

US Stock Express

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Major US Economic Indicators

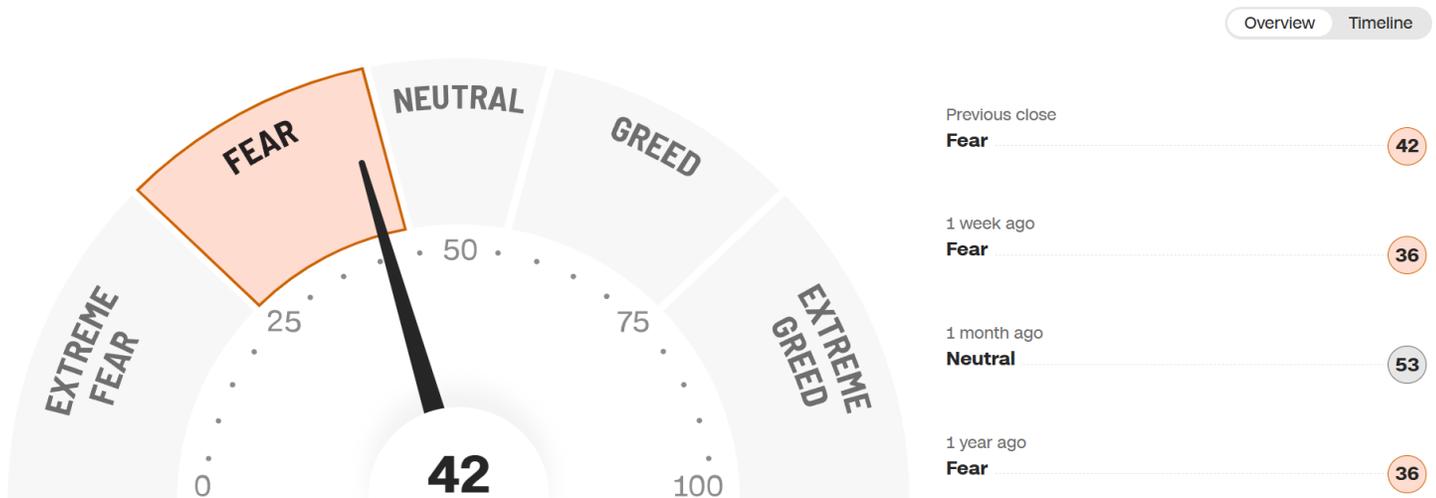
Currency	97.66	97.8	165	70.7		Feb/26
Stock Market	6885	6910	7003	4.4	points	Feb/26
GDP Growth Rate	1.4	4.4	34.9	-28	percent	Dec/25
GDP Annual Growth Rate	2.2	2.3	13.4	-7.4	percent	Dec/25
Unemployment Rate	4.3	4.4	14.8	2.5	percent	Jan/26
Non Farm Payrolls	130	48	4631	-20469	Thousand	Jan/26
Inflation Rate	2.4	2.7	23.7	-15.8	percent	Jan/26
Inflation Rate MoM	0.2	0.3	2	-1.8	percent	Jan/26
Interest Rate	3.75	3.75	20	0.25	percent	Jan/26
Balance of Trade	-70.31	-53.04	1.95	-136	USD Billion	Dec/25
Current Account	-226	-249	9.96	-440	USD Billion	Sep/25
Current Account to GDP	-3.9	-3.3	0.2	-6	percent of GDP	Dec/24
Government Debt to GDP	124	122	126	31.8	percent of GDP	Dec/24
Government Budget	-6.4	-6.2	4.5	-14.7	percent of GDP	Dec/24
Business Confidence	52.6	47.9	77.5	29.4	points	Jan/26
Manufacturing PMI	51.2	52.4	63.4	36.1	points	Feb/26
Non Manufacturing PMI	53.8	53.8	67.6	37.8	points	Jan/26
Services PMI	52.3	52.7	70.4	26.7	points	Feb/26
Consumer Confidence	56.6	56.4	111	50	points	Feb/26
Retail Sales MoM	0	0.6	19.3	-14.4	percent	Dec/25
Building Permits	1455	1388	2419	513	Thousand	Dec/25
Corporate Tax Rate	21	21	52.8	1	percent	Dec/26
Personal Income Tax Rate	37	37	39.6	35	percent	Dec/26

*Risk disclosure: Price can go up and down at any moment, use free money to trade and bear the risk according to your own capital;
 Never trade with money that has a deadline for withdrawal.
 All suggestions are for reference only, even AI cannot be 100% reliable, final decision still lies upon investors.
 Copy trading cannot replicate another trader's background or psychological state.*

Fear & Greed Index

What emotion is driving the market now?

