WJ Charts of the Month

February 2026

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WJ Charts of the Month Intro

"WJ Charts of the Month" is a comprehensive monthly slide deck designed to showcase recent significant financial events and data. The presentation is organized into four sections, beginning with a "Highlights" slide that sets the stage for the subsequent content.

1. What Happened Last Month: This section features a curated collection of charts and images from various publications, offering a visual summary of the previous month's key events.

2. WJ State of the Economy: Our team at WJ has created an array of charts to emphasize crucial economic factors and trends.

3. WJ State of the Markets: Similarly, this section comprises a series of charts crafted by WJ to provide an overview of the core markets we monitor.

We strive to maintain consistency across the charts to facilitate easy comparison month-over-month. However, we may adjust or emphasize specific charts if their relevance shifts over time.

Our objective with this publication is to establish a "One-Stop Shop" for the most vital financial information, presented in a concise and easily digestible format. **We value your feedback to help us achieve this goal.** If you have suggestions regarding the format, or if there's particular information you'd like to see in future editions, please don't hesitate to let us know.

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Highlights

A Commodity Packed COTM

Precious Metals Shine

Volatile Energy Prices

Crypto Chaos

Booming Start for International Stocks

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What Happened

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Precious Metals Shine

It has been a wild month in precious metals, especially silver. Silver was up as much as 65% year-to-date (YTD) but has given nearly all of it up (up ~3% YTD). Last week silver had its worst single day return ever, falling about 29%. Gold has also been volatile, up around 25% at the peak YTD before falling a bit (now up 11% YTD).

The narratives for why center around concerns for the dollar, as several foreign nations and institutions threaten to sell or cease buying dollar-based assets, such as treasuries. These threats come as the Trump administration has made its push for the takeover of Greenland and Venezuela, as well as steep tariff threats that threaten long term trade partnerships. While that is part of the story, another source of volatility comes from how financialized precious metals have become, as anyone with a brokerage account can trade metals on leverage basically for free. This trading activity can amplify the swings when they happen.

