

MARKET HIGHLIGHTS

- **After waiting for months, investors finally know the identity of the next Federal Reserve (Fed) Chair.** Speculation has now moved to whether he is as hawkish as his reputation implies.
- **President Donald Trump announced Friday morning that former Fed Governor Kevin Warsh will be the next Fed Chair.** The market reaction showed some concern over Warsh's past hawkishness when he was on the Federal Open Market Committee (FOMC) from 2006 to 2011, resigning over the increased use of quantitative easing.
- **Commodity markets went on a wild ride last week,** culminating in sharp end-of-week sell-offs in precious and industrial metals.
- **The Fed held the federal funds rate steady at 3.50% to 3.75% at the January FOMC meeting.** Fed Governors Stephen Miran and Christopher Waller dissented in favor of 25-basis-point cuts.
- **Inflation pressures may be building, as December producer prices rose 0.5% at the headline.** The core (ex-food and energy) Producer Price Index was even higher at +0.7%. There was a steepening of the Treasury yield curve last week as a dovish Fed lean encourages yield declines at the short end while the five- and seven-year note auctions saw slightly disappointing demand.

MARKET PERFORMANCE

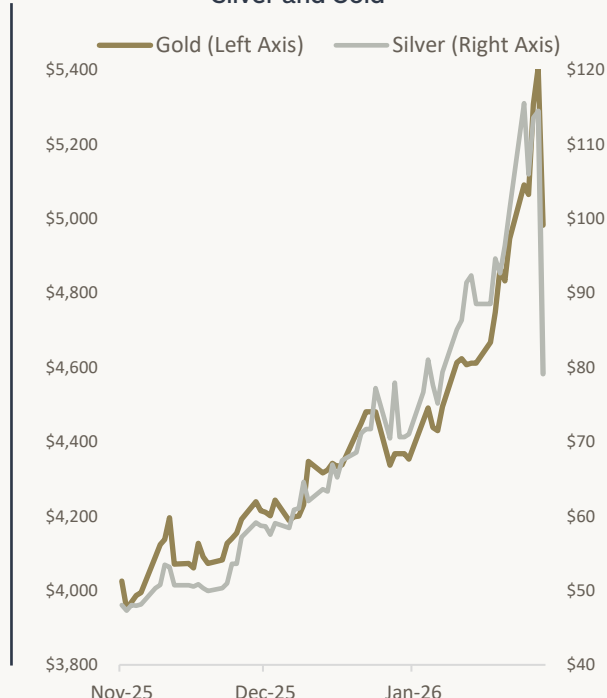
ASSET CLASS	1-WEEK	YTD
U.S. Aggregate Bond (Agg)	0.03%	0.11%
Municipal Bonds 1-10Y	0.23%	0.99%
U.S. High Yield	-0.17%	0.48%
S&P 500	0.35%	1.45%
Russell 2500 (SMID cap)	-1.72%	4.98%
MSCI EAFE (International)	1.56%	5.22%
MSCI Emerging Markets	1.80%	8.85%
MSCI ACWI (Global)	0.65%	2.96%
Crude Oil (NYMEX WTI)	7.82%	13.85%
Gold LBMA PM	-2.14%	14.06%
60/40 ACWI/Agg Portfolio	0.40%	1.82%

WHAT CAUGHT OUR EYES THIS WEEK

Precious Metals Lose Their Sparkle

After months of frenzied buying, precious metals reversed hard on Friday, with spectacular volatility driving declines of 13% for gold, 14% for platinum, 18% for palladium, and a whopping 26% for silver. As momentum traders lick their wounds, fingers are being pointed at Kevin Warsh's nomination for Fed chair. His historically hawkish stance and perceived independence from the White House could be seen as reducing the debasement risk that was supposedly driving investors away from fiat currencies toward hard assets like gold and silver. Was the Warsh news a catalyst or just a coincidence? We'll likely never know for sure. Other factors include a crackdown on speculation in China and increased margin requirements at futures exchanges. What matters more is how these assets trade now that their momentum has taken a knockout punch. If narratives like central bank diversification, fiat currency debasement, and geopolitical fragmentation are true underlying structural forces, one would expect to (eventually) see a nice recovery from precious metals. If they can't recover, then maybe it was more about finding an excuse to jump on the momentum train after all.

Silver and Gold



Please see important disclosures and other key information on page 4.

OUR CURRENT OUTLOOK

- **The U.S. economy is resilient**, but softer labor markets translate into slower (albeit still positive) trends for consumer spending.
- **Our current expectations of a recession in the next 12 months are moderately low**, which should allow credit spreads to remain tight.
- **Benefits from the One Big Beautiful Bill Act will accelerate in 2026**, providing a tailwind for consumer spending and capital expenditures.
- **The Federal Reserve is still looking to cut interest rates**. We expect one or two cuts for 2026.
- **We expect S&P 500 profits to continue with their momentum from 2025**, growing in the low to mid-teens again in 2026, and broadening to create new sector leaders in the equity markets.
- **AI capital spending, driven by the hyperscalers, should continue to boost the U.S. economy**, fueling productivity gains and infrastructure growth.
- **Potential risks to our outlook include** disappointments in return on investment for AI spending, growing signs of speculative excess in certain pockets of equity markets, continued geopolitical uncertainty, and further deterioration in foreign sentiment for U.S. dollar assets.

