

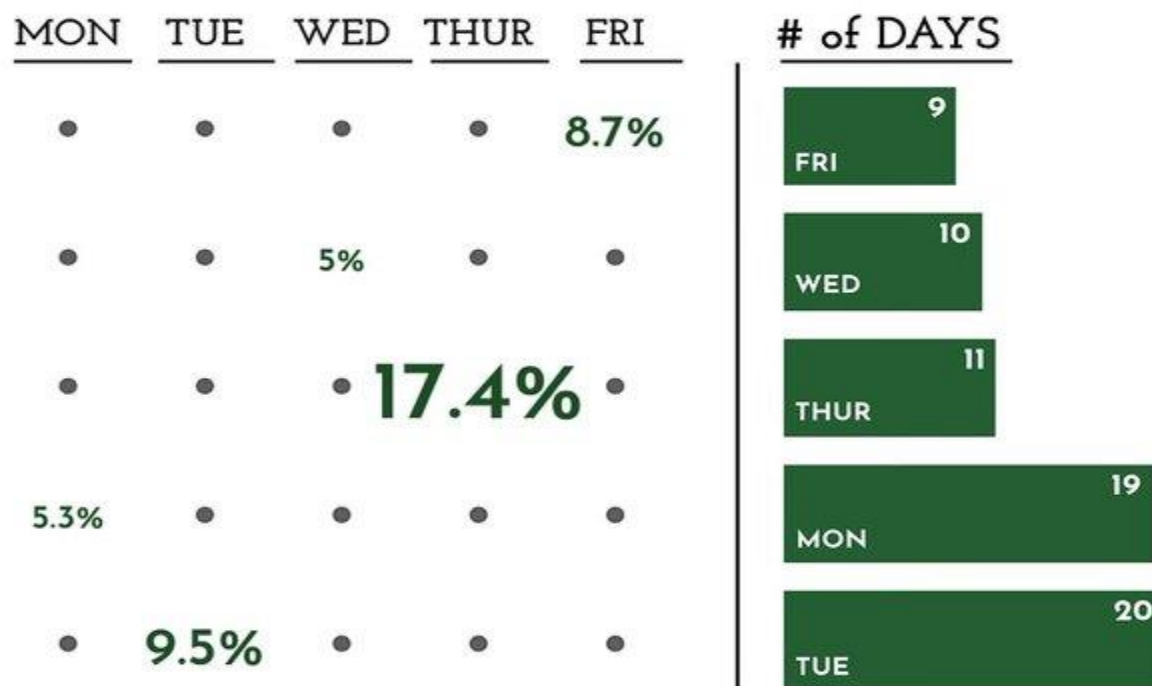
HCM

WEALTH ADVISORS
& CPAs

**Jan 2026
Update**

PERSPECTIVE

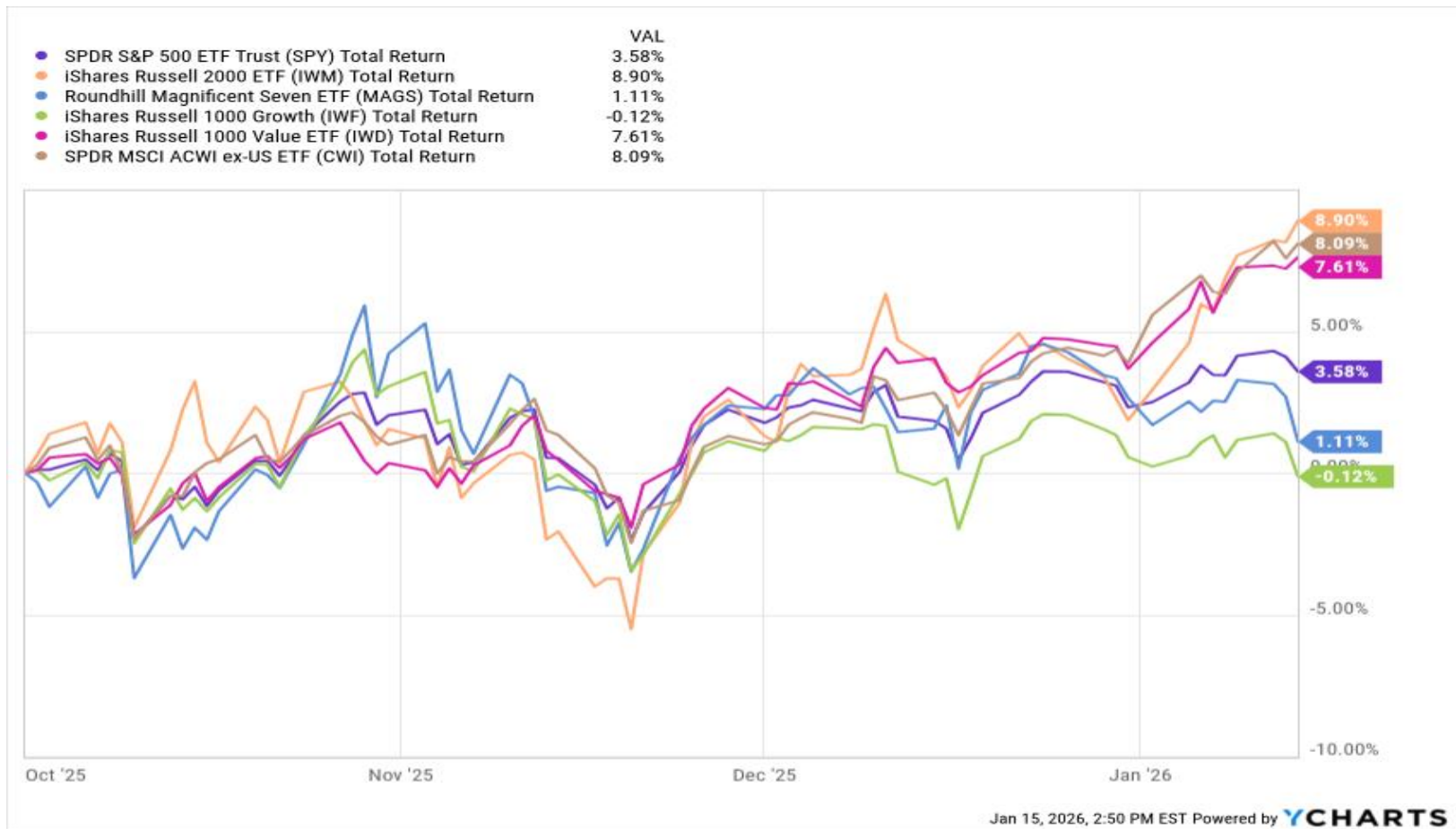
IT'S NOT HOW THE MARKET STARTS... IT'S WHEN 🍷



