

“Winter Games”

Market Update with Robert Paolucci, CFP®
& Julina Ogilvie, CIMA®, CPWA®, CEPA®

February 2026



Today's Agenda

1. Markets
2. Economy & Policy
3. Market Anomalies
4. Everything Else

A Positive January Tends To Bring More Positivity

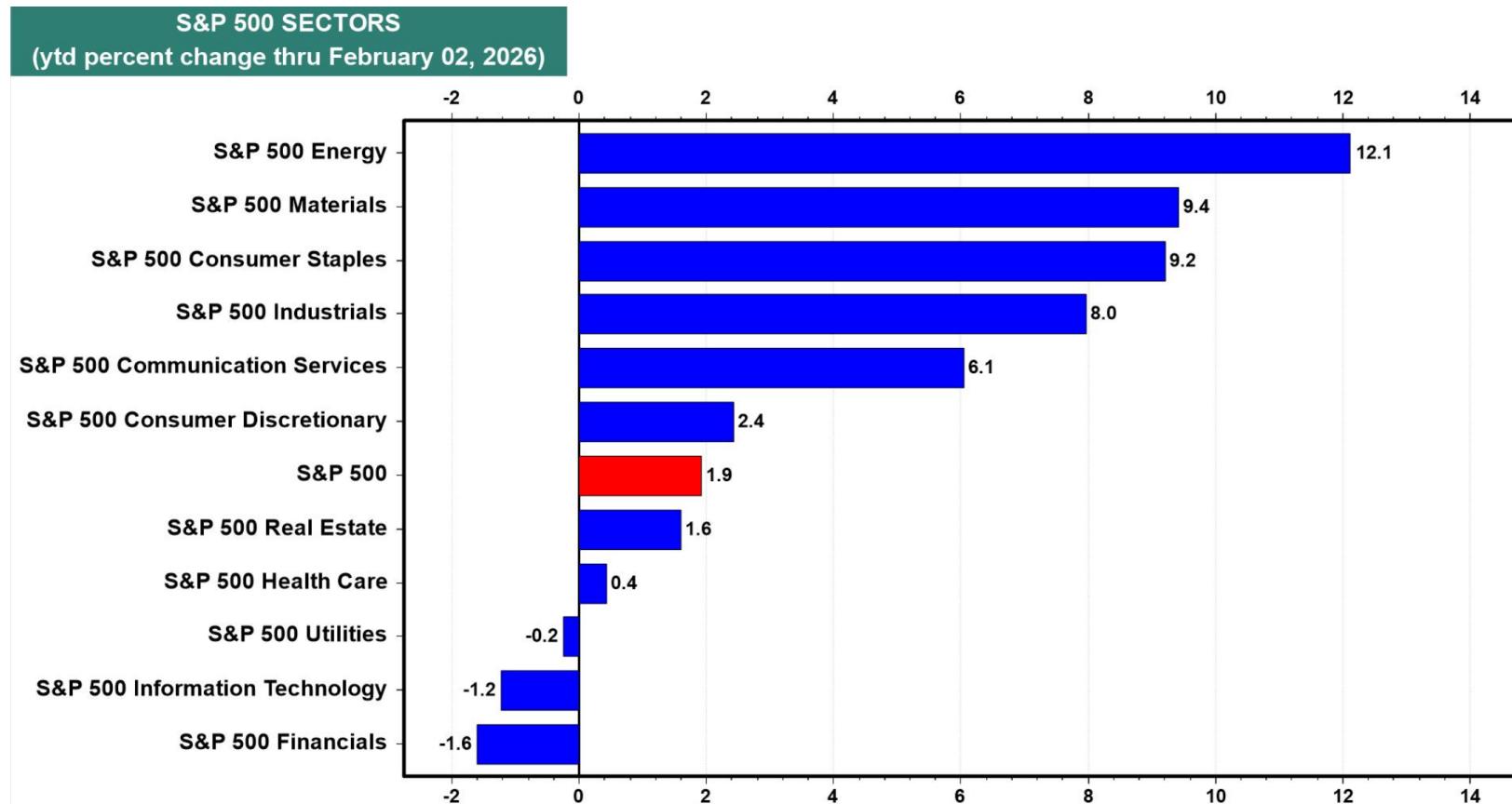
S&P 500 RETURNS

Year	January	Final 11 Months	Full Year Return	Year	January	Final 11 Months	Full Year Return
1950	1.5%	19.8%	21.7%	1995	2.4%	30.9%	34.1%
1951	6.0%	9.7%	16.3%	1996	3.3%	16.5%	20.3%
1952	1.6%	10.1%	11.8%	1997	6.1%	23.4%	31.0%
1954	5.1%	38.0%	45.0%	1998	1.0%	25.4%	26.7%
1955	1.8%	24.2%	26.4%	1999	4.1%	14.8%	19.5%
1958	4.3%	32.4%	38.1%	2001	3.5%	-16.0%	-13.0%
1959	0.4%	8.1%	8.5%	2004	1.7%	7.1%	9.0%
1961	6.3%	15.8%	23.1%	2006	2.5%	10.8%	13.6%
1963	4.9%	13.3%	18.9%	2007	1.4%	2.1%	3.5%
1964	2.7%	10.0%	13.0%	2011	2.3%	-2.2%	0.0%
1965	3.3%	5.6%	9.1%	2012	4.4%	8.7%	13.4%
1966	0.5%	-13.5%	-13.1%	2013	5.0%	23.4%	29.6%
1967	7.8%	11.4%	20.1%	2017	1.8%	17.3%	19.4%
1971	4.2%	6.4%	10.8%	2018	5.6%	-11.2%	-6.2%
1972	2.0%	13.6%	15.8%	2019	7.9%	19.5%	28.9%
1975	12.3%	17.2%	31.5%	2023	6.2%	17.0%	24.2%
1976	11.8%	6.5%	19.1%	2024	1.6%	21.4%	23.3%
1979	4.0%	8.0%	12.3%	2025	2.7%	13.3%	16.4%
1980	6.7%	17.9%	25.8%	2026	1.4%	?	?
1983	3.3%	13.5%	17.3%				
1985	7.4%	17.6%	26.3%				
1986	0.2%	14.3%	14.6%				
1987	13.2%	-9.9%	2.0%				
1988	4.0%	8.0%	12.4%				
1989	7.1%	18.8%	27.3%				
1991	4.2%	21.3%	26.3%				
1993	0.7%	6.3%	7.1%				
1994	3.3%	-4.6%	-1.5%				

AVERAGE	12.2%	16.9%
MEDIAN	13.4%	18.1%
HIGHER	40	41
COUNT	46	46
% HIGHER	87.0%	89.1%

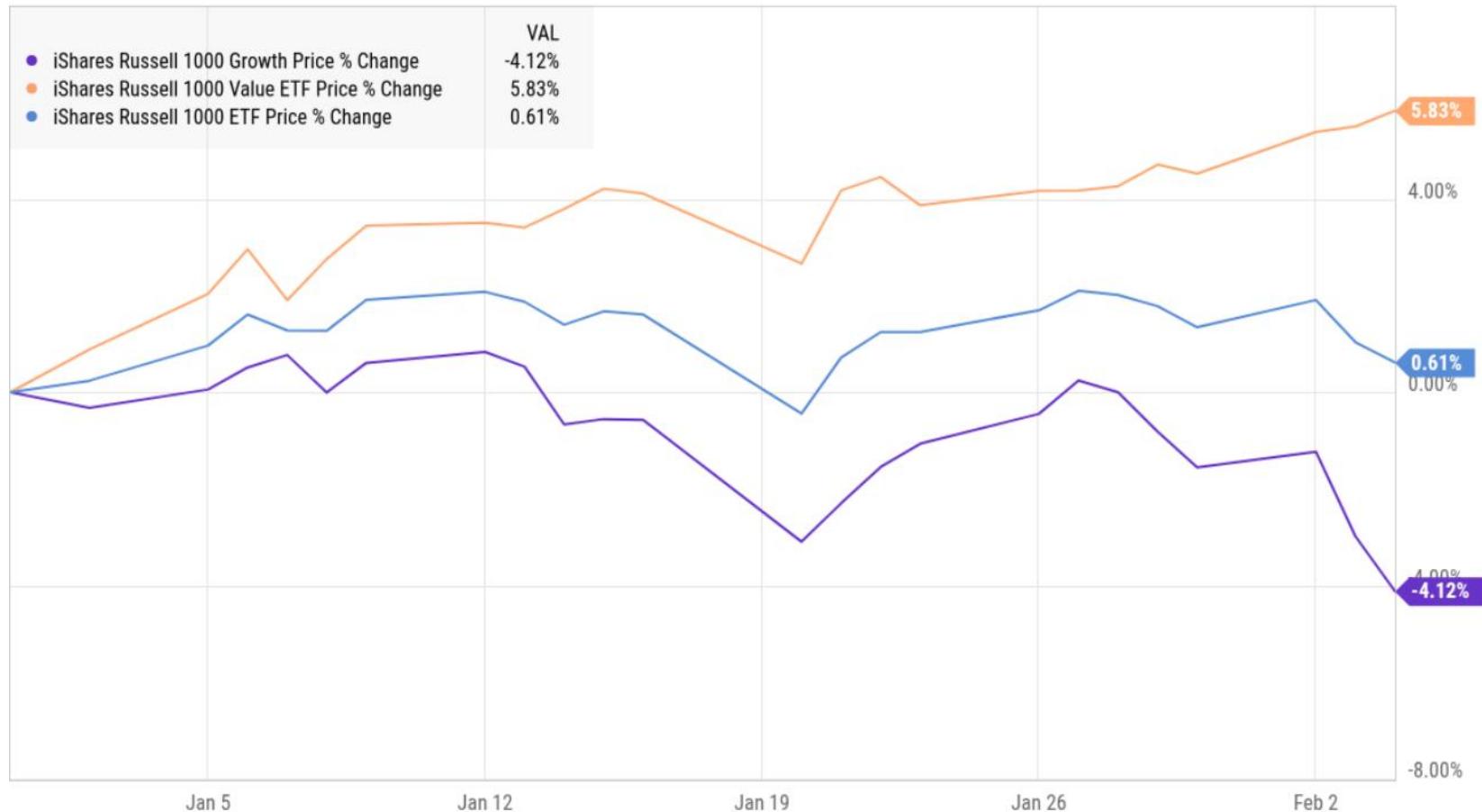
Source: Carson Investment Research, FactSet, Ryan Detrick, as of 01/30/2026

