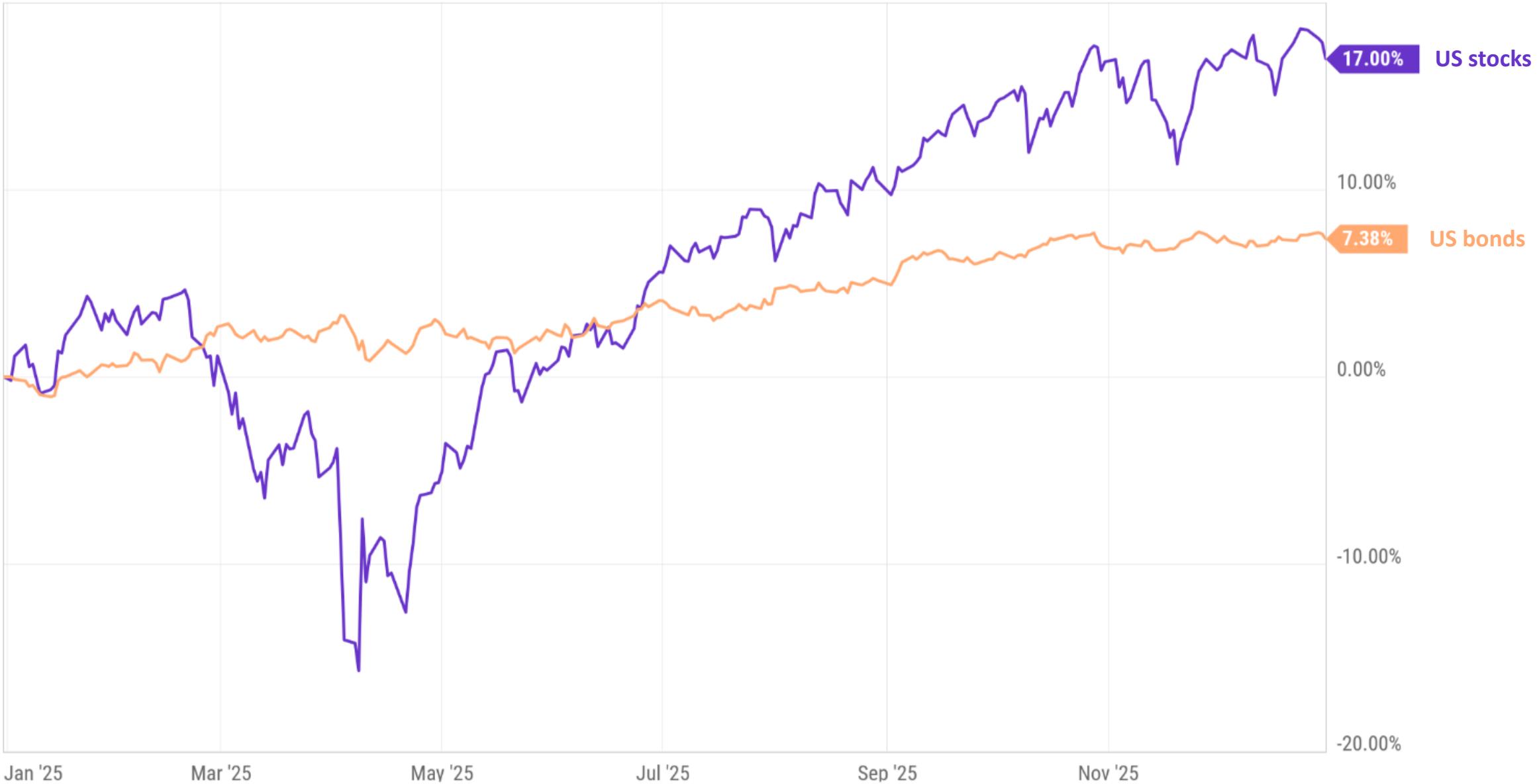


Market Update

1Q 2026



2025 stocks & bond returns



what comes next after three great years?

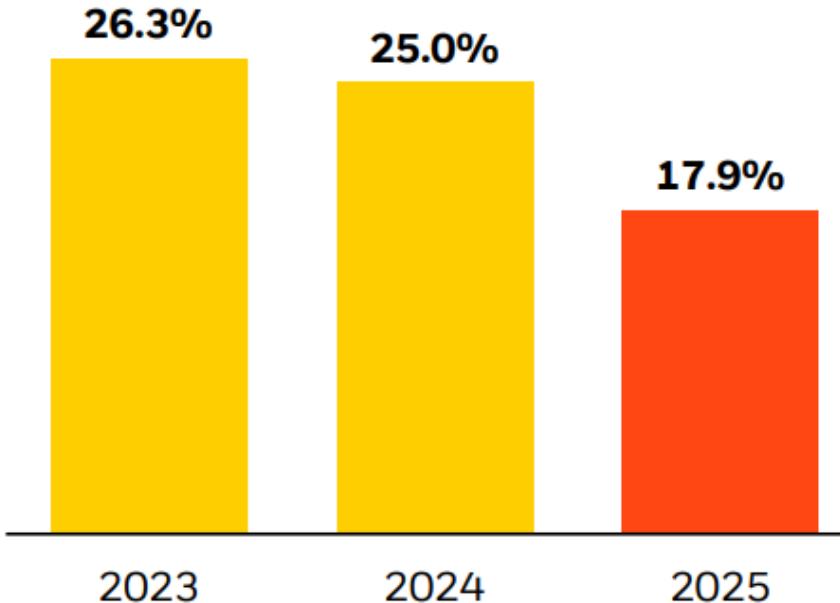
U.S. STOCKS UP 15% THREE YEARS IN A ROW

U.S. stocks have posted 15%+ gains for three straight years—8th time ever

In the prior seven instances, stocks delivered double-digit gains the following year four times.

Calendar year performance for U.S. stocks

1/1/2023 - 12/31/2025

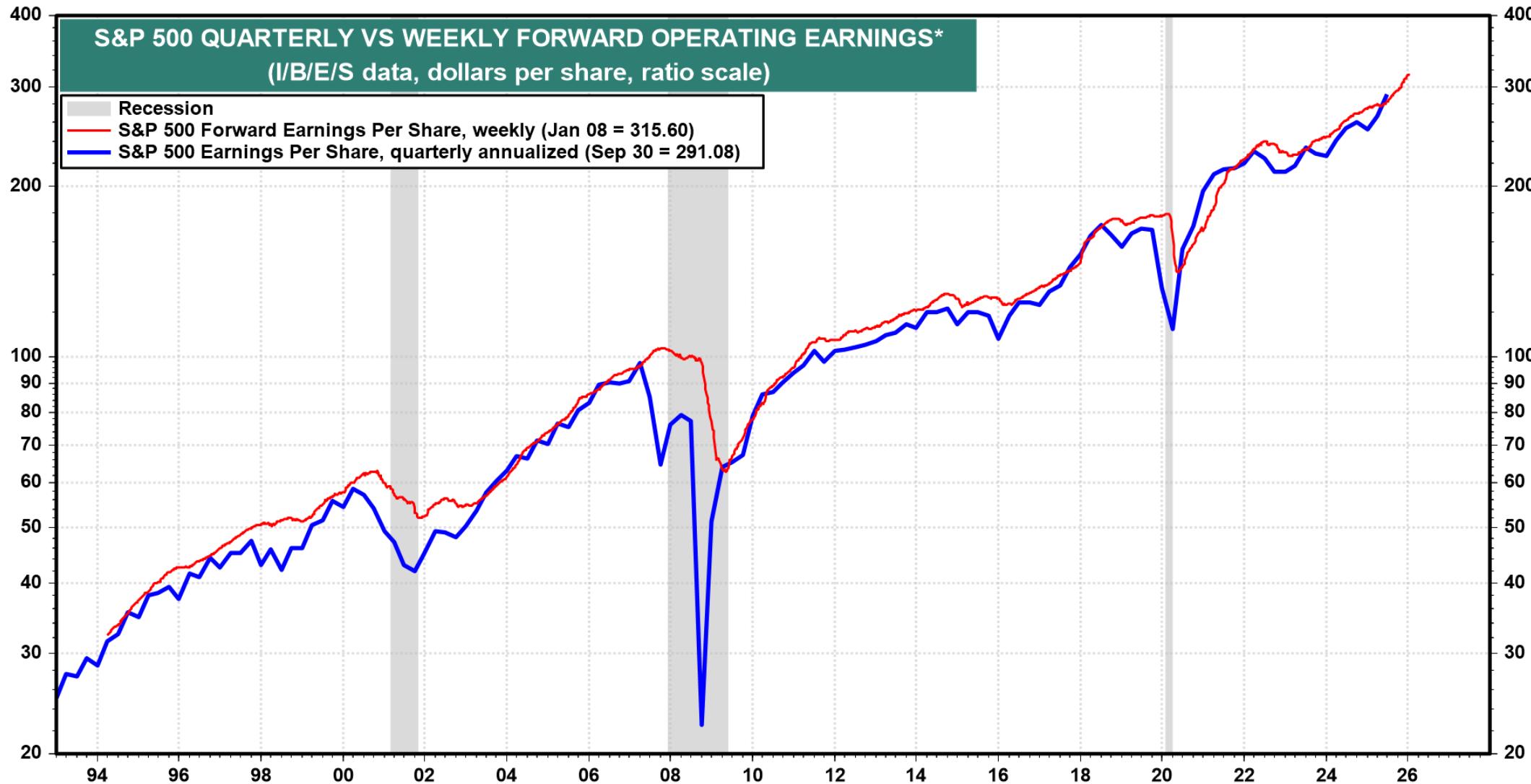


3-year streaks of 15% or more returns for stocks

Since 1926

| Year 1 | Year 2 | Year 3 | The following year |
|--------------|--------------|--------------|--------------------|
| 1942 (20.3%) | 1943 (25.9%) | 1944 (19.8%) | 1945 (36.4%) |
| 1943 (25.9%) | 1944 (19.8%) | 1945 (36.4%) | 1946 (-8.1%) |
| 1949 (18.8%) | 1950 (31.7%) | 1951 (24.0%) | 1952 (18.4%) |
| 1950 (31.7%) | 1951 (24.0%) | 1952 (18.4%) | 1953 (-1.0%) |
| 1995 (37.6%) | 1996 (23.0%) | 1997 (33.4%) | 1998 (28.6%) |
| 1996 (23.0%) | 1997 (33.4%) | 1998 (28.6%) | 1999 (21.0%) |
| 1997 (33.4%) | 1998 (28.6%) | 1999 (21.0%) | 2000 (-9.1%) |
| 2023 (26.3%) | 2024 (25.0%) | 2025 (17.9%) | 2026 ? |
| Avg (27.1%) | Avg (26.4%) | Avg (24.9%) | Avg (12.3%) |

