



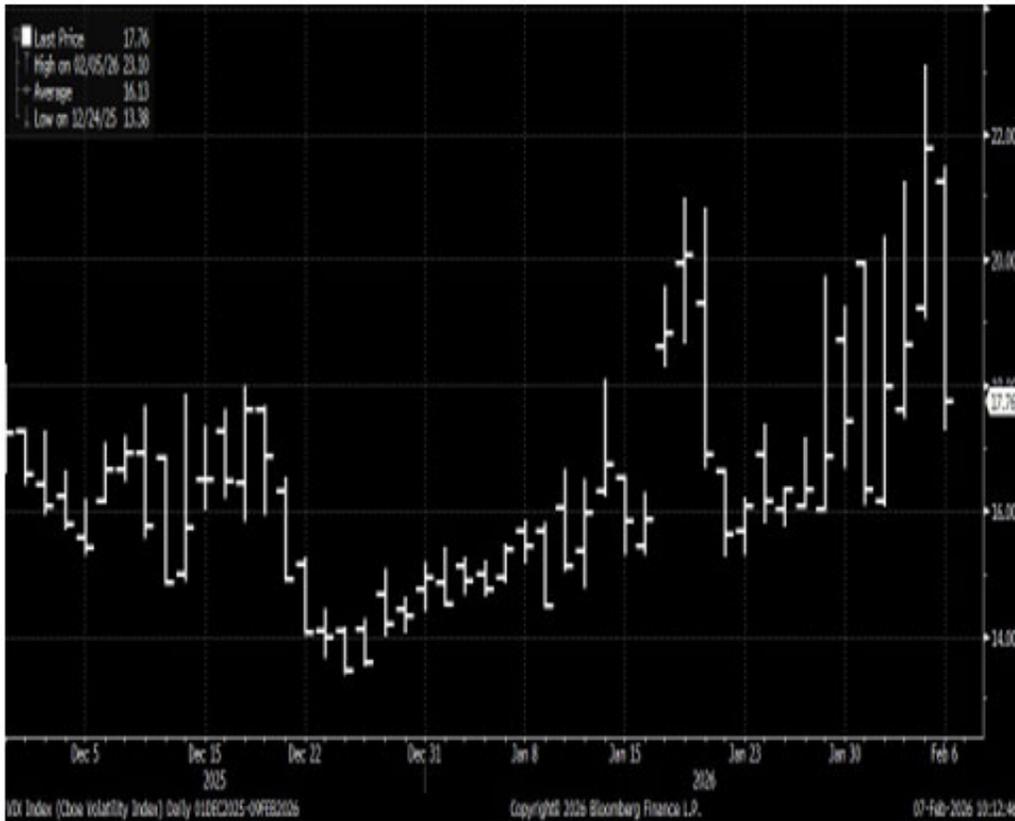
February 9, 2026

Expect The Theme Of 2026 To Remain Volatility The equity market has started the year experiencing high volatility, as reflected in the Cboe Volatility Index (VIX), which has already reached 20 six times in just six weeks.

It feels like a whole year’s worth of events compressed into just a month and a half. We expect this heightened volatility to persist through a good portion of 2026 – which is seen as the norm for mid-term election years. Why? Because historically they have been the most turbulent phase of the presidential cycle, with average drawdowns (corrections) of 19%. But it’s important to note that the rallies that occurred off of the lows of those corrections were very strong – gaining an average of 31% one year later.

