MARKET VIEW WEEKLY

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ECONOMIC REVIEW[1]

- A brief government shutdown delayed the release of certain labor market–related economic data, which is now expected to be released one week later.
- The ISM Manufacturing PMI, a measure of manufacturing activity, came in stronger than expected at 52.6.
  - A number above 50 signals that the index has been expanding, while a number below 50 indicates a slowdown.
  - This reading was the first time since February 2025 that the manufacturing sector signaled expansion.
    - The growth was driven by higher production and higher demand for new orders.
- The ISM Services PMI, a measure of how strong the service sector is, came in at 53.8, exceeding expectations for a decline.
  - The reading was flat relative to last month and boosted by higher activity levels.
- While a portion of jobs data was delayed due to the brief government shutdown, some labor market data was still released.
  - Announced job cuts in January came in at 108,435 – much higher than anticipated.
  - Job openings declined to 6.54 million – much weaker than expected.
  - The number of job quits did rise slightly to 3.2 million, signaling people felt more comfortable leaving their jobs and were able to find work elsewhere.
- Consumer sentiment as measured by the University of Michigan showed signs of recovery, rising to 57.3, which marked the highest reading since August 2025.
  - Importantly, the inflation expectation for consumers declined to 3.5%, the lowest since January 2025.

How does the most recent economic data impact you?
- The ISM Manufacturing and Services data reflected an economy with ongoing momentum, showing expansion in manufacturing and services together for the first time since early 2025.
- Within the labor market, nearly half of all announced job cuts came from two large employers, Amazon and UPS.
  - Outside of those notable announcements, the labor market appears to remain in a stable environment with limited hiring and firing.
- An increase in consumer sentiment could support higher consumer spending, which would provide a boost to the broader economy.

A LOOK FORWARD[1]

- This week, investors will focus on inflation, delayed labor market data, and the monthly retail sales report for insights into the economy.

How does this week's slate of economic data impact you?

- High employment and low inflation are the two targets of the Federal Reserve (Fed), and these indicators will be key in shaping the potential path of interest rates.

📊 MARKET UPDATE[2]

Market Index Returns as of 2/6/26	WTD	QTD	YTD	1 YR	3 YR	5 YR
S&P 500	-0.09%	1.36%	1.36%	16.51%	20.21%	13.93%
NASDAQ	-1.83%	-0.89%	-0.89%	18.73%	24.78%	11.51%
Dow Jones Industrial Average	2.50%	4.35%	4.35%	15.07%	15.80%	12.12%
Russell Mid-Cap	2.60%	5.74%	5.74%	12.15%	12.84%	8.77%
Russell 2000 (Small Cap)	2.18%	7.64%	7.64%	18.72%	12.21%	5.04%
MSCI EAFE (International)	0.51%	5.75%	5.75%	31.53%	16.58%	9.79%
MSCI Emerging Markets	-1.40%	7.32%	7.32%	38.89%	16.79%	4.03%
Bloomberg US Agg Bond	0.28%	0.39%	0.39%	6.74%	4.05%	-0.06%
Bloomberg High Yield Corp.	0.11%	0.62%	0.62%	7.82%	8.76%	4.42%
Bloomberg Global Agg	-0.22%	0.72%	0.72%	7.82%	3.45%	-1.69%

🔍 OBSERVATIONS

- A sell-off in technology stocks led to a split week for performance in U.S. equities. Tech heavy indices like the S&P 500 (-0.09%), and NASDAQ (-1.83%) sold off, but the Dow Jones, which is less tech-oriented finished the week strong, rising +2.50%.
- Down-cap equities, which also are less exposed to tech, performed well with mid-caps and small-caps rising +2.60% and +2.18%, respectively.
- Developed international markets returned +0.51% outpacing domestic markets, but emerging markets trailed, falling -1.40% for the week.
- Domestic fixed income rose, as the Bloomberg U.S. Aggregate Bond index gained +0.28%, while global bonds reversed from the previous week's strength, selling off -0.22%.
- Corporate credit, particularly lower quality credit, performed well, rising +0.11% for the week.

✓ BY THE NUMBERS

The 2026 Winter Olympics Have Begun: The 2026 Winter Olympics are officially underway after Friday's Opening Ceremony festivities at Milano San Siro Olympic Stadium in Milan, Italy. The Opening Ceremony featured the expected Italian flair, with performances highlighting Italian culture and the nation's impacts on the world of music, art, theater, and fashion. The likes of Mariah Carey, Andrea Bocelli and Charlize Theron brought ample star power to the proceedings, with a message of unity and a call for peace as a through line of the evening. There was also the traditional Parade of Athletes, featuring thousands of competitors in this year's Games from the 92 National Olympic Committees, getting to walk under their nation's flag to celebrate their appearance at the Olympics. In a unique twist for this year's games, athletes walked out in all four cities hosting events so that those competing outside Milan could still participate.[3]

Japanese Prime Minister Wins A Historic Supermajority: Japan's conservative Prime Minister Sanae Takaichi swept to a landslide victory in a snap election, marking a historic turnaround for her party, which had been hemorrhaging voter support in recent years — until she stepped to the helm. Since she was elected more than four months ago – becoming Japan's first female leader in a country where men have long dominated politics – Takaichi has enjoyed sky high approval ratings. It was a gamble to call a snap election, but Takaichi hoped to translate her own popularity into a stronger mandate for her Liberal Democratic Party (LDP) – which has been weakened in recent years by a scandal involving the misuse of political funds. Her risky move paid off. The LDP won more than 310 of the 465 seats in Japan's lower house of parliament, marking the first time since World War II that a single party has secured a two-thirds majority. The broader ruling coalition won more than 340 seats.[4]

Challenger Job Cuts: The Challenger Job Cuts Report monitors announcements of layoffs and job reductions made by companies in the United States.