earnings growth story firmly intact



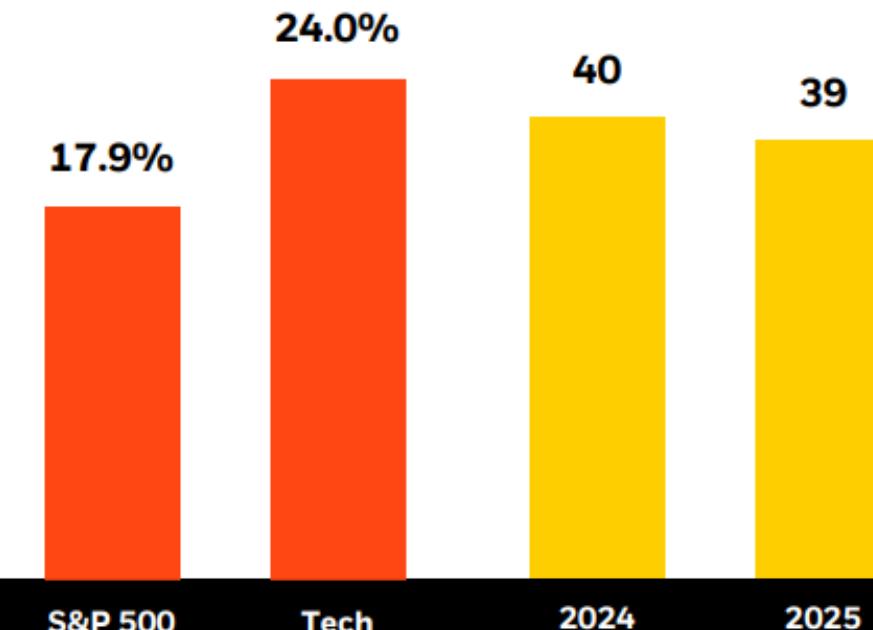
Source: LSEG Datastream and © Yardeni Research.

* Forward earnings per share is a time-weighted average of analysts' consensus earnings estimates for the current year and the coming year.

Technology stocks continued to outperform, but valuations edged lower

Robust earnings drove the U.S. equity market higher, especially within technology stocks.

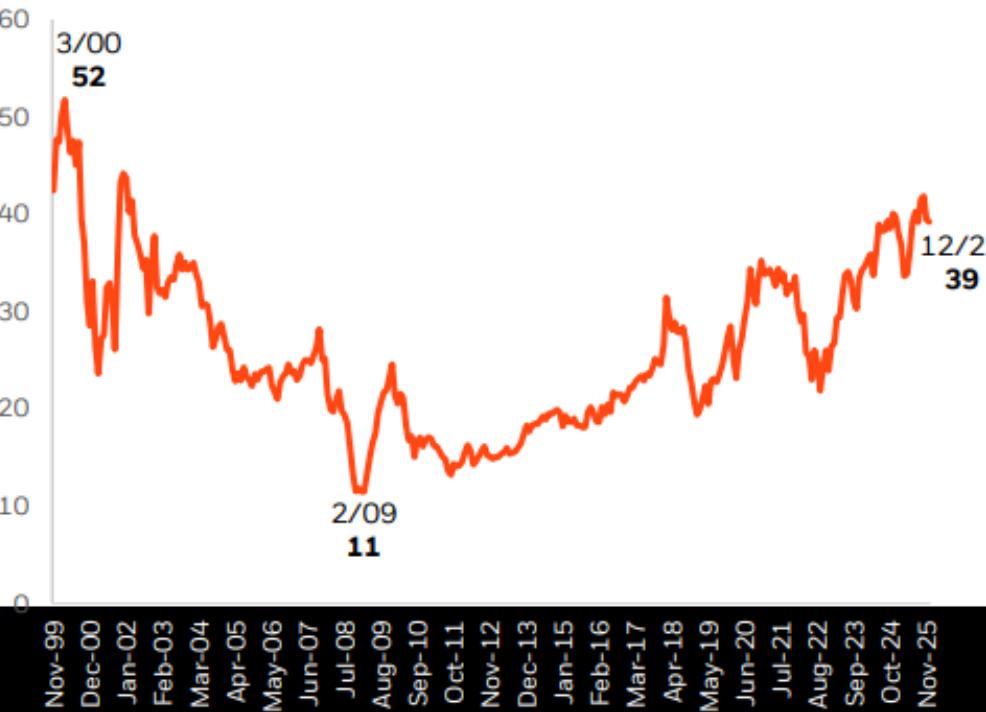
Tech stocks continued to outperform in 2025



Tech stocks valuations went down slightly in 2025

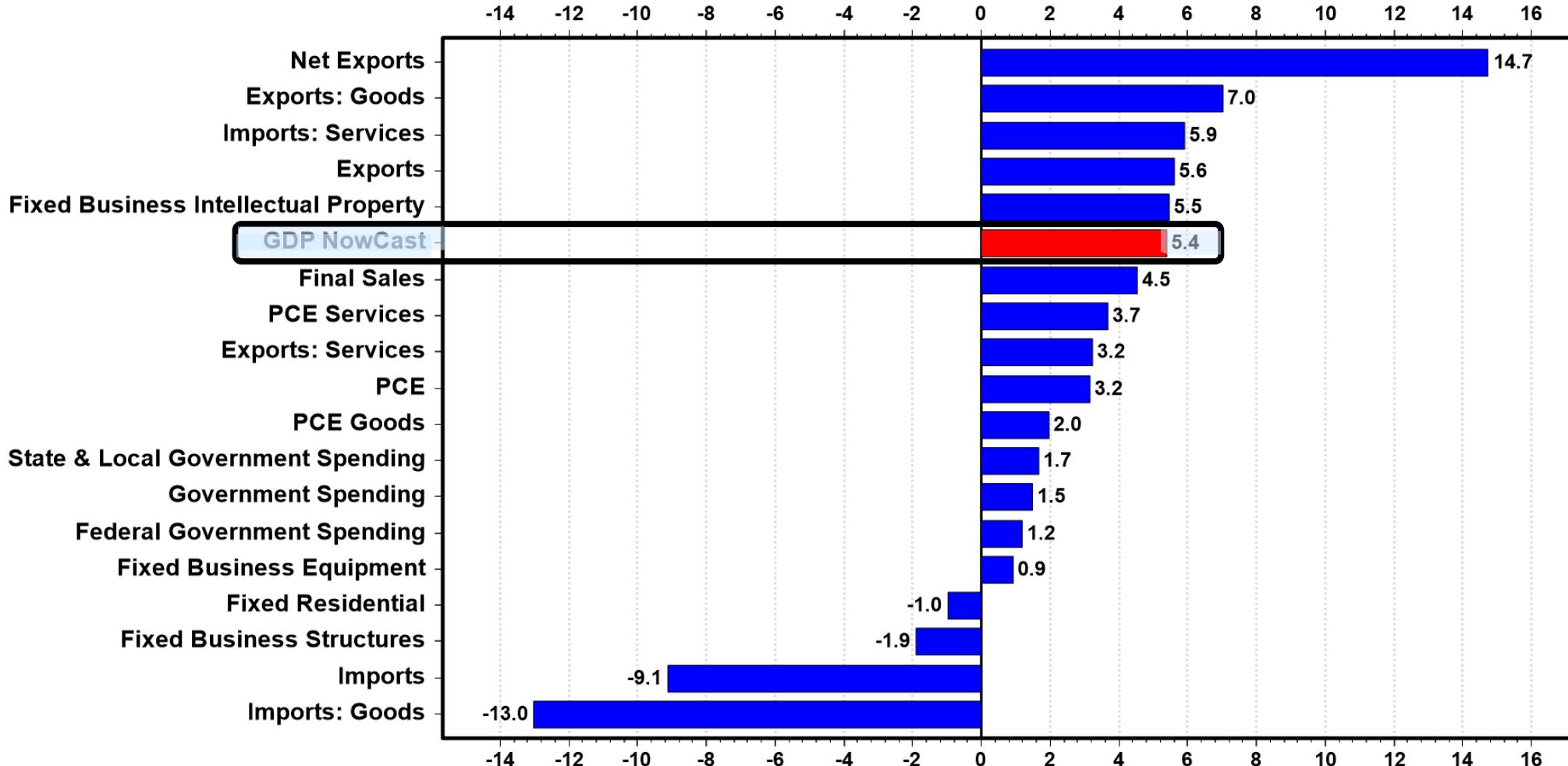
Technology stock valuations are elevated but nowhere near record highs