[Learn more about the index](#)



Last updated Feb 23 at 8:40:01 AM ET

North East West South is NEWS

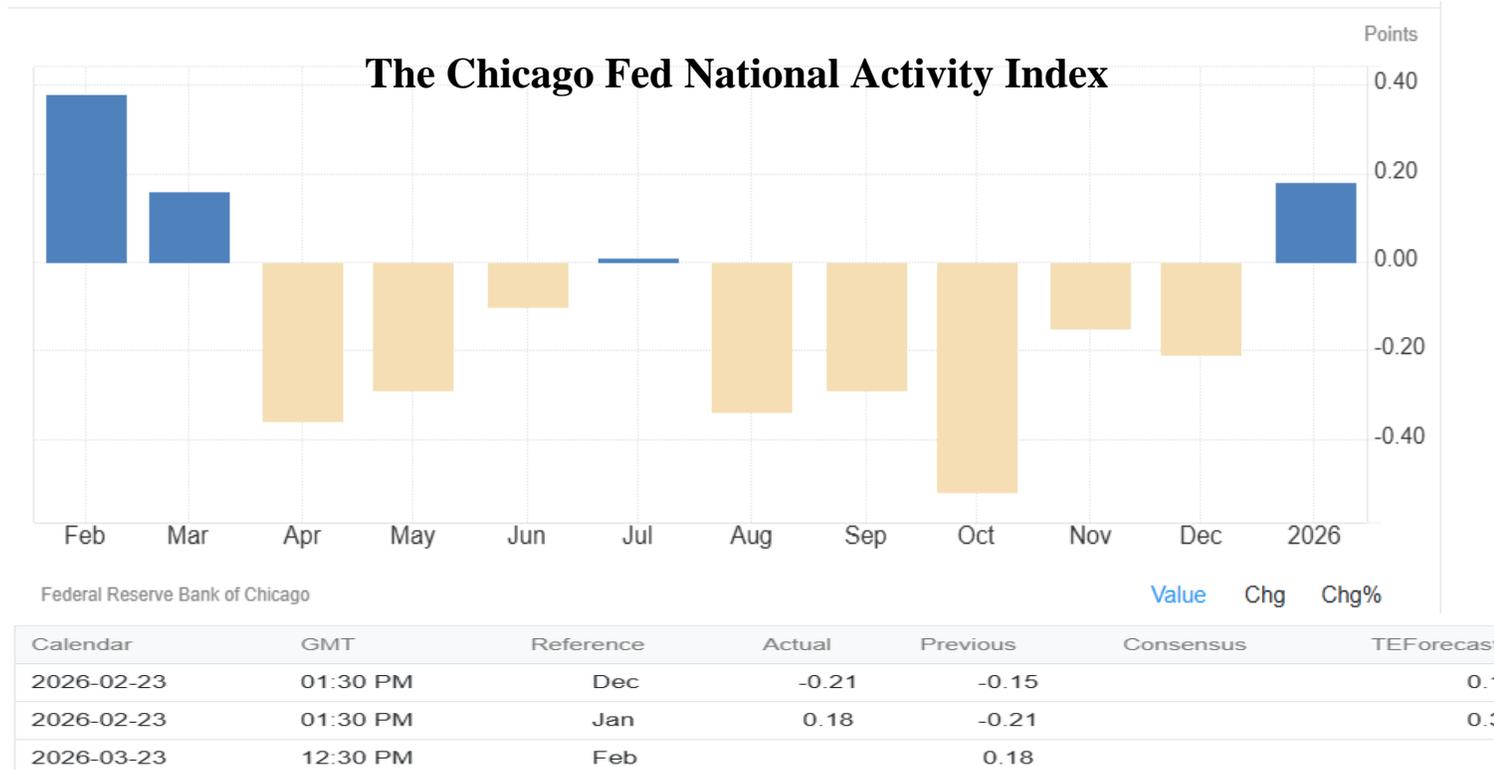
Iranian Foreign Minister Araqchi revealed that he might meet with US Special Envoy Steve Witkoff on the 26th. Omani Foreign Minister Bouthaadi shortly afterward confirmed that the next round of US-Iran talks would be held in Geneva, Switzerland.

Russian President Vladimir Putin stated that with the expiration of the last US-Russia nuclear arms control treaty, Russia's development of nuclear weapons has now become an "absolute priority."

