

Monthly Market Commentary

Benchmark Returns AS OF JANUARY 31, 2026

	MONTH	YTD
S&P 500	1.45%	1.45%
Dow Jones Industrial Average	1.80%	1.80%
Nasdaq	0.97%	0.97%

	MONTH	YTD
Bloomberg Agg Bond Index	0.11%	0.11%
Developed International	5.22%	5.22%
Emerging Markets	8.86%	8.86%



Rotations & Nominations

The first month of the new year saw shifts in market leadership. Investors shifted capital from the mega-cap technology stocks that dominated performance from 2023 to 2025 towards other large-cap industry sectors, small-cap companies, and emerging market equities. Meanwhile, the fourth-quarter earnings season was shaping up to deliver double-digit gains vs. a year ago. Economic reports supported the FOMC's decision to leave the benchmark fed funds rate unchanged at its January meeting. Finally, the month concluded with the long-awaited nomination of the next chairman of the U.S. Federal Reserve.

Sector Shifts Indicate Healthy Breadth

LLCs are a cornerstone of many clients' planning strategies—used to hold real estate, operate family businesses, and protect multigenerational wealth. With the adoption of Florida's Revised LLC Act (Chapter 605, Florida Statutes), the legal framework governing LLCs is now more modern, flexible, and responsive to the needs of families, trustees, and business owners.

One of the most notable advantages is the ability to streamline ownership by using a primary (or "master") LLC with multiple sub-LLCs. This structure can simplify administration while preserving liability protection across different assets or ventures.

The revised law also gives LLC members greater freedom to define management and governance through the operating agreement. This allows families to create customized structures that reflect their values, succession goals, and decision-making preferences.

A Solid Start to 4Q Earnings

As of January 30th, 33% of the companies in the S&P 500 had reported actual results for 4Q 2025. Per FactSet, year-over-year earnings are growing at a double-digit rate for the fifth straight quarter. The blended (combines actual results for companies that have reported and estimated results for companies that have yet to report) earnings growth rate for the fourth quarter is 11.9%. Most analysts see earnings growth continuing into 2026, with projected earnings growth rates of 11.7% and 14.9% for 1Q 2026 and 2Q 2026, respectively.

Steady Economic Reports and Interest Rates

The press release at the conclusion of the January 27 – 28 FOMC meeting provided a succinct snapshot of the U.S. economy. It read: "Available indicators suggest that economic activity has been expanding at a solid pace. Job gains have remained low, and the unemployment rate has shown some signs of stabilization. Inflation remains somewhat elevated."

Based on this assessment, there was no change to the fed funds rate (currently 3.50% to 3.75%) in January. Investors were expecting this outcome and were more focused on the future leadership of the world's largest central bank. Just two days later, the nomination of the next Fed chair dominated the news.

What's Ahead for the Fed

On January 30, 2026, President Donald Trump nominated Kevin Warsh to succeed Jerome Powell as Federal Reserve Chair. Warsh, who previously served on the central bank's Board of Governors from 2006 to 2011, will succeed Powell once his term as chair ends in May 2026, pending Senate confirmation. The nomination followed months of speculation and comes amid considerable turmoil surrounding the central bank, including a Department of Justice investigation into Powell.

Warsh emerged as one of the more hawkish voices during his time at the Fed, at times opposing rate cuts during the 2008 Global Financial Crisis out of concern that inflation risks were being underestimated, though his recent tone has shifted toward supporting greater policy easing in 2026.

Conclusion

January 2026 represented a pivotal month signaling healthier market dynamics, broader participation across sectors and market capitalizations, and a maturing bull market transitioning from concentrated mega-cap leadership to more inclusive, fundamentals-driven performance. A weaker dollar accompanied by safe haven demand led to multiple new highs for gold and silver, followed by a sharp slide downwards for the metals on the final trading day of the month.

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