



# Charts of the Week

Carson Investment Research

February 16 - 20, 2025

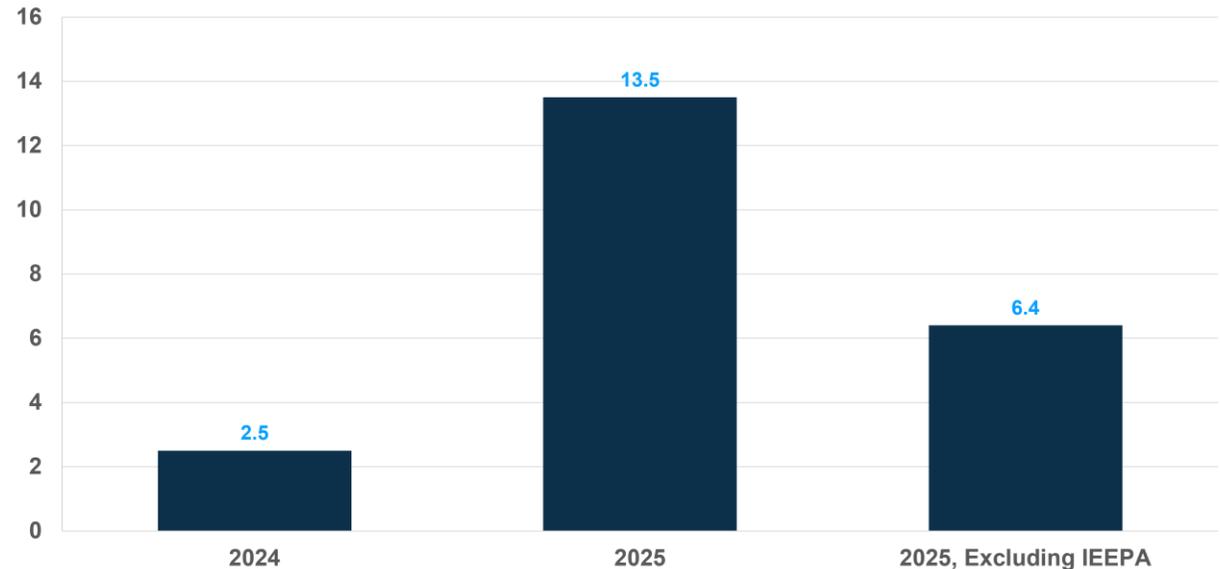
# Chart of the Week

## Tariff Shock, Un-Shocked

- 2025's average effective tariff rate jumps to 13.5%, vs 2.5% in 2024. A massive policy-driven wedge.
- This comes after the Supreme Court's decision to rule against the Trump Administrations tariffs put in place by the IEEPA.
- Excluding IEEPA, 2025 drops to 6.4%: still above 2024, but a very different "tax" on importers.

Bye, bye tariffs? The IEEPA ruling would send the tariff rates much lower, closer to where they were in 2024

Average Effective Tariff Rate on All Goods Imports (Percent)



