



Capital Markets Snapshot

Courtesy of Sage Advisors

Week ending January 9, 2026

The start of 2026 was marked by significant geopolitical, economic, and policy events. U.S. military action in Venezuela and the capture of its leader raised questions about long-term oil supply and global precedents. U.S. labor-market data showed a continued slowdown, with December job gains below expectations and downward revisions to prior months, but the unemployment rate remained steady at 4.4%. Bond market prices suggest expectations for the Federal Reserve to proceed cautiously in 2026, with potential for one or two rate cuts during the year, as inflation remains above target but is not showing signs of reaccelerating. The Supreme Court is poised to rule on the legality of recent tariffs in the coming weeks, but any market impact could be limited due to alternative tariff mechanisms available to the administration and the relatively small scale of potential refunds relative to US GDP. Equity markets rallied, with the S&P 500 and Dow hitting record highs and small cap stocks outperforming, reflecting broadening market participation beyond mega-cap tech. Overall, markets remain focused on earnings growth and economic resilience, there is potential for short-term volatility around the upcoming inflation and Q4 earnings reports.

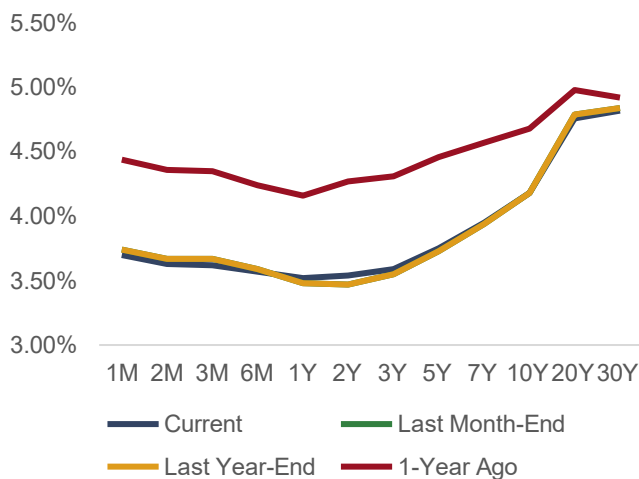
Fixed Income Markets Overview

- The Atlanta Fed's GDPNow model revised Q4 GDP growth up to 5.1%, supporting a positive economic outlook.
- Recent reports provide mixed signals on the labor market. The unemployment rate held steady at 4.4%, slightly better than forecast. U.S. nonfarm payrolls increased by 50,000 in December, below estimates, and prior months were revised lower.
- The Fed is expected to cut rates one or two times in 2026, as the labor market cools but inflation remains above target. Market expectations for near-term Fed rate cuts diminished, with probabilities for cuts in January, March, and April all declining. The next likely rate cut is now anticipated for the June FOMC meeting, based on market-implied probabilities.
- Last week, short- and long-term rates fell while intermediate-rates rose slightly, continuing the recent trend of a steepening yield curve.

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%	0.0%	4.6%	1.0%
	International Aggregate	0.0%	-0.2%	3.2%	-2.1%
	US Aggregate	0.4%	0.2%	4.0%	-0.1%
	US Treasury	0.2%	0.0%	3.0%	-0.8%
	US TIPS	0.3%	0.1%	3.8%	1.3%
	US Corporate	0.3%	0.1%	5.3%	0.2%
	US Corporate High Yield	0.4%	0.4%	9.2%	4.5%
Other	Emerging Markets Aggregate	0.0%	0.0%	8.4%	1.6%
Muni	US Municipals	0.7%	0.7%	3.6%	1.0%
	US Municipals High Yield	0.7%	0.7%	5.4%	2.2%

Source: Bloomberg as of January 9, 2026

U.S. Treasury Yield Curve



Source: Bloomberg and U.S. Treasury as of January 9, 2026

Interest Rates (%)

Date	1/9/2026	12/31/2025	12/31/2025	1/9/2025
Federal Funds Rate	3.70%	3.74%	3.74%	4.44%
3 Month Treasury	3.62%	3.67%	3.67%	4.35%
6 Month Treasury	3.57%	3.59%	3.59%	4.24%
2 Year Treasury	3.54%	3.47%	3.47%	4.27%
5 Year Treasury	3.75%	3.73%	3.73%	4.46%
10 Year Treasury	4.18%	4.18%	4.18%	4.68%
30 Year Treasury	4.82%	4.84%	4.84%	4.92%
US Aggregate	4.32%	4.32%	4.32%	4.98%
US Corporate	4.84%	4.81%	4.81%	5.42%
US Corporate High Yield	6.47%	6.53%	6.53%	7.42%
US Municipal	3.47%	3.60%	3.60%	3.77%
US Municipal High Yield	5.52%	5.59%	5.59%	5.56%

