

“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

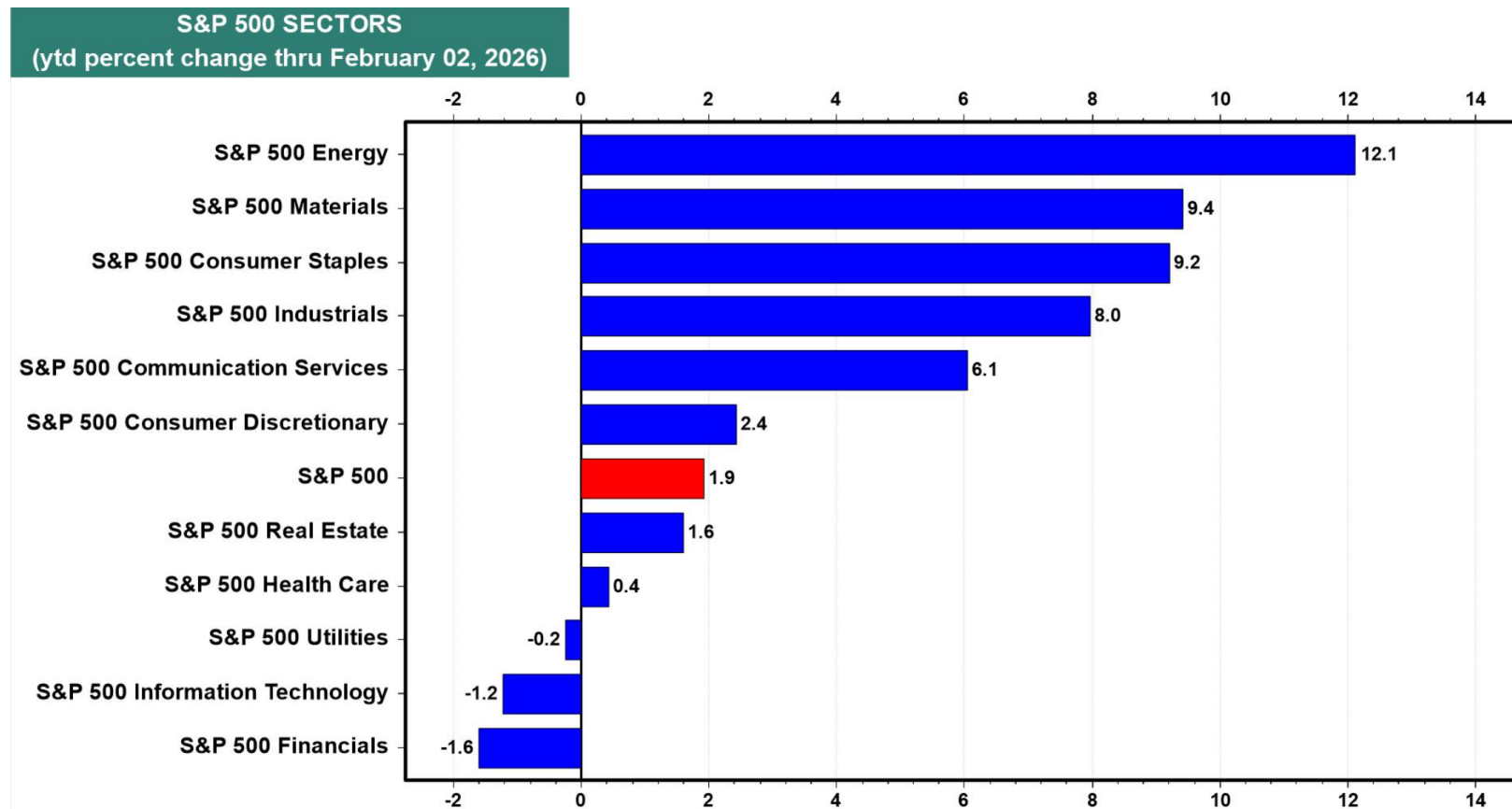
S&P 500 RETURNS

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%

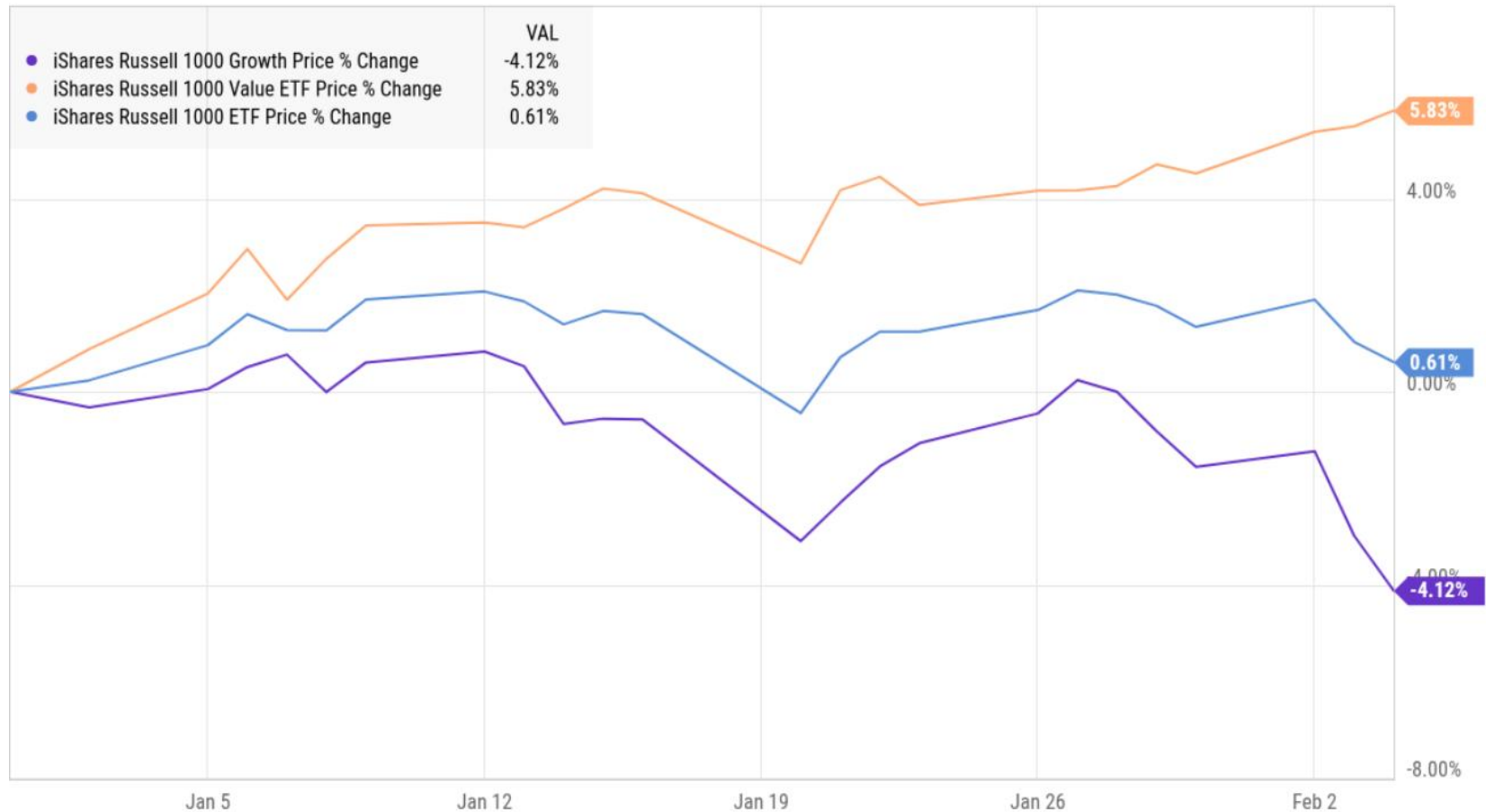
Source: Carson Investment Research, FactSet, Ryan Detrick, as of 01/30/2026