Data source: Carson Investment Research, Tax Foundation 02/20/2025

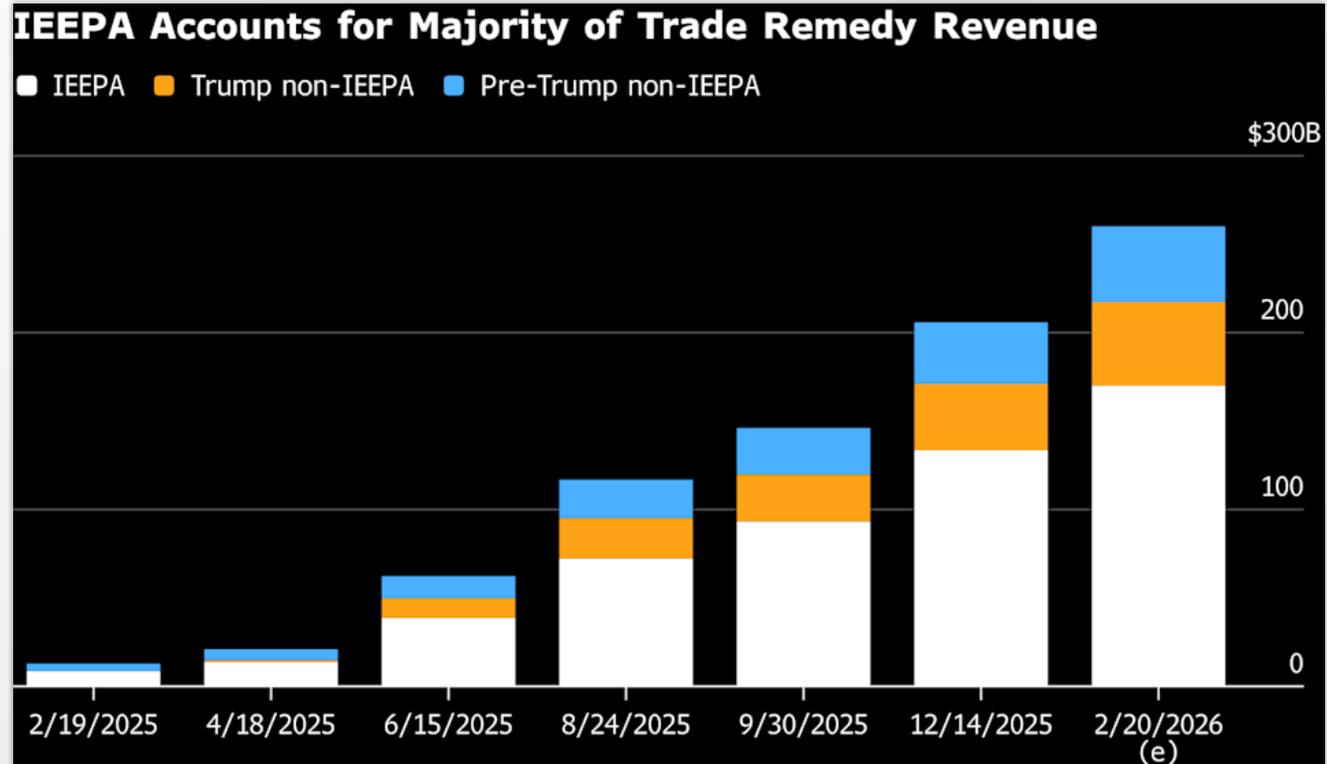
@sonusvarghese



# Macro

## IEEPA Tariffs Is Doing the Heavy Lifting on Revenue

- The stack shows IEEPA tariffs account for most trade-remedy revenue growth over 2025–26.
- Since the legal basis changed, the fiscal flow changes, and so does the uncertainty for importers planning inventory and pricing.



Source: Customs and Border Protection compiled by Bloomberg Economics  
Note: 2/20/2026 entries are estimates based on duties collected from 9/30/2025-12/14/2025. Does not include MFN, AD/CVD or entry summary reviews. Pre-Trump non-IEEPA includes 201 solar tariffs, 301 China tariffs and 232 steel and aluminum tariffs collected after Jan. 1 2025. New non-IEEPA revenue includes tariffs on autos/trucks and parts, wood products and copper. IEEPA includes reciprocal, fentanyl, and India- and Brazil-specific tariffs.