CPI (headline and core): Consumer prices (CPI) are a measure of prices paid by consumers for a market basket of consumer goods and services. The yearly (or monthly) growth rates represent the inflation rate.

Federal Reserve (Fed): The Federal Reserve System is the central banking system of the United States of America.

ISM Manufacturing: PMI Surveys track sentiment among purchasing managers at manufacturing, construction and/or services firms. An overall sentiment index is generally calculated from the results of queries on production, orders, inventories, employment, prices, etc.

ISM Services: PMI Surveys track sentiment among purchasing managers at manufacturing, construction and/or services firms. An overall sentiment index is generally calculated from the results of queries on production, orders, inventories, employment, prices, etc. Target Audience: supply management professionals Sample Size: 300 individuals Date of Survey: through the month The Services Index is a composite index of four indicators with equal weights: Business Activity, New Orders, Employment and Supplier Deliveries. An index reading above 50% indicates an expansion and below 50% indicates a decline in the non-manufacturing economy. Whereas per Supplier Deliveries Index, above 50% indicates slower deliveries and below 50% indicates faster deliveries.

Job Openings and Labor Turnover Survey – JOLTS: This concept tracks the number of specific job openings in an economy. Job vacancies generally include either newly created or unoccupied positions (or those that are about to become vacant) where an employer is taking specific actions to fill these positions.

Nonfarm Payrolls: This indicator measures the number of employees on business payrolls. It is also sometimes referred to as establishment survey employment to distinguish it from the household survey measure of employment.

Retail Sales: Retail sales (also referred to as retail trade) tracks the resale of new and used goods to the general public, for personal or household consumption. This concept is based on the value of goods sold.

Unemployment Rate: The unemployment rate tracks the number of unemployed persons as a percentage of the labor force (the total number of employed plus unemployed). These figures generally come from a household labor force survey.

University of Michigan Consumer Sentiment Index: Consumer confidence tracks sentiment among households or consumers. The results are based on surveys conducted among a random sample of households. Target Audience: representative sample of US households (excluding Alaska and Hawaii). Surveys of Consumers collects data on consumer attitudes and expectations summarized in the Consumer Sentiment, in order to determine the changes in consumers' willingness to buy and to predict their subsequent discretionary expenditures. This Index is comprised of measures of attitudes toward personal finances, general business conditions, and market conditions or prices. Components of the Index of Consumer Sentiment are included in the Leading Indicator Composite Index. Unit: Index (Q1 1966=100)

S&P 500: The S&P 500® is widely regarded as the best single gauge of large-cap U.S. equities and serves as the foundation for a wide range of investment products. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization.

NASDAQ: The NASDAQ Composite Index is a broad-based capitalization-weighted index of stocks in all three NASDAQ tiers: Global Select, Global Market and Capital Market. The index was developed with a base level of 100 as of February 5, 1971.

Dow Jones Industrial Average: The Dow Jones Industrial Average is a price-weighted average of 30 blue-chip stocks that are generally the leaders in their industry. It has been a widely followed indicator of the stock market since October 1, 1928.

Russell Mid-Cap: Russell Midcap Index measures the performance of the 800 smallest companies in the Russell 1000 Index, which represents approximately 25% of the total market capitalization of the Russell 1000 Index.

Russell 2000: The Russell 2000 Index is comprised of the smallest 2000 companies in the Russell 3000 Index, representing approximately 8% of the Russell 3000 total market capitalization. The real-time value is calculated with a base value of 135.00 as
of December 31, 1986. The end-of-day value is calculated with a base value of 100.00 as of December 29, 1978.

MSCI EAFE: The MSCI EAFE Index is a free-float weighted equity index. The index was developed with a base value of 100 as of December 31, 1969. The MSCI EAFE region covers DM countries in Europe, Australasia, Israel, and the Far East.

MSCI EM: The MSCI EM (Emerging Markets) Index is a free-float weighted equity index that captures large and mid-cap representation across Emerging Markets (EM) countries. The index covers approximately 85% of the free float-adjusted market capitalization in each country.

Bloomberg US Agg Bond: The Bloomberg US Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate pass-throughs), ABS and CMBS (agency and non-agency).

Bloomberg High Yield Corp: The Bloomberg US Corporate High Yield Bond Index measures the USD-denominated, high yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below. Bonds from issuers with an emerging markets country of risk, based on Bloomberg's EM country definition, are excluded.

Bloomberg Global Agg: The Bloomberg Global Aggregate Index is a flagship measure of global investment grade debt from twenty-four local currency markets. This multi-currency benchmark includes treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers.

Bloomberg Municipal Bond Index: The Bloomberg U.S. Municipal Index covers the USD-denominated long-term tax-exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds and prerefunded bonds.

Disclosures

currency fluctuation, and differences in auditing and other financial standards. These risks can be accentuated in emerging markets.

Index performance does not reflect the deduction of any fees and expenses, and if deducted, performance would be reduced. Indexes are unmanaged and investors are not able to invest directly into any index. Past performance cannot guarantee future results.

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[1] Data obtained from Bloomberg as of 2/06/26.
[2] Data obtained from Morningstar as of 2/06/26.
[3] 2026 Winter Olympics Opening Ceremony: Best moments, highlights from Italy - CBS Sports
[4] Japan's Takaichi secures historic supermajority in landslide election victory