Churn Beneath The Surface – Sector Rotation



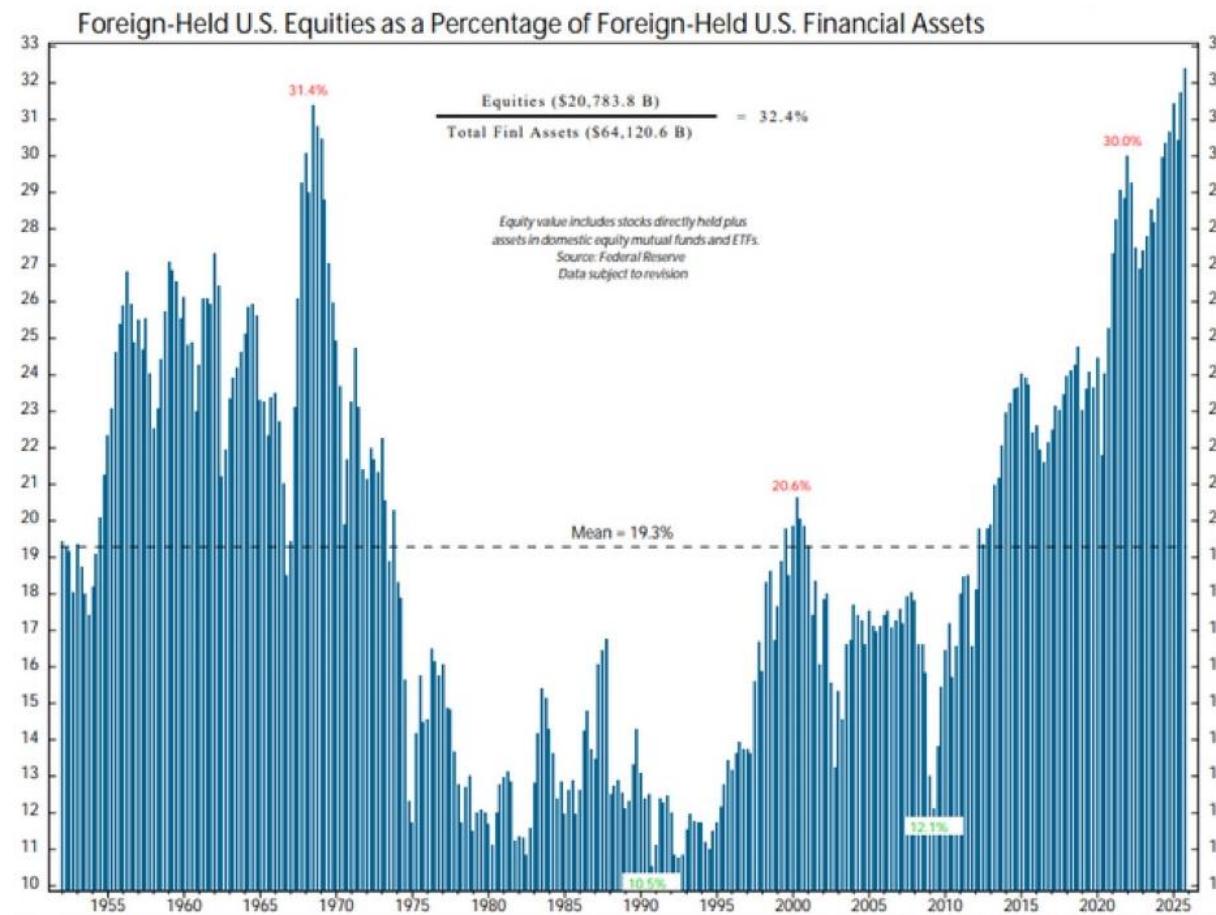
Source: Yardeni Research, LSEG Datastream, as of 02/02/2026

Churn Beneath The Surface – Style Rotation



Source: YCharts, as of 02/04/2026

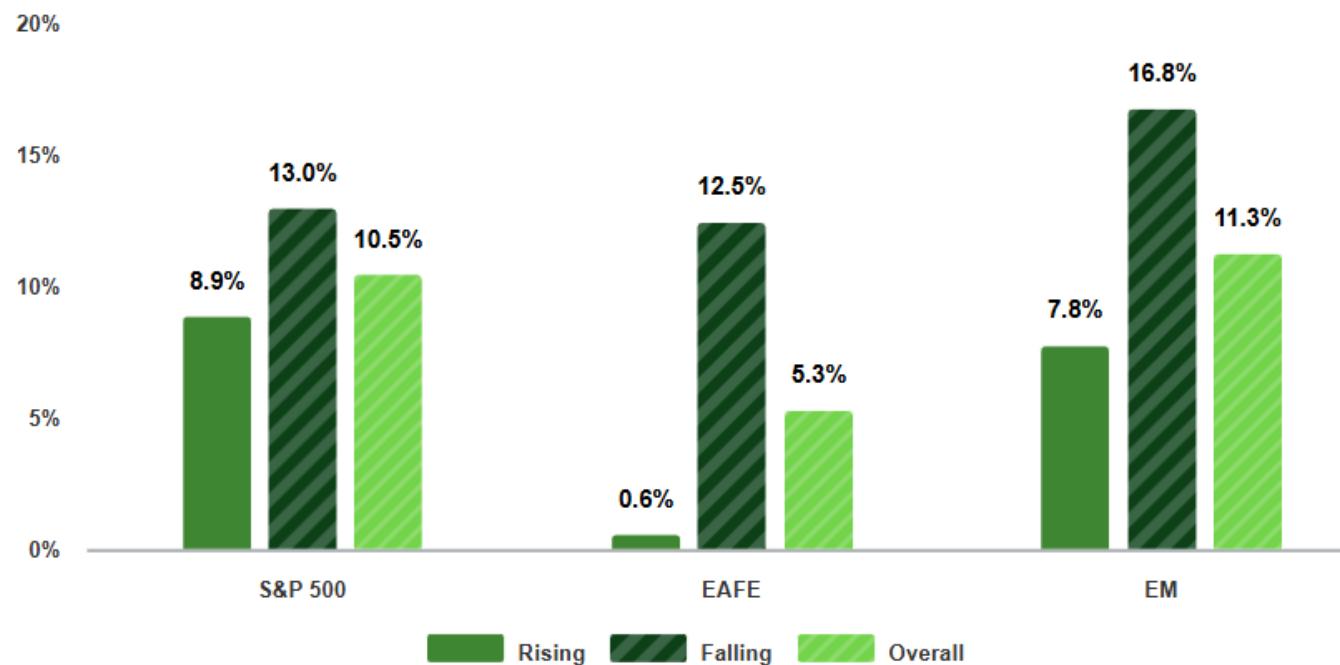
Foreign Ownership Of U.S. Stocks = All Time High