Source:
Chartonnay

Average annual returns of the S&P 500 (1957-2025) when the trading year starts on Mon, Tues, Wed, Thurs or Fri

MARKET PERFORMANCE



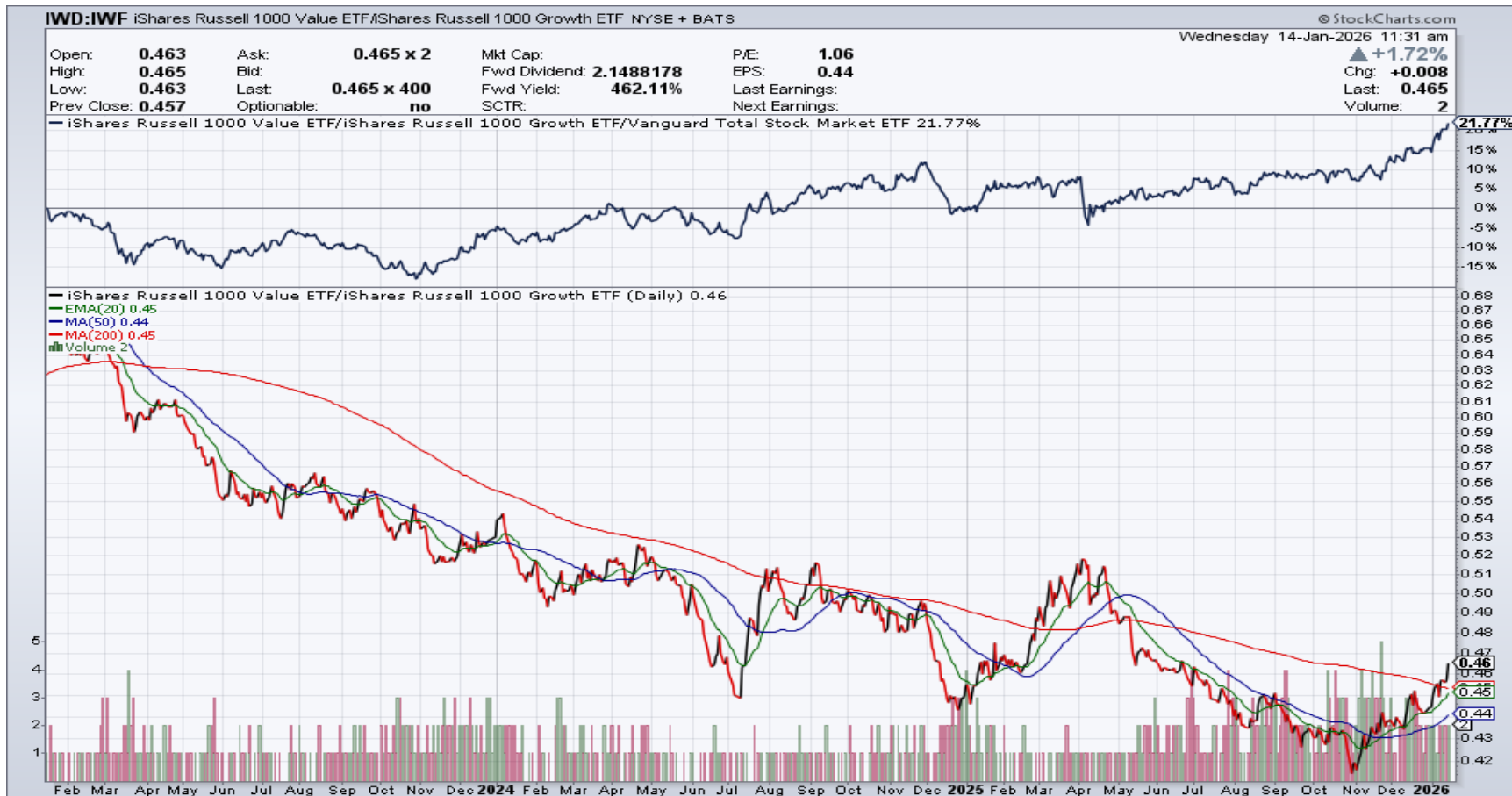
EQUAL WEIGHT

S&P 500 Equal-Weight: Last 12 Months



Source: @bespokeinvest

MARKET PERFORMANCE



MARKET PERFORMANCE



MARKET PERFORMANCE

Shares Micro-Cap ETF - MIC US - Weekly Candlestick Chart - USD - Price Returns - No Layout



Optima

Shares Russell 2000 ETF - RUSA US - Weekly Candlestick Chart - USD - Price Returns - No Layout



13th Jan 2026

SPDR S&P MidCap 400 ETF - MDC US - Weekly Candlestick Chart - USD - Price Returns - No Layout



