PACIFIC GLOBAL
Investment Management Company

Weekly Recap

January 30, 2026

Market Returns

INDEX[1]	CLOSE	WEEKLY CHANGE	YTD CHANGE
Dow Jones Industrial Avg.	48,892.47	-206.24 / -0.42%	1.73%
S&P 500®	6,939.03	23.42 / 0.34%	1.37%
Nasdaq	23,461.82	-39.42 / -0.17%	0.95%
Russell 2000®	2,613.74	-55.42 / -2.08%	5.31%

	01/30/26 CLOSE	01/30/25 CLOSE
10-Year U.S. Treasury	4.24%	4.52%

Data: The Wall Street Journal, Federal Reserve

The Bottom Line

The equity markets wavered as earnings results, economic data and the absence of action by the Federal Reserve provided no compelling catalyst for market momentum. The S&P 500® Index (0.34%) rose while the Nasdaq (-0.17%), the Dow Jones Industrial Average (-0.42%) and the Russell 2000® Index (-2.08%) declined. The yield on the 10-Year U.S. Treasury Note closed at 4.24% compared to 4.23% last Friday.

The Fed, as expected, left interest rates unchanged on Wednesday. Chair Powell stated, "We still have some tension between employment and inflation, but it's less than it was . . . It's a very challenging and quite unusual situation." He further stated, "We're not trying to articulate a test for when to next cut . . . What we're saying is we're well positioned." President Trump named former Fed Governor Kevin Warsh as Chair Powell's successor when his term expires in May. Warsh served with Chair Bernanke during the 2008-2009 financial crisis. Canadian Prime Minister Carney called Warsh "a fantastic choice to lead the world's most important central bank at this crucial time."

November durable goods orders rose 5.3%, more than expected, to reverse October's 2.1% decline. **December PPI** (0.5%) rose well above projections (0.3%) and November's 0.2% with increases in services prices and machinery and equipment wholesaling. Year-over-year, the **PPI** was unchanged at 3.0% while the **Core PPI** rose 3.3%. Initial jobless claims held steady (209,000 versus 210,000 the prior week) while continuing claims (1.827 million) fell below projections (1.860 million). The Conference Board's January Consumer Confidence Index, which reflects prevailing business conditions and likely developments, fell sharply to its lowest reading since 2014.

Lockheed Martin (defense industry) reported record backlog as countries increase defense initiatives. *Microsoft* fell 10% on lower-than-expected guidance given the company's **AI** investment. *Meta*, however, gained 10% after reporting record sales with better-than-expected revenue outlook. *United Healthcare* fell 18% due to an announced cut in Medicaid reimbursements while *United Parcel Service* announced additional layoffs and the unwinding of the company's below-market pricing arrangement with Amazon. The Transportation sector is considered a bellwether for the economy: trucking companies *Landstar* and *Covenant Logistics* expressed confidence that rate increases will accompany the sector's recovery. Notably, *Covenant* expects strong GDP growth in the second, third and fourth quarters.

Next week is peak earnings season; so far, investors rewarded positive results and favorable outlooks while punishing those with disappointing results or forecasts. Severe weather will likely negatively impact many companies' first quarter results. Earnings reports and news headlines regarding tariffs will continue to influence market momentum.

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[1]The 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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