IN CASE YOU MISSED IT

INSIGHTS

[Cerity Partners Completes SOC 2 Cybersecurity Audit](#)

[How to Invest Your Bonus Wisely](#)

[Why Nonprofits Should Embrace OCIO](#)

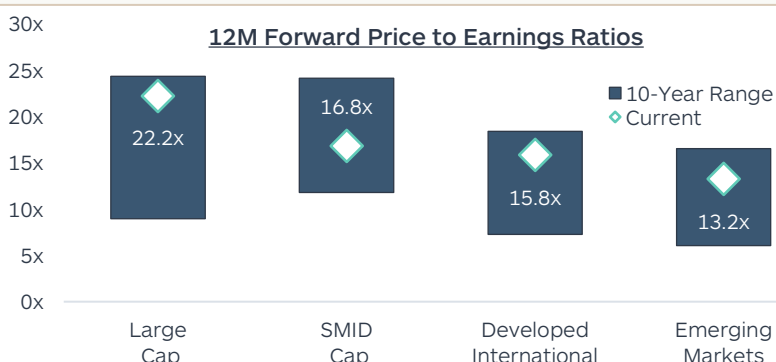
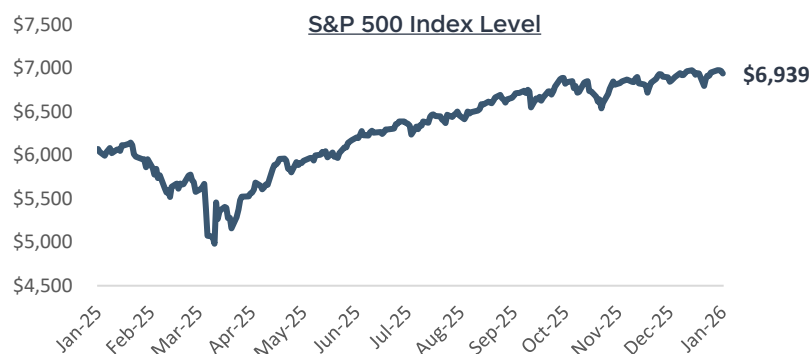
ARCHIVE

[Historical Economic and Market Outlooks Insights](#)

WEBINARS

[Recording: Q1 2026 Market & Economic Outlook](#)

EQUITIES



S&P 500 SECTOR	1-WEEK	YTD
Comm. Services	4.2%	5.8%
Energy	3.9%	14.4%
Utilities	1.7%	1.4%
Consumer Staples	0.8%	7.7%
Industrials	0.7%	6.7%
Real Estate	0.7%	2.8%
Financials	0.7%	-2.4%
Information Technology	-0.4%	-1.7%
Materials	-1.2%	8.7%
Consumer Discretionary	-1.4%	1.7%
Health Care	-1.7%	0.0%

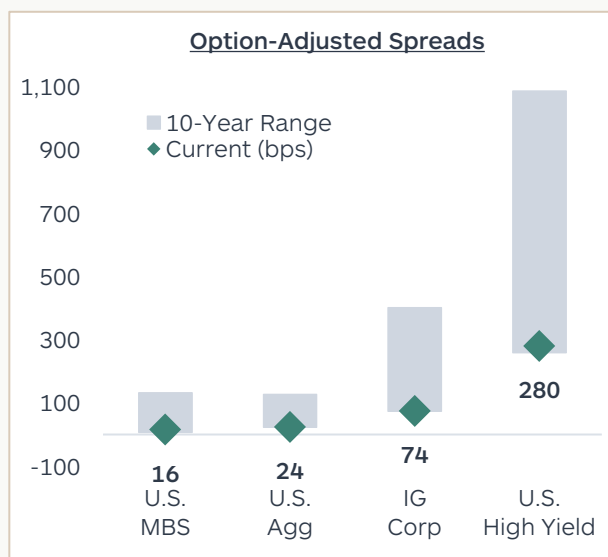
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What's on Our Minds

February 2, 2026

FIXED INCOME

KEY INTEREST RATES	1/30/26	Δ YTD
Municipal Bonds 1-10Y	2.78%	-0.19%
Effective Federal Funds Rate	3.64%	0.00%
3M T-Bill	3.66%	0.02%
10Y Treasury Yield	4.26%	0.09%
U.S. Aggregate	4.36%	0.05%
30Y Mortgage Rate	6.21%	-0.04%
Prime Rate	6.75%	0.00%
U.S. High Yield	6.99%	-0.09%