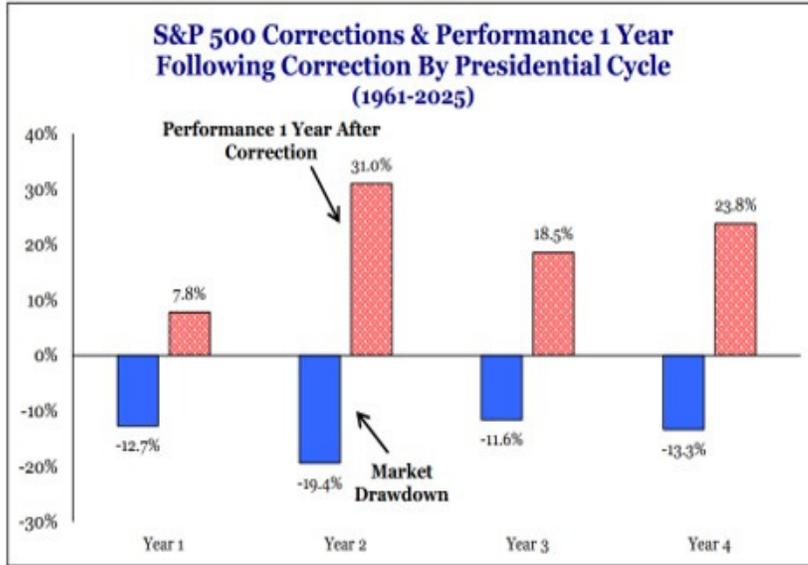
So far, the S&P 500 is following the historical pattern of a mid-term election year. Investors need to remain fearless and, to weather this volatility, portfolios need to be diversified. We maintain that a secular bull market remains intact, and our year-end forecast for the S&P 500 is 7500.

Cboe Volatility Index (VIX): Volatility Elevated In 2026



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MIDTERM ELECTION YEARS ON AVERAGE HAVE THE LARGEST INTRA-YEAR EQUITY MARKET DRAWDOWNS



Source: Strategas, February 5, 2026

S&P 500 ALSO SETTING UP LIKE ITS HISTORICAL MIDTERM ELECTION YEAR PATTERN



Source: Strategas, February 5, 2026

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S&P 500 Range Bound For Now

The S&P 500 has been in a range from 6538 to just under 7000. The bias has been to the upside, but we believe there remains risk that this trading range breaks to the downside, keeping volatility elevated. Technology is currently in a major correction, with the sector already down 13% off the highs. Technology has been the best performing sector for the past few years, so it's normal to have the sector give back some of its gains. We believe the risk is this sector remains in a correction and could have a bear market correction of 20%. Semiconductors are still trending up but also could continue to consolidate and or correct. We maintain that Technology and particularly semiconductors remain the leadership of this secular bull market as this is a pause that refreshes the sector.

S&P 500 With Moving Averages And 14-Day Stochastic



S&P 500 Information Technology With 200-Day Moving Average



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VanEck Semiconductor ETF (SMH) With Moving Averages



S&P 500 P/E Valuation Remains Elevated

Despite the recent pullback in the S&P 500, valuations remain high on a price/earnings basis. This can keep volatility elevated in the market.



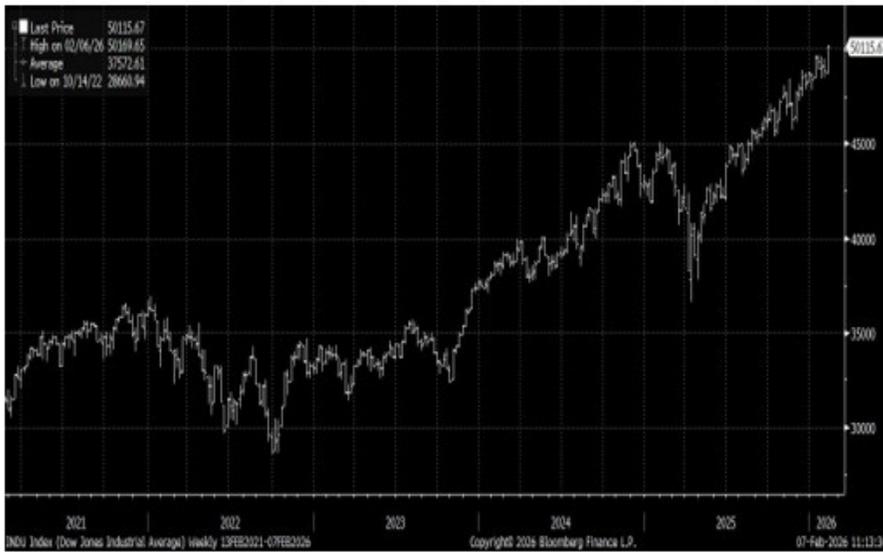
Source: Bloomberg, Annotations by Sanctuary Wealth Feb 6, 2026

