Weekly Market Recap

February 2, 2026

	Price	Price Returns	
Index	**Close**	**Week**	**YTD**
S&P 500® Index	6,939	0.3%	1.4%
Dow Jones Industrial Average	48,892	-0.4%	1.7%
NASDAQ	23,462	-0.2%	0.9%
Russell 2000® Index	2,614	-2.1%	5.1%
MSCI EAFE Index	3,038	1.4%	5.0%
Ten-Year Treasury Yield	4.25%	0.0%	0.1%
Oil WTI[1] ($/bbl[2])	$65.77	7.7%	14.5%
Bonds[3]	$100.13	0.0%	0.2%

[1]WTI = West Texas Intermediate Oil. [2]bbl = Barrel. [3]Bonds 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) rose +0.3% as earnings for several "Magnificent 7" (Mag 7) stocks were mixed with positive stock reactions from Apple and Meta, while Tesla and Microsoft declined. Artificial Intelligence (AI) infrastructure capital expenditure (capex) guidance continued to increase, while software stocks continued to underperform. President Trump finally named his pick for Federal Reserve (Fed) Chair to be Kevin Warsh. This week, the Fed held interest rates steady as expected, and the Fed reiterated it will likely remain patient before additional rate cuts in 2026. December Producer Price Index (PPI) came in notably hotter than expectations, while January consumer confidence came in at the lowest level since 2014. The 10-year Treasury yield rose to 4.25% from 4.23%. The U.S. Dollar Index fell, while gold and silver continued to rally until Friday's sell-off. Oil (WTI) rose +7.7% for the week.

- S&P 500 Index Sector Returns for 2026:
  - Communication services (+4.2%) rose, led by telecom, social media and internet search stocks.
  - Energy (+3.9%) outperformed, as the price of oil rose +7.7%.
  - Utilities (+1.7%) and consumer staples (+0.8%) rose, as investors tend to favor more defensive sectors.
  - Industrials (+0.7%) rose, led by airlines and electrical supply companies.
  - Financials (+0.7%) rose, led by banks.
  - Real Estate (+0.7%) rose, led by cell towers and data centers.
  - Technology (-0.4%) fell, led lower by software stocks including Microsoft (earnings modestly below elevated expectations).
  - Materials (-1.2%) fell, led lower by precious metals minging stocks.
  - Consumer discretionary (-1.4%) fell, led lower by Tesla, and home improvement retailers.
  - Healthcare (-1.7%) fell, led lower by managed care stocks.

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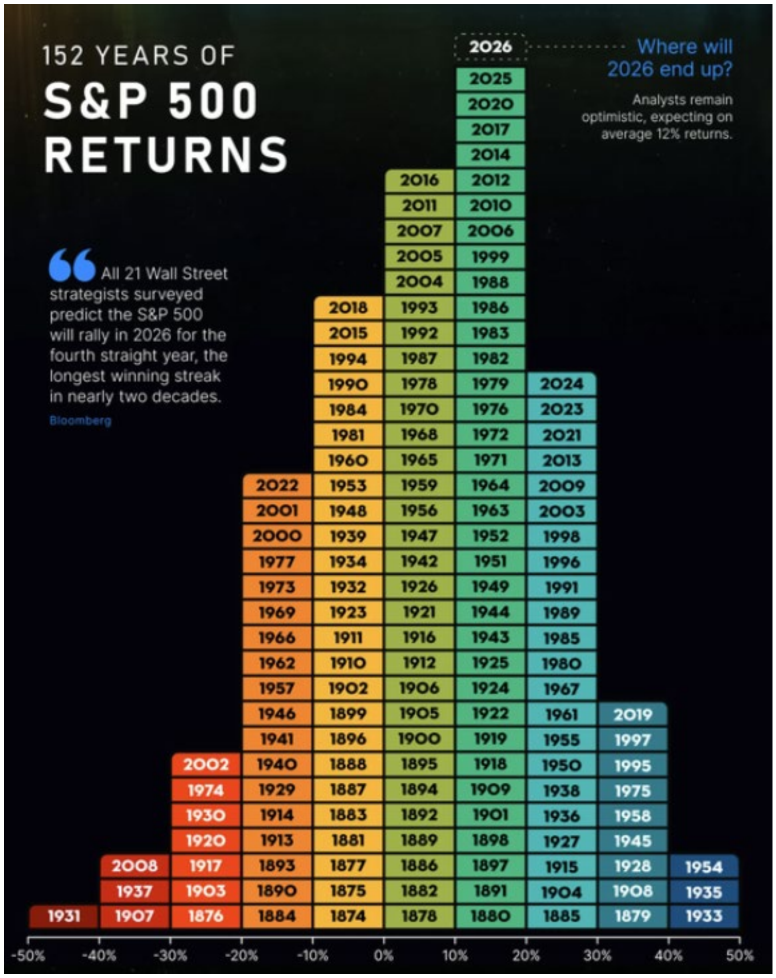
- Over the last 152 years, the S&P 500 Index has generated more calendar year returns between 10-20% total return range than any other 10% range. Analysts anticipate on average a 12% gain in 2026.



