

MARKET COMMENTARY

JANUARY 2026

- The best performing sector for December was Financials while the worst was Utilities
- Mixed results in December wrap up strong year for S&P 500 index
- Broadening market performance expected in 2026
- Rate cuts and other stimulus set to impact economy in 2026

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Equity market performance in December was mixed, capping off a strong year led by technology themes and fueled by investor optimism surrounding artificial intelligence. Although the S&P 500® index advanced by over 16% for the year, more diversified indexes lagged behind, as returns were highly concentrated, with strong contributions from high-beta and momentum factors. The equally weighted S&P 500 index posted respectable double-digit gains but significantly trailed the headline performance of the market-cap-weighted S&P 500. With 2025 now behind us, we turn our attention to 2026 and the drivers likely to impact market performance. Consensus targets suggest that S&P 500 earnings growth should remain in double digit territory with the technology sector once again expected to lead all 11 S&P 500 industry sectors. However, earnings growth across sectors is also anticipated to broaden significantly in 2026, which could support improved market breadth and provide a more favorable environment for investors seeking to avoid sector concentration.

With this market backdrop, the S&P 500® index in December declined by 0.1%, the Dow Jones Industrial Average gained 0.7%, and the smaller cap weighted Russell 2000® dropped 0.7% for the month. The VIX index, or fear gauge, started the month at just over 17 and was relatively benign through the month before gradually declining at month-end to the 15 level.

Five of the eleven industry sectors of the S&P 500 advanced during December. The best performing sector was Financials which increased by 2.9% followed by the Materials sector which was up 2.0%. The weakest performance in the month was posted by the Utilities sector which decreased by 5.3% followed by the Real Estate sector which was down 2.8%. For the prior twelve months period, the Communications Services sector was the best performer with a 32.4% increase followed by the Information Technology sector which was up by 23.3%, while the Real Estate sector was the worst performer for the past twelve months with a 0.4% decrease followed by the Consumer Staples sector which was up by 1.3%.

As mentioned earlier, the performance of high-beta stocks—those exhibiting significant volatility—was a noteworthy theme in 2025, with high-beta equities sharply outperforming the broader market, as reflected in the S&P 500 High Beta Index, which rose by over 33% during the year. The high-beta/low-beta relative performance metric measures how stocks with greater market sensitivity (high beta) perform compared to more defensive, lower-volatility stocks (low beta). This metric serves as a key gauge of investor risk appetite and market sentiment. In 2025, the index surged dramatically in the second half of the year, signaling a clear rotation toward risk-taking and growth-oriented positioning. After a cautious first half dominated by inflation concerns and rate uncertainty, investors shifted aggressively into high-beta sectors—particularly technology and AI-driven names—on optimism about productivity gains and anticipated monetary easing. This pattern is reminiscent of previous cycles, such as in 2013 as well as the 2020-2021 tech-led rally, where similar risk-on rotations preceded strong equity returns but also brought periods of heightened volatility. For investors, the implications appear significant: while such trends can often coincide with robust performance in growth sectors, they may also increase vulnerability to macroeconomic or geopolitical shocks, underscoring the importance of diversification and dynamic sector allocation decisions as we move further into 2026.

S&P 500 High Beta / Low Beta



Source: Bloomberg

Please see important disclosures in the Disclosure Section at the end of this document.

At the Federal Reserve meeting in mid-December, the FOMC cut the Fed Funds rate by 25 bps as was widely expected. This represented the third rate cut in a row although Fed Chair Powell said it was a 'close call' that could have gone either way with the final vote being 9-3 in favor of a rate cut. Powell added that the FOMC was now in a good place to pause - waiting to see how the economy develops - citing that employment numbers previously reported could overstate job gains. Furthermore, he suggested that a rate hike is not in anyone's base case going forward which appeared to convey a less hawkish tone than many had anticipated with his commentary helping to fuel a surge for equities.

In late December, the Bureau of Economic Analysis (BEA) provided the first of two estimates on 3Q2025 GDP with a robust annual growth rate of 4.3% coming in well ahead of economist expectations per Bloomberg targeting 3.3%. Nominal GDP grew 7.7% in the third quarter with the GDP deflator for gross domestic purchases up a sharp 3.4%. On a year over year basis, GDP growth has run at 2.3% during the first year of Trump's second term as President. Despite the strong headline GDP figure, the report also indicated higher inflation, with the Core PCE price index rising to an annual rate of 2.9%, up from the prior quarter annual rate of 2.6%. Real gross domestic income (GDI), another view of economic growth - representing the sum of all income from wages, profit, and interest along with costs incurred - increased 2.4% in the third quarter compared to a 2.6% pace in the second quarter period that suggests a bit of contraction in purchasing power arose.

Economists indicate the increase in real GDP for the third quarter was driven by consumer spending (up 3.5%) among wealthier households along with rising government expenditures. We note that variability of trade (a narrowing of the trade deficit) also boosted the 3Q GDP stat driving growth up by 1.59 percentage points, as exports surged by 8.8% in contrast to continued weakening of imports down 4.7% (a situation unlikely to persist into 2026). Thus, economists anticipate GDP gains retrench in 4Q2025 to 1.5-2.0% - although stronger sustained capex spend for AI infrastructure could support faster paced growth (if sustained at 3Q levels up 5.4%). So, while recent Retail Sales and employment reports have shown a mixed economic picture, the preliminary 3Q2025 GDP report was a pleasant upside surprise heading into yearend 2025.

The outlook for 2026 is marked by a wide range of opinions among economists and market strategists. Federal Reserve Governors view the economy as being in transition, with forecasts spanning from strong growth to possible stagnation into 2027. The most recent FOMC "dot plot" indicates a median expectation of one 25 bps rate cut in 2026, followed by another in 2027, which would bring the federal funds rate into the 300-325 bps range. Projections for 2026 GDP growth vary between 2.0% and 2.6%, while unemployment is expected to fluctuate between 4.2% and 4.6%. Core PCE inflation is anticipated to decline from 2025's 3.1% to a range of 2.2% to 2.7%. According to recent CME FedWatch data, investors expect two 25 bps rate cuts in 2026—one at the April 29th FOMC meeting and another at the September 16th session—with the funds rate remaining steady into the end of 2027.

In 2026, economists and investors will closely monitor inflation dynamics and employment patterns, as these factors are expected to shape both economic growth and Federal Reserve policy. Should the robust GDP growth seen in the third quarter of 2025 continue into the new year, it could push inflation expectations higher—especially in light of the cumulative 75 bps of rate cuts implemented in autumn 2025. Such developments may prompt the Fed to adjust its policy stance, potentially impacting both equity and fixed income markets. Ultimately, the trajectory of the economy and future FOMC decisions will depend on how these trends unfold.

Developments in the technology sector and artificial intelligence, in particular, are expected to remain critical factors driving equity markets in 2026. Investor attention will likely remain focused on the pace of capital investment in the sector and potential returns (or lack thereof) generated. We are watching to see if AI starts to deliver on promised labor efficiencies, while considering if sourcing of electric power arrives to support surging demand from new data centers. Labor cost savings appear poised to have a measurable impact on employment and labor cost trends over the intermediate term - with the issue being timing and availability of power in our view.

Beyond an active political season expected in 2026 here in the U.S., a range of geopolitical issues/events persist globally that could heat up at any time influencing investor sentiment in the new year. A recent example that remains in flux is the attack on Venezuela, taking President Nicolás Maduro into custody and moving him to the U.S. to face charges - with our president indicating the U.S. would run Venezuela for the foreseeable future. In the meantime, China's saber rattling continues concerning efforts to reunite Taiwan- with the largest ever war games recently held by China around that island nation. Other well-known hot spots continue to fester between Ukraine and Russia with peace negotiations showing limited progress to date along with continued attacks into Kyiv. And, movement into the second stage of a targeted settlement of the Hamas/Israeli fighting appears stymied at this juncture. Although markets have largely ignored these macro issues, eruption of expanded conflict in any of these hot spots could shift investor sentiment measurably depending upon the scale and parties involved.

Although views on the economy and interest rates are diverse among leading economists and Fed Governors, we continue to look for improved U.S. economic trends into 2026 driven by tax cuts and corporate investment associated with investment tax credits in the OBBB legislation, while easing inflation (with the anniversary of 2025 tariffs) and modestly declining interest rates bolster consumer access to funds potentially enhancing economic growth prospects. While consensus S&P 500 earnings published by Bloomberg are forecast to rise by 13.7% in 2026 led once again by Tech, we are most encouraged to see earnings estimates for the Equal Weight S&P 500 ramping by 9.5%. At current prices, the S&P 500 appears to be trading near fully valued levels, while on an equal weight basis the multiple stands at a more reasonable level. If economic trends and corporate earnings develop as we portend, investors should have a broadening range of investment opportunities among cyclical, value, and SMID issues along with sustained potential gains for growth oriented tech stocks.