Churn Beneath The Surface – Sector Rotation



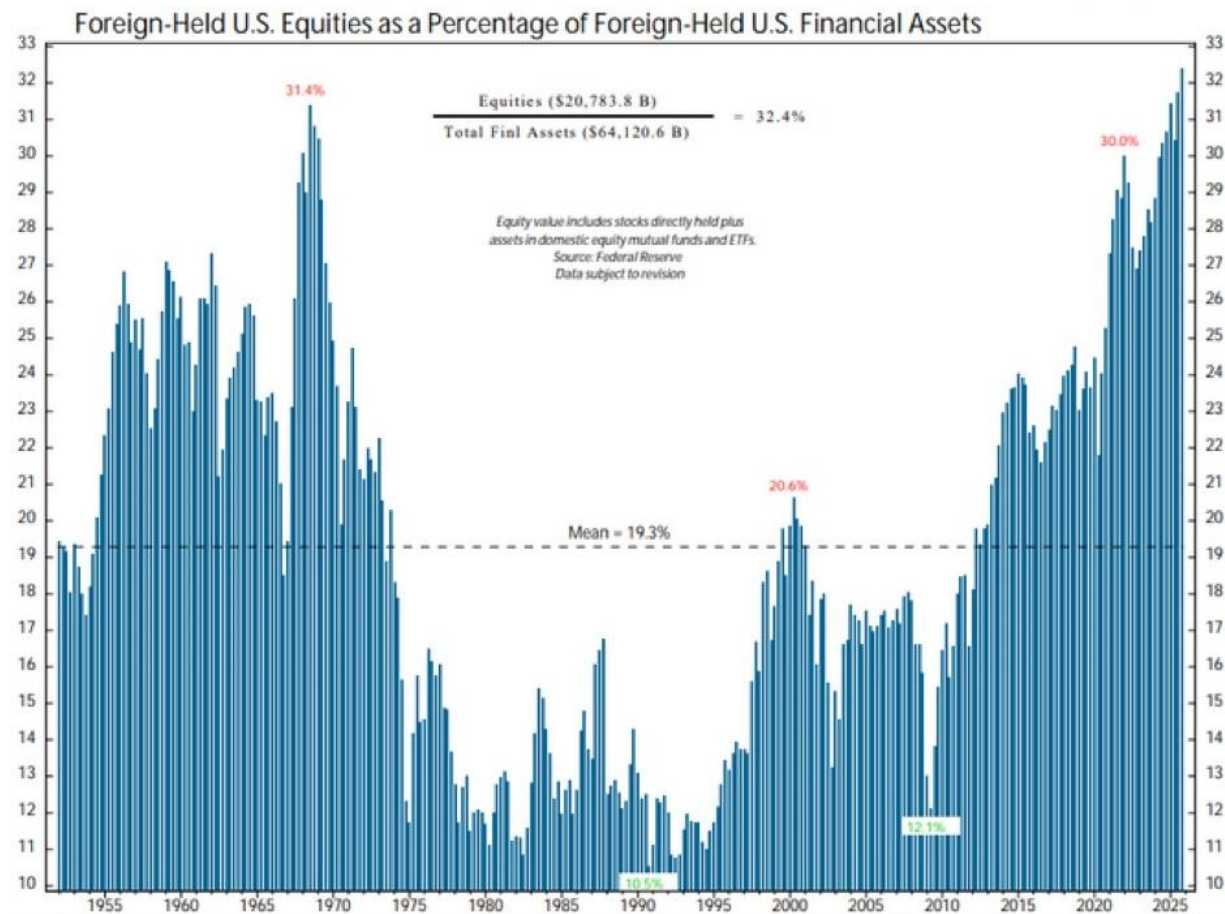
Source: Yardeni Research, LSEG Datastream, as of 02/02/2026

Churn Beneath The Surface – Style Rotation



Source: YCharts, as of 02/04/2026

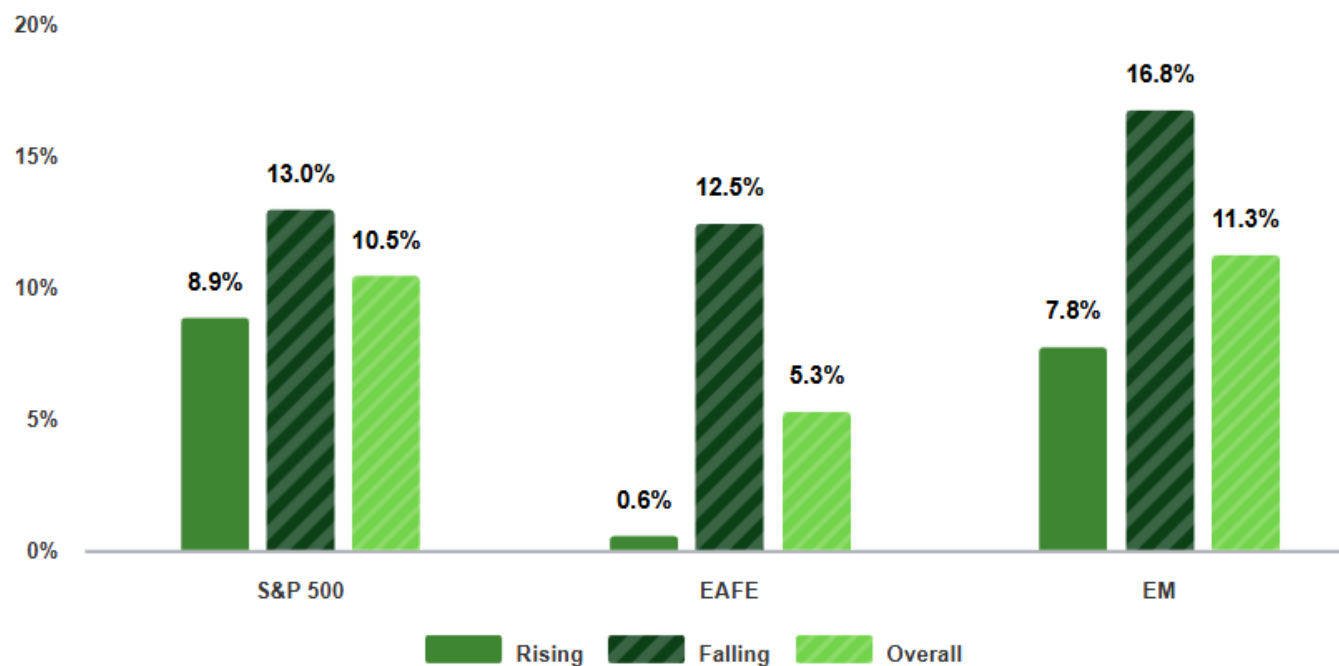
Foreign Ownership Of U.S. Stocks = All Time High