Source: Ned Davis Research, as of 09/30/2025

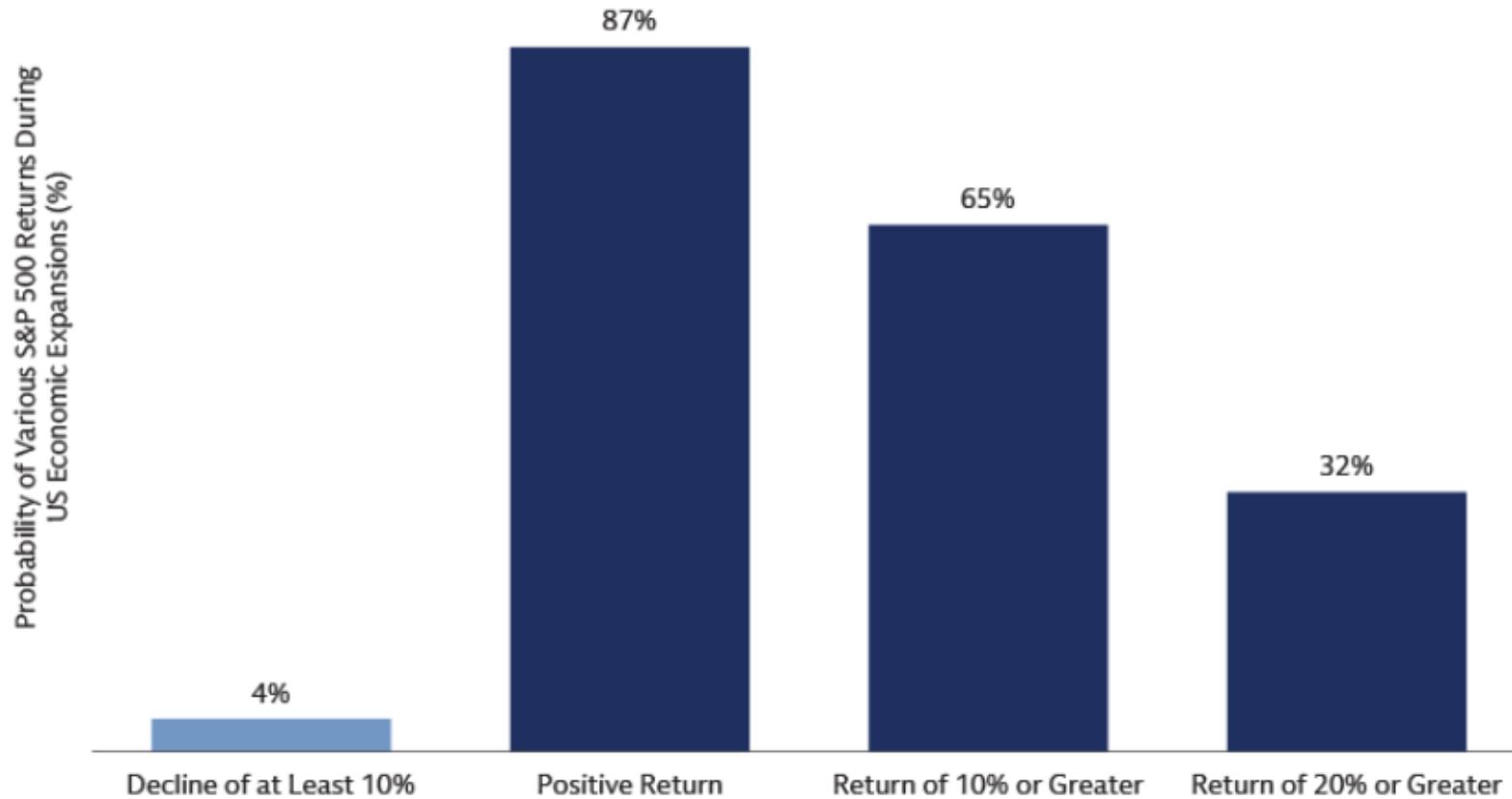
How Stocks React To Moves In The Dollar

Average annual performance when U.S. dollar index (DXY) is rising and falling, 1988–2025



Source: Fidelity Institutional, MSCI Company, S&P Global, Bloomberg, Macrobond, as of 12/31/2025

How Stocks React To Economic Expansions (We Are In One)



Source: Bloomberg, Goldman Sachs Investment Strategy Group, Goldman Sachs Asset Management, as of 12/31/2025

Meet Powell's Replacement – Kevin Warsh



Kevin Warsh (Former Governor, Nominee)	
Professional Background	Former Federal Reserve Governor (2006–2011); National Economic Council; Morgan Stanley; Partner at Duquesne Family Office; academic affiliation with Stanford/Hoover.
View of the Economy	Believes the U.S. is in a productivity-led expansion due to the impact of artificial intelligence, leading to a lower inflation environment.
Monetary Policy Philosophy	Sees monetary policy as supporting investment through lower rates. He rejects Phillips Curve inflation framework, views inflation as policy-driven.
Inflation View	Does not believe inflation is mechanically tied to labor market tightness. He believes policy choices lead to inflation.
Fiscal Policy View	Supports supply-side policies including lower taxes and lighter regulation to boost production. Sees the need for a new Fed-Treasury agreement.
Overall Characterization	Presented as growth-oriented, supply-side policymaker advocating for institutional reform to increase trust in the Fed as an institution.

Source: Yardeni Research, The Federal Reserve, as of 12/31/2025

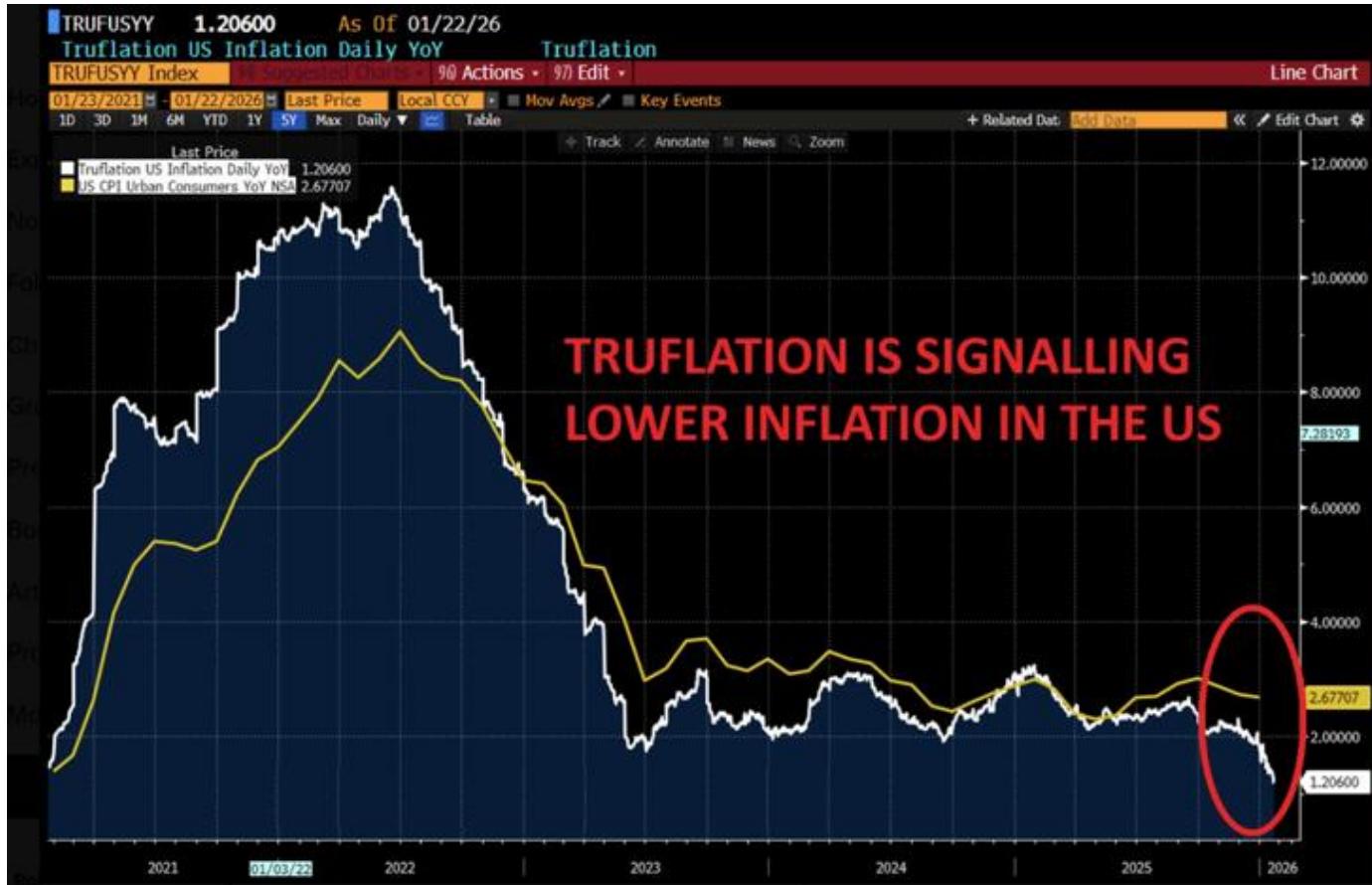
The Fed – A Few More Cuts? The Odds Through 2026

Cuts ↓

	TARGET YIELD RANGES (BPS)	MEETING DATE						
		MAR-18	APR-29	JUN-17	JUL-29	SEP-16	OCT-28	DEC-09
0.25%	350-375	91.1%	76.0%	43.5%	28.2%	17.2%	6.2%	9.2%
0.50%	325-350	8.9%	22.5%	45.4%	44.7%	38.3%	24.8%	26.6%
0.75%	300-325	0.0%	1.5%	10.5%	22.8%	31.3%	35.8%	33.9%
1.00%	275-300	0.0%	0.0%	0.6%	4.1%	11.4%	24.2%	21.5%
1.25%	250-275	0.0%	0.0%	0.0%	0.2%	1.7%	7.9%	6.8%
	225-250	0.0%	0.0%	0.0%	0.0%	0.1%	1.1%	1.0%

