



Market in a Minute

February 3, 2026

Index Performance: As of January 30, 2026

| Index | Price | Last Week | YTD |
|---------------------------------------|-----------|-----------|---------|
| S&P 500 | 6,939.03 | 0.34% | 1.37% |
| Dow Jones | 48,892.47 | -0.42% | 1.73% |
| NASDAQ | 23,461.82 | -0.17% | 0.95% |
| Russell 2000 | 14,332.61 | -2.07% | 5.35% |
| Russell 2000 Growth | 12,675.03 | -3.09% | 3.48% |
| Russell 2000 Value | 21,139.38 | -0.96% | 5.78% |
| Russell 1000 Growth Total Return | 4,868.49 | -0.48% | -2.18% |
| SPDR Gold Shares | 445.6 | -2.71% | 12.44% |
| Powershares US \$ Index | 26.85 | -0.22% | -0.67% |
| Ishares EAFE Index | 100.72 | 0.75% | 4.88% |
| Barclays Aggregate Bond Index | 99.8 | -0.31% | -0.08% |
| iShares Barclays 20+ Yr Treasury Bond | 86.8 | -1.29% | -0.41% |
| Utilities Select Sector ETF | 43.26 | 1.64% | 1.34% |
| Vanguard REIT ETF | 90.8 | 0.29% | 2.61% |
| iShares Mortgage Real Estate | 22.77 | -3.19% | 2.66% |
| Alerian MLP ETF | 50 | 1.52% | 6.34% |
| iShares Global Telecom | 126.05 | 3.57% | 3.98% |
| ETFMG Alternative Harvest ETF | 26.08 | -12.81% | -12.45% |
| Grayscale Bitcoin Trust | 65.38 | -6.36% | -4.36% |
| Shanghai SE Index | 4,117.95 | -0.44% | 3.76% |

A Word on the Market

By: Patrick Adams, CFA



Market Update:

- To reiterate we believe the markets will have volatility somewhat similar to last year when the market did drop around - 20% from high to low.
- There are **high expectations** of about 14% earnings growth for the S&P 500, with about 30% for the technology sector. **The concern we have is with these very high expectations that there is not much room for disappointing results.**
- The S&P 500 is up double digits **3 years in a row**, and it has been difficult to do it 4 years in a row.
- **The retail/momentum investors are moving different sectors of the market to extremes such as what has happened with silver and many technology stocks. So where will this money go next**, the quantum computing stocks significantly underperformed when silver was going parabolic. We like quantum computing for the long term. **See the chart of SLV and IONQ**. Maybe Trump will make an investment in quantum.
- **Kevin Warsh will likely be a good choice as the Chairman of the Federal Reserve**. His nomination certainly knocked the hell out of silver and to a lesser degree gold. This is an indication of a serious player. The market had a mixed reception to the nomination. **Warsh was likely the least dovish of all the candidates**. The fact Warsh worked for over 10 years for Stanley Druckenmiller, one of the smartest investors, was likely good training to understand complex issues and make them simple.

Source: Bloomberg & Yahoo.com, Returns are appreciation only.

S&P Sector Performance: As of January 30, 2025

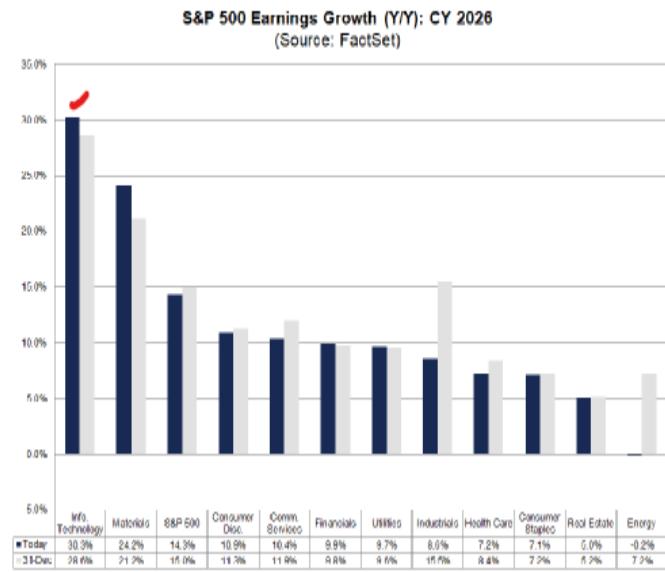
| Index | Price | Last Week | YTD |
|-------------------------|----------|-----------|--------|
| Information Technology | 5,587.88 | -0.36% | -1.69% |
| Consumer Disc. | 1,961.14 | -1.42% | 1.70% |
| Consumer Staples | 929.89 | 0.81% | 7.52% |
| Health Care | 1,802.62 | -1.73% | -0.18% |
| Financials | 887.83 | 0.69% | -2.61% |
| Industrials | 165.44 | 0.74% | 6.65% |
| Energy | 786.14 | 3.88% | 14.37% |
| Communications Services | 478.15 | 4.15% | 5.69% |
| Utilities | 439.54 | 1.66% | 1.32% |
| Materials | 624.06 | -1.21% | 8.64% |
| Real Estate | 262.03 | 0.70% | 2.74% |

