

Weekly Market Recap



January 26, 2026

Index	Price	Price Returns	
	Close	Week	YTD
S&P 500® Index	6,916	-0.4%	1.0%
Dow Jones Industrial Average	49,099	-0.5%	2.2%
NASDAQ	23,501	-0.1%	1.1%
Russell 2000® Index	2,669	0.3%	7.5%
MSCI EAFE Index	2,987	-0.2%	3.3%
Ten-Year Treasury Yield	4.23%	0.0%	0.1%
Oil WTI ¹ (\$/bbl ²)	\$61.28	3.3%	6.7%
Bonds ³	\$100.11	0.1%	0.2%

¹WTI = West Texas Intermediate Oil. ²bbl = Barrel. ³Bonds are represented by the iShares U.S. Aggregate Bond ETF. Sources: Bloomberg L.P.; FactSet.

U.S. Equity Market

- U.S. large-cap equities (S&P 500 Index) fell -0.4% as President Trump's increased threats around Greenland, including a 10% tariff on eight European countries if they did not support a deal for the U.S. to acquire the Danish territory. On Wednesday, Trump announced a "framework" for a Greenland deal had been reached with the North Atlantic Treaty Organization, which led to dropping the tariff threat. Small caps continued to outperform, which played into the narrative of a broadening-out trade away from the "Magnificent 7" (Mag 7) and large-cap growth equities towards small caps, international stocks, and value equities. U.S. economic data showed signs of health with initial jobless claims falling to 200k, January S&P Global Flash Manufacturing Purchasing Managers Index (PMI) ahead of expectations, and January consumer sentiment marked up to the highest level since last August. The 10-year Treasury yield rose to 4.23% from 4.19%. The U.S. Dollar Index fell -1.9%, while Gold rose +8.4% for the week. Oil (WTI) rose +3.3% for the week.
- S&P 500 Index Sector Returns:
 - Energy (+3.1%) outperformed, as the price of oil rose +3.3%.
 - Materials (+2.6%) rose, led by precious metals mining stocks and chemicals companies.
 - Communication services (+1.1%) rose, led by social media stocks.
 - Healthcare (+1.1%) rose, led by medical devices and managed care stocks.
 - Consumer staples (+0.9%) rose, as investors appeared to favor value sectors.
 - Consumer discretionary (+0.7%) rose, led by Tesla and a modest positive return for Amazon.
 - Technology (-0.8%) fell, led lower by artificial intelligence (AI) semiconductor and AI software stocks.
 - Industrials (-1.6%) fell, led lower by airlines and electrical supply companies.
 - Utilities (-2.0%) fell, led lower by Vistra and American Electric.
 - Real Estate (-2.4%) fell, led lower by cell towers and data centers.
 - Financials (-2.5%) fell, led lower by banks.