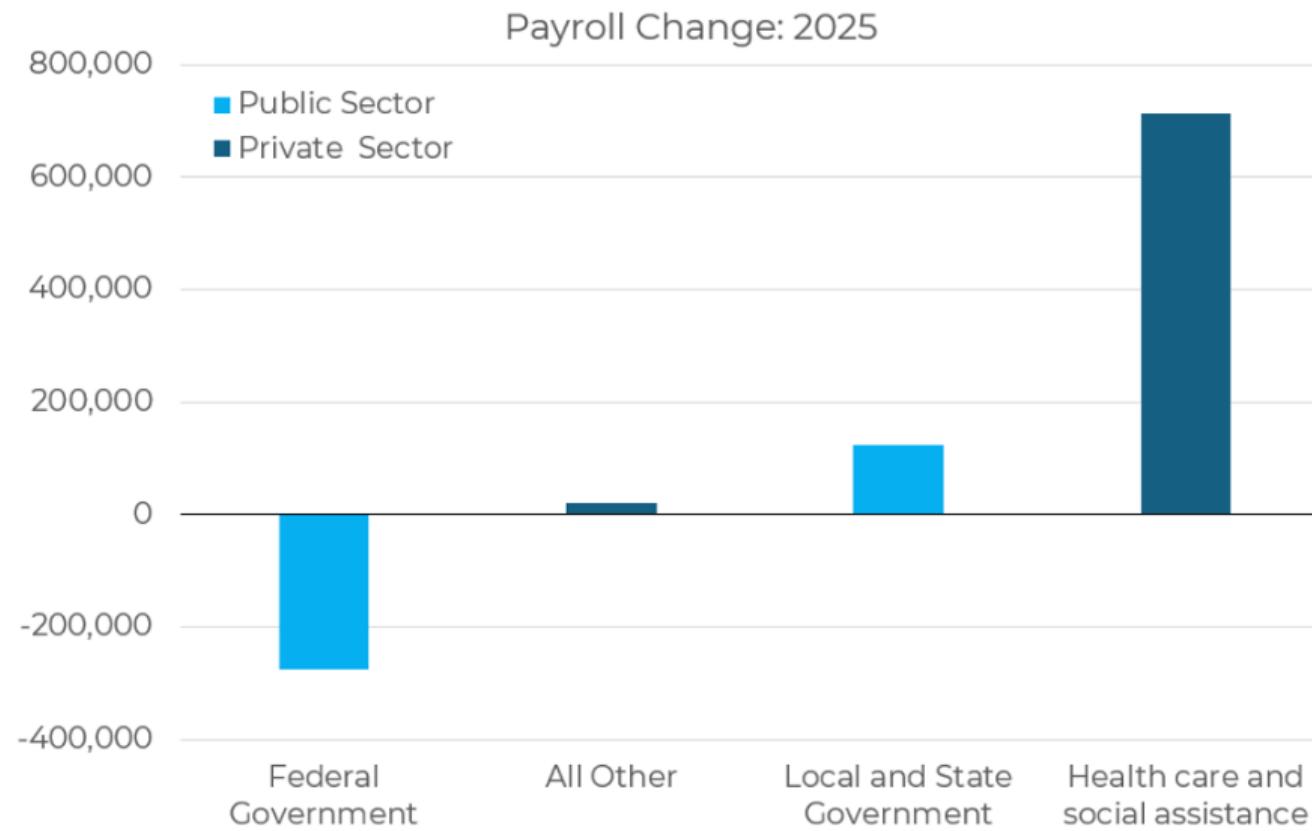
Source: CME Fed Watch Tool, Dimensional Funds, as of 02/02/2026

Inflation – Live Versus Lagging, Mind The Gap!



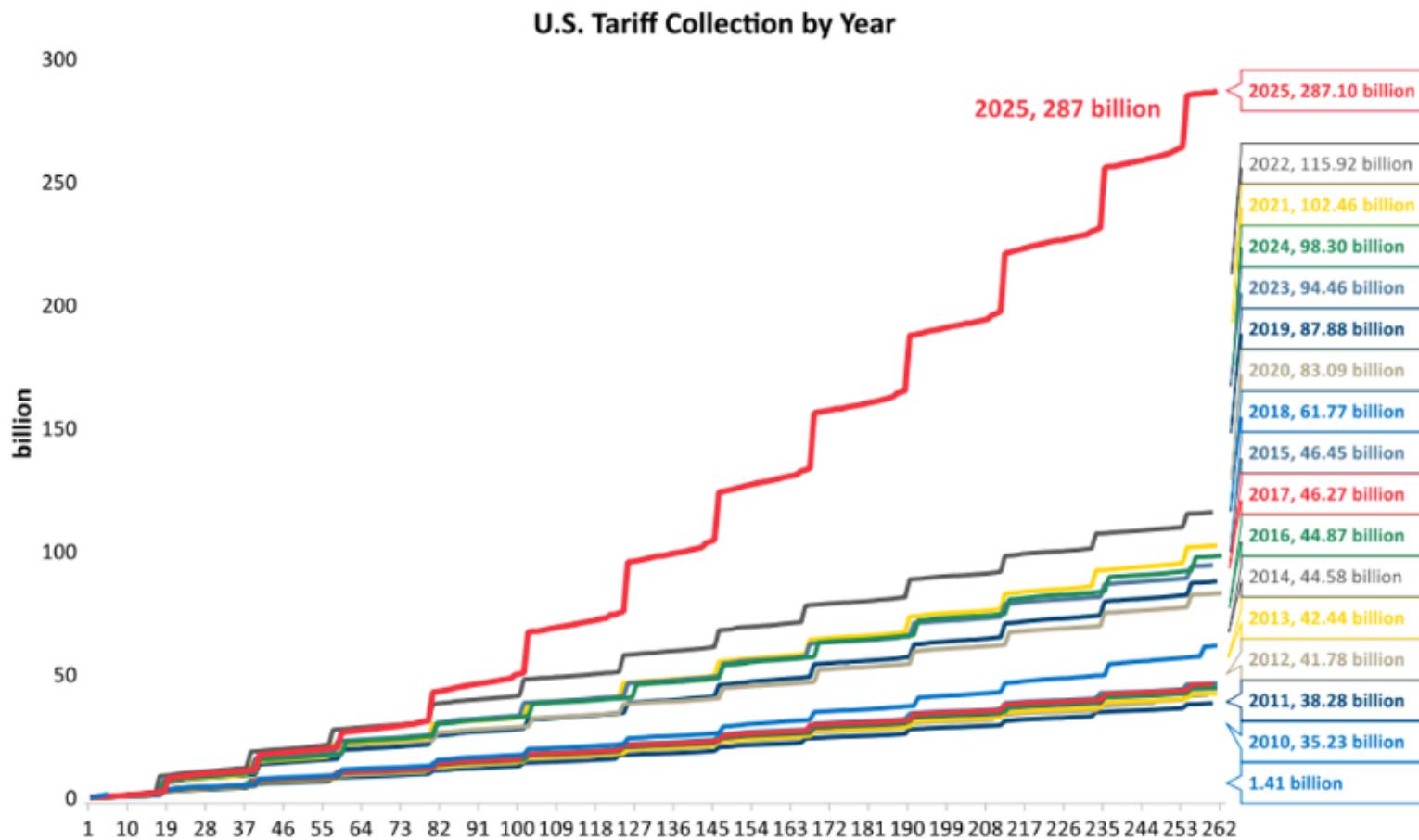
Source: Bloomberg, as of 01/31/2026

Unemployment – Influenced By The Government



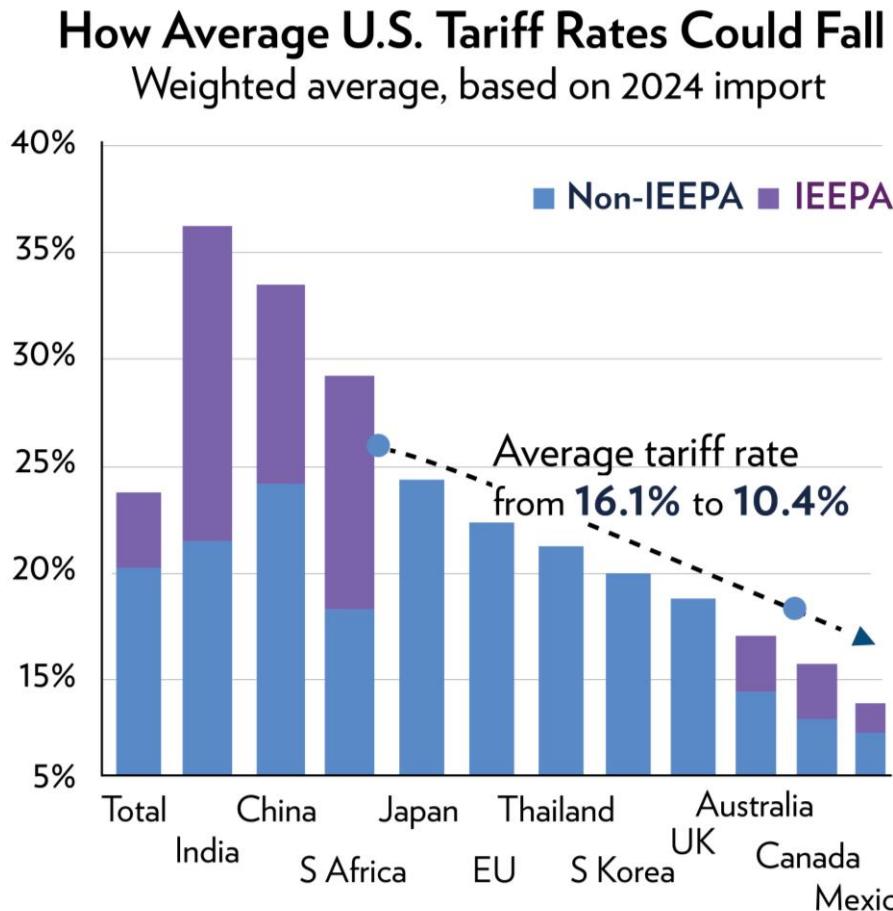
Source: BLS, Aptus, as of 12/31/2025

Tariffs – New Income Source?