P/E ratio, trailing 12-month earnings, 1999 – 2025

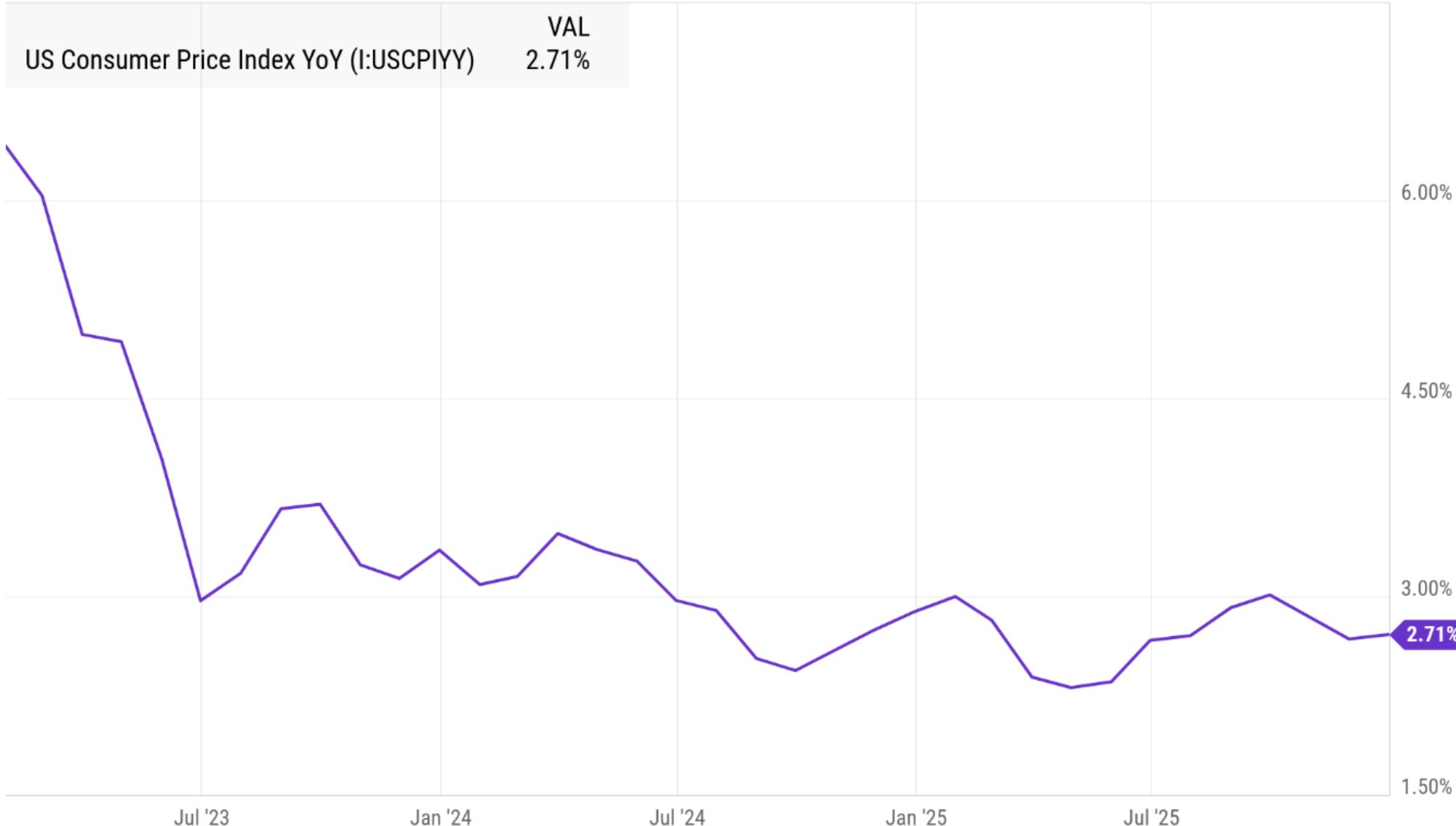


the resilient US economy

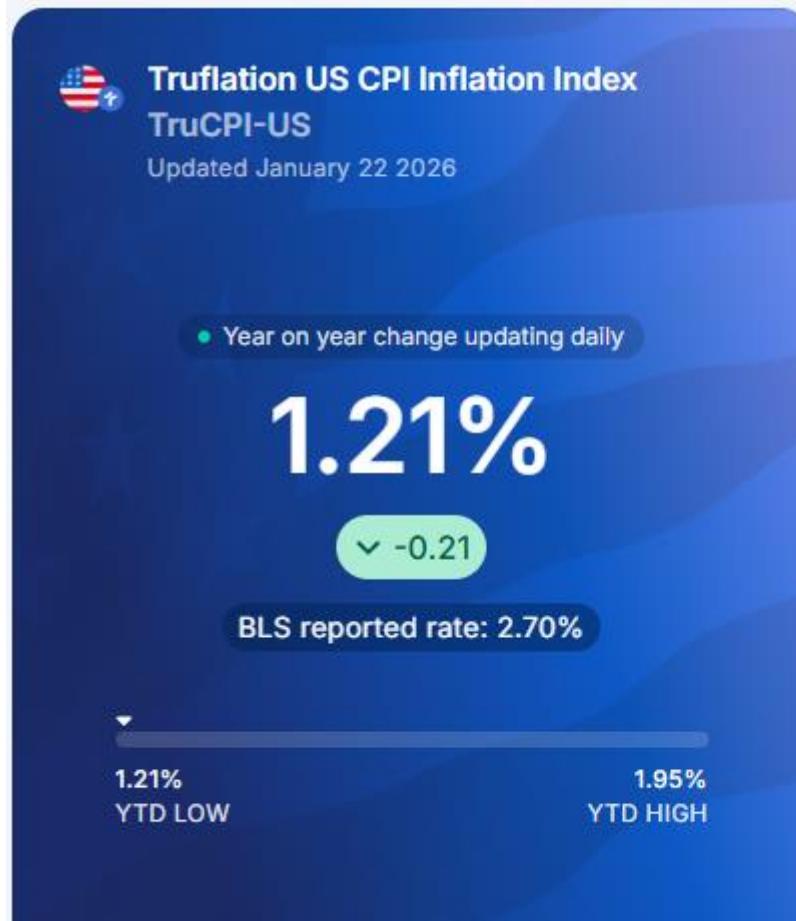
ATLANTA FED GDPNOW ESTIMATE FOR Q3-2025
(quarterly percent change, saar, January 21)



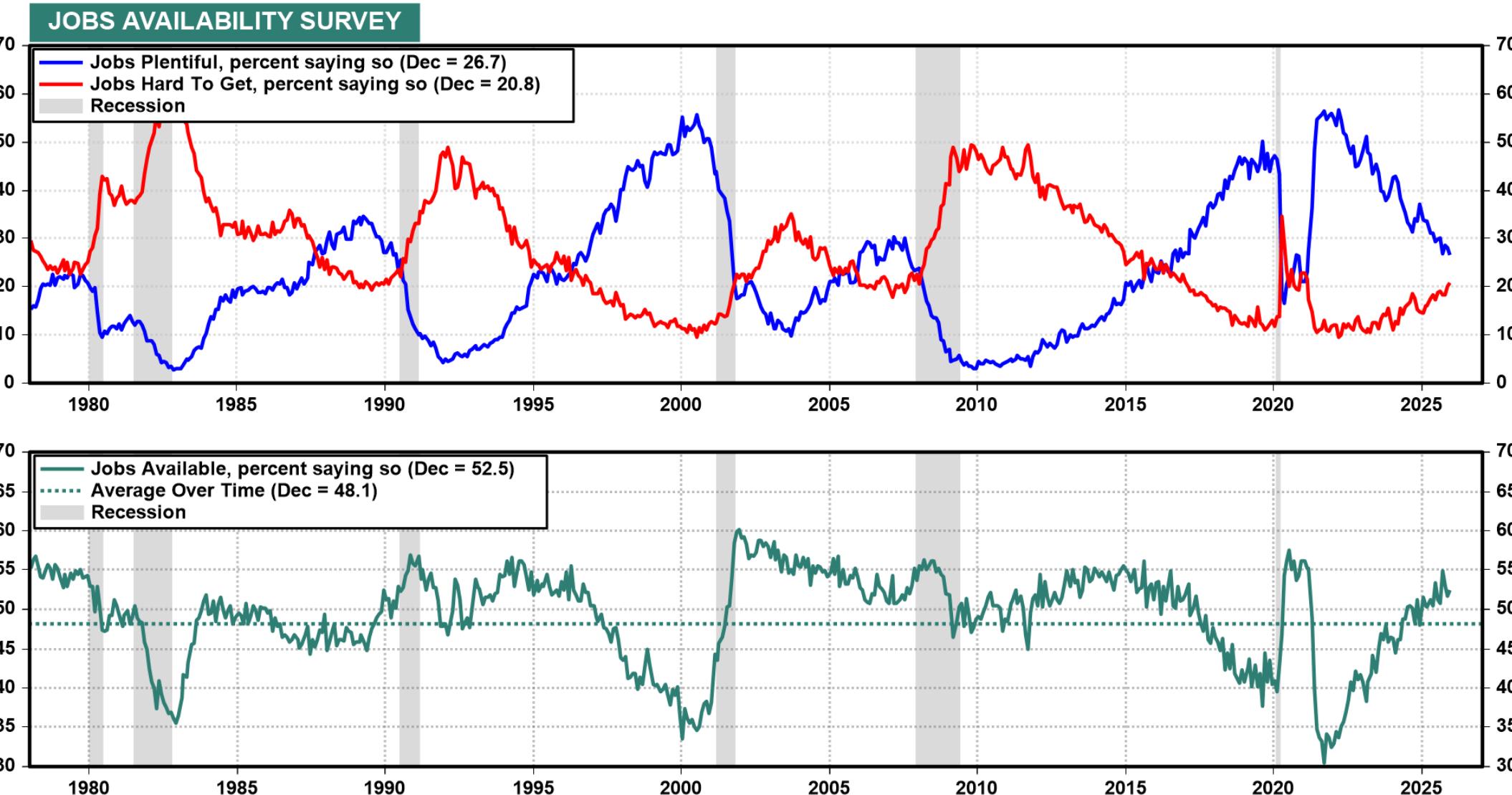
inflation benign but still higher than 2% target