UN Secretary-General António Guterres warned that human rights are under "comprehensive attack" and the rule of law is being "replaced by force." Speaking at the UN Human Rights Council in Geneva, Guterres stated, "This attack is neither clandestine nor surprise-based, but is carried out in broad daylight, often spearheaded by the most powerful nations."

Latin American stock markets are experiencing their strongest growth in a decade. Data shows that global investors are flocking to the region at the fastest pace in a decade, pushing stock markets in countries like Brazil, Colombia, and Mexico to multi-year highs. The MSCI Emerging Markets Latin America Index has surged over 20% at the start of 2026, reaching an 11-year high and marking its strongest start since 1991.

Growth concerns about the overvaluation and heavy capital expenditures of US tech giants are also affecting developing markets, as nearly half of the \$12 trillion gains in emerging markets since April have been concentrated in artificial intelligence (AI) related stocks. In response, Jitania Kandhari, Deputy Chief Investment Officer at Morgan Stanley Investment Management, stated that the company is increasing its allocation to emerging markets in areas decoupled from AI to prepare for a potential tech stock pullback.



The Chicago Fed National Activity Index rose to +0.18 in January 2026 from -0.21 in December, marking its highest level since February 2025 and signaling a pickup in US economic activity at the start of the year.



The price of gold, as denominated in US dollars, was stable until the collapse of the Bretton Woods system in the mid-1970s.



World Observation

Day 1462
Russia/Ukraine Conflict

Economic Cycle

(2) Dollar Hegemony

Economic Analysis is different from fortune telling, even though both of them sometimes are very accurate and sometimes not. Economic Analysis is based upon reasoning, logic and theory, while fortune telling is based upon mysticism and always something science cannot explain. Different people can have different standpoints but they can also show out their reasoning.

The Big Cycle Theory basically has a framework of six stages, which are 1) New Order, 2) Peace and Prosperity, 3) The Bubble, 4) The Top, 5) Decline and Disorder, 6) Reset/Disorder.

Why we have to study it? Because we must know what position we are in, when we can fix our stages, so that we can take relevant action and no need to guess this and that. For individual investors, when we enter into the market, of course we believe in the long run it will rise if we are still in prosperity. However, for short term fluctuation, it is nothing but *Dusk in The Wind*, everything is dust in the wind.

We have no war up to world war class for 80 years, so after World War II, the US established a new world order. For investor, the most concerned order is Bretton Woods System, that is *Dollar Hegemony*.

The Bretton Woods System was an international monetary system established in 1944 in Bretton Woods of New Hampshire. The aim was to provide standard currency exchange rates where a total of 44 countries would use their currency to peg against US dollar and in turn the dollar can exchange for gold. The International Monetary Fund (IMF) is thus established to oversee this. Now, every G7 or G20 meeting, no matter for summit or minister, the IMF is one of the designated members. Bretton Woods System was dissolved because of rise in Trade Deficit, that even all gold is used up and cannot exchange back for the dollar.

Bretton Woods is the reason why most international trade is quoted in USD, and in the financial market, most products are quoted in USD also. Even in the currency market, all other currencies are treated as a commodity and USD is the money. The price of gold is affected most by the rate of USD, and petroleum is also quoted by USD. In July 2008, when petroleum was at record high of \$147, some people requested to use EUR as price for it, but still failed. Now USD Index is sometimes known as the 4th Index, that is besides, DJIA, NASDAQ and S&P, the USD Index cannot be neglected, no matter your trade is in stock or any other market. Practically, Philadelphia Semiconductor Index and Russell small cap index are also known as the 4th Index.

Now a lot of people wish to use other currencies to replace USD, such as the launching out of single currency Euro is aiming at this. After the collapse of Bretton Woods System, all other countries used a basket of currencies for reserve. Basically, USD occupies 60%, Euro 20% and rest 20% are for nearby countries. Such as Australia and New Zealand are both at the far end of the earth, so their central banks are holding a lot of counterparts' currency indeed. China also wants the Belt and Road countries to use CNY (RMB), but practically, it occupies only about 2% transaction in free market.

Recently, crypto and stablecoin are having their importance day by day, but still cannot replace USD. Before World War II, British Pound was the major international currency. But after World War II, USD replaced British Pound for most victories are the merit of US and the major part of their countries was unhurt, therefore industry was still in full turbo. Now no matter in the east or west, people are trying to use another kind of currency hoping to lower the *Dollar Hegemony*. No matter successful or not, the Reset/Disorder is on the way.

