

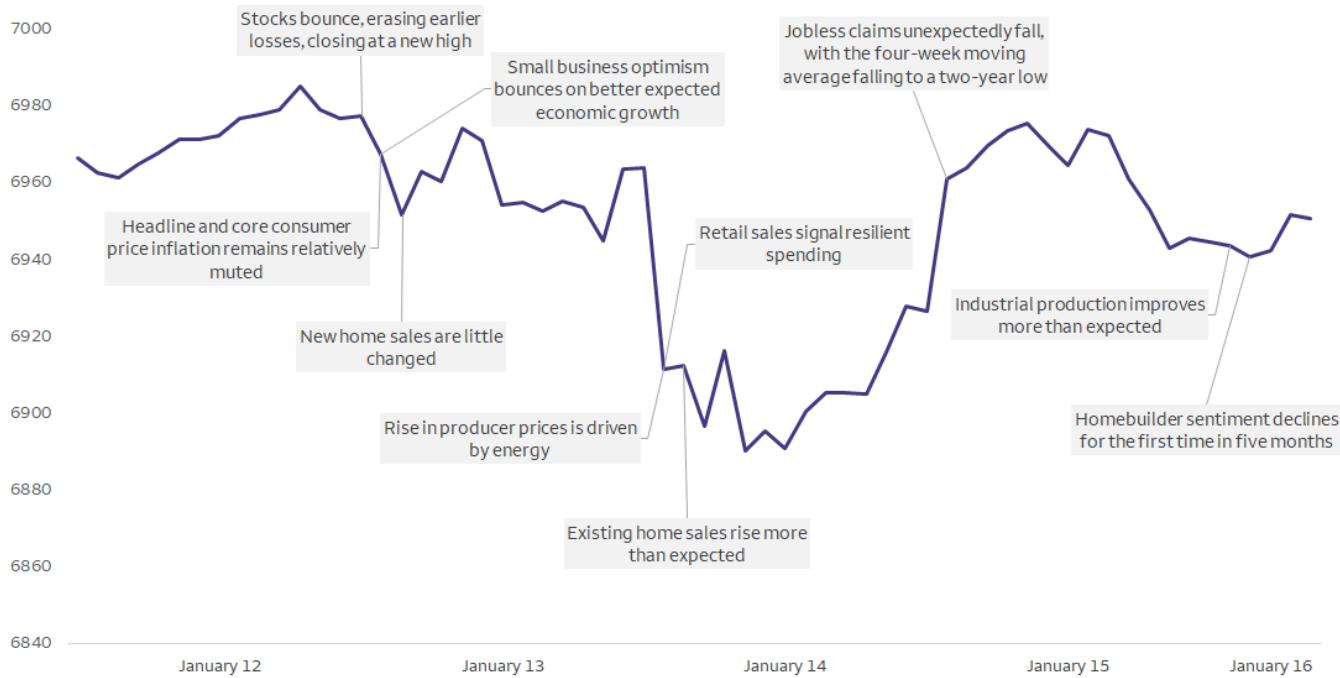
Looking Ahead

January 16, 2026

Stocks choppy during a busy data week

Stocks saw some volatility throughout the week and ultimately were on track to end the week lower. Consumer Price Index (CPI) inflation for December and retail sales both showed positive signs, with inflation remaining unchanged from November's sub-3% year-over-year (YOY) prints and retail sales seeing a notable uptick. Elevated Producer Price Index (PPI) inflation, on the other hand, raised investors' concerns that a spike in inflation may be on the horizon. Meanwhile, small-business optimism improved in December, and housing-market updates evidenced ongoing pressures. Finally, commentary from Federal Reserve (Fed) officials indicated that a pause in further rate cuts is likely given the backdrop of a stabilizing labor market and ongoing inflation pressures. Looking ahead to next week, investors will be watching Personal Consumption Expenditures (PCE) inflation data along with personal income and personal spending. Other key releases will include Purchasing Managers' Indexes (PMIs) from S&P Global, the third release of third-quarter gross domestic product (GDP), and a handful of housing-market updates.

S&P 500 Index performance week of January 12 – 16



Sources: Bloomberg, Wells Fargo Investment Institute. Data from January 12, 2026, through January 16, 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.

