



Capital Markets Snapshot

Courtesy of Sage Advisors

Week ending January 16, 2026

Last week, capital markets displayed notable resilience in the face of nonstop geopolitical drama and political headlines. Investors largely looked through events such as rising tensions abroad, questions about the Fed's independence, and aggressive affordability initiatives, focusing instead on stable macro fundamentals. Equity markets continued to benefit from broadening leadership, with small- and mid-cap equities and international markets outperforming traditional mega-cap growth exposure. Inflation data remained stable, extending the trend of moderating price pressures, and economic reports showed strong consumer spending, low layoffs, and upbeat GDP estimates. Corporate earnings trends remain constructive, with expectations for a tenth consecutive quarter of year-over-year profit growth led by strength across all eleven S&P 500 sectors. Fixed income markets saw yields drift modestly higher, driven in part by speculation over the next Federal Reserve Chair and persistent strength in economic data. Meanwhile, commodity markets reflected ample global supply, with crude prices remaining near five-year lows despite geopolitical risks. Altogether, the week reinforced a consistent theme: fundamentals—not headlines—continue to drive markets forward.

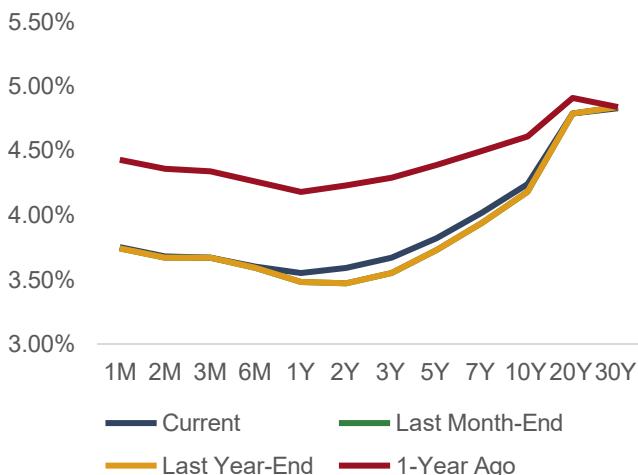
Fixed Income Markets Overview

- Treasury yields moved slightly higher, with the 10-year yield approaching 4.23%, its highest level since September. There was a modest continuation of the recent steepening trend with the 2-year rising 5 basis points and the 10-year increasing 6 bps.
- Market-implied expectations for early-2026 rate cuts declined following firm economic data and stable inflation readings. Retail sales and labor-market strength contributed to reduced rate-cut probabilities across March (fell from 30% to 23%), April (fell from 49% to 39%), and June (fell from 100% to 80%).
- CPI and PPI reports showed core inflation pressures easing at the margin but still elevated on a year-over-year basis.
- Comments from major banks signaled resilient consumer credit quality and steady small-business lending activity.

Asset Class	Name	1W	YTD	3Y(Ann.)	5Y(Ann.)
Short	1-3 Year Govt/Credit	0.0%	0.0%	4.6%	2.0%
Core Plus	Intermediate Govt/Credit	-0.1%	-0.2%	4.5%	1.0%
	International Aggregate	-0.2%	-0.3%	2.8%	-2.0%
	US Aggregate	-0.1%	0.0%	3.7%	-0.2%
	US Treasury	-0.2%	-0.2%	2.8%	-0.8%
	US TIPS	-0.1%	0.0%	3.7%	1.2%
	US Corporate	0.0%	0.1%	4.9%	0.2%
Other	US Corporate High Yield	0.2%	0.6%	8.9%	4.5%
	Emerging Markets Aggregate	0.1%	0.1%	8.1%	1.7%
	Muni	US Municipals	0.2%	0.9%	3.4%
		US Municipals High Yield	0.3%	1.1%	5.0%

Source: Bloomberg as of January 16, 2026

U.S. Treasury Yield Curve



Source: Bloomberg and U.S. Treasury as of January 16, 2026

Interest Rates (%)

Date	1/16/2026	12/31/2025	12/31/2025	1/16/2025
Federal Funds Rate	3.75%	3.74%	3.74%	4.43%
3 Month Treasury	3.67%	3.67%	3.67%	4.34%
6 Month Treasury	3.60%	3.59%	3.59%	4.26%
2 Year Treasury	3.59%	3.47%	3.47%	4.23%
5 Year Treasury	3.82%	3.73%	3.73%	4.39%
10 Year Treasury	4.24%	4.18%	4.18%	4.61%
30 Year Treasury	4.83%	4.84%	4.84%	4.84%
US Aggregate	4.38%	4.32%	4.32%	4.93%
US Corporate	4.86%	4.81%	4.81%	5.37%
US Corporate High Yield	6.57%	6.53%	6.53%	7.34%
US Municipal	3.44%	3.60%	3.60%	3.83%
US Municipal High Yield	5.49%	5.59%	5.59%	5.57%