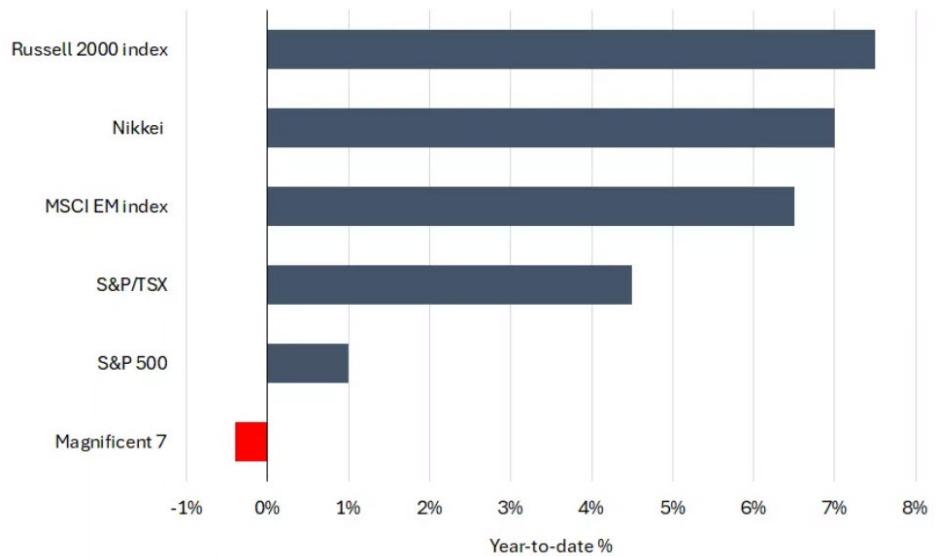
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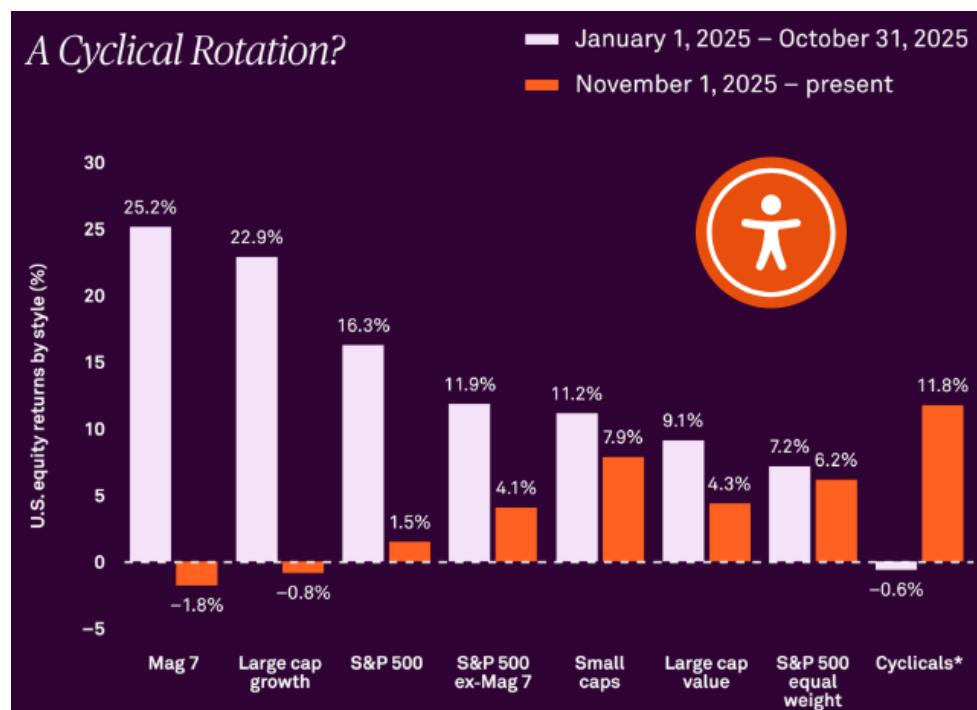
- Thus far in 2026, equity returns have rotated away from favoring the Mag 7 towards favoring U.S. small caps (Russell 2000 Index) and international equities (Nikkei 225, MSCI EM Index).

We have seen a rotation in markets this year away from U.S large cap equity and towards small cap and international stocks



Sources: Edward Jones; Bloomberg L.P. Data as of 1.23.2026.

