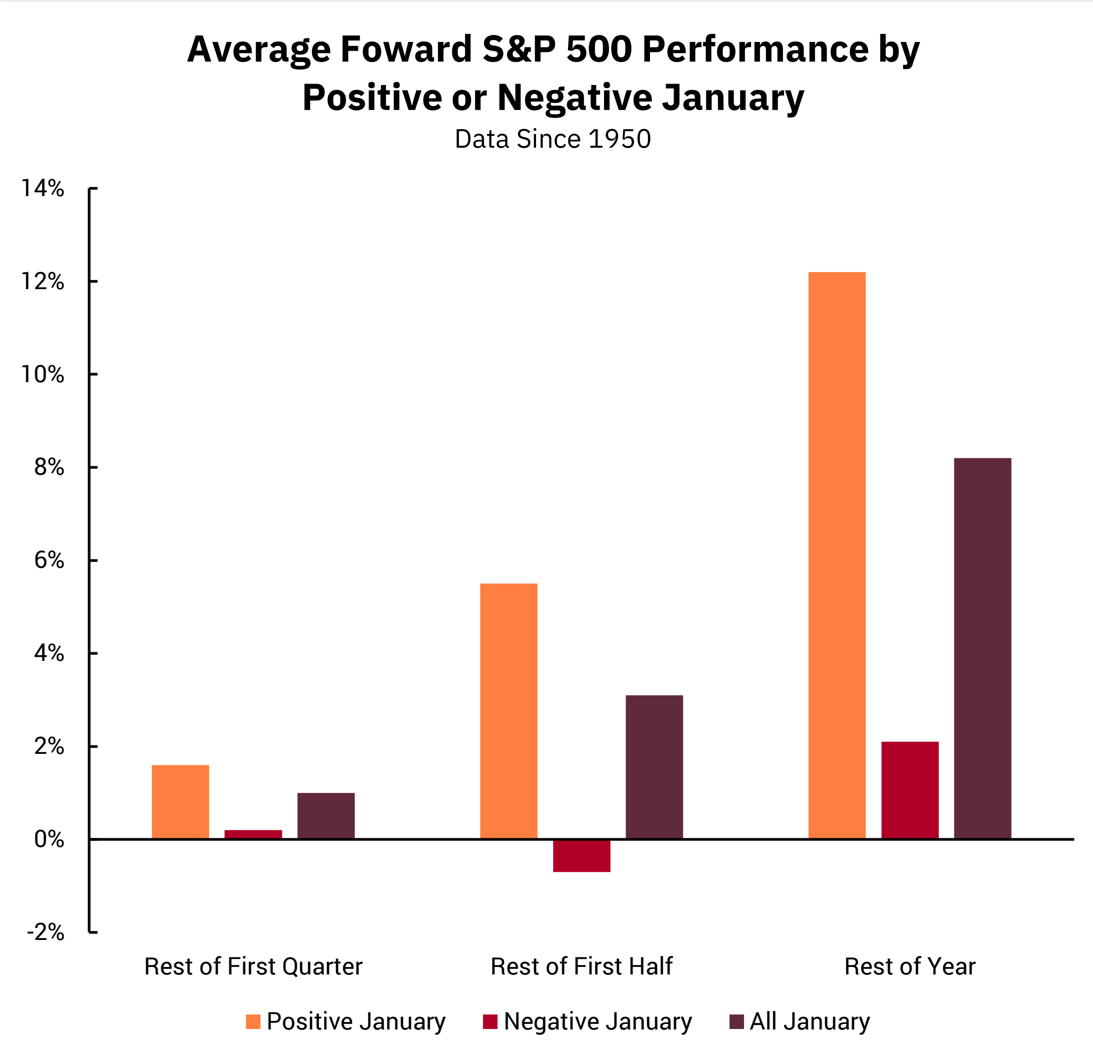
INVESTMENT MANAGEMENT

Weekly market update

Chart of the week (Jan. 9, 2026)



Source: Strategas.

Historically, the month of January has been an important barometer when we think about the performance of equity markets for the upcoming year. Our chart this week provides data since 1950 to show why. While overall average performance is positive (recall the stock market is up roughly 70% of the time on a yearly basis), it is clear that performance is better for the first-quarter, first-half, and yearly time frames if performance is positive in January.