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

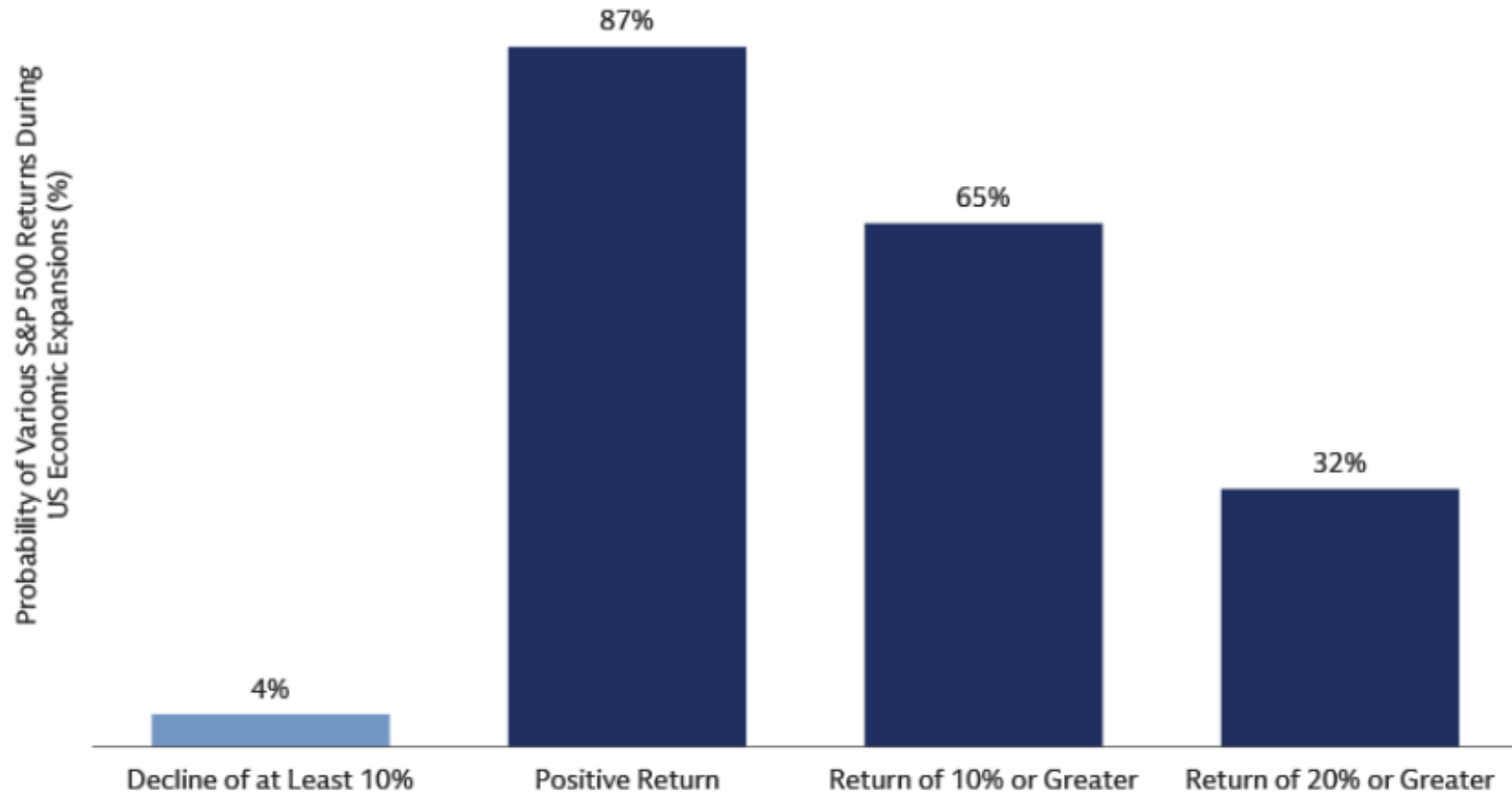
How Stocks React To Moves In The Dollar

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

0.25%

0.50%

0.75%

1.00%

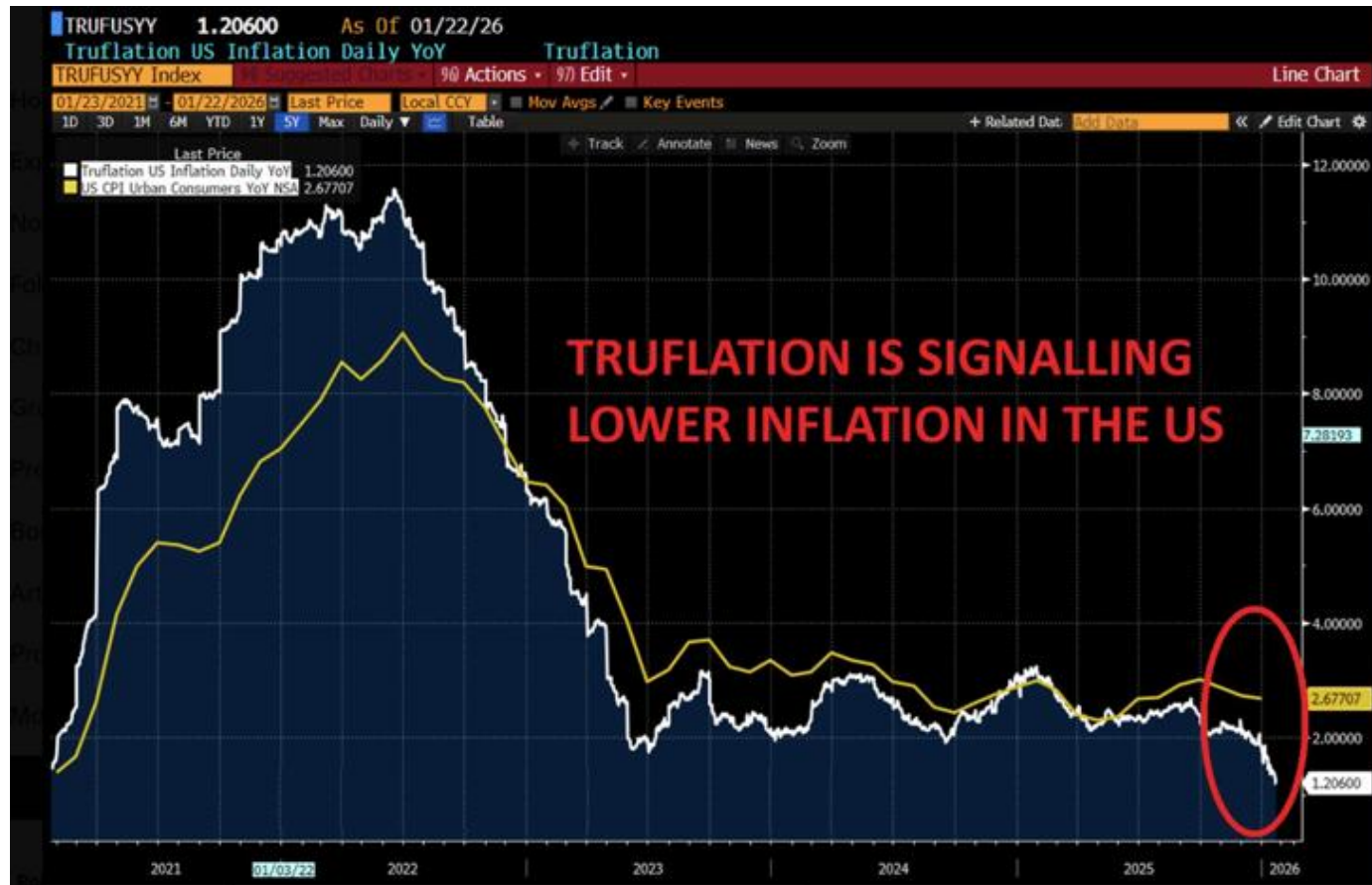
1.25%

TARGET YIELD RANGES (BPS)

	MEETING DATE						
	MAR-18	APR-29	JUN-17	JUL-29	SEP-16	OCT-28	DEC-09
350-375	91.1%	76.0%	43.5%	28.2%	17.2%	6.2%	9.2%
325-350	8.9%	22.5%	45.4%	44.7%	38.3%	24.8%	26.6%
300-325	0.0%	1.5%	10.5%	22.8%	31.3%	35.8%	33.9%
275-300	0.0%	0.0%	0.6%	4.1%	11.4%	24.2%	21.5%
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%