Spreads Over 10-Year US Treasuries

Date	1/16/2026	12/31/2025	12/31/2025	1/16/2025
30 Year Treasury	0.59%	0.66%	0.66%	0.23%
US Aggregate	0.14%	0.14%	0.14%	0.32%
US Corporate	0.62%	0.63%	0.63%	0.76%
US Corporate High Yield	2.33%	2.35%	2.35%	2.73%
US Municipal	-0.80%	-0.58%	-0.58%	-0.78%
US Municipal High Yield	1.25%	1.41%	1.41%	0.96%

Source: Bloomberg and U.S. Treasury as of January 16, 2026

Equity Markets Overview

- All three major indices fell modestly last week, but remain near all-time highs. The S&P 500 moved sideways after setting a fresh ATH on Monday, ending just below record territory.
- Market breadth improved across the major indices, with over 70% of S&P 500 companies and 50% of Nasdaq members trading above their 200-day moving averages, highlighting a healthier market foundation.
- Smaller and more cyclically-tilted stocks led the way again, outpacing mega-cap technology names. While flows can change directions quickly, the rotation out of mega-cap tech into other sectors continues to build momentum to start 2026.
- Software stocks faced renewed pressure while chipmakers benefited from strong earnings at TSMC and optimism around AI-related demand.
- Big banks kicked off earnings season with mixed but generally stable results.
- International markets were strong, especially Japan, which saw a sizable rally. China recorded record trade surplus data on the back of solid export growth.

Asset Class	Name	1W	YTD	3Y(Ann.)	5Y(Ann.)
All-Cap	S&P 1500	-0.2%	1.8%	21.1%	14.2%
Large-Cap	S&P 500	-0.4%	1.4%	21.9%	14.7%
	S&P 500 Growth	-0.6%	0.6%	28.3%	15.5%
	S&P 500 Value	-0.1%	2.5%	14.6%	13.0%
Mid-Cap	S&P Midcap 400	1.3%	6.1%	12.5%	9.3%
	S&P Midcap 400 Growth	2.0%	6.7%	14.2%	7.4%
	S&P Midcap 400 Value	0.6%	5.5%	10.7%	11.1%
Small-Cap	S&P Smallcap 600	1.7%	7.0%	10.1%	7.0%
	S&P Smallcap 600 Growth	2.2%	6.9%	10.9%	5.4%
	S&P Smallcap 600 Value	1.2%	7.1%	9.3%	8.6%
Int'l.	MSCI ACWI ex-USA	1.6%	4.1%	16.2%	8.2%
	MSCI EM	2.3%	5.8%	15.7%	4.3%

Source: Bloomberg as of January 16, 2026

Alternative Markets Overview

- Gold ended last week up 2.5%, having hit a record high above \$4,600 per ounce on Wednesday before easing later in the week.
- Oil prices stayed low, continuing to provide relief for consumers. The International Energy Agency expects global oil markets to be well-supplied this year, easing concerns about price spikes. Gasoline prices remained muted, helping keep inflation pressures in check and providing some relief to consumers.
- Crypto markets saw early gains fade after Coinbase pulled support for a key policy proposal. Lawmakers paused discussion of the "Clarity Act" after disagreements arose, particularly around crypto exchanges' ability to provide benefits on stablecoin holdings. Stablecoin-related regulation remains a tension point between traditional banks and digital-asset firms.

Name	1W	YTD	3Y (Ann.)	5Y (Ann.)
S&P GSCI	0.9%	3.2%	5.1%	14.2%
Gold	2.5%	6.6%	33.7%	20.3%
FTSE All Equity NAREIT	3.5%	4.7%	5.5%	5.9%
Bitcoin	5.9%	9.1%	64.9%	21.1%
Ethereum	7.0%	10.8%	32.2%	23.7%

Source: Bloomberg as of January 16, 2026



Upcoming Week

- Q4 earnings season continues, this shortened week will bring more releases from banks and major financial services companies. Other noteworthy releases include Netflix, GE Aerospace, and Intel.
- It is another full week of economic data. Several key releases include Personal Consumption Expenditures (the Fed's preferred measure of inflation), S&P Purchasing Managers Index (PMI), and University of Michigan Consumer Sentiment.

Glossary and Disclosures

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S&P 1500 Index combines three leading indices, the S&P 500, the S&P Midcap 400, and the S&P Smallcap 600, to cover approximately 90% of U.S. equity market capitalization.

S&P 500 Index includes approximately 500 leading companies that covers approximately 80% of available U.S. equity market capitalization.

S&P 500 Growth Index is a stock index that represents the fastest-growing companies in the S&P 500 based on three factors: sales growth, ratio of earnings change to price, and momentum.

S&P 500 Value Index is a stock index that represents the companies in the S&P 500 with the most attractive valuations based on three factors: book value, earnings, and sales to price.