So how can we know are we really in the stage of Reset/Disorder, it does not come out on a single day like the Liberation Day of Trump, it is undergoing a period of metamorphosis. The nearest checkpoint is on Wednesday, the result of announcement of NVDA. In early November, NVDA brought about good news but price started to fall and then kept going horizontally till now. It is followed by TSLA and Pay & Performance Scheme of Elon Musk. Now we have to watch whether it is a trend or just a short-term incident, whether it is a Reset/Disorder or any other symptom which is not listed in the theory.



GPT-5 is here - OpenAI

1.1 The Essence of the Big Cycle

At its core, Dalio's Big Cycle Theory posits that the rise and fall of nations and empires follow recurring, archetypal patterns. These cycles, typically spanning 200–250 years, are driven by the interplay of economic, social, and geopolitical forces. The Big Cycle is not a simple economic cycle; it is a multi-dimensional process that encompasses:

- The long-term debt and capital markets cycle
- The cycle of internal order and disorder (social cohesion, wealth gaps, political stability)
- The cycle of external order and disorder (geopolitical rivalry, wars)
- Acts of nature (pandemics, climate events)
- Technological innovation and disruption

These forces interact in ways that are “mechanistic and measurable,” according to Dalio, producing periods of peace and prosperity, followed by phases of excess, conflict, and ultimately, systemic reset. asiabusinesscouncil.org + 3

1.2 The Stages of the Big Cycle

Dalio's framework divides the Big Cycle into several stages, each characterized by distinct economic, social, and political dynamics:

1. **The New Order:** Following a major crisis or war, a new set of rules and institutions is established. There is broad social cohesion, low debt, and a focus on rebuilding.
2. **Peace and Prosperity:** The system works well, productivity rises, and the nation becomes more competitive. Education, innovation, and infrastructure flourish.
3. **The Bubble:** Success breeds complacency. Debt and asset prices rise, wealth gaps widen, and speculative excesses emerge.
4. **The Top:** The system reaches its zenith. Debt is high, social and political divisions deepen, and the nation's competitive edge erodes.
5. **Decline and Disorder:** Internal conflict intensifies, external rivals challenge the status quo, and the system becomes unstable.
6. **Reset/Disorder:** Crisis erupts—often in the form of war, revolution, or financial collapse. The old order is dismantled, and a new cycle begins. asiabusinesscouncil.org + 4

Dalio identifies eight key determinants of national power that rise and fall together: education, competitiveness, innovation and technology, economic output, share of world trade, military strength, financial center strength, and reserve currency status.

Passed Turing Test as AGI (super AI) level

1.3 The Three Interlocking Cycles

Dalio's Big Cycle is underpinned by three major, interlocking cycles:

- **The Long-Term Debt and Capital Markets Cycle:** Nations rise as they borrow productively, but eventually accumulate unproductive debt, leading to financial crises and currency devaluation.
- **The Internal Order and Disorder Cycle:** Social cohesion and shared values give way to widening wealth gaps, polarization, and internal strife.
- **The External Order and Disorder Cycle:** As the leading power weakens, rising powers challenge the status quo, leading to geopolitical rivalry and, often, war.

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These cycles are not independent; they reinforce each other. For example, high debt and internal disorder make a nation vulnerable to external threats, while external conflict can exacerbate internal divisions and financial stress.

1.4 Historical Case Studies

Dalio's theory is grounded in empirical analysis of past empires, notably:

- The Dutch Empire (rise and fall of the guilder)
- The British Empire (rise and fall of the pound)
- The U.S. Empire (rise and current decline of the dollar)
- The rise of China (as the emerging challenger)

In each case, Dalio traces the same pattern: a period of innovation and expansion, followed by debt accumulation, internal conflict, external rivalry, and eventual decline.

asiabusinesscouncil.org + 3

Ray Dalio's 8 Key Determinants of Power (also called the 8 measures of strength or empire power) are the core metrics he uses in *Principles for Dealing with the Changing World Order* (and updated in his annual Great Powers Index) to quantify and track the rise and decline of nations/empires over 500+ years.

These 8 are **mutually reinforcing** — strength in one boosts others (e.g., better education fuels innovation, which boosts competitiveness and output). They are averaged (with some weighting for size vs. quality) into an overall “power index” or “empire strength gauge” (0–1 scale). Historically, they rise in a predictable sequence during a nation’s ascent and decline in roughly reverse order during its fall.