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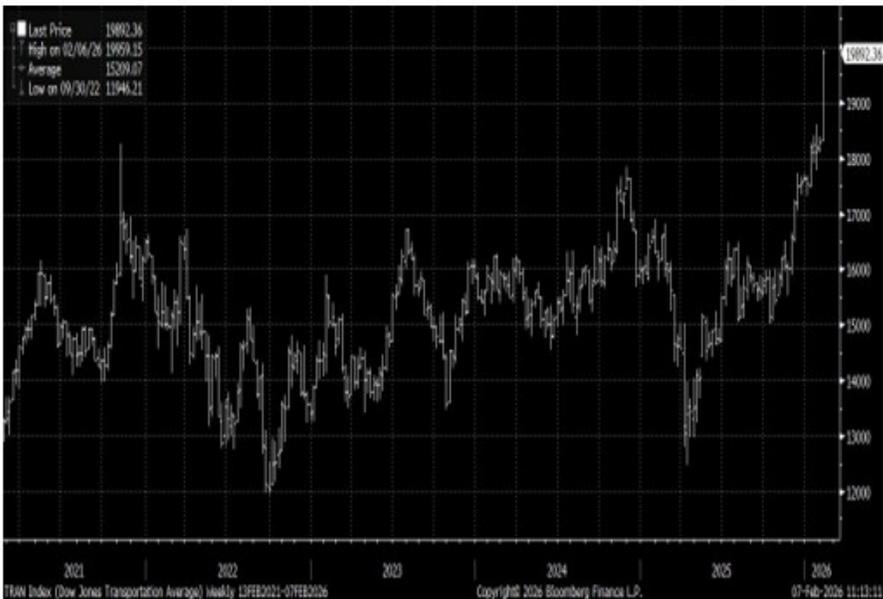
The Bull Is Charging In The Dow Jones Industrial And Transportation Averages

As the S&P 500 Index churns and Technology corrects, the Dow Jones Industrial Average (DJIA) and the Dow Jones Transportation Average (DJTA) have reached all-time highs, confirming a bullish Dow Theory Buy Signal.

Dow Jones Industrial Average Hits All-Time High



Dow Jones Transportation Average Hits Record All-Time High



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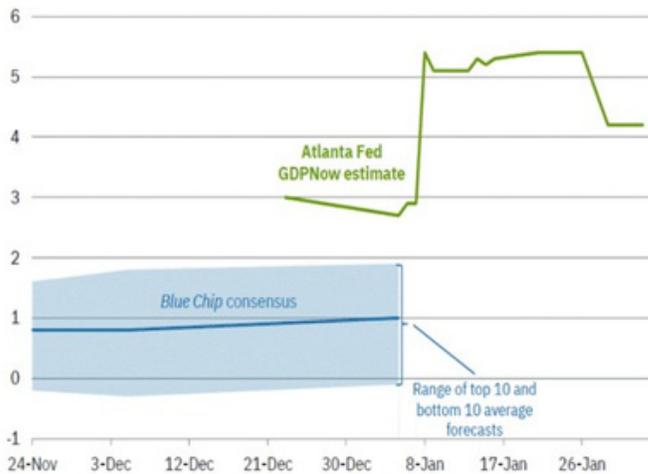
S&P 500 \$Q25 Earnings Running Strong

According to FactSet, 59% of the companies in the S&P 500 have reported actual results for 4Q25 to date, with fourth quarter earnings growth running at 13%. Of these companies, 76% have reported actual EPS above estimates, which is below the 5-year average of 78% but equal to the 10-year average. If 13.0% is the actual growth rate for the quarter, it will mark the fifth consecutive quarter of double-digit (year-over-year) earnings growth for the index.

