
S&P Global

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S&P 500 dips 0.9% in February

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The S&P 500 sagged in February as markets responded to fears related to AI disruptors while weathering updates to US tariff policy.

The large-cap index retreated 0.9% from the end of January, although the Dow Jones Industrial Average rose 0.2%, according to S&P Global Market Intelligence data. The small-cap-focused Russell 2000 index gained 0.7%, outperforming the two large-cap indexes for the second straight month.

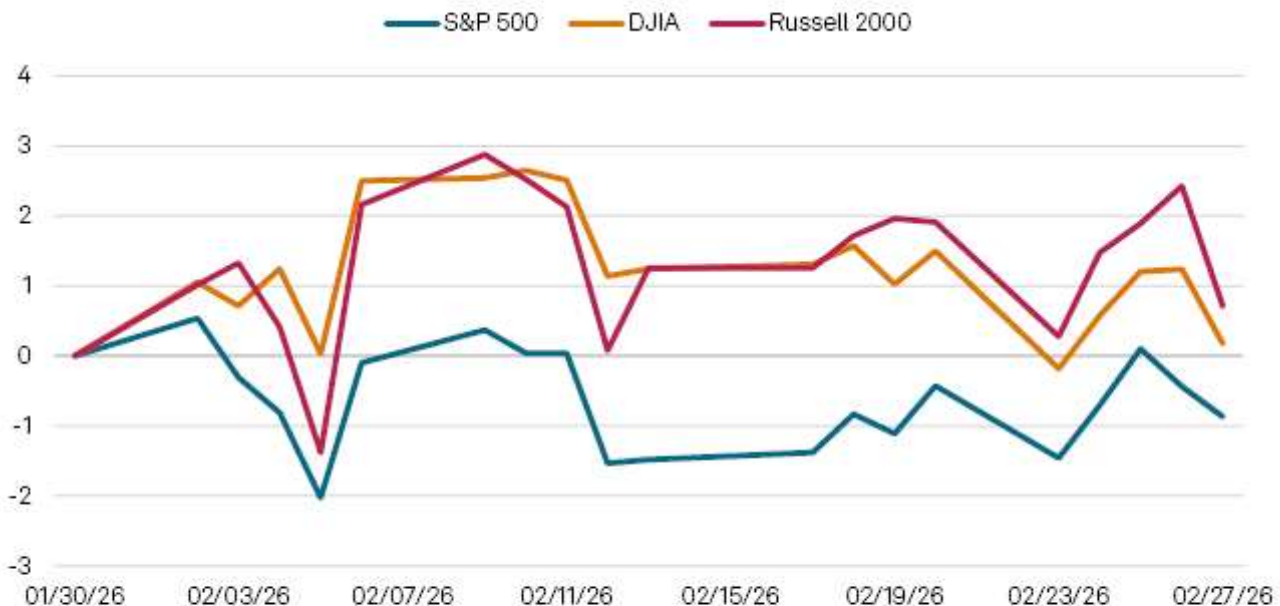
Software and insurance stocks, among others, in the S&P 500 experienced sharp declines during the month over concerns that services in those industries could be replaced by newly released AI technologies. Market observers have monitored whether these AI-related market sell-off fears have been overdone.

"We've seen some aggressive repricing of many software companies, and in some cases, we believe this has gone too far," Jim Worden, chief investment officer at Wealth Consulting Group, said in an interview. "We believe that the recent volatility has created some pockets of opportunity for some companies that we believe will still have a wide moat, even relative to the AI threat."

Index performance

February 2026

Index	Closing value	Monthly change	Monthly change (%)
S&P 500	6,878.88	-60.15	-0.9 ▼
DJIA	48,977.92	85.45	0.2 ▲
Russell 2000	2,632.36	18.62	0.7 ▲



Data as of Feb. 27, 2026.

DJIA = Dow Jones Industrial Average.

Source: S&P Global Market Intelligence.

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AI capex

AI companies themselves have faced selling pressure amid ongoing concerns of elevated valuations and ongoing increases in capital expenditures.

"We've had two years of AI-driven multiple expansion concentrated in a handful of names, and now you are seeing gravity reassert itself with people starting to worry about capex spending and balance sheets that are radically reducing," Tracy Shuchart, senior economist at NinjaTrader, said in an interview. "Investors are not used to seeing that. They're used to seeing free cash flow in these particular companies."

Six IT companies were among the 10 best-performing S&P 500 stocks in February, though the sector overall posted a 4% decline.

Competition among AI companies and infrastructure and supply chain needs is likely to drive continued spending.

"If you listen to the tech company leaders, they're sincere that the spending is real and worried that if they don't spend, they're in trouble," Todd Morgan, chairman of Bel Air Investment Advisors, said in an interview. "But there's a lot of people out there that can't believe the size and the magnitude of the spending."



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Muted response to tariff ruling

Markets were largely unaffected by the US Supreme Court's Feb. 20 ruling against broad US tariffs that were applied in 2025 under national security pretenses. The S&P 500 rose slightly over the week following the ruling, in contrast to its steep decline during the week following the US' original announcement of the tariffs in early April 2025.

Even with the ruling, uncertainty remains regarding replacement tariffs, tariff refunds and the status of trade agreements that were struck in response to the tariffs.

