

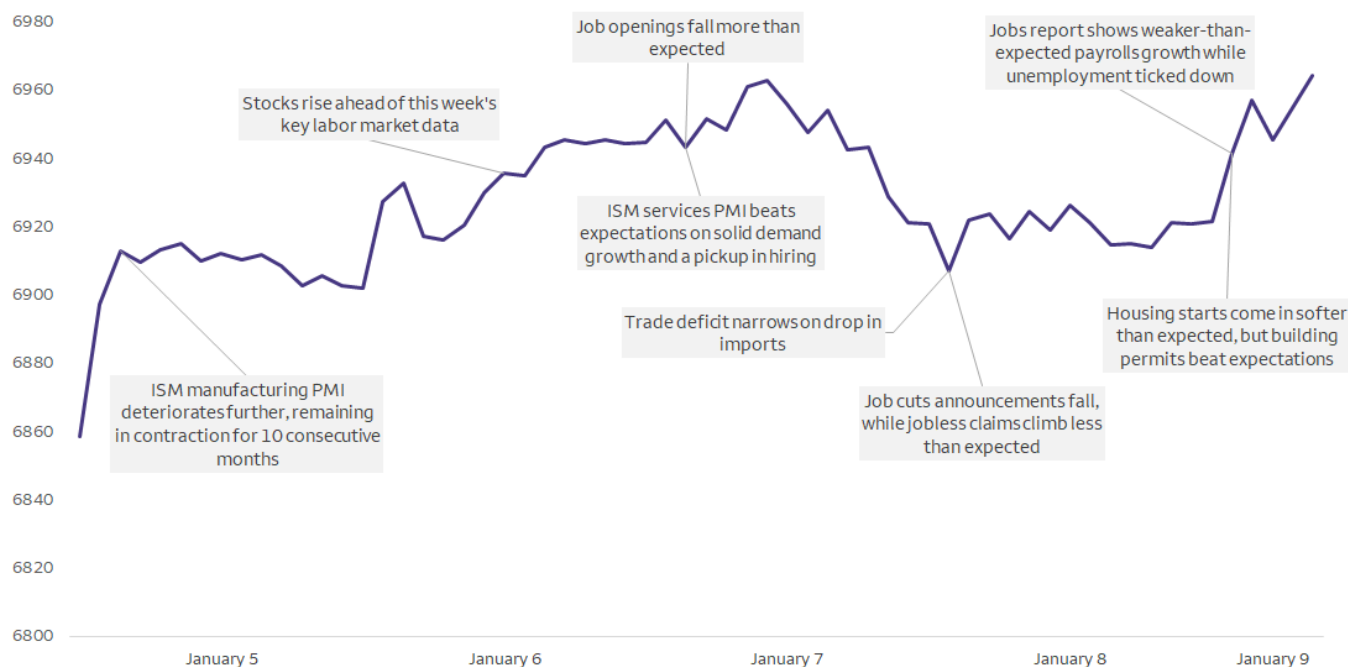
Looking Ahead

January 9, 2026

Stock rally continues despite soft jobs data

Stocks saw gains throughout a data-filled week. Initially, Venezuelan President Nicolas Maduro's arrest and extradition to the U.S. and consequent speculation about potential benefits to U.S. oil companies led energy stocks to rally. Later in the week, the December jobs report supported expectations for further rate cuts in 2026 but a pause in January, and other labor-market data such as the Job Openings and Labor Turnover Survey (JOLTS) and the Challenger jobs report added to the picture of a slowing labor market. Consumer sentiment from the University of Michigan improved month over month (MOM), though concerns about prices and the labor market persisted. In the realm of Purchasing Managers' Indexes (PMIs), the gap between weakness in manufacturing sentiment and strength in services sentiment widened in the Institute for Supply Management (ISM) reports. Looking ahead to next week, investors will be watching Consumer Price Index (CPI) inflation for December as well as retail sales. Other updates will include small-business optimism, industrial production, and a handful of housing-market updates.

S&P 500 Index performance week of January 5 – 9



Sources: Bloomberg, Wells Fargo Investment Institute. Data from January 5, 2026, through January 9, 2026, at 12:00 p.m. ET. Past performance is no guarantee of future results. An index is unmanaged and not available for direct investment.