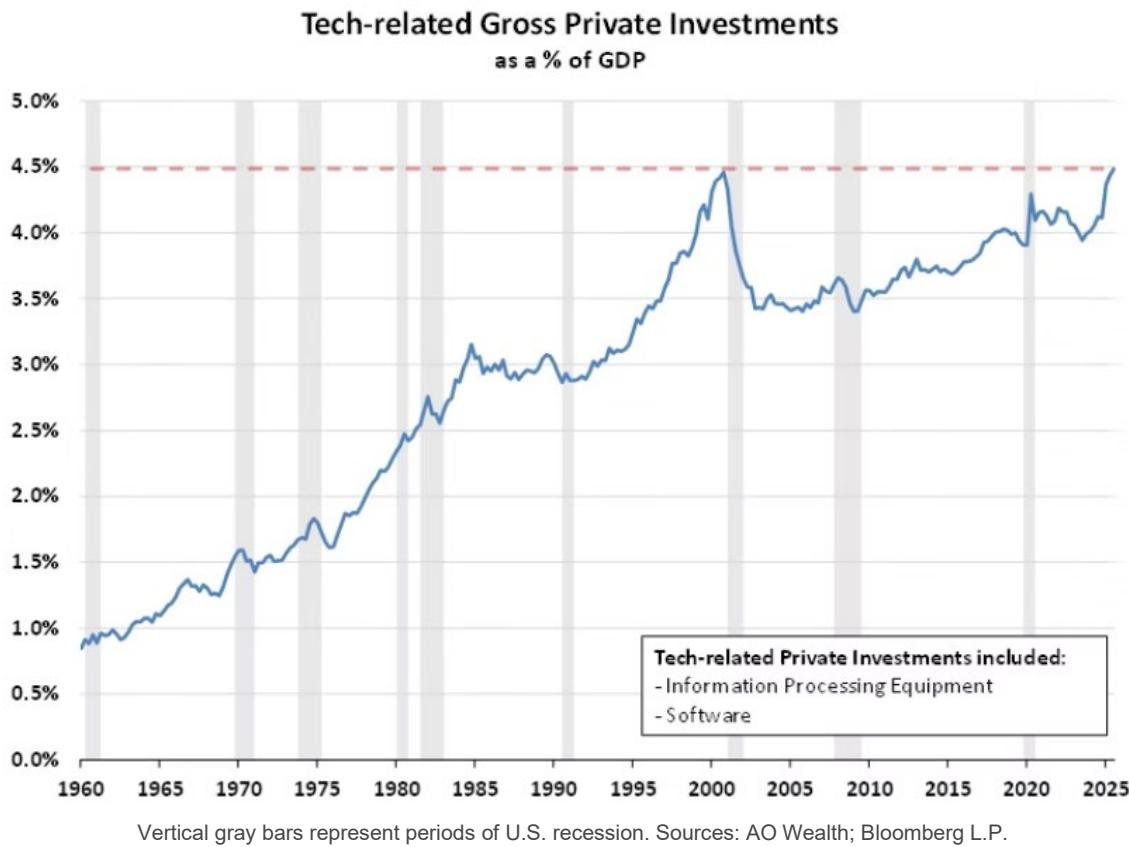
- Within U.S. equity markets, cyclicals, small caps, and large cap value stocks have outperformed the Mag 7 since November 1 2025. Is a cyclical rotation occurring?



*Citi S&P 500 Cyclicals Index. Returns are price returns. Sources: BNY; Bloomberg L.P. Data as of 01.15.2026.

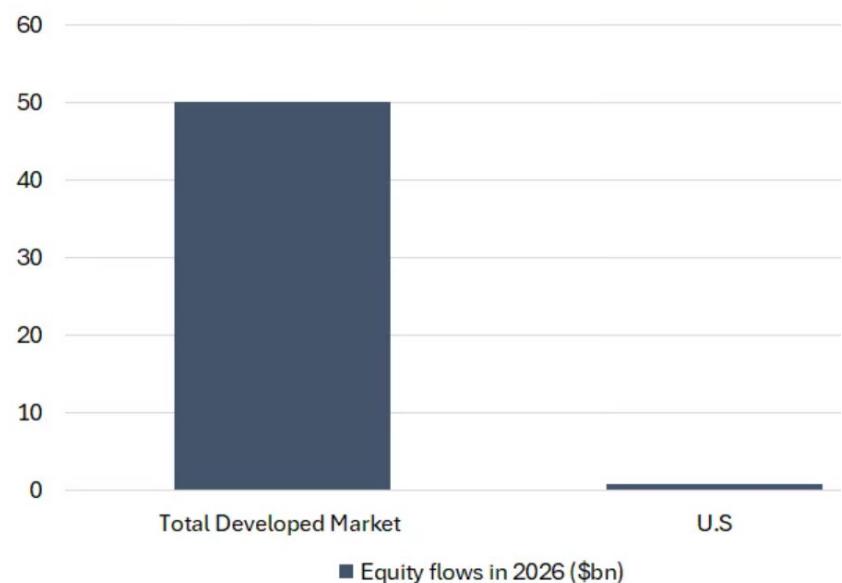
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- Tech related private investment (driven by AI data center spending) as a percentage of gross domestic product (GDP) has recently reached a similar level to the peak of the dot-com bubble in 2000.



- Thus far in 2026, international equities have experienced significantly more inflows than U.S. equities.

