



WEEKLY UPDATE | January 30, 2026



U.S. & World News

President Trump announced today that Kevin Warsh was his pick for the next Federal Reserve Chair set to replace the current Chair Jerome Powell. Warsh still has to be confirmed by the Senate and if confirmed would become the new Federal Reserve Chair in May after Powell's term expires. This move actually was not much of a surprise to the market as Warsh was on the short list of expected picks along with current Fed governor Christopher Waller and BlackRock Fixed Income executive Rick Rieder. Warsh has experience working in the private sector for Morgan Stanley in their M&A department and had also previously served as a Federal Reserve governor from February 2006 - March 2011. Warsh is viewed as a hawk in terms of monetary policy as he has been in favor of a more restrictive stance and has been critical of the Federal Reserve's easy monetary policy and quantitative easing particularly in recent years. Warsh has been uniquely critical of the ballooning Federal Reserve Balance Sheet that reached nearly \$9 trillion at its peak back in early 2022. It has since shrunk to under \$6.6 trillion, but just last meeting the Federal Reserve started adding \$40 billion a month back to the balance sheet. Warsh has also said that the Federal Reserve is suffering from mission creep deviating from its dual mandate of price stability and full employment and has been in favor of lowering the Federal Funds Rate.



Markets

- Equity markets were mixed this week. The S&P 500 rose 0.35% and closed at 6,939. The Dow Jones fell -0.42% and closed at 48,892. The year to date returns for the S&P 500 and the Dow Jones are 1.44% and 1.80%, respectively.
- Bond markets rose very slightly this week as yields moved lower resulting in a 0.02% for the US Aggregate Bond Index. The year to date return for the US Aggregate Bond Index is 0.25%
- The yield on 2-year treasuries fell to 3.52% and the yield on 10-year treasuries rose this week also to 4.24%.
- The spot price of WTI Crude Oil rose 7.81% this week and closed at \$65.86/barrel. Oil this year so far has risen 14.70%
- The spot price of Gold fell -2.23% this week to close at \$4,876.34/ounce. So far this year gold has risen 12.89%.



Economic Data

- Initial Jobless claims came in higher than expected at 209,000 compared to a median estimate of 200,000. Last weeks reading was revised downward to 200,000 from 210,000.
- The Producer Price Index increased 0.5% for the month of the December. This was above the 0.3% median analyst estimate and bring the year over year number to 3.0%.
- The Chicago PMI which measures manufacturing activity was 53 for January compared to a median analyst forecast of 44.

Fact of the Week

GAS SCORCHER. Since late last week, two-thirds of the US population has been under the grip of an extreme cold front that will push or has already pushed temperatures below 20°F. As a result, natural gas prices have rocketed higher, with a record three-day run of 78% through afternoon trading on 1/22.

(Source: USA Today, MFS)

Questions?

Your Wealth Management team is here to answer.

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