Investment and Insurance Products: ➤ NOT FDIC Insured ➤ NO Bank Guarantee ➤ MAY Lose Value

Week in review: January 12 – 16

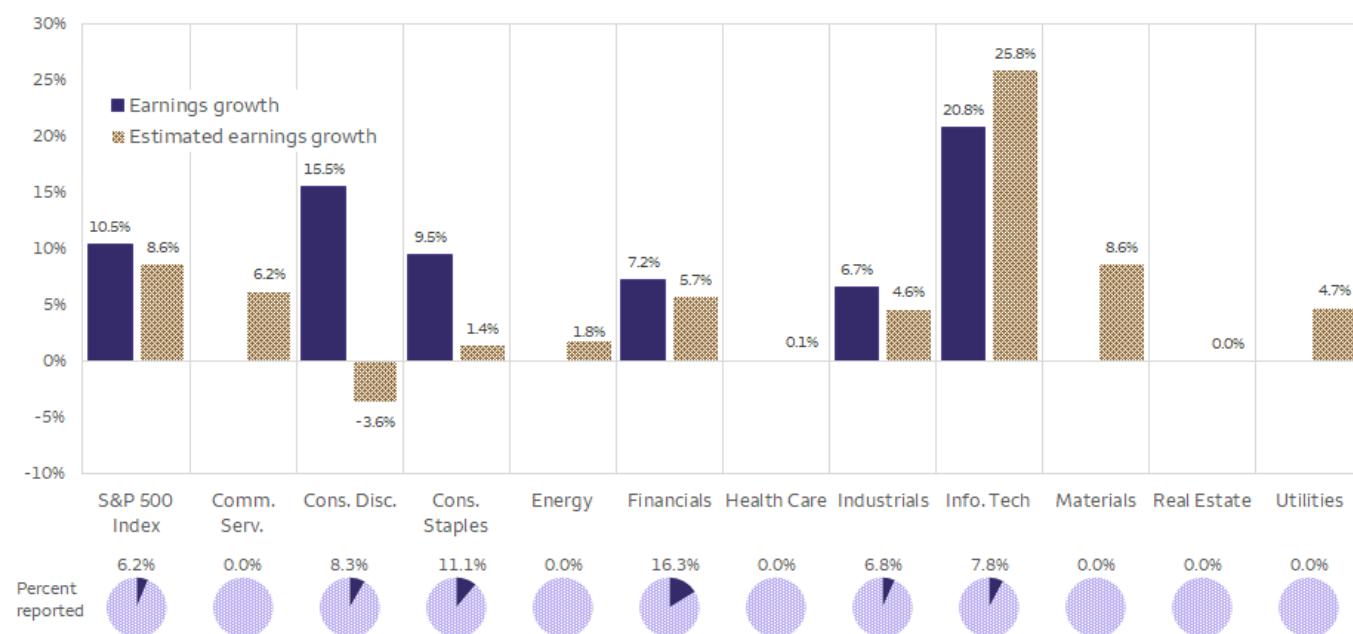
Economic data

- CPI inflation for December was unchanged from November's YOY pace, particularly notable as potential distortions related to the government shutdown brought the validity of the prior prints into question.
 - On a month-over-month (MOM) basis, headline inflation increased 0.3% while core inflation rose 0.2%, remaining steady relative to September (with October and November data not available).
 - On a YOY basis, inflation rose by 2.7% and 2.6% for headline and core, respectively, with both unchanged from November's prints. While some data-quality concerns remain and additional data will be needed to confirm the trend, December's release contributed to the impression of slowing inflation. Key contributors included softening in core inflation as well as a modest increase in core goods inflation.
- In contrast to indications of easing inflation from CPI, PPI inflation for October and November remained elevated, driven by energy and services costs. This data cast further doubt on inflation's trajectory, raising concerns among investors of a potential spike.
 - Headline PPI gained 0.2% MOM and 3.0% YOY in November. October's softer 0.1% MOM and 2.8% YOY prints were related to lower energy prices. Meanwhile, September's YOY rate was revised upward to 3.0%.
- Retail sales grew a formidable 0.6% in November with broad-based gains, though it is worth noting that October's print was negatively impacted by the government shutdown and a related slowdown in spending.
- December's small-business optimism increased MOM to 99.5, with the uncertainty component declining notably while optimism related to expectations for better business conditions improved.
- Housing-market updates indicated ongoing pressures related to elevated prices, tight inventories, and lower but still-elevated mortgage rates.
 - Existing home sales for December surprised to the upside, though the total number of sales in 2025 (4.06 million) remained unchanged from 2024. Meanwhile, the National Association of Home Builders Housing Market Index for January declined MOM, and an elevated share of builders reported cutting prices.