The month is far from over, but the start to the year has been positive. Recent data on fourth-quarter growth indicates some momentum going into the new year, and December's job report showed the unemployment rate fell to 4.4% by the end of the year. At the base of our optimism for economic growth in 2026 is a sense that the U.S. consumer will remain supported by a stable job market and begin to see the benefits from some of the changes in the extension of the Tax Cuts and Jobs Act—i.e., the One Big Beautiful Bill Act.

Looking forward, tax-refund season should see an aggregate increase in refunds approaching $150 billion. That's roughly a $1,000 increase per taxpayer. Tax-withholding rates for 2026 will also be lower to account for additional tax breaks on tips and overtime, which will increase paychecks. As consumer spending is responsible for roughly two-thirds to 70% of gross domestic product (GDP), a consumer with more money is a tailwind for growth.

The changes on the corporate side are material as well. with incentives for corporations to build plants, purchase equipment and increase capital expenditure overall. Over time, these incentives should increase job opportunities and allow companies to avoid tariff policies while gaining more control over production and distribution. There are also potential positive impacts to national security, which we discuss in our annual market outlook.

Recent news about potential changes to housing policies—such as reducing federal regulations, limiting institutional buyers of single-family homes and increasing purchases of mortgage-backed securities by Fannie Mae and Freddie Mac—could help boost demand. However, the primary challenge in the housing market continues to be the lack of supply.

In aggregate, it would seem this midterm election year might be very active, as the administration—like most every administration before it, regardless of party affiliation—tries to ensure economic growth is positive. There are obvious reasons for caution, and recent events in Venezuela show that geopolitical risk is very hard, if not impossible, to predict, but the economic momentum remains positive. Here's to 2026 being the best year ever for us all.

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BOK FINANCIAL

Commentary (Jan. 9, 2026)

Domestic Equities

- The first trading week of 2026 demonstrated the rotation many market participants have been calling for, with movement away from highly valued mega-cap tech and into smaller stocks and sectors more prevalent in the value index. Growth indices are about flat year-to-date, while value indices have gained, and small caps are outperforming large-cap.
- There are ongoing discussions among investors about the sustainability of the AI investment boom, which has driven tech companies to high valuations. Earnings-per-share (EPS) growth expectations remain high for these companies, and any disappointment could put downside pressure on these stocks.
- Defense and energy stocks have seen gains amidst the Trump administration's actions in Venezuela. Expectations are for rising energy prices and increased military spending.

Bonds

- U.S. Treasuries were mixed for the week due to conflicting economic data, with yields rising around the belly, while the tails were lower. The stronger-than-expected jobs report on Friday sent rate cut expectations lower, with traders believing a January cut is off the table. However, the market continues to price in a full 0.25% cut by the June 17 meeting.
- President Trump announced that he is ordering his representatives (GSEs) to buy $200 billion in mortgage bonds to bring down housing costs. Federal Housing Finance Agency Director Bill Pulte indicated that Fannie Mae and Freddie Mac will execute these purchases. Following the announcement, lower coupon mortgage bonds and those around the belly of the curve generally tightened.
- Funding markets continued to normalize after year-end balance sheet constraints eased. Specifically, the Secured Overnight Fund Rate (SOFR) fell below the Fed's Interest on Reserve Balances (IORB) for the first time since October. SOFR is down over 0.20% from the year-end highs.

International Equities

- Global markets rose during the week despite increasing geopolitical tensions after the U.S. deposed Venezuelan President Nicolas Maduro and is engaging in ongoing rhetoric about annexing Greenland.
- Strong performance from markets in Japan and Europe drove gains in developed markets for the week. Eurozone annual inflation fell to 2% in December, in line with the European Central Bank's (ECB) target. The two largest economies in the Eurozone, Germany and France, also experienced lower-than-expected inflation. The data suggests that the ECB could maintain its current policy rates into 2026.
- Emerging markets advanced for the week, with markets across Asia and Latin America posting gains. Technology stocks that supply key hardware components for AI applications continue to rally in 2026. In Mexico, headline inflation slowed in December, with consumer prices rising 3.7% year over year. However, core inflation remained stubbornly high at 4.3%, which could lead Mexico's central bank to pause rate cuts in 2026.

