



A WEEKLY NEWSLETTER PUBLICATION OF BECKER WEALTH MANAGEMENT LLC

Early mixed reports and a heavy dose of political headlines.

Last week gave us early innings earnings reports (mixed) and a heavy dose of political headlines

Including DOJ criminal investigations of the Fed, Greenland takeover talks, associated E.U. and retaliatory tariff threats, several market interventionist policy indications. In the end, financial markets maintained a longer-term perspective where strong earnings, economic growth, and market-oriented policies continue to translate to sound returns. Global equity markets closed higher on the week as did interest rates, the USD, and commodities, all of which sit marginally higher thus far in 2026.

Financial Market Highlights

- The S&P 500 closed down slightly on the week but not before marking a new record high. The new year is seeing leadership from small caps, non-U.S., and value stocks while growth stocks lag.
- Fourth quarter earnings season kicked off last week with expectations of double-digit earnings growth, particularly from the technology sector, and positive forward guidance from management.

Economic Highlights

- Last week's economic calendar featured November inflation coming in at expectations along with data on retail sales, housing market, and industrial production. Inflation data reinforced the downward year over year trend, bolstering the more dovish voices within the FOMC.



Policy Highlights

- The uncertain policy backdrop continues to add uniquely Trump layers with DOJ legal actions against the Federal Reserve and state politicians, unorthodox foreign policy developments, a looming SCOTUS tariff decision, and interventionist proposals across housing, consumer, and corporate sectors.
- Trump commented he wants to keep Hasset at the White House which shifted Fed chair probabilities to Warsh who is seen as potentially more hawkish, trimming 2026 rate cut expectations to 43bps.

Bullish Asset Allocation Narratives

- Strong consumption with ample room for the consumer to re-lever and market-related wealth effects.
- AI boom including substantial infrastructure buildouts, projected productivity gains, and earnings potential.
- Growth conducive policy backdrops including a less restrictive Fed, fiscal stimulus, and deregulation.

- Robust U.S. corporate earnings growth, profit margins, and forward guidance.

Bearish Asset Allocation Narratives

- Risks to consumption due to lower/middle class price fatigue (cumulative inflation), higher interest rates (sluggish housing market), and slowing labor markets.
- AI bust given unproven ROI/monetization profile, narrow equity markets, and industry specific concerns (circular transactions, increased debt financing, more asset intensive business models).
- Monetary policy mistakes given prevailing labor market dynamics and inflation trends.
- Tariff and immigration policies introducing longer-term structural headwinds on aggregate demand, trade, and hiring alongside shorter-term goods and sectoral level labor inflation.

INSIGHT

SUMMARY OF ECONOMIC REPORTS

Economic Report	Release	Period	Prior	Estimate Range	Consensus	Actual
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
Payrolls (MoM)	1/9/2026	Dec	64,000	40k to 100k	55,000	50,000
Unemployment Rate	1/5/2026	Dec	4.5%	4.5% to 4.6%	4.6%	4.4%
JOLTS	1/7/2026	Nov	7.67M	7.60M to 7.734M	7.65M	7.15
UofM Consumer Sentiment	1/9/2026	Jan	52.9	52.7 to 55.0	53.5	54.0
ISM Services	1/7/2026	Dec	52.6	51.0 to 52.8	52.2	54.4
ISM Manufacturing	1/5/2026	Dec	48.2	48.0 to 48.8	48.3	47.9
Housing Starts & Permits (M)	1/9/2026	Oct	1.31M / 1.42M	1.30M to 1.40M	1.33M / 1.34M	1.25M / 1.41M
Case-Shiller HPI (YoY)	12/30/25	Oct	1.4%	1.0% to 1.2%	1.1%	1.3%
Pending Home Sales	12/29/25	Nov	2.4%	0.7% to 1%	0.8%	3.3%
U.S. GDP (QoQ AR)	12/23/25	Q3	3.8%	2/5% to 3.8%	3.2%	4.3%
PCE (QoQ AR)	12/23/25	Q3	2.5%	2.7% to 3.1%	2.7%	3.5%
Consumer Confidence	12/23/25	Dec	92.9	89.0 to 94.5	91.9	89.1
Durable Goods Orders	12/23/25	Oct	0.1%	-0.4% to 0.3%	0.1%	0.2%
PCE YoY (Headline/Core)	12/19/2025	Nov	2.8% / 2.8%	2.8% to 3.0%	2.8% / 2.9%	DELAYED
PCE MoM (Headline/Core)	12/19/2025	Nov	0.3% / 0.2%	0.2% to 0.3%	0.3% / 0.3%	DELAYED
PMI Services	12/16/2025	Dec	54.1	53.0 to 55.1	53.9	52.9
PMI Manufacturing	12/16/2025	Dec	52.2	52.0 to 52.5	52.0	51.8
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%
JPM Global Manufacturing PMI	11/3/25	Oct	50.7	n/a	n/a	XX / 50.8