4Q25 GDP Growth Estimate Running Hot

The Atlanta GDPNow Tracker is estimating that 4Q25 GDP growth is running around 4.2%, down from running at a 5.0% clip. If the growth rate is sustained, it is very bullish for corporate earnings this year. It also supports the new all-time highs in the Dow and Transport Averages.

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



Source: Atlanta Federal Reserve, February 2, 2026

ISM Manufacturing PMI Index Breaks Into Growth Range Highest Since 2022

Last week, we finally got data on manufacturing – and the numbers indicate the recession appears to be over. The ISM Manufacturing PMI index came in at 52.6, the highest reading since 2022. A reading above 50 signals a bullish environment for manufacturing. This supports the breakouts we are seeing in the Dow and Transport averages.

ISM Manufacturing PMI Index Highest Since 2022



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Crypto Winter Slams Bitcoin, Hits First Target at \$60,000 — Then Bounces

Crypto Winter has come in just like the Arctic cold that's been blasting across the country. Last week, we highlighted a head-and-shoulders breakdown, pointing to a target range of \$60,000-\$40,000. Bitcoin moved quickly to the \$60,000 level, briefly resembling a crash-style decline, before staging a sharp rebound. We would expect continued volatility and do not see a bottom yet.

Bitcoin Breaks Down: Test Range \$60,000-\$40,000



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Sector Readings: Energy Strongest, Followed By Communication Services; Utilities Slides To Weakest; Information Technology Continues To Correct

Energy continued its five-week climb and was strongest last week, followed by Communication Services, then Industrials. Utilities was in last place, followed by Real Estate: these two sectors are sensitive to long-term interest rates. Information Technology continues to correct after many months of being top-ranked.

Our sector model analyzes S&P 500 GICS sector classifications, using a weighted measure of price momentum across three time periods. We rank each sector from best to worst based upon the average of its 40-, 26-, and 13-week relative price performances. We rank each sector from 1-11 with 1 being the strongest and 11 the weakest.

Sector Rankings By 40-, 26-, And 13-Week Average Relative Price Performance

	Feb 6	Jan 30	Jan 23	Jan 16	Jan 9	Jan 2	Dec 26	Dec 19
Consumer Discretionary	8	6	5	4	3	5	3	3
Consumer Staples	6	8	8	10	10	11	10	9
Energy	1	2	3	5	8	8	9	10
Financials	9	9	9	8	7	6	6	6
Healthcare	5	7	6	6	5	3	4	4
Industrials	3	4	7	2	4	4	5	5
Information Technology	7	5	4	3	2	2	2	2
Materials	4	3	2	7	6	7	7	7
Communication Services	2	1	1	1	1	1	1	1
Utilities	11	10	10	9	9	9	8	8
Real Estate	10	11	11	11	11	10	11	11

Source: Bloomberg, Sanctuary Wealth, February 6, 2026



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OBOS List: Materials, Industrials, Consumer Staples, And Energy, Overbought, Utilities Oversold

Materials, Industrials, Consumer Staples, and Energy are all overbought; Communication Services and Healthcare are near overbought. Consumer Discretionary and Information Technology are oversold, while Utilities is near oversold. It is unusual that so many sectors are in stretched positions.

Our tactical sector rotation model uses the S&P 500 GICS sector classifications. We apply a 13-week rate of change methodology that normalizes the rankings from overbought (OB) to oversold (OS). An industry group is overbought when it has risen too far too fast, relative to the rest of the market, based upon its normal movement. Conversely, it's oversold when it has lost too much too fast, relative to the rest of the market, based upon its normal movement. Over time, a sector tends to move back toward its normal rate of change, relative to the rest of the market. Overbought sectors tend to slow their pace of gains in relative price, while oversold sectors tend to improve in relative price until they reach their average performance again.