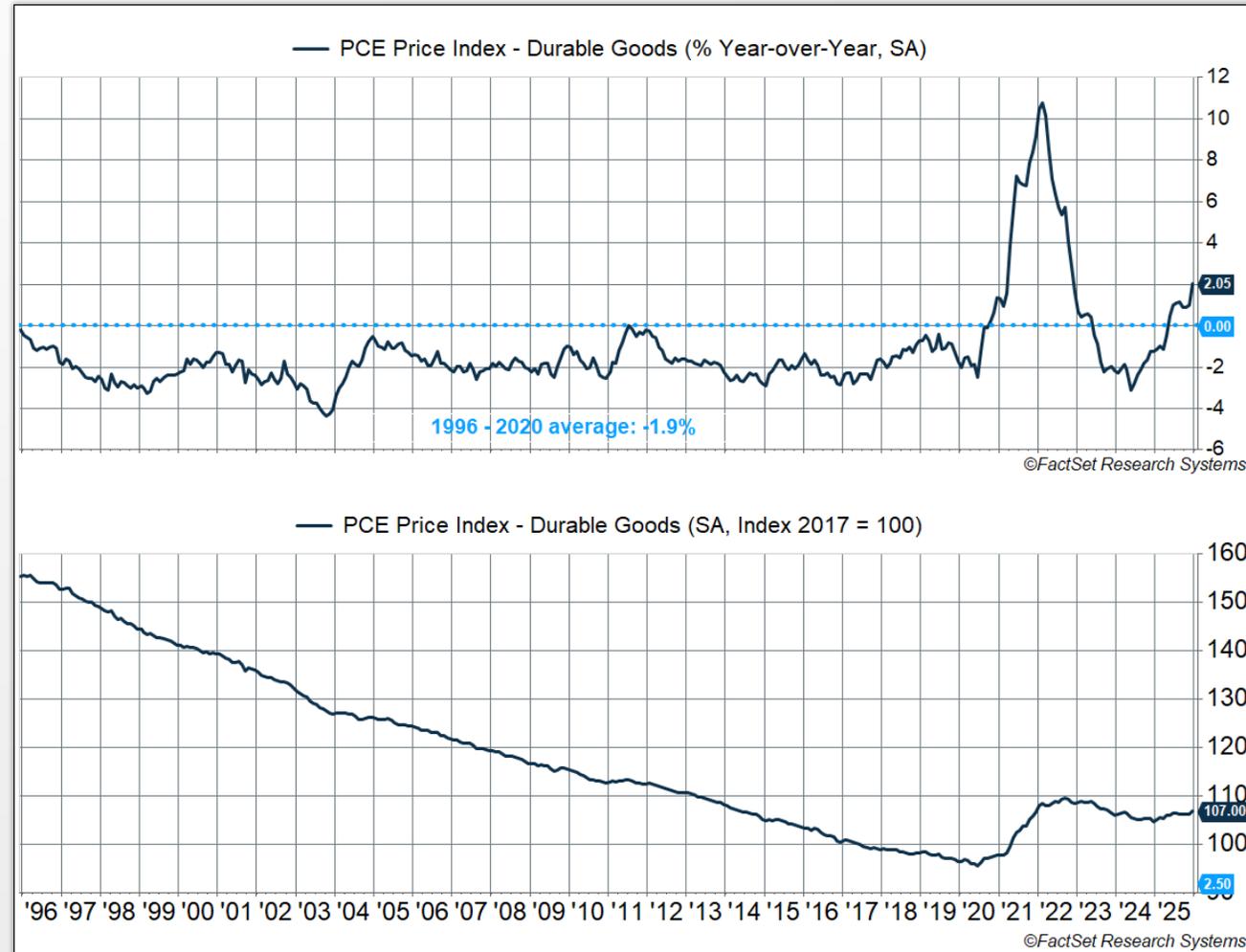
Bloomberg Economics



# Macro

## Durable Goods Inflation Has Flipped

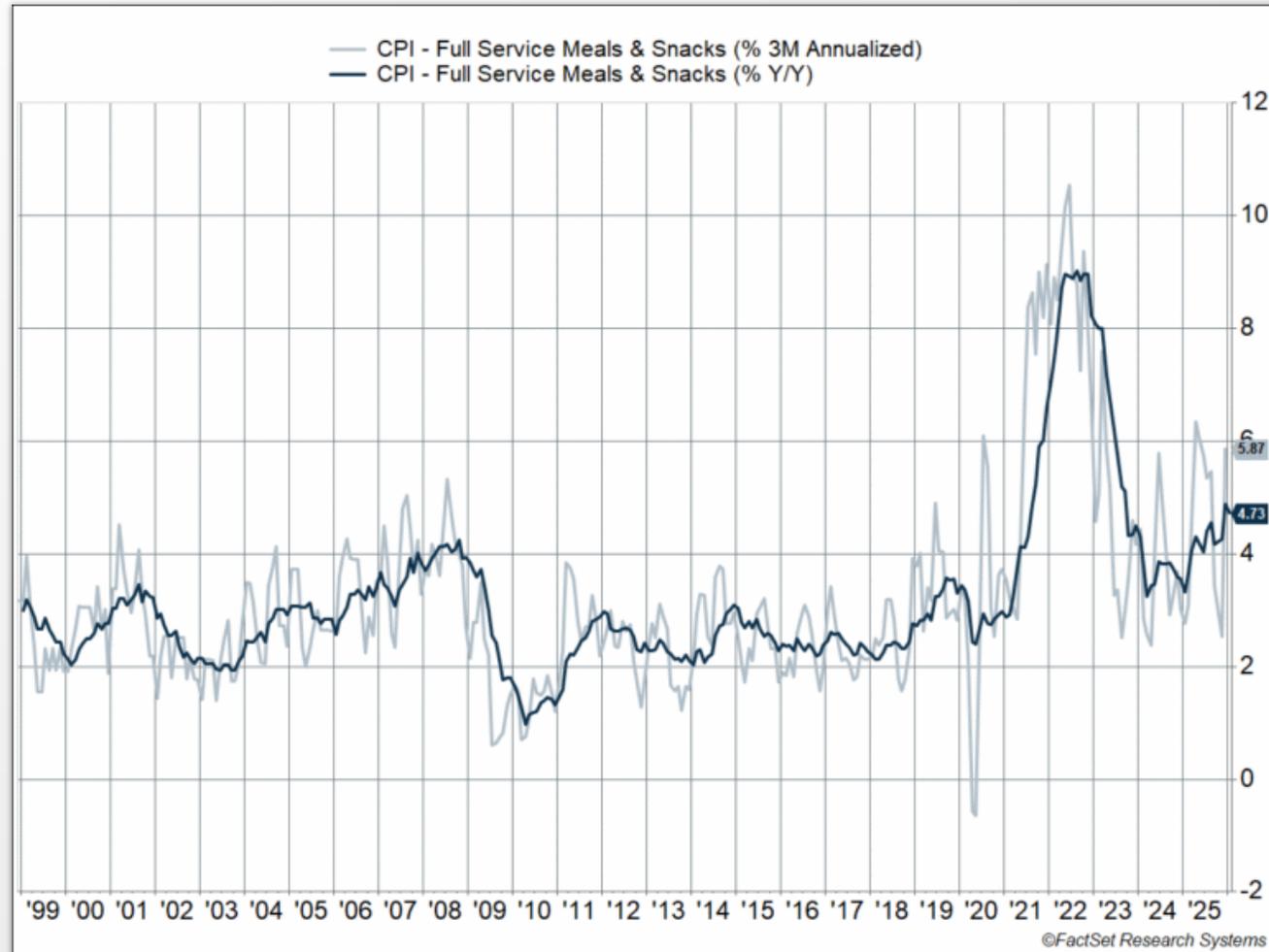
- For ~25 years (1996–2020), durable goods prices fell ~1.9% per year, a built-in disinflation tailwind.
- Post-2020, that tailwind is gone: durable goods inflation is back above zero (~2% y/y) and the price level never returned to the old trend.



# Macro

## Restaurant Inflation Is Still Too Hot to Call Normal

- “Full service meals & snacks” is running about 4.73% y/y, with ~5.87% on a 3-month annualized basis.
- This category bundles wages + rent + food inputs, so it’s a decent “pressure gauge” for underlying services inflation.

