



A WEEKLY NEWSLETTER PUBLICATION OF BECKER WEALTH MANAGEMENT LLC

Early earnings reports confirm strong backdrop for 2026.

Key drivers in the markets last week included an announcement by POTUS for the next Fed Chair to succeed Jerome Powell and a heavy dose of 4Q earnings reports. Other items of note were a tentative short-term deal to avoid another U.S. government shutdown and reports of expanded military options regarding Iran. U.S. markets (Russell 3,000) closed unchanged on the week while weakness in the USD helped developed and emerging markets into the black. Bond yields were relatively unchanged last week but we saw ample volatility across energy and precious metals in the commodity patch.

Financial Market Highlights

- U.S. equity markets continued to exhibit improved breadth with value and smaller cap names outperforming mega cap tech while bond markets have been a little mixed with rates falling slightly on the week but credit spreads edging slightly higher over the past two weeks.
- Earnings reports confirm a strong backdrop for 2026 with blended 4Q top and bottom-line growth of 8.8% and 13% respectively and projected 2026 growth of 14.3%.

Economic Highlights

- January labor market data was postponed to next week leaving Challenger Gray and JOLTS takeaways. Highlights included higher job cut announcements and fewer job openings in December along with encouraging soft data across consumer, manufacturing, and service sector surveys.



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Policy Highlights

- FedSpeak ran amuck last week with speculation on what shape the Warsh Fed will take with the consensus being a continuation of balance sheet compression and reduced deployment and roughly 50bps of cuts priced in by year end 2026.
- A HBS study noted last week did not concluded tariffs “slashed the monthly trade deficit by 77%” or “foreign producers and middlemen are paying over 80% of tariff costs”, and there is no ‘I told you so’.
- BCA Geopolitical team identified five realistic black swan events to consider as we enter 2026 as a collapse of the Iranian regime, a Chinese technology breakthrough in the AI/semi arena, a Russian-NATO military conflict, and a U.S. foreign policy shift from NATO ambivalence to abandonment.

Bullish Asset Allocation Narratives

- Resilient consumption with room for the consumer to re-lever and market-related wealth effects.
- AI boom including infrastructure

buildouts, projected productivity gains, and earnings potential.

- Growth conducive policies including a less restrictive Fed, fiscal stimulus, and deregulation.
- Robust U.S. corporate earnings growth, strong profit margins, and positive forward guidance.

Bearish Asset Allocation Narratives

- AI momentum given narrow equity market reliance, unproven capex ROI, and industry specific concerns including circular transactions, increasing debt, a shift to asset intensive business models.
- Policy uncertainty across geopolitical (Iran) and domestic (tariffs / immigration) fronts. Energy supply implications of the former and higher tax, inflation, and labor market implications of the latter.
- Risks to consumption due to lower/middle class price fatigue (cumulative inflation), higher interest rates (sluggish housing market), and slowing labor markets.

INSIGHT

SUMMARY OF ECONOMIC REPORTS

Economic Report	Release	Period	Prior	Estimate Range	Consensus	Actual
Payrolls (MoM)	2/6/2026	Jan	50,000	40k to 100k	-	DELAYED
Unemployment Rate	2/6/2026	Jan	4.4%	4.5% to 4.6%	-	DELAYED
JOLTS	2/3/2026	Dec	6.928M	7.0M to 7.294M	7.245M	6.542M
ISM Services	2/4/2026	Jan	53.8	53.0 to 57.0	53.8	53.7
ISM Manufacturing	2/2/2026	Jan	47.9	48.0 to 49.5	48.5	52.6
UofM Consumer Sentiment	2/6/2026	Feb	56.4	53.0 to 59.0	55.5	57.3
Case-Shiller HPI (YoY)	1/27/26	Nov	0.4%	N/A	N/A	0.5%
Consumer Confidence	1/27/26	Jan	94.2	87.0 to 92.7	90.0	84.5
Durable Goods Orders	1/26/26	Nov	-2.1%	0.2% to 5.4%	3.0%	5.3%
PCE YoY (Headline/Core)	1/22/26	Nov	2.9% / 2.9%	2.7% to 2.8%	2.7% / 2.8%	2.8% / 2.8%
PCE MoM (Headline/Core)	1/22/26	Nov	0.2% / 0.2%	0.1% to 0.2%	0.2% / 0.2%	0.2% / 0.2%
PMI Services	1/23/26	Jan	52.9	52.3 to 54.0	52.8	52.5
PMI Manufacturing	1/23/26	Jan	51.8	52.3 to 54.0	52.8	52.4
Pending Home Sales	1/21/26	Dec	5.7%	N/A	N/A	-9.3%
Housing Starts & Permits (M)	1/21/2026	Dec	1.25M / 1.41M	N/A	N/A	DELAYED
CPI (Headline/Core YoY)	1/13/2026	Dec	2.7% / 2.6%	2.6% to 2.8%	2.6% / 2.7%	2.7% / 2.6%
CPI (Headline/Core MoM)	1/13/2026	Nov	0.2% / 0.2%	0.2% to 0.4%	0.3% / 0.3%	0.3% / 0.2%
Industrial Production	1/16/2026	Dec	0.43%	0.1% to 0.3%	0.30	0.37%
Retail Sales (Headline/Core)	1/14/2026	Nov	0.0%	-0.5 to 0.4%	0.2% / 0.2%	0.6% / 0.4%
Housing Market Index	1/16/2026	Jan	39	37 to 40	40	37
Existing Home Sales	1/14/2026	Dec	4.1M	4.06M to 4.3.0M	4.23M	4.35M
New Home Sales	1/13/26	Oct	738K	665K to 740K	714K	737K
U.S. GDP (QoQ AR)	12/23/25	Q3	3.8%	2/5% to 3.8%	3.2%	4.4%
PCE (QoQ AR)	12/23/25	Q3	2.5%	2.7% to 3.1%	2.7%	3.5%
Employment Cost Index	12/10/2025	Q3	3.60%	3.7% to 3.7%	3.7%	3.5%
NFIB Small Biz Optimism	12/9/2025	Nov	98.2	97.6 to 98.2	98.0	99.0
Personal Income	12/5/2025	Sept	0.4%	0.3% to 0.5%	0.4%	0.4%