MARKET AND ECONOMIC STATISTICS

Market Indices:	12/31/2025	12/31/2024	% Change YTD	11/28/2025	% Change (Monthly)
S&P Composite	6,845.50	5,881.63	16.39%	6,849.09	-0.05%
Dow Jones Industrials	48,063.29	42,544.22	12.97%	47,716.42	0.73%
NASDAQ Composite	23,241.99	19,310.79	20.36%	23,365.69	-0.53%
Russell 2000	2,481.91	2,230.16	11.29%	2,500.43	-0.74%
FTSE 100	9,931.38	8,173.02	21.51%	9,720.51	2.17%
Shanghai Composite	3,968.84	3,351.76	18.41%	3,888.60	2.06%
Nikkei Stock Average	50,339.48	39,894.54	26.18%	50,253.91	0.17%
Stoxx Europe 600	592.19	507.62	16.66%	576.43	2.73%
MSCI Emerging Markets	1,404.37	1,075.48	30.58%	1,366.92	2.74%
MSCI Emerging Markets Small Cap	1,632.05	1,406.15	16.07%	1,621.40	0.66%
Performance of S&P 500 by Industry:	% of Index as of 12/31/2025	1 Month	3 Month	Year to Date	12 Months
Consumer Discretionary	10.41%	0.69%	0.55%	5.31%	5.31%
Consumer Staples	4.71%	-1.96%	-0.71%	1.32%	1.32%
Energy	2.81%	0.10%	0.66%	4.96%	4.96%
Financials	13.40%	2.94%	1.64%	13.32%	13.32%
Health Care	9.59%	-1.51%	11.20%	12.53%	12.53%
Industrials	8.16%	1.13%	0.54%	17.70%	17.70%
Information Technology	34.43%	-0.29%	1.28%	23.31%	23.31%
Materials	1.83%	2.01%	0.65%	8.43%	8.43%
Communication Services	10.58%	-1.06%	7.05%	32.41%	32.41%
Utilities	2.25%	-5.31%	-2.11%	12.69%	12.69%
Real Estate	1.83%	-2.79%	-3.69%	-0.35%	-0.35%
S&P 500 (Absolute performance)	100.00%	-0.05%	2.35%	16.39%	16.39%
Interest Rates:	12/31/2025	12/31/2024	YTD Change (Basis Points)	11/28/2025	Month Change (BPS)
Fed Funds Effective Rate	3.64%	4.33%	-69	3.89%	-25
Prime Rate	6.75%	7.50%	-75	7.00%	-25
Three Month Treasury Bill	3.60%	4.28%	-67	3.78%	-18
Ten Year Treasury	4.17%	4.57%	-40	4.01%	15
Spread - 10 Year vs 3 Month	0.56%	0.29%	27	0.23%	33
Foreign Currencies:	12/31/2025	12/31/2024	% Change YTD	11/28/2025	% Change (Monthly)
Brazil Real (in US dollars)	0.18	0.16	12.3%	0.19	-2.9%
British Pound (in US dollars)	1.35	1.25	7.7%	1.32	1.8%
Canadian Dollar (in US dollars)	0.73	0.70	4.8%	0.72	1.8%
Chinese Yuan (per US dollar)	6.99	7.30	-4.3%	7.07	-1.2%
Euro (in US dollars)	1.17	1.04	13.4%	1.16	1.3%
Japanese Yen (per US dollar)	156.71	157.20	-0.3%	156.18	0.3%
Commodity Prices:	12/31/2025	12/31/2024	% Change YTD	11/28/2025	% Change (Monthly)
CRB (Commodity) Index	539.89	536.50	0.6%	533.83	1.1%
Gold (Comex spot per troy oz.)	4319.37	2624.50	64.6%	4239.43	1.9%
Oil (West Texas int. crude)	57.42	71.72	-19.9%	58.55	-1.9%
Aluminum (LME spot per metric ton)	2968.00	2526.78	17.5%	2842.05	4.4%
Natural Gas (Futures 10,000 MMBtu)	3.69	3.63	1.5%	4.85	-24.0%
Economic Indicators:	11/30/2025	12/31/2024	% Change YTD	9/30/2025	% Change (Monthly)
Consumer Price Index	325.0	317.6	2.3%	324.4	0.2%
Producer Price Index	266.0 (as of 9/30/25)	261.4	1.8%	266.0	0.0%
	3Q25	2Q25	1Q25	4Q24	3Q24
GDP Growth Rate (Quarterly)	4.30%	3.80%	-0.60%	1.90%	3.30%
Unemployment Rate (End of Month)	November 4.6%	September 4.4%	August 4.3%	July 4.2%	June 4.1%

*GDP growth rate is calculated as the percent change from the previous period seasonally adjusted at annual rates. **S&P Sectors were re-named at the end of 2001. The sector Industrials is a combination of the former sectors Capital Goods & Transportation. Sources: Wall Street Journal, Bloomberg, The Department of Labor, The Bureau of Labor Statistics, The Bureau of Economic Analysis, US Treasury website.

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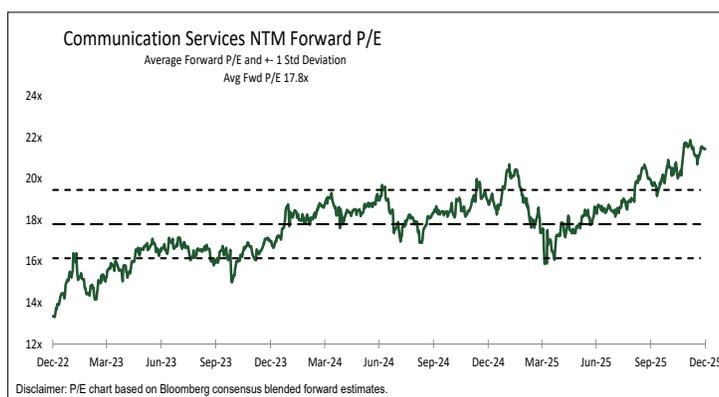
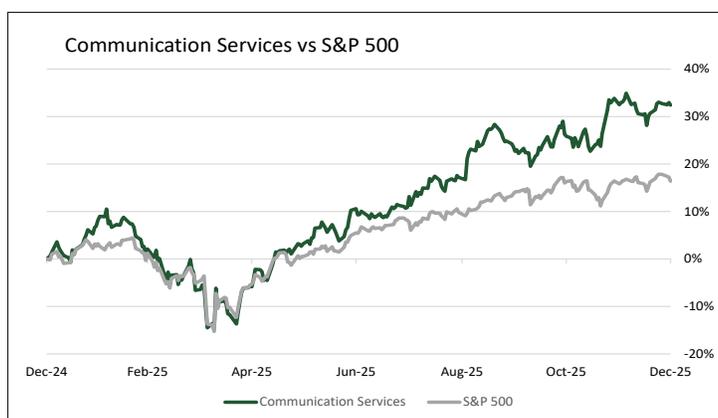
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COMMUNICATIONS SERVICES



Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
-1.06%	7.05%	32.41%	32.41%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
-0.05%	2.35%	16.39%	16.39%

Company Performance 1 Month

Leaders	Company	1 Month
	Warner Bros Discovery	20.1%
	Omnicom Group Inc	12.7%
	Comcast Corp	12.0%
	Fox Corp	11.6%
	Fox Corp	11.4%
Laggards	Paramount Skydance	-16.4%
	Netflix Inc	-12.8%
	AT&T Inc	-4.5%
	Trade Desk Inc/The	-4.0%
	Match Group Inc	-3.1%

Consensus FY EPS / P/E

Last Year	Current Year	Next Year
\$18.22	\$18.52	\$20.26
24.8x	24.4x	22.3x

Sector Update

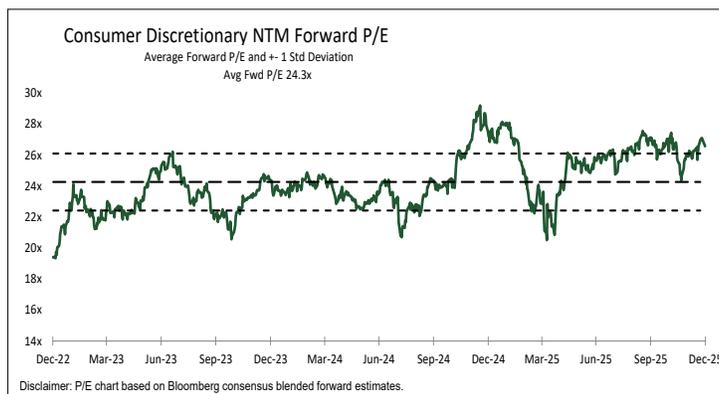
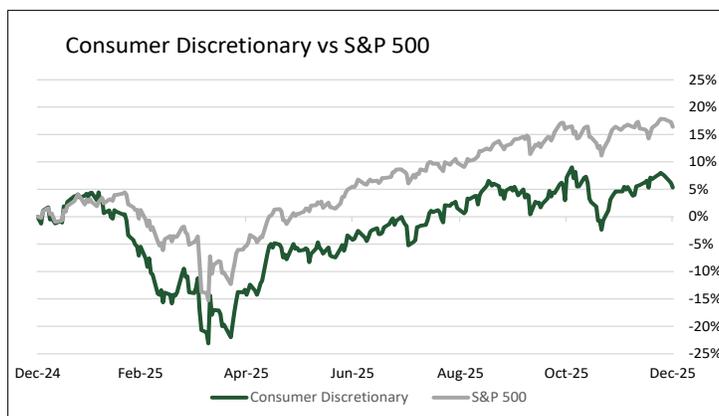
The Communications Services sector outperformed the market in 2025 driven by the Interactive Media & Services subsector, which benefited from robust AI demand. However, Communications Services lagged the market in December as the decline in three of its four subsectors more than offset the rise in the Media subsector.