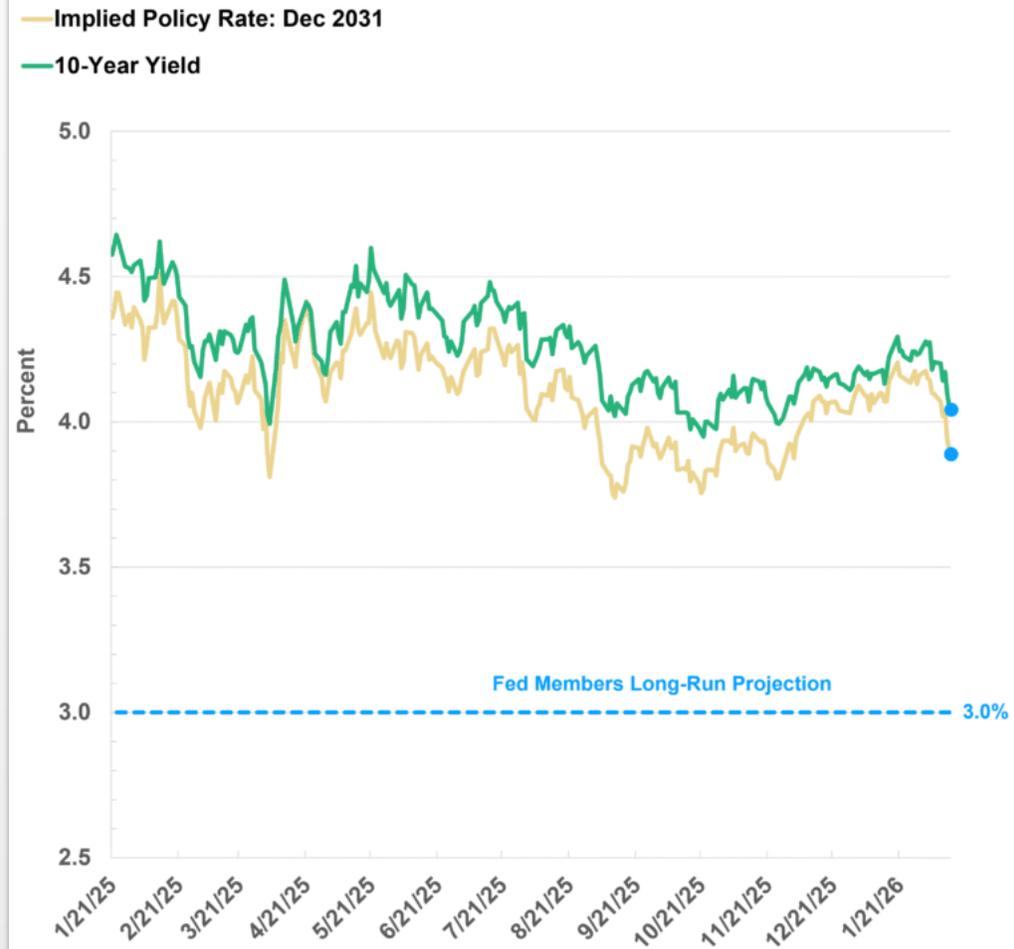


# Macro

## The Bond Market Doesn't Believe in 3% Neutral

- The 10-year yield tracks implied future policy pretty tightly. Policy expectations are still doing the steering.
- Both lines sit well above the Fed's long-run projection (~3.0%), implying the market expects higher-for-longer in the out-years even if cuts happen near-term.

10-year yield closely tracking expected policy rate in the future, and that's well above the Fed's longer-run "neutral"