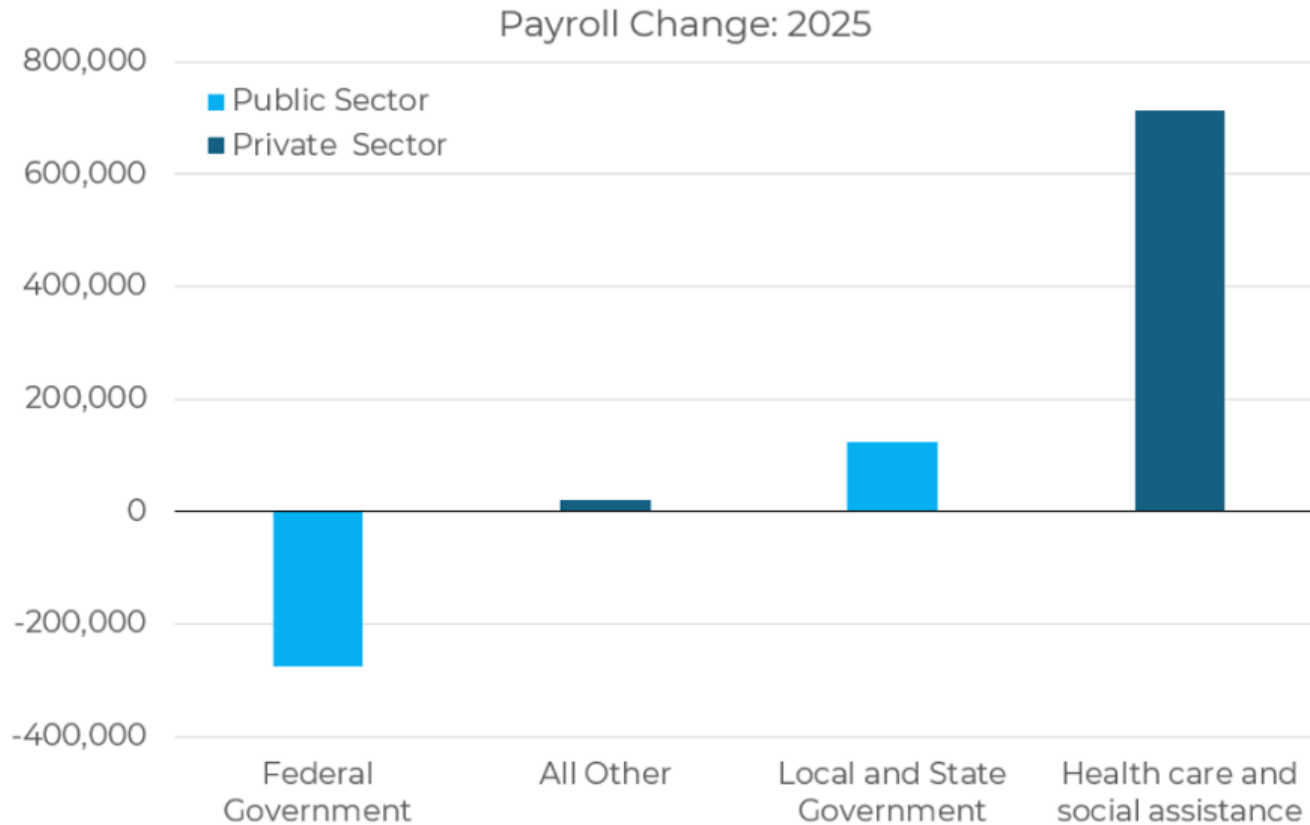
Source: CME Fed WatchTool, Dimensional Funds, as of 02/02/2026

Inflation – Live Versus Lagging, Mind The Gap!



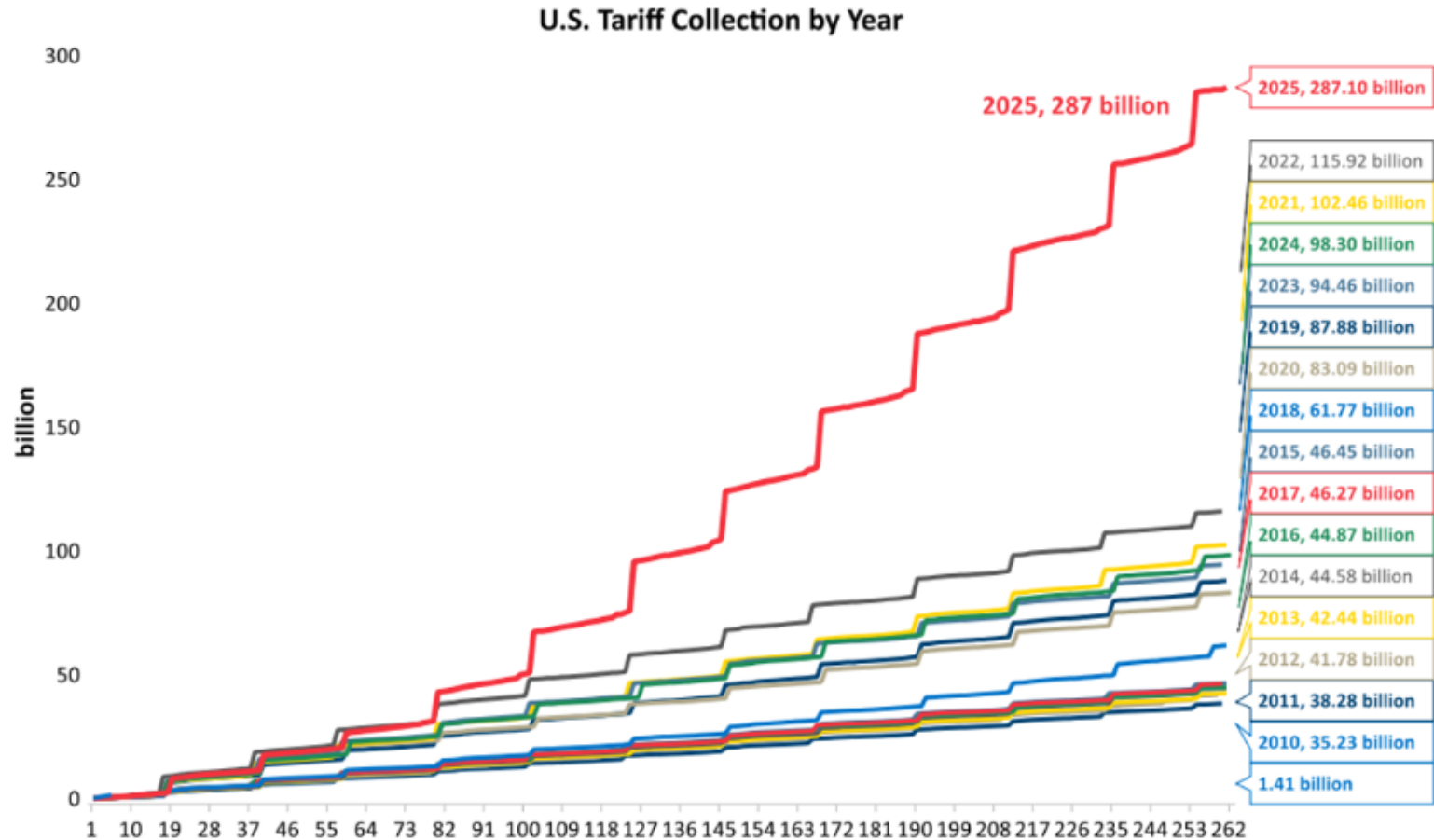
Source: Bloomberg, as of 01/31/2026

Unemployment – Influenced By The Government



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

Tariffs – New Income Source?

