SOLLINDA
CAPITAL MANAGEMENT

Market Down & Dirty

January 26, 2026

The Data

- Equities were slightly lower last week in all major indices.
    - S&P 500 -0.38% Dow -0.53% Russell 2000 -0.36%, Nasdaq -0.06%.[1]
        - The All-Country World Index rose +0.03%.[1]
    - S&P 500 sub-sectors were mixed last week.
        - Energy & Materials led to the upside with gains over 3%.[1]
        - Financials & Real Estate led to the downside with losses over 2.25%.[1]
    - The CBOE Volatility Index (VIX) declined 15% to end at 16.02.[1]

- US Treasury bond yields were mostly unchanged last week.
    - US 2yr -0.01% at 3.59%, 10yr flat to 4.23%, 30yr -0.01% to 4.83%.[1]
    - Yields shot higher during the week on geopolitical concerns but ended flat.

- Commodities as an aggregate asset moved higher.
    - WTI Crude rose +3.10%.[1]
    - Gold gained +6.67%.[1]
    - The US Dollar index sank -1.95%.[1]

- In our opinion, U.S. economic data was mixed last week.
    - Consumer Sentiment rose in the January release showing broad-based improvement.[1]
    - The Leading Economic Index delayed releases showed declines in both Oct & Nov.[1]
    - The PCE Price Index reports for Oct & Nov met expectations showing a rise of +2.7%.[1]

- An index of equities outside the US (FTSE All-World ex-US) gained +0.93%.[1]

---

[1] Source: Bloomberg – 1/23/2026

Conclusion

- Major equity markets all finished slightly lower last week.
  - Small-caps ended the week down -0.36% even after losing almost 2% on Friday.[1]
    - Small-caps are up over 7.5% to begin 2026 while the S&P 500 sits around +1%.[1]
  - The Dow Jones Industrial Average led to the downside with a loss of -0.53%.[1]
    - This is primarily could be attributed to its larger exposure to the Financials sector which led to the downside last week.
- S&P 500 subsectors were mixed last week.
  - Energy once again was one of the leading positive performers.[1]
    - Despite the positive oil supply news of the US removing Maduro from power in Venezuela, crude has risen since this event and Energy equities have followed.
    - We would consider the immediate knee-jerk reaction of this being negative for oil prices to be a "news failure" which can mark turning points in asset classes.
  - Financials once more led to the downside for the 2nd week in a row following earnings reports that received a "meh" response from analysts & investors at large.
- Earning season is well underway with 15% of S&P 500 companies reporting earnings thus far.
  - The blended earnings growth rate is sitting at +8.2% for the 4th quarter. [1]
    - This is below pre-earnings season consensus estimates of +8.3%.[1]
  - Major tech giants Apple, Meta, Microsoft, & Tesla are on deck to report this week and will have a major impact on short term stock directionality.
    - The Mag7, which these are 4 of this group, are expected to have earnings growth rates of over 20% while the 493 other S&P 500 companies are expected at +4.1%.[1]
- Interest rates were little changed last week.
  - Yields rose early in the week on geopolitical concerns rising and the prospect of global investors losing patience with growing US borrowing needs and selling as a result of aggression towards Europe.
  - Despite early weakness, yields settled down following the US's latest Greenland announcement.
- Despite muted moves in equities the last 2 weeks, market structure remains in limbo under the surface.
  - While this week is the peak "blackout period" for stock buybacks, which removes a large buyer on the sidelines, systematic strategies tracking volatility are in a position to add all things being equal.
  - This creates an opportunity for sharper declines with an at least initial buffer to a widespread drawdown.

Justin Greenhill - Chief Investment Officer – justin@sollinda.com
Ryan A. Mumy, CFP® - CEO – ryan@sollinda.com
Phone: 844/662-1211