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Week in review: January 5 – 9

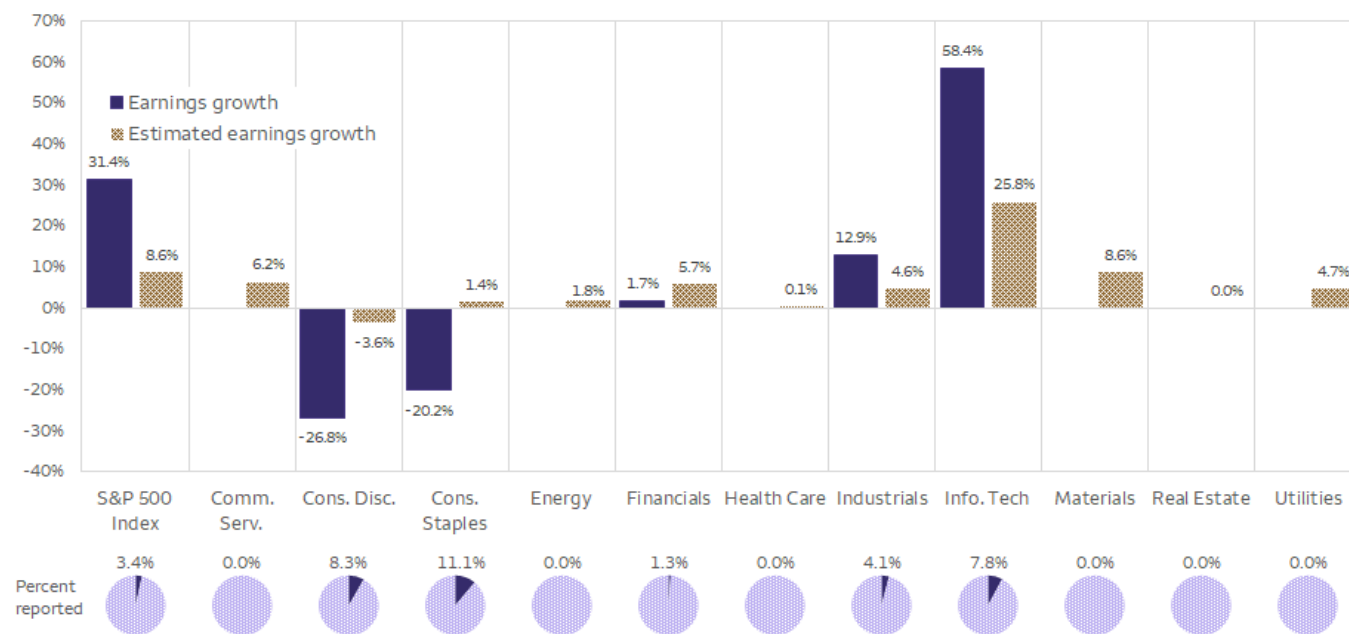
Economic data

- The jobs report for December indicated further softening in the labor market, albeit with a lower unemployment rate, and was seen as leaving the door open to additional rate cuts in 2026.
 - The unemployment rate's decline to 4.4% was viewed positively by markets, though we would note that a decline in the labor force was partly responsible and will be looking to future months for additional data.
 - Meanwhile, nonfarm payrolls saw a modest 50K gain. Notably, downward revisions to October and November nonfarm payrolls amounted to a 76K reduction from the original prints.
 - Average hourly earnings increased to a 3.8% year-over-year (YOY) rate, indicating that wage inflation is outpacing price inflation and supporting consumer purchasing power.
- Other labor-market data was also indicative of a slowing labor market.
 - JOLTS data for November showed job openings declined to 7.1 million, and other figures — namely low hiring and quit rates along with modest layoffs — pointed to subdued activity amid an uncertain backdrop for job seekers and employers alike.
 - The Challenger jobs report for December showed a MOM decline in the number of announced job cuts coupled with an increase in hiring announcements. Though the year ended on a strong note, full-year 2025 data showed 1.2 million announced job cuts in total, a 58% YOY increase and the highest level since 2020, with DOGE Actions and Market/Economic Conditions the most notable contributors. Additionally, 2025 hiring plans represented the lowest figure since 2010, adding to the picture of a softening labor market.
- The University of Michigan's Index of Consumer Sentiment for January increased to 54.0, though concerns about prices and the labor market persisted and contributed to the 24.7% decline relative to last January.
- December PMIs from ISM showed a widening gap between weakness in manufacturing sentiment and strength in services sentiment. For 2025, the former fell to its lowest level and the latter increased to its highest level.
 - The manufacturing PMI of 47.9 indicated ongoing challenges related to inflation, inventories, and hiring.
 - The services PMI increased to 54.4, with resilience in underlying conditions remaining mostly consistent.