Media performance was driven by the Fox Corporation and Omnicom, which were among the top performing Communications Services companies in December. Fox reported better than expected results fueled by demand for its live news, sports, and its free Tubi streaming content service. Omnicom's closure of its acquisition of the Interpublic Group of Companies (IPG) and its significant dividend increase contributed to the rise in its shares. Following its acquisition of IPG, Omnicom became the largest global marketing services company (Source: Yahoo Finance).

The Entertainment subsector underperformed the market in December as the decline in Netflix's shares offset the rise in Warner Brothers Discovery's shares. Netflix recently announced that it has agreed to acquire Warner Bros. Discovery's (WBD) TV and Movie studios and its HBO Max streaming service for \$81.7 billion. WBD shareholders are slated to receive total consideration of \$27.27 per share, including \$23.25 in cash and \$4.50 per share in Netflix stock. Netflix expects its potential acquisition to close within 12 to 18 months, subject to shareholder and regulatory approval, and after WBD completes the spinoff of its Global Networks (CNN, TNT, Discovery) into a separate company called Discovery Global by Q3 26. WBD shareholders are expected to receive shares in Discovery Global in a tax-free distribution.

The Communications Services sector appears close to being fairly valued, with a P/E of 24.4x and 22.3x the consensus analyst FY25/FY26 EPS estimates, compared to 9% expected earnings growth and its average forward P/E multiple of 17.8x.

CONSUMER DISCRETIONARY



Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
0.69%	0.55%	5.31%	5.31%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
-0.05%	2.35%	16.39%	16.39%

Company Performance 1 Month

Leaders	Company	1 Month
	Norwegian Cruise Line	20.9%
	Carnival Corp	18.5%
	Deckers Outdoor Corp	17.8%
	Tapestry Inc	16.9%
	Airbnb Inc	16.0%
Laggards	Lennar Corp	-21.7%
	Best Buy Co Inc	-15.6%
	AutoZone Inc	-14.2%
	O'Reilly Automotive Inc	-10.3%
	DR Horton Inc	-9.4%

Consensus FY EPS / P/E

Last Year	Current Year	Next Year
\$62.62	\$60.93	\$67.39
30.8x	31.7x	28.6x

Sector Update

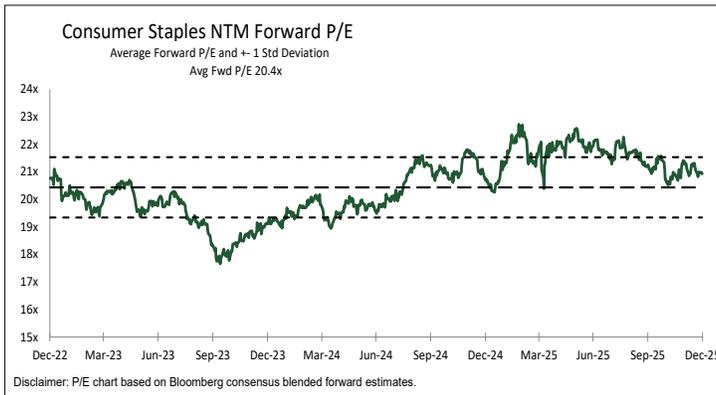
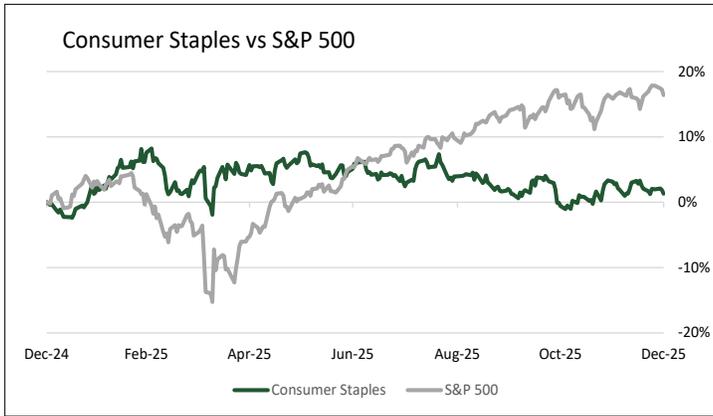
The Consumer Discretionary sector outperformed the broader market in December despite a mixed macro backdrop as the group benefited from pockets of industry resilience including noteworthy strength in select travel related equities. Subsector leadership during the month was seen in the Leisure Products and Multiline Retailers subsectors while laggards included the Household Durables, Distributors, and Auto Components subsectors. Although outperforming for the month of December, the Consumer Discretionary sector has underperformed the S&P 500 performance for the trailing three months, year-to-date, and trailing twelve months periods, as reflected in the accompanying chart.

Although still tracking near record lows, consumer sentiment in December edged up modestly, offering a glimmer of progress. The University of Michigan's final Consumer Sentiment Index rose to 52.9, up from 51.0 in November, while the Expectations sub-index gained more sharply—hitting 54.6 versus 51.0 previously—marking the first uptick in five months albeit remaining in pressured territory. Consumers reported greater confidence in personal finances and business conditions, and inflation expectations eased to 4.2%, the lowest level since January. In the words of University of Michigan survey director Joanne Hsu, "Buying conditions for durable goods fell for the fifth straight month, whereas expectations for personal finances and business conditions rose in December," a sentiment suggesting that consumers may be recalibrating their outlook.

The Conference Board's Consumer Confidence reading struck a more pessimistic note for December. The index fell 3.8 points to 89.1—its lowest level since April—marking the fifth consecutive monthly decline. The Present Situation Index dropped sharply by 9.5 points to 116.8, as consumers' views on current business conditions turned net-negative for the first time since September 2024. Meanwhile, the Expectations Index remained stuck at 70.7 for the 11th straight month, a level historically associated with recession risk. Concerns over inflation, tariffs, politics, and personal finances weighed heavily on sentiment, with fewer respondents describing jobs as "plentiful" and more saying they were "hard to get." Unlike the Michigan survey, which targets household attitudes toward personal finances and buying conditions, the Conference Board measure emphasizes views on business conditions and the labor market—helping explain why its tone is more negative despite recent economic growth.

Existing-home sales in November rose 0.5% from October to a seasonally adjusted annual rate of 4.13 million, according to the National Association of Realtors (NAR), despite remaining 1.0% below year-ago levels. The increase brought home sales to a 9-month high benefiting from a slight moderation in mortgage rates. Total inventory declined 5.9% to 1.43 million units, translating to a 4.2 month supply—a sign of gradual tightening. Meanwhile, the median sales price edged up 1.2% year-over-year to \$409,200, marking the 29th consecutive month of annual gains.

CONSUMER STAPLES



Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
-1.96%	-0.71%	1.32%	1.32%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
-0.05%	2.35%	16.39%	16.39%

Company Performance 1 Month

Leaders	Company	1 Month
	Dollar General Corp	21.3%
	Estee Lauder Cos	11.3%
	Dollar Tree Inc	11.0%
	Target Corp	7.9%
	Monster Beverage Corp	2.2%
Laggards	Lamb Weston Holdings	-29.1%
	Brown-Forman Corp	-10.1%
	Campbell's Company	-8.6%
	Kimberly-Clark Corp	-7.5%
	Bunge Global SA	-7.3%

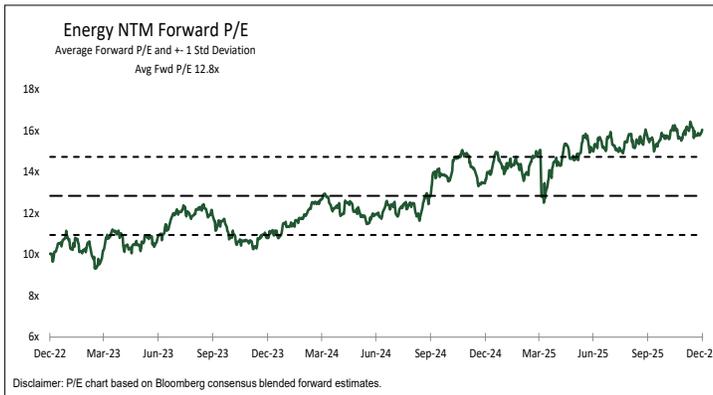
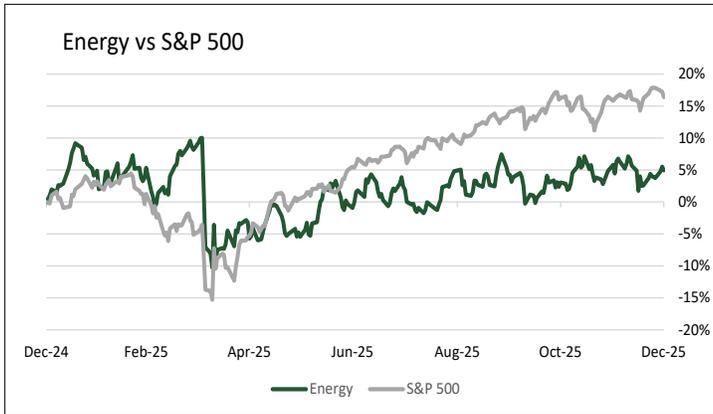
Consensus FY EPS / P/E

