gold futures declined 11.4% to \$4,745, breaking below the psychological \$5,000 level and testing support at the 0.618 Fibonacci retracement (\$4,643). The rejection from all-time highs near \$5,627 is likely to have been triggered by higher margin requirement increases (6% to 8% standard; 6.6% to 8.8% heightened risk).

Outlook: Gold maintains superior risk/reward versus silver given relative stability and central bank accumulation trends. Critical support at \$4,530-\$4,640 needs to hold to support the bull case. Reclaim of \$4,900-\$5,000 would signal resumption of uptrend. Failure below \$4,530 opens path to \$4,375-\$4,400.

US 10-Year Treasury Yield - Resistance Holding

US Government Bonds 10YR Yield - Daily Chart



source: Trading View

The 10-year Treasury yield trades at 4.249%, maintaining its position above the critical 4.20% resistance-turned-support level. After breaking above the descending trendline from mid-2024 peaks, yields have consolidated within a symmetrical triangle pattern, suggesting directional resolution imminent.

Technical indicators show mixed signals: Z-Score momentum remains elevated above 1.5 standard deviations, while MACD exhibits subtle bullish divergence. The 20-day EMA (4.21%) and 50-day EMA (4.17%) provide near-term support, with the 200-day EMA (4.20%) serving as pivotal longer-term anchor.

Outlook: Break above 4.30% would signal yield breakout targeting 4.40-4.50%, intensifying pressure on equity valuations and rate-sensitive sectors. Conversely, failure to hold 4.20% opens path toward 4.10-4.15%. Current trajectory favors higher yields given persistent inflation pressures and fiscal concerns.

Nifty 50 Index - Technical Breakdown

Nifty50 Index (NSE) - Daily Chart



source: Trading View

India's benchmark Nifty 50 Index declined 2.3% to 24,825, breaking below the psychologically significant 25,000 level and all three major moving averages (20/50/200-day EMAs). The index now trades below the 200-day EMA (25,160), confirming a technical shift from uptrend to correction mode.

Momentum indicators confirm deterioration: Z-Score has plunged into negative territory (-2.37), indicating oversold conditions, while MACD prints deeply negative readings (-210) with bearish crossover. DMI shows directional weakness with the 14-day indicator declining sharply.

Critical support resides in the 24,400 area, representing May-Sep'25 consolidation lows. Failure to defend this zone exposes the index to 23,750 and then to 22,000.

Outlook: The weekend budget accentuated the declining trend and already weak sentiment, with a higher securities transaction tax (STT) on Futures and Options cited for causality, and overlooking any growth initiatives. Our preference for India amongst emerging markets is largely a call on this being a quality diversifier, now trading on more defensible valuations.

MACRO DATA CALENDAR & ANALYSIS

Date	Indicator	Previous	Consensus	Commentary
Mon, Feb 2	ISM Manufacturing PMI	47.9	48.3	Marginal improvement expected but remains contractionary. Watch employment and new orders components.
Tue, Feb 3	JOLTs Job Openings	7.146M	7.0M	Labor market cooling gradually. Openings remain elevated vs pre-pandemic, indicating persistent tightness.
Wed, Feb 4	ISM Services PMI	54.4	54.3	Services resilience continues (~70% of economy). Strength offsets manufacturing weakness, maintains Fed optionality.
Wed, Feb 4	ADP Employment	41K	35.0K	Dramatic slowdown projected. ADP has poor NFP correlation recently; treat as directional indicator only.
Thu, Feb 5	Initial Jobless Claims	209K	214.0K	Modest uptick consistent with stable labor market. Claims below 220K indicate resilient employment conditions.
Fri, Feb 6	Non-Farm Payrolls	50K	40.0K	CRITICAL RELEASE. Deceleration but positive. Focus on wage growth and participation. Sub-zero print would shock markets.
Fri, Feb 6	Unemployment Rate	4.40%	4.50%	Market sensitivity high given Fed employment mandate.

source: Trading Economics

- Labor Market: Gradual cooling evident but no collapse. Unemployment trajectory critical for Fed reaction function.
- Manufacturing vs Services: Continued weakness in manufacturing offset by services resilience creates mixed picture.
- Wage Inflation: Earnings growth remains elevated, complicating Fed's inflation fight and limiting rate cut probability.
- Friday NFP as Major Risk Event: Potential for significant volatility.