Stock market recap

By Friday morning, the major averages were on track to end a busy week higher. As of 12:00 p.m. ET, the S&P 500 Index was up 1.5%, the Nasdaq rose 1.8%, and the Dow climbed 2.4%.

Fourth-quarter earnings season is getting started



Sources: Bloomberg, Wells Fargo Investment Institute. Chart shows actual versus projected S&P 500 Index earnings growth by sector. Actual earnings growth as of January 9, 2026, at 8:30 a.m. ET. Bloomberg consensus estimated earnings growth as of December 26, 2025, at 8:30 a.m. ET. **Past performance is no guarantee of future results.** An index is unmanaged and not available for direct investment.

Looking ahead to next week: January 12 – 16

U.S.

- The highlight of the week will be inflation data with the December CPI on Tuesday, both November and October Producer Price Indexes (PPIs) on Wednesday, and the November Import Price Index on Thursday.
- Other potential market movers include November retail sales and December industrial production, along with Federal Reserve's (Fed's) Beige Book survey of regional economic conditions.
- Also on tap: December's small business optimism and Federal budget balance; October business inventories; and the third-quarter current account balance, in addition to measures of economic activity from the New York and Philadelphia regional Fed banks.
- Rounding out the docket is a flurry of housing market data, including January homebuilder sentiment, December existing home sales, and both October and September new home sales.

Asia

- In China, the focus will be on December's trade balance and money supply.
- From Japan, watch for December's PPI, money supply, and preliminary machine tool orders.
- The Bank of Korea will hold a policy meeting, while Korean economic releases include the unemployment rate, trade data, and the money supply.
- Elsewhere in the region, Australia's consumer confidence, household spending, job vacancies, and inflation expectations hit the tape.

Europe

- The highlight will be the eurozone's November trade balance and industrial production data, along with regional finalized December CPIs.
- From the U.K., look for November's gross domestic product (GDP), industrial production, Index of Services, construction output, and trade balance, along with December's house price balance.
- Meanwhile, Germany releases their 2025 GDP and France releases their November budget balance.

Scheduled economic releases for week of January 12, 2026

Date	Time	Country	Release	For	Consensus	Prior
Monday, 1/12	6:30 PM	Australia	Westpac Consumer Conf SA MoM	January		-9.0%
Tuesday, 1/13	6:00 AM	U.S.	NFIB Small Business Optimism	December		99
Tuesday, 1/13	8:30 AM	U.S.	CPI YoY	December	2.7%	2.7%
Tuesday, 1/13	10:00 AM	U.S.	New Home Sales	October	714k	800k
Tuesday, 1/13	6:00 PM	South Korea	Unemployment rate SA	December	2.7%	2.7%
Wednesday, 1/14	8:30 AM	U.S.	Retail Sales Advance MoM	November	0.4%	0.0%
Wednesday, 1/14	8:30 AM	U.S.	PPI Final Demand YoY	November	2.6%	2.7%
Wednesday, 1/14	10:00 AM	U.S.	Existing Home Sales	December	4.23m	4.13m
Wednesday, 1/14	6:50 PM	Japan	PPI YoY	December	2.4%	2.7%
Wednesday, 1/14	8:00 PM	South Korea	BOK Base Rate	January 15	2.5%	2.5%
Thursday, 1/15	2:00 AM	U.K.	Industrial Production MoM	November	0.0%	1.1%
Thursday, 1/15	5:00 AM	Eurozone	Industrial Production SA MoM	November	0.5%	0.8%
Thursday, 1/15	8:30 AM	U.S.	Empire Manufacturing	January	1.0	-3.9
Friday, 1/16	9:15 AM	U.S.	Industrial Production MoM	December	0.20%	0.17%
Friday, 1/16	9:15 AM	U.S.	Capacity Utilization	December	76.00%	75.90%
Friday, 1/16	10:00 AM	U.S.	NAHB Housing Market Index	January		39
Sunday, 1/18	9:00 PM	China	GDP YoY	4Q	4.5%	4.8%
Sunday, 1/18	9:00 PM	China	Industrial Production YoY	December	5.0%	4.8%
Sunday, 1/18	9:00 PM	China	Retail Sales YoY	December	1.2%	1.3%

