



A WEEKLY NEWSLETTER PUBLICATION OF BECKER WEALTH MANAGEMENT LLC

## Early earnings reports confirm strong backdrop for 2026.

**K**ey 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.



Photo Source: www.bigstock.com

### 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 conclude 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
UoM 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%



949.724.4575 | [www.beckerwealthmanagementllc.com](http://www.beckerwealthmanagementllc.com)

Investment Advisory Services are offered through Virtue Capital Management, LLC, an SEC Registered Investment Advisor. This newsletter is not to give investment advice. Before investing in any advisory product please carefully read the firm's ADVs before investing. See full disclaimer on page 2 of this document.

# INSIGHT

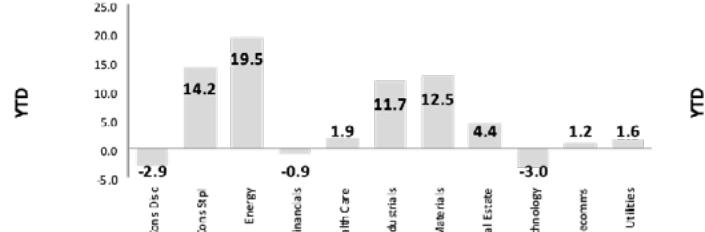
## MARKET ANALYSIS

Equity	Level	1 Wk	1 Mo	3 Mo	YTD	1 Yr	Commodities	Current	12/31/25	9/30/25	6/30/21
Dow Jones	50116	2.50	1.36	7.28	4.35	13.93	Oil (WTI)	61.60	57.26	63.17	66.3
NASDAQ	23031	(1.83)	(2.18)	0.05	(0.89)	17.12	Gold (Mo-End)	4053.28	4053.28	3665.20	3352.0
S&P 500	6932	(0.09)	(0.12)	3.48	1.36	15.42	Currencies	Current	12/31/25	9/30/25	6/30/21
Russell 1000 Growth		(1.95)	(3.96)	(3.11)	(3.44)	11.24	USD/Euro (\$/€)	1.18	1.18	1.17	1.1
Russell 1000 Value		2.19	3.77	11.22	6.85	17.85	USD/GBP (\$/£)	1.37	1.37	1.34	1.3
Russell 2000		2.18	3.43	10.74	7.65	17.32	Yen/USD (¥/\$)	154.34	154.34	147.97	144.1
Russell 3000		0.16	(0.04)	3.88	1.71	14.69	Treasury Rates	Current	12/31/25	9/30/25	6/30/21
MSCI EAFE		0.51	3.32	10.12	5.76	31.53	3 Month	3.68	3.67	4.02	4.4
MSCI Emg Mkts		(1.40)	2.72	8.53	7.34	40.50	2 Year	3.50	3.47	3.60	3.7
<b>Fixed Income</b>	<b>Δ Yield</b>	<b>1 Wk</b>	<b>1 Mo</b>	<b>3 Mo</b>	<b>YTD</b>	<b>1 Yr</b>	5 Year	3.76	3.73	3.74	3.7
US Aggregate	3.88	0.00	(0.00)	0.04	(0.01)	0.14	10 Year	4.22	4.18	4.16	4.2
High Yield	6.55	0.05	0.03	(0.05)	0.01	(0.01)	30 Year	4.85	4.84	4.73	4.7
Municipal	3.33	0.03	0.02	0.08	0.01	0.32					
Treasury	3.50	0.20	0.18	0.25	0.18	0.49					

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



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



949.724.4575 | [www.beckerwealthmanagementllc.com](http://www.beckerwealthmanagementllc.com)

Investment Advisory Services are offered through Virtue Capital Management, LLC, an SEC Registered Investment Adviser. Becker Wealth Management LLC and VCM are independent of one another. This newsletter is not to give investment advice. Before investing in any advisory product please carefully read any disclosure documents, including without limitation, the firm's Form ADVs. Indices do not reflect the deduction of any fees or expenses. They are not available for direct investment. Exposure to an asset class represented by an index is available through investable instruments based on that index. The Dow Jones Industrial Average (DJIA) is a price-weighted average of 30 significant stocks traded on the New York Stock Exchange (NYSE) and the Nasdaq. The DJIA was designed to serve as a proxy for the broader U.S. economy. The Nasdaq Composite Index is the market capitalization-weighted index of over 3,300 common equities listed on the Nasdaq stock exchange. It is used as a broad-based market index. The S&P 500 index is designed to be a broad based unmanaged leading indicator of U.S. equities and is meant to reflect the risk/return characteristics of the large cap universe or representative of the equity market in general. The Russell 3000® Index measures the performance of the largest 3000 U.S. companies representing approximately 98% of the investable U.S. equity market. Total Return assumes dividends are reinvested. The Russell 1000 is a subset of the Russell 3000 Index. It represents the top companies by market capitalization. The Russell 1000 measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values. The Russell 2000 index is an index measuring the performance of approximately 2,000 small-cap companies in the Russell 3000 Index, which is made up of 3,000 of the biggest U.S. stocks. The Russell 2000 serves as a benchmark for small-cap stocks in the United States. Visit [www.russell.com/indexes/](http://www.russell.com/indexes/) for more information regarding Russell indices. The MSCI EAFE Index is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the US & Canada. The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. The information published herein is provided for informational purposes only, and does not constitute an offer, solicitation or recommendation to sell or an offer to buy securities, investment products or investment advisory services. Nothing contained herein constitutes financial, legal, tax, or other advice. These opinions may not fit your financial status, risk and return profile or preferences. Investment recommendations may change, and readers are urged to check with their investment adviser before making any investment decisions. Estimates of future performance are based on assumptions that may not be realized. Past performance is not necessarily indicative of future returns or results. No representation is made as to the accuracy, completeness or timeliness of the information in this material since certain information herein is based on or derived from information provided by independent third-party sources. All enclosed material including market analysis data provided Taiber Kosmala & Associates, LLC. There is no duty to update this information. The Wilshire 5000 Total Market Index represents the broadest index for the U.S. equity market, measuring the performance of all U.S. headquartered equity securities with readily available price data. The PHLX Semiconductor Sector Index (SOX) is a capitalization-weighted index composed of 30 semiconductor companies. The companies in the Index have primary business operations that involve the design, distribution, manufacture and sale of semiconductors. The index is designed to track the performance of listed semiconductors. The Case-Shiller Index, formally known as the S&P Case-Shiller Home Price Index is made up of several indexes that track the value of single-family detached residences using the arms-length and repeat-sales methods. It is used as a barometer not just of the housing market, but also of the health of the broader economy. For more information on the index, please visit <https://www.spglobal.com/>. All information obtained from Taiber Kosmala & Associates (2020). The secured overnight financing rate (SOFR) is a benchmark interest rate for dollar-denominated derivatives and loans that is replacing the London interbank offered rate (LIBOR). Interest rate swaps on more than \$80 trillion in notional debt switched to the SOFR in October 2020.