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MARKET ANALYSIS

Equity	Level	1 Wk	1 Mo	3 Mo	YTD	1 Yr	Commodities	Current	12/31/25	9/30/25	6/30/24
Dow Jones	50116	2.50	1.36	7.28	4.35	13.93	Oil (WTI)	61.60	57.26	63.17	66.31
NASDAQ	23031	(1.83)	(2.18)	0.05	(0.89)	17.12	Gold (Mo-End)	4053.28	4053.28	3665.20	3352.00
S&P 500	6932	(0.09)	(0.12)	3.48	1.36	15.42					
Russell 1000 Growth		(1.95)	(3.96)	(3.11)	(3.44)	11.24	Currencies	Current	12/31/25	9/30/25	6/30/24
Russell 1000 Value		2.19	3.77	11.22	6.85	17.85	USD/Euro (\$/€)	1.18	1.18	1.17	1.11
Russell 2000		2.18	3.43	10.74	7.65	17.32	USD/GBP (\$/£)	1.37	1.37	1.34	1.31
Russell 3000		0.16	(0.04)	3.88	1.71	14.69	Yen/USD (¥/\$)	154.34	154.34	147.97	144.11
MSCI EAFE		0.51	3.32	10.12	5.76	31.53					
MSCI Emg Mkts		(1.40)	2.72	8.53	7.34	40.50	Treasury Rates	Current	12/31/25	9/30/25	6/30/24
Fixed Income	Δ Yield	1 Wk	1 Mo	3 Mo	YTD	1 Yr	3 Month	3.68	3.67	4.02	4.41
US Aggregate	3.88	0.00	(0.00)	0.04	(0.01)	0.14	2 Year	3.50	3.47	3.60	3.71
High Yield	6.55	0.05	0.03	(0.05)	0.01	(0.01)	5 Year	3.76	3.73	3.74	3.71
Municipal	3.33	0.03	0.02	0.08	0.01	0.32	10 Year	4.22	4.18	4.16	4.21
Treasury	3.50	0.20	0.18	0.25	0.18	0.49	30 Year	4.85	4.84	4.73	4.71

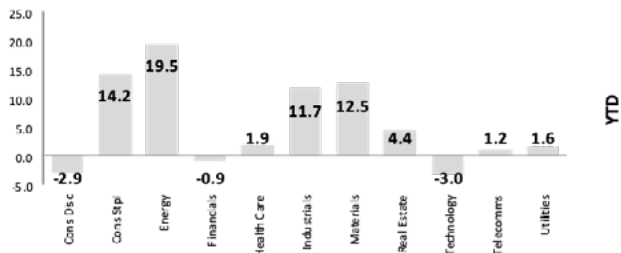
Style Returns

	V	B	G
L	2.19	0.06	-1.95
M	3.40	2.60	-0.08
S	3.44	2.18	1.00

MTD

	V	B	G
L	6.85	1.44	-3.44
M	7.83	5.74	-0.95
S	10.54	7.65	5.01

YTD



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