Cetera® Investment Management

January 2026

Monthly Recap

At-A-Glance

Despite volatile swings during the second half of the month, the S&P 500 gained nearly 1.5% in January, closing at 6,939. That's just 0.57% below its most recent all-time high set on January 27 at 6,978.

The Dow Jones Industrial Average outperformed the S&P 500 in January, gaining 1.80%, extending its 13.88% 2025 gain.

With three weekly losses, the Nasdaq Composite trailed broader market gains last month, gaining 0.97% in January. The gain ended a string of two monthly declines.

Bloomberg's Commodities Index advanced double-digits in January (+10.36%), led mainly by gains in precious and base metals.

Despite steep losses on the last day of month, Gold futures gained 9.3% in January, ending at $4,745.10 per troy ounce. The yellow metal had topped $5,000 during the month and reached an intra-day record near $5,600 before the Jan. 30 selloff.

U.S. West Texas Intermediate (WTI) crude oil futures jumped 13.57% in January, finishing the month at $65.21 per barrel. Reflecting geopolitical concerns, U.S. crude posted its first monthly gain in half a year. However, the world's supply of oil is still expected to outpace overall demand this year.

Market Indices[1]	January	Year-to-Date
S&P 500	1.45%	1.45%
Russell 3000	1.55%	1.55%
Russell 2000	5.35%	5.35%
MSCI EAFE	5.22%	5.22%
MSCI Emerging Markets	8.85%	8.85%
Bloomberg U.S. Aggregate Bond	0.11%	0.11%
Bloomberg U.S. Municipal Bond	0.94%	0.94%
Bloomberg U.S. Corporate High Yield	0.51%	0.51%

[1]FactSet (all equity performance is total return, which includes dividends).

The first month of 2026 drew to positive close across most asset classes with the S&P 500 posting its strongest monthly performance since October. Following returns of +0.25% in November and +0.06% in December, the month ended in the black despite intense swings during the second half of January. Sentiment was whipsawed by geopolitical concerns centering on Iran and Venezuela together with President Trump's posturing to acquire Greenland and his decision to nominate former Fed Governor Kevin Warsh to replace Fed Chairman Jerome Powell when his term expires in May.

Precious metals were in the spotlight at month-end with gold and silver futures notching their worst single-day declines since the 1980s. The metals slumped on January 30, down 11% and 27%, respectively. Their pullbacks coincided with a rebound on the U.S. dollar. Gold still gained for a seventh straight month, while silver advanced for a ninth month—its longest winning streak on record. The small cap-focused Russell 2000 Index outperformed in January, surging 5.35%, its best month since August.

As widely expected, Federal Reserve policymakers voted 10-2 in late January to hold interest rates unchanged at 3.50-3.75%. While policymakers' consensus "dot plot" forecast projects only one additional quarter-point rate cut this year, several officials and economists anticipate two rate cuts in 2026. Data released during the month added support to a resilient and growing economy, with the unemployment rate slipping 0.1% to 4.4% and core consumer inflation slightly cooling to +0.2% M/M and +2.6% annualized (+2.7% expected). Shelter costs rose 0.4% while food prices and energy prices also bucked the trend, rising 0.7% and 0.3% M/M, respectively. Meanwhile, weekly jobless claims declined to 209,000 and continuing claims declined to a 16-month low of 1.827 million.

Equities remain supported by mostly better-than-expected corporate earnings. The fourth quarter earnings season is one-third complete, with 75% of S&P 500 companies so far reporting EPS results above analysts' consensus forecasts and 65% have surpassed their revenue estimates. In aggregate, according to FactSet, S&P 500 companies are currently reporting earnings that are 9.1% above estimates, led by earnings surprises in Industrials, Technology and Communication Services.