Source: Bloomberg website, Returns are appreciation only

- Warsh has written in an op-ed that “Wall Street’s liquidity is too easy and Main Street’s is too tight”. If Warsh wants to shrink the balance sheet of the Fed, then rates can come down significantly. In general, shrinking the balance sheet is a concern to liquidity in the market, especially financing the huge amount of government debt. Will the Fed “put” be gone (the Fed is always there to bail out the market)? It seems the market may require a higher risk premium. This might accelerate the rotation at some point.

Sector Earnings Growth

CY 2026: Growth



IONQ vs SLV



| PVG Strategies | | | |
|---------------------------|--------|--------|--------------------------------------|
| Tactical Strategies | QTD | YTD | Average Annual Return as of 12/31/25 |
| Tactical Total Return | 2.03% | 2.03% | 9.27% |
| Dynamic Core | 0.50% | 0.50% | 9.18% |
| Tactical Growth | -1.55 | -1.55 | 23.96% |
| Loss Averse | | | |
| Loss Averse Equity Income | 2.42% | 2.42% | 4.24% |
| Specialty | | | |
| Emerging Healthcare | -5.03% | -5.03% | 78.79% |
| Focus | | | |
| High Income Focus 10 | 2.08% | 2.08% | 7.44% |
| Growth Focus 10 | 3.13% | 3.13% | 14.74% |

| | | | |
|------------------------------|--------|--------|--------|
| Emerging Healthcare Focus 10 | -8.26 | -8.26 | 25.59% |
| Strategic | | | |
| Tactical Aggressive | 2.15% | 2.15% | 15.87% |
| Tactical Moderate | -0.30% | -0.30% | 11.39% |
| Tactical Conservative | 1.74% | 1.74% | 8.46% |
| Tactical Income | 2.08% | 2.08% | 7.50% |

Interest Rates

| | | | |
|----------|--------|---------|-------|
| Fed Fund | 3.64 % | 5-Year | 3.80% |
| 3-Month | 3.67% | 10-Year | 4.24% |
| 6-Month | 3.62% | 30-Year | 4.85% |
| 2-Year | 3.53% | | |

Source: Bloomberg.com

Economic Events This Week

| Date | Report | Forecast | Previous |
|--------|---|----------|----------|
| Feb 04 | ADP Employment Change | 43K | 41K |
| Feb 04 | ISM Non-Manufacturing Index | 53.7% | 54.4% |
| Feb 06 | Univ. of Michigan Consumer Sentiment – Prelim | 54.3 | 56.4 |
| Feb 06 | Consumer Credit | \$8.4B | \$4.2B |

Economic Events Last Week

| | |
|--------|---|
| Jan 26 | Consumer confidence falls to a 12-year low |
| Jan 29 | The U.S. trade deficit isn't actually falling due to tariffs, it's still near a record high |

Earnings Reports:

- NOW** revenues were up 21% and EBITDA up 38%, this was a good quarter. We filled out our position on the dip.
- MSFT** revenues were up 17% and EBITDA down - 9%. Cost of goods sold is rising faster than revenues. This is not a stock we want to own as it is becoming capital intensive for them to grow.
- META** was similar to MSFT with revenues up 24% but EBITDA up only 8%.
- GOOG** reports on Wednesday, it is very important for the market to not see similar trends as MSFT, GOOG has become the golden child of technology. **AMZN** is on Thursday, both companies have more flexibility in their income statements to maneuver through these expenses. We are looking to buy the dip in **AMZN**.

NOW



GOOG, MSFT and META



Jan 30

Wholesale prices rise sharply and show new Fed Chief could confront stubborn inflation

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