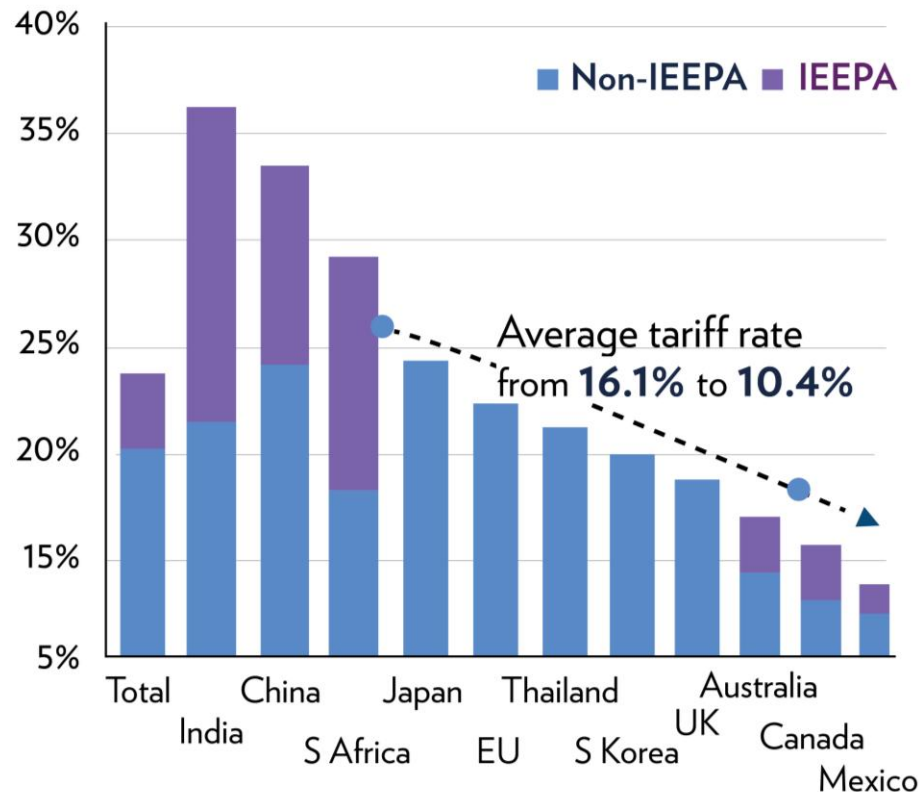


Source: DoubleLine, U.S. Department of Treasury, Macrobond, as of 01/07/2026

Tariffs – The Supreme Court Rules This Month

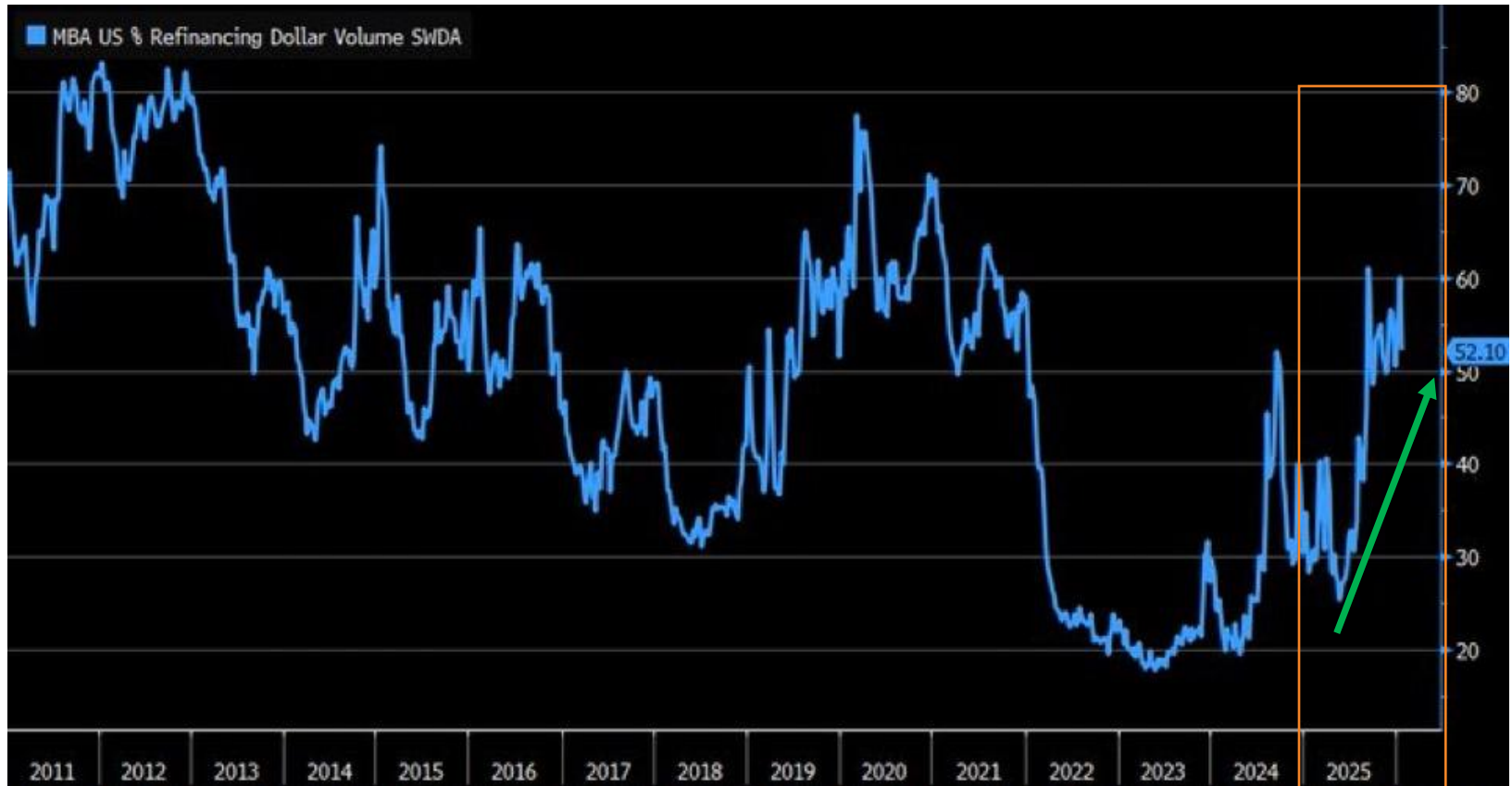
How Average U.S. Tariff Rates Could Fall