Sources:Visual Capitalist; The Daily Shot.

- Thus far in the 4Q25 earnings season, U.S. stocks have not reacted well to positive earnings surprises.

Data is as of 01.30.2026. Sources: Bloomberg L.P.; The Daily Shot.

All data is as of 01.30.2026 unless otherwise noted. Past performance is not indicative of future results. Any type of investing involves risk and there are no guarantees that these methods will be successful. Please reference important disclosures on pages 6-7.

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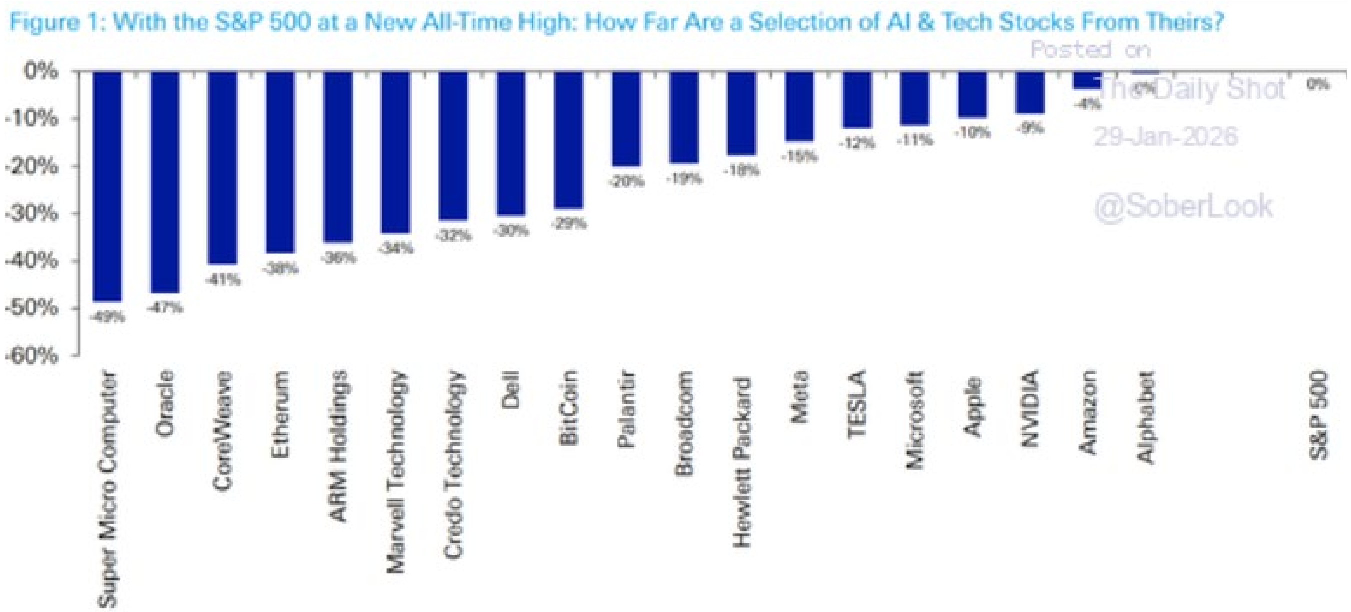
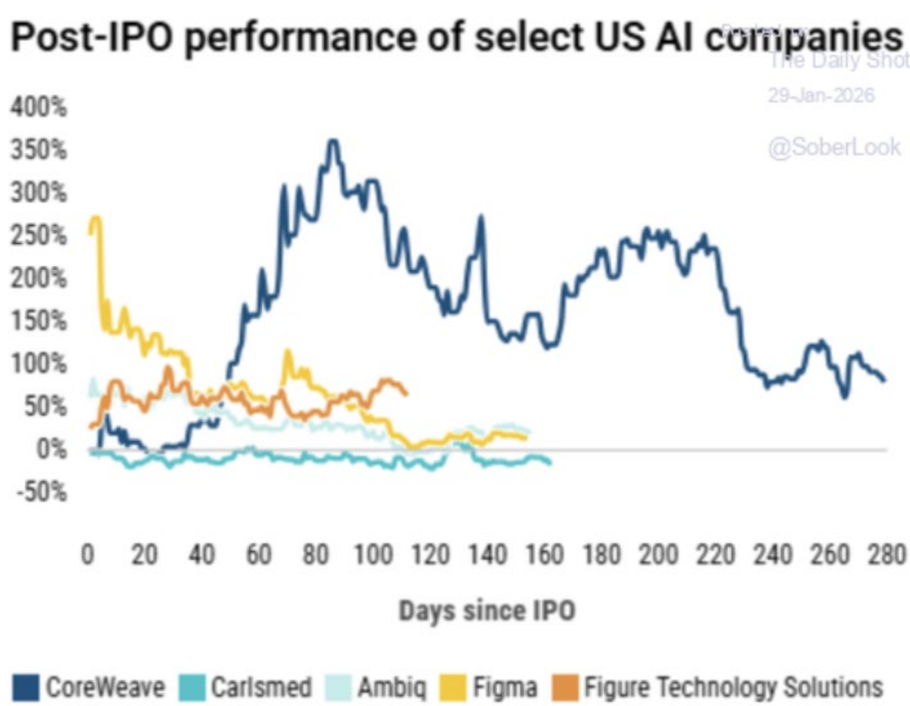
- The chart below shows several AI and tech stocks drawdowns from their recent all-time highs.