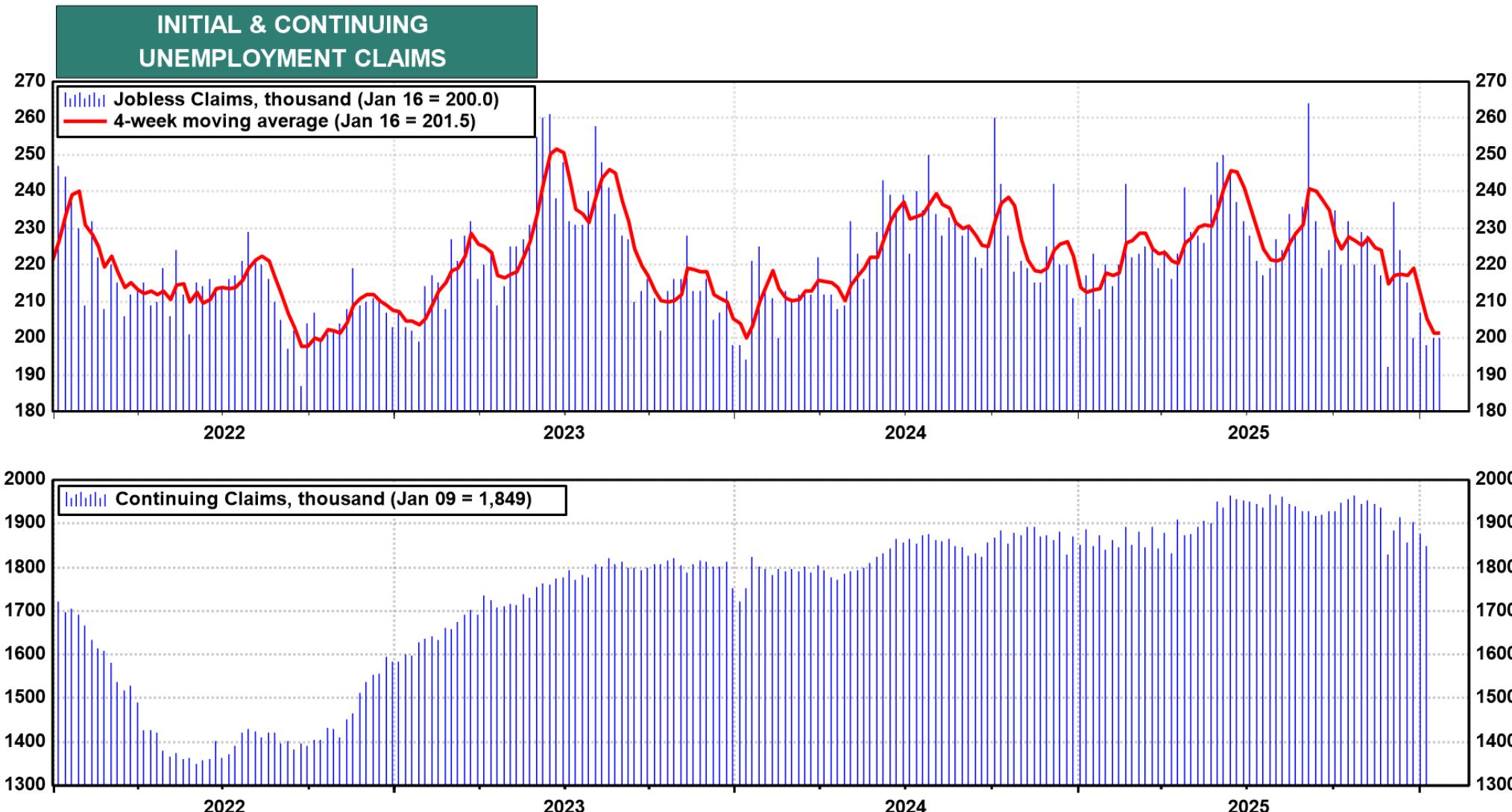
alternative inflation tracker



employment market check-in

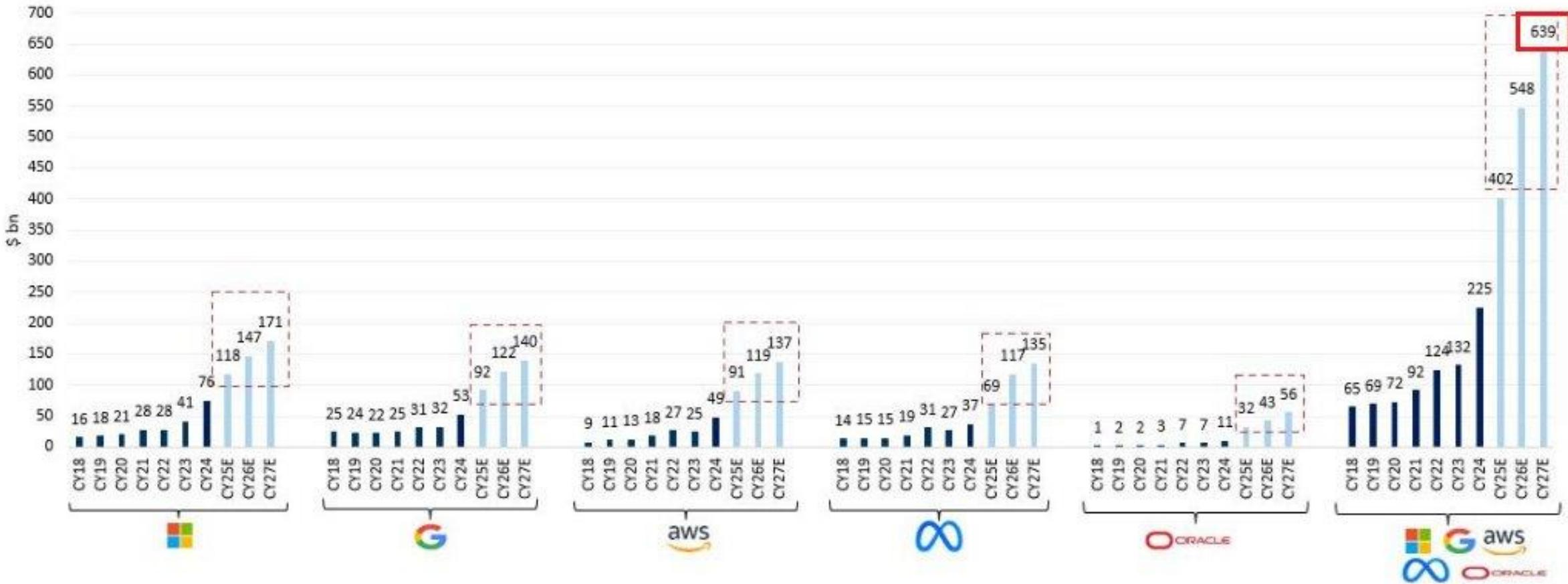


employment market check-in



AI spending continues to ramp up

Exhibit 2: We expect Tier-1 hyperscalers to drive sustained CapEx growth in 2026 and 2027

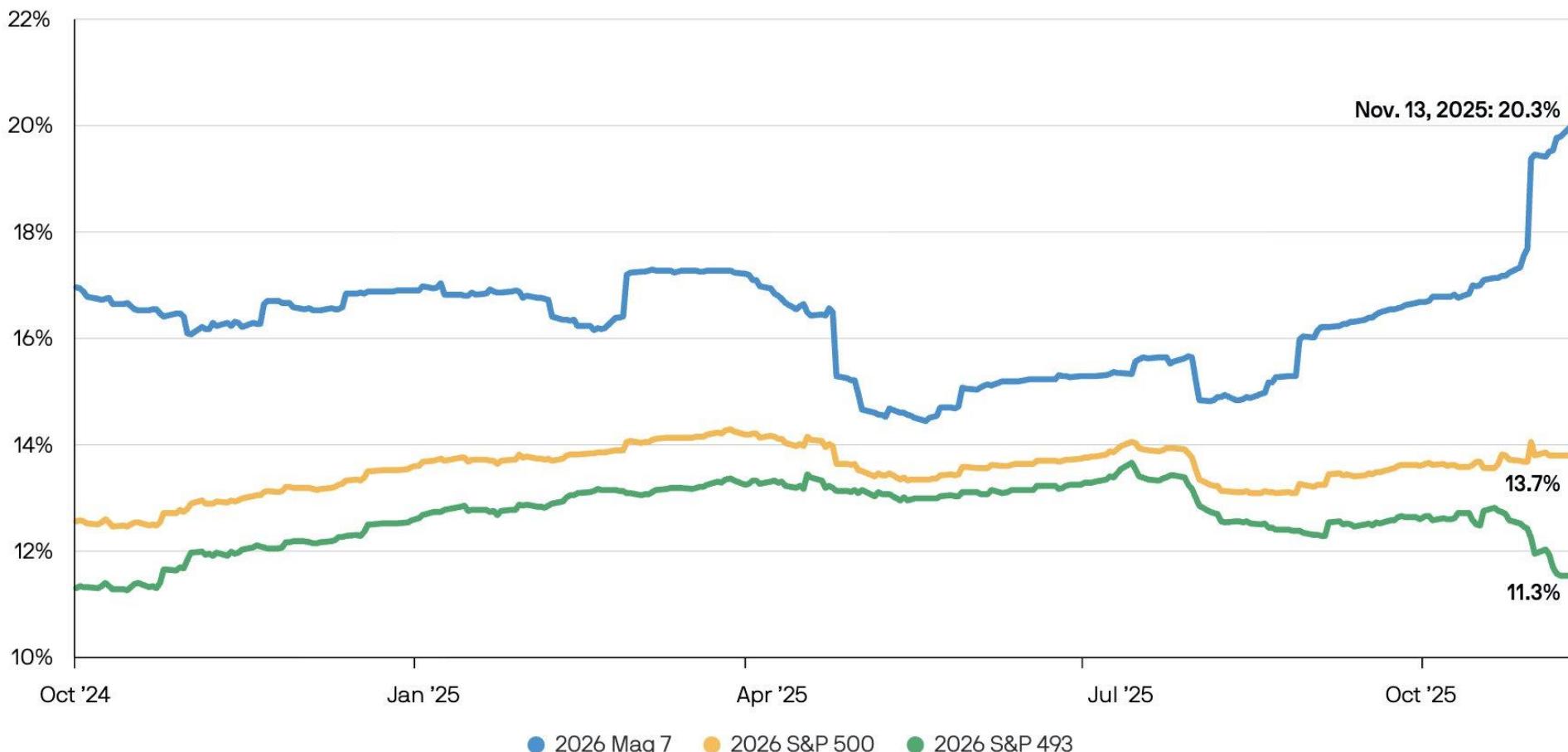


Source: Company data, Goldman Sachs Global Investment Research

Mag 7 leading the charge into 2026

2026 earnings estimates for the Mag 7 shoot up; S&P 493's shoot down

Exhibit 3: 2026 consensus EPS growth estimate



Source: FactSet, S&P Global, J.P. Morgan Asset Management. Magnificent 7 includes AAPL, AMZN, GOOGL/GOOG, META, MSFT, NVDA and TSLA.
 Data are as of November 13, 2025.