Weighted average, based on 2024 import



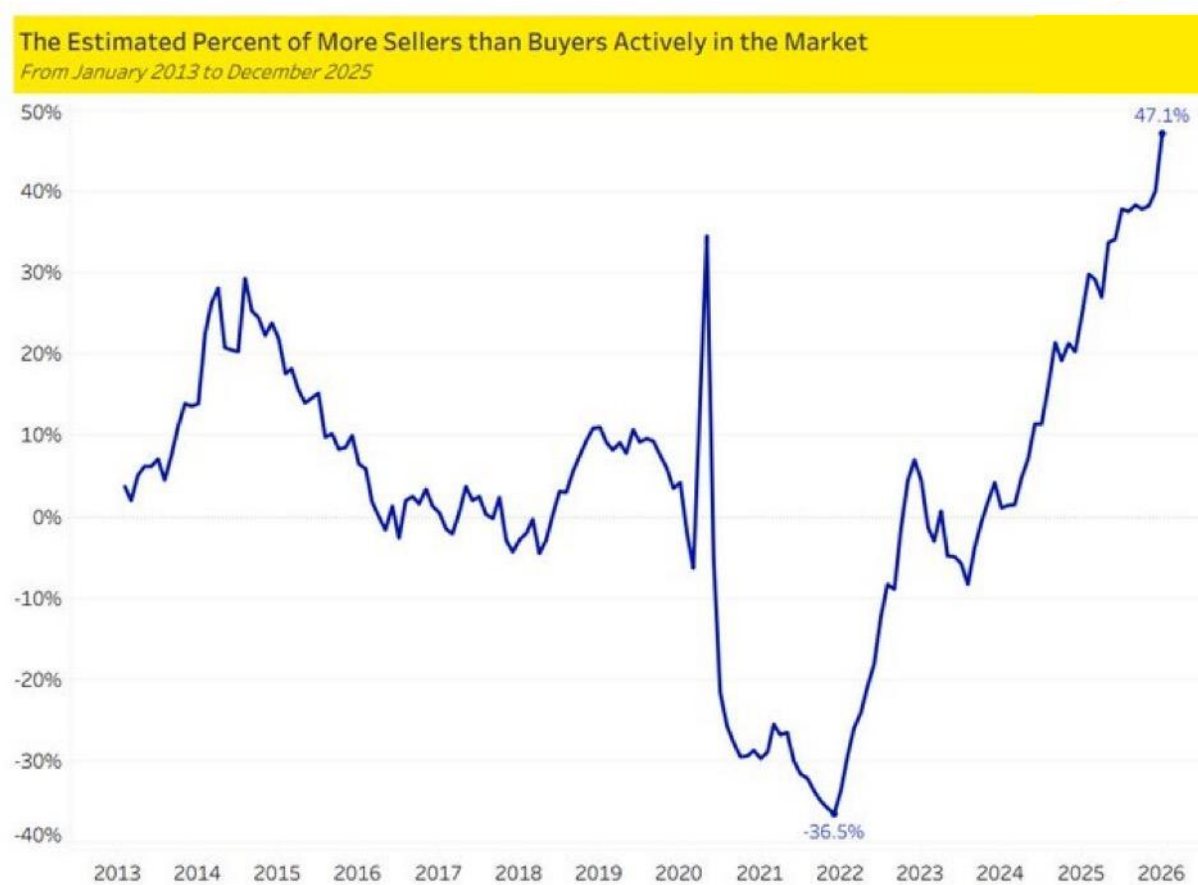
Source: GavaGroup, as of 12/31/2025

Home Refinancing Activity Picking Up... Stimulative



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

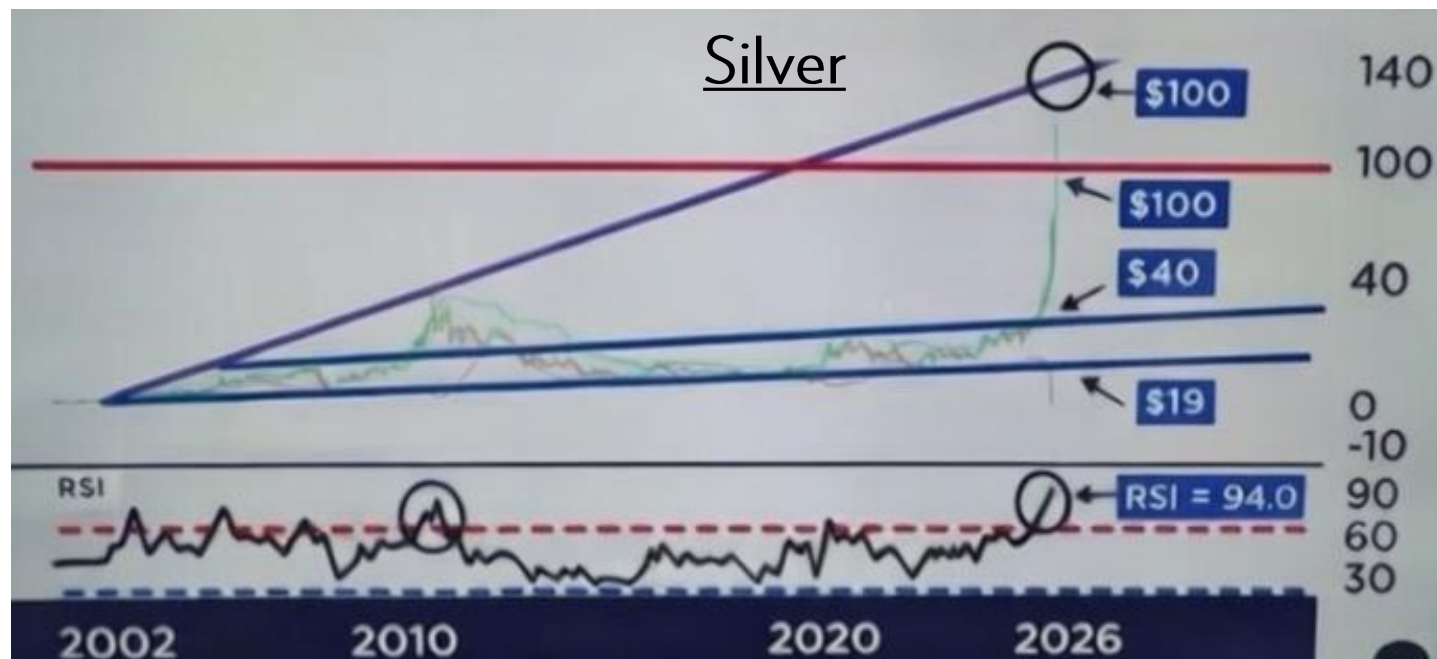
Housing – Buyers Market?



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
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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%

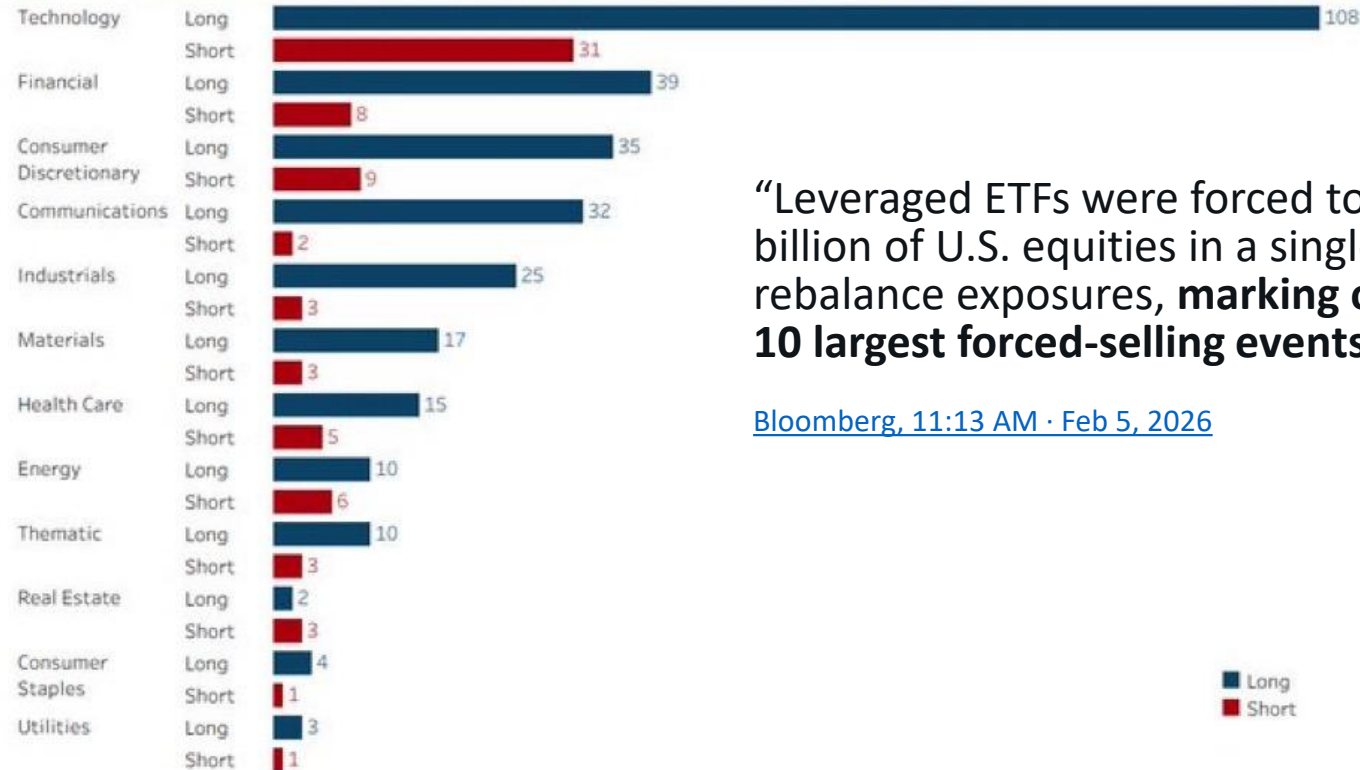


Source: CME, CNBC as of 02/5/2026

Levered Products = Playing With Fire

The Tech Industry has More Long-Leveraged ETFs than Any Other Specific Industry

For leveraged ETFs launched since their introduction in 2006, excluding ETFs that do not focus on one industry