Source: Bloomberg. Data as of January 9, 2026, as of 12:00 P.M. ET. Times in table are in Eastern Time. 4Q = fourth quarter.

Scheduled earnings releases for week of January 12, 2026

Ticker	Company	Report date	Call time	Revenue est. (billions)	EPS est.	EPS year ago
DAL	Delta Air Lines, Inc.	Tuesday, 1/13	10:00 AM	\$14.68	\$1.53	\$1.85
BK	Bank of New York Mellon Corp	Tuesday, 1/13	11:00 AM	\$5.14	\$1.91	\$1.54
JPM	JPMorgan Chase & Co.	Tuesday, 1/13	8:30 AM	\$46.17	\$4.91	\$4.81
WFC	Wells Fargo & Company	Wednesday, 1/14	10:00 AM	\$21.65	\$1.66	\$1.43
C	Citigroup Inc.	Wednesday, 1/14	11:00 AM	\$20.45	\$1.67	\$1.34
BAC	Bank of America Corp	Wednesday, 1/14	8:30 AM	\$27.62	\$0.96	\$0.82
TSM	Taiwan Semiconductor Manufacturing Co., Ltd. Sponsored ADR	Thursday, 1/15	1:00 AM	\$32.74	\$2.85	\$2.19
JBHT	J.B. Hunt Transport Services, Inc.	Thursday, 1/15	5:00 PM	\$3.10	\$1.80	\$1.53
BLK	BlackRock, Inc.	Thursday, 1/15	7:30 AM	\$6.75	\$12.30	\$11.93
MS	Morgan Stanley	Thursday, 1/15	8:30 AM	\$17.71	\$2.42	\$2.22
GS	Goldman Sachs Group, Inc.	Thursday, 1/15	9:30 AM	\$14.48	\$11.62	\$11.95
RF	Regions Financial Corporation	Friday, 1/16	10:00 AM	\$1.93	\$0.61	\$0.59
STT	State Street Corporation	Friday, 1/16	11:00 AM	\$3.60	\$2.79	\$2.60
MTB	M&T Bank Corporation	Friday, 1/16	8:00 AM	\$2.47	\$4.48	\$3.86
PNC	PNC Financial Services Group, Inc.	Friday, 1/16	9:00 AM	\$5.96	\$4.20	\$3.77

Source: FactSet. Data as of January 9, 2026, as of 8:30 A.M. ET. Times shown in table are in Eastern Time. EPS = earnings per share.

Risk Considerations

Different investments offer different levels of potential return and market risk. The level of risk associated with a particular investment or asset class generally correlates with the level of return the investment or asset class might achieve. **Stock markets**, especially foreign markets, are volatile. Stock values may fluctuate in response to general economic and market conditions, the prospects of individual companies, and industry sectors. **Foreign investing** has additional risks including those associated with currency fluctuation, political and economic instability, and different accounting standards. These risks are heightened in emerging markets. **Bonds** are subject to market, interest rate, price, credit/default, liquidity, inflation and other risks. Prices tend to be inversely affected by changes in interest rates. **Real estate** has special risks including the possible illiquidity of underlying properties, credit risk, interest rate fluctuations and the impact of varied economic condition.

Sector investing can be more volatile than investments that are broadly diversified over numerous sectors of the economy and will increase a portfolio's vulnerability to any single economic, political, or regulatory development affecting the sector. This can result in greater price volatility.

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Definitions

An index is unmanaged and not available for direct investment.

The S&P 500 Index is a market capitalization-weighted index composed of 500 widely held common stocks that is generally considered representative of the US stock market.

The Dow Jones Industrial Average is a price-weighted average of 30 blue-chip stocks that are generally the leaders in their industry. It has been a widely followed indicator of the stock market since October 1, 1928.