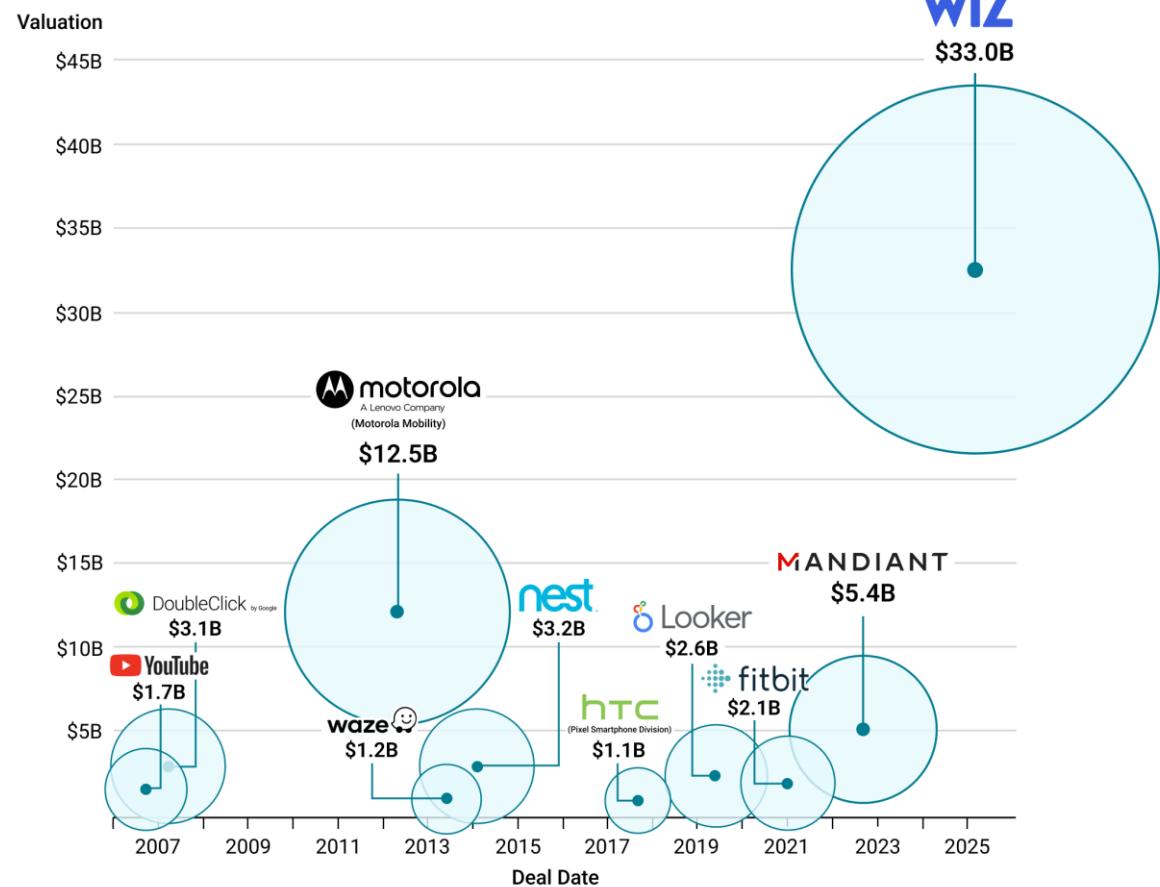
countering charges of concentration risk

- The US stock market is more concentrated today than ever in its history.
 - The top 10 companies in the S&P 500 Index constitute 40% of the Index value.
- However, today's tech giants have diversified revenue streams, and they have made acquisitions into other industries.

1. Wiz (\$33B, 2025) – Cybersecurity
2. Motorola Mobility (\$12.5B, 2012) – Mobile
3. Mandiant (\$5.4B, 2022) – Cybersecurity
4. Nest Labs (\$3.2B, 2014) – Home automation
5. DoubleClick (\$3.1B, 2007) – Advertising
6. Looker (\$2.6B, 2019) – Business intelligence
7. Fitbit (\$2.1B, 2019) – Wearables
8. YouTube (\$1.7B, 2006) – Video sharing
9. Waze (\$1.15B, 2013) – Mapping
10. HTC – Pixel Smartphone Division (\$1.1B, 2017) – Mobile

Google's acquisition timeline

Top 10 acquisitions by valuation of acquired company



don't fade the US of A



Michael Antonelli @BullandBaird · Dec 16

...

Of the 25 largest companies in the World

China has 1

Europe has 1

New York has 2

Washington has 2

Texas has 3

California has 7

4

18

384

237K

↑

don't fade the US of A



Michael Antonelli 

@BullandBaird

∅ ...

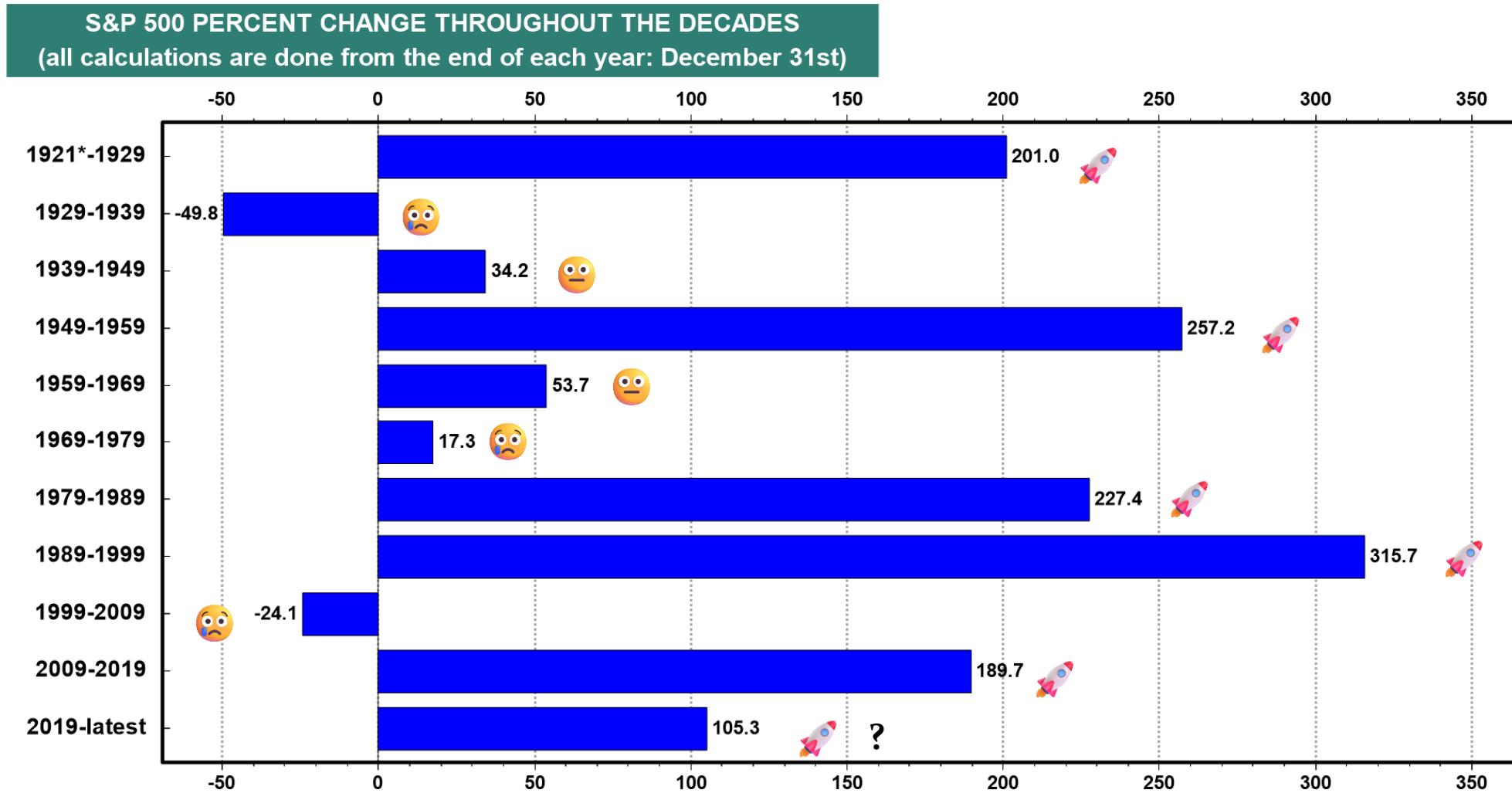
Wild stat:

In the past 50 years Europe has created, from scratch, just 14 companies with a market cap >\$10B

In the US its 241.