AI THEME

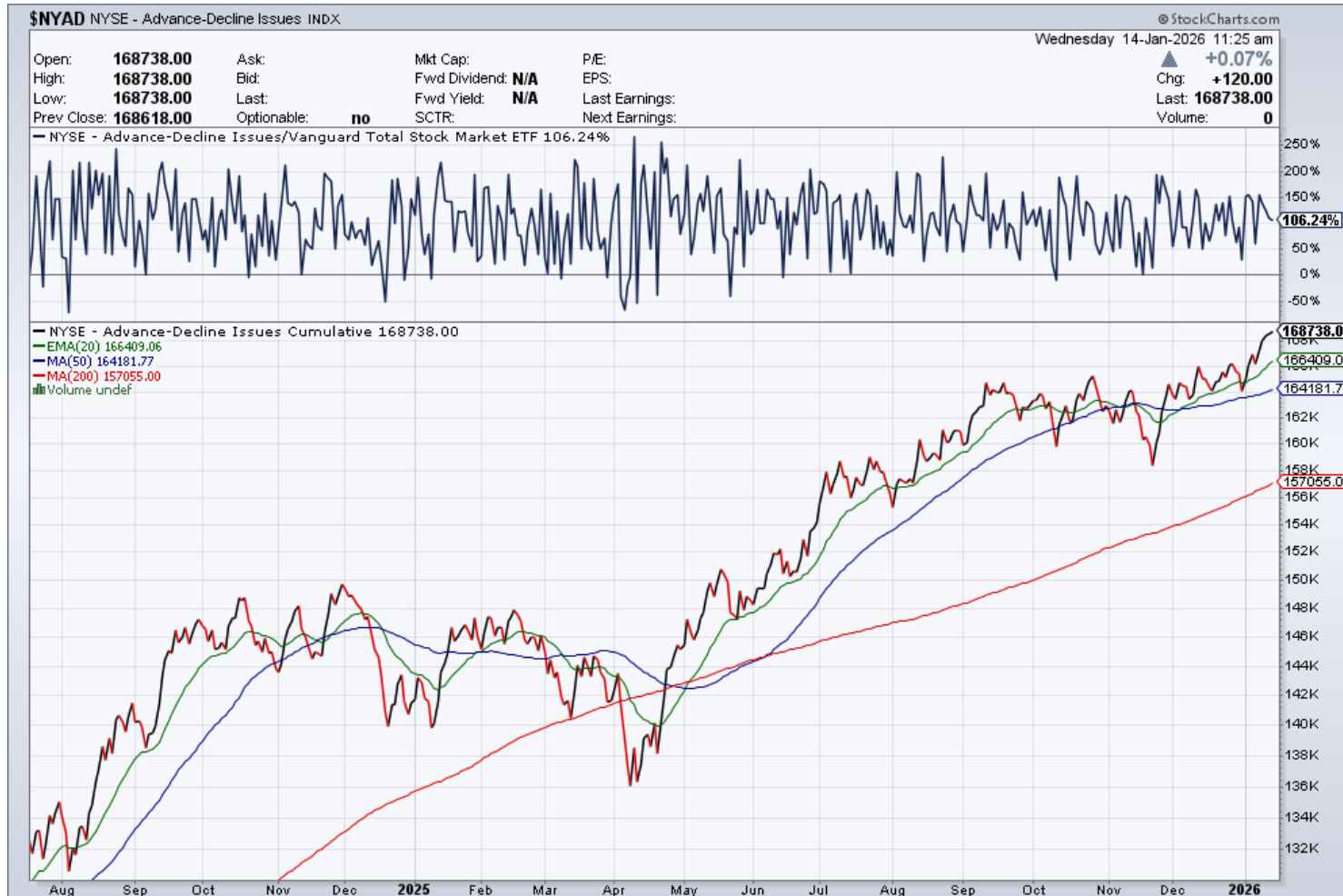
APOLLO

How has your firm's use of AI affected your firm?

