

Capital Markets Snapshot

Courtesy of Summit Pointe Advisors

Week ending January 23, 2026

Last week markets quickly reacted to a jump in geopolitical volatility but appeared to quickly return to fundamentals. Markets sold off after the Trump administration escalated their push to acquire Greenland and threatened tariffs on several European trading partners, triggering the largest single-day decline in the S&P 500 since "Liberation Day" in 2025. Despite the initial shock, a tentative agreement around U.S. security interests in Greenland helped markets rebound, underscoring how quickly geopolitical narratives can shift. The dollar was a notable underperformer, posting its worst weekly decline since June as investors appeared to diversify internationally. Meanwhile, economic data remained solid, with unemployment claims low, consumer confidence improving, and consumer spending continuing to strengthen. Earnings season also kicked into gear, with roughly 80% of early S&P 500 reporters beating profit estimates. Small-cap equities continued to outperform early in the year, signaling growing investor confidence in broader earnings growth. Overall, improving growth, easing inflation pressures, and resilient earnings reinforced the case for diversification even amid the current turbulence in the geopolitical landscape.

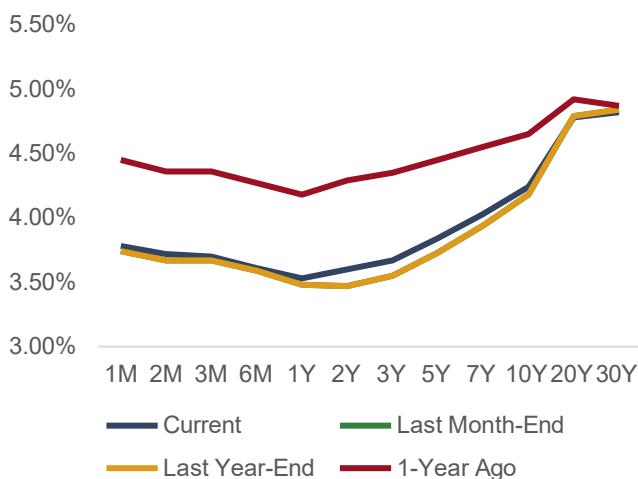
Fixed Income Markets Overview

- U.S. government bonds briefly sold off alongside equities during the Greenland-related market shock before stabilizing.
- The U.S. dollar weakened significantly, falling 1.2% on the week—its worst performance since last June.
- Market expectations for near-term Fed rate cuts continued to fade as strong economic data came in. Futures markets priced in a 97% chance of no change in rates and only a 2.8% probability of a January rate cut, down from 5% the prior week.
- The Fed remains widely expected to hold rates steady at its upcoming meeting, with data dependence guiding future decisions. Signs of cooling inflation and a sluggish labor market still support expectations for one or two rate cuts later in 2026.

| Asset Class | Name | 1W | YTD | 3Y(Ann.) | 5Y(Ann.) |
|------------------|----------------------------|-------|-------|----------|----------|
| Short | 1-3 Year Govt/Credit | 0.1% | 0.0% | 4.6% | 2.0% |
| Core Plus | Intermediate Govt/Credit | 0.1% | -0.1% | 4.5% | 1.0% |
| | International Aggregate | 0.5% | 0.1% | 2.9% | -2.0% |
| | US Aggregate | 0.1% | 0.1% | 3.8% | -0.2% |
| | US Treasury | 0.1% | -0.1% | 2.9% | -0.8% |
| | US TIPS | 0.2% | 0.2% | 3.7% | 1.1% |
| | US Corporate | 0.2% | 0.3% | 5.0% | 0.2% |
| | US Corporate High Yield | 0.1% | 0.7% | 9.0% | 4.5% |
| Other | Emerging Markets Aggregate | 0.2% | 0.3% | 7.9% | 1.7% |
| Muni | US Municipals | -0.3% | 0.6% | 3.1% | 0.9% |
| | US Municipals High Yield | -0.3% | 0.8% | 4.7% | 2.0% |

Source: Bloomberg as of January 23, 2026

U.S. Treasury Yield Curve



Source: Bloomberg and U.S. Treasury as of January 23, 2026

Interest Rates (%)

| Date | 1/23/2026 | 12/31/2025 | 12/31/2025 | 1/23/2025 |
|-------------------------|-----------|------------|------------|-----------|
| Federal Funds Rate | 3.78% | 3.74% | 3.74% | 4.45% |
| 3 Month Treasury | 3.70% | 3.67% | 3.67% | 4.36% |
| 6 Month Treasury | 3.61% | 3.59% | 3.59% | 4.27% |
| 2 Year Treasury | 3.60% | 3.47% | 3.47% | 4.29% |
| 5 Year Treasury | 3.84% | 3.73% | 3.73% | 4.45% |
| 10 Year Treasury | 4.24% | 4.18% | 4.18% | 4.65% |
| 30 Year Treasury | 4.82% | 4.84% | 4.84% | 4.87% |
| US Aggregate | 4.38% | 4.32% | 4.32% | 4.96% |
| US Corporate | 4.85% | 4.81% | 4.81% | 5.38% |
| US Corporate High Yield | 6.62% | 6.53% | 6.53% | 7.25% |
| US Municipal | 3.49% | 3.60% | 3.60% | 3.76% |
| US Municipal High Yield | 5.53% | 5.59% | 5.59% | 5.52% |