Last Year	Current Year	Next Year
\$38.89	\$39.33	\$41.56
22.2x	22.0x	20.8x

Sector Update

The Consumer Staples sector decreased 1.96% on average in December and underperformed the S&P 500 Index that declined 0.05%. For 2025, the Consumer Staples sector increased 1.32% and underperformed the S&P 500 Index that increased 16.39%. All segments except Personal Products and Tobacco declined during the month. For the year, the weakest segments were Food and Household Product segments with double-digit declines reflecting the ongoing uncertainty including consumer behavior, the adoption of GLP-1 use, regulations, input costs, inventory levels, and pricing ability. More recently, demand for Home and Personal Care segment products has strengthened sequentially setting the potential for an improved Q1. The Tobacco segment rose 25.9% for the year due to attractive yields, confidence in earnings and cash flow delivery, and opportunity for continued momentum in 2026. The Consumer Staples segment trades with a forward P/E of about 22x as compared with its average forward P/E of 20.4x. Many packaged food stocks are trading with high-single digit to low-double digits P/E valuations and offering attractive 4-5%+ dividend yields. Within the beverage segment, the energy drink category maintains momentum driven by innovation, promotions, and expanded distribution. Recent results for protein beverage companies remain favorable supported by strong execution to meet consumer trends, innovation, and expanded capacity and distribution.

Entering 2026, the Consumer Staples sector continues to face near-term headwinds including consumer behavior, ongoing channel shopping shifts, trend toward GLP-1 use (introduction of pills), promotional activity and potential margin impact, innovation to address consumer trends and adoption, and potentially increased regulations by RFK Jr. on processed foods. The recent reduction by the Administration on tariffs such as coffee, cocoa, and beef should provide a tailwind to margins and earnings for a number of companies. Tax refunds in 2026 should lift consumer spending and benefit the group. Focus also centers on the unemployment rate and consumer confidence that influences spending patterns. With many Consumer Staples companies trading at attractive levels with high-single to low-double digit P/E valuations, we continue to expect heightened consolidation among the group as companies seek to improve top-line growth while driving out costs and delivering higher margins. Consumer Staples companies should deliver positive earnings growth for 2026 and could benefit especially if the market broadens. Many of the stocks offer an attractive dividend yield and more favorable risk/reward profile. Historically, the Consumer Staples stocks have weakened as the New Year begins and investors reposition portfolios away from more defensive stocks.



Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
0.10%	0.66%	4.96%	4.96%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
-0.05%	2.35%	16.39%	16.39%

Company Performance

	1 Month
Leaders	
Halliburton Co	7.8%
SLB Ltd	5.9%
ConocoPhillips	5.5%
Targa Resources Corp	5.2%
Exxon Mobil Corp	3.8%
Laggards	
Marathon Petroleum	-16.1%
EQT Corp	-11.9%
Expand Energy Corp	-9.5%
Baker Hughes Co	-9.3%
Valero Energy Corp	-7.9%

Consensus FY EPS / P/E

Last Year	Current Year	Next Year
\$39.95	\$40.66	\$43.09
17.2x	16.9x	16.0x

Sector Update

The Energy sector slightly outperformed the S&P 500 in December, rising 0.1% vs the S&P 500's 0.1% decline while underperforming the broader market on a 3-months, 12-months, and YTD basis. The geopolitical backdrop continues to be in flux with a host of issues impacting the sector ranging from the recent attack by the U.S. on Venezuela to ongoing hostilities in Europe and the Middle East. Against this backdrop, the Energy Equipment & Services subsector significantly outperformed the Oil, Gas, & Consumable Fuels subsector during the month.

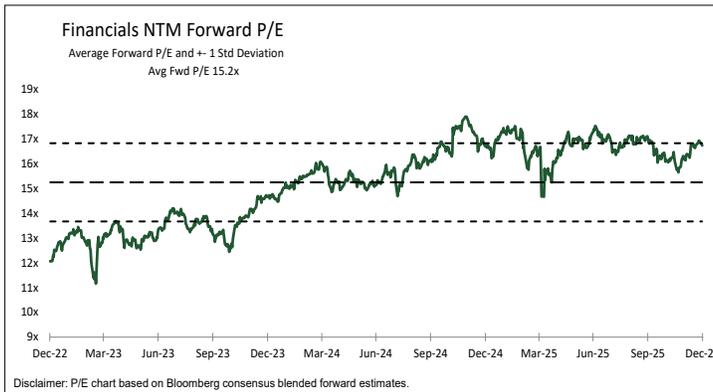
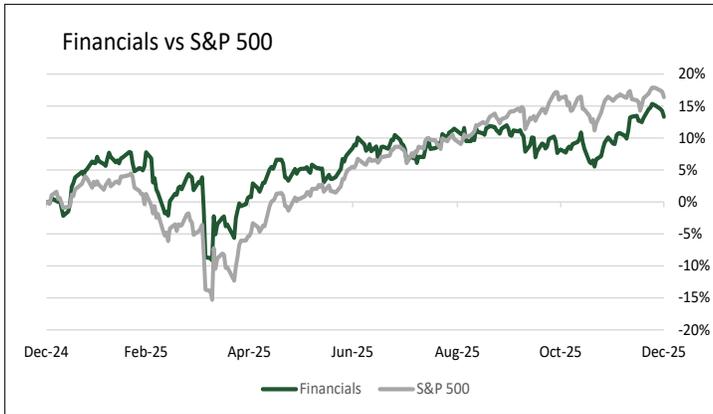
The U.S. military operation in early January that removed Venezuelan President Nicolás Maduro and asserted control over key Venezuelan oil assets sent immediate ripples through the energy-sector: several major U.S. producers and service firms initially rallied on the news, reflecting investor optimism around potential U.S. re-entry and infrastructure revitalization. Despite Venezuela holding the world's largest proven oil reserves (~304 billion barrels), actual production has languished at ~1.1 million barrels per day due to sanctions and underinvestment—meaning short-term market impacts and global supply disruptions due to the removal of the Venezuelan president may prove limited. The longer term potential recovery in Venezuelan oil output could impact markets but also could be slow and capital-intensive, with notable gains possible only over several years.

In December, OPEC+ chose to maintain its existing production cuts into early 2026, signaling confidence that current supply discipline would help stabilize prices despite rising global inventories and slowing demand growth. The U.S. Energy Information Administration (EIA) projected Brent crude to average around \$55 per barrel in Q1 2026, reflecting expectations of continued oversupply and seasonal consumption patterns. Meanwhile, the International Energy Agency (IEA) trimmed its global surplus forecast slightly—from 4.09 to 3.84 million barrels per day—and reaffirmed demand growth estimates of roughly 830,000 barrels per day in 2025 and 860,000 barrels per day in 2026, citing stronger consumption trends and moderated non-OPEC+ output. Together, these developments underscore a market environment where disciplined OPEC+ policy acts as a stabilizing force amid persistent inventory pressure and a cautiously improving demand outlook.

West Texas Intermediate (WTI) crude oil prices modestly decreased to \$57.42 at the end of the month from the \$58.55 level seen last month. Natural gas prices significantly declined to \$3.69 from \$4.85 mmbtu last month. Retail gasoline prices decreased to ~\$2.94 from the ~\$3.19 per gallon figure a month ago.

The Baker Hughes oil rig count increased slightly to 412 in the month from the 407 level last month. For the week ending December 31, U.S. crude oil inventories came in at 422.9 million barrels versus last month's 427.5 million barrels. Following the downturn seen during the height of the pandemic in 2020, U.S. crude oil production has been in an uptrend, which continued during 2024 and into 2025. The trough daily production seen in 2020 was in the ~9.7 million barrels per day range and has now rebounded to a range of ~13.8 million barrels per day.

FINANCIALS



Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
2.94%	1.64%	13.32%	13.32%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
-0.05%	2.35%	16.39%	16.39%

Company Performance

Leaders	Company	1 Month
	Citigroup Inc	12.6%
	American International	12.3%
	KeyCorp	12.3%
	Capital One Financial	10.6%
	Apollo Global	9.8%
Laggards	Coinbase Global Inc	-17.1%
	Robinhood Markets Inc	-12.0%
	W R Berkley Corp	-9.7%
	PayPal Holdings Inc	-6.9%
	Erie Indemnity Co	-3.0%

Consensus FY EPS / P/E

Last Year	Current Year	Next Year
\$50.63	\$51.17	\$54.90
18.0x	17.8x	16.6x

Sector Update

Financials finished 2025 on a high note as the best performing sector in December, gaining 2.9% compared to a flattish result in the broader market S&P 500® index. The sector gained 13.3% for the full year, which underperformed the S&P 500 advance of 16.4%. December performance was led by the Bank and Consumer Finance subsectors, each up 5.4% in the period participating in a pro-cyclical rally. Banks were the best performing subsector for the full year as well, up 30.4%, and Consumer Finance names also advanced a strong 30% in the same period. More defensive categories such as Insurance and Diversified Financial Services were laggards in December and in 2025—up -1.5% in the month and -2.3% for the full year.

