

MARKET MONITOR

Month in Review: January 2026

Index	Asset Class	2026		2025
		Jan	YTD	
Equity Indexes		Total Returns		
Russell 3000	U.S. Equity	1.55	1.55	17.15
S&P 500	Large Cap U.S. Equity	1.45	1.45	17.88
Russell 1000	Large Cap U.S. Equity	1.38	1.38	17.37
Russell 2000	Small Cap U.S. Equity	5.35	5.35	12.81
MSCI All Country World	Global Equity	2.64	2.64	21.57
MSCI All Country World (Ex U.S.)	International Equity	4.95	4.95	32.94
MSCI Europe, Asia & Far East (EAFE)	International Developed Market Equity	5.22	5.22	31.89
MSCI Emerging Markets (EM)	International Emerging Market Equity	8.86	8.86	34.36
Fixed Income Indexes				
Bloomberg U.S. Aggregate Bond	U.S. Investment Grade Bond	0.11	0.11	7.30
Bloomberg Municipal Bond	U.S. Investment Grade Muni Bond	0.94	0.94	4.25
Bloomberg Municipal Bond High Yield	U.S. Muni Bonds (Below Investment Grade)	0.98	0.98	2.46
Bloomberg U.S. Corp. High Yield	U.S. Corp Bonds (Below Investment Grade)	0.51	0.51	8.62
Index Blends: Stock/Bond				
80%/20%: Global Equity (MSCI All Country World) / U.S. Investment Grade Bond (Bloomberg U.S. Agg)		2.39	2.39	19.25
60%/40%: Global Equity (MSCI All Country World) / U.S. Investment Grade Bond (Bloomberg U.S. Agg)		1.82	1.82	16.21
40%/60%: Global Equity (MSCI All Country World) / U.S. Investment Grade Bond (Bloomberg U.S. Agg)		1.25	1.25	13.20
20%/80%: Global Equity (MSCI All Country World) / U.S. Investment Grade Bond (Bloomberg U.S. Agg)		0.68	0.68	10.23
Data as of 1/31/2026. Sources are Ycharts for Index returns, and Envestnet Tamarac for Index Blend returns, based on monthly rebalancing.				

Please see important disclosures at end of this report.

Market Overview

January's market review noted that U.S. equities began 2026 on a constructive note, with broad gains across major indexes even as sector divergence widened and smaller-cap stocks significantly outpaced large caps, suggesting broadening market leadership beyond tech megacaps. Despite mixed macro data on inflation and labor markets, stable financial conditions and a supportive backdrop helped sustain equity valuations and investor confidence entering the new year.¹

International equities delivered a strong start to the year, outpacing U.S. stocks, as the MSCI EAFE rose roughly +5.2% and the MSCI Emerging Markets Index gained about +8.8–8.9%. Performance was broadly supported by a weaker U.S. dollar, which tends to benefit overseas assets, along with improving global growth expectations and easing financial conditions.²

Bond markets were relatively stable to open 2026, with the Bloomberg U.S. Aggregate Bond Index flat to slightly positive in January. Volatility is near multi-decade lows, indicating investors are not expecting major shifts in interest-rate policy in the near term. While risks such as foreign selling of Treasuries and delayed economic data persist, none have yet been large enough to disrupt the market's steady tone.³

In January 2026, U.S. private sector employers added just 22,000 jobs, well below expectations, signaling a continued slowdown in hiring. Gains were concentrated in education and health services, while professional/business services and manufacturing lost jobs. ADP noted that job growth has weakened over recent years, though wage growth remains relatively steady, and the data is drawing extra attention as the official government jobs report has been delayed by a partial federal shutdown.⁴

Reference(s):

- 1) "January 2026 Review and Outlook." Nasdaq, 2 Feb. 2026, <https://www.nasdaq.com/articles/january-2026-review-and-outlook>
- 2) "Yhcharts – Financial Research and Charting Platform." Yhcharts.com, n.d. Web. 2 Feb. 2026.
- 3) "Why the Treasury Market Is Deathly Quiet and What Ends the Lull." Barrons's, 2 Feb. 2026, https://www.barrons.com/articles/treasuries-interest-rates-trump-news-e666013c?refsec=bonds&mod=topics_bonds
- 4) "ADP Jobs Report: Private Payrolls Slow in January." Barrons's, 4 Feb. 2026, https://www.barrons.com/articles/adp-jobs-report-private-payrolls-january-59a48be9?mod=article_inline

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Reference to market index information is included for illustrative purposes only, as it is not possible to directly invest in an index. Indexes are unmanaged, hypothetical vehicles that serve as market indicators. Index total return performance data reflects the assumptions of the reinvestment of interest and dividends but does not include the deduction of fees or transaction costs which otherwise reduce performance of an actual portfolio. The blended indexes are shown for informational purposes only and are not representative of any particular investment or plan.

Index Definitions:

Russell 3000 – Index comprised of 3,000 largest U.S. stocks by market capitalization.

Russell 1000 – Index comprised of 1,000 largest U.S. stocks by market capitalization.

Russell 2000 – Index comprised of 2,000 smaller U.S. stocks by market capitalization within the Russell 3000.

S&P 500 – Compilation of 500 major U.S. stocks meeting certain criteria; market capitalization and float-weighted.

MSCI All Country World – Global equity index across market capitalizations with about 2,800 constituents, representing about 85% of the free float-adjusted market capitalization across 23 developed and 27 emerging markets.

MSCI All Country World ex USA – Global equity index across market capitalizations, which excludes the U.S., with about 2,300 constituents which represents free float-adjusted market capitalization across 22 developed and 27 emerging markets.

MSCI Europe, Asia & Far East (EAFE) – International equity index across market capitalizations, which excludes North America, with about 840 constituents which represents free float-adjusted market capitalization across 21 developed markets.

MSCI Emerging Markets (EM) – International equity index across market capitalizations with about 1,400 constituents which represents free float-adjusted market capitalization across 27 emerging markets.

Bloomberg U.S. Aggregate Bond – Widely followed bond benchmark comprised of investment grade, U.S. dollar denominated, fixed rate taxable bonds including Treasuries, government-related, corporate, mortgage-backed, and agency.

Bloomberg Municipal Bond – Broad benchmark of the US municipal tax-exempt investment grade bond market.

Bloomberg Municipal High Yield Bond – U.S. index of municipal bonds that are either not rated or rated below investment grade.

Bloomberg U.S. Corporate High Yield Bond – Index of fixed rate U.S. dollar denominated corporate bonds rated BB+ or below by Fitch and S&P.

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