Spreads Over 10-Year US Treasuries

| Date | 1/23/2026 | 12/31/2025 | 12/31/2025 | 1/23/2025 |
|-------------------------|-----------|------------|------------|-----------|
| 30 Year Treasury | 0.58% | 0.66% | 0.66% | 0.22% |
| US Aggregate | 0.14% | 0.14% | 0.14% | 0.31% |
| US Corporate | 0.61% | 0.63% | 0.63% | 0.73% |
| US Corporate High Yield | 2.38% | 2.35% | 2.35% | 2.60% |
| US Municipal | -0.75% | -0.58% | -0.58% | -0.89% |
| US Municipal High Yield | 1.29% | 1.41% | 1.41% | 0.87% |

Source: Bloomberg and U.S. Treasury as of January 23, 2026

Equity Markets Overview

- U.S. equities experienced a sharp intraday sell-off early in the week before recovering most losses.
- US small- and mid-cap stocks plus international stocks continue to outperform their US large-cap peers on a year-to-date basis.
- The "Magnificent 7" are essentially flat on the year, as investors appear to continue rotating away from US large-cap and mega-cap tech stocks into other areas of the markets to start 2026.
- Early earnings reports were strong, with 80% of S&P 500 companies beating on profits. EPS growth for early reporters is tracking around 17%, ahead of the 8.3% full-quarter estimate.
- Market breadth remains strong, with 70% of S&P 500 constituents and 60% of the Nasdaq trading above their 200-day moving averages.
- To start 2026, International fund flows have favored Europe and Japan over the U.S., signaling growing global diversification.

| Asset Class | Name | 1W | YTD | 3Y(Ann.) | 5Y(Ann.) |
|-------------|-------------------------|-------|------|----------|----------|
| All-Cap | S&P 1500 | -0.3% | 1.5% | 20.7% | 13.7% |
| Large-Cap | S&P 500 | -0.3% | 1.1% | 21.5% | 14.1% |
| | S&P 500 Growth | -0.3% | 0.3% | 27.6% | 14.4% |
| | S&P 500 Value | -0.4% | 2.1% | 14.6% | 13.0% |
| Mid-Cap | S&P Midcap 400 | -0.5% | 5.5% | 12.2% | 8.9% |
| | S&P Midcap 400 Growth | -0.6% | 6.0% | 14.0% | 6.8% |
| | S&P Midcap 400 Value | -0.4% | 5.0% | 10.3% | 10.9% |
| Small-Cap | S&P Smallcap 600 | -0.4% | 6.6% | 10.1% | 6.6% |
| | S&P Smallcap 600 Growth | -0.6% | 6.2% | 10.9% | 4.7% |
| | S&P Smallcap 600 Value | -0.2% | 6.9% | 9.1% | 8.4% |
| Int'l. | MSCI ACWI ex-USA | 0.5% | 4.6% | 16.1% | 8.0% |
| | MSCI EM | 1.1% | 6.9% | 15.8% | 4.0% |

Source: Bloomberg as of January 23, 2026

Alternative Markets Overview

- Precious metals prices broadly strengthened amid geopolitical stress and policy uncertainty. Gold extended its strong rally, rising over 8% last week and 15% year-to-date after last year's nearly 65% surge. Silver broke above \$100 per ounce for the first time, continuing its rapid appreciation.
- Oil prices rebounded but remain low as increasing geopolitical volatility impacted various markets. President Trump's comments about a U.S. "armada" moving toward Iran appeared to increase supply disruption fears, causing prices to rise over the week.

| Name | 1W | YTD | 3Y (Ann.) | 5Y (Ann.) |
|------------------------|--------|-------|-----------|-----------|
| S&P GSCI | 3.8% | 7.2% | 5.6% | 15.3% |
| Gold | 8.4% | 15.6% | 37.1% | 22.0% |
| FTSE All Equity NAREIT | -2.4% | 2.2% | 4.7% | 5.2% |
| Bitcoin | -6.4% | 2.1% | 57.2% | 22.6% |
| Ethereum | -10.7% | -1.1% | 21.6% | 18.6% |

Source: Bloomberg as of January 23, 2026



Upcoming Week

- Q4 earnings season continues with a busy week of earnings releases. We will get reports from high-profile mega-cap technology companies (Meta, Apple, Tesla and Microsoft) due to report, and providing a picture on how heavy AI investment is translating into revenue growth and profits.
- As for economic data, it is another full week of releases. Markets will be closely monitoring the results of this week's FOMC meeting and Friday's PPI release.

Glossary and Disclosures

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S&P 1500 Index combines three leading indices, the S&P 500, the S&P Midcap 400, and the S&P Smallcap 600, to cover approximately 90% of U.S. equity market capitalization.

S&P 500 Index includes approximately 500 leading companies that covers approximately 80% of available U.S. equity market capitalization.