Data is as of 01.29.2026. Sources: The Daily Shot; Bloomberg L.P.; Deutsche Bank.

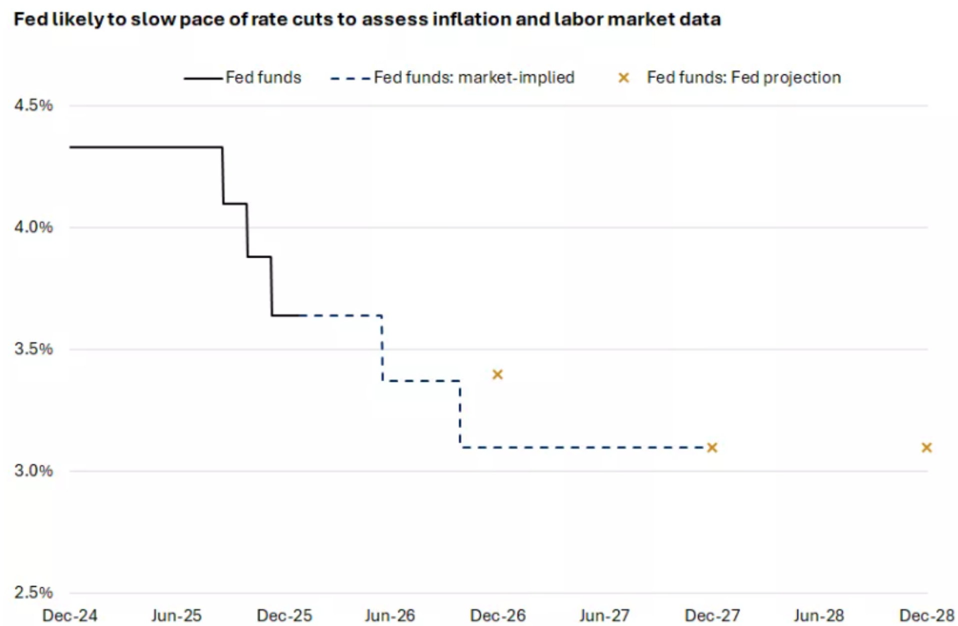
- AI Initial Public Offerings (IPOs) have historically had underwhelming performance since the IPOs began trading on public markets.