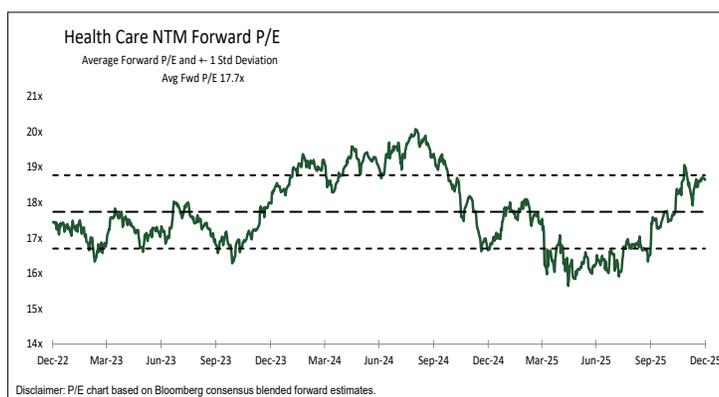
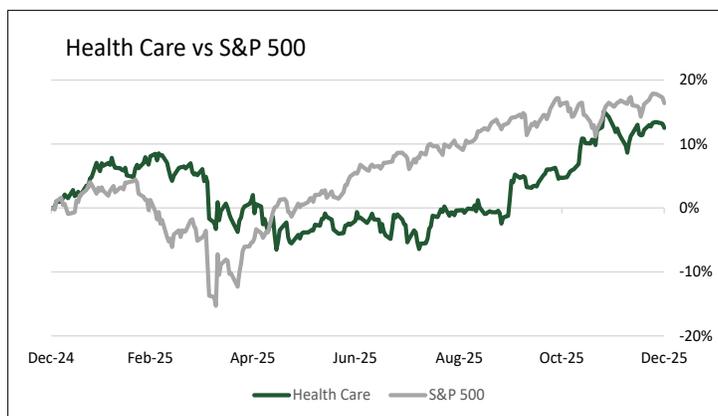
Citigroup (C) was the best performing Financials component in December, finishing the year with a 12.6% gain. The bank was also the second best performing Financial in 2025, up 65.8%. Robinhood Markets (HOOD), a 2025 addition to the S&P 500, was the best performing stock in the sector for the full year on a 203.5% gain. Coinbase Global (COIN) and Robinhood (HOOD) were the worst performers in the sector for a second consecutive month, potentially linked to a pullback in Bitcoin and other cryptocurrencies paired with some profit-taking in the case of HOOD.

Looking forward, recent monetary and fiscal stimulus—through previous interest rate cuts and favorable tax legislation—paired with a significant capex cycle behind AI infrastructure spending and manufacturing onshoring could provide a very favorable backdrop for cyclicals in 2026. Lenders could benefit from a steepened yield curve in conjunction with potential for more constructive loan demand, while capital markets activity could move into a higher gear against a lower cost of capital backdrop. Credit performance across lower-income consumers and leveraged middle-market companies, particularly in private direct lending, remain key watch items in the new year; however, many indicators of credit performance are showing sequential improvement in recent months. Lower rates should also be a tailwind to credit results as borrowing costs fall, particularly in floating rate commercial loans.

Insurance subsector performance may continue to be squeezed by fears of a persistent ‘soft market’ compared to several years of inflation driven price increases; however, valuations appear to have compressed materially to discount this view and could benefit from a defensive rotation if the bullish consensus macroeconomic view fails to materialize.

In short, 2026 appears to present an accommodative backdrop for growth in Financials—particularly reflected in trading multiples of Banks and Consumer Finance companies. However, although valuations appear stretched in some cases, performance in 2026 could remain constructive so long as expected earnings growth materializes.

HEALTH CARE



Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
-1.51%	11.20%	12.53%	12.53%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
-0.05%	2.35%	16.39%	16.39%

Company Performance 1 Month

Leaders	Company	1 Month
	Molina Healthcare Inc	17.1%
	Viatis Inc	16.5%
	Moderna Inc	13.5%
	Charles River	12.0%
	Bristol-Myers Squibb Co	9.6%
Laggards		
	Insulet Corp	-13.1%
	Agilent Technologies	-11.4%
	Universal Health	-10.5%
	IDEXX Laboratories Inc	-10.1%
	Bio-Techne Corp	-8.8%

Consensus FY EPS / P/E

Last Year	Current Year	Next Year
\$91.36	\$91.23	\$97.42
19.8x	19.8x	18.5x

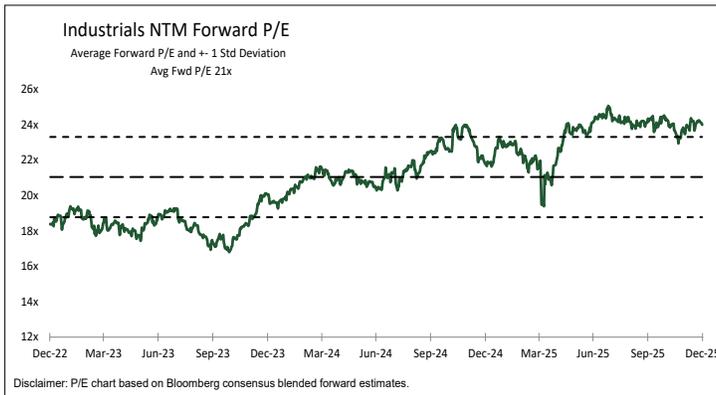
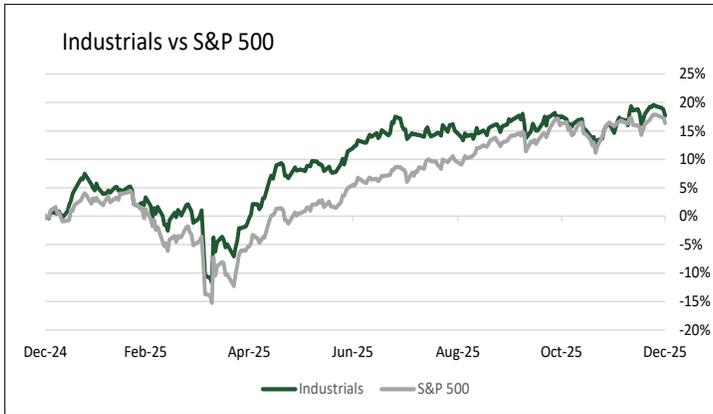
Sector Update

The Health Care sector declined 1.51% in December, modestly underperforming the S&P 500's 0.05% pullback for the month. Despite underperforming during the month, the sector remains a standout performer over the intermediate past. Health Care rose 11.2% over the past three months and is up 12.53% year-to-date, reflecting a sustained recovery from underperformance earlier in the year. In contrast, the S&P 500 gained 2.35% over three months and is up 16.39% year-to-date. The sector's relative value and defensive profile have attracted investors in recent months, particularly as market leadership has begun to broaden with certain participants rotating away from the year's more crowded, higher-beta areas.

This intermediate-term outperformance may be attributable to valuation re-ratings within subsectors such as pharmaceuticals, the easing of certain health-policy overhangs, and expectations for lower future interest rates. On the policy front, the recent release of government-controlled IRA prices for the next 15 drugs may have been received favorably by the sector, as the announcement helped remove a significant overhang. The government-set prices also appeared manageable for the pharmaceutical industry, given that much of the expected \$12 billion in Medicare savings is tied to looming patent expirations on several targeted drugs—many of which were likely to face price declines regardless. Additionally, no broad-based pharmaceutical tariffs have been fully implemented, as numerous firms have pledged increased domestic manufacturing in exchange for a more favorable tariff environment. On a separate policy note, recent developments suggest that enhanced ACA subsidies are likely to expire at year-end, a shift that could have ripple effects across the health care system. Even so, with the shutdown resolved and the contours of the policy debate now clearer, some of the sector's uncertainty may be beginning to ease. Lastly, pharmaceutical and biotech M&A activity appears to have picked up meaningfully in recent months—an encouraging contrast to the depressed dealmaking environment seen in 2023 and 2024.

The Biotechnology, Health Care Providers & Services, Life Sciences Tools & Services, and Health Care Equipment & Supplies subsectors declined in December, while the Pharmaceutical subsector provided a slight gain. The Health Care sector trades at a forward P/E of 19.8x, above the sector's average P/E of 17.7x.

