

Weekly Market Update



Market Data as of Week Ending: 1/16/2026 unless noted otherwise

U.S. equities were mixed last week as earnings season kicked off with several big banks reporting fourth-quarter results. Expected earnings growth for Q4 2025 was lowered to 8.2% and if realized, the S&P 500 will achieve its 10th consecutive quarter of earnings growth. Analysts still expect 14.9% earnings growth for the S&P 500 in 2026—outpacing the 8.6% historical average and, if realized, marking a third consecutive year of double-digit increases. Small-cap stocks generally outperformed their larger-sized peers and value outperformed growth, despite strong performance from companies in the semiconductor industry. Major economic sector performance was also mixed with notable gains in real estate, consumer staples and industrials. Financials were the worst performing sector as both JPMorgan Chase and Citigroup reported a drop in quarterly profits and sentiment worsened following President Trump’s proposed 10% cap (one year) on credit card interest rates. Foreign stocks ended the week with solid gains as both developed and emerging markets outperformed, relative to domestic peers.

Bonds were mostly lower as Treasury yields increased across the curve. The 2-Year Treasury yield increased to 3.59% and the 10-Year increased to 4.24%, widening the 2-10 year spread to 0.65%. Longer-duration credit bonds outperformed as investor sentiment improved. President Trump directed two government-sponsored enterprises to purchase \$200 billion of mortgage-backed securities to help lower mortgage rates. Although details remain unclear, the announcement pushed 30-year mortgage rates to a three-year low. Credit spreads remain historically tight, with investment-grade and high-yield corporate bond yields ending the week at 4.87% and 6.99%, respectively.

Last week’s key U.S. economic releases were led by inflation data showing the lowest level of core CPI (Consumer Price Index) since 2021, reinforcing the narrative of easing underlying price pressures. Headline CPI rose 0.3% month over month in December, while core CPI (excluding food and energy) increased 0.2%; on a year-over-year basis, headline inflation stood at 2.7% and core inflation at 2.6%. In addition, November retail sales increased 3.3% year over year, underscoring continued consumer resilience, while the Producer Price Index rose 3.0% year over year, reflecting ongoing inflation pressures, particularly in final demand goods. Housing data also surprised to the upside, with existing home sales in December jumping 5.1% to a 4.35 million seasonally adjusted annual rate, exceeding expectations and pointing to a late-year rebound supported by lower mortgage rates. Finally, industrial production rose 0.4% month over month in December, though growth slowed to 2.0% year over year, with modest gains across manufacturing, utilities, and mining and slightly higher capacity utilization.

U.S. Equity Returns (Size & Style - Russell)												
	Value	<u>Week</u> Core	Growth	Value	<u>MTD</u> Core	Growth	Value	<u>QTD</u> Core	Growth	Value	<u>YTD</u> Core	Growth
Large	0.65%	-0.30%	-1.19%	4.14%	1.63%	-0.56%	4.14%	1.63%	-0.56%	4.14%	1.63%	-0.56%
Mid	1.04%	0.84%	0.21%	5.19%	4.72%	3.24%	5.19%	4.72%	3.24%	5.19%	4.72%	3.24%
Small	2.18%	2.05%	1.94%	7.72%	7.92%	8.10%	7.72%	7.92%	8.10%	7.72%	7.92%	8.10%

U.S. Fixed Income Returns (Quality & Duration - Bloomberg)												
	Short	<u>Week</u> Interm	Long	Short	<u>MTD</u> Interm	Long	Short	<u>QTD</u> Interm	Long	Short	<u>YTD</u> Interm	Long
Govt	-0.10%	-0.16%	-0.19%	-0.15%	-0.22%	0.11%	-0.15%	-0.22%	0.11%	-0.15%	-0.22%	0.11%
Corp	-0.01%	-0.07%	0.10%	0.00%	-0.06%	0.41%	0.00%	-0.06%	0.41%	0.00%	-0.06%	0.41%
HY	0.16%	-0.07%	0.19%	0.56%	36.99%	0.81%	0.56%	36.99%	0.81%	0.56%	36.99%	0.81%

Index Returns					S&P 500 Sector Returns				
	Week	MTD	QTD	YTD		Week	MTD	QTD	YTD
Equities (Stocks)					Consumer Disc	-1.99%	2.49%	2.49%	2.49%
S&P 500	-0.36%	1.44%	1.44%	1.44%	Consumer Staples	3.69%	5.76%	5.76%	5.76%
S&P MidCap 400	1.34%	6.11%	6.11%	6.11%	Energy	2.45%	6.81%	6.81%	6.81%
Russell 2000	2.05%	7.92%	7.92%	7.92%	Financials	-2.33%	-0.61%	-0.61%	-0.61%
MSCI EAFE	1.40%	3.45%	3.45%	3.45%	Health Care	-0.98%	0.61%	0.61%	0.61%
MSCI Emerging Markets	2.26%	5.78%	5.78%	5.78%	Industrials	3.03%	7.60%	7.60%	7.60%
MSCI EAFE Small Cap	1.61%	4.14%	4.14%	4.14%	Info Technology	-0.64%	-0.55%	-0.55%	-0.55%
Fixed Income (Bonds)					Materials	0.76%	7.27%	7.27%	7.27%
Bloomberg Int Gov/Credit	-0.13%	-0.17%	-0.17%	-0.17%	Real Estate	4.10%	4.58%	4.58%	4.58%
Bloomberg US Agg	-0.14%	0.01%	0.01%	0.01%	Communication Svcs	-1.44%	0.52%	0.52%	0.52%
Bloomberg US High Yield	0.17%	0.56%	0.56%	0.56%	Utilities	2.10%	1.67%	1.67%	1.67%
Other									
Bloomberg Commodity	1.38%	3.72%	3.72%	3.72%	Bond Yields				
S&P Dev Property	2.29%	4.22%	4.22%	4.22%		1/16/26	12/31/25	12/31/25	12/31/25
Commodities and Currency					SOFR 3Mo Swap	3.67%	3.65%	3.65%	3.65%
	1/16/26	12/31/25	12/31/25	12/31/25	2Yr Treasury	3.59%	3.47%	3.47%	3.47%
Oil (\$/barrel)	59.44	57.42	57.42	57.42	10Yr Treasury	4.24%	4.18%	4.18%	4.18%
Gold (\$/oz.)	4596.09	4319.37	4319.37	4319.37	2-10 Slope	0.65%	0.71%	0.71%	0.71%

Past performance is not a guarantee of future results. We believe the information presented is reliable, but we do not guarantee its accuracy.