Data is as of 12.31.2025. Sources: Pitchbook; The Daily Shot.

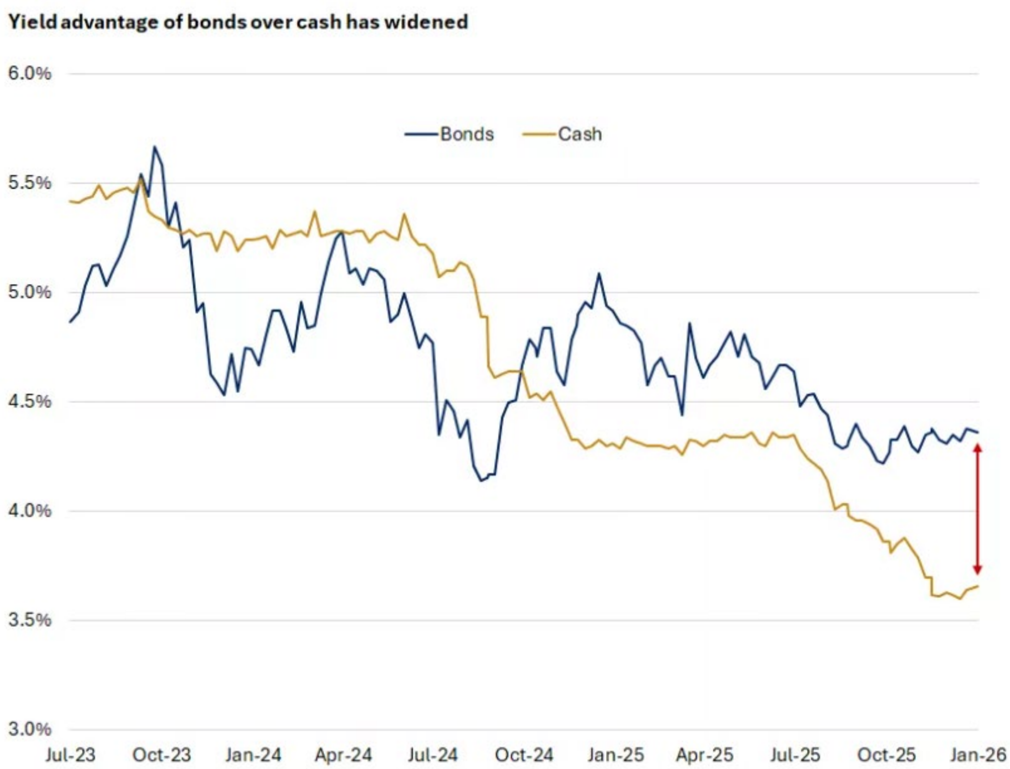
Fixed Income Markets

- Futures markets are expecting the Fed to cut interest rates twice in the second half of 2026.



Sources: Edward Jones; Bloomberg L.P.

- U.S. bonds are now providing a greater yield advantage relative to cash.



Sources: Bloomberg L.P.; FactSet; Edward Jones.

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International Markets Summary

- European markets (STOXX 600 Index) rose +0.4% as Eurozone gross domestic product (GDP) grew 1.5% in 2025 and expanded 0.3% sequentially in Q4, which was modestly better than expected.
- The Chinese stock market (Shanghai Composite A share) fell -0.4% as 13 of the 20 Chinese provinces that have publicly released their 2026 economic targets have announced GDP growth goals lower than 2025 levels, according to Bloomberg.
- Japanese equities (Nikkei 225 Index) fell -1.0% as the Japanese tech sector was weighed down by concerns about the sustainability of the AI infrastructure spending.