International stocks dominate equity inflows in 2026 so far



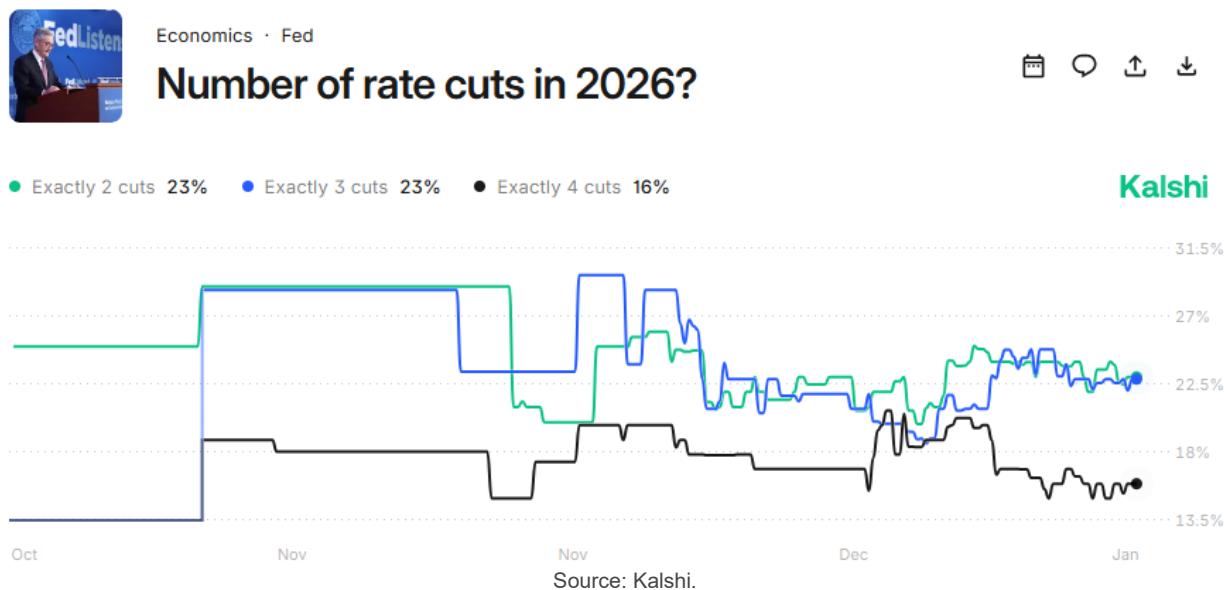
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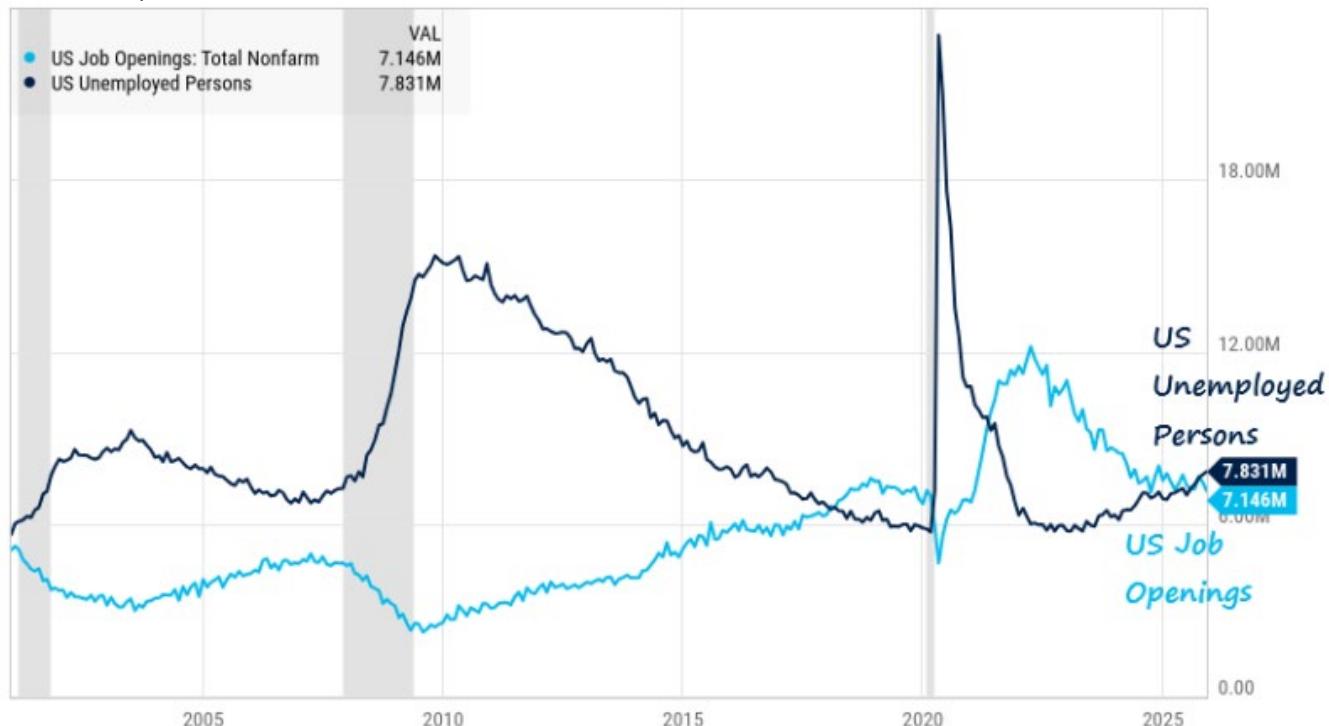
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Fixed Income Markets