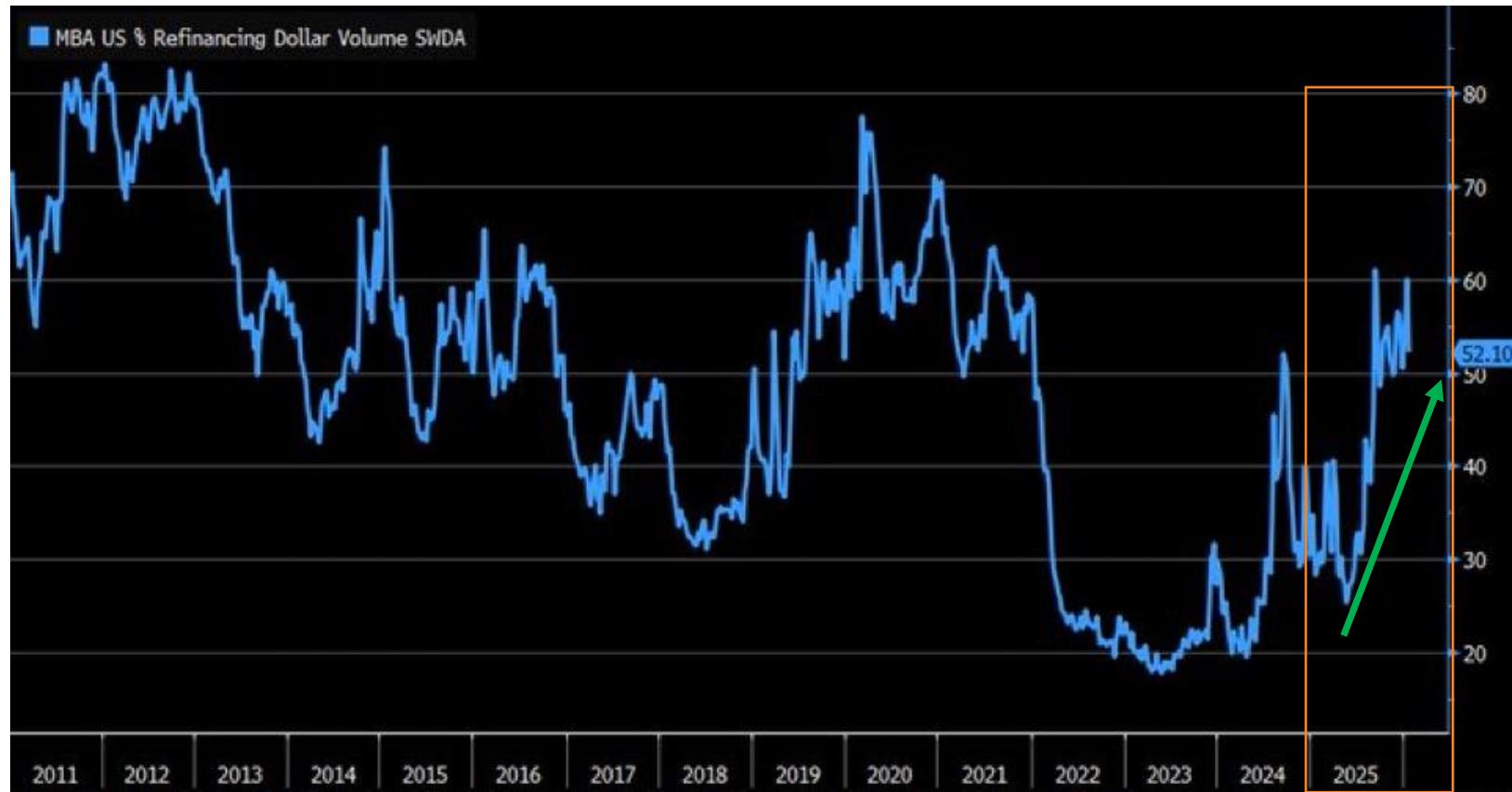
Source: DoubleLine, U.S. Department of Treasury, Macrobond, as of 01/07/2026

