

Weekly Market Recap

The week in review

- Nonfarm payrolls rose by 50k
- JOLTS job openings fell to 7.15mn

The week ahead

- CPI
- PPI
- Retail sales

Thought of the week

Heading into 2026, absent any major market shocks, the pieces are in place for one of the strongest years for North American M&A and IPO activity we have ever seen. Favorable economic conditions, an increasingly permissive antitrust agenda in Washington and cheaper financing costs should make it easier to facilitate transactions, with companies now operating in one of the most pro-business deal-making environments in years.

If this sounds familiar, that's because these are very similar to the reasons why markets expected a rebound in deal activity in 2025. Sure enough, and as shown in this week's chart, annualized 2025 North American M&A deal value is on pace to be 32% higher than in 2024 – and nearly equivalent to the record total set in 2021. Now, in 2026, with tariff uncertainty fading and rates 75 basis points lower than they were at the start of 2025, confidence among business leaders is growing. According to an annual Citizens Bank survey, sentiment for a robust deal environment is at a six-year high, with nearly 60% of companies characterizing the current M&A environment as "somewhat or extremely strong." For IPO markets, in addition to the same tailwinds expected to boost M&A, continued strength in equity markets, a sizable backlog of older-vintage private-equity-owned companies in the pipeline and several large, high-profile private companies expected to go public are spurring optimism this year.

With these favorable conditions in place, companies are poised to continue taking advantage of a sustained window for deal activity. Strong M&A and IPO activity is positive for investments in private equity and venture capital, which can serve as a diversified source of growth within portfolios.

Please see important disclosures on next page.

Weekly Data Center

Equities	Level	Index Returns (%)					NTM P/E	P/B	Div. Yld.	Mkt. Cap (bn)
		1 week	QTD	YTD	1 year	3-yr. Cum.				
S&P 500	6966	1.58	1.80	1.80	19.23	86.82	22.34	5.39	1.08	59463
Dow Jones 30	49504	2.34	3.03	3.03	18.11	56.36	20.94	5.67	1.62	17640
Russell 2000	6522	4.63	5.75	5.75	18.81	52.55	24.43	2.19	1.12	3032
Russell 1000 Growth	3170	0.90	0.64	0.64	18.39	125.24	28.83	13.62	0.48	32939
Russell 1000 Value	1323	2.54	3.47	3.47	19.11	49.76	17.68	3.06	1.74	30858
MSCI EAFE	2951	1.42	2.03	2.03	33.98	59.77	15.81	2.17	2.55	20869
MSCI EM	1452	1.62	3.44	3.44	40.03	56.21	13.43	2.19	1.83	10579
NASDAQ	23671	1.88	1.86	1.86	22.31	127.51	27.67	7.43	0.55	39973

Fixed Income	Yield	1 week	QTD	YTD	1 year	3-yr. Cum.
U.S. Aggregate	4.33	0.35	0.15	0.15	7.97	12.39
U.S. Corporates	4.84	0.34	0.10	0.10	8.55	16.70
Municipals (10yr)	3.09	0.77	0.84	0.84	6.84	11.24
High Yield	7.01	0.39	0.39	0.39	8.70	30.18

Key Rates	Levels (%)					
	1/9/26	1/2/26	12/31/25	12/31/25	1/9/25	1/9/23
2-yr U.S. Treasuries	3.54	3.47	3.47	3.47	4.27	4.19
10-yr U.S. Treasuries	4.18	4.19	4.18	4.18	4.68	3.53
30-yr U.S. Treasuries	4.82	4.86	4.84	4.84	4.92	3.66
10-yr German Bund	2.87	2.89	2.86	2.86	2.52	2.26
SOFR	3.64	3.75	3.87	3.87	4.30	4.31
3-mo. EURIBOR	2.02	2.03	2.03	2.03	2.79	2.27
6-mo. CD rate	1.87	1.88	1.88	1.88	2.30	1.81
30-yr fixed mortgage	6.22	6.24	6.25	6.25	7.30	6.42
Prime Rate	6.75	6.75	6.75	6.75	7.50	7.50

Chart of the Week

North America M&A deal value by quarter

USD trillions



Style Returns

L	V	B	G
	2.5	1.6	0.9
	2.9	2.7	2.0
S	4.5	4.6	4.7
	3.5	1.8	0.6
	4.1	3.8	3.0
M	5.4	5.7	6.0
	2.0	1.8	1.1
	2.5	2.4	2.1

S&P 500 Sector Returns

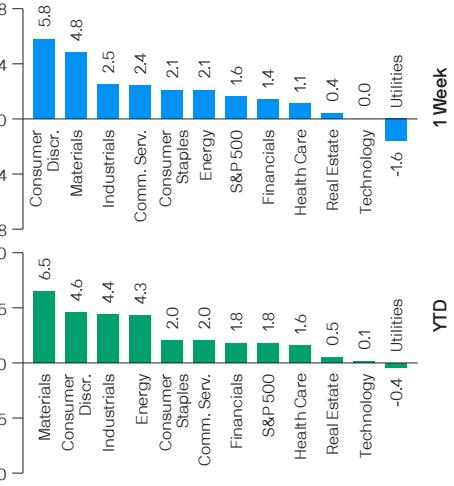


Chart of the Week: Source: PitchBook Data, Inc., J.P. Morgan Asset Management. 4Q25 M&A deal value is annualized.