In standout performance, Value stocks of all sizes broadly outperformed Growth stocks with Russell 1000 Large cap Value Index outpacing the Russell 1000 Large Cap Growth Index by a 6.1% differential. This marked the third consecutive monthly Value over Growth outperformance, and their fourth largest performance gap since 2002. Small cap Value outperformed Growth by a lesser 2.88% differential. Quite notably, Small and Mid cap Blends have outperformed the S&P 500 since November 2025.

January Returns

	Value	Blend	Growth
Large Cap	4.56%	1.38%	-1.51%
Mid Cap	4.28%	3.06%	-0.87%
Small Cap	6.86%	5.35%	3.98%

Year-to-Date Returns

	Value	Blend	Growth
Large Cap	4.56%	1.38%	-1.51%
Mid Cap	4.28%	3.06%	-0.87%
Small Cap	6.86%	5.35%	3.98%

Source: Cetera Investment Management, FactSet, FTSE Russell. Returns shown are total return, which includes dividends. Investors cannot invest directly in indexes. Data as of 1/31/2026.

Benefiting from increased demand from data centers and colder temperatures, Energy stocks performed best in January, up over 14.4%, while defensive posturing in Materials and Consumer Staples was also well rewarded. In contrast, Technology declined nearly 1.7% and Financials fell the most.

Top Sector Performers – January[1]	Bottom Sector Performers – January[1]
Energy (+14.43%)	Healthcare (-0.02%)
Materials (+8.71%)	Technology (-1.66%)
Consumer Staples (+7.71%)	Financials (-2.41%)
Top Sector Performers – YTD[1]	**Bottom Sector Performers – YTD[1]**
Energy (+14.43%)	Healthcare (-0.02%)
Materials (+8.71%)	Technology (-1.66%)
Consumer Staples (+7.71%)	Financials (-2.41%)

[1] FactSet (all S&P 500 sector performance percentages are total return based, which include dividends).

Foreign equities in developed markets continue to outperform the U.S. in January, benefiting from a weaker U.S. dollar. The MSCI EAFE Index rose over 5.2% last month, outpacing the S&P 500 by nearly 3.8%. Emerging markets posted even stronger gain, surging 8.85% in January. Emerging markets had its best start to a new year since 2012. The dollar's month-end rebound only pared a deeper monthly loss for the U.S. currency, capping a 1.3% January loss and slumping to its lowest level since 2022.

Turning to bonds, Treasury yields showed little sign of investor angst over the President Trump's appointment for a new Fed Chairman, with the benchmark 10-year Treasury yield climbing less than 0.01% on Friday, while 2-year notes fell 0.035%. For the month, 10-year Treasury Notes rose +0.12% in January to 4.243% and 2-year Treasurys rose 0.069% to 3.527%. Prices fall as yields rise.

The Bloomberg U.S. Government Index slipped 0.09% in January, while the longer-duration Bloomberg U.S. Government Long-term Bonds Index declined 0.47% last month. On a broader basis, investment-grade bonds of all types, as measured by the Bloomberg U.S. Aggregate Bond Index, gained just 0.11% last month, while Bloomberg's U.S. High Yield Bond Index, representing holdings of below investment-grade (junk-rated) corporate bonds, gained 0.51% in January. Bloomberg's U.S. Municipal Bond Index performed best last month, gaining 0.94%.

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Glossary

The **Bloomberg Barclays Capital U.S. Aggregate Bond Index**, which was originally called the Lehman 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 debt securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS and CMBS (agency and non-agency) debt securities that are rated at least Baa3 by Moody's and BBB- by S&P. Taxable municipals, including Build America bonds and a small amount of foreign bonds traded in U.S. markets are also included. Eligible bonds must have at least one year until final maturity, but in practice the index holdings has a fluctuating average life of around 8.25 years. This total return index, created in 1986 with history backfilled to January 1, 1976, is unhedged and rebalances monthly.

The **Bloomberg Barclays US Municipal Bond 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. Eligible securities must be rated investment grade (Baa3/BBB- or higher) by Moody's and S&P and have at least one year until final maturity, but in practice the index holding have a fluctuating average life of around 12.8 years. This total return index is unhedged and rebalances monthly.