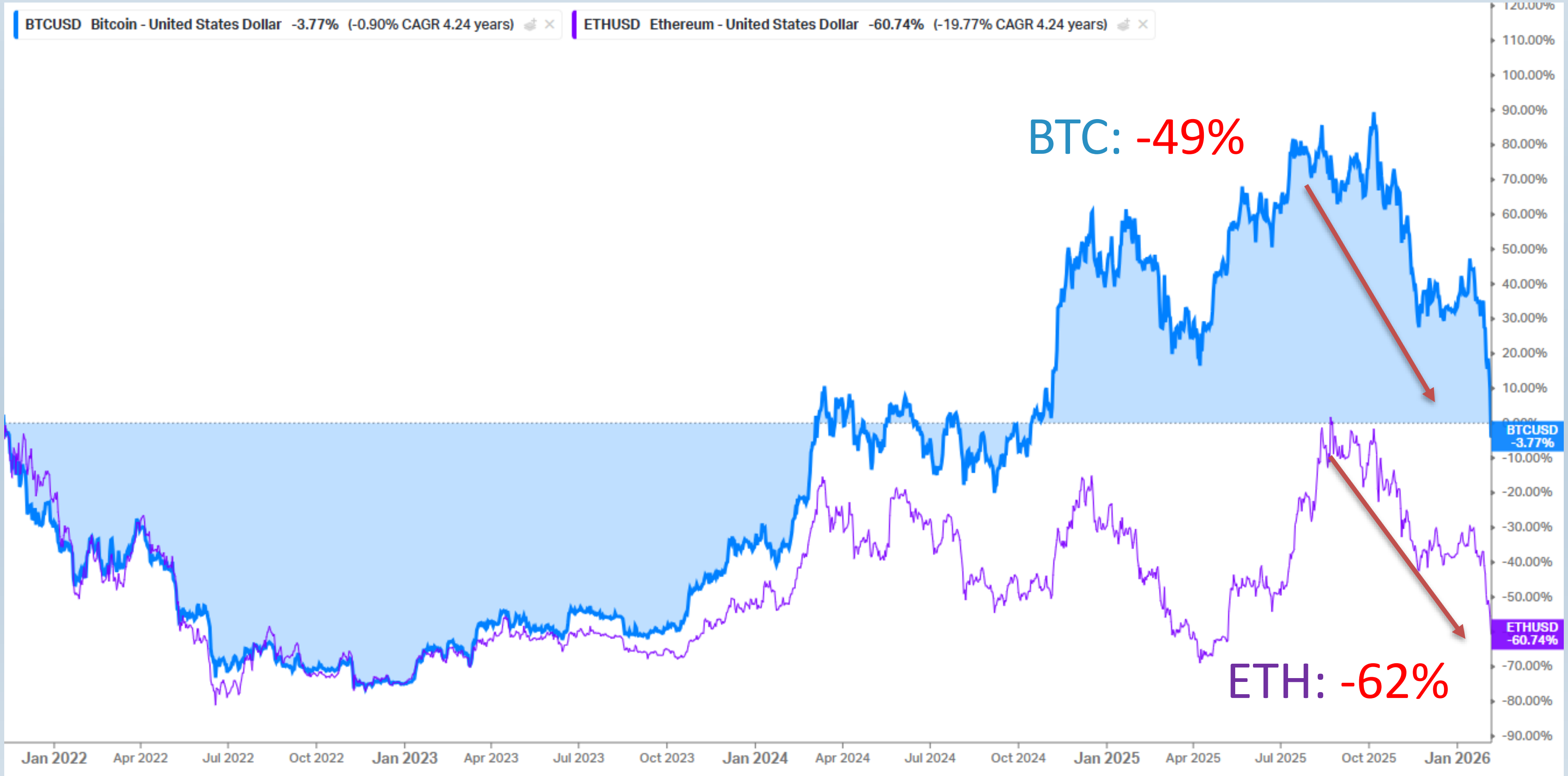
Chaos in Crypto

It's chaos in the crypto world, as Bitcoin, Ethereum and all other cryptocurrencies are crashing down to Earth.

Since **November 2021 (over 4 years!)**, Bitcoin has **lost 4%**, while Ethereum has **lost 61%!**

The odd thing about the timing of this crypto crash is everything else seems to be more