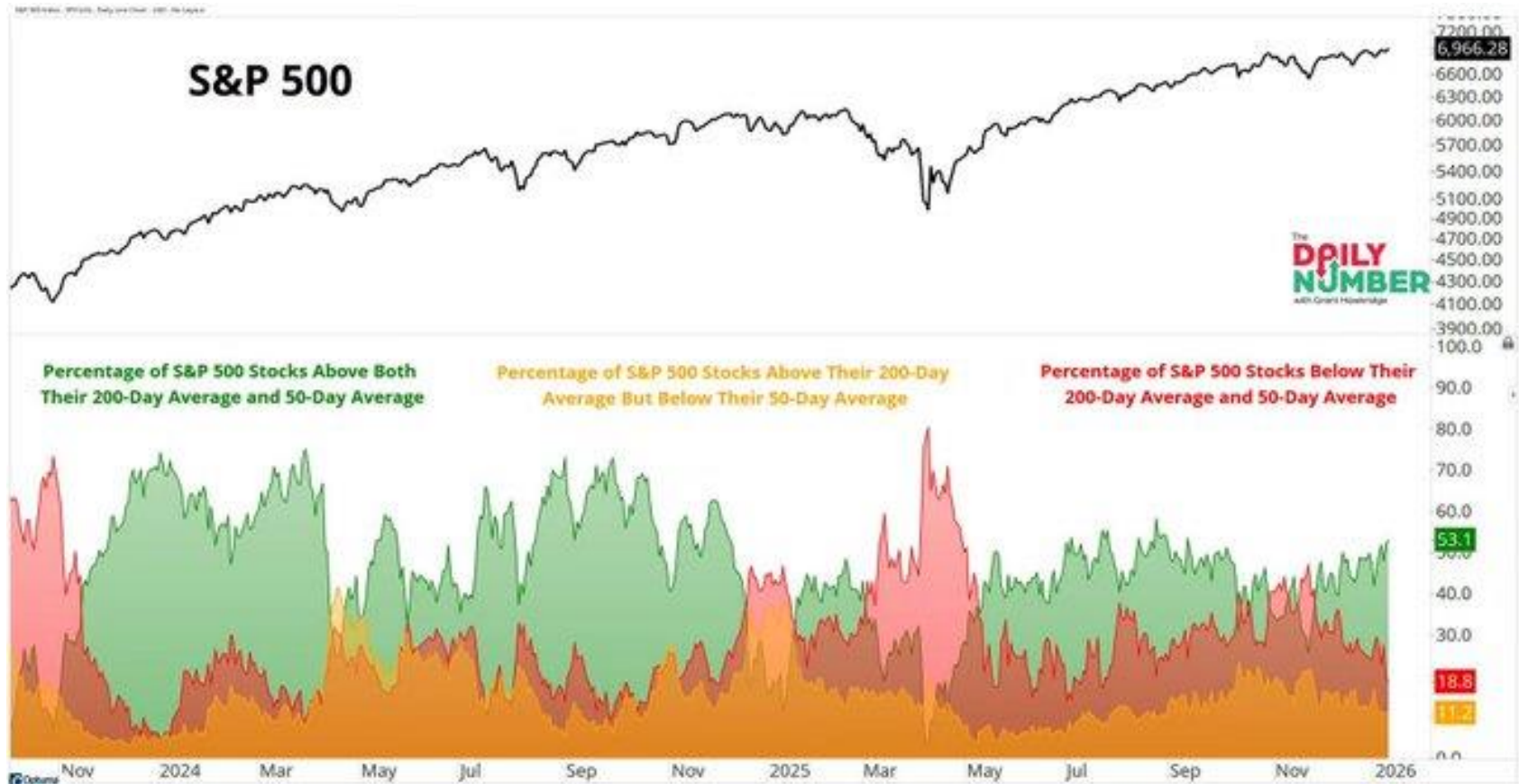


Source: Apollo

BREADTH



BREADTH



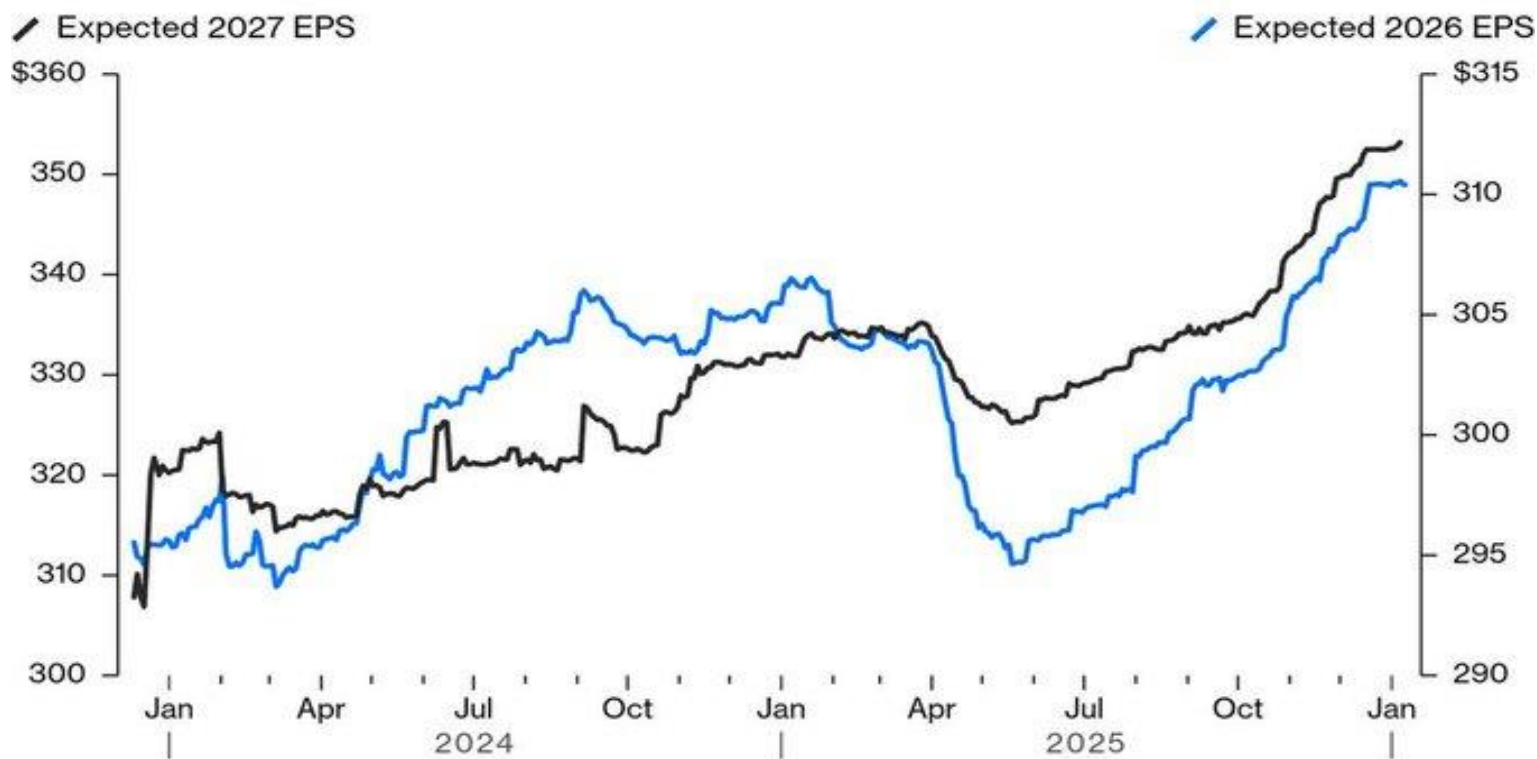
NO DEFENSE



EARNINGS

Reason for Bullishness

S&P earnings forecasts for this year and next have been on a tear



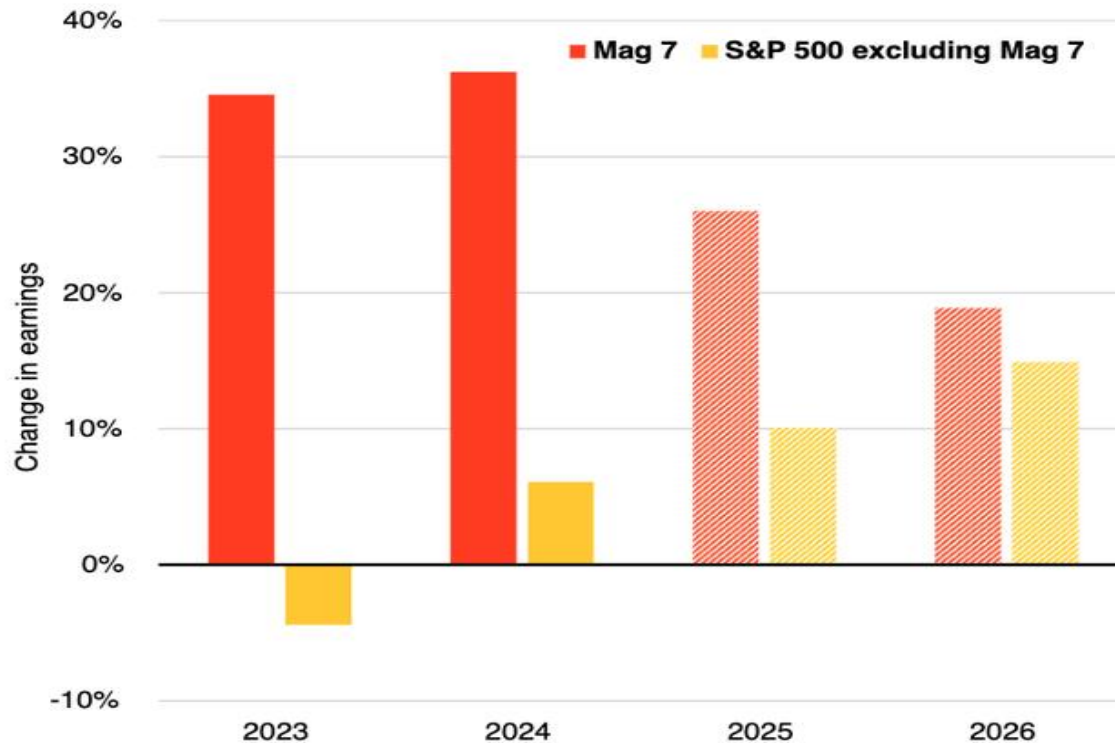
Source: Bloomberg EEG (Expected Earnings Graph)

Bloomberg Opinion

EARNINGS SHIFT?

