

CAPITAL MARKETS REPORT - JANUARY 20, 2026



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From Bloomberg This Morning:

-- The calm in markets is breaking due to a clash over Greenland and Japanese bonds plunging, with US traders set to face a wave of selling.
 -- Investors' willingness to shrug off earlier shocks is beginning to erode, with the VIX Index topping 20 for the first time since November.

As of 9:00 (CST), the DOW is off nearly 730 points with the 10-Year Treasury note up 6bps to 4.28%. Both Euro and the Nikkei are off over 1%. Gold again appears to be the beneficiary of investors seeking safety outside of more conventional "safe-harbors." The precious metal is up \$146/oz this morning, trading at \$4,742/oz.

U.S. economic data continues to suggest a labor market that is cooling gradually rather than deteriorating sharply. Jobless claims declined more than expected in early January, indicating limited post-holiday layoffs, and business surveys show most employers remain reluctant to cut staff. However, ongoing data distortions from the recent government shutdown and seasonal factors have made near-term indicators less reliable, leaving markets cautious about drawing firm conclusions on inflation and growth trends.

With economic signals mixed, investor focus has shifted toward policy developments and market positioning. Financial markets have remained resilient despite political and geopolitical uncertainty, with equity inflows broadening beyond large technology stocks and volatility remaining subdued. This stability has reduced the perceived risk of disruptive policy moves, though some analysts warn that optimistic positioning could increase sensitivity to negative surprises if conditions change.

Markets also reacted to renewed attention on Federal Reserve leadership and independence. Comments from President Trump affecting expectations around the next Fed chair led to modest declines in Treasuries and adjustments in rate-cut pricing, while brief concerns about political pressure on monetary policy revived discussion of diversification away from U.S. assets.

Market Last Week

	1/9/2026	1/16/2026	Weekly Change In Bps
2 yr. Note	3.53%	3.59%	6
5 yr. Note	3.75%	3.81%	6
10 yr. Note	4.16%	4.22%	6
30 yr. Bond	4.81%	4.84%	3
SOFR Rate	3.67127%	3.67328%	0.201

Data This Week

Date/Time (ET)	Economic Data	Market Estimate	Prior Report
1/22/2026 8:30 AM	Initial Jobless Claims (Jan 17)	210k	198k
1/22/2026 8:30 AM	GDP Annualized QoQ (3Q)	4.30%	4.30%
1/23/2026 10:00 AM	U. of Mich. Sentiment (Jan F)	54.00	54.00
1/21/2026 7:00 AM	MBA Mortgage Applications (Jan 16)	--	28.50%
1/23/2026 9:45 AM	S&P Global US Manufacturing PMI (Jan P)	52.00	51.80
1/22/2026 10:00 AM	Personal Income (Nov)	0.40%	--
1/23/2026 10:00 AM	Leading Index (Nov)	-0.20%	-0.30%
1/21/2026 10:00 AM	Pending Home Sales MoM (Dec)	-0.30%	3.30%
1/23/2026 9:45 AM	S&P Global US Services PMI (Jan P)	52.90	52.50
1/22/2026 8:30 AM	Continuing Claims (Jan 10)	1895k	1884k
1/22/2026 10:00 AM	Core PCE Price Index YoY (Nov)	2.80%	--
1/22/2026 10:00 AM	PCE Price Index YoY (Nov)	2.80%	--

SERVICE BEYOND COMPARISON