or less fine. Stocks and bonds are up for the year. Precious metals and other commodities are WAY up for the year. The regulatory landscape is about as supportive of crypto as it ever will be.

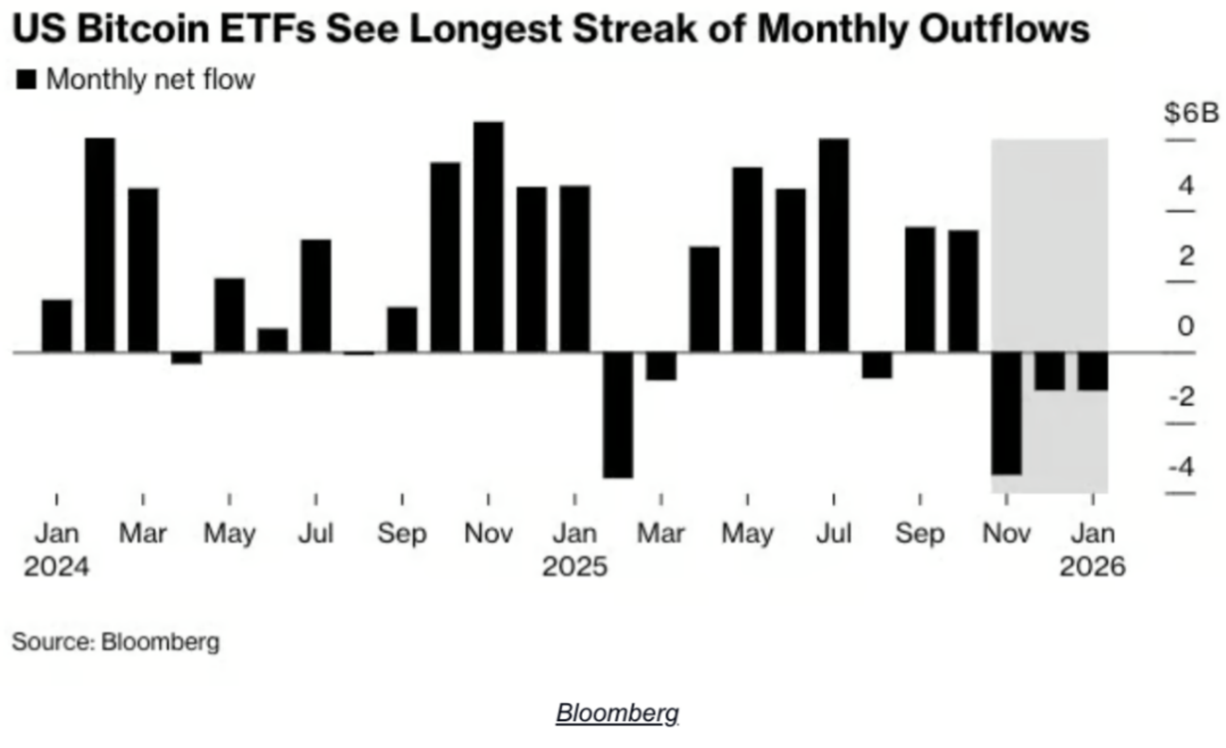
There's not an obvious catalyst you can point to for why crypto is crashing…and perhaps that's the most concerning part.