source: Trading Economics

EARNINGS CALENDAR & ANALYSIS

Date	Company	Prev Rev	Cons Rev	Prev EPS	Cons EPS	Commentary
Mon Feb 2	Palantir (PLTR)	\$827.5M	\$1.32B	\$0.14	\$0.23	AI-driven analytics platform showing explosive 59% YoY growth. AIP commercial adoption critical. Premium \$351B valuation demands best-and-raise.
Mon Feb 2	Disney (DIS)	\$24.7B	\$25.6B	\$1.76	\$1.57	Streaming profitability inflection and parks attendance normalization critical. Disney+ subs, box office, cost-cutting impact on margins.
Tue Feb 3	AMD	\$7.7B	\$9.62B	\$1.09	\$1.31	MI300 GPU ramp vs NVIDIA dominance. Data center revenue acceleration, client CPU share gains offset by pricing pressure. AI accelerator guidance crucial.
Tue Feb 3	Merck (MRK)	\$15.6B	\$16.2B	\$1.72	\$2.05	Patent cliff concerns despite strong oncology franchise (8% growth). Pipeline approvals and Phase 3 readouts critical for long-term valuation.
Tue Feb 3	PepsiCo (PEP)	\$27.76B	\$29.01B	\$1.96	\$2.24	Volume trends vs pricing power amid GLP-1 headwinds. International growth and Frito-Lay performance key. Guidance on consumer elasticity and market share defense.
Tue Feb 3	Amgen (AMGN)	\$9.1B	\$9.46B	\$5.31	\$4.72	Biosimilar competition pressures legacy franchises. Obesity drug development progress key differentiator. 3%+ dividend yield provides defensive profile.
Tue Feb 3	Pfizer (PFE)	\$17.8B	\$17.54B	\$0.63	\$0.60	Post-COVID normalization continues. Seagen integration, oncology growth, capital allocation (M&A vs buybacks) key. Attractive 10x PE but growth visibility limited.
Wed Feb 4	Alphabet (GOOG)	\$96.47B	\$110.97B	\$2.15	\$2.62	MEGA-CAP BELLWETHER. Cloud +29% growth, AI integration across Search/YouTube/Cloud, advertising resilience. Regulatory overhang. \$52B+ CapEx intensity.
Wed Feb 4	Eli Lilly (LLY)	\$13.53B	\$17.69B	\$5.32	\$7.16	GLP-1 juggernaut driving 30%+ revenue growth. Mounjaro/Zepbound supply constraints easing, market share vs Novo critical. Guidance on manufacturing capacity expansion.
Wed Feb 4	AbbVie (ABBV)	\$15.1B	\$16.38B	\$2.16	\$3.35	Post-Humira cliff. Skyrizi/Rinvoq growth offsetting biosimilar erosion. Immunology portfolio transition critical. Aesthetics (Botox) recovery and neuroscience pipeline.
Wed Feb 4	Qualcomm (QCOM)	\$11.67B	\$12.11B	\$3.41	\$3.40	Smartphone chip recovery (China +20%), Apple concentration risk (60%+ revenue). AI PC and edge AI opportunity emerging. Licensing revenue stability critical.
Wed Feb 4	Uber (UBER)	\$12.0B	\$14.32B	\$3.21	\$0.79	Mobility + Delivery profitability inflection. Gross bookings mid-teens growth vs take-rate compression. International expansion, autonomous partnerships.
Thu Feb 5	Amazon (AMZN)	\$187.7B	\$211.26B	\$1.86	\$1.95	MOST ANTICIPATED. AWS reacceleration +20% vs MSFT/GOOG. Retail margin expansion via automation, advertising growth (10%+ of revenue). Operating margin 10-12% critical.
Thu Feb 5	KKR	\$3.26B	\$2.26B	\$1.32	\$1.40	Private equity fundraising environment, deployment pace, exit market conditions. Fee-related earnings stability, portfolio valuations. Alternative asset allocator sentiment.
Thu Feb 5	Bristol-Myers (BMY)	\$12.34B	\$12.21B	\$1.67	\$1.61	Pipeline execution critical post-Revlimid/Opdivo patent concerns. Oncology and immunology franchises, Celgene acquisition RDI. Cost discipline amid revenue pressures.
Thu Feb 5	Cigna (CI)	\$65.65B	N/A	\$6.64	\$7.87	Pharmacy benefit management under regulatory scrutiny. Medical loss ratio trends, membership growth, biosimilar adoption impact. Managed care margin defense critical.
Fri Feb 6	Philip Morris (PMI)	\$9.71B	\$10.42B	\$1.49	\$1.68	Smoke-free products (IQOS, ZYN) driving growth. Regulatory landscape in EU/Asia, pricing power. Emerging markets exposure, currency headwinds. ESG considerations.

source: Trading Economics

Key Earnings Themes

- **Mega-Cap Tech Dependency:** Alphabet and Amazon results will set tone for broader market given S&P 500 weighting. Cloud growth sustainability and AI monetization under scrutiny.
- **AI Infrastructure vs Application Layer:** AMD and Qualcomm represent chip infrastructure spending versus Palantir's software monetization. Divergence between hardware capex and software ROI evident.
- **Healthcare Innovation vs Patent Cliffs:** Merck, Pfizer, Bristol-Myers face legacy revenue erosion while Eli Lilly leads GLP-1 revolution. Pipeline execution and obesity drug development divergence evident.
- **Consumer Discretionary Signals:** Amazon, Disney, Uber, PepsiCo reflect consumer health across value-seeking and experiential spending categories. Watch for margin pressure versus pricing power dynamics.
- **Guidance Over Headlines:** In volatile markets, forward commentary matters more than backward-looking beats. Management tone on macro, pricing power, and demand visibility crucial.

LIGHTHOUSE CANTON

Singapore

16 Collyer Quay #11-02
Collyer Quay Centre
Singapore 049318

+65 67130570

UAE

The Exchange Gate Village 11,
Unit 802 Dubai International
Financial Centre PO Box 507026
Dubai, UAE

+971 45 861500

UK

24 Hanover Square,
London W1S 1JD

+44 164 2843 487

India

Unit No-104A, Worldmark
2 Asset Delhi Aerocity,
New Delhi 110037

+91 9650473961

Unit No 507/508, A Wing,
INS Tower, G Block, BKC,
Mumbai- 400051

+91 9650473961

1st Floor, WeWork37,
Cunningham Cross Rd,
SRT Road Vasant Nagar,
Bengaluru-560001

+91 9900096873

RK Swamy Centre, Hansa
Building, Door No:3, Thousand
Lights,
Chennai-600006

+91 9650473961

Suite 502, Building 450, Central
Plaza, Genome Valley,
Shameerpet,
Hyderabad 500 078

+91 9650473961

Unit No FF-10, FF Floor, Pragya
Accelerator, Block 15T GIFT CITY,
Gandhinagar
Gujrat-382355

+91 9650473961

✉ info@lighthouse-canton.com

✉ service@lighthouse-canton.com

🌐 Lighthouse Canton

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