INDUSTRIALS



Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
1.13%	0.54%	17.70%	17.70%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
-0.05%	2.35%	16.39%	16.39%

Company Performance

Leaders	Company	1 Month
	Southwest Airlines Co	18.7%
	Old Dominion Freight	15.9%
	Boeing Co/The	14.9%
	JB Hunt Transport	11.7%
	United Airlines Holdings	9.7%
Laggards	Generac Holdings Inc	-10.1%
	Quanta Services Inc	-9.2%
	Builders FirstSource Inc	-8.3%
	Eaton Corp PLC	-7.9%
	Trane Technologies PLC	-7.7%

Consensus FY EPS / P/E

Last Year	Current Year	Next Year
\$49.31	\$48.31	\$55.15
26.6x	27.2x	23.8x

Sector Update

The Industrials sector outperformed the S&P 500 in December, rising 1.1% versus the 0.1% decline displayed by the index. The Industrials sector also outperformed the S&P 500 on a year-to-date and trailing 12-months basis while underperforming on a three-months basis. Six of the 12 Industrials subsectors recorded gains in December, led by Airlines with a 10.8% increase, while the Construction & Engineering subsector led laggards to the downside with a 6.8% decrease.

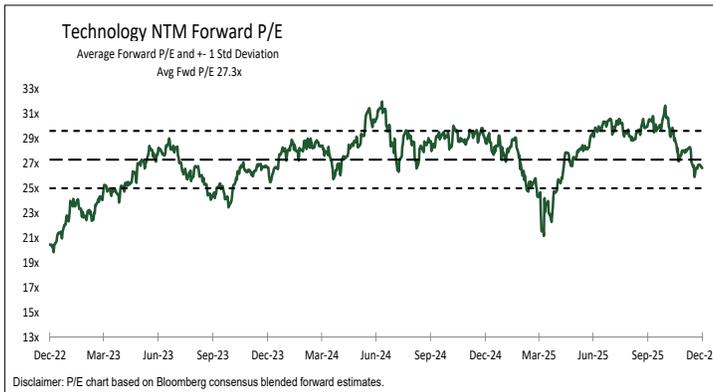
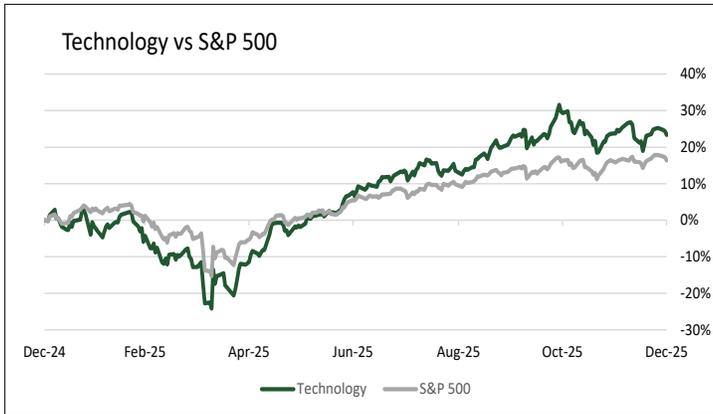
The Airlines subsector led all other Industrials subsectors in both November and December after an eventful 2025 for air travel. Ongoing trends possibly contributing to the strong recent performance include tariff fears potentially easing for the time being, stimulus tied to the OBBB set to impact the economy in 2026, and airlines continuing to focus on premium offerings for beneficiaries of a K-shaped economy.

The Institute for Supply Management's (ISM) latest Manufacturing Purchasing Managers' Index (PMI) showed contraction in the manufacturing sector for the tenth consecutive month in December with a reading of 47.9. Prior to a two-month period of expansion in January and February of 2025, the ISM PMI displayed contraction for 26 straight months. Manufacturing sector activity contracted at a faster rate in December than in November as the Production and Inventories Indexes fell after increasing last month, with the moves representing "a hallmark of recent economic uncertainty in manufacturing" according to Susan Spence, Chair of the ISM Manufacturing Business Survey Committee. The Production Index fell 0.4 percentage points but remained in expansion territory at 51.0 while the Inventories Index fell 3.7 percentage points deeper into contraction territory at 45.2.

All four demand indicators of the ISM PMI remained in contraction territory in December despite the New Orders, Backlog of Orders, and New Export Orders Indexes indicating slower contraction than in November. Spence noted that "several consecutive months of gains" for the demand indexes would be required for a sustained recovery. Elsewhere, the Employment Index also contracted at a slower rate than in November as 63% of survey participants, down from 67% in October and November, indicated that managing head counts remained the default over hiring.

The Industrials sector is trading at a forward P/E ratio of 27.2x FY25 and 23.8x FY26 consensus estimates, which are both higher than the sector's three-year average P/E of 21.0x.

INFORMATION TECHNOLOGY



Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
-0.29%	1.28%	23.31%	23.31%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
-0.05%	2.35%	16.39%	16.39%

Company Performance

Leaders	Company	1 Month
	Micron Technology Inc	20.7%
	Microchip Technology	18.9%
	Salesforce Inc	14.9%
	AppLovin Corp	12.4%
	Synopsys Inc	12.4%
Laggards	Datadog Inc	-15.0%
	Broadcom Inc	-14.1%
	Super Micro Computer	-13.5%
	Intel Corp	-9.0%
	HP Inc	-8.8%

Consensus FY EPS / P/E

Last Year	Current Year	Next Year
\$159.88	\$168.73	\$215.38
35.6x	33.7x	26.4x

Sector Update

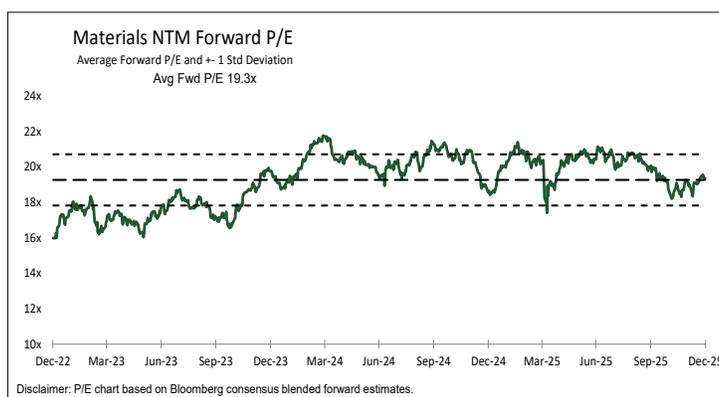
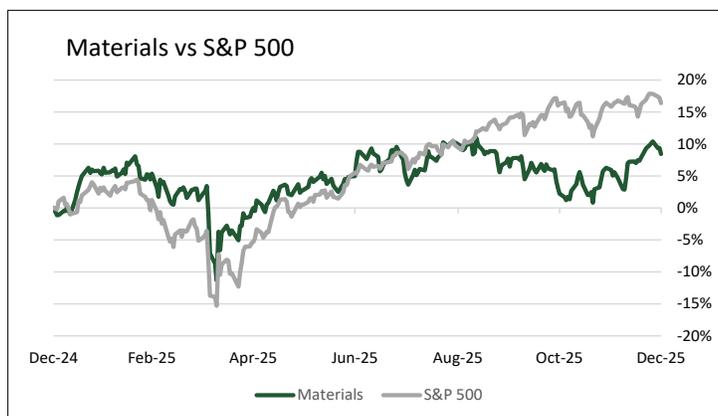
While the Technology sector lagged the market in December and over the past three months, it outperformed the market in 2025 driven by the Communications Equipment, Electronic Equipment, Instruments & Components, and Semiconductors & Semiconductor Equipment subsectors. These subsectors benefited from robust hyperscale cloud company spending on AI infrastructure to support AI training and inferencing. According to Creditsights, the top five hyperscale cloud companies, Amazon, Alphabet, Meta Platforms, Microsoft, and Oracle, increased their 2025 capital spending by 73% to reach \$442 billion and are expected to increase their 2026 capital expenditures 36% to \$602 billion, with 75% of this spending on AI infrastructure. AI spending could exceed this forecast if the Chinese government approves the sale of U.S. AI chips to Chinese companies.

The U.S. Department of Commerce recently began issuing licenses for the sale of advanced AI chips to “approved” Chinese customers, provided that a 25% revenue fee is paid directly to the U.S. government (Source: Reuters). Following this decision, leading U.S. semiconductor companies announced that they received orders for advanced AI chips from Chinese companies but still need to receive the approval of the Chinese government (Source: Reuters).

While investors may be positively inclined toward leading semiconductor and hyperscale cloud companies that have sufficient cash flow to support their AI capital expenditures and investments, they appear skeptical of companies that do not have sufficient cash flow to support their AI spending. Investors may be concerned by the magnitude of circular AI investments, whereby a semiconductor company invests in a customer and then the customer utilizes the funds to purchase the company’s AI chips. Circular financing deals may boost demand for AI chips in the near-term but could negatively impact demand in the future if there is insufficient demand for the additional AI compute capacity resulting from the circular financing deals.

The Technology sector appears close to being fairly valued, with a P/E of 33.7x and 26.4x the consensus analyst FY25/FY26 EPS estimates, compared to 28% expected earnings growth and its average forward P/E of 27.3x.

