



PACIFIC GLOBAL
Investment Management Company

Weekly Recap

January 16, 2026

Market Returns

INDEX ¹	CLOSE	WEEKLY CHANGE		YTD CHANGE
Dow Jones Industrial Avg.	49,359.33	-144.74	/ -0.29%	2.70%
S&P 500 [®]	6,940.01	-26.27	/ -0.38%	1.38%
Nasdaq	23,515.39	-155.96	/ -0.66%	1.18%
Russell 2000 [®]	2,677.74	53.52	/ 2.04%	7.89%

	01/16/26 CLOSE	01/16/25 CLOSE
10-Year U.S. Treasury	4.23%	4.61%

Data: The Wall Street Journal, Federal Reserve

The Bottom Line

President Trump's latest *affordability* proposals, including a 10% cap on credit card rates and restricting institutions from purchasing single-family homes, created investor uncertainties. The rotation into Russell 2000[®] companies continued this week: the Index gained 2.04% while the Dow Jones Industrial Average (-0.29%), the S&P 500[®] Index (-0.38%) and the Nasdaq (-0.66%) fell for the week. The yield on the 10-Year U.S. Treasury Note increased to 4.23% from 4.17% last Friday.

The week began with news of the Department of Justice's investigation of Federal Reserve Chair Powell's testimony last year on cost overruns related to the Federal Reserve building's renovation. Chair Powell issued a rebuke, suggesting the investigation was politically motivated and threatened the independence of the Fed. Former Fed Chairs, several members of Congress and heads of the major banks spoke adamantly that economic stability relies on the Fed's independence in setting monetary policy. President Trump's proposals on affordability sparked selloffs in stocks of banks, credit card companies and home builders. And, bank spokespersons and others quickly pointed out that these measures would be counter-productive as default risk would prompt banks to limit credit availability; further, such changes would require legislative action. Elsewhere, the *Energy* sector reacted to events in Iran and comments by the White House about possible military action in support of protestors.

Earnings season began this week: *Delta* reported solid earnings, adding that the popularity of higher-priced seating options supports expectations continued growth in travel. *JPMorganChase*, *Goldman Sachs*, and *Bank of America* also reported strong earnings; commentaries emphasized that consumer spending remains robust with modest changes in credit card loss reserves. *Taiwan Semiconductor Manufacturing* also announced strong earnings supported by **AI**-related sales initiatives.

December CPI rose 0.3%, unchanged from December but below estimates of 0.4%. Retail sales in November rose 0.6%, up from -0.1% in October, versus consensus of 0.4%. **Initial jobless claims** (198,000) were

lower than projections of 215,000; **continuing claims** (1.884 million) were also lower than estimates (1.900 million).

Earnings reports will accelerate next week; investors will closely examine corporate commentaries for insights into the effects of tariffs and inflation on the economy. Market breadth continues to expand with the S&P 500® Equal Weight Index outperforming the market weighted index for the second week in a row. Also, the recent outperformance of the Russell 2000® suggests that investors remain bullish on the economy. The markets continue to await the Supreme Court's decision on tariffs.

¹The Dow Jones Industrial Average is an unmanaged, price weighted measure of 30 U.S. stocks selected by the Averages Committee to represent the performance of all U.S. stocks outside the Transportation and Utilities sectors. The S&P 500® Index is an unmanaged, market capitalization weighted index which measures the performance of the large cap segment of the U.S. equities market, covering approximately 75% of the U.S. equities market. The Index includes 500 leading companies in leading industries of the U.S. economy. The Nasdaq Composite Index is an unmanaged, market capitalization weighted measure of all domestic and international common stocks listed on The Nasdaq Stock Market. The Russell Midcap® Index measures the 800 smallest companies within the Russell 1000® Index based on a combination of their market cap and current index membership. The Russell 2000® Index is an unmanaged, market-weighted measure of stock market performance. It contains stocks of the 2,000 smallest publicly traded companies of the Russell 3000® Index. It is not possible to invest in the Indices.

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