

**Fundamentals:**

The S&P 500 and the Nasdaq pared early gains and then dipped on Friday in the first session of the new year, with declines in communications and consumer discretionary stocks dragging the indexes which notched double-digit gains in 2025.

Industrials were up 1% and utilities gained 1.3%, the top boosters to the S&P 500 and the Nasdaq. Both sectors were set for their biggest one-day percentage gain in weeks.

Chip stocks also provided a boost, with the Philadelphia SE Semiconductor index up 3.5%.

The S&P 500 and the Nasdaq, however, reversed course as losses in consumer discretionary stocks, including Amazon, weighed. Tesla slid 1.4% after its annual sales fell for a second year.

At 1:50 p.m. the Dow Jones Industrial Average was up 28.89 points, or 0.06%, to 48,092.18, but the S&P 500 lost 20.93 points, or 0.31%, to 6,824.57 and the Nasdaq Composite lost 117.18 points, or 0.50%, to 23,124.81.

"Stocks trade expensive on 18 of 20 measures, and we see elevated risks to the index level in the near term," said Savita Subramanian, Bank of America's equity and quant strategist, in a note.

From a historical perspective, today's S&P is higher quality, more asset light and less leveraged, "but risks to the index abound in 2026," the note said.

Caterpillar and Boeing rose over 3% each, boosting the Dow.

The S&P 500 and the Nasdaq are set for their fifth session in the red, dashing expectations for a "Santa Claus rally" in which markets tend to get a late boost over the last five trading days of December and the first two of January, according to the Stock Trader's Almanac.

The S&P 500 and the Dow were set for their steepest weekly decline in over a month.

All three main indexes ended 2025 with double-digit gains - their third consecutive year in the green, a run last seen during 2019-2021.

The Federal Reserve's monetary policy trajectory will set the tone for global markets in 2026, after recent economic data and expectations of a new dovish Fed chair prompted investors to price in further reductions.

"The next Fed Chair is probably going to be much more dovish than Jerome Powell. So I would imagine that we actually see in the second half of this year that interest rates go down substantially," said Dennis Dick, chief market strategist at Stock Trader Network.

"And that's going to be good for all stocks, not just tech stocks."

A key highlight for January will be next week's labor market data, especially after Powell, at the central bank's December meeting, cautioned against further interest rate cuts until there was more clarity on jobs.

Wall Street had made a stellar comeback in 2025 from April's lows when Trump's 'Liberation Day' tariffs sparked a meltdown in global markets, sent investors away from U.S. stocks and threatened growth by clouding the interest rate outlook.

Tariff surprises from Trump will be on the radar, especially after he signed a proclamation to delay increases in tariffs for upholstered furniture, kitchen cabinets and vanities for another year, the White House said.

Shares of furniture retailers Wayfair, Williams-Sonoma and RH were up 5.9%, 4.9% and 8.7%, respectively.

Advancing issues outnumbered decliners by a 1.5-to-1 ratio on the NYSE. There were 179 new highs and 82 new lows on the NYSE.

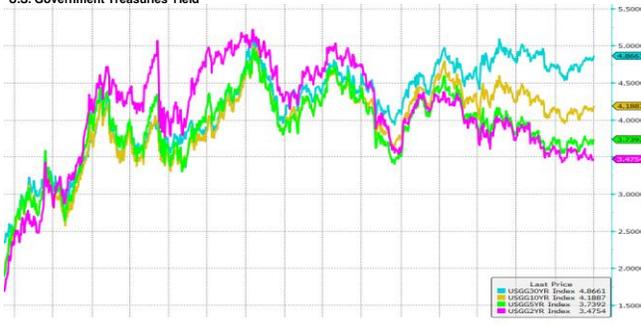
On the Nasdaq, 2,535 stocks rose and 2,069 fell as advancing issues outnumbered decliners by a 1.23-to-1 ratio.

The S&P 500 posted 8 new 52-week highs and 9 new lows while the Nasdaq Composite recorded 45 new highs and 70 new lows. (Source: Reuters)

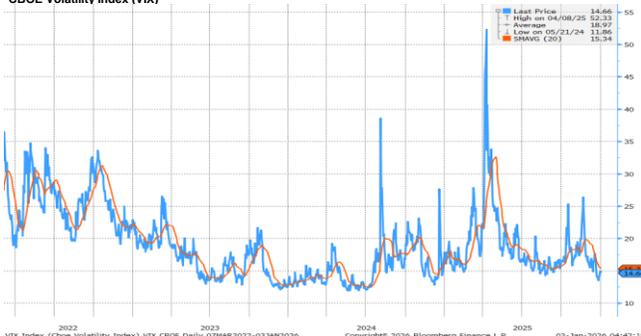
Contract	Close	Change	High	Low
E-Mini Dow MAR 26	48,616.00	279.00	48,652.00	48,092.00
E-Mini S&P MAR 26	6,900.50	10.000	6,939.75	6,866.75
E-Mini NASDAQ MAR 26	25,385.25	-61.50	25,803.75	25,265.25
Micro Russell 2K MAR 26	2522.3	24.3	2525.9	2493.5
USD Nikkei MAR 26	51,185.0	640.0	51,445.00	50,555.00
US Dollar Index	98.47	0.147	98.49	98.15
DJIA	48,382.39	319.100	48,404.06	47,853.04
S&P 500	6,851.59	6.090	6,894.87	6,824.31
NASDAQ	23,235.63	-6.360	23,585.96	23,119.49
Nikkei 225	0.00	0.000	0.00	0.00
Hang Seng	26,338.47	707.930	26,345.63	25,717.42
Straits Times	4,656.12	9.910	4,669.29	4,648.38
DAX	24,539.34	48.930	24,676.79	24,448.98
CAC	8,195.21	45.710	8,221.78	8,113.34
FTSE100	9,951.14	19.760	10,046.25	9,930.76