This Week:

- The volume of corporate earnings reports will be high this week.
- Economic data:
  - Monday: Purchasing Managers Index (PMI) Manufacturing Final, Institute for Supply Management (ISM) Manufacturing Index;
  - Tuesday: Job Openings and Labor Turnover Survey (JOLTS), Redbook Chain Store, American Petroleum Institute (API) Crude Inventories;
  - Wednesday: Mortgage Bankers Association (MBA) Mortgage Purchase Applications, Automatic Data Processing (ADP) Employment Report, PMI Services Final, ISM Non-Manufacturing Index, Department of Energy (DOE) Crude Inventories; Fed Governor Lisa Cook speaking engagement;
  - Thursday: Challenger Job Cuts, Unit Labor Costs (preliminary), Productivity (preliminary), Weekly Jobless Claims, Energy Information Administration (EIA) Natural Gas Inventories;
  - Friday: Nonfarm Payrolls, Unemployment Rate, Average Weekly Hours, Average Hourly Earnings, Michigan Consumer Sentiment (Preliminary), Consumer Credit; Fed Vice Chair Philip Jefferson speaking engagement.

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

Whitney Stewart, CFA®
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 **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.

Technical Terms:

The **Magnificent 7 (Mag 7)** stocks are a group of seven dominant, high-growth U.S. technology companies that significantly influence the stock market: Apple (AAPL), Microsoft (MSFT), Amazon (AMZN), Alphabet (GOOGL), Meta Platforms (META), Nvidia (NVDA), and Tesla (TSLA). **Capital expenditures (CapEx)** are the funds companies allocate to acquire, upgrade, and maintain essential physical assets like property, technology, or equipment, crucial for expanding operational capacity and securing long-term economic benefits. The **Consumer Confidence Index (CCI)** is a survey administered by the Conference Board. The CCI measures what consumers are feeling about their expected financial situation, whether that's optimistic or pessimistic. The survey is based on the premise that if consumers are optimistic, they will spend more and stimulate the economy, but if they are pessimistic then their spending patterns could lead to an economic slowdown or recession. The **U.S. Dollar Index** is a measure of the U.S. dollar's value relative to its most significant trading partners' currencies: EUR, JPY, CAD, GBP, SEK, and CHF. The **futures market** is a place to trade standardized contracts to buy or sell an asset (like oil, gold, corn, or stock indexes) at a predetermined price on a specific future date. The **federal funds rate** is the interest rate charged by banks to borrow from each other overnight. The Federal Reserve influences this rate through monetary policy decisions. An **Initial Public Offering (IPO)** is the process of a private company offering shares to the public for the first time, typically to raise capital, increase public profile, or provide liquidity to founders. **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 **Michigan Consumer Sentiment Index (MCSI)** is a monthly survey of consumer confidence levels in the United States conducted by the University of Michigan. The survey is based on telephone interviews that gather information on consumer expectations for the economy. A **money market fund** is a type of mutual fund that invests in short-term, high-quality debt securities, cash, and cash equivalents. They are designed to be a relatively low-risk investment, often used by investors to store cash or as an alternative to bank savings vehicles. 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 **Job Openings and Labor Turnover Survey (JOLTS)** tells us how many job openings there are each month, how many workers were hired, how many quit their job, how many were laid off, and how many experienced other separations (which includes worker deaths). 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 **ISM Non-Manufacturing Index** is an index that measures the economic condition and performance of service-based companies. It's now called the Purchasing Managers Index (PMI). The **Services PMI** (Purchasing Managers' Index) is a key economic indicator that measures business activity in the services sector. It provides a forward-looking perspective on the health of the economy, specifically within the service industry. The **eurozone**, officially known as the euro area, is a geographic and economic region that consists of all the European Union countries that have fully incorporated the euro as their national currency.

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