9:36 AM · Dec 16, 2025 · 316.2K Views

the feast or famine US stock market



Scorecard:

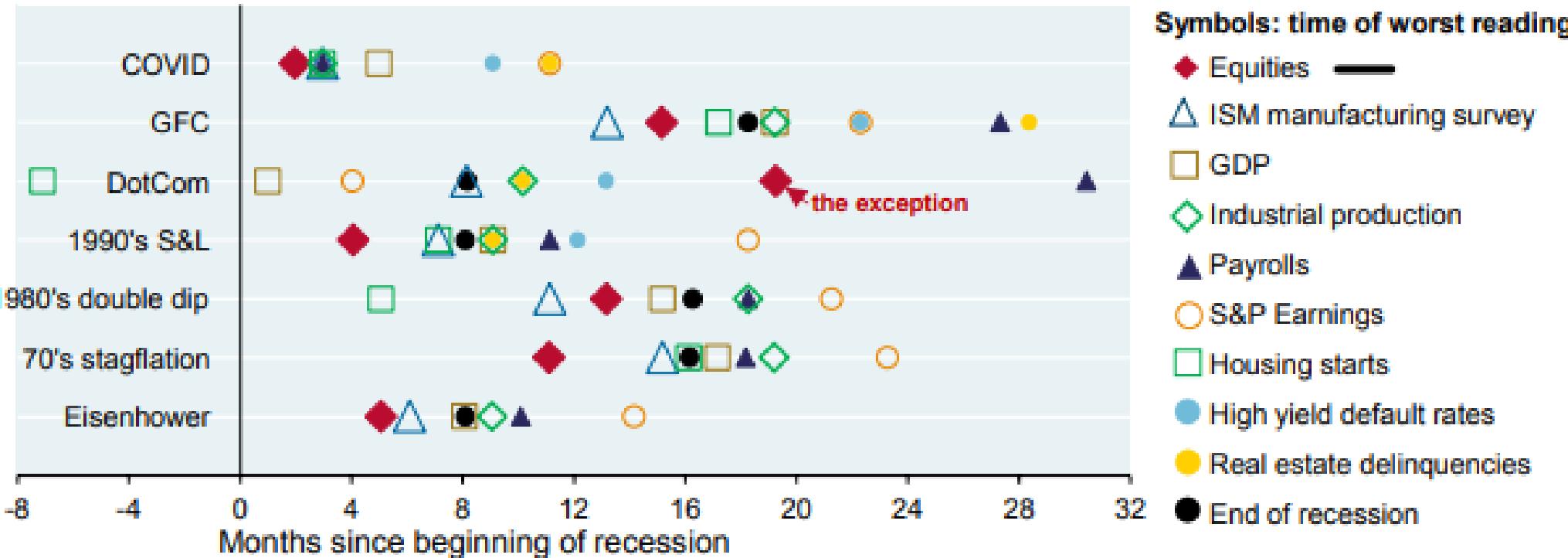
- 5.5 (52%) 
- 3 (28.5%) 
- 2 (19%) 

Source: LSEG Datastream and © Yardeni Research. Standard & Poors.

*January 1921

a good reason to hold onto stocks after painful periods

Equities tend to bottom first during recessions

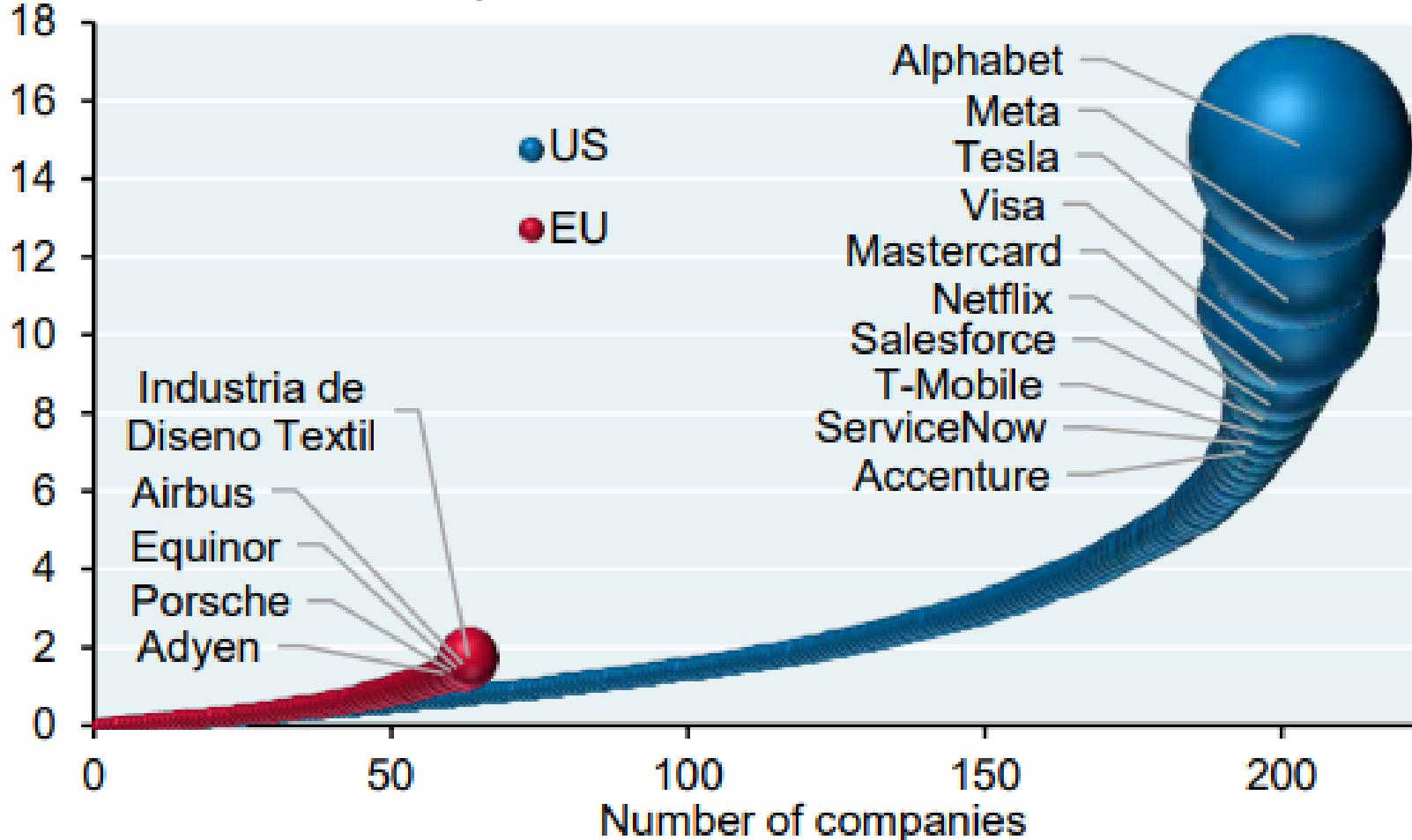


Source: BEA, Census, NAR, Shiller, Bloomberg, S&P/Dow Jones, JPMAM, 2025. Past performance is not indicative of future results

the American Spirit

Creation of new public companies in the 21st century

Cumulative market cap in trillions of US\$



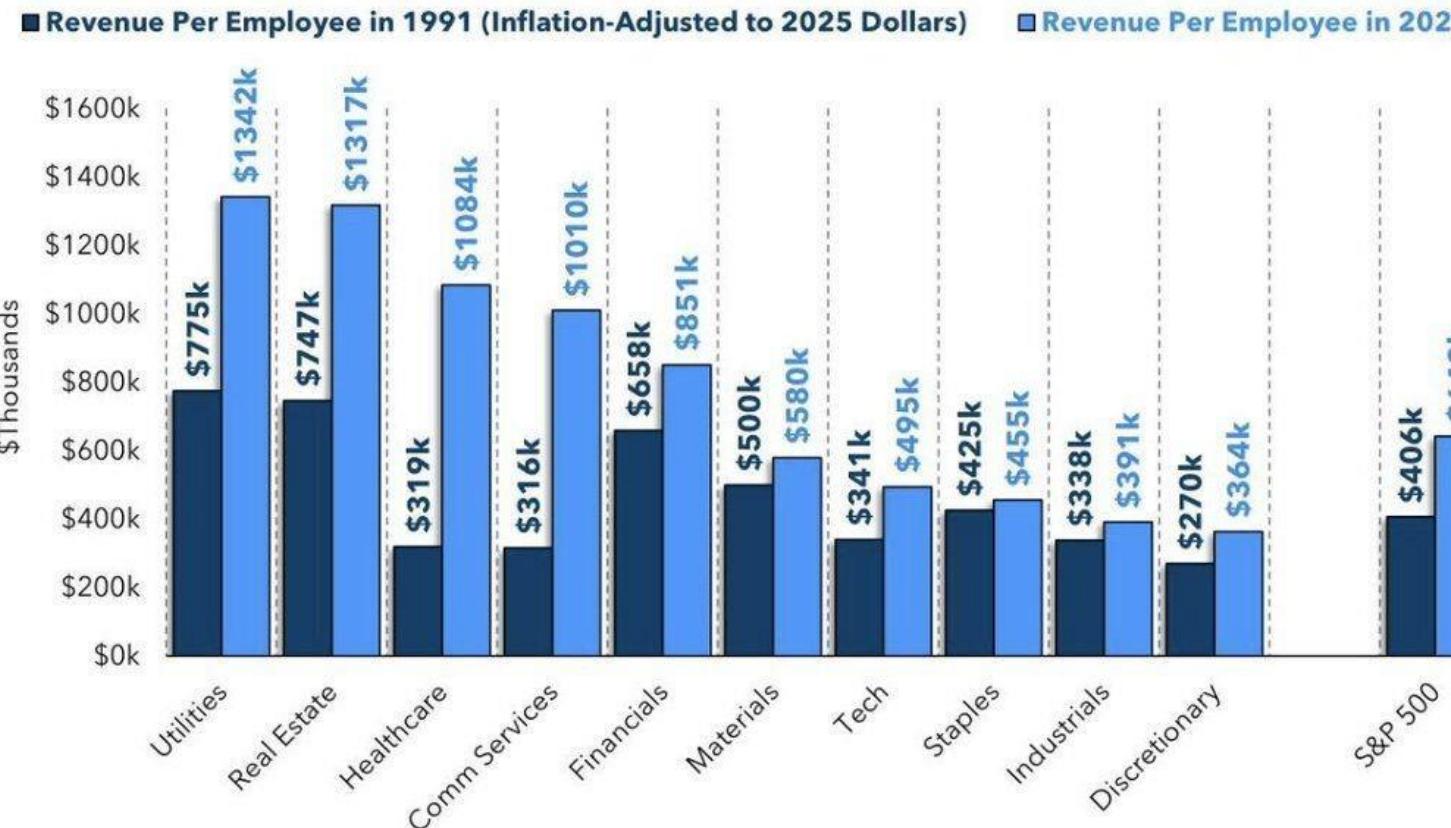
Source: Bloomberg, JPMAM, December 17, 2024