S&P 500 Growth Index is a stock index that represents the fastest-growing companies in the S&P 500 based on three factors: sales growth, ratio of earnings change to price, and momentum.

S&P 500 Value Index is a stock index that represents the companies in the S&P 500 with the most attractive valuations based on three factors: book value, earnings, and sales to price.

S&P Midcap 400 Index is distinct from the large-cap S&P 500 and designed to measure the performance of 400 U.S. mid-sized companies, which have differing liquidity and growth potential than large and small cap companies.

S&P Midcap 400 Growth Index is a stock index that represents the fastest-growing companies in the S&P Midcap 400 based on three factors: sales growth, ratio of earnings change to price, and momentum.

S&P Midcap 400 Value Index is a stock index that represents the companies in the S&P Midcap 400 with the most attractive valuations based on three factors: book value, earnings, and sales to price.

S&P Smallcap 600 Index measures the performance of 600 small-sized U.S. companies to reflect the small-cap segment of the U.S. equity market, which is typically known for less liquidity than large cap stocks.

S&P Smallcap 600 Growth Index is a stock index that represents the fastest-growing companies in the S&P Smallcap 600 based on three factors: sales growth, ratio of earnings change to price, and momentum.

S&P Smallcap 600 Value Index is a stock index that represents the companies in the S&P Smallcap 600 with the most attractive valuations based on three factors: book value, earnings, and sales to price.

MSCI ACWI ex-US Index captures large and mid-cap representation across 22 of 23 Developed Markets (DM) countries (excluding the US) and 24 Emerging Markets (EM) countries.

MSCI Emerging Markets Index captures large and mid-cap representation across 24 Emerging Markets (EM) countries.

S&P GSCI is broad-based and production weighted to represent the global commodity market beta. The index is designed to be investable by including the most liquid commodity futures.

S&P GSCI Gold a sub-index of the S&P GSCI, provides investors with a reliable and publicly available benchmark tracking the COMEX gold future.

FTSE All Equity NAREIT Index contains all tax-qualified REITs with more than 50 percent of total assets in qualifying real estate assets other than mortgages secured by real property that also meet minimum size and liquidity criteria.

Bitcoin USD Spot Exchange Rate measures the last price of 1 Bitcoin in USD.

Bloomberg Galaxy Bitcoin Index is designed to measure the performance of a single bitcoin traded in USD.

Ethereum USD Spot Exchange Rate measure the last price of 1 Ethereum in USD.

Bloomberg Galaxy Ethereum Index is designed to measure the performance of a single Ethereum traded in USD.

Bloomberg Barclays 1-3 Year Govt/Credit Index is the 1-3 Yr. component of the U.S. Government/Credit index, which includes securities in the Government, which includes treasuries and agencies debt securities, and Credit Indices, which includes publicly issued U.S. corporate and foreign debt that meet specified maturity, liquidity, and quality requirements.

Bloomberg Intermediate US Government/Credit Bond Index is a broad-based flagship benchmark that measures the non-securitized component of the US Aggregate Index with less than 10 years to maturity; this includes investment grade, US dollar-denominated, fixed-rate treasuries, government-related and corporate securities

Bloomberg Barclays Global Aggregate Bond Index provides a broad-based measure of the global investment-grade fixed income markets, with three major components of this index are the U.S. Aggregate, the Pan-European Aggregate, and the Asian-Pacific Aggregate Indices.

Bloomberg Barclays U.S. Aggregate Bond Index represents securities that are SEC-registered, taxable, and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities.

Bloomberg Barclays U.S. Treasury Aggregate Bond Index is the U.S. Treasury component of the U.S. Government index and represents public obligations of the U.S. Treasury with a remaining maturity of one year or more.

Bloomberg US TIPS Index consists of Inflation-Protection securities issued by the U.S. Treasury.

Bloomberg Barclays US Corporate Bond Index is the Corporate component of the U.S. Credit index and represents publicly issued U.S. corporate and specified foreign debentures and secured notes that meet the specified maturity, liquidity, and quality requirements.

Bloomberg Barclays U.S. Corporate High Yield Index covers the universe of fixed rate, non-investment grade debt.

Bloomberg Barclays Emerging Markets Bond Index is broad-based with country eligibility and classification as an Emerging Market being rules-based and reviewed on an annual basis using World Bank income group and International Monetary Fund (IMF) country classifications.

Bloomberg Barclays U.S. Municipal Index is a rules-based, market-value-weighted index engineered for the long-term tax-exempt bond market.

Bloomberg Barclays US High Yield Municipal Index is an unmanaged index of noninvestment-grade municipal debt securities, which provides a representation of the performance of US high-yield tax-exempt bonds.

Federal Funds Rate is the interest rate at which depository institutions trade federal funds (balances held at Federal Reserve Banks) with each other overnight.

U.S. Treasury Securities are issued by the federal government and are considered to be among the safest investments you can make, because all Treasury securities are backed by the "full faith and credit" of the U.S. government.

CBOE Volatility Index (VIX) is a real-time market index that represents the market's expectation of 30-day forward-looking volatility. Derived from the price inputs of S&P 500 index options, it provides a measure of market risk and investor sentiment.

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