MATERIALS



Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
2.01%	0.65%	8.43%	8.43%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
-0.05%	2.35%	16.39%	16.39%

Company Performance 1 Month

Leaders	Company	1 Month
	Freeport-McMoRan Inc	18.2%
	Newmont Corp	10.1%
	Albemarle Corp	8.8%
	Smurfit WestRock PLC	8.3%
	Ball Corp	6.9%
Laggards	LyondellBasell	-11.6%
	Sherwin-Williams Co	-5.7%
	Air Products	-5.4%
	Ecolab Inc	-4.6%
	Vulcan Materials Co	-4.0%

Consensus FY EPS / P/E

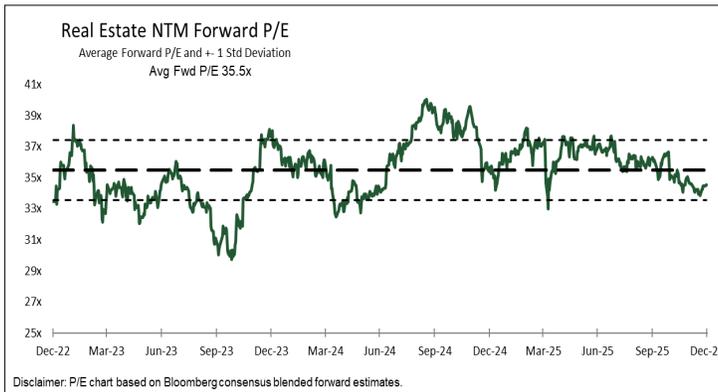
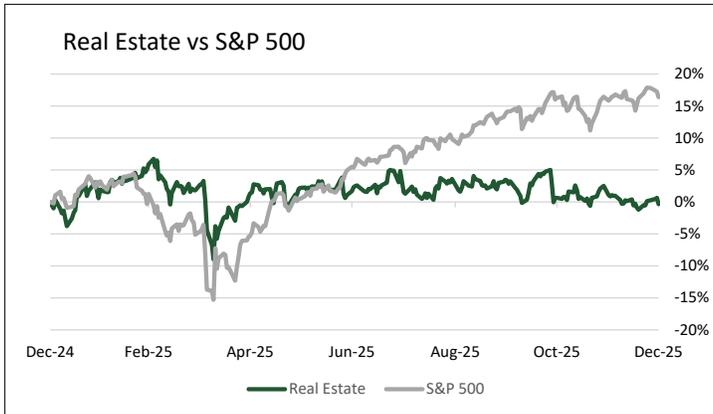
Last Year	Current Year	Next Year
\$24.53	\$25.08	\$29.97
23.4x	22.9x	19.2x

Sector Update

The Materials sector increased 2.01% in December and outperformed the 0.05% decrease for the S&P 500 Index. For 2025, the Materials sector increased 8.43% and underperformed the S&P 500 Index that rose 16.39%. The Metals and Mining segment rose an impressive 10.1% in December and well outperformed the other segments. The strength reflects US interest rate cuts, ongoing geopolitical instability, a weaker US dollar, and supply shortages related to demand from AI and energy infrastructure investment. The U.S. Federal Reserve cut interest rates for the third time in December 2025 with further reduction expected in 2026. For the year, the Metals and Mining segment was the strongest performer rising 76.8%. The Materials sector trades with an average forward P/E of about 22.9x vs its historical valuation range of 19.3x. Selective investment among the group remains a key factor with a preference for strong management teams, high-quality businesses, and strong balance sheets.

Shares in lithium stocks continue to trade higher on strengthening lithium pricing supporting greater confidence in earnings upside potential along with favorable demand from robots, EVs, and data centers. Lithium carbonate future prices in China rose past CNY 127,000 per tonne in early January making it the highest since 2024. Looking forward, questions center on demand from China, potentially sequentially strengthening US and European demand, and pricing trends. Copper prices rallied towards year-end as both industrial customers and investors scrambled to secure adequate supplies in response to strong demand and heightened uncertainty regarding tariffs and geopolitical risks. Copper prices rose over 10% to exceed \$13,000 per metric ton on the London Metal Exchange towards the end of December. President Trump is considering tariffs of around 15% on all copper imports in 2027 with a potential increase to 30% in 2028. The uncertainty regarding potential tariffs has driven an increase in the US stockpile for copper and depleted reserves in other markets. Demand has accelerated for the use of copper for data center construction, electric vehicle production, and power grid projects. Prices for other metals including gold and silver have also increased. The removal of the former leader of Venezuela certainly elevated geopolitical tension. Global demand remains muted for almost all basic chemicals and persistent overcapacity in basic chemicals also continues to pressure operating rates. Within the packaging segment, focus for 2026 includes volume growth and opportunities that should grow EBITDA despite broader market conditions.

REAL ESTATE



Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
-2.79%	-3.69%	-0.35%	-0.35%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
-0.05%	2.35%	16.39%	16.39%

Company Performance

Leaders	Company	1 Month
	Weyerhaeuser Co	6.7%
	Camden Property Trust	3.5%
	Mid-America Apartment	2.2%
	Federal Realty	2.1%
	Equity Residential	2.1%
Laggards	Healthpeak Properties	-11.9%
	Welltower Inc	-10.9%
	Alexandria Real Estate	-8.8%
	BXP Inc	-6.7%
	Public Storage	-5.5%

Consensus FY EPS / P/E

Last Year	Current Year	Next Year
\$13.11	\$12.99	\$13.78
19.4x	19.6x	18.5x

Sector Update

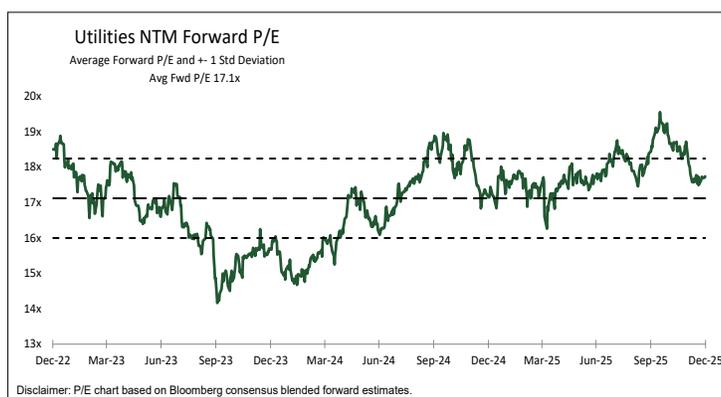
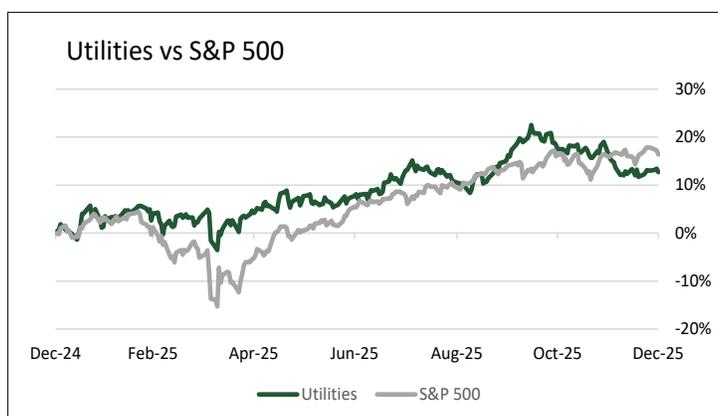
December was another turbulent month for equity investors that saw the S&P 500 close off a bit by 0.05%. Despite the FOMC easing with a 25 bps funds rate cut on December 10th, interest rates moved higher during the month with the Benchmark 10-year Treasury rising from 4.02% to month end at 4.18%. As a result, the Real Estate sector lagged the broad market once again in December, continuing a trend that persisted over the past quarter and 12 months. As outlined in the adjacent graphic, in December Real Estate issues retreated by 2.79% representing the second worst performing S&P 500 sector, while over the past year the 0.35% decline for this group (the only S&P sector showing a negative trend) contrasts with the 16.39% gain for the S&P 500. Looking under the hood, one sees that despite much stronger than forecasted earnings across the S&P 500 reported for the 3Q2025, concerns over rising U.S. government debt, an uncertain 2026 economic outlook, phase in of tariffs, and geopolitics weighed on equities last month.

Although economic uncertainties persist for the U.S., we sense that interest rates may move lower this year, potentially combining with fiscal stimulus tied to lower tax rates and investment tax credits for corporations to drive improving economic growth as 2026 unfolds. Consensus forecasts look for the S&P 500 to deliver a year of double digit earnings growth that could lead to solid further gains for the broad market. In contrast, the Real Estate sector appears poised for mid-single digit gains in FFO for 2026 that along with dividend yields in the 3-4% range offer potential total returns approaching high single digits based upon status quo multiples. The critical driver remains interest rates poised to influence valuation multiples and relative performance for Real Estate. If inflation trends lower against a falling short-term interest rate backdrop, the outlook for Real Estate sector investment could be poised to improve on a relative basis in 2026.