increasing productivity across the board

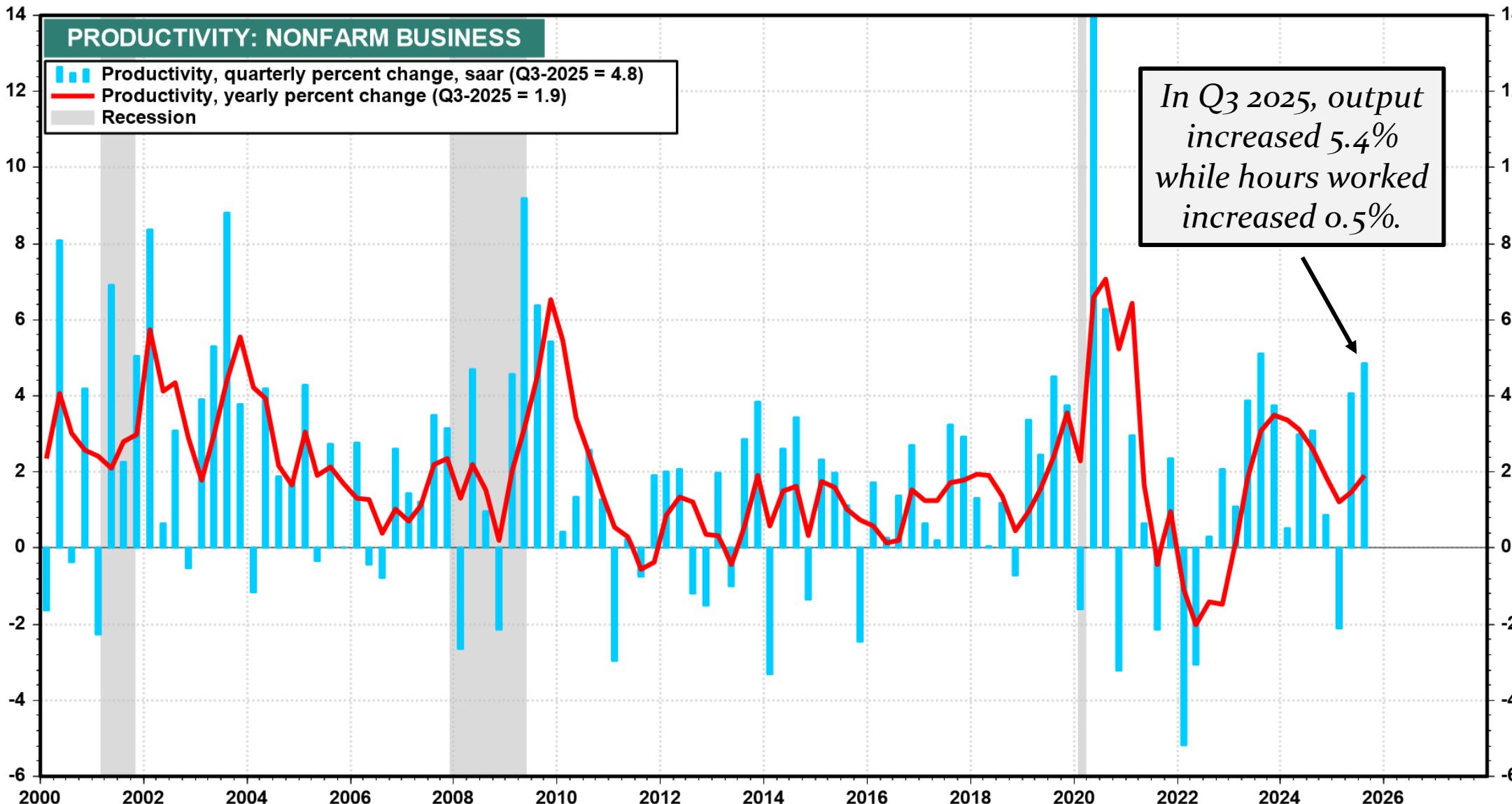
S&P 500: Revenue Per Employee THE COMPOUND

Revenue Per Employee by S&P 500 Sector. 1991 vs 2025.

1991 nominal values are inflation-adjusted to 2025 dollars today. Energy is excluded.

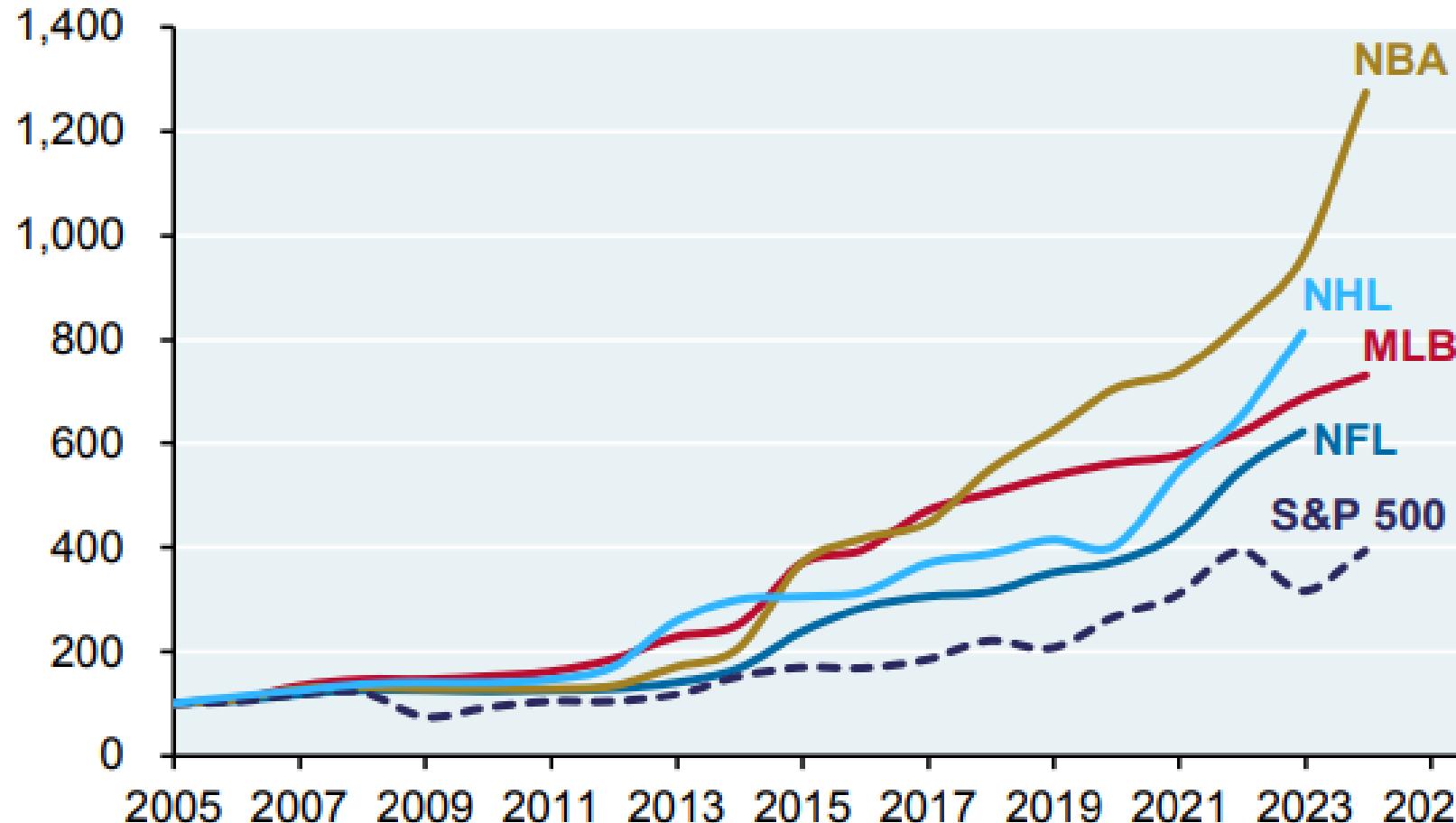


increasing productivity across the board



Sport team valuations vs equity markets

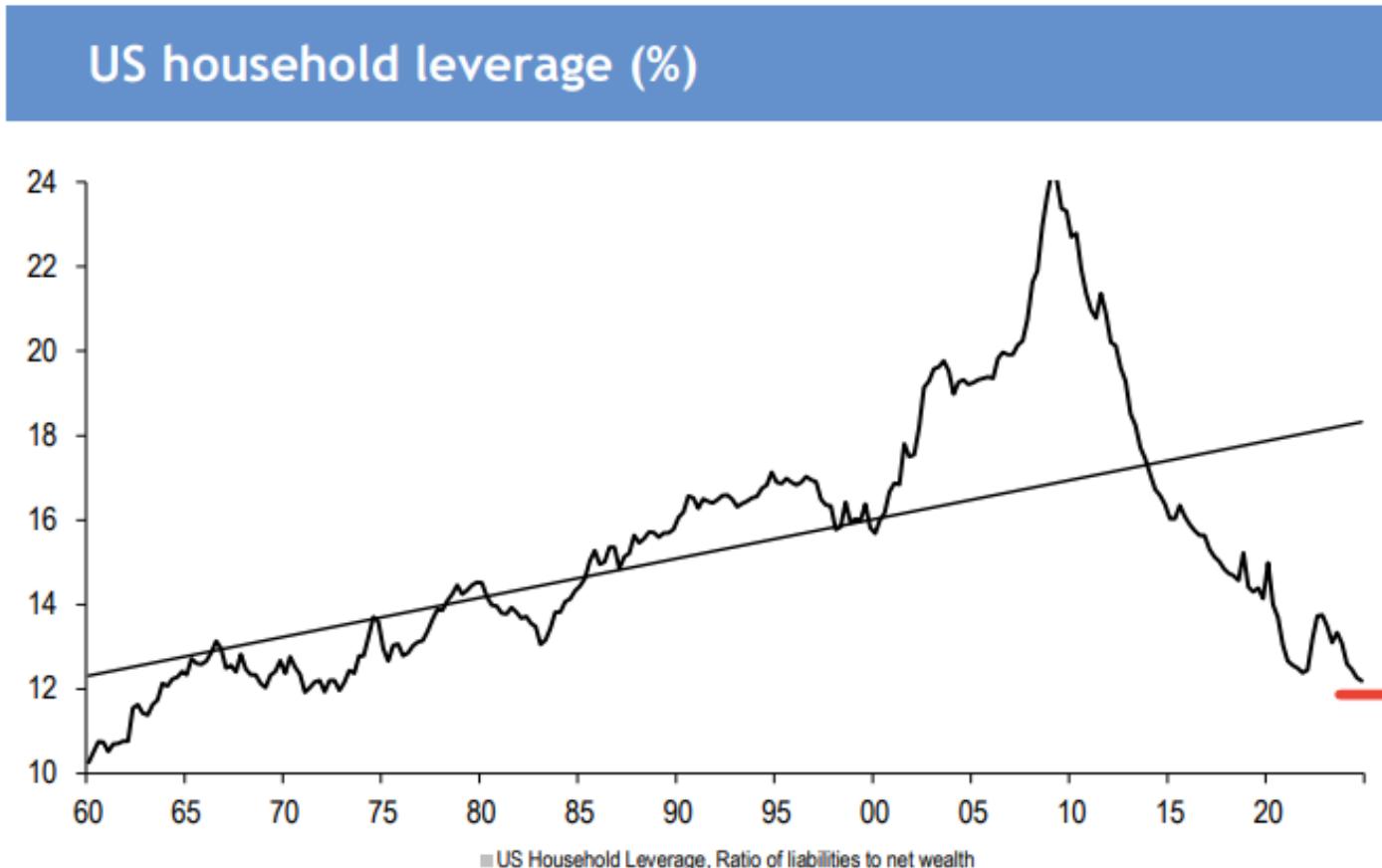
Index (100 = 2005)