Spreads Over 10-Year US Treasuries

Date	1/9/2026	12/31/2025	12/31/2025	1/9/2025
30 Year Treasury	0.64%	0.66%	0.66%	0.24%
US Aggregate	0.14%	0.14%	0.14%	0.30%
US Corporate	0.66%	0.63%	0.63%	0.74%
US Corporate High Yield	2.29%	2.35%	2.35%	2.74%
US Municipal	-0.71%	-0.58%	-0.58%	-0.91%
US Municipal High Yield	1.34%	1.41%	1.41%	0.88%

Source: Bloomberg and U.S. Treasury as of January 9, 2026

Equity Markets Overview

- It was a solid week for US equities. All three major indices were up with the S&P 500 and Dow Jones reaching new all-time highs. The Dow Jones led the pack with a 2.3% gain followed by Nasdaq at 1.9% and the S&P 500 at 1.6%.
- The rally broadened beyond mega-cap tech, with sectors like Health Care, Industrials, Biotech, Materials, and Financials leading. Broader market growth was reflected in market breadth improving, with almost two-thirds of the S&P 500 and just over half of Nasdaq stocks trading above their 200-day moving averages.
- Mega-cap tech performance was mixed: Alphabet and Amazon rose, while Apple and Nvidia declined.
- The PHLX Semiconductor Index hit a new high, driven by equipment and memory chip stocks rather than chip leaders.
- Dividend growth accelerated. S&P 500 companies increased net dividends in Q4 by \$13.1 billion, above the prior quarter's \$10.6 billion.

Asset Class	Name	1W	YTD	3Y(Ann.)	5Y(Ann.)
All-Cap	S&P 1500	1.7%	2.0%	22.3%	13.9%
Large-Cap	S&P 500	1.6%	1.8%	23.2%	14.4%
	S&P 500 Growth	1.1%	1.2%	29.8%	15.0%
	S&P 500 Value	2.2%	2.5%	15.7%	13.0%
Mid-Cap	S&P Midcap 400	3.3%	4.7%	13.4%	9.1%
	S&P Midcap 400 Growth	3.0%	4.6%	14.7%	7.0%
	S&P Midcap 400 Value	3.7%	4.8%	12.0%	11.2%
Small-Cap	S&P Smallcap 600	4.1%	5.2%	11.1%	7.1%
	S&P Smallcap 600 Growth	3.3%	4.5%	11.6%	5.2%
	S&P Smallcap 600 Value	5.0%	5.9%	10.5%	8.8%
Int'l.	MSCI ACWI ex-USA	1.4%	2.4%	16.4%	7.6%
	MSCI EM	1.6%	3.4%	15.5%	3.9%

Source: Bloomberg as of January 9, 2026

Alternative Markets Overview

- Gold notched another strong week, posting a 4.3% gain as markets reacted to the weaker payroll data and increased geopolitical and US policy uncertainty. The precious metal broke above the \$4,500/oz price level and set a new all-time high.
- Oil prices rose around 3-4% last week as supply concerns increased due to increased geopolitical uncertainty stemming from intensifying protests in Iran, escalation of attacks in the Russia-Ukraine conflict, and the US' intervention in Venezuela.

Name	1W	YTD	3Y (Ann.)	5Y (Ann.)
S&P GSCI	2.4%	2.3%	6.4%	14.2%
Gold	4.3%	4.0%	33.9%	19.7%
FTSE All Equity NAREIT	0.9%	1.1%	5.8%	5.6%
Bitcoin	0.5%	3.0%	73.7%	17.2%
Ethereum	-1.4%	3.5%	32.5%	21.7%

Source: Bloomberg as of January 9, 2026



Upcoming Week

- This week kicks off Q4 earnings season, this week will bring earnings reports from several big banks. Two noteworthy releases include Delta Airlines and JPMorgan.
- It is a busy week for economic data and the first since the end of the government shutdown to not include backlogged releases. Key releases this week include inflation (CPI and PPI reports), retail sales, hourly earnings, and housing market data.

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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