



## Weekly Market Commentary

January 20, 2026

### Mixed Signals

A positive fundamental outlook for stocks risks being blunted by geopolitical concerns. Last week, the S&P 500 Index was -0.4%, the Dow Jones Industrials -0.3%, and the NASDAQ -0.9%. The Real Estate, Consumer Staples, and Industrial sectors led the S&P 500 Index for the week, while the Financials, Consumer Discretionary, and Communication Services sectors lagged. The 10-year U.S. Treasury note yield was 4.226% at Friday's close versus 4.167% the previous week.

The rhetoric over Greenland between the U.S. and Europe is likely to be a dominant theme at the World Economic Forum meeting in Davos, Switzerland this week. As often happens, geopolitical headlines can overtake economic and business fundamentals and drive market sentiment for short periods of time.

Concerns over a reemergence of inflation have yet to materialize. The December Consumer Price Index (CPI) was 0.3% higher month-over-month and 2.7% higher year-over-year. Core CPI, which excludes food and energy prices, was 0.2% higher month-over-month and 2.6% higher year-over-year. The Federal Reserve is likely to maintain a wait and see approach at its January policy meeting and CME Fed funds futures are currently forecasting a single 0.25% reduction in the Fed funds rate at the June meeting.

The holiday shortened week sees a gradual ramp-up in earnings reports with 35 companies in the S&P 500 Index scheduled to report earnings. Quarterly earnings are expected to grow by 8.2% with revenue growth of 7.8%. Full-year 2025 earnings are expected to grow by 12.4% with revenue growth of 7.2% and 2026 full-year earnings are expected to grow by 14.9% with revenue growth of 7.3%.

In our *Dissecting Headlines* section, we look at current investor sentiment.

### Financial Market Update

	Weekly Return	YTD Return		Weekly Return	YTD Return
S&P 500 Index	-0.4%	1.4%	Aggregate Bond Index	-0.1%	0.1%
Dow Jones Industrial Average	-0.3%	2.7%	U.S. Dollar Index	0.3%	1.1%
NASDAQ 100	-0.9%	1.1%	WTI Crude Oil	0.5%	3.5%
Russell 2000 (Small Cap Index)	2.1%	7.9%	Gold	1.9%	6.5%
International Stocks (MSCI ex-US)	1.6%	4.1%	Real Estate (US REIT Index)	2.9%	4.6%

Sources: S&P Global, FactSet

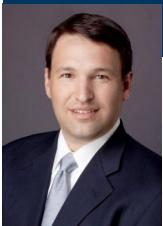
### Dissecting Headlines: Investor Sentiment

Despite the equity market having a down week, investor sentiment has grown more positive in the new year. The American Association of Individual Investors Sentiment Index has seen Bullish sentiment rise to 49.5% versus 42.0% at the start of the year and above its historical average of 37.5%. The 49.5% Bullish reading is the highest in over a year. The Index's Bearish sentiment has risen to 28.2% versus 27.0% at the start of the year, but below its historical average of 31.0%. The Index asks investors where they believe the stock market will be in the next six months, higher (Bullish), lower (Bearish), or the same (Neutral). Extreme position in sentiment, either Bullish or Bearish, can often be a contrarian indicator for stocks.

Geopolitical concerns could pressure investor sentiment in the near-term. The Trump administration has threatened to impose tariffs on several European countries unless they agree to U.S. demands related to Greenland. Beginning February 1st, the countries would face a 10% tariff on their exports to the U.S. The tariff rate would then rise to 25% on June 1st if no agreement on Greenland is reached.

With many world leaders and business executives meeting in Davos this week, these geopolitical issues could weigh on investor sentiment in the near-term while events play out.

## The NovaPoint Team



### Joseph Sroka, CFA, CMT / Chief Investment Officer / [jsroka@novapointgroup.com](mailto:jsroka@novapointgroup.com)

Joe has over 20 years of experience in the investment management industry. Prior to founding NovaPoint, he was a portfolio manager at Spectrum Advisory Services and GMT Capital in Atlanta, and Epoch Investment Partners in New York. He has also worked as an equity research analyst at Merrill Lynch and ABN Amro. Before beginning his investment career, Joe was an Infantry officer in the U.S. Army. Joe holds a BS from the U.S. Military Academy at West Point and an MBA from the University of Chicago. He is both a Chartered Financial Analyst (CFA) and a Chartered Market Technician (CMT).



### Alan J. Conner / President and Chief Compliance Officer / [aconner@novapointgroup.com](mailto:aconner@novapointgroup.com)

Alan has over 20 years of experience in the investment management industry. Prior to founding NovaPoint, he was a fixed income manager at both Spectrum Advisory Services and a private family office. Alan was also with the Bank Group division of Countrywide Capital Markets where he developed balance sheet strategies for depository institutions. He holds a BS in Banking and an MBA in Finance from Nova Southeastern University. Alan is an endurance athlete and three-time IRONMAN finisher.



### Frederick Wright, CFA / Managing Director & Portfolio Manager / [fwright@novapointgroup.com](mailto:fwright@novapointgroup.com)

Frederick has over 30 years of experience in the investment management industry. Prior to joining NovaPoint, Frederick was a Partner and Investment Advisor at Brightworth where he advised high net worth investors. Frederick began his investment career in 1991 at Balentine & Co where he rose to Partner. He also co-founded and served as Chief Investment Officer at Wright Investment Management and at Smith & Howard Wealth Management. Prior to beginning his investment career, Frederick served as an Engineer officer in the U.S. Army. He holds a BS from the U.S. Military Academy at West Point and an MBA from Emory University. Frederick is a Chartered Financial Analyst (CFA).



### Larry Dixon, EA / Tax Managing Partner / [ldixon@novapointgroup.com](mailto:ldixon@novapointgroup.com)

Larry leads NovaPoint's accounting, tax and outsourced CFO business. He built his previous company, Atlas Solutions, as a solo entrepreneur before merging into NovaPoint CFO. Larry began his career as a Field Artillery officer in the United States Army. Larry earned his Bachelor of Science degree from the U.S. Military Academy at West Point, where he was a four-year letterman on the football team. Larry is a certified Enrolled Agent, recognized by the U.S. Department of the Treasury to represent taxpayers before the Internal Revenue Service.



### Meghan Hoover, FRC<sup>SM</sup> / Investment Associate / [mhoover@novapointgroup.com](mailto:mhoover@novapointgroup.com)

Meghan is an Investment Associate focusing on financial planning. Prior to joining NovaPoint, Meghan spent 18 years in government service as an Operations Officer in military intelligence. She holds two Bachelor of Science degrees from the University of Maryland and a Master of Science from the Joint Military Intelligence College. Meghan has additional education specializing in financial planning and currently holds the Federal Retirement Consultant designation.

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