SRC Wealth Matters

SRC Wealth Management

February 2026

Introduction

As part of our new monthly briefing series, this update provides a concise overview of recent economic developments and market movements that may influence retirement planning.

It sits alongside our more comprehensive quarterly newsletter and is intended to offer perspective rather than prediction — especially during periods when headlines can feel particularly attention-grabbing.

Market Facts – Key Metrics
(Latest available data as at mid-February 2026)

Interest Rates & Inflation

- **Bank of England Base Rate:** 3.75%
- **UK CPI Inflation (January reading):** 3.0% (down from 3.4% previously)

Equity Markets

- **FTSE 100:** 10,800
- **S&P 500:** 6,890

Exchange Rates

- **£1 = €1.15**
- **£1 = $1.35**

Precious Metals (spot prices, USD)

- **Gold:** ~$5,100 per troy ounce
- **Silver:** ~$80 per troy ounce

Figures rounded for clarity. Markets move daily and these are provided for general context.

Inflation Falls – What It Could Mean for Interest Rates
The most significant development this month has been the latest inflation reading, which showed a fall to **3.0%**. While still above the Bank of England's 2% target, this decline has strengthened expectations that policymakers may consider a reduction in interest rates at their March meeting.

Markets now appear to be pricing in a meaningful possibility of a rate cut in the near term.

For those in, or approaching, retirement this raises two practical considerations:

- **Cash savings rates may begin to ease** if rate cuts materialise.
- **Lower rates can be supportive for some asset prices**, particularly equities and bonds.

As always, our focus is not on predicting the exact timing of rate decisions, but on ensuring your plan remains resilient under different scenarios.

Equity Markets – Strength Despite Uncertainty
UK markets have remained firm, with the FTSE 100 trading at record levels following the inflation data. The US market has also continued to perform strongly.

This is a useful reminder that:

- Markets often move ahead of economic changes.
- Investor expectations about future interest rates can drive short-term performance.
- Diversification remains important when different regions lead at different times.

For retirees, what matters most is not month-to-month performance, but whether your portfolio structure aligns with your income needs and long-term objectives.

Gold and Silver – Why the Attention?
Gold and silver have both attracted attention recently.

Gold has remained elevated by historical standards, reflecting ongoing geopolitical uncertainty and continued interest from investors seeking perceived “store of value” assets. Silver, which tends to be more volatile due to its industrial uses, has experienced larger price swings.

It’s important to remember:

- Precious metals **do not produce income**.
- Their prices can move sharply in both directions.
- They can play a limited diversification role in some portfolios, but they are rarely a substitute for a balanced retirement strategy.

Periods of strong performance often bring increased interest — but long-term plans should not be reshaped around short-term momentum.

Planning Considerations This Month

1. Review cash levels deliberately
If interest rates fall in the coming months, returns on savings accounts may gradually reduce. Ensuring you hold the right level of cash — not too much, not too little — remains important.

2. Maintain balance between income and growth
Inflation, even at 3%, still erodes spending power over time. Retirement plans generally require both dependable income and assets with the potential for long-term growth.

3. Avoid reacting to headlines
Inflation falling, rates possibly changing, metals moving sharply — all of these can feel significant in the moment. A structured plan helps prevent unnecessary adjustments.

A Steady Perspective
Markets continue to digest economic data, political developments, and interest rate expectations. None of these themes are unusual. What changes is the emphasis from month to month.

A well-constructed retirement strategy is designed to accommodate changing conditions. Regular reviews ensure that it remains aligned with your circumstances and goals.

If recent developments have prompted questions about your income, investments, or future, please feel free to get in touch.