In the meantime, many firms in the Real Estate sector participated at the December 9th & 10th NAREIT conference. Commentary by management teams noted slowing supply of new multi-family construction as positioning that group for enhanced pricing power this year as oversupply in the sunbelt abates - supporting share price gains in Camden Property, Mid-America Apartment, and Equity Residential. Although housing is expected to remain weak into 2026, Weyerhaeuser suggested at its mid-December investor seminar the firm targets to ramp EBITDA growth strongly through the end of this decade by focusing on operating efficiency and applying new technologies versus pricing - with the update driving a sharp advance into month end.

Still, we note that selling pressures were experienced among other subsectors. After delivering strong 3Q2025 operating results helping to drive a significant run up in Welltower common shares from mid-October into November, profit taking arose last month that saw the shares retreat by 10.9% despite a positive outlook for senior housing. And, fallout from revised guidance and a dividend cut continues to weighed on Alexandria common shares, while key competitor HealthPeak also experienced selling pressure in December - despite management suggesting at NAREIT it viewed weakness in lifescience demand as nearing a trough.

UTILITIES



Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
-5.31%	-2.11%	12.69%	12.69%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
-0.05%	2.35%	16.39%	16.39%

Company Performance

Leaders	Company	1 Month
	AES Corp/The	2.0%
	Edison International	1.9%
	American Water Works	0.3%
	Eversource Energy	0.2%
	PG&E Corp	-0.3%
Laggards	Xcel Energy Inc	-10.0%
	Vistra Corp	-9.8%
	Exelon Corp	-7.5%
	CMS Energy Corp	-7.3%
	NextEra Energy Inc	-7.0%

Consensus FY EPS / P/E

Last Year	Current Year	Next Year
\$22.21	\$22.18	\$24.62
19.5x	19.6x	17.6x

Sector Update

Utilities were the worst performing sector in December on a 5.3% decline compared to a flattish result for the broader S&P 500® index. The defensive group fell out of favor relative to cyclical leaders such as Financials, Materials, and Industrials in the month. All but four stocks in the sector received a lump of coal instead of a ‘Santa Rally’ in December with the best performing component (AES Corp) gaining just 2.0%. At least Utilities, compared to any other potential recipient, have historically had some use for the coal.

For the full year Utilities gained 12.7% marking a solid result for the sector but still lagged the tech-heavy S&P gain of 16.4%. The Independent and Renewable Power subsector kept pace with the broader market index in 2025, up 16.4%, while Electric Utilities delivered a 14.7% improvement for the year. Water Utilities (comprised of just American Water Works (AWK)) was the worst performing subsector on a 4.8% gain.

Secular growth supported by artificial intelligence driven electrical demand and related infrastructure build-out was the primary driver of returns in 2025, notable in subsector performance, and appears to remain a key factor heading into 2026 and beyond. Since power supply and demand imbalances remain a key bottleneck to AI and data infrastructure, pricing for electricity seems likely to remain on a steady upward trend with each new electron put into service inherently more valuable. This dynamic seems to support non-regulated and dispatchable providers over regulated utilities in the near-to-medium term. While regulated utilities certainly stand to benefit from strong demand, they lack comparable pricing power versus independent providers and most capital expenditures for new projects are subject to more stringent regulatory approvals.

Although the Federal Reserve has lowered short-term interest rates measurably in the past twelve months, the market driven ten-year yield seems to have settled in a consistent range around 4.15% with limited catalyst to move lower which removes a potential catalyst for the historically interest rate sensitive sector.

In short, Utilities valuations could continue to be supported by secular growth tailwinds around data center investment, grid hardening, and manufacturing onshoring; however, given the inextricable link to AI, the sector could face volatility if bubble related fears come to the fore again in 2026, and it seems unlikely for interest rates to provide a material positive catalyst near-term.

ECONOMIC CALENDAR

Date	Release	For	Prior
2-Jan	S&P Global U.S. Manufacturing PMI - Final	December	51.8
2-Jan	Construction Spending	November	N/A
5-Jan	ISM Manufacturing Index	December	48.2%
6-Jan	S&P Global U.S. Services PMI - Final	December	52.9
7-Jan	MBA Mortgage Applications Index	1/3	N/A
7-Jan	ADP Employment Change	December	-32K
7-Jan	ISM Non-Manufacturing Index	December	52.6%
7-Jan	Factory Orders	November	N/A
7-Jan	JOLTS - Job Openings	November	7.670M
7-Jan	Business Inventories	November	N/A
7-Jan	EIA Crude Oil Inventories	1/3	1.93M
8-Jan	Initial Claims	1/3	199K
8-Jan	Continuing Claims	12/27	1866K
8-Jan	Productivity-Prel	Q3	3.3%
8-Jan	Unit Labor Costs-Prel	Q3	1.0%
8-Jan	Trade Balance	October	-\$59.6B
8-Jan	Wholesale Inventories	October	0.5%
8-Jan	EIA Natural Gas Inventories	1/3	-38 bcf
8-Jan	Consumer Credit	November	\$9.2B
9-Jan	Nonfarm Payrolls	December	64K
9-Jan	Nonfarm Private Payrolls	December	69K
9-Jan	Unemployment Rate	December	4.6%
9-Jan	Average Hourly Earnings	December	0.1%
9-Jan	Average Workweek	December	34.3
9-Jan	Housing Starts	September	1307K
9-Jan	Building Permits	September	1312K
9-Jan	Housing Starts	October	N/A
9-Jan	Building Permits	October	N/A
9-Jan	Univ. of Michigan Consumer Sentiment - Prelim	January	52.9
13-Jan	CPI	December	0.2%
13-Jan	Core CPI	December	0.2%
13-Jan	New Home Sales	September	800K
13-Jan	Treasury Budget	December	-\$173.0B
14-Jan	MBA Mortgage Applications Index	1/10	N/A
14-Jan	Retail Sales	November	0.0%
14-Jan	Retail Sales, Ex-Auto	November	0.4%
14-Jan	PPI	November	0.3%
14-Jan	Core PPI	November	0.1%
14-Jan	Current Account Balance	Q3	-\$251.3B
14-Jan	Existing Home Sales	December	4.13M
14-Jan	New Home Sales	October	N/A
14-Jan	EIA Crude Oil Inventories	1/10	N/A

ECONOMIC CALENDAR

15-Jan	Initial Claims	1/10	N/A
15-Jan	Continuing Claims	1/3	N/A
15-Jan	Philadelphia Fed Index	January	-10.2
15-Jan	Import Prices	November	N/A
15-Jan	Import Prices ex-oil	November	N/A
15-Jan	Export Prices	November	N/A
15-Jan	Export Prices ex-ag.	November	N/A
15-Jan	Empire State Manufacturing	January	-3.9
15-Jan	EIA Natural Gas Inventories	1/10	N/A
15-Jan	Net Long-Term TIC Flows	November	\$17.5B
16-Jan	Industrial Production	December	N/A
16-Jan	Capacity Utilization	December	N/A
16-Jan	NAHB Housing Market Index	January	39
21-Jan	MBA Mortgage Applications Index	1/17	N/A
21-Jan	Housing Starts	December	N/A
21-Jan	Building Permits	December	N/A
21-Jan	Pending Home Sales	December	N/A
22-Jan	Initial Claims	1/17	N/A
22-Jan	Continuing Claims	1/10	N/A
22-Jan	GDP - Revised	Q3	N/A
22-Jan	GDP Deflator - Revised	Q3	N/A
22-Jan	EIA Natural Gas Inventories	1/17	N/A
22-Jan	EIA Crude Oil Inventories	1/17	N/A
23-Jan	Univ. of Michigan Consumer Sentiment - Final	January	N/A
27-Jan	FHFA Housing Price Index	November	N/A
27-Jan	S&P Case-Shiller Home Price Index	November	N/A
27-Jan	Consumer Confidence	January	N/A
27-Jan	New Home Sales	December	N/A
28-Jan	MBA Mortgage Applications Index	1/24	N/A
28-Jan	Adv. Intl. Trade in Goods	December	N/A
28-Jan	Adv. Retail Inventories	December	N/A
28-Jan	Adv. Wholesale Inventories	December	N/A
28-Jan	Durable Orders	December	N/A
28-Jan	Durable Orders -ex transportation	December	N/A
28-Jan	EIA Crude Oil Inventories	1/24	N/A
29-Jan	Initial Claims	1/24	N/A
29-Jan	Trade Balance	November	N/A
29-Jan	Continuing Claims	1/17	N/A
29-Jan	Personal Income	December	N/A
29-Jan	Personal Spending	December	N/A
29-Jan	PCE Prices	December	N/A
29-Jan	PCE Prices - Core	December	N/A
29-Jan	GDP-Adv.	Q4	N/A
29-Jan	Chain Deflator-Adv.	Q4	N/A
29-Jan	Wholesale Inventories	November	N/A

ECONOMIC CALENDAR

29-Jan	EIA Natural Gas Inventories	1/24	N/A
30-Jan	PPI	December	N/A
30-Jan	Core PPI	December	N/A
30-Jan	Chicago PMI	January	N/A

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Sectors and sector components defined by Standard & Poor's GICS Level 1 index. For the list of all holdings in GICS Level 1 index sectors, contact your Davenport Financial Advisor.

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