Here is the exact list with explanations of what each measures, why it matters, and typical indicators:

1. **Education**

The foundational driver. Measures the quality and quantity of a population’s education (years of schooling, PISA/test scores, share of world university degrees, STEM graduates, literacy).

Why it matters: Creates skilled, productive, inventive people and a strong work ethic/culture. It is usually the **first** to rise in a new empire and the earliest warning of decline (via complacency or inequality).

2. **Innovation & Technology** (Inventiveness/Technology Development)

Capacity to create and commercialize new ideas. Measured by R&D spending (% of GDP + absolute), patents filed (global share), researchers, tech company valuations, venture capital, major breakthroughs.

Why it matters: Drives productivity explosions, new industries, and competitive/military edges. Turns education into real power.

3. **Cost Competitiveness** (Competitiveness in Global Markets)

Ability to produce high-quality goods/services at low relative costs (productivity-adjusted labor costs, efficiency, value-for-money).

Why it matters: Determines who wins export markets and attracts investment. Losing it (e.g., high wages without matching productivity) is a classic mid-decline signal.

4. **Economic Output**

Overall size and wealth of the economy (world GDP share, often PPP-adjusted; includes per-capita elements for quality).

Why it matters: Provides the resources for everything else — investment, military, infrastructure, social stability.

5. **Trade** (Share of World Trade)

Dominance in global commerce (world export/import shares, trade balance, centrality in supply chains).

Why it matters: Generates wealth, creates economic dependencies (leverage), and spreads influence/culture.



Passed Turing Test as AGI (super AI) level

6. Military Strength

Ability to protect interests and project power (world share of military spending, personnel, advanced capabilities, navy/airpower, etc.).

Why it matters: Secures trade routes, resources, and deters rivals; often rises after economic strength but is essential to sustain an empire.

7. Markets & Financial Center (Financial Center Strength)

Depth, liquidity, and attractiveness of capital markets (stock/bond market cap as % of world, trading volume, status as global financial hub — e.g., New York, London).

Why it matters: Efficiently allocates capital globally, attracts foreign investment, and sets standards. Comes relatively late in the rise.

8. Reserve Currency Status

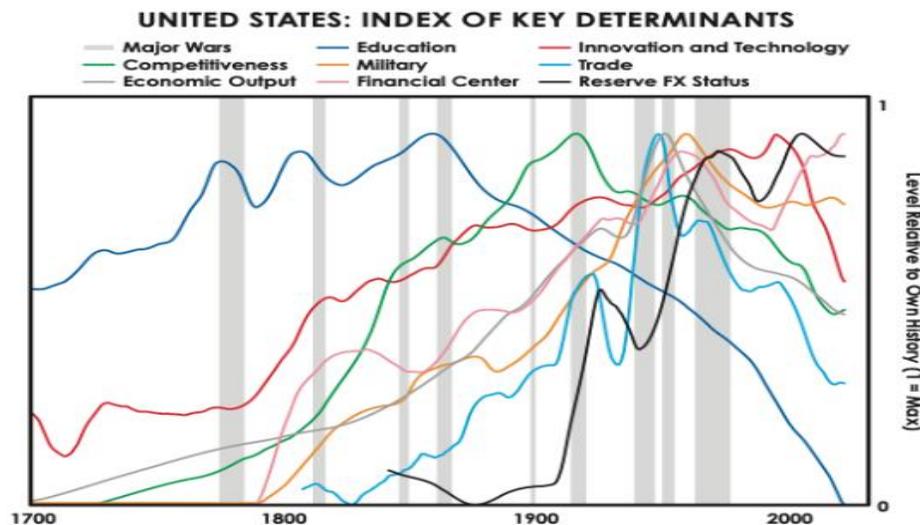
How widely the currency is used for global trade, reserves, and debt (share of world central-bank reserves, invoicing, SWIFT usage, etc.).

Why it matters: Gives the “exorbitant privilege” of cheap borrowing and seigniorage (printing money others want to hold). It is usually the **last** to peak and the slowest to decline — giving declining empires a false sense of security.

How the 8 Typically Evolve (The Archetypical Big Cycle Pattern)

They do **not** move randomly. Education and innovation rise first → competitiveness, output, and trade follow → military and financial strength build → reserve currency status arrives last (and lingers longest into decline).

Here is the classic historical chart (using the United States as the example, with lines for each determinant normalized to its own peak = 1.0):



Writing History - The Changing World Order | A Writer of History

You can see education leading the way up, reserve currency status lagging at the top and staying elevated longest on the way down.