Tariffs – The Supreme Court Rules This Month



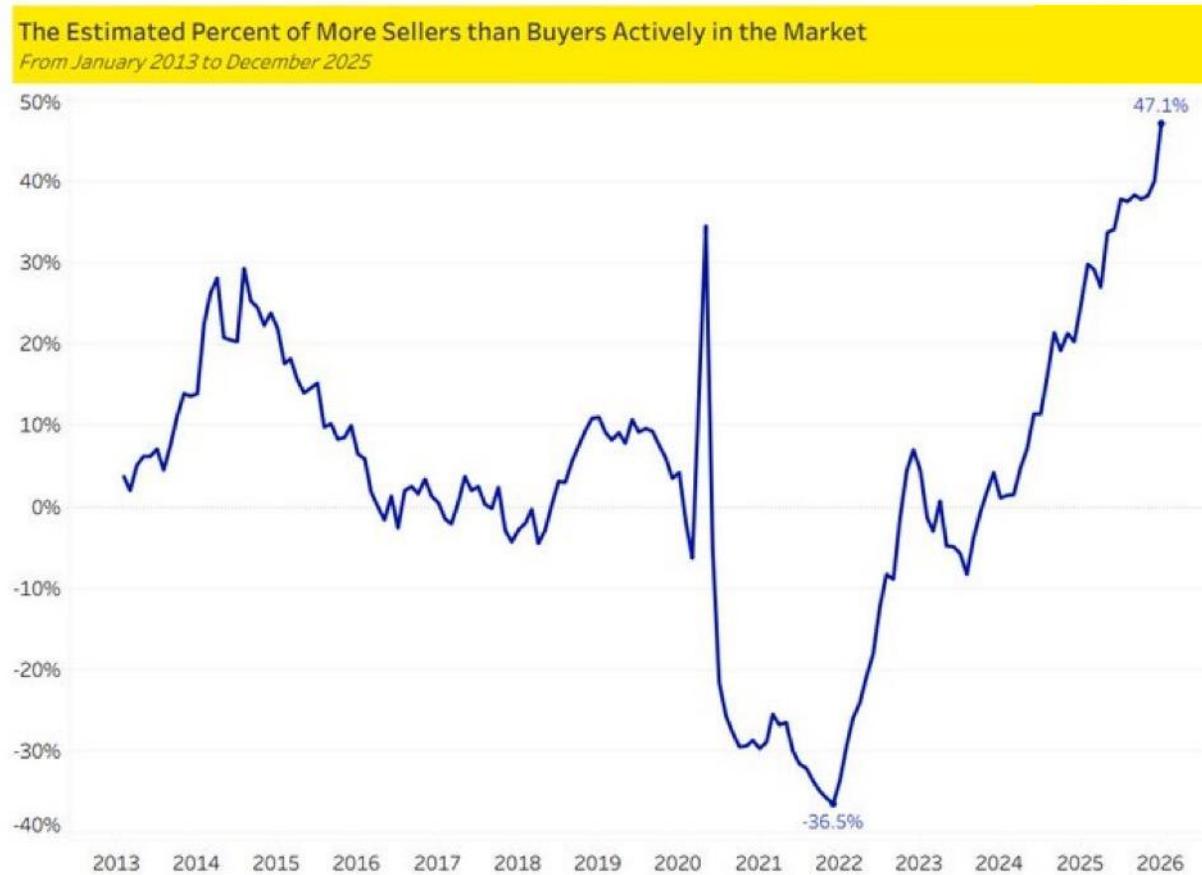
Source: GavaGroup, as of 12/31/2025

Home Refinancing Activity Picking Up... Stimulative



Source: Bloomberg, Liz Ann Sonders, as of 01/28/2026

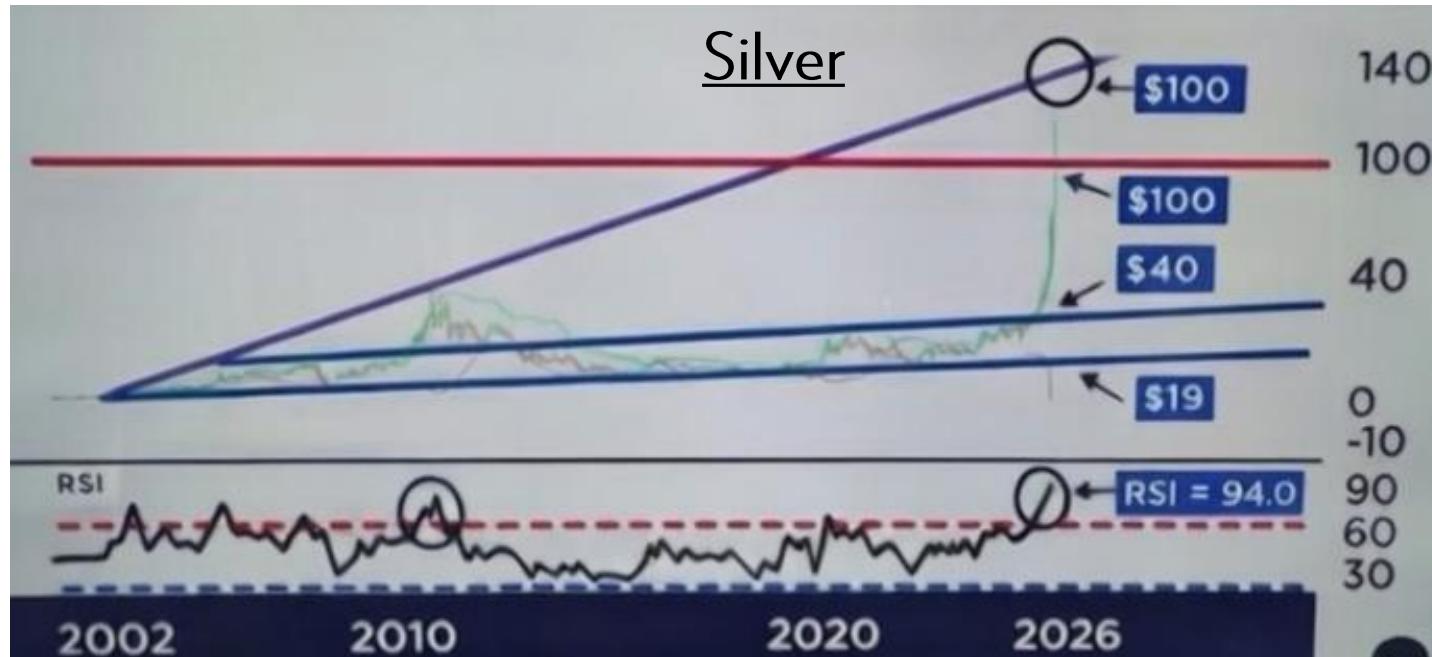
Housing – Buyers Market?



Source: Redfin, MLS, Arbor Data Science, Arbor Research & Trading, as of 12/31/2025

Metal Mania – Silvers Wild Ride

BUBBLE



Source: CNBC, as of 01/27/2026

The Silver Slide

“The Chicago Mercantile Exchange (CME) tightened margin requirements on silver and gold.”

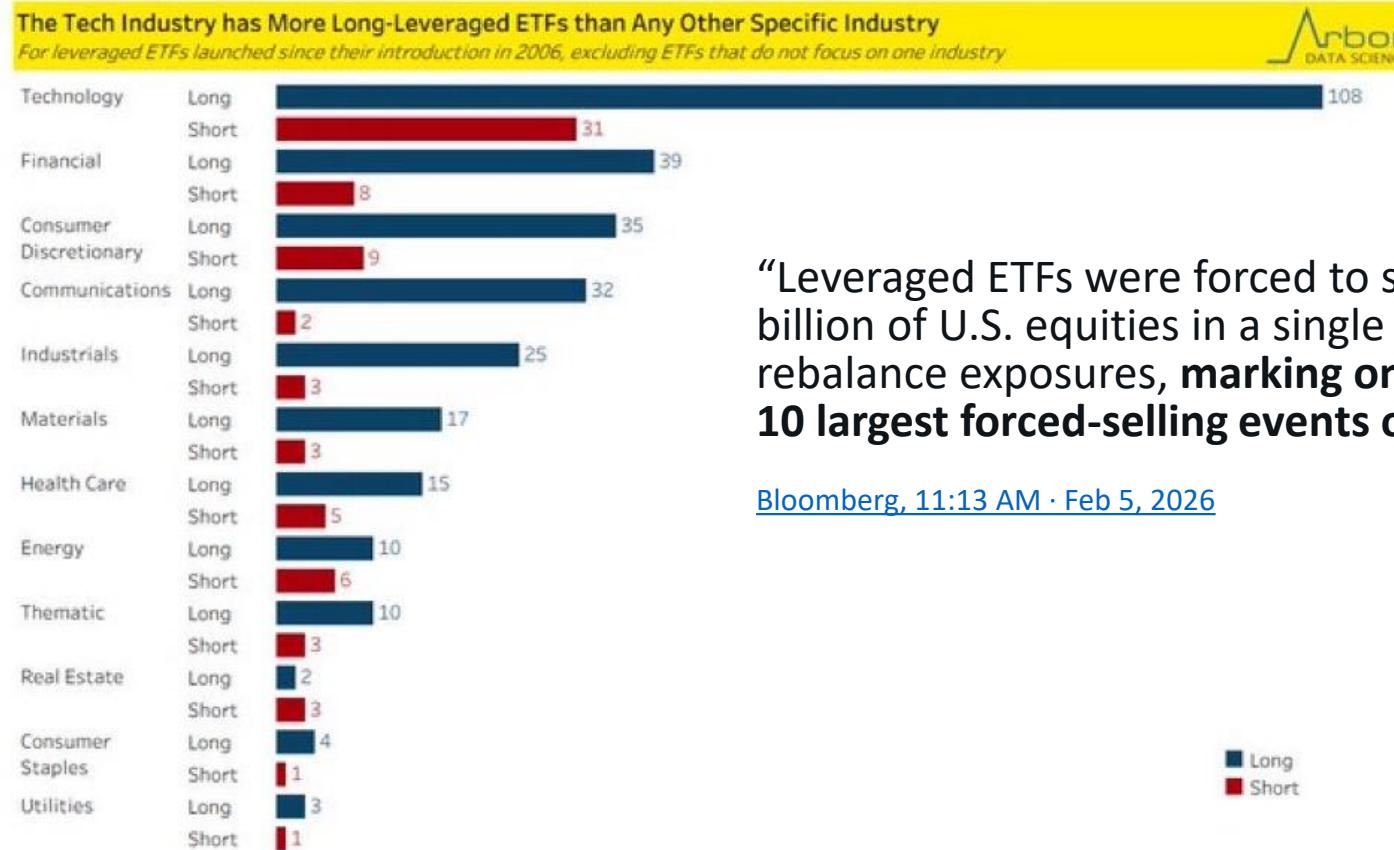
The rates will be effective after the close of business on **Monday, February 2, 2026**.
Current rates as of: **Friday, January 30, 2026**.

Current Initial	Current Maintenance	New Initial	New Maintenance
6%	6%	8%	8%
6.6%	6%	8.8%	8%
6%	6%	8%	8%
6.6%	6%	8.8%	8%
Gold			
6%	6%	8%	8%
6.6%	6%	8.8%	8%
6%	6%	8%	8%
6.6%	6%	8.8%	8%
Silver			
11%	11%	15%	15%
12.1%	11%	16.5%	15%
11%	11%	15%	15%
12.1%	11%	16.5%	15%