- Kalshi's prediction markets suggest that some investors believe the U.S. Federal Reserve (Fed) will cut rates two or three times in 2026.



- The Fed may be more concerned with employment than inflation as there are now 685k more unemployed persons than job openings in the U.S., which is the widest spread since 2017 (excluding the 2020 COVID-19 recession).



Vertical gray bars represent periods of U.S. recession. Sources: Creative Planning; YCharts.

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International Markets 2025 Summary

- European markets (STOXX 600 Index) fell -1.0% as trade and geopolitical uncertainty increased with Trump threatening new tariffs on European nations that opposed the U.S. purchasing Greenland.
- The Chinese stock market (Shanghai Composite A share) rose +0.8% as China's economy grew 4.5% in the fourth quarter year-over-year, and expanded 5% in 2025.
- Japanese equities (Nikkei 225 Index) fell -0.2% as domestic political uncertainty weighed on markets, and talk of unfunded tax cuts led Japanese government bond yields to spike as investors grew increasingly concerned about the country's financial situation.

This Week:

- The volume of corporate earnings reports will be high this week.
- Economic data:
 - Monday: Durable Orders;
 - Tuesday: Federal Housing Finance Agency House Price Index, Consumer Confidence, Redbook Chain Store, American Petroleum Institute Crude Inventories;
 - Wednesday: Federal Open Market Committee Meeting, Fed Funds Target, Mortgage Bankers Association Mortgage Purchase Applications, Wholesale Inventories (Preliminary), Department of Energy Crude Inventories;
 - Thursday: Weekly Jobless Claims, Productivity (revised), Unit Labor Costs (revised), Trade Balance, Durable/Factory Orders, Energy Information Administration Natural Gas Inventories;
 - Friday: Producer Price Index, Chicago PMI.

As always, thank you very much for your interest in our thoughts and support of our services.

Whitney Stewart, CFA®
Executive Director

Griffith Jones, Jr.
Executive Director

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Index Definitions

Performance is compared to an index, however, the volatility of an index varies greatly. Indices are unmanaged and investments cannot be made directly in an index.

The **S&P 500® Index** is a readily available, carefully constructed, market-value-weighted benchmark of common stock performance. Currently, the S&P 500 Composite includes 500 of the largest stocks (in terms of stock market value) in the United States and covers approximately 80% of available market capitalization.

The **S&P 500® Equal Weight Index (EWI)** is the equal-weight version of the widely-used S&P 500®. The index includes the same constituents as the capitalization-weighted S&P 500, but each company in the S&P 500 EWI is allocated a fixed weight - or 0.2% of the index total at each quarterly rebalance.

The **Russell 2000® Index** measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000® Index is a subset of the Russell 3000® Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2,000 of the smallest securities based on a combination of their market cap and current index membership. The Russell 2000® is constructed to provide a comprehensive and unbiased small-cap barometer and is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set.