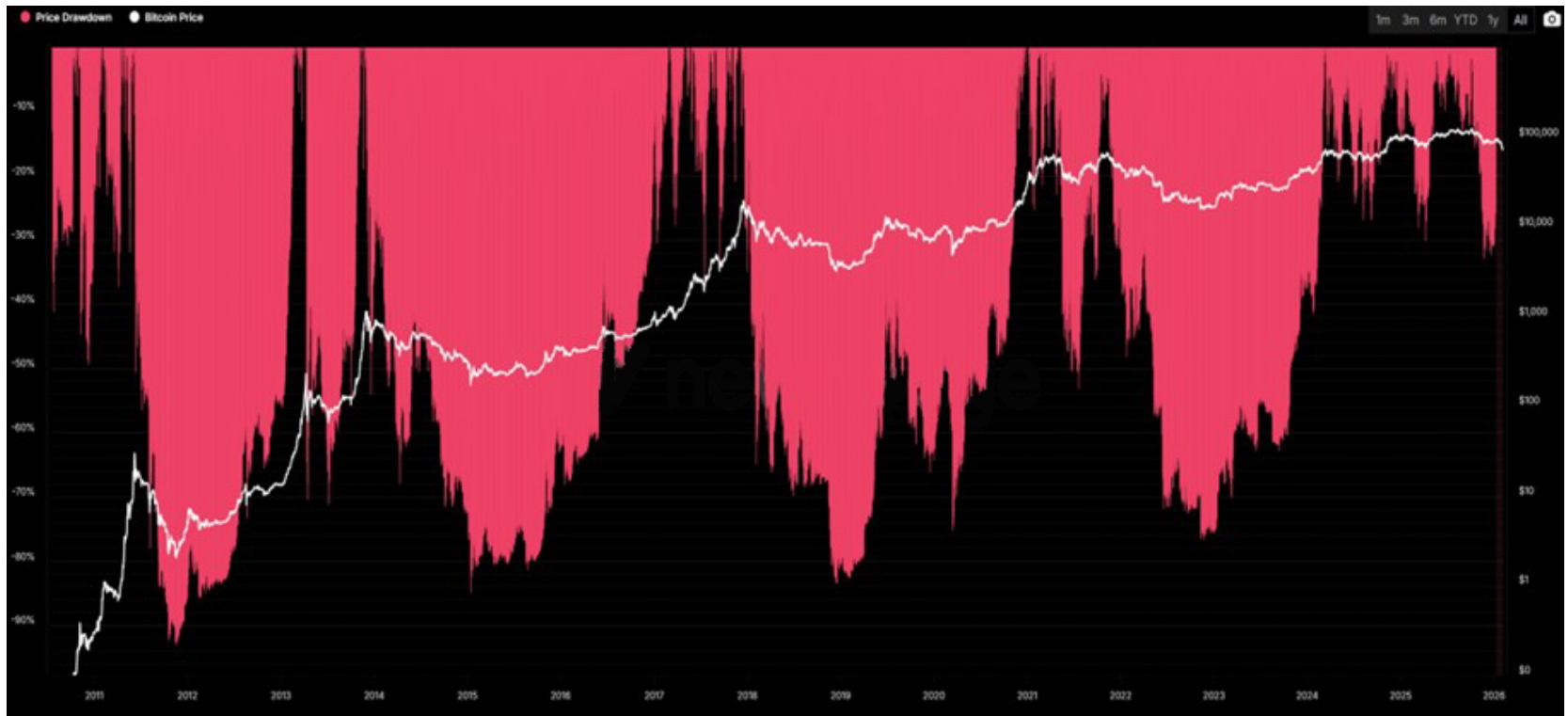


“Leveraged ETFs were forced to sell ~\$18 billion of U.S. equities in a single day to rebalance exposures, **marking one of the top 10 largest forced-selling events on record.**”

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

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

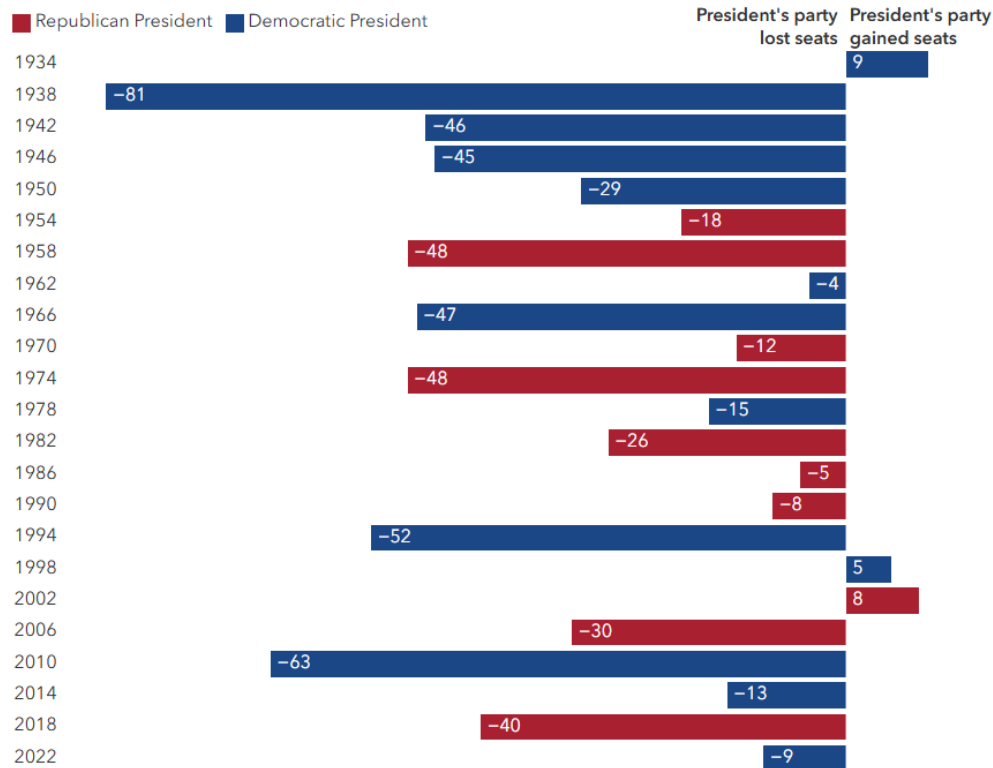
Cryptocurrency – It's Always A Bumpy Ride



Source: Bloomberg, as of 02/04/2026

Midterms Typically Bring A Divided Government

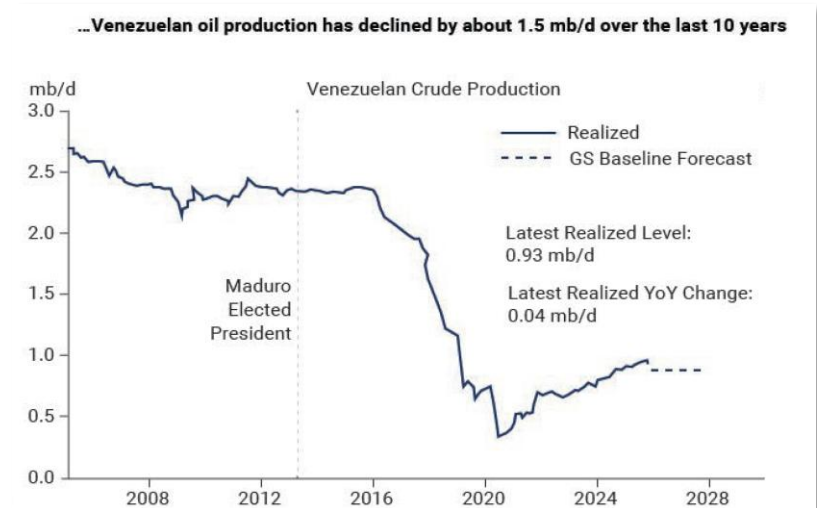
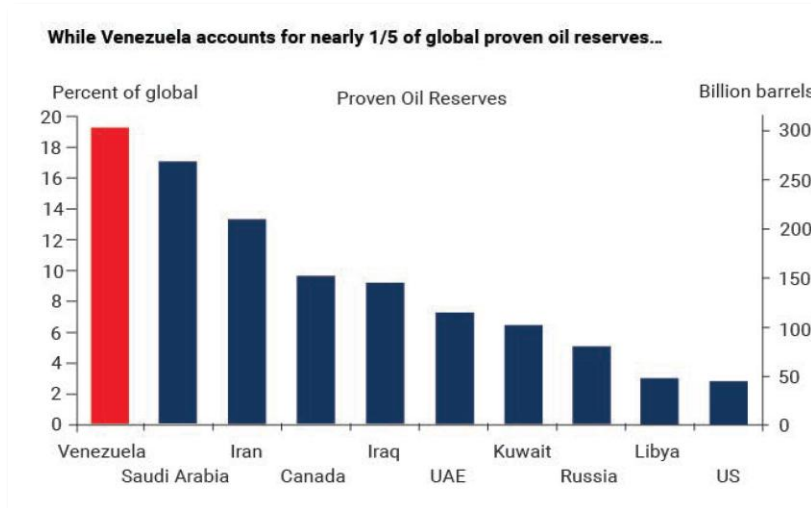
Net change in House of Representatives seats controlled by president's party after midterm elections



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

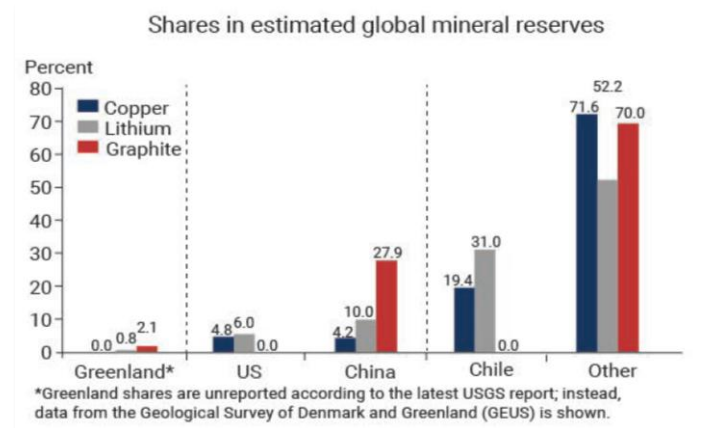
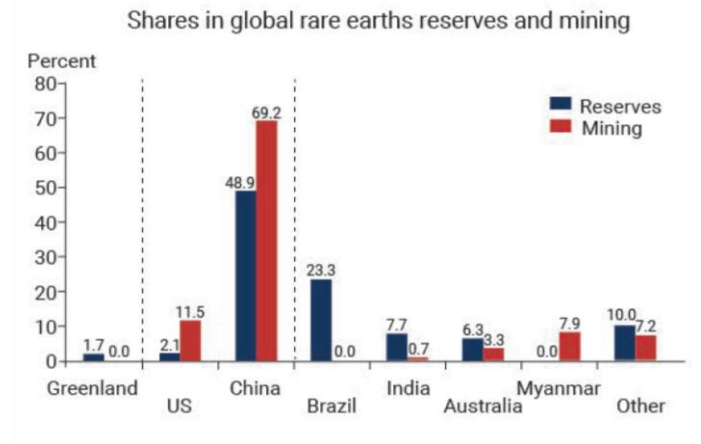
Venezuela – Lots Of Resources