Source: CME, CNBC as of 02/5/2026

Levered Products = Playing With Fire

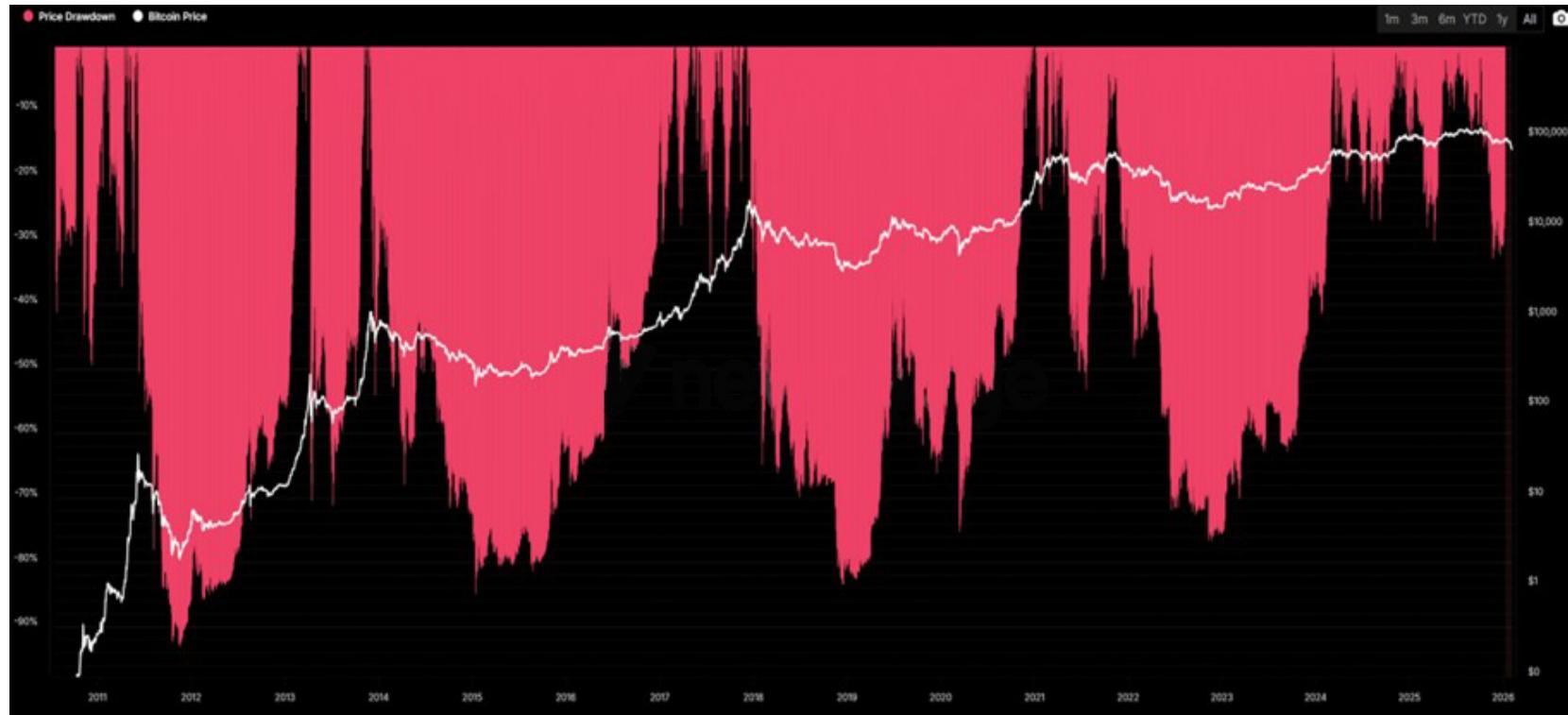


“Leveraged ETFs were forced to sell ~\$18 billion of U.S. equities in a single day to rebalance exposures, **marking one of the top 10 largest forced-selling events on record.**”

[Bloomberg, 11:13 AM · Feb 5, 2026](#)

Source: Arbor Data Science, Bloomberg, Arbor Research & Trading, as of 02/04/2026

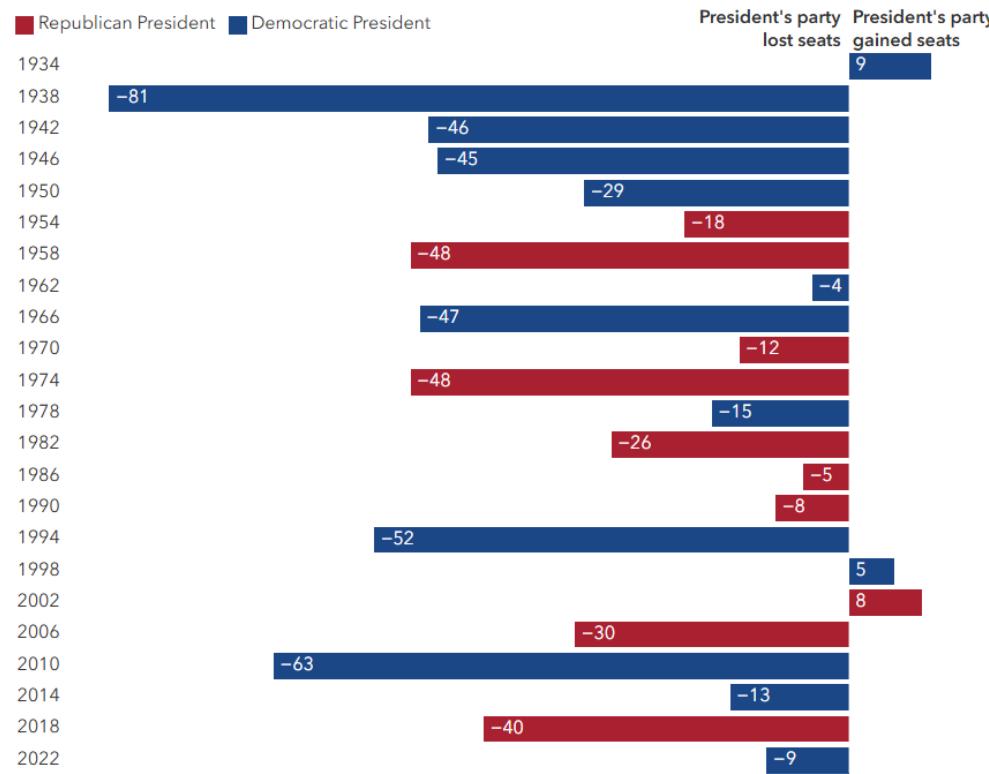
Cryptocurrency – It's Always A Bumpy Ride



Source: Bloomberg, as of 02/04/2026

Midterms Typically Bring A Divided Government

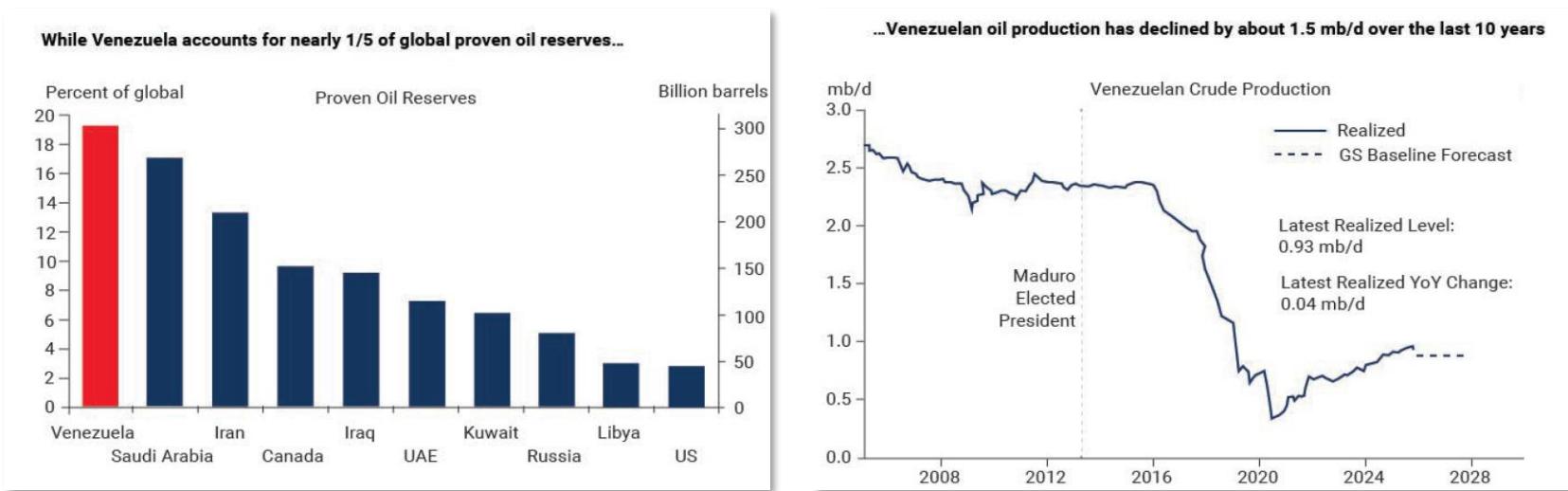
Net change in House of Representatives seats controlled by president's party after midterm elections



Source: Capital Group, UCSB: The American Presidency Project, as of 01/15/2026

Venezuela – Lots Of Resources

Resource	Estimated Reserves	Units	World Rank
Oil	303,221	Million Barrels (MMBbls)	#1
Bauxite	99.35	Mega tonnes (Mt)	-
Diamond	1.02	Billion Carats	-
Gold	2,343	tonnes (t)	-
Natural Gas	5.511	Billion Cubic Meters (bcm)	#8
Iron	5.958	Giga tonnes (Gt)	#8
Coal	3	Giga tonnes (Gt)	#27



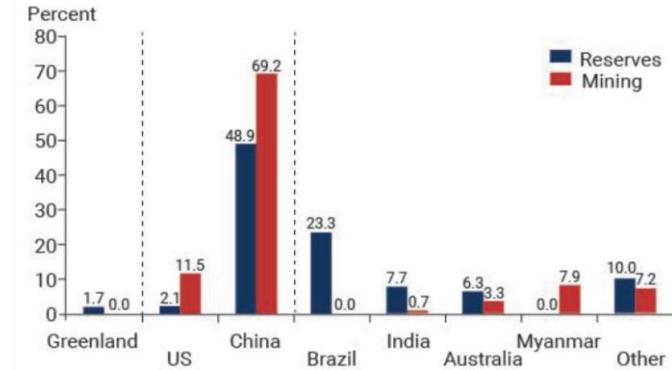
Sources: Goldman Sachs Research, Visual Capitalist, as of 01/26/2026