Data source: Carson Investment Research, Bloomberg 02/13/2026

@sonusvarghese

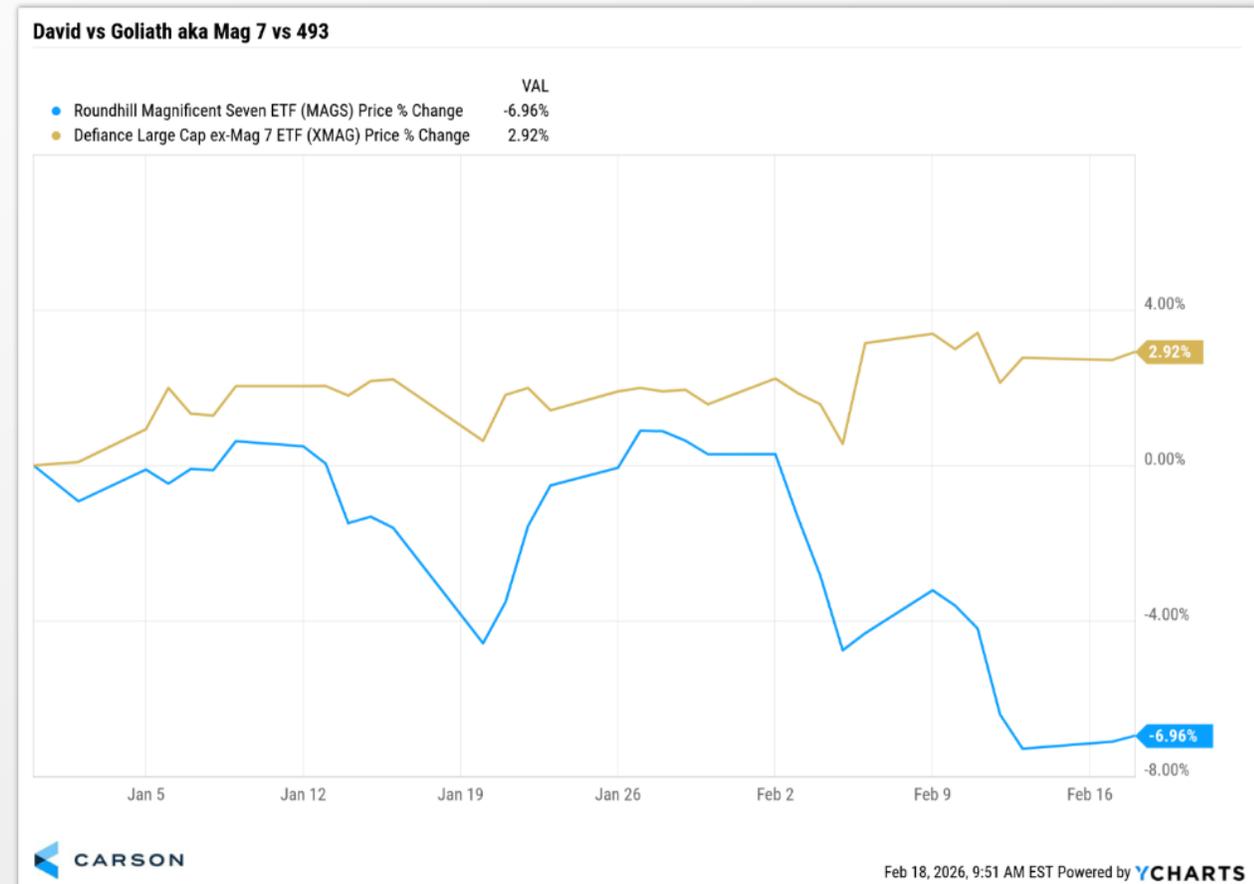
Implied policy rate proxied by SOFR futures  
1 basis point = 0.01%-point



# Equities

2026 Has Been 493 vs. 7

- As of mid-Feb, Mag 7 proxy (MAGS) -6.96% while ex-Mag 7 (XMAG) +2.92%
- This is the kind of tape where index-level calm can hide a lot of internal dispersion.
- If this persists, it changes how investors should interpret “the market” (cap-weighted headlines vs. typical stock experience).





