OpenArc
CORPORATE ADVISORY

Weekly Market Brief

NOTABLE MARKET EVENTS

Macroeconomic Data: Durable goods orders rose +5.3% in November, rebounding from a -2.2% decline in October. MBA Mortgage Applications decreased -8.5% for the week ending January 23, following a +14.3% increase the previous week. Initial jobless claims held steady at 209,000, improving slightly from 210,000 in the prior week. The Conference Board Consumer Confidence Index dropped sharply from 94.2 in December to 84.5, marking its lowest level since 2014. The decline reflects a deterioration in consumers' short-term expectations regarding income, business conditions, and labor markets, underscoring rising economic pessimism.

Economic Policy: The Federal Reserve held interest rates steady within the 3.5-3.75%, with two dissents. Chairman Powell cited a "clear improvement" in outlook, leading many to doubt he will advocate for cuts at the two remaining meetings in his term. Along those same lines, odds for President Trump's pick for the next Fed Chair have swung in Rick Rieder's favor. Treasury Secretary Scott Bessent also announced they will not intervene in FX markets, specifically the yen.

Business: SpaceX and xAI are allegedly in talks to merge the two entities before the former's planned IPO later in the year. AT&T (NYSE: T) is looking to raise at least $5 billion in debt, a move mirroring other issuers seeking to take advantage of low costs of borrowing. SoftBank (TYO: 9984) is eyeing an additional $30 billion investment in OpenAI, a move following two other AI bets via acquisitions earlier in 2025. Most notably, Microsoft (NYSE: MSFT) plunged over -10% following an earnings report that revealed record CAPEX and slowing cloud sales growth.

Markets: Commodities enjoyed a solid run early in the week before taking a large hit after Thursday's open. Despite the hiccup, silver gained over +21%, gold and crude oil jumped over 9.5%, but Bitcoin fell 6%.

SUMMARY

Markets were mixed this week, with the 10-year Treasury yield holding at 4.23% while the S&P 500 and Nasdaq rose +0.77% and +0.78%, and the Dow slipped -0.06%. Economic data showed a +5.3% rebound in durable goods, a -8.5% drop in mortgage applications, steady jobless claims, and a sharp fall in consumer confidence to its weakest level since 2014, which implies that short-term sentiment is deteriorating. The Fed kept rates at 3.5%–3.75% as Powell noted an improved outlook, political momentum shifted toward Rick Rieder for the next Chair, and Treasury Secretary Bessent ruled out FX intervention. Corporate and market headlines included potential SpaceX-xAI merger talks, AT&T's planned $5B debt raise, SoftBank's possible $30B OpenAI investment, a -10% slide in Microsoft, and strong commodities gains with silver +21%, gold and crude +9.5%, while Bitcoin fell -6%.

ETF	Description	1 Week	YTD
XLY	Cons Disc	-1.58%	+1.49%
XLP	Cons Stap	-0.94%	+5.73%
XLE	Energy	+2.68%	+12.97%
XLF	Financials	+0.90%	-2.23%
XLV	Health Care	-2.32%	-0.63%
XLI	Industrials	+1.00%	+6.92%
XLB	Materials	+0.06%	+10.25%
XLRE	Real Estate	+0.29%	+2.53%
XLK	Technology	+1.23%	+2.01%
XLC	Comm Services	+2.42%	+1.76%
XLU	Utilities	+1.81%	+1.50%
SMH	Semis	+4.36%	+15.94%

10-YEAR TREASURY YIELD

Current Rate: 4.23% (as of 1.29.26)

Week-to-Date Movement: 0 bps (from 4.23% on 1.23.26)

MAJOR U.S. EQUITY INDICIES PERFORMANCE

S&P 500: 6,915.61 → 6,969.01 (+0.77% WTD)

Dow Jones Industrial Avg: 49,098.71 → 49,384.01 (-0.06% WTD)

Nasdaq Composite: 23,501.24 → 23,685.12 (+0.78% WTD)

All performance figures and market events are sourced from Bloomberg as of market close 1.29.26.

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