

# Market Update – January 20, 2026

## The Weekly Briefing

Most large cap equity benchmarks ended the week lower, while small cap stocks, as measured by the Russell 2000, continued their strong start to the year. The S&P 500 declined -0.4% and the Nasdaq 100 fell -0.9% while the Russell 2000 increased +2.1% last week and is up +8.0% already this calendar year. For reference, the S&P 500 is up just 1.4% year-to-date.

The year-to-date outperformance of small cap stocks is surprising given recent history – the Russell 2000 has not outperformed the S&P 500 in a calendar year since 2020. Since 12/31/2020, the Russell 2000 has been a perennial underperformer. Over the five-year period ended 12/31/2025, the small cap benchmark returned just +34%, or +6% annualized. In comparison, the S&P 500 has returned +96%, or +14% annualized.

Not only is the Russell 2000 beating the large cap benchmark year-to-date, but the small cap Index is up +19% over the trailing 1-year period ended last Friday – outperforming the S&P 500 by 2%. Impressively, this measure of small cap stocks is just a half a percentage point behind the Nasdaq 100 over that period. Also of note, the equal-weight S&P 500 Index is also experiencing a period of outperformance, beating its cap-weighted peer so far this year.

While extrapolating broader conclusions from a short time period can be a perilous endeavor, improved market breadth is a generally a good sign for continued positive equity market returns. Strong market breadth implies strength across many sectors of the economy, which is a more stable economic environment than an economy being driven by a few areas. Time, and operational performance, will tell if these trends continue.

Focusing on the economy, last week's data releases included the December CPI and PPI for October and November. Headline CPI came in as expected on a month-over-month and year-over-year basis, rising +0.3% and +2.7%, respectively. Core CPI, which excludes food and energy prices, rose less than expected. This measure of inflation increased +0.2% month-over-month and +2.6% year-over-year. The better-than-expected print follows mild readings in October and November (albeit, [as we recently wrote about](#), the quality of those releases was impacted by the government shutdown).

PPI told a slightly different story. The Producer Price Index rose +2.8% year-over-year in October, a larger increase than expected, and September was revised up to +3.0% from +2.7%. The increase in November also exceeded expectations, rising +3.0% year-over-year, compared to +2.7% expected.

Moving on to earnings, last week was the first full week of the 4Q25 reporting season. Of the fifteen S&P 500 constituents that have reported to-date, all but one reported better EPS than expected. Analysts are expecting aggregate year-over-year EPS growth of +8.2% for the Index in Q4.

The upcoming week includes 30 more earnings reports from S&P 500 constituents and November PCE data.

### Market Snapshot

	Last Week	YTD	1yr
S&P 500	-0.4%	1.4%	17.2%
DJIA	-0.3%	2.7%	15.5%
Nasdaq 100	-0.9%	1.1%	19.9%
Russell 2000	2.1%	8.0%	19.3%
S&P 500 E/W	0.7%	3.9%	12.6%
2yr Yield	3.59%	-0.66%	-0.70%
10yr Yield	4.22%	-0.35%	-0.40%
VIX	15.9	(1.5)	0.1
WTI Crude	\$ 59.4	-17.1%	-23.7%
Gold	\$ 4,596	75.1%	69.7%
Bitcoin	\$ 95,476	1.9%	-6.8%

### Economic Summary

	Actual	Expected	Prior (r)
CPI - m/m	0.3%	0.3%	
CPI - y/y	2.7%	2.7%	2.7%
Core CPI - m/m	0.2%	0.3%	
Core CPI - y/y	2.6%	2.7%	
Retail Sales - m/m	0.6%	0.5%	-0.1%
Retail Sales - y/y	3.3%	3.3%	
PPI (Oct) - m/m	0.1%	0.1%	0.6%
PPI (Nov) - m/m	0.2%	0.2%	0.1%