Stock market recap

By Friday morning, the major averages were on track to end a busy week lower. As of 12:00 p.m. ET, the S&P 500 Index was down 0.2%, the Nasdaq decreased 0.5%, and the Dow dipped 0.2%.

Fourth-quarter earnings season is picking up



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 16, 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 19 – 23

U.S.

- The focus of the holiday-shortened week will be on Friday's personal income, personal spending, and PCE Deflator (the Fed's preferred gauge of inflation) data for both November and October.
- Attention will then shift to Friday's first look at S&P Global's January manufacturing and services PMIs, along with finalized January consumer sentiment and inflation expectations survey from the University of Michigan.
- Also on tap: the third reading of third-quarter GDP, October's construction spending, and December's leading index and pending home sales. Rounding out the docket are measures of economic activity from the Philadelphia and Kansas City regional Fed banks.

Asia

- In China, fourth-quarter GDP and December's retail sales, industrial production, fixed asset investment, home prices, and surveyed jobless rate, in addition to January's one- and five-year loan prime rates will be released.
- The Bank of Japan will hold a policy meeting at the end of the week, preceded by economic updates on the country's manufacturing and services PMIs, National CPI, industrial production, Tertiary (services) Industry Index, trade balance, core machine orders, and department store sales.
- South Korea's fourth-quarter GDP, December PPI and retail sales, and January consumer confidence hit the tape, in addition to Australia's preliminary January PMIs and December labor-market data and a gauge of inflation.

Europe

- The highlight will be preliminary January PMIs and finalized euro-area CPIs for December, along with the eurozone's January consumer confidence and ZEW expectations for economic growth.
- From France, watch for manufacturing confidence, while German releases include the Import Price Index, PPI, and ZEW index of current conditions.
- Also be on the lookout for the U.K.'s December CPI, a companion Retail Price Index, PPI, retail sales, and jobless claims; January consumer confidence and house prices; and November labor-market data.

Scheduled economic releases for week of January 19, 2026

Date	Time	Country	Release	For	Consensus	Prior
Tuesday, 1/20	2:00 AM	U.K.	Jobless Claims Change	December		20.1k
Tuesday, 1/20	5:00 AM	Germany	ZEW Survey Expectations	January	50.0	45.8
Wednesday, 1/21	2:00 AM	U.K.	CPI YoY	December	3.3%	3.2%
Wednesday, 1/21	8:30 AM	U.S.	Building Permits	November Prelim		1,411k
Wednesday, 1/21	10:00 AM	U.S.	Pending Home Sales MoM	December		3.26%
Wednesday, 1/21	6:00 PM	South Korea	GDP YoY	4Q Advance	1.8%	1.8%
Wednesday, 1/21	7:30 PM	Australia	Unemployment Rate	December	4.4%	4.3%
Thursday, 1/22	8:30 AM	U.S.	GDP Annualized QoQ	3Q Final	4.3%	4.3%
Thursday, 1/22	8:30 AM	U.S.	PCE Price Index YoY	November	2.7%	2.8%
Thursday, 1/22	6:30 PM	Japan	Natl CPI YoY	December	2.1%	2.9%
Thursday, 1/22	7:30 PM	Japan	S&P Global Japan PMI Mfg	January Prelim		50
Thursday, 1/22	7:30 PM	Japan	S&P Global Japan PMI Services	January Prelim		51.6
Thursday, 1/22	10:00 PM	Japan	BOJ Target Rate	January 23	0.75%	0.75%
Friday, 1/23	4:00 AM	Eurozone	HCOB Eurozone Manufacturing PMI	January Prelim	49.2	48.8
Friday, 1/23	4:00 AM	Eurozone	HCOB Eurozone Services PMI	January Prelim	52.6	52.4
Friday, 1/23	4:30 AM	U.K.	S&P Global UK Manufacturing PMI	January Prelim	50.6	50.6
Friday, 1/23	4:30 AM	U.K.	S&P Global UK Services PMI	January Prelim	51.7	51.4
Friday, 1/23	9:45 AM	U.S.	S&P Global US Manufacturing PMI	January Prelim	52.0	51.8
Friday, 1/23	9:45 AM	U.S.	S&P Global US Services PMI	January Prelim	52.8	52.5

Source: Bloomberg. Data as of January 16, 2026, as of 12:00 P.M. ET. Times in table are in Eastern Time. 4Q = fourth quarter. 3Q = third quarter.

