

MARKET VIEW WEEKLY

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ECONOMIC REVIEW¹

- Over the weekend, President Trump announced a new 10% tariff on imports from eight European countries starting February 1, with plans to increase the rate to 25% on June 1st if negotiations tied to Greenland do not progress.
 - U.S. and European officials are expected to discuss this week at the World Economic Forum in Switzerland and markets will be watching for any signs of de-escalation or policy clarity.
- The Consumer Price Index (CPI) rose 0.3% month-over-month (MoM) in December and 2.7% year-over-year (YoY), coming in below consensus expectations.
 - Core CPI, which excludes volatile food and energy categories, matched expectations at 0.2% MoM and 2.6% YoY.
 - Food prices rose 0.7% MoM, energy prices increased 0.3%, while core goods prices were unchanged.
- The Producer Price Index (PPI) rose 0.2% MoM in November and 3.0% YoY, matching expectations.
 - Core PPI was unchanged on the month and also registered a 3.0 YoY reading.
 - Energy prices jumped 4.6% in November, contributing meaningfully to the headline index reading.
- Retail sales, a key measure of consumer spending, rose 0.6% MoM in November and 3.3% YoY.
 - 12 of the 13 spending categories posted monthly gains, with the furniture category being the only decliner (-0.1%).

How does the most recent economic data impact you?

- Recent CPI data shows that goods prices remain largely stable and that inflation continues to move closer to the Federal Reserve's 2% target. The PPI data tells a similar story, aside from a notable increase in energy costs in November, price pressures remain contained, suggesting limited impact from tariffs.
- Retail sales indicate an overall resilient consumer helping support economic growth. Stronger wage growth and larger tax refunds in the first half of this year should provide additional spending power in the months ahead.



A LOOK FORWARD¹

- This week, investors will be closely watching the Personal Consumption Expenditures (PCE) report and the second estimate of third quarter Gross Domestic Product (GDP).

How does this week's slate of economic data impact you?

- PCE, which is the Federal Reserve's preferred inflation metric, has trended slightly higher in the second half of 2025 and is likely to remain elevated in year-end data as tariff-related increases potentially flow through.
- Meanwhile, the preliminary Q3 GDP report pointed to a rebound in economic activity after a volatile start last year, and the second estimate is expected to confirm that momentum remains intact.



MARKET UPDATE²

Market Index Returns as of 1/16/2026	WTD	QTD	YTD	1 YR	3 YR	5 YR
S&P 500	-0.36%	1.44%	1.44%	17.22%	21.98%	14.66%
NASDAQ	-0.66%	1.19%	1.19%	20.57%	29.39%	13.43%
Dow Jones Industrial Average	-0.28%	2.74%	2.74%	15.46%	15.50%	12.02%
Russell Mid-Cap	0.84%	4.72%	4.72%	11.74%	14.02%	9.01%
Russell 2000 (Small Cap)	2.05%	7.92%	7.92%	19.26%	14.05%	6.17%
MSCI EAFE (International)	1.40%	3.45%	3.45%	34.13%	15.74%	9.29%
MSCI Emerging Markets	2.26%	5.78%	5.78%	41.84%	15.78%	4.31%
Bloomberg US Agg Bond	-0.14%	0.01%	0.01%	7.34%	3.77%	-0.21%
Bloomberg High Yield Corp.	0.17%	0.56%	0.56%	8.33%	8.87%	4.55%
Bloomberg Global Agg	-0.16%	-0.32%	-0.32%	8.26%	2.75%	-2.05%



OBSERVATIONS

- Major U.S. large-cap indices finished lower on the week, as weakness in large-cap tech weighed on broader benchmarks.
 - The Nasdaq declined for the week (-0.66%), followed by the S&P 500 (-0.36%), and the Dow Jones (-0.36%).
- Small cap (+2.05%) and mid-cap (+0.84%) stocks finished positive for the week, benefitting from a more optimistic economic outlook.
- International markets also posted positive returns on the week. Developed markets rose +1.40% while emerging markets led the way and posted a return of +2.26%.
- Domestic and international fixed income indices were mixed for the week as interest rates rose. The U.S. Aggregate Bond Index dropped -0.14% while high yield corporate bonds advanced +0.17%.
 - International bonds also experienced lower returns for the week and finished down -0.16%.