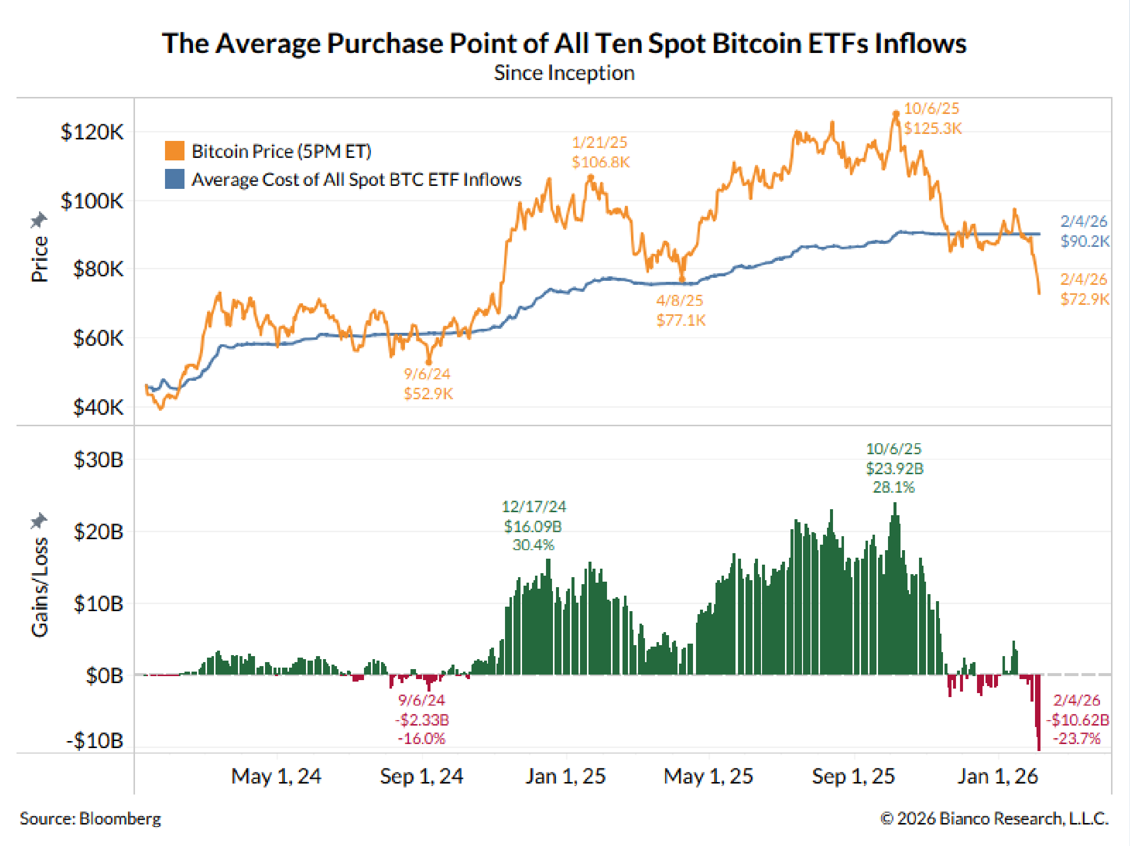


BTC ETF Holders Feeling the Pain

One notable change in the crypto landscape over the past year or so has been the advent of crypto ETFs. Several were issued a year ago and attracted record amounts of inflows, helping to propel bitcoin to around $120k. The first chart shows those monthly inflows, and now 3 consecutive months of outflows.

The second chart may partially explain why. The blue line shows the average price paid by all holders of the Bitcoin ETFs, which incorporates when money came into the ETFs. Today the average cost basis is about 90k. With the price now dipping below 64K, the average Bitcoin ETF holder is now down about 27%.