Economics

- On Wednesday, the Job Openings and Labor Turnover Survey (JOLTS) report showed that the number of available jobs was 7.15 million. This was below the consensus estimate of 7.65 million and down from last month's reading of 7.67 million. The report suggests that, while the economy remains stable, the labor market continues to soften.
- Thursday's jobless claims indicated ongoing stability, with this week's reading at 208,000 initial claims. This was a slight increase from last week's 200,000 but remained in line with the consensus estimate of 205,000.
- Friday's employment report revealed that the economy added 50,000 jobs in December. This confirms 2025 as one of the weakest non-recessionary years for hiring since 2003. Despite the modest job gains, the unemployment rate edged down to 4.4% from 4.5%.

Weekly Market Update

For Week Ending January 09, 2026

Markets

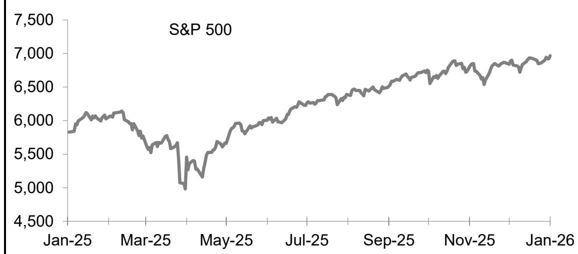
	Last Price	Change From Prior Week	Change From Year End	Change From Year Ago
Capital Markets				
Dow Jones Industrial Avg	49,504.07	2.3%	3.0%	18.1%
S&P 500 Index	6,966.28	1.6%	1.8%	19.2%
NASDAQ Composite	23,671.35	1.9%	1.9%	22.3%
S&P 400 Midcap Index	3,459.81	3.3%	4.7%	11.7%
S&P 600 Smallcap Index	1,543.51	4.1%	5.2%	11.3%
MSCI EAFE	10,819.78	1.4%	2.0%	33.3%
MSCI Emerging Markets	792.86	1.6%	3.4%	39.2%
Bloomberg US Agg	2,352.39	0.4%	0.2%	8.0%
Bloomberg Municipal 5 Yr	522.72	0.6%	0.6%	5.6%
Bloomberg US Corporate	3,548.84	0.3%	0.1%	8.6%
Bloomberg Glb Agg ex US Hdg	610.82	0.4%	0.2%	3.6%
Bloomberg High Yield	2,925.94	0.4%	0.4%	8.7%
MSCI US REIT Index	2,387.98	1.4%	1.7%	4.9%
Bloomberg Commodity Index	282.64	2.5%	2.3%	16.3%

	Last Price/Yield	Prior Week	Year End	Year Ago
Key Rates				
Fed Funds Target	3.75%	3.75%	3.75%	4.50%
3-Month Treasury	3.59%	3.61%	3.63%	4.30%
1-Year Treasury	3.50%	3.47%	3.47%	4.15%
2-Year Treasury	3.53%	3.47%	3.47%	4.26%
5-Year Treasury	3.75%	3.74%	3.73%	4.46%
7-Year Treasury	3.95%	3.96%	3.94%	4.57%
10-Year Treasury	4.17%	4.19%	4.17%	4.69%
30-Year Treasury	4.81%	4.87%	4.84%	4.93%
Consumer Rates				
30-Year Mortgage	6.21%	6.24%	6.25%	5.83%
Prime Rate	7.50%	7.50%	7.50%	8.25%
SOFR	3.64%	3.75%	3.71%	4.30%
Commodities				
Gold (spot)	4,509.50	4,332.29	4,319.37	2,667.25
Crude Oil WTI	59.12	57.32	57.42	73.92
Gasoline	2.80	2.82	2.83	3.07
Natural Gas	3.17	3.62	3.69	3.70
Copper	5.90	5.69	5.68	4.31