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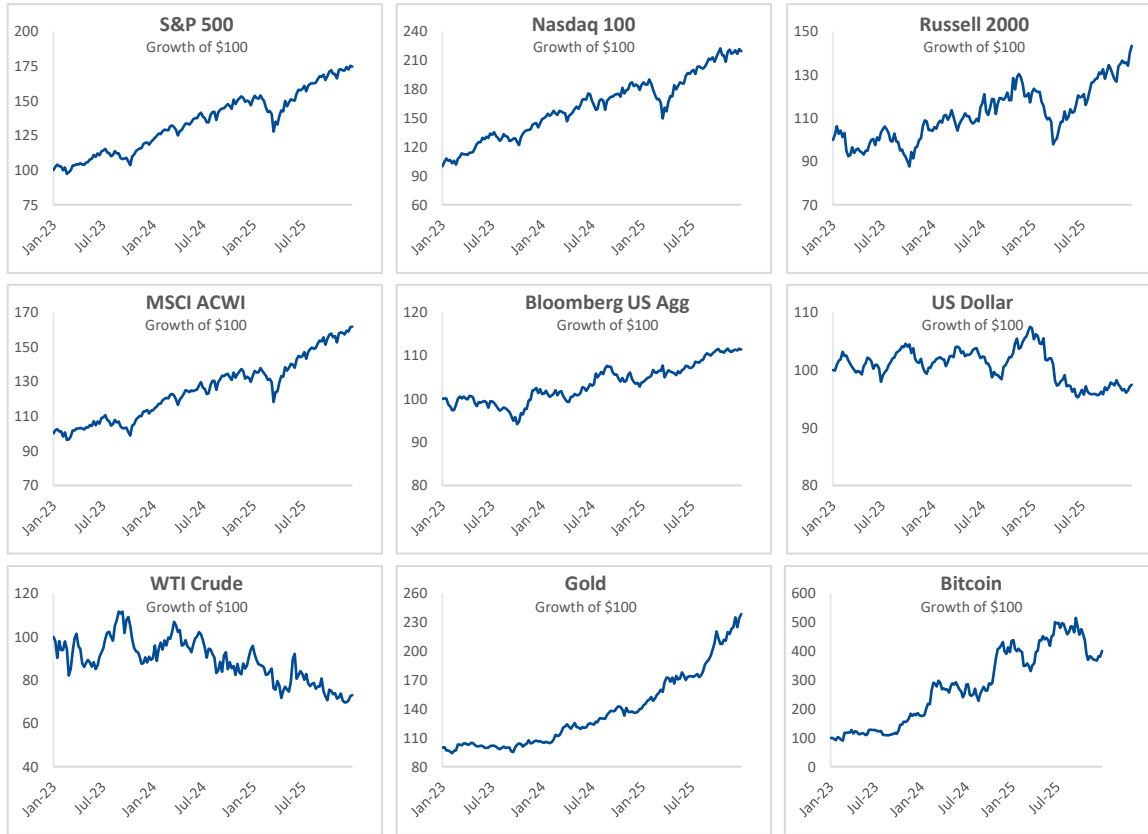
### The Week Ahead

Monday	Tuesday	Wednesday	Thursday	Friday
Market Holiday			Initial Jobless Claims Continuing Claims	Personal Income Personal Spending PCE Inflation



WEALTH MANAGEMENT

# Markets Monitor



## S&P 500 Sector Heatmap Total Return YTD

S&P 500	Comm. Services	Cons. Discretionary	Cons. Staples
1.4%	-2.7%	0.5%	5.8%
Energy	Financials	Healthcare	Industrials
7.1%	-1.7%	0.4%	6.1%
Materials	Real Estate	Technology	Utilities
6.7%	3.3%	-0.3%	1.4%

## Last Week in Earnings

Date	Ticker	EPS	Revenue	Price chg
13-Jan	DAL	Beat	Miss	-2.4%
	JPM	Beat	Beat	-4.2%
14-Jan	BAC	Beat	Beat	-3.8%
	C	Beat	Miss	-3.3%
15-Jan	WFC	Beat	Miss	-4.6%
	BLK	Beat	Beat	5.9%
	GS	Beat	Miss	4.6%
	MS	Beat	Beat	5.8%

## World Watch

	Last Week	YTD	1yr
MSCI ACWI	0.3%	2.3%	23.0%
MSCI Europe	0.4%	1.6%	33.9%
MSCI APAC	2.8%	5.6%	37.2%
DXY Index	99.1	-8.7%	-9.4%
EUR / USD	\$1.17	10.6%	11.0%
GBP / USD	\$1.34	7.3%	8.9%
USD / JPY	158.0	0.5%	1.5%
USD / CNY	6.96	-4.6%	-4.3%

## Large Cap Stocks Have Outperformed Smaller Peers in Recent Years



WEALTH MANAGEMENT

As of 12/31/25  
Sources: Bloomberg, Sunflower Wealth Advisors, Sunflower Bank.

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