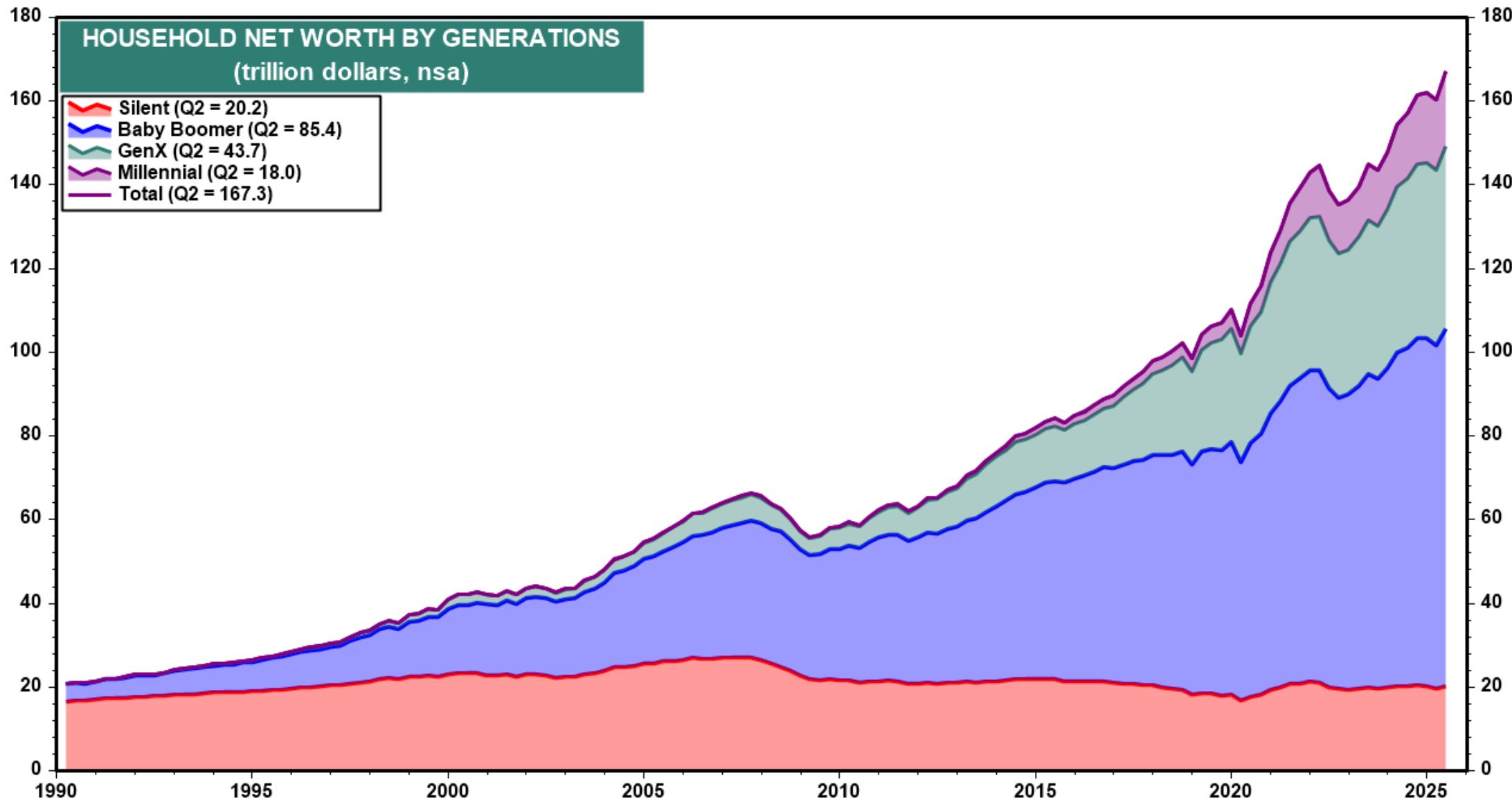
Source: JP Morgan Sports Coverage Team, Forbes, Bloomberg, 2024

the deleveraging continues (a good thing)

Source: BEA

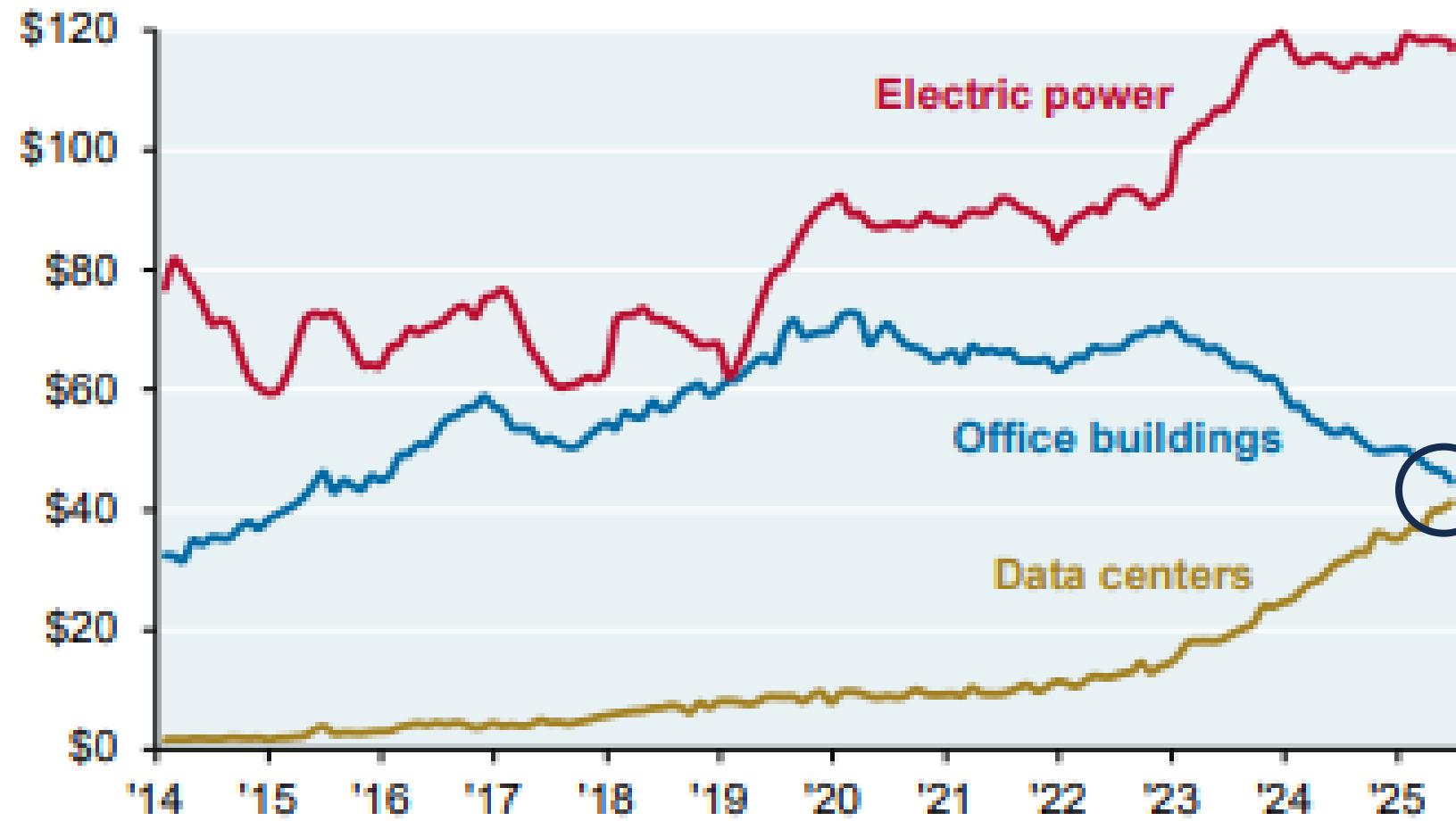


Source: FRB



US construction spending

US\$, billions, seasonally adjusted annual rate



*Data center construction
spending soon overtaking
office building
construction*

Nvidia eating the world

Ncredible

Nvidia's market cap now exceeds the FTSE, CAC, DAX, and S&P Energy sector