	P/E Forward	P/E Trailing	Price to Book	Current Div Yield
Index Characteristics				
Dow Jones Industrial Avg	21.98	23.52	5.88	1.48
S&P 500	22.30	25.87	5.56	1.16
S&P 500 Value	19.04	20.63	3.58	1.85
S&P 500 Growth	25.93	32.52	10.28	0.55
NASDAQ	27.54	37.11	7.78	0.61
S&P Midcap 400	16.96	19.23	2.77	1.53
S&P Smallcap 600	15.90	17.62	2.00	2.28
MSCI EAFE	16.07	17.07	2.23	2.78
MSCI Emerging Markets	13.35	16.78	2.22	2.28

Source: Bloomberg

Equity Style



1 Month*

	Value	Core	Growth
Large	3.51	1.92	0.63
Mid	5.41	5.04	4.69
Small	5.80	4.43	3.15

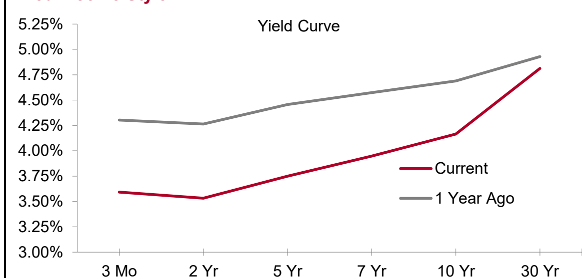
> 10%
0% - 10%
<0%

*S&P Indices

Year to Date*

	Value	Core	Growth
Large	2.53	1.79	1.17
Mid	4.84	4.71	4.58
Small	5.86	5.18	4.53

Fixed Income Style



1 Month*

	Short (1-3 Yrs)	Interm. (1-10 Yrs)	Long (+10 Yrs)
Govt	0.44	0.47	0.55
Corp	0.52	0.59	0.51
HY	0.86	1.03	0.32

> 10%
0% - 10%
<0%

Year to Date*

	Short (1-3 Yrs)	Interm. (1-10 Yrs)	Long (+10 Yrs)
Govt	-0.02	-0.05	0.30
Corp	0.03	0.00	0.31
HY	0.31	0.39	0.61

Economic Data

	Last Release	Year Ago
Inflation		
CPI Headline Inflation	2.7%	2.7%
CPI Core Inflation	2.6%	3.3%
Personal Consumption Exp (PCE) Core	2.8%	2.8%
Jobs		
Unemployment Rate (U3)	4.4%	4.1%
Broader Unemployment Rate (U6)	8.4%	7.6%
JOLT Survey (in millions)	7.15	8.03
Jobless Claims (000's)	208	205
Change in Non-Farm Payroll (000's)	50	323
Average Hourly Earnings (Y/Y % Change)	3.8%	4.0%
Consumer & Spending		
Consumer Confidence (Conf Board)	89.1	109.5
Consumer Spending ($ Bil)	21,207	20,148
Consumer Credit ($ Bil)	5,085	5,061
Retail Sales ($ Bil)	733	708
Housing		
Housing Starts (000's)	1,246	1,352
Case-Shiller Home Price Index	328.44	324.03
U.S. Productivity		
Real Gross Domestic Product ($ Bil)	24,025	23,479
Quarter over Quarter Change	4.3%	3.3%
Year Over Year Change	2.3%	2.8%
ISM Manufacturing	47.90	49.20
Capacity Utilization	75.90	75.39
Markit US Composite PMI	52.70	55.40
U.S. General		
Leading Economic Indicators	98.3	101.7
Trade Weighted Dollar Index	120.0	129.7
EUR / USD	1.16	1.03
JPY / USD	157.89	158.14
CAD / USD	0.72	0.69
AUD / USD	0.67	0.62

S&P 500 Sector Returns

	1 Month	YTD
Communication Services	12.28%	6.47%
Industrials	5.92%	4.57%
Information Technology	6.06%	4.44%
Utilities	3.35%	4.26%
Financials	2.18%	1.99%
Materials	1.83%	1.99%
Energy	4.98%	1.76%
Real Estate	5.34%	1.61%
Consumer Staples	1.03%	0.46%
Communication Services	-2.60%	0.09%
Health Care	0.21%	-0.41%

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