Here's our methodology: the overbought-oversold table of sectors measures the 13-week rate of change in the relative price of each sector. We then average (i.e., smooth) this for 3 weeks and normalize the results. Normalized oscillator values over 1.0 are considered overbought, while those between 0.6 and 1.0 are considered near overbought. Normalized oscillator values below -1.0 are considered oversold, while those between -0.6 and -1.0 are considered near oversold.

Sector Overbought / Oversold List as of 6 February 2026

<i>rank</i>	<i>S&P Sector</i>	<i>normalized Oscillator</i>
1	Materials	2.5989
2	Industrials	2.5451
3	Consumer Staples	1.9357
4	Energy	1.8345 <i>Overbought</i>
5	Communication Services	0.8293
6	Healthcare	0.7368 <i>Near Overbought</i>
7	Real Estate	-0.0199 <i>Neutral</i>
8	Financials	-0.0267 <i>Neutral</i>
9	Utilities	-0.7509 <i>Near Oversold</i>
10	Information Technology	-1.0617 <i>Oversold</i>
11	Consumer Discretionary	-1.2788

Source: Bloomberg, Sanctuary Wealth, February 6, 2026

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Market Performance: Energy Best Performing Sector Year To Date, Even Better Than Gold, While Bitcoin Is The Worst

	Last 2/6/2026	Month End 1/30/2026	Month to Date	Quarter End 12/31/2025	Quarter to Date	Year End 12/31/2025	Year to Date	Year Ago 2/6/2025	Year To Year
S&P 500	6932.30	6939.03	-0.1%	6845.50	1.3%	6845.50	1.3%	6083.57	14.0%
NASDAQ Composite	23031.21	23461.82	-1.8%	23241.99	-0.9%	23241.99	-0.9%	19791.99	16.4%
NASDAQ 100	609.65	621.87	-2.0%	614.31	-0.8%	614.31	-0.8%	529.60	15.1%
Russell 2000	2670.34	2613.74	2.2%	2481.91	7.6%	2481.91	7.6%	2307.12	15.7%
S&P Consumer Discretionary Sector	1871.49	1961.14	-4.6%	1928.43	-3.0%	1928.43	-3.0%	1890.87	-1.0%
S&P Consumer Staples Sector	986.03	929.89	6.0%	864.89	14.0%	864.89	14.0%	886.71	11.2%
S&P Energy Sector	820.14	786.14	4.3%	687.34	19.3%	687.34	19.3%	674.79	21.5%
S&P Financial Sector	901.12	887.83	1.5%	911.60	-1.1%	911.60	-1.1%	866.25	4.0%
S&P Health Care Sector	1837.00	1802.62	1.9%	1805.89	1.7%	1805.89	1.7%	1714.21	7.2%
S&P Industrials Sector	1465.59	1400.05	4.7%	1313.14	11.6%	1313.14	11.6%	1165.97	25.7%
S&P Information Technology Sector	5511.87	5587.88	-1.4%	5684.00	-3.0%	5684.00	-3.0%	4557.89	20.9%
S&P Materials Sector	645.93	624.06	3.5%	574.41	12.5%	574.41	12.5%	562.58	14.8%
S&P Real Estate Sector	266.07	262.03	1.5%	255.03	4.3%	255.03	4.3%	264.76	0.5%
S&P Communications Sector	457.28	478.15	-4.4%	452.39	1.1%	452.39	1.1%	368.94	23.9%
S&P Utilities Sector	440.28	439.54	0.2%	433.81	1.5%	433.81	1.5%	398.10	10.6%
S&P 500 Total Return	15427.83	15441.15	-0.1%	15220.46	1.4%	15220.46	1.4%	13366.96	15.4%
3 month Treasury Bill Price	99.08	99.08	0.0%	99.09	0.0%	99.09	0.0%	98.92	0.2%
3 month Treasury Bill Total Return	269.01	268.82	0.1%	268.01	0.4%	268.01	0.4%	258.05	4.2%
10 Year Treasury Bond Future	112.11	111.83	0.3%	112.44	-0.3%	112.44	-0.3%	109.58	2.3%
10 Year Treasury Note Total Return	316.86	315.84	0.3%	316.61	0.1%	316.61	0.1%	297.48	6.5%
iShares 20+ Year Treasury Bond ETF	87.54	87.13	0.5%	87.16	0.4%	87.16	0.4%	89.85	-2.6%
S&P Municipal Bond Total Return	293.11	292.15	0.3%	290.00	1.1%	290.00	1.1%	280.71	4.4%
iShares S&P National Municipal Bond NAV	107.76	107.66	0.1%	106.85	0.8%	106.85	0.8%	106.95	0.8%
S&P 500 Investment Grade Corporate Bond Total Return	501.77	500.40	0.3%	499.46	0.5%	499.46	0.5%	470.70	6.6%
S&P Investment Grade Corporate Bond	92.80	92.61	0.2%	92.75	0.1%	92.75	0.1%	90.94	2.1%
S&P Investment Grade Corporate Bond Total Return	535.87	534.21	0.3%	532.99	0.5%	532.99	0.5%	501.70	6.8%
SPDR Bloomberg High Yield Bond ETF	97.40	97.82	-0.4%	97.21	0.2%	97.21	0.2%	96.52	0.9%
iShares iBoxx High Yield Corporate Bond ETF	80.81	81.12	-0.4%	80.63	0.2%	80.63	0.2%	79.60	1.5%
Gold	4964.36	4894.23	1.4%	4319.37	14.9%	4319.37	14.9%	2856.28	73.8%
Bitcoin	70312.76	84162.39	-16.5%	87647.54	-19.8%	87647.54	-19.8%	96811.79	-27.4%
Silver	77.84	85.20	-8.6%	71.66	8.6%	71.66	8.6%	32.18	141.9%