The **Dow Jones Industrial Average (DJIA)** is an index that tracks 30 large, publicly-owned blue chip companies trading on the New York Stock Exchange (NYSE) and the NASDAQ.

The **NASDAQ Composite Index** is the market capitalization-weighted index of over 2,500 common equities listed on the NASDAQ stock exchange. The types of securities in the index include American depositary receipts, common stocks, real estate investment trusts (REITs) and tracking stocks, as well as limited partnership interests. The index includes all Nasdaq-listed stocks that are not derivatives, preferred shares, funds, exchange-traded funds (ETFs) or debenture securities.

The **MSCI EAFE Index** is an equity index which captures large and mid-cap representation across 21 Developed Markets countries around the world, excluding the U.S. and Canada. With 900 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

The **STOXX Europe 600 Index** is derived from the STOXX Europe Total Market Index (TMI) and is a subset of the STOXX Global 1800 Index. With a fixed number of 600 components, the STOXX Europe 600 Index represents large, mid and small capitalization companies across 17 countries of the European region: Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Norway, Poland, Portugal, Spain, Sweden, Switzerland and the United Kingdom.

The **Nikkei 225** is a price-weighted index composed of Japan's top 225 blue-chip companies traded on the Tokyo Stock Exchange.

The **Shanghai Stock Exchange Composite Index** is a capitalization-weighted index. The index tracks the daily price performance of all A-shares and B-shares listed on the Shanghai Stock Exchange.

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Technical Terms:

Gross domestic product (GDP) is the total monetary or market value of all the finished goods and services produced within a country's borders in a specific time period. As a broad measure of overall domestic production, it functions as a comprehensive scorecard of a given country's economic health. The **Producer Price Index (PPI)** is a measure of inflation at the wholesale level. It's compiled from thousands of indexes that measure producer prices by industry and product category. The index is published monthly by the U.S. Bureau of Labor Statistics (BLS). The **Consumer Confidence Index (CCI)** is a measure of the results from the Consumer Confidence Survey administered by the Conference Board that measures consumer attitudes about individual financial prospects. A monthly **Purchasing Managers Index (PMI)** highlighting the manufacturing sector is made available by the Institute for Supply Management (ISM), a nonprofit supply management organization. The **Chicago PMI** is a monthly measure of the level of business activity for the Chicago area in the manufacturing sector. The **S&P Global Flash Manufacturing PMI** is an early, rapid indicator of manufacturing sector health, released around 10 days before the final monthly data. Based on 85%–90% of survey responses, it tracks output, new orders, employment, and prices to gauge economic expansion (above 50) or contraction (below 50). The **House Price Index (HPI)** is a broad measure of the movement of single-family property prices in the United States. The HPI is published and updated by the Federal Housing Finance Agency (FHFA). The **S&P/TSX Composite** is the headline index for the Canadian equity market. It is the broadest in the S&P/TSX family and is the basis for multiple sub-indices. The **Federal Open Market Committee** is a 12-person committee responsible for setting U.S. monetary policy and overseeing open market operations. The **Magnificent 7** is a group of major tech companies with stock growth that, on average, far outpaced the high-performing S&P 500® over the past decade, and particularly in 2023 and 2024. The **U.S. Dollar Index** is a geometrically averaged calculation of six currencies weighted against the U.S. dollar. The **MSCI Emerging Markets Index** is used to measure the stock market performance within emerging countries. The index captures mid to large-cap companies across over 12 emerging countries. It also represents over 13% of global capitalization. The **Citi S&P 500 Cyclical Index** is designed to track the performance of companies within the S&P 500 that are highly sensitive to economic cycles, tending to outperform during economic expansions and underperform during recessions. The **dot-com bubble** was a speculative economic boom in the late 1990s, characterized by massive investment and inflated stock prices for internet-based companies (dot-coms), which ultimately burst around 2000, causing many startups to fail and significant market losses as unrealistic valuations collapsed. This frenzy was fueled by excitement over the new World Wide Web, leading investors to ignore traditional financial fundamentals for potential profit, with the NASDAQ index soaring and then plummeting over 75%.

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