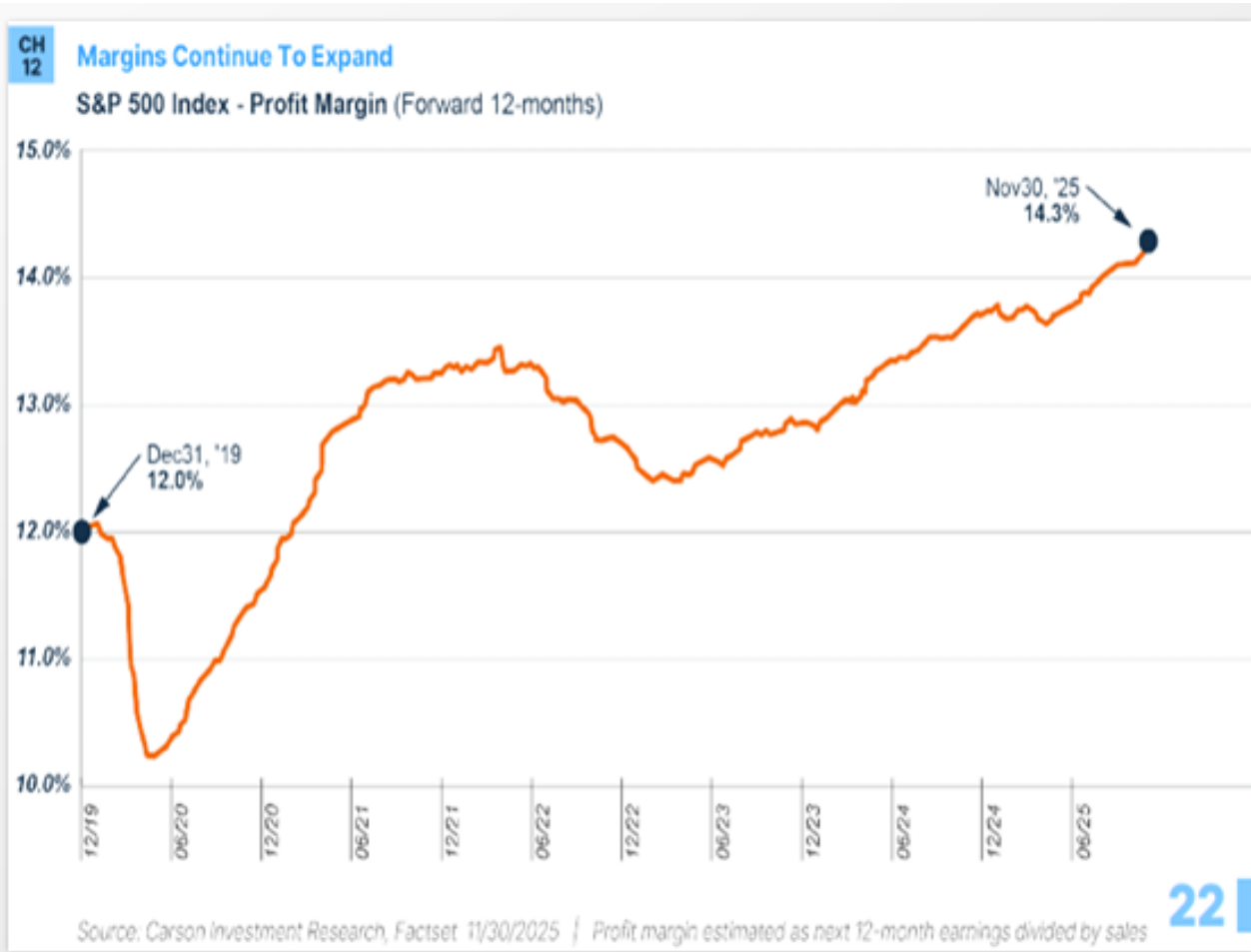
Catching up

Change in earnings for the "magnificent seven" and the rest of S&P 500, 2023-26



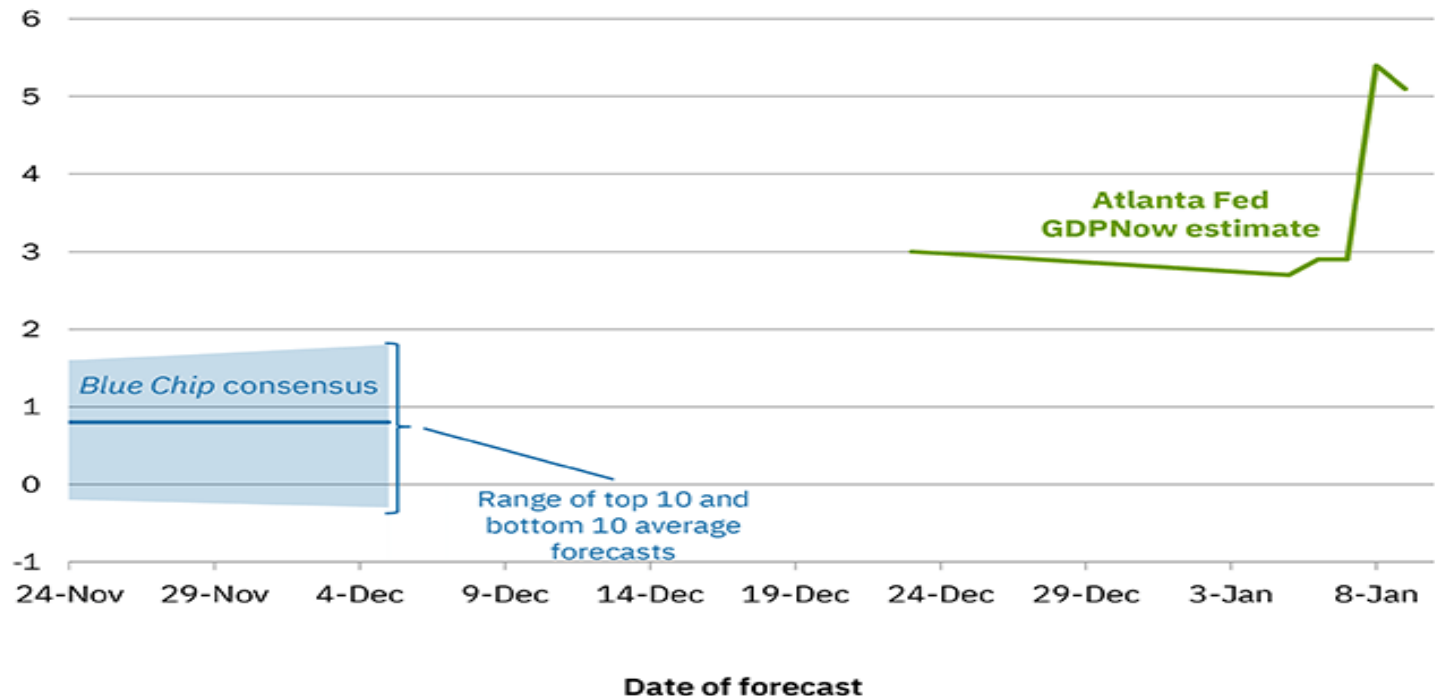
Source: Blackrock

MARGINS



ECONOMIC GROWTH

Evolution of Atlanta Fed GDPNow real GDP estimate for 2025: Q4
Quarterly percent change (SAAR)