S&P Midcap 400 Index is distinct from the large-cap S&P 500 and designed to measure the performance of 400 U.S. mid-sized companies, which have differing liquidity and growth potential than large and small cap companies.

S&P Midcap 400 Growth Index is a stock index that represents the fastest-growing companies in the S&P Midcap 400 based on three factors: sales growth, ratio of earnings change to price, and momentum.

S&P Midcap 400 Value Index is a stock index that represents the companies in the S&P Midcap 400 with the most attractive valuations based on three factors: book value, earnings, and sales to price.

S&P Smallcap 600 Index measures the performance of 600 small-sized U.S. companies to reflect the small-cap segment of the U.S. equity market, which is typically known for less liquidity than large cap stocks.

S&P Smallcap 600 Growth Index is a stock index that represents the fastest-growing companies in the S&P Smallcap 600 based on three factors: sales growth, ratio of earnings change to price, and momentum.

S&P Smallcap 600 Value Index is a stock index that represents the companies in the S&P Smallcap 600 with the most attractive valuations based on three factors: book value, earnings, and sales to price.

MSCI ACWI ex-US Index captures large and mid-cap representation across 22 of 23 Developed Markets (DM) countries (excluding the US) and 24 Emerging Markets (EM) countries.

MSCI Emerging Markets Index captures large and mid-cap representation across 24 Emerging Markets (EM) countries.

S&P GSCI is broad-based and production weighted to represent the global commodity market beta. The index is designed to be investable by including the most liquid commodity futures.

S&P GSCI Gold a sub-index of the S&P GSCI, provides investors with a reliable and publicly available benchmark tracking the COMEX gold future.

FTSE All Equity NAREIT Index contains all tax-qualified REITs with more than 50 percent of total assets in qualifying real estate assets other than mortgages secured by real property that also meet minimum size and liquidity criteria.

Bitcoin USD Spot Exchange Rate measures the last price of 1 Bitcoin in USD.

Bloomberg Galaxy Bitcoin Index is designed to measure the performance of a single bitcoin traded in USD.

Ethereum USD Spot Exchange Rate measure the last price of 1 Ethereum in USD.

Bloomberg Galaxy Ethereum Index is designed to measure the performance of a single Ethereum traded in USD.

Bloomberg Barclays 1-3 Year Govt/Credit Index is the 1-3 Yr. component of the U.S. Government/Credit index, which includes securities in the Government, which includes treasuries and agencies debt securities, and Credit Indices, which includes publicly issued U.S. corporate and foreign debt that meet specified maturity, liquidity, and quality requirements.

Bloomberg Intermediate US Government/Credit Bond Index is a broad-based flagship benchmark that measures the non-securitized component of the US Aggregate Index with less than 10 years to maturity; this includes investment grade, US dollar-denominated, fixed-rate treasuries, government-related and corporate securities

Bloomberg Barclays Global Aggregate Bond Index provides a broad-based measure of the global investment-grade fixed income markets, with three major components of this index are the U.S. Aggregate, the Pan-European Aggregate, and the Asian-Pacific Aggregate Indices.

Bloomberg Barclays U.S. Aggregate Bond Index represents securities that are SEC-registered, taxable, and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities.

Bloomberg Barclays U.S. Treasury Aggregate Bond Index is the U.S. Treasury component of the U.S. Government index and represents public obligations of the U.S. Treasury with a remaining maturity of one year or more.

Bloomberg US TIPS Index consists of Inflation-Protection securities issued by the U.S. Treasury.

Bloomberg Barclays US Corporate Bond Index is the Corporate component of the U.S. Credit Index and represents publicly issued U.S. corporate and specified foreign debentures and secured notes that meet the specified maturity, liquidity, and quality requirements.

Bloomberg Barclays U.S. Corporate High Yield Index covers the universe of fixed rate, non-investment grade debt.

Bloomberg Barclays Emerging Markets Bond Index is broad-based with country eligibility and classification as an Emerging Market being rules-based and reviewed on an annual basis using World Bank income group and International Monetary Fund (IMF) country classifications.

Bloomberg Barclays U.S. Municipal Index is a rules-based, market-value-weighted index engineered for the long-term tax-exempt bond market.

Bloomberg Barclays US High Yield Municipal Index is an unmanaged index of noninvestment-grade municipal debt securities, which provides a representation of the performance of US high-yield tax-exempt bonds.

Federal Funds Rate is the interest rate at which depository institutions trade federal funds (balances held at Federal Reserve Banks) with each other overnight.

U.S. Treasury Securities are issued by the federal government and are considered to be among the safest investments you can make, because all Treasury securities are backed by the "full faith and credit" of the U.S. government.

CBOE Volatility Index (VIX) is a real-time market index that represents the market's expectation of 30-day forward-looking volatility. Derived from the price inputs of S&P 500 index options, it provides a measure of market risk and investor sentiment.

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