

Weekly Market Update



Market Data as of Week Ending: 1/2/2026 unless noted otherwise

U.S. equities declined last week, although major indices closed out 2025 having generated double-digit gains for the third year in a row. With an estimated 8.3% growth rate for Q4 2025, the S&P 500 is on track to achieve its 10th consecutive quarter of earnings growth. Analysts forecast 15.0% earnings growth for the S&P 500 in 2026, outpacing the 8.6% historical average and if realized, a third consecutive year of double-digit increases. Large-cap stocks finished the year with a gain of nearly 18% and outperformed small-caps by 5%. Growth outperformed value in 2025 powered by strength in the information technology and communication services. International equities ended the year higher, with both developed and emerging markets posting gains of more than 30%.

Bonds were mixed as Treasury yields ended the week modestly higher with lower prices more than offsetting income on the longer end of the curve. The 2-Year Treasury yield nudged higher to 3.47% while the 10-Year increased to 4.19%, increasing the 2-10yr slope to 0.72%. U.S. Aggregate bonds ended the year with a healthy return of 7.3%, driven by higher-than-average coupons, improving credit spreads, and lower treasury yields. Credit spreads remain historically tight as investment-grade and high-yield corporate yields ended the week at 4.82% and 7.10%, respectively.

Economic data releases were limited during the holiday-shortened week. The Fed meeting minutes revealed a deeply divided committee signaling a likely pause in rate cuts for early 2026 as policy approaches a "neutral" level. This shift reflects a cautious "wait-and-see" approach, balancing concerns over sticky inflation against a softening labor market. Initial jobless claims fell to 199,000, down from the prior week and below market expectations. Continuing claims also declined, highlighting continued labor market resilience despite seasonal volatility during the holiday period. Other notable releases were housing-related, such as pending home sales that increased by about 3.3% in November, reaching the highest level in nearly three years and exceeding expectations, signaling improving housing activity. U.S. house prices rose 0.4% in October, 1.7% annually, rebounding from a prior-month decline.

U.S. Equity Returns (Size & Style - Russell)

| | Week | | | MTD | | | QTD | | | YTD | | |
|-------|--------|--------|--------|-------|-------|--------|-------|-------|--------|-------|-------|--------|
| | Value | Core | Growth | Value | Core | Growth | Value | Core | Growth | Value | Core | Growth |
| Large | -0.11% | -0.97% | -1.76% | 0.90% | 0.28% | -0.27% | 0.90% | 0.28% | -0.27% | 0.90% | 0.28% | -0.27% |
| Mid | -0.30% | -0.48% | -1.05% | 1.16% | 1.11% | 0.97% | 1.16% | 1.11% | 0.97% | 1.16% | 1.11% | 0.97% |
| Small | -0.90% | -0.98% | -1.05% | 0.84% | 1.06% | 1.26% | 0.84% | 1.06% | 1.26% | 0.84% | 1.06% | 1.26% |

U.S. Fixed Income Returns (Quality & Duration - Bloomberg)

| | Week | | | MTD | | | QTD | | | YTD | | |
|------|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | Short | Interm | Long | Short | Interm | Long | Short | Interm | Long | Short | Interm | Long |
| Govt | 0.02% | -0.06% | -0.61% | -0.03% | -0.08% | -0.57% | -0.03% | -0.08% | -0.57% | -0.03% | -0.08% | -0.57% |
| Corp | 0.02% | -0.10% | -0.66% | -0.03% | -0.11% | -0.52% | -0.03% | -0.11% | -0.52% | -0.03% | -0.11% | -0.52% |
| HY | 0.18% | 0.20% | 0.20% | 0.02% | 0.00% | -0.14% | 0.02% | 0.00% | -0.14% | 0.02% | 0.00% | -0.14% |

Index Returns

| | Week | MTD | QTD | YTD |
|--------------------------|--------|--------|--------|--------|
| Equities (Stocks) | | | | |
| S&P 500 | -1.00% | 0.21% | 0.21% | 0.21% |
| S&P MidCap 400 | -0.65% | 1.35% | 1.35% | 1.35% |
| Russell 2000 | -0.98% | 1.06% | 1.06% | 1.06% |
| MSCI EAFE | 0.55% | 0.60% | 0.60% | 0.60% |
| MSCI Emerging Markets | 2.33% | 1.79% | 1.79% | 1.79% |
| MSCI EAFE Small Cap | 0.32% | 0.37% | 0.37% | 0.37% |
| Fixed Income (Bonds) | | | | |
| Bloomberg Int Gov/Credit | -0.07% | -0.09% | -0.09% | -0.09% |
| Bloomberg US Agg | -0.21% | -0.20% | -0.20% | -0.20% |
| Bloomberg US High Yield | 0.20% | 0.00% | 0.00% | 0.00% |
| Other | | | | |
| Bloomberg Commodity | -2.57% | -0.14% | -0.14% | -0.14% |
| S&P Dev Property | -0.05% | 0.17% | 0.17% | 0.17% |

S&P 500 Sector Returns

| | Week | MTD | QTD | YTD |
|--------------------|--------|--------|--------|--------|
| Consumer Disc | -3.17% | -1.14% | -1.14% | -1.14% |
| Consumer Staples | -0.76% | -0.14% | -0.14% | -0.14% |
| Energy | 3.29% | 2.09% | 2.09% | 2.09% |
| Financials | -1.19% | 0.33% | 0.33% | 0.33% |
| Health Care | -0.33% | 0.46% | 0.46% | 0.46% |
| Industrials | 0.52% | 1.88% | 1.88% | 1.88% |
| Info Technology | -1.49% | 0.06% | 0.06% | 0.06% |
| Materials | -0.27% | 1.55% | 1.55% | 1.55% |
| Real Estate | -0.33% | 0.10% | 0.10% | 0.10% |
| Communication Svcs | -0.62% | -0.38% | -0.38% | -0.38% |
| Utilities | 0.95% | 1.19% | 1.19% | 1.19% |

Bond Yields

| | 1/2/26 | 12/31/25 | 12/31/25 | 12/31/25 |
|---------------|--------|----------|----------|----------|
| SOFR 3Mo Swap | 3.65% | 3.65% | 3.65% | 3.65% |
| 2Yr Treasury | 3.47% | 3.47% | 3.47% | 3.47% |
| 10Yr Treasury | 4.19% | 4.18% | 4.18% | 4.18% |
| 2-10 Slope | 0.72% | 0.71% | 0.71% | 0.71% |

Commodities and Currency

| | 1/2/26 | 12/31/25 | 12/31/25 | 12/31/25 |
|-----------------|---------|----------|----------|----------|
| Oil (\$/barrel) | 57.32 | 57.42 | 57.42 | 57.42 |
| Gold (\$/oz.) | 4332.29 | 4319.37 | 4319.37 | 4319.37 |

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