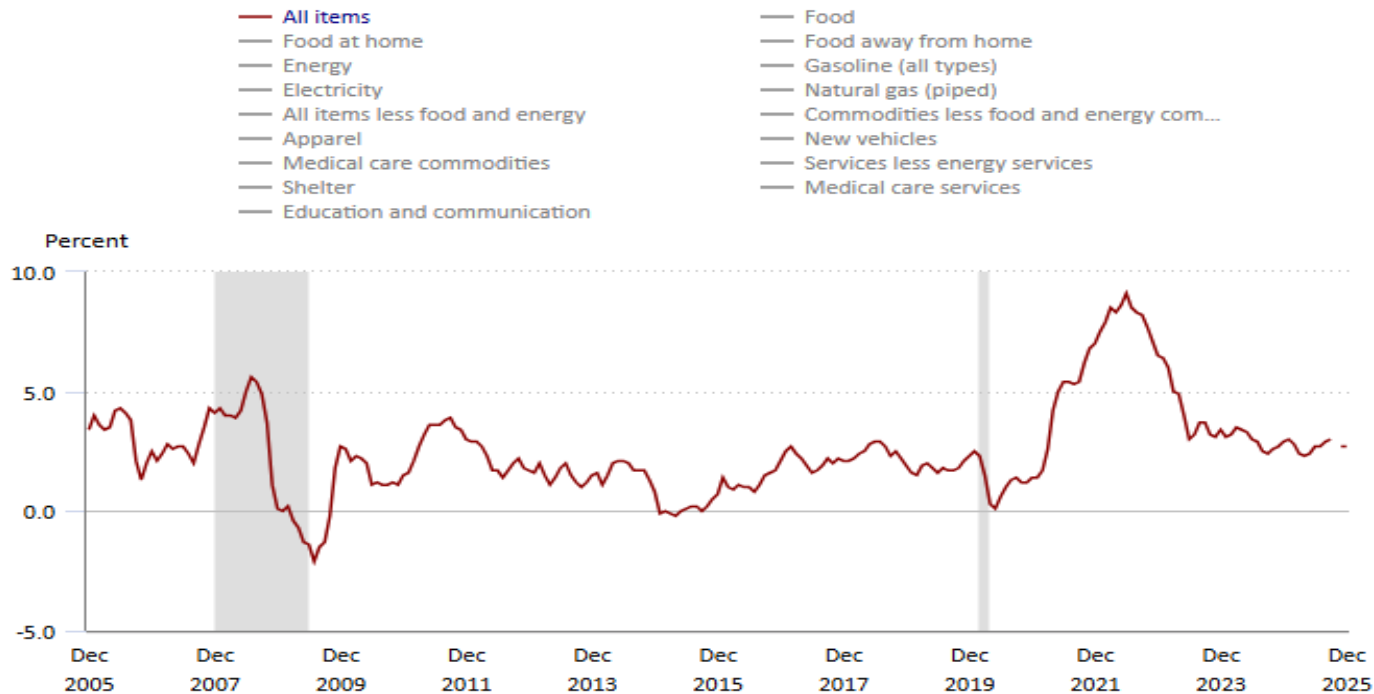


Sources: Blue Chip Economic Indicators and Blue Chip Financial Forecasts

Note: The top (bottom) 10 average forecast is an average of the highest (lowest) 10 forecasts in the Blue Chip survey.

INFLATION

12-month percentage change, Consumer Price Index, selected categories, not seasonally adjusted



Hover over chart to view data.

Note: Shaded area represents recession, as determined by the National Bureau of Economic Research.

Source: U.S. Bureau of Labor Statistics.



RATES

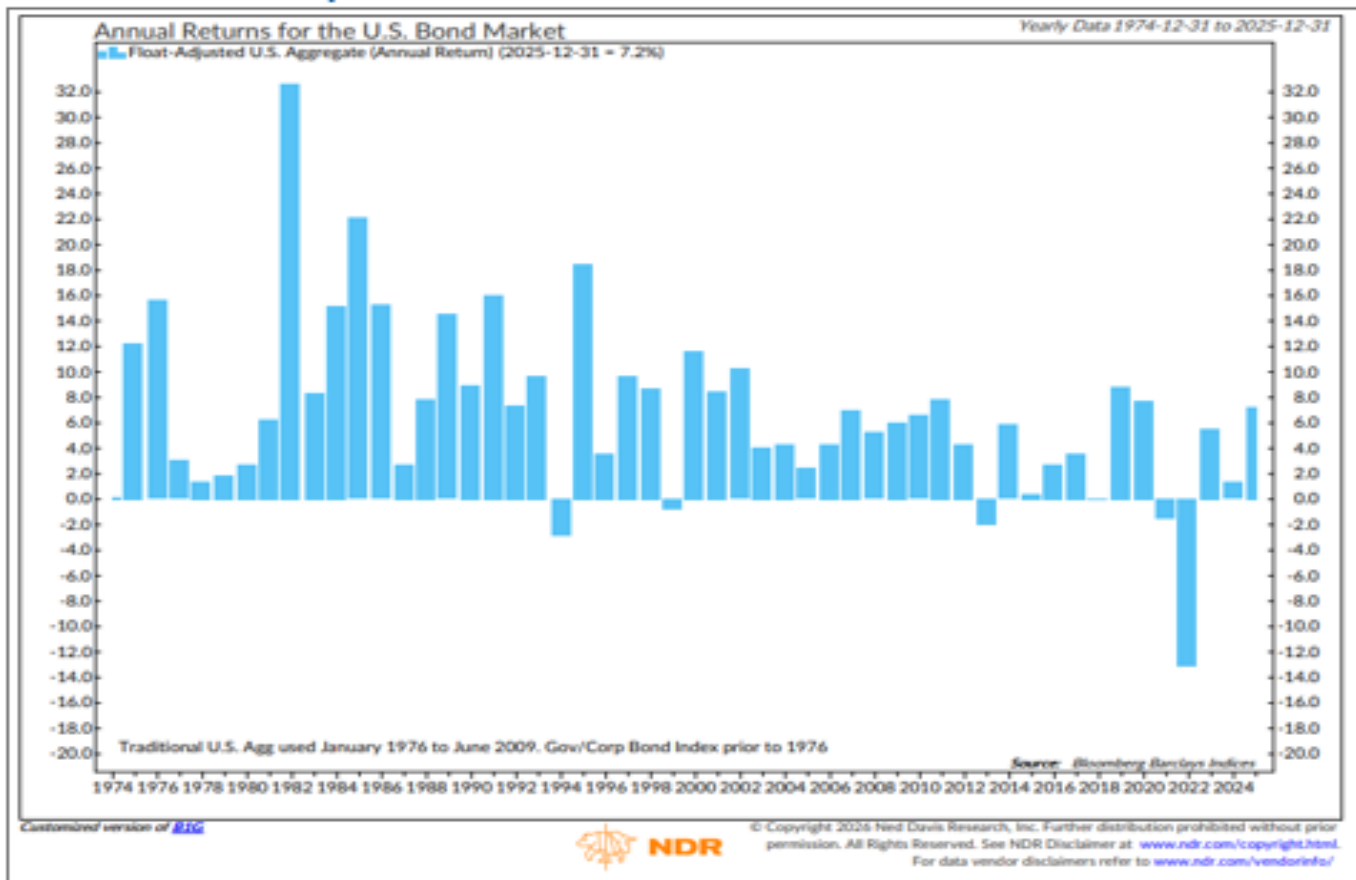
Implied Fed funds target rate: — 6/17/2026 — 9/16/2026 — 12/9/2026