The **Bloomberg Barclays US Corporate High Yield Index** measures the USD-denominated, non-investment grade, fixed-rate, taxable 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, excluding emerging market debt. Payment-in-kind and bonds with predetermined step-up coupon provisions are also included. Eligible securities must have at least one year until final maturity, but in practice the index holdings has a fluctuating average life of around 6.3 years. This total return unhedged index was created in 1986, with history backfilled to July 1, 1983 and rebalances monthly.

The **Barclays U.S. Government Bond Index** is comprised of the U.S. Treasury and U.S. Agency Indices. The index includes U.S. dollar-denominated, fixed-rate, nominal US Treasuries and US agency debentures (securities issued by US government owned or government sponsored entities, and debt explicitly guaranteed by the US government). The US Government Index is a component of the U.S. Government/Credit and U.S. Aggregate Indices, and eligible securities also contribute to the multi-currency Global Aggregate Index. The U.S. Government Index has an inception date of January 1, 1973.

The **Bloomberg Commodity Index** is a broadly diversified index that allows investors to track commodity futures through a single, simple measure. It is composed of futures contracts on physical commodities and is designed to minimize concentration in any one commodity or sector. It currently includes 19 commodity futures in five groups. No one commodity can comprise less than 2% or more than 15% of the index, and no group can represent more than 33% of the index (as of the annual reweightings of the components).

The **Cboe Volatility Index®** (VIX®) is a key measure of market expectations of near-term volatility conveyed by S&P 500 stock index option prices.

The **MSCI EAFE** is designed to measure the equity market performance of developed markets (Europe, Australasia, Far East) excluding the U.S. and Canada. The Index is market-capitalization weighted.

The **MSCI Emerging Markets** is designed to measure equity market performance in global emerging markets. It is a float-adjusted market capitalization index.

The **Russell 1000 Growth Index** measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000 Index companies with higher price-to-book ratios and higher forecasted growth values.

The **Russell 1000 Value Index** measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000 Index companies with lower price-to-book ratios and lower forecasted growth values

The **Russell 2000 Index** measures the performance of the small-cap segment of the U.S. equity universe and is a subset of the Russell 3000 Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership.

The **Russell 3000 Index** measures the performance of the largest 3,000 U.S. companies representing approximately 98% of the investable U.S. equity market.

The **Russell Midcap Index** measures the performance of the mid-cap segment of the U.S. equity universe and is a subset of the Russell 1000 Index. It includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership. The Russell Midcap represents approximately 31% of the total market capitalization of the Russell 1000 companies.

The **S&P BSE SENSEX Index** is a free-float market-weighted index of 30 well-established and financially sound stocks on the Bombay Stock Exchange, representative of various industrial sectors of the Indian economy.

The **S&P 500** is a capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

The **Dow Jones Industrial Average** is a price-weighted average of 30 significant stocks traded on the New York Stock Exchange and the NASDAQ.

The **NASDAQ Composite Index** includes all domestic and international based common type stocks listed on The NASDAQ Stock Market. The NASDAQ Composite Index is a broad-based capitalization-weighted index.

The **Shanghai Composite Index** is a stock market index of all stocks (A shares and B shares) that are traded at the Shanghai Stock Exchange.

The **U.S. Dollar Index** is a weighted geometric mean that provides a value measure of the United States dollar relative to a basket of major foreign currencies. The index, often carrying a USDX or DXY moniker, started in March 1973, beginning with a value of the U.S. Dollar Index at 100.000. It has since reached a February 1985 high of 164.720, and has been as low as 70.698 in March 2008.

West Texas Intermediate (WTI) is a crude oil stream produced in Texas and southern Oklahoma which serves as a reference or "marker" for pricing a number of other crude streams. WTI is the underlying commodity of the New York Mercantile Exchange's oil futures contracts.