Source: Bloomberg, Sanctuary Wealth, February 6, 2026

A Delayed Employment Report, CPI, Retail Sales And More Earnings On Tap This Week

This week, the Olympics won't distract markets from digesting new economic data... and dissecting the Fed's next possible moves.

This is another important week for economic data and corporate earnings. We'll receive the delayed January employment report along with the Consumer Price Index (CPI), both of which will be closely watched for signals on inflation and monetary policy. In particular, markets will be focused on whether incoming Federal Reserve Chair Kevin Warsh will have the flexibility to begin delivering the interest rate cuts President Trump has been seeking.

We will also gain fresh insight into consumer strength through new retail sales data. Meanwhile, earnings season remains a key market driver, with just under half of S&P 500 companies still to report.



Calendar

Mon.

10:50 am AtlantaFed President Raphael Bostic speaks
 1:30 pm Fed governor Christopher Waller speaks
 2:30 pm Fed governor Stephen Miran speaks
 5:00 pm Fed governor Stephen Miran podcast interview

Tue.

6:00 am NFIB optimism index
 8:30 am Employment cost index
 8:30 am Import price index (delayed report)
 8:30 am Import price index minus fuel
 8:30 am U.S. retail sales (delayed report)
 8:30 am Retail sales minus autos
 10:00 am Business inventories (delayed report)
 12:00 pm Cleveland Fed President Beth Hammack speaks
 1:00 pm Dallas Fed President Lorie Logan speaks
 Earnings Coca-Cola*

Wed.

8:30 am U.S. employment report
 8:30 am U.S. unemployment rate
 8:30 am U.S. hourly wages
 8:30 am Hourly wages year over year
 10:10 am Kansas City Fed President Jeff Schmid speaks
 2:00 pm Monthly U.S. federal budget
 Earnings Shopify

Thu.

8:30 am Initial jobless claims
 10:00 am Existing home sales
 7:05 pm Fed governor Stephen Miran speaks
 Earnings Coinbase Global

Fri.

8:30 am Consumer price index
 8:30 am CPI year over year
 8:30 am Core CPI
 8:30 am Core CPI year over year

*Earnings reflect highlights
 Source: MarketWatch/Kiplinger's/CNBC

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