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



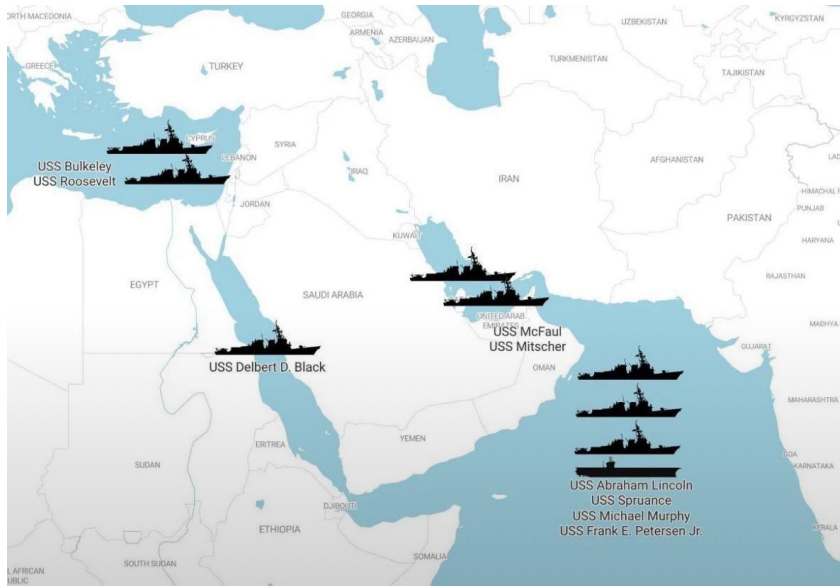
Sources: Goldman Sachs Research, Visual Capitalist, as of 01/26/2026

Greenland – A Move For Strategic Trade Security



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

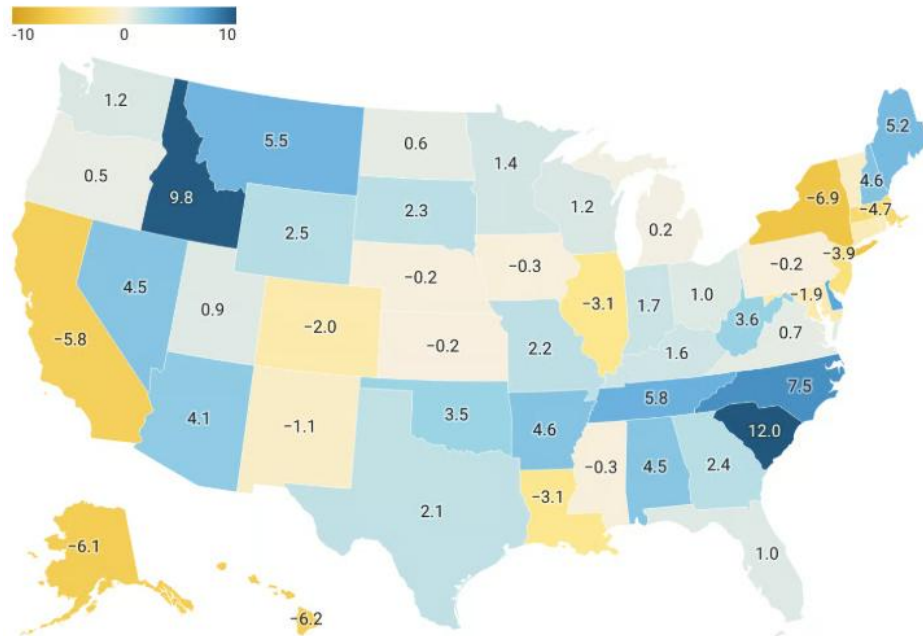
Iran – Suddenly Seeking De-escalating Discussion...



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



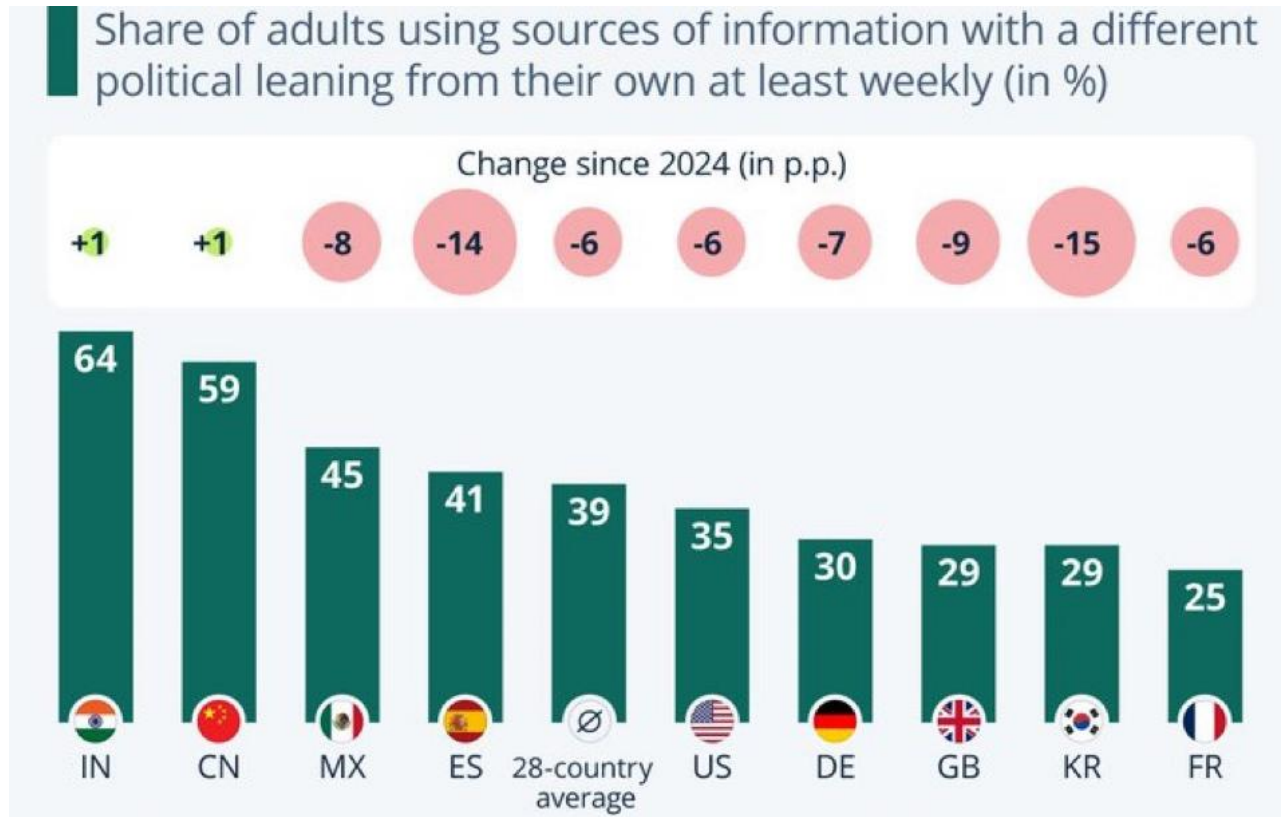
Net domestic migration is calculated as the difference between the number of Americans moving into a given state (in-migration) and the number of people leaving that state (out-migration) over a specific period.

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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