Thought of the week: Source: Citizens Bank, PitchBook Data, Inc., J.P. Morgan Asset Management.

Abbreviations: Cons. Sent.: University of Michigan Consumer Sentiment Index; CPI: Consumer Price Index; EIA: Energy Information Agency; FHFA HPI: - Federal Housing Finance Authority House Price Index; FOMC: Federal Open Market Committee; GDP: gross domestic product; HPI: Home Price Index; HMI: Housing Market Index; ISM Mfg. Index: Institute for Supply Management Manufacturing Index; PCE: Personal consumption expenditures; Philly Fed Survey: Philadelphia Fed Business Outlook Survey; PMI: Purchasing Managers' Manufacturing Index; PPI: Producer Price Index; SAAR: Seasonally Adjusted Annual Rate

Equity Price Levels and Returns: All returns represent total return for stated period. Index: S&P 500; provided by: Standard & Poor's. Index: Dow Jones Industrial 30 (The Dow Jones is a price-weighted index composing of 30 widely-traded blue chip stocks.); provided by: S&P Dow Jones Indices LLC. Index: Russell 2000; provided by: Russell Investments. Index: Russell 1000 Growth; provided by: Russell Investments. Index: Russell 1000 Value; provided by: Russell Investments. Index: MSCI - EAFE; provided by: MSCI - gross official pricing. Index: MSCI - EM; provided by: MSCI - gross official pricing. Index: Nasdaq Composite; provided by: NASDAQ OMX Group.

MSCI EAFE is a Morgan Stanley Capital International Index that is designed to measure the performance of the developed stock markets of Europe, Australasia, and the Far East.

Bond Returns: All returns represent total return. Index: Bloomberg US Aggregate; provided by: Bloomberg Capital. Index: Bloomberg Investment Grade Credit; provided by: Bloomberg Capital. Index: Bloomberg Municipal Bond 10 Yr; provided by: Bloomberg Capital. Index: Bloomberg Capital High Yield Index; provided by: Bloomberg Capital.

Key Interest Rates: 2 Year Treasury, FactSet; 10 Year Treasury, FactSet; 30 Year Treasury, FactSet; 10 Year German Bund, FactSet. 3 Month LIBOR, British Bankers' Association; 3 Month EURIBOR, European Banking Federation; 6 Month CD, Federal Reserve; 30 Year Mortgage, Mortgage Bankers Association (MBA); Prime Rate: Federal Reserve.

Commodities: Gold, FactSet; Crude Oil (WTI), FactSet; Gasoline, FactSet; Natural Gas, FactSet; Silver, FactSet; Copper, FactSet; Corn, FactSet. Bloomberg Commodity Index (BBG Idx), Bloomberg Finance L.P.

Currency: Dollar per Pound, FactSet; Dollar per Euro, FactSet; Yen per Dollar, FactSet.

S&P Index Characteristics: Dividend yield provided by FactSet Pricing database. Fwd. P/E is a bottom-up weighted harmonic average using First Call Mean estimates for the "Next 12 Months" (NTM) period. Market cap is a bottom-up weighted average based on share information from Compustat and price information from FactSet's Pricing database as provided by Standard & Poor's.

MSCI Index Characteristics: Dividend yield provided by FactSet Pricing database. Fwd. P/E is a bottom-up weighted harmonic average for the "Next 12 Months" (NTM) period. Market cap is a bottom-up weighted average based on share information from MSCI and Price information from FactSet's Pricing database as provided by MSCI.

Russell 1000 Value Index, Russell 1000 Growth Index, and Russell 2000 Index Characteristics: Trailing P/E is provided directly by Russell. Fwd. P/E is a bottom-up weighted harmonic average using First Call Mean estimates for the "Next 12 Months" (NTM) period.

Market cap is a bottom-up weighted average based on share information from Compustat and price information from FactSet's Pricing database as provided by Russell.

Sector Returns: 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.

Style Returns: Style box returns based on Russell Indexes with the exception of the Large-Cap Blend box, which reflects the S&P 500 Index. All values are cumulative total return for stated period including the reinvestment of dividends. The Index used from L to R, top to bottom are: Russell 1000 Value Index (Measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values), S&P 500 Index (Index represents the 500 Large Cap portion of the stock market, and is comprised of 500 stocks as selected by the S&P Index Committee), Russell 1000 Growth Index (Measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values), Russell Mid Cap Value Index (Measures the performance of those Russell Mid Cap companies with lower price-to-book ratios and lower forecasted growth values), Russell Mid Cap Index (The Russell Midcap Index includes the smallest 800 securities in the Russell 1000), Russell Mid Cap Growth Index (Measures the performance of those Russell Mid Cap companies with higher price-to-book ratios and higher forecasted growth values), Russell 2000 Value Index (Measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values), Russell 2000 Index (The Russell 2000 includes the smallest 2000 securities in the Russell 3000), Russell 2000 Growth Index (Measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values).

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