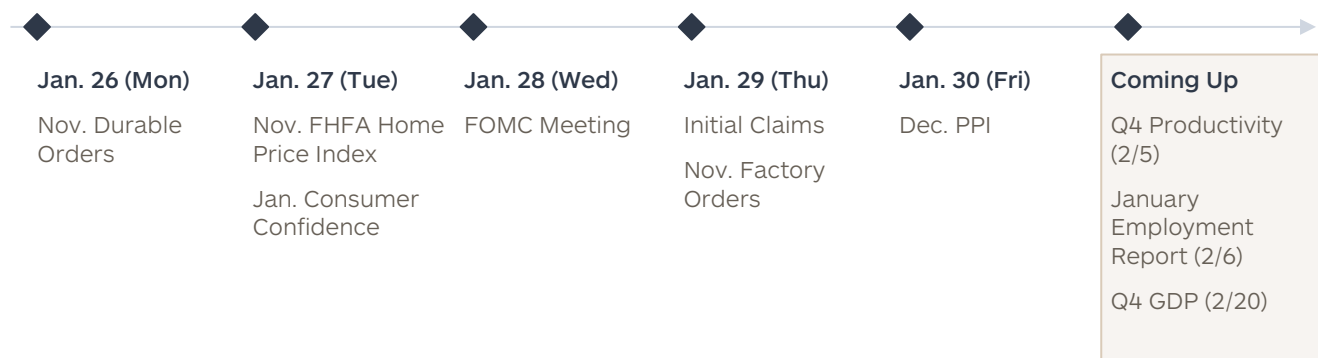


COMMODITIES, CURRENCIES, CRYPTO

Asset Class	1/30/2026
Crude Oil	\$65.19
Gold	\$4,981.85
U.S. Dollar Index	\$96.99
Bitcoin	\$84,105.00

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THE WEEK AHEAD



Please see important disclosures and other key information on page 4.

What's on Our Minds

February 2, 2026

ABBREVIATIONS: Agg: Aggregate. EM: Emerging Markets. SOFR: Secured Overnight Financing Rate. MBS: Mortgage-backed securities. IG: Investment Grade.

CHART OF THE WEEK: LBMA Gold Price PM (\$/ozt) and Silver New York Spot (\$/ozt) as of 1/30/2026. Cerity Partners, Factset.

MARKET PERFORMANCE: All returns represent total return for the stated period. 1-Week and Year-to-Date (YTD) returns are as of 1/30/26. Underlying indices are in descending order: Bloomberg US Aggregate provided by Bloomberg Capital; Bloomberg Municipal Bond 10 Yr provided by Bloomberg Capital; ICE BofA US High Yield Index provided by Bloomberg Capital; S&P 500; provided by: Standard & Poor's. Index; Russell 2500; provided by: Russell Investments; MSCI Europe, Australasia, and the Far East (EAFE) provided by MSCI net official pricing; MSCI EM provided by MSCI net official pricing; MSCI All Country World Index (ACWI) provided by MSCI net official pricing; Crude Oil (WTI) provided by CME; LBMA Gold Price PM provided by FactSet. The 60/40 ACWI/Agg Portfolio (60% ACWI / 40% AGG) is not a recommendation and is provided for reference purposes only.

EQUITIES: Top Left-hand Chart. S&P 500 Index Level as of 1/30/26 and provided by Standard & Poor's. Bottom Left-hand Chart. Forward Price to Earnings Ratios refers to the price-to-earnings ratio for the forward 12 months, which is a valuation measure applied to respective broad equity indices as of 1/30/26. Large Cap data is proxied with the S&P 500 and provided by FactSet. SMID data is proxied by the Russell 2500 and provided by FactSet. Developed International data is proxied with the MSCI EAFE and provided by FactSet. Emerging Markets data is proxied by the MSCI EM and provided by FactSet. S&P 500 Sector performance table. Sectors are based on the GICS methodology. Return data are calculated by FactSet using constituents and weights as provided by Standard & Poor's. Returns are cumulative total return for stated period, including reinvestment of dividends. 1-Week and Year-to-Date (YTD) returns are as of 1/30/26.

FIXED INCOME: Top Table. Effective Federal Funds Rate provided by FactSet. Composite Municipal Bond Yield provided by FactSet. Bloomberg US Aggregate provided by FactSet. 3-Month Treasury Bill rate provided by FactSet. 10-Year Treasury Yield provided by FactSet. 30-Year Mortgage Rate provided by FactSet. ICE BofA US High Yield Index provided by FactSet. Prime Rate provided by FactSet. Bottom Table. Option Adjusted Spreads as of 1/30/26. Bloomberg US Aggregate Securitized – MBS, Bloomberg US Aggregate, ICE BofA US Corporate, ICE BofA US High Yield data provided by Bloomberg Capital.

COMMODITIES, CURRENCIES, CRYPTO: WTI NYMEX Crude Oil provided by FactSet. Gold is proxied with the LBMA Gold PM and provided by FactSet. Bitcoin is proxied by the Bitcoin (CME) Continuous index and provided by FactSet. U.S Dollar prices are proxied with the U.S. Dollar Index and provided by FactSet.

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