

EAGLE FOCUS

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MARKET PERFORMANCE RECAP

WEEK ENDING
January 2, 2026

INDEX	LAST FRIDAY'S CLOSE	% CHANGE YTD
S&P 500	6858.47	0.19%
Dow Jones Industrial Average	48382.39	0.66%
Nasdaq Composite	23235.63	-0.03%
S&P MidCap 400	3349.39	1.34%
Russell 2000	2513.67	1.06%

The S&P 500 pulled back modestly last week but still wrapped up a strong 2025. The index slipped 0.74% to 6,845, alongside similar declines in the Nasdaq and Dow. Despite the late dip, the S&P 500 finished the year up 16.4%, its third consecutive double-digit gain, while the Nasdaq surged more than 20% on AI-driven momentum and the Dow rose nearly 13%. The gains marked a sharp rebound from April's selloff following President Trump's tariff announcement, when the S&P 500 briefly neared bear market territory. (Source: CNBC)



Global dealmaking climbed to about \$4.5tn this year, the highest level since 2021, driven by a surge in large transactions that pushed investment banking fees to their second-highest level on record. Nearly 70 deals worth \$10bn or more reshaped industries ranging from media to manufacturing, as companies capitalized on strong markets, ample financing, and a lighter U.S. regulatory backdrop. According to LSEG data, worldwide M&A activity rose almost 50% from 2024, marking the second-biggest year for dealmaking in over four decades. (Source: Financial Times)

Macroeconomic uncertainty is driving mixed investment sentiment for 2026, according to a WealthManagement.com survey.

Inflation and interest rates (57%) were seen as the top factors shaping portfolio strategies, followed by tech disruption (48%) and geopolitical risks (41%). Advisors were split on risk stance, with 38% favoring risk-on, 31% risk-off, and 31% neutral. Most client portfolios focus on broad market index funds (71%), cash (69%), and investment-grade bonds (58%). (Source: Wealth Management)

Family offices are rapidly becoming major forces in finance as more wealthy Americans set up private firms to manage investments and personal affairs.

Once low profile, these offices now wield growing influence across Wall Street and beyond. According to Deloitte, family offices currently oversee about \$5.5 trillion in assets, up 67% from five years ago, with that total expected to reach \$6.9 trillion this year and exceed \$9 trillion by 2030, eventually surpassing hedge funds in assets under management. (Source: Wall Street Journal)

Pending home sales rose a stronger-than-expected 3.3% in November, marking a fourth straight monthly gain and the highest level since February 2023.

Sales were up 2.6% from a year earlier, with all regions posting increases, signaling a near-term pickup in existing home sales. Slightly lower mortgage rates and slower home price growth have improved affordability and supported demand, suggesting the housing market may be bottoming. (Source: Ned Davis Research)

More private equity firms are considering minority stake sales as the industry downturn drives managers to seek outside capital.

The market for GP stakes, which give investors a share of management fees and profits, rebounded in 2025 after several weak years, with deal volume reaching \$3.5 billion by October and on track to surpass the 2015 record, according to PitchBook. The market could expand further as a Dechert survey found 77% of managers plan to sell a stake within the next two years, up sharply from last year. (Source: Wall Street Journal)

Use of the Fed's overnight standing repo facility rose ahead of the New Year, with nearly \$26 billion lent to eligible firms, one of the highest levels since its 2021 launch.

The increase reflected typical year-end money market volatility. The facility serves as a liquidity backstop and comes as the Fed recently halted balance sheet runoff and resumed buying short-term Treasuries to better manage market conditions. (Source: Reuters)

U.S. jobless claims fell last week to 199,000, down 16,000 from the prior week and below the 208,000 forecast, signaling layoffs remain low despite a softer labor market.

Holiday-shortened weeks can distort filings, as some workers delay claims. Earlier data showed 64,000 jobs added in November but 105,000 lost in October, pushing the unemployment rate to 4.6%, the highest since 2021. (Source: Associated Press)

U.S. Treasuries started 2026 higher after their strongest annual performance in five years.

The 10-year yield fell two basis points to 4.15% and the 30-year yield dropped one to 4.84%, despite early volatility. In 2025, Treasuries returned over 6%, while expected bond-market volatility fell to its lowest since early 2022. (Source: Yahoo Finance)



The S&P CoreLogic Case-Shiller National Home Price Index rose 0.4% in October, its third straight monthly increase and roughly in line with the historical average.

Year-over-year growth was largely unchanged at 1.4%, near its slowest pace since July 2023 and less than half the pre-pandemic rate. Price gains were stronger in coastal markets such as San Francisco and New York, while growth softened in Tampa and other areas that had seen outsized pandemic-era demand. (Source: Ned Davis Research)

The U.S. dollar ended 2025 with its steepest annual decline in eight years, falling roughly 8% on the Bloomberg Dollar Spot Index. Investors anticipate further weakness if the next Federal Reserve chair pursues the deeper interest-rate cuts widely expected. The greenback struggled to rebound after tumbling in April following President Donald Trump's tariff rollout, weighed in part by expectations that Trump will choose a more dovish successor to Jerome Powell, whose term as Fed chair concludes in 2026. (Source: Bloomberg)

A Mercer survey found job security is now workers' second-biggest concern, after covering monthly expenses. Fears of job loss jumped from seventh in 2023 to second in 2025, tied with retirement readiness and work-life balance, highlighting a disconnect between worker sentiment and broader economic trends. (Source: MarketWatch)

About 3 in 10 Americans made a resolution, with young adults (18–29) most likely at 49%, compared with 31% of ages 30–49 and 21% of those 50+. Among resolvers, 62% feel pressured, especially women (64%) and Gen Z (39%). While 80% are confident they'll stick to their goals, only 20% actively track progress. Of the 70% who skip resolutions, 56% simply don't want to, with others citing broken goals (12%) or forgetting (6%). (Source: Drive Research)

The phrase "takes the cake" first appeared in 1839 in a Mississippi newspaper, referring literally to cakes as fair prizes. By the 1840s, it was used metaphorically for winners, like a horse taking the prize. In the late 1800s, it expanded to praise skill or talent, as in a London paper calling a writer "taking the cake" for his work. By 1900, writers like Theodore Dreiser and Georgette Heyer began using it ironically for foolish or annoying behavior. Either way, it highlights something extraordinary. (Source: Word Smarts)

On January 5, 1920, the New York Yankees purchased outfielder George Herman "Babe" Ruth from the Boston Red Sox for \$125,000. Ruth spent six seasons with the Red Sox, helping them win three World Series and setting a record with 29 2/3 scoreless World Series innings. The Yankees' \$125,000 purchase paid off as Ruth broke his own home run record with 54 homers in 1920 and 59 in 1921, boosting team revenue enough to move out of the Polo Grounds and open Yankee Stadium in 1923, famously called "the house that Ruth built." (Source: History.com)



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