Source: Charles Schwab, Bloomberg, as of 1/12/2026. Dates in legend represent upcoming FOMC (Federal Open Market Committee) meetings.

FIXED INCOME

Bonds best performance since 2020



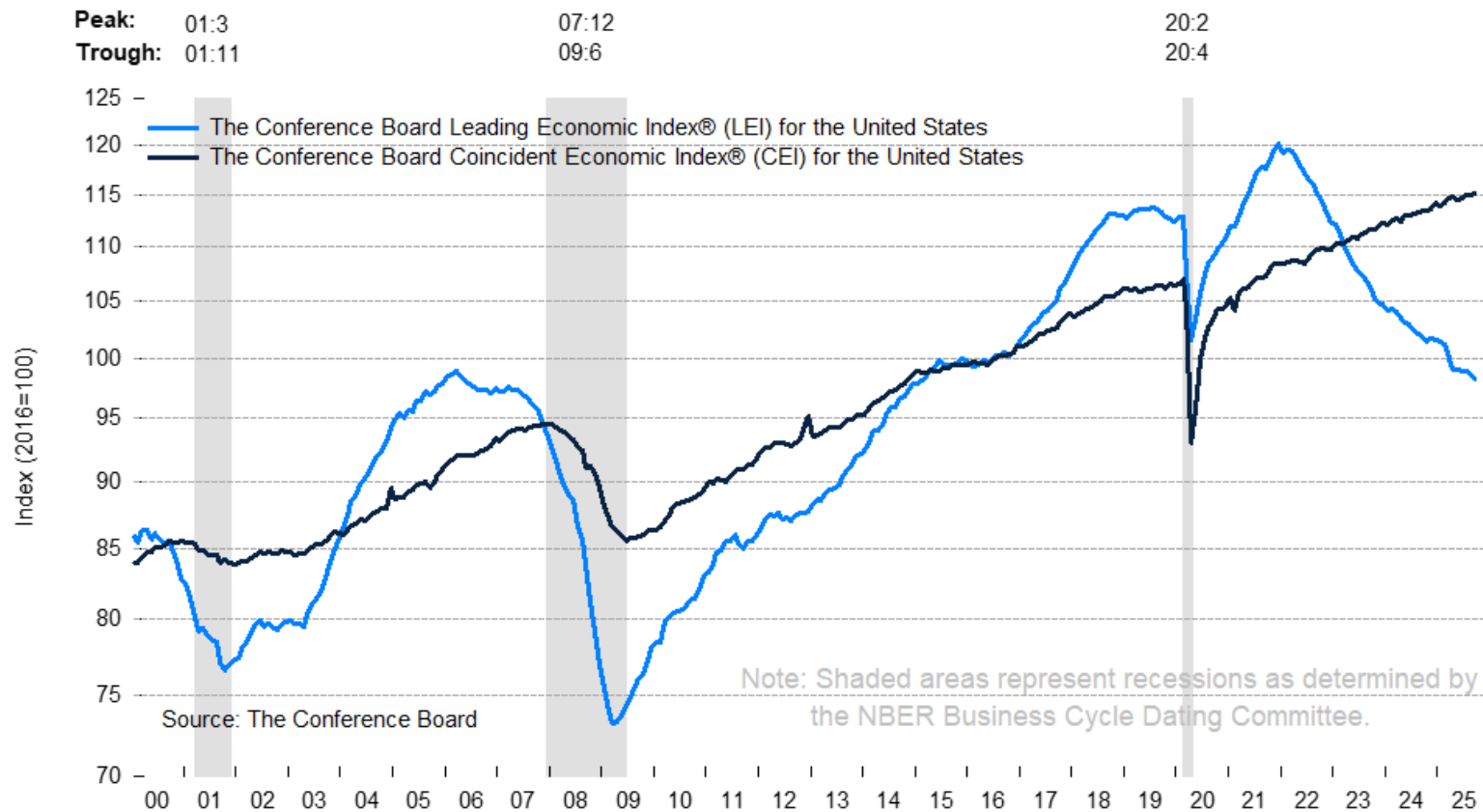
MACRO SCENARIOS

Average 12-month change in S&P 500 P/E since 1980

		Fed funds rate			
		Cutting	Stable	Hiking	All
US real GDP growth	Accelerating	15 %	7 %	1 %	10 %
	Stable	14 %	4 %	(5)%	5 %
	Decelerating but growing	4 %	5 %	(4)%	(0)%
	Decelerating & contracting	(8)%	(4)%	(15)%	(9)%
	All	9 %	5 %	(4)%	4 %

