

Tech Out, Staples In?

By Daniel Schneider, Wealth Advisor

2026 is one of those very special years that only comes around once every four years—a midterm election year. Elections bring a lot of uncertainty to the stock market, and what does the stock market not like – uncertainty.

2026 is off to an interesting start in the market.

Technology isn't going anywhere in the headlines. If anything, the conversation around AI has only intensified. What *has* changed, however, is tech's dominance in the stock market.

If you've followed my writing or we've spoken before, you've probably heard me reference the interesting relationship between Procter & Gamble stock and Nvidia (NVDA) in particular. For a long stretch, the two have been less positively correlated – when NVDA moved higher, PG tended to lag, and when NVDA cooled off, PG often held up better.

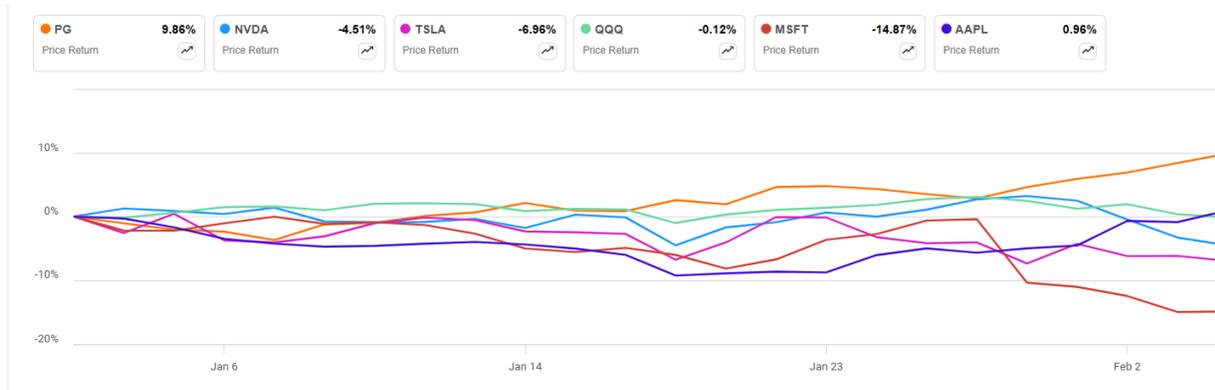
It was never a perfect 1-to-1 relationship, but the pattern was persistent.

That relationship negatively impacted PG shareholders return in 2025. NVDA surged nearly 35% on the year, while PG declined roughly 13%. Tech leadership crowded out more defensive areas of the market, and staples were largely left behind.

The story is different this year, so far.

To put this shift in context, it helps to look not just at PG and NVDA, but also Tesla

(TSLA), Microsoft (MSFT), Apple (AAPL), and the Nasdaq 100 (QQQ). Tesla, Microsoft, and Apple continue to dominate headlines for a variety of reasons (also constituents of the Mag 7), including their role in AI and robotics, while the Invesco QQQ Trust remains a most commonly used proxy for technology stocks.



Source: [The Procter & Gamble Company \(PG\) Stock Interactive Price Chart | Seeking Alpha](#)

Against that backdrop, PG has quietly found its footing.

PG also had a meaningful catalyst with its most recent earnings report. While the numbers themselves were not dramatic, investor attention has focused on management’s commentary — particularly the idea that “the worst quarter is behind us.” Whether that proves true will be tested in the next report, which now carries more weight than usual. No pressure.

What makes this moment interesting is the contrast in expectations.

Many large technology companies are now operating under exceptionally high bars. Significant capital has been invested, and investors are increasingly looking for those investments to translate into sustained earnings growth. As expectations rise, even solid results can struggle to

impress. The biggest, most important question being asked right now is, “Where is the revenue?”

PG, by contrast, is coming from a very different place.

If the recent pattern holds — where PG stock performs well during periods of cooling enthusiasm for high-growth technology — the setup for 2026 looks constructive. That doesn’t require tech to fail, only that leadership continues to broaden beyond a narrow group of names.

Markets rarely move in straight lines. But when leadership rotates, it often does so quietly at first — before it shows up in headlines.

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