The NASDAQ Composite Index is a broad-based capitalization-weighted index of stocks in all three NASDAQ tiers: Global Select, Global Market and Capital Market.

Average hourly earnings tracks total hourly remuneration (in cash or in kind) paid to employees in return for work done (or paid leave).

The budget balance (or budget statement) is the difference between government revenues and government expenditures.

Building permits (or building approvals) track the number of permits that have been issued for new construction, additions to pre-existing structures or major renovations. These statistics are based on the number of construction permits approved.

Business inventories track inventories (either goods ready for sale or shipment that are still being held by the producer, or goods acquired for the purpose of reselling them without further processing) in the manufacturing, as well as retail and wholesale trade industries.

Challenger job cuts track involuntary job separations initiated by the employer.

The change in nonfarm payrolls measures the number of employees on business payrolls.

Construction output tracks changes in output or sales within the construction industry.

Consumer confidence (or consumer sentiment) tracks sentiment among households or consumers.

The Consumer Price Index (CPI) is a measure of prices paid by consumers for a market basket of consumer goods and services. The yearly (or monthly) growth rates represent the inflation rate.

Existing home sales tracks the sales of previously owned homes during the reference period.

Gross domestic product (GDP) measures the final market value of all goods and services produced within a country. It is the most frequently used indicator of economic activity. The GDP by industry approach (or output-based GDP) is the sum of the gross value added (output less intermediate consumption) of all industry and services sectors of the economy (at basic prices), plus all taxes less subsidies on products. This concept is adjusted for inflation.

Homebuilder sentiment tracks sentiment among participants in the housing industry.

House/home prices track changes in residential property prices.

Housing (or building) starts track the number of new housing units (or buildings) that have been started during the reference period.

Import price indexes track changes in the prices of goods produced abroad and sold domestically (imports).

The Index of Services shows the monthly movements in the gross value added of the service industries.

Industrial production measures the output of industrial establishments in the following industries: mining and quarrying, manufacturing and public utilities (electricity, gas and water supply). Production is based on the volume of the output.

The international trade balance (or foreign trade) measures the difference between the movement of merchandise trade and/or services leaving a country (exports) and entering a country (imports). This measure tracks the value of the merchandise trade balance.

International transactions statement (or current account) tracks all transactions, excluding financial transactions, that involve economic values and occur between residents of a country and nonresidents. Major components include trade in goods, trade in services, income and current transfers. The balance of payments is a record of a country's overall international transactions with the rest of the world (i.e. transactions between residents of a country and nonresidents). The balance of payments is divided into current, capital and financial accounts.

The Job Openings by Industry Total Survey (JOLTS) tracks the number of specific job openings in an economy.

Job vacancies track the number of specific job openings in an economy. Job vacancies generally include either newly created or unoccupied positions (or those that are about to become vacant) where an employer is taking specific actions to fill these positions.

Jobless (or unemployment) claims tracks the total number of people who have filed jobless claims with the appropriate government labor office; typically, in order to receive unemployment benefits.

Machine tool orders tracks trends in machine tool orders placed with major manufacturers.

The money supply (or money stock) measures the total amount of money in circulation in a country or group of countries in a monetary union.

New home sales tracks sales of newly constructed homes during the reference period.

Personal spending or consumer/household spending (also referred to as consumption) tracks consumer expenditures on goods and services. This concept is not adjusted for inflation.

The Producer Price Index (PPI) is a measure of the change in the price of goods as they leave their place of production (i.e. prices received by domestic producers for their outputs either on the domestic or foreign market).

Purchasing Managers' Indexes (PMIs) track sentiment among purchasing managers at manufacturing, construction and/or services firms. An overall sentiment index is generally calculated from the results of queries on production, orders, inventories, employment, prices, etc.

Retail sales (also referred to as retail trade) tracks the resale of new and used goods to the general public, for personal or household consumption. This concept is based on the value of goods sold.

Small business optimism tracks the general state of the economy as it relates to businesses. It can include broad economy-wide conditions or specific economic conditions of a particular industry.

The unemployment (or jobless) rate tracks the number of unemployed persons as a percentage of the labor force (the total number of employed plus unemployed). These figures generally come from a household labor force survey.

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