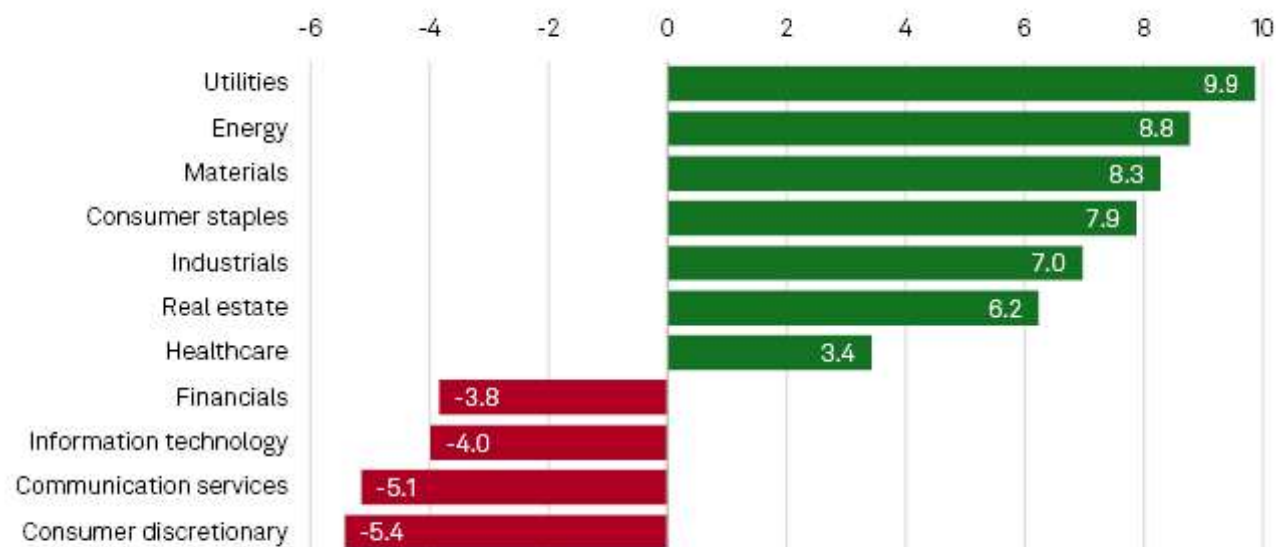
"The tariff situation has moved from background noise to a primary risk factor for capital allocation decisions," Shuchart with NinjaTrader said. "The biggest risk from tariffs isn't exactly the tariffs themselves but the inability to plan around them. Capital doesn't really flee due to policy. It flees from unpredictable policy."

Sector results

Seven of the S&P 500's 11 sectors rose during the month.

The utilities industry reported the largest sector gain in February with a 9.9% increase. All 31 of the sector's constituent stocks rose, led by PG&E Corp. and Edison International. Energy was the second-best-performing sector for the month.

S&P 500 sector indexes monthly price change (%)



Data as of Feb. 27, 2026.

Source: S&P Global Market Intelligence.

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The consumer discretionary sector performed the worst, dropping 5.4%. However, stock prices fell for less than half of the sector's 48 companies with 19 posting losses. Expedia Group Inc. and Carvana Co. recorded the largest share price declines.

Largest gains, drops

Texas Pacific Land Corp.'s stock price climbed more than 50% in February, the best performance among S&P 500 constituents. The energy sector company reported record fiscal year consolidated revenue, net income and free cash flow in its full-year 2025 earnings report released in February. In the report, the company also declared a quarterly cash dividend of 60 cents per share to be paid in March, marking a 12.5% increase from its regular dividend payout in the previous quarter.

S&P 500 company performance

Rank	Company (ticker)	Primary industry	Market capitalization (\$B)	Monthly price change (%)	Monthly average daily volume (shares)	Average daily volume as a percentage of common shares outstanding (%)
Top performers						
1	Texas Pacific Land Corp. (TPL)	Energy	36.15	50.5 ▲	675,462	1.0
2	Corning Inc. (GLW)	Information technology	129.02	45.6 ▲	12,819,957	1.5
3	DaVita Inc. (DVA)	Healthcare	10.44	42.9 ▲	1,485,244	2.2
4	Keysight Technologies Inc. (KEYS)	Information technology	52.80	42.1 ▲	1,794,300	1.0
5	Ciena Corp. (CIEN)	Information technology	49.33	38.4 ▲	4,403,254	3.1
Bottom performers						
500	EPAM Systems Inc. (EPAM)	Information technology	7.63	-32.4 ▼	1,595,645	2.9
499	CoStar Group Inc. (CSGP)	Real estate	18.74	-27.4 ▼	7,772,720	1.9
498	Ares Management Corp. (ARES)	Financials	25.13	-25.2 ▼	5,005,434	2.2
497	Gartner Inc. (IT)	Information technology	11.07	-25.0 ▼	2,343,144	3.3
496	Workday Inc. (WDAY)	Information technology	35.18	-23.8 ▼	6,957,259	2.6
Most traded						
1	Sandisk Corp. (SNDK)	Information technology	93.78	10.3 ▲	23,393,418	15.8
2	Coinbase Global Inc. (COIN)	Financials	46.44	-9.6 ▼	15,471,110	5.9
3	Super Micro Computer Inc. (SMCI)	Information technology	19.40	11.3 ▲	34,015,132	5.7
4	Norwegian Cruise Line Holdings Ltd. (NCLH)	Consumer discretionary	11.29	12.9 ▲	23,220,356	5.1
5	Paycom Software Inc. (PAYC)	Industrials	6.69	-6.6 ▼	2,502,446	4.7

Data as of Feb. 27, 2026.

Limited to S&P 500 constituents.

Source: S&P Global Market Intelligence.

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EPAM Systems Inc. was the worst-performing S&P 500 stock during the month, falling more than 32%. The company is a global provider of digital platform engineering and software development services.

EPAM Systems' organic constant currency revenue faced pressure at the start of the year as its clients were slower to finalize budgets and establish priorities, Senior Vice President, CFO and Treasurer Jason Peterson said during a Feb. 19 earnings call.