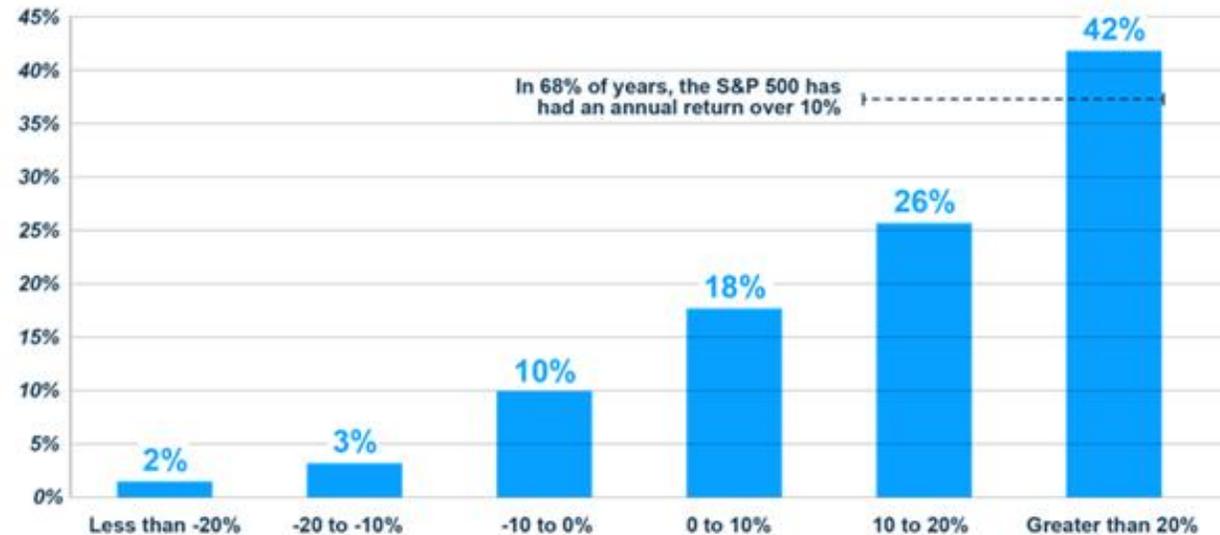
# Equities

## When There's No Recession, the Odds Skew Up

- In non-recession years (1950–2024), 42% of outcomes are >20%, and 68% are >10%.
- Left-tail outcomes still happen (e.g., 2% worse than -20%), but the distribution is clearly tilted.
- In our 2026 outlook, our base case is no recession in 2026 which we think could lead to a strong year in equity markets.

History Favors "Above Average" Returns Even Over 1-Year Periods, Especially When You Don't Have a Recession

Distribution of 1-Year S&P 500 Returns in Non-Recession Years | 1950 - 2024 (Total Return)



Source: Carson Investment Research, Aswath Damodaran Data 11/30/2025

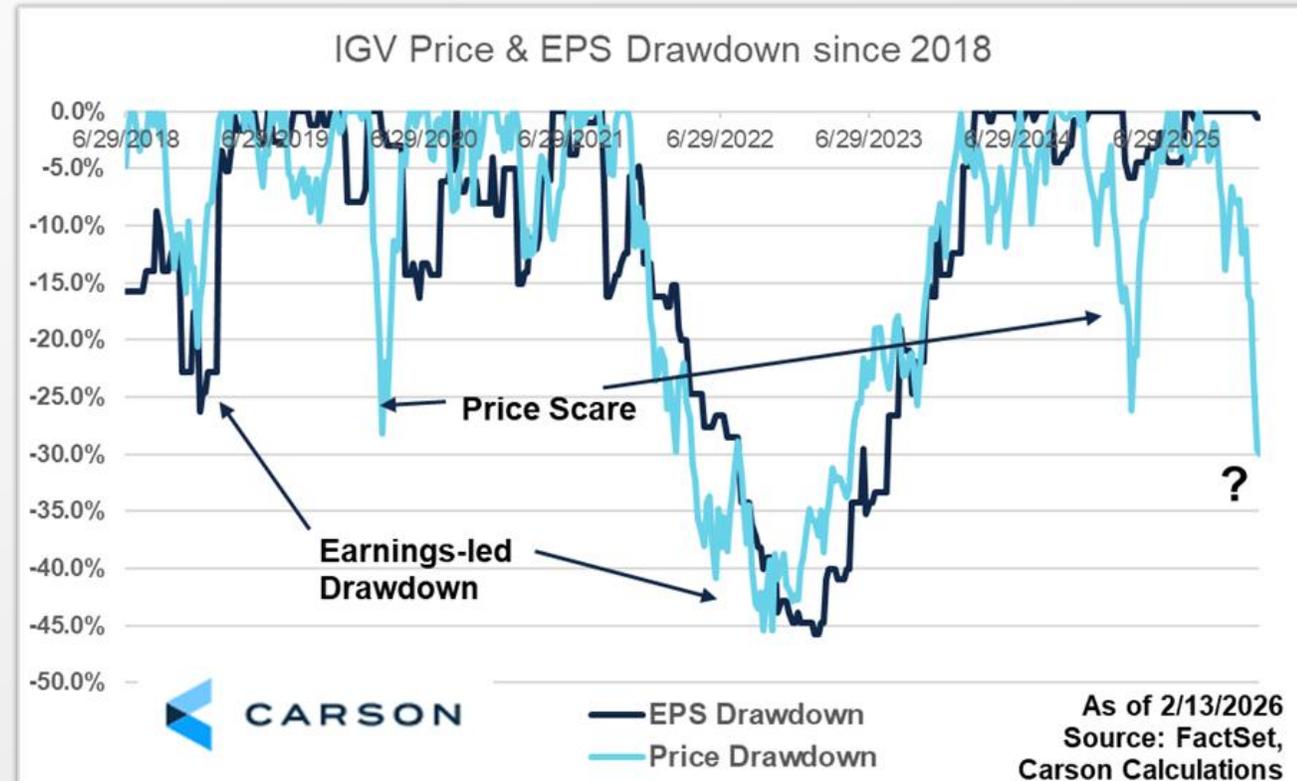
Recession years are defined as years in which there was a recession in at least 6 out of 12 months



# Tech / Software

## Software Selloff: Scare or Earnings?

- IGV is roughly ~30% off highs while EPS hasn't (yet) fallen in-line. The chart is basically asking whether earnings roll over next.
- History in software: price-only scares heal faster than earnings-led drawdowns.
- If revisions hit, the recovery path can look more like 2018/2022 than 2020/2025.