Scheduled earnings releases for week of January 19, 2026

Ticker	Company	Report date	Call time	Revenue est. (billions)	EPS est.	EPS year ago
FAST	Fastenal Company	Tuesday, 1/20	10:00 AM	\$2.04	\$0.26	\$0.23
FITB	Fifth Third Bancorp	Tuesday, 1/20	10:00 AM	\$2.34	\$1.00	\$0.85
UAL	United Airlines Holdings, Inc.	Tuesday, 1/20	10:30 AM	\$15.37	\$2.93	\$3.26
IBKR	Interactive Brokers Group, Inc. Class A	Tuesday, 1/20	4:30 PM	\$1.64	\$0.59	\$0.51
NFLX	Netflix, Inc.	Tuesday, 1/20	4:45 PM	\$11.97	\$0.55	\$0.43
KEY	KeyCorp	Tuesday, 1/20	8:00 AM	\$1.96	\$0.39	\$0.38
DHI	D.R. Horton, Inc.	Tuesday, 1/20	8:30 AM	\$6.59	\$1.93	\$2.61
MMM	3M Company	Tuesday, 1/20	9:00 AM	\$6.01	\$1.80	\$1.68
USB	U.S. Bancorp	Tuesday, 1/20	9:00 AM	\$7.32	\$1.19	\$1.01
RLI	RLI Corp.	Wednesday, 1/21	11:00 AM	\$0.48	\$0.80	\$0.41
TDY	Teledyne Technologies Incorporated	Wednesday, 1/21	11:00 AM	\$1.57	\$5.84	\$5.52
PLD	Prologis, Inc.	Wednesday, 1/21	12:00 PM	\$2.09	\$1.44	\$1.37
KMI	Kinder Morgan Inc Class P	Wednesday, 1/21	4:30 PM	\$4.32	\$0.36	\$0.32
TFC	Truist Financial Corporation	Wednesday, 1/21	8:00 AM	\$5.31	\$1.09	\$0.91
SCHW	Charles Schwab Corp	Wednesday, 1/21	8:30 AM	\$6.36	\$1.39	\$1.01
JNJ	Johnson & Johnson	Wednesday, 1/21	8:30 AM	\$24.15	\$2.47	\$2.04
TEL	TE Connectivity plc	Wednesday, 1/21	8:30 AM	\$4.52	\$2.54	\$1.95
CFG	Citizens Financial Group, Inc.	Wednesday, 1/21	9:00 AM	\$2.15	\$1.10	\$0.83
HAL	Halliburton Company	Wednesday, 1/21	9:00 AM	\$5.41	\$0.55	\$0.70
TRV	Travelers Companies, Inc.	Wednesday, 1/21	9:00 AM	\$11.01	\$8.76	\$9.15
FCX	Freeport-McMoRan, Inc.	Thursday, 1/22	10:00 AM	\$5.29	\$0.29	\$0.31
CSX	CSX Corporation	Thursday, 1/22	4:30 PM	\$3.55	\$0.41	\$0.42
ISRG	Intuitive Surgical, Inc.	Thursday, 1/22	4:30 PM	\$2.75	\$2.26	\$2.21
COF	Capital One Financial Corp	Thursday, 1/22	5:00 PM	\$15.47	\$4.13	\$3.09
INTC	Intel Corporation	Thursday, 1/22	5:00 PM	\$13.41	\$0.08	\$0.13
GE	GE Aerospace	Thursday, 1/22	7:30 AM	\$11.20	\$1.44	\$1.32
MKC	McCormick & Company, Incorporated	Thursday, 1/22	8:00 AM	\$1.84	\$0.88	\$0.80
PG	Procter & Gamble Company	Thursday, 1/22	8:30 AM	\$22.31	\$1.87	\$1.88
ABT	Abbott Laboratories	Thursday, 1/22	9:00 AM	\$11.80	\$1.50	\$1.34
HBAN	Huntington Bancshares Incorporated	Thursday, 1/22	9:00 AM	\$2.20	\$0.33	\$0.34
NTRS	Northern Trust Corporation	Thursday, 1/22	9:00 AM	\$2.06	\$2.37	\$2.26
SLB	SLB Limited	Friday, 1/23	9:30 AM	\$9.55	\$0.74	\$0.92

Source: FactSet. Data as of January 16, 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.