Historical Volatility	10 Days	30 Days	60 Days	90 Days
E-Mini Dow Futures	8.62	10.33	10.01	10.30
E-Mini S&P Futures	10.56	12.73	10.67	10.26
E-Mini Nasdaq Futures	15.95	29.01	24.31	23.61

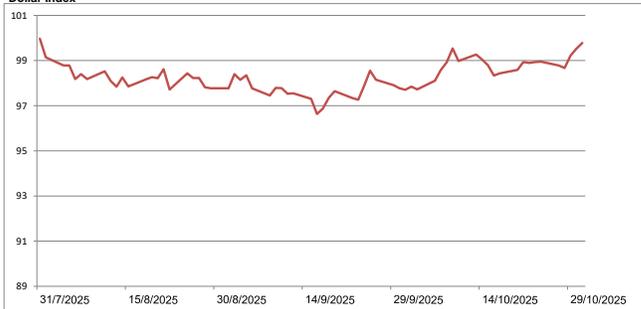
**U.S. Government Treasuries Yield**



**CBOE Volatility Index (VIX)**



**Dollar Index**



Economic Releases	Period	Survey	Actual	Prior	Revised	
01/02/2026 22:45	S&P Global US Manufacturing PMI	Dec F	51.8	51.8	51.8	--
01/05/2026 23:00	ISM Manufacturing	Dec	48.4	--	48.2	--
01/05/2026 23:00	ISM Prices Paid	Dec	58.7	--	58.5	--
01/05/2026 23:00	ISM New Orders	Dec	--	--	47.4	--
01/05/2026 23:00	ISM Employment	Dec	--	--	44	--
05/01/2026 00:00	PCE Price Index MoM	Oct	--	--	0.30%	--
05/01/2026 00:00	PCE Price Index YoY	Oct	--	--	2.80%	--
01/06/2026 22:45	S&P Global US Services PMI	Dec F	52.9	--	52.9	--
01/06/2026 22:45	S&P Global US Composite PMI	Dec F	--	--	53	--
01/07/2026 21:15	ADP Employment Change	Dec	48k	--	-32k	--
01/07/2026 23:00	ISM Services Index	Dec	52.4	--	52.6	--
01/07/2026 23:00	ISM Services Prices Paid	Dec	--	--	65.4	--
01/07/2026 23:00	ISM Services New Orders	Dec	--	--	52.9	--
01/07/2026 23:00	ISM Services Employment	Dec	--	--	48.9	--
01/07/2026 23:00	JOLTS Job Openings	Nov	7690k	--	7670k	--
01/07/2026 23:00	JOLTS Job Openings Rate	Nov	--	--	4.60%	--

**E-Mini Dow Index Futures Daily Chart**



DNH6 Index (D3JA HINI e-CBOT Mar26) DAILY REPORT CHART Daily 05OCT2025-03JAN2026 Copyright 2026 Bloomberg Finance L.P. 03-Jan-2026 04:47:34

**E-Mini S&P 500 Index Futures Daily Chart**



SPH6 Index (SP500 EMINI FUT Mar26) DAILY REPORT CHART Daily 05OCT2025-03JAN2026 Copyright 2026 Bloomberg Finance L.P. 03-Jan-2026 04:47:52

**E-Mini NASDAQ 100 Index Futures Daily Chart**



NQH6 Index (NASDAQ 100 E-MINI Mar26) DAILY REPORT CHART Daily 05OCT2025-03JAN2026 Copyright 2026 Bloomberg Finance L.P. 03-Jan-2026 04:48:08

**Micro E-Mini Russell 2000 Index Futures Daily Chart**



RUR6 Index (RUS2000 EMINI Mar26) DAILY REPORT CHART Daily 05OCT2025-03JAN2026 Copyright 2026 Bloomberg Finance L.P. 03-Jan-2026 04:48:20

**Technical Analysis**

Dow	S&P	Nasdaq	Micro Russell
1st Resistance: 49345	1st Resistance: 7004.01	1st Resistance: 25766.03	1st Resistance: 2560.13
2nd Resistance: 47887	2nd Resistance: 6796.99	2nd Resistance: 25004.47	2nd Resistance: 2484.47
1st Support: 223.995	1st Support: 19.237282	1st Support: 9.875	1st Support: 7.344
MACD: -48.165	MACD DIFF: -2.098753	MACD DIFF: -19.108	MACD DIFF: -7.976
RSI: 53.985	RSI: 50.366663	RSI: 46.001	RSI: 49.216

Source: Bloomberg

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