



A WEEKLY NEWSLETTER PUBLICATION OF BECKER WEALTH MANAGEMENT LLC

Equity markets suggest that the AI boom could spell doom.

Markets continued on a similar consolidation trend last week separating perceived winners from losers in the AI space alongside a busy economic calendar and associated monetary policy implications. A predominate theme across equity markets is that the AI boom may spell doom for some businesses, particularly in the software (and bitcoin) space. Global equity markets were mixed with tech dominate U.S. lagging developed and emerging markets. Bond yields moved notably lower on the week as cooling inflation and a robust jobs report reduced market expectations for Fed rate cuts.

Financial Market Highlights

- Investors are seeing a rise in equity market volatility given the push/pull of economic forces on monetary policy and demand along with elevated uncertainty surrounding disruptive AI technologies.
- Bond markets translated the soft inflation report into a less restrictive monetary policy going forward importantly without pricing in longer term upside inflation risks.
- Massive AI capex and AI triggered business model disruption, particularly in the software space, continued to pressure segments of the equity market as investors conceptualize changing business models and productivity improvements alongside the asset intensive nature and unknown ROI of AI.



Photo Source: www.hisstock.com

Economic Highlights

- Economic highlights last week included a healthy upside surprise on the January jobs report, a tame inflation reading of 2.4%, and wage data for January and the fourth quarter.

Policy Highlights

- Policy narratives last week centered on fresh jobs and inflation data, leaving monetary policy forecasts biased slightly more to the dovish side mostly due to a benign inflation reading.
- A push for immigration enforcement reforms has ushered in a partial government shutdown, the second such instance in this fiscal year.

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)	2/11/2026	Jan	48,000	0k to 130,000	70,000	130,000
Unemployment Rate	2/11/26	Jan	4.4%	4.3% to 4.5%	4.4%	4.3%
CPI (Headline/Core YoY)	2/13/26	Jan	2.7% / 2.6%	2.3% to 2.8%	2.5% / 2.5%	2.4% / 2.5%
CPI (Headline/Core MoM)	2/13/26	Jan	0.3% / 0.2%	0.1% to 0.4%	0.3% / 0.3%	0.2% / 0.3%
Existing Home Sales	2/12/26	Jan	4.35M	4.13M to 4.25M	4.20M	3.91M
Employment Cost Index	2/10/26	Q4	3.5%	3.4% to 3.5%	3.5%	3.4%
Retail Sales (Headline/Core)	2/10/26	Dec	0.6%	0.2% to 0.6%	0.4% / 0.3%	0.0% / 0.0%
NFIB Small Biz Optimism	2/10/26	Jan	99.5	99.5 to 100.8	99.8	99.3
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
Industrial Production	1/16/2026	Dec	0.43%	0.1% to 0.3%	0.30	0.37%
Housing Market Index	1/16/2026	Jan	39	37 to 40	40	37
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%
Personal Income	12/5/2025	Sept	0.4%	0.3% to 0.5%	0.4%	0.4%



949.724.4575 | 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	6/30/25
Dow Jones	49501	(1.15)	0.73	4.78	3.14	12.66	Oil (WTI)	64.53	57.26	63.17	66.30
NASDAQ	22547	(2.08)	(4.87)	(1.27)	(2.95)	13.77	Gold (Mo-End)	4744.50	4744.50	3665.20	3352.00
S&P 500	6836	(1.35)	(1.75)	1.79	(0.00)	13.24	Currencies	Current	12/31/25	9/30/25	6/30/25
Russell 1000 Growth		(2.08)	(6.00)	(4.67)	(5.45)	8.16	USD/Euro (\$/€)	1.19	1.18	1.17	1.17
Russell 1000 Value		(0.40)	2.87	9.49	6.42	17.23	USD/GBP (\$/£)	1.36	1.36	1.34	1.37
Russell 2000		(0.85)	0.59	11.42	6.73	17.57	Yen/USD (¥/\$)	157.10	157.10	147.97	144.17
Russell 3000		(1.28)	(1.65)	2.33	0.41	12.81	Treasury Rates	Current	12/31/25	9/30/25	6/30/25
MSCI EAFE		1.95	4.90	9.54	7.82	31.99	3 Month	3.68	3.67	4.02	4.41
MSCI Emg Mkts		3.25	5.68	10.75	10.82	43.58	2 Year	3.40	3.47	3.60	3.72
Fixed Income	Δ Yield	1 Wk	1 Mo	3 Mo	YTD	1 Yr	5 Year	3.61	3.73	3.74	3.79
US Aggregate	3.85	(0.03)	(0.03)	0.00	(0.04)	0.09	10 Year	4.04	4.18	4.16	4.24
High Yield	6.55	(0.01)	0.04	(0.06)	0.01	(0.01)	30 Year	4.69	4.84	4.73	4.78
Municipal	3.31	(0.02)	0.01	0.07	(0.01)	0.29					
Treasury	3.47	0.14	0.16	0.22	0.15	0.44					

Style Returns			
	V	B	
L	1.78	-1.23	-4.00
M	3.61	2.55	-1.00
S	3.14	1.31	-0.40



	V	B	G
L	6.42	0.13	-5.45
M	8.05	5.69	-1.86
S	10.21	6.73	3.56



949.724.4575 | 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/ 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.