BY THE NUMBERS

Indiana Secures First Ever Football Title with 27-21 Win Over Miami: The Indiana Hoosiers outlasted the Miami Hurricanes, winning their first football title in school history with a 27-21 victory Monday night. A program that had played in a grand total of 13 bowl games in the 130-some years before coach Curt Cignetti arrived in 2024 went on a historic run to a 16-0 season and a national title. Miami had a chance to steal the victory, driving down the field with under two minutes to play, but Miami quarterback Carson Beck threw a game-clinching interception with 44 seconds to play. Indiana's final record of 16-0 — aided by the extra games afforded by the expanded 12-team playoff — matched a perfect-season win total last compiled by Yale in 1894. In a bit of symmetry, this undefeated title comes 50 years after Bob Knight's basketball team went 32-0 to win it all in that state's favorite sport.³

Parts of Florida Receive Rare Snowfall as Freezing Temperatures Linger: A rare snowfall covered parts of the Sunshine State on Sunday for the second year in a row, while freezing temperatures will continue to grip parts of Florida into early this week. A storm system brought up to 2 inches of snow to southern portions of Alabama and the Florida Panhandle, including Pensacola, on Sunday morning, according to the National Weather Service (NWS). The snowfall occurred almost a year to the day after parts of Florida received record snow in mid-January 2025 — when Pensacola received between 6 to 8 inches of snow.⁴

Economic Definitions

CPI (headline and core): Consumer prices (CPI) are a measure of prices paid by consumers for a market basket of consumer goods and services. The yearly (or monthly) growth rates represent the inflation rate.

Federal Reserve (Fed): The Federal Reserve System is the central banking system of the United States of America.

GDP: Gross domestic product (GDP) measures the final market value of all goods and services produced within a country. It is the most frequently used indicator of economic activity. The GDP by expenditure approach measures total final expenditures (at purchasers' prices), including exports less imports. This concept is adjusted for inflation.

PCE (headline and core): PCE deflators (or personal consumption expenditure deflators) track overall price changes for goods and services purchased by consumers. Deflators are calculated by dividing the appropriate nominal series by the corresponding real series and multiplying by 100.

Producer Prices – PPI (headline and core): Producer prices (output) are a measure of the change in the price of goods as they leave their place of production (i.e., prices received by domestic producers for their outputs either on the domestic or foreign market).

Retail Sales: Retail sales (also referred to as retail trade) tracks the resale of new and used goods to the general public, for personal or household consumption. This concept is based on the value of goods sold.

Index Definitions

S&P 500: The S&P 500® is widely regarded as the best single gauge of large-cap U.S. equities and serves as the foundation for a wide range of investment products. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization.

NASDAQ: The NASDAQ Composite Index is a broad-based capitalization-weighted index of stocks in all three NASDAQ tiers: Global Select, Global Market and Capital Market. The index was developed with a base level of 100 as of February 5, 1971.

Dow Jones Industrial Average: The Dow Jones Industrial Average is a price-weighted average of 30 blue-chip stocks that are generally the leaders in their industry. It has been a widely followed indicator of the stock market since October 1, 1928.

Russell Mid-Cap: Russell Midcap Index measures the performance of the 800 smallest companies in the Russell 1000 Index, which represents approximately 25% of the total market capitalization of the Russell 1000 Index.

Russell 2000: The Russell 2000 Index is comprised of the smallest 2000 companies in the Russell 3000 Index, representing approximately 8% of the Russell 3000 total market capitalization. The real-time value is calculated with a base value of 135.00 as of December 31, 1986. The end-of-day value is calculated with a base value of 100.00 as of December 29, 1978.

MSCI EAFE: The MSCI EAFE Index is a free-float weighted equity index. The index was developed with a base value of 100 as of December 31, 1969. The MSCI EAFE region covers DM countries in Europe, Australasia, Israel, and the Far East.

MSCI EM: The MSCI EM (Emerging Markets) Index is a free-float weighted equity index that captures large and mid-cap representation across Emerging Markets (EM) countries. The index covers approximately 85% of the free float-adjusted market capitalization in each country.

Bloomberg US Agg Bond: The Bloomberg US Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate pass-throughs), ABS and CMBS (agency and non-agency).

Bloomberg High Yield Corp: The Bloomberg US Corporate High Yield Bond Index measures the USD-denominated, high yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below. Bonds from issuers with an emerging markets country of risk, based on Bloomberg's EM country definition, are excluded.

Bloomberg Global Agg: The Bloomberg Global Aggregate Index is a flagship measure of global investment grade debt from twenty-four local currency markets. This multi-currency benchmark includes treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers.

Bloomberg Municipal Bond Index: The Bloomberg U.S. Municipal Index covers the USD-denominated long-term tax-exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds and prerefunded bonds.

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¹ Data obtained from Bloomberg as of 1/16/2026.

² Data obtained from Morningstar as of 1/16/2026.

³ [Indiana secures first ever football title with 27-21 win over Miami - CBS News](#)

⁴ [Parts of Florida receive rare snowfall as freezing temperatures linger : NPR](#)