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INSIGHT

MARKET ANALYSIS

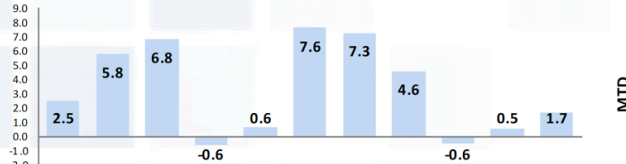
Equity	Level	1 Wk	1 Mo	3 Mo	YTD	1 Yr	Commodities	Current	12/31/25	9/30/25	6/30/25	
Dow Jones	49359	(0.28)	2.64	7.86	2.74	16.35	Oil (WTI)	59.39		57.26	63.17	66.30
NASDAQ	23515	(0.66)	1.78	4.38	1.19	22.39	Gold (Mo-End)	4053.28		4053.28	3665.20	3352.00
S&P 500	6940	(0.36)	2.15	5.01	1.44	18.39						
Russell 1000 Growth		(1.19)	0.15	1.35	(0.56)	17.76	Currencies	Current	12/31/25	9/30/25	6/30/25	
Russell 1000 Value		0.65	4.62	9.07	4.14	17.44	USD/Euro (\$/€)	1.16		1.18	1.17	1.17
Russell 2000		2.05	6.39	8.89	7.92	19.74	USD/GBP (\$/£)	1.34		1.34	1.34	1.37
Russell 3000		(0.20)	2.45	5.14	1.90	17.79	Yen/USD (¥/\$)	158.07		158.07	147.97	144.17
MSCI EAFE		1.40	4.91	7.08	3.45	35.14						
MSCI Emg Mkts		2.27	9.92	8.16	5.78	43.14	Treasury Rates	Current	12/31/25	9/30/25	6/30/25	
Fixed Income	Δ Yield	1 Wk	1 Mo	3 Mo	YTD	1 Yr	3 Month	3.67		3.67	4.02	4.41
US Aggregate	3.88	0.00	0.02	0.09	(0.01)	0.14	2 Year	3.59		3.47	3.60	3.72
High Yield	6.50	(0.01)	(0.07)	(0.08)	(0.04)	(0.07)	5 Year	3.82		3.73	3.74	3.79
Municipal	3.30	0.00	0.02	0.10	(0.02)	0.28	10 Year	4.24		4.18	4.16	4.24
Treasury	3.49	0.19	0.20	0.29	0.17	0.47	30 Year	4.83		4.84	4.73	4.78

Style Returns

	V	B	G
L	4.14	1.63	-0.56
M	5.19	4.72	3.24
S	7.72	7.92	8.10

MTD

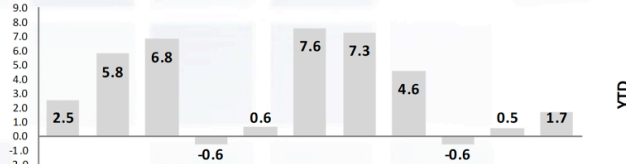
S&P 500 Sector Returns



MTD

	V	B	G
L	4.14	1.63	-0.56
M	5.19	4.72	3.24
S	7.72	7.92	8.10

YTD



YTD

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