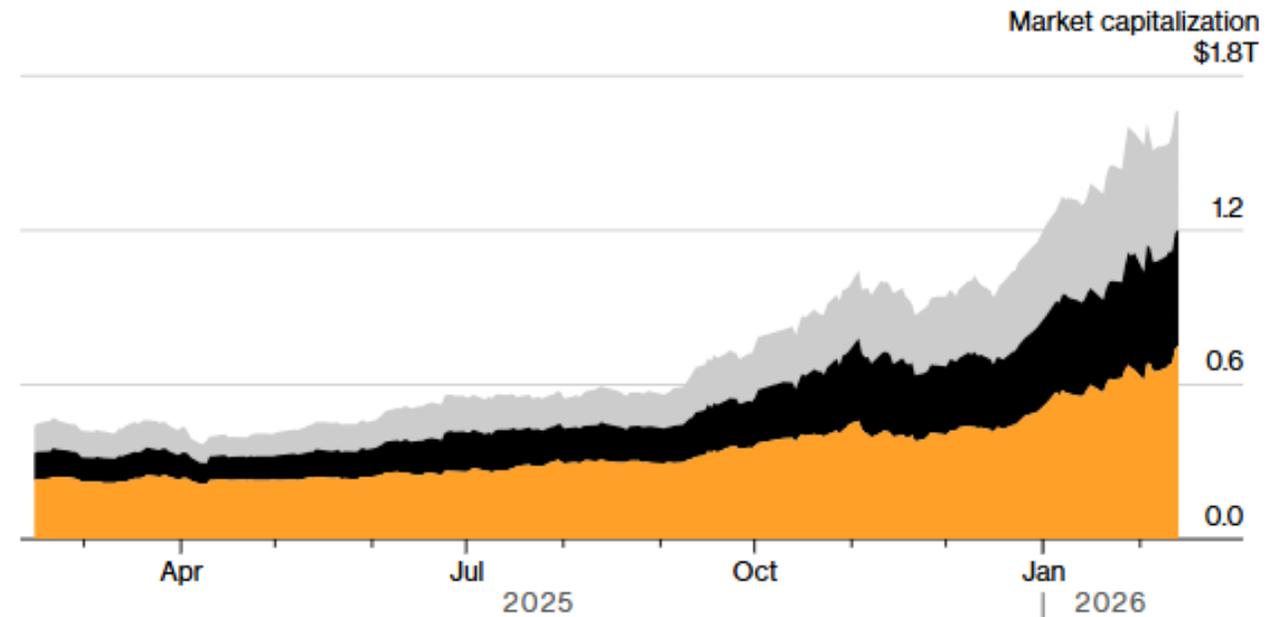
# Tech / Software

## AI's Memory Is Creating Some Winners

- The top memory makers have added >\$1T in value since August, reaching roughly \$1.8T combined market cap.
- This supports the “AI capex isn’t slowing” narrative. Demand is strong enough to reshape industry capacity priorities.

Three top memory makers added more than \$1 trillion in value since August

■ Samsung Electronics ■ SK Hynix ■ Micron



Source: Bloomberg

8786217.1. – 23FEB26A

The information included herein is for informational purposes and is intended for use by advisors only, and should not be copied, reproduced, or redistributed without consent of CWM, LLC. Carson Partners offers investment advisory services through CWM, LLC, an SEC Registered Investment Advisor. Carson Coaching and CWM, LLC are separate but affiliated companies and wholly-owned subsidiaries of Carson Group Holdings, LLC. Carson Coaching does not provide advisory services. 14600 Branch St. Omaha, NE 68154 (888) 321-0808