Greenland – A Move For Strategic Trade Security

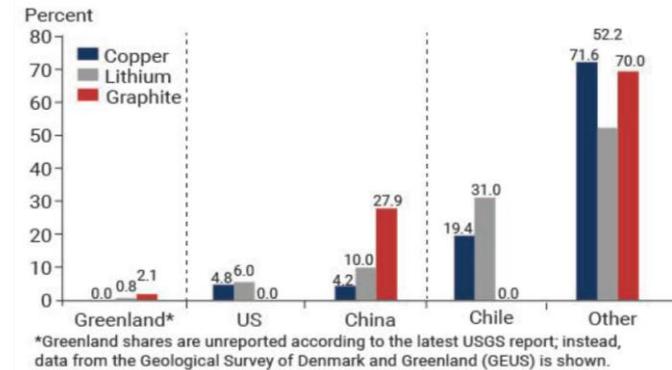


Source: Goldman Sachs Research, as of 01/26/2026

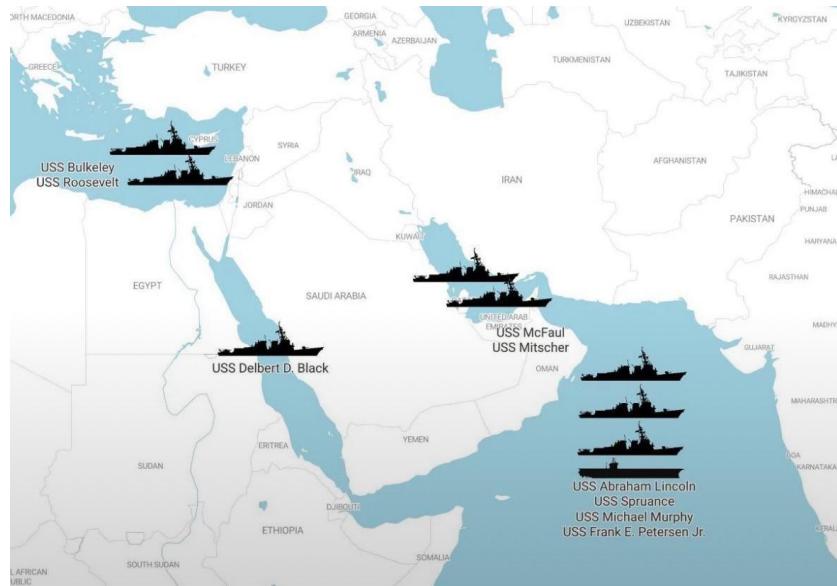
Shares in global rare earths reserves and mining



Shares in estimated global mineral reserves



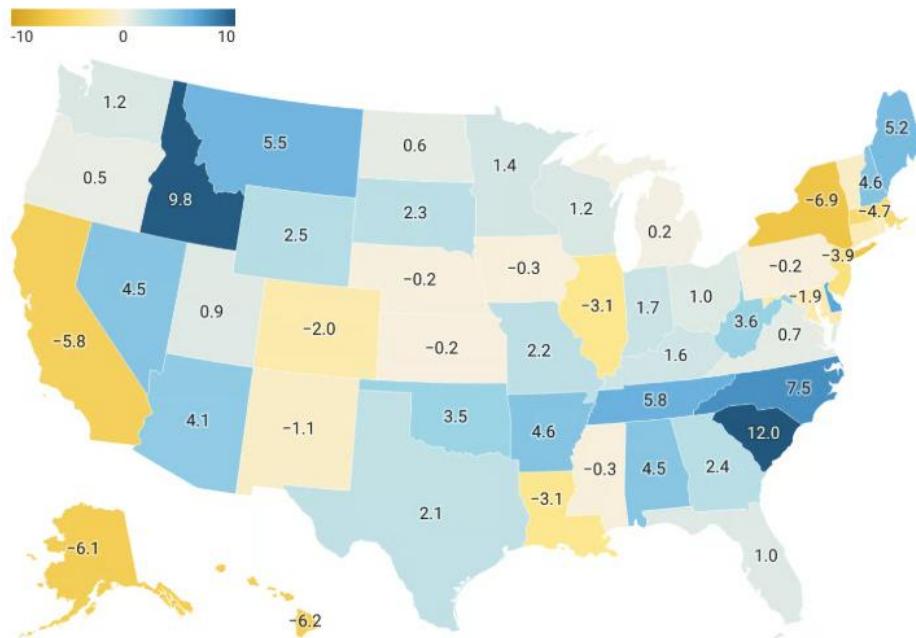
Iran – Suddenly Seeking De-escalating Discussion...



Source: NBC News, OpenStreetMap, as of 01/31/2026

The Great Rotation – Moving From High Tax To Low Tax States

Net domestic migration across U.S. states between July 2024 and July 2025, shown as a ratio per 1,000 residents



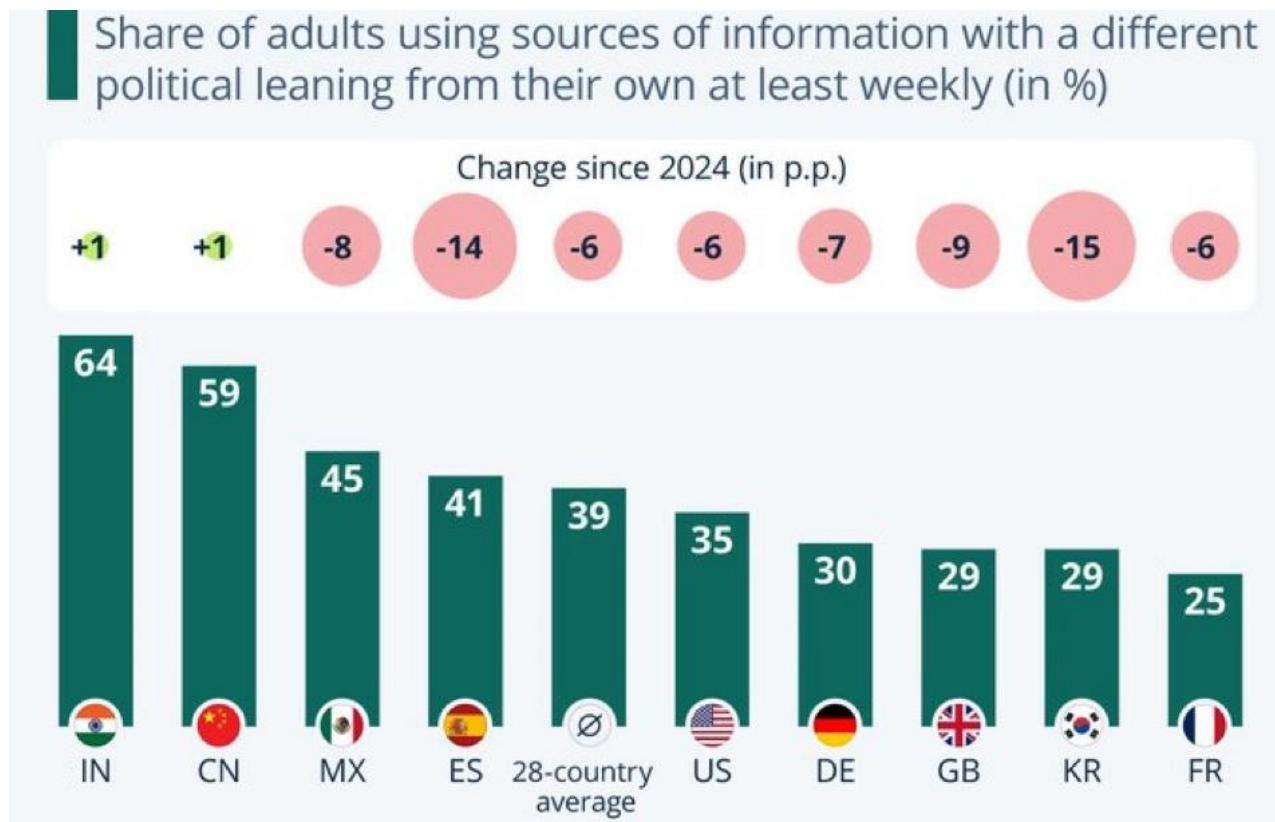
Net domestic migration is calculated as the difference between the number of Americans moving into a given state (in-migration) and the number of people leaving that state (out-migration) over a specific period.

Net Domestic Migration: July 1, 2024 to July 1, 2025

	Top 10	Bottom 10		
1	North Carolina	+84,064	42 Connecticut	-5,945
2	Texas	+67,299	43 Hawaii	-8,876
3	South Carolina	+66,622	44 Colorado	-12,100
4	Tennessee	+42,389	45 Maryland	-12,127
5	Arizona	+31,107	46 Louisiana	-14,387
6	Georgia	+27,333	47 Massachusetts	-33,340
7	Alabama	+23,358	48 New Jersey	-37,428
8	Florida	+22,517	49 Illinois	-40,017
9	Idaho	+19,915	50 New York	-137,586
10	Nevada	+14,914	51 California	-229,077

Sources: ResiClub, U.S. Census Bureau, Datawrapper, Meghan Malas, as of 01/31/2026

Independent Thinking – Seek Out More Information



Sources: Statista, Edelman Trust Barometer, as of 11/16/2025

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