Source: Goldman Sachs via @MikeZaccardi

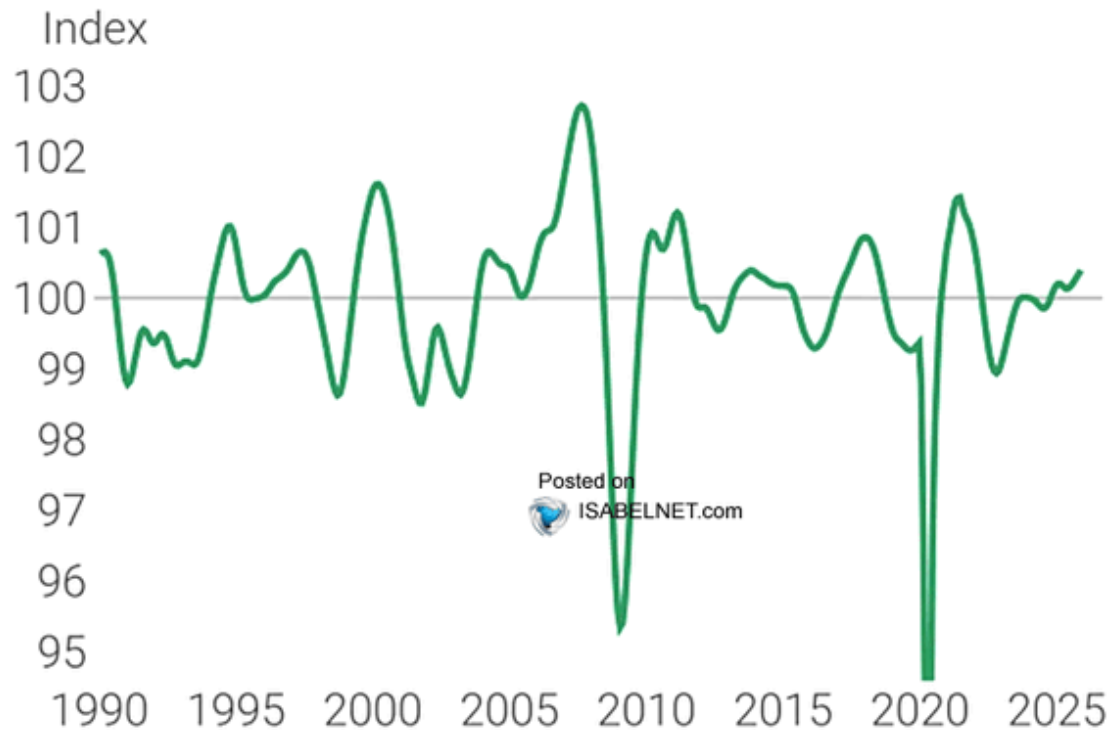
NOT ALL ROSES



GLOBAL GROWTH

OECD leading indicator above trend and rising

OECD G20 Composite Leading Indicator



Sources: Macrobond, Bloomberg, GlobalData TS Lombard.

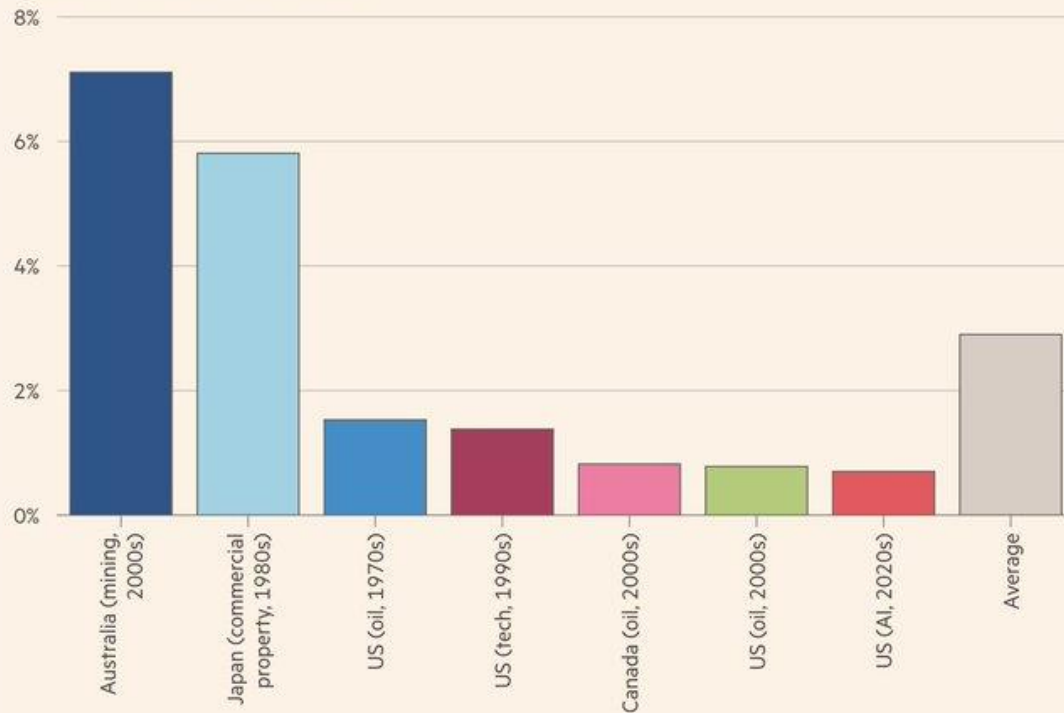
PERSPECTIVE

The US AI investment boom in (recent) historical perspective

Not actually that big

■ Australia (mining, 2000s) ■ Japan (commercial property, 1980s) ■ US (oil, 1970s)
■ US (tech, 1990s) ■ Canada (oil, 2000s) ■ US (oil, 2000s) ■ US (AI, 2020s) ■ Average

Change in investment, as % of GDP



FINANCIAL TIMES

Source: BIS

PERSPECTIVE

No Santa? No Problem

Years There Is No Santa Claus Rally, But First Five Days Are Higher

Year	Santa Claus Rally	First Five Days	S&P 500 Index Returns		
			January	Q1	Calendar Year
1967	-1.4%	3.1%	7.8%	12.3%	20.1%
1980	-2.2%	0.9%	6.7%	-5.4%	25.8%
1994	-0.1%	0.7%	3.3%	-4.4%	-1.5%
2015	-3.0%	0.2%	-3.1%	0.4%	-0.7%
2025	-0.5%	0.6%	2.7%	-4.6%	16.4%
2026	-0.1%	1.1%	?	?	?
Average			3.5%	-0.3%	12.0%
Median			3.3%	-4.4%	16.4%
% Positive			80.0%	40.0%	60.0%

Source: Carson Investment Research, FactSet 01/12/2026

The Santa Claus Rally is the final 5 trading days of a calendar year and the first two of the following year.

@ryandetrick



PERSPECTIVE

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This Bull Market Might Be Three, But It Is Still Young
S&P 500 Bull Markets (1950 - Current)

Bear Market Bottom	Bull Market Peak	S&P 500 Change	Years	Bull Start in Oct?
06/13/49	08/02/56	267.1%	7.1	No
10/22/57	12/12/61	86.4%	4.1	Yes
06/26/62	02/09/66	79.8%	3.6	No
10/07/66	11/29/68	48.0%	2.1	Yes
05/26/70	01/11/73	73.5%	2.6	No
10/03/74	11/28/80	125.6%	6.2	Yes
08/12/82	08/25/87	228.8%	5.0	No
12/04/87	03/24/00	582.1%	12.3	No
10/09/02	10/09/07	101.5%	5.0	Yes
03/09/09	02/19/20	400.5%	11.0	No
03/23/20	01/03/22	114.4%	1.8	No
10/12/22	12/23/25	93.2%	3.0	Yes
Average		191.6%	5.5	5/12 Started Oct.
Median		114.4%	5.0	

Source: Carson Investment Research, YCharts 12/23/2025 | * Current Bull Market Is Still Active



Questions?