Macro Economic Overlay

February 1, 2026

Ranking

Symbol	Output & Growth	Monetary Policy	Consumer Health	Score	**Rank**
GOOG	5.5	5.5	5.5	5.5	**1**
META	5.5	5.5	5.5	5.5	**2**

Summary

The current economic regime is defined by Moderate Expansion and Disinflation. In this environment, we prioritize companies with "Pricing Power" and "Low Capital Intensity." Stocks ranked #1 and #2 show high historical resilience to rising rates, while #3 is more sensitive to Consumer Sentiment shifts.

Framework

Category	Indicator	Target Threshold	Purpose
Output & Growth	GDP Growth	Growth > 2.0%.	Measures total addressable market expansion.
	Retail Spending	Range: 2.0% – 3.0%.	Determines if margins are eroded by costs.
Monetary Policy	CPI Inflation	Rate < 3.5%.	Lower rates justify higher P/E valuations.
	Fed Funds Rate	Rate < 4.0%.	Measures consumer paycheck stability.
Consumer Health	Unemployment	Index > 75.0.	Measures public willingness to spend.

	Cons. Sentiment	+0.5% MoM (Month-on-Month).	The "Real-time" heartbeat of corporate revenue.

Scoring (1-10)

- **Scores 8-10 (Accommodative):** At least 4 of 6 Macro indicators are in the "Bullish" range. Low inflation and low rates provide a "tailwind" that justifies aggressive equity positioning and higher valuation multiples.
- **Scores 5-7 (Mixed):** The economy is in transition. We may see strong GDP growth but rising inflation, or a strong consumer but tightening Fed policy. A time for selective, stock-specific picking rather than broad market bets.
- **Scores 1-4 (Restrictive):** High inflation and rising rates act as "valuation gravity." Consumer sentiment is low and retail spending is contracting, suggesting a defensive posture is required to protect capital.

GOOG

Category	Indicator	Measure	Verdict	**Score**
Output & Growth	GDP Growth	2.4%	**Expansion**: High correlation with GOOG ad-spend.	**1 / 10**
	Retail Spending	+0.7%	**Strong**: Supports YouTube e-commerce conversions.	**1 / 10**
Monetary Policy	CPI Inflation	3.1%	**Easing**: Reduces data center energy/input costs.	**1 / 10**
	Fed Funds Rate	5.25%	**Tight**: Paused; Yield Curve (Inverted) suggests caution.	**1 / 10**
Consumer Health	Unemployment	4.4%	**Stable**: Low-hire/low-fire market supports ad-reach.	**1 / 10**
	Cons. Sentiment	56.4	**Defensive**: Low sentiment creates "value-seeking" behavior.	**1 / 10**
TOTAL	Disinflationary growth and resilient consumer spending create a stable tailwind for GOOG, while the Fed's rate pause helps stabilize valuation multiples despite low sentiment.			**1 / 10**