Additional information available upon request. Past performance is not a guide to future performance. The material contained herein has been prepared from sources and data we believe to be reliable, but we make no guarantee as to its accuracy or completeness. This material is published solely for informational purposes and is not an

offer to buy or sell or a solicitation of an offer to buy or sell any security or investment product. Opinions and estimates are as of a certain date and subject to change without notice.

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.

Construction spending generally refers to the value of new construction activity on residential and nonresidential projects.

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.

Core machine orders tracks the value of new orders received during the reference period. Orders are typically based on a legal agreement between two parties in which the producer will deliver goods or services to the purchaser at a future date.

Department store sales tracks the resale of new and used goods to the general public, for personal or household consumption. Specifically these data measure sales at department stores.

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

Fixed asset investment tracks investment in or capital expenditures on fixed assets such as buildings, plant, equipment, machinery, etc.

The German ZEW index of current conditions (or business conditions) 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.

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.

House/home prices track changes in residential property prices.

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

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.

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.

Leading indicators (leading indexes) include economic variables that tend to move before changes in the overall economy.

Manufacturing confidence tracks business sentiment within the industry sector.

The National Association of Home Builders (NAHB) Housing Market Index (or homebuilder sentiment) tracks sentiment among participants in the housing industry.

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

PCE deflators (or personal consumption expenditure deflators) track overall price changes for goods and services purchased by consumers. Deflators are calculated by dividing the appropriate nominal series by the corresponding real series and multiplying by 100.

Pending home sales tracks signed real estate contracts for existing single-family homes, condos and co-ops that have not yet closed. As such it is a leading indicator for existing home sales.

Personal income or consumer/household income tracks all income received by households including such things as wages and salaries, investment income, rental income, transfer payments, etc. This concept is not adjusted for inflation.

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.

The retail price index is a measure of inflation that tracks changes in retail prices paid by households for a market basket of goods and services.

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 Tertiary Industry Index measures the change in the total value of services purchased by businesses.

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.

The ZEW survey of expectations for economic growth concept 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.

General Disclosures

Wells Fargo Investment Institute, Inc. (WFII) is a registered investment adviser and wholly owned subsidiary of Wells Fargo Bank, N.A., a bank affiliate of Wells Fargo & Company.

Opinions represent WFII's opinion as of the date of this report and are for general information purposes only and are not intended to predict or guarantee the future performance of any individual security, market sector or the markets generally. WFII does not undertake to advise you of any change in its opinions or the information contained in this report. Wells Fargo & Company affiliates may issue reports or have opinions that are inconsistent with, and reach different conclusions from, this report. The information contained herein constitutes general information and is not directed to, designed for, or individually tailored to, any particular investor or potential investor.

This report is not intended to be a client-specific suitability or best interest analysis or recommendation, an offer to participate in any investment, or a recommendation to buy, hold or sell securities. Do not use this report as the sole basis for investment decisions. Do not select an asset class or investment product based on performance alone. Consider all relevant information, including your existing portfolio, investment objectives, risk tolerance, liquidity needs and investment time horizon. The material contained herein has been prepared from sources and data we believe to be reliable but we make no guarantee to its accuracy or completeness.

Wells Fargo Advisors is registered with the U.S. Securities and Exchange Commission and the Financial Industry Regulatory Authority, but is not licensed or registered with any financial services regulatory authority outside of the U.S. Non-U.S. residents who maintain U.S.-based financial services account(s) with Wells Fargo Advisors may not be afforded certain protections conferred by legislation and regulations in their country of residence in respect of any investments, investment transactions or communications made with Wells Fargo Advisors.

Wells Fargo Advisors is a trade name used by Wells Fargo Clearing Services, LLC and Wells Fargo Advisors Financial Network, LLC, Members SIPC, separate registered broker-dealers and non-bank affiliates of Wells Fargo & Company.

©2026 Wells Fargo Investment Institute. All rights reserved. PM-07162027-8715161.1.1