Volatile Energy Prices

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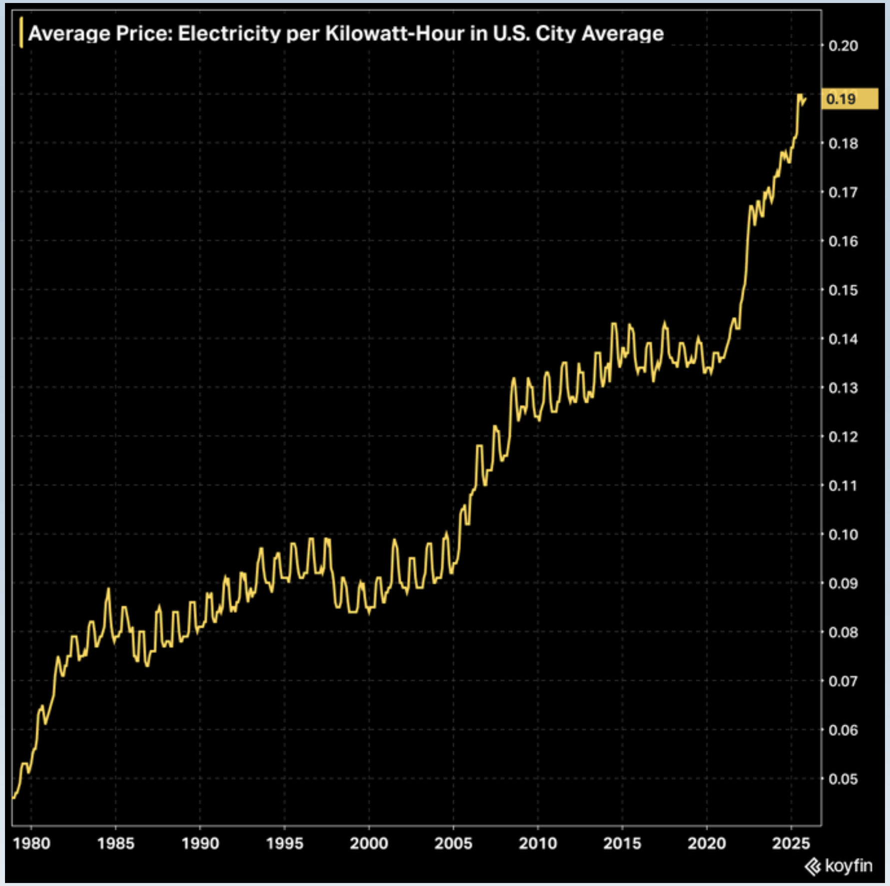
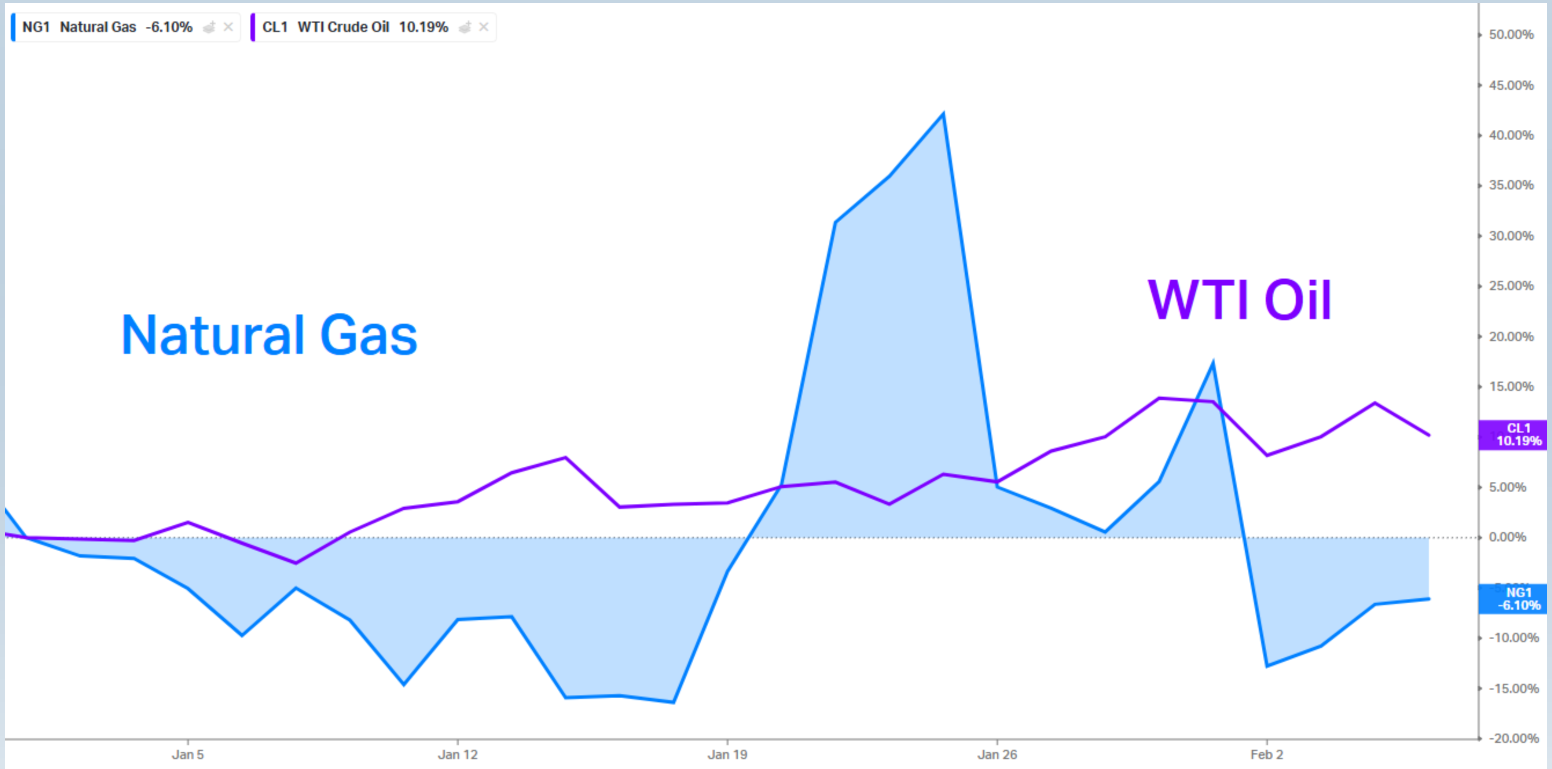
After a quiet 2025, energy prices are front and center to start the year. First, electricity prices are starting to take their toll on consumers, creating some backlash for the boom in AI data centers that are perceived to be raising those prices. Electricity demand is set to soar in the next 5 years, and the utility companies are racing to supply the necessary power, whose cost in certain situations is borne by the energy consumer.

In addition, it was a wild month for oil and gas. Oil prices have surged as geopolitical risks rise, particularly in Iran. Large scale protests and violent crackdowns by the Iranian regime have raised US-Iran tensions, which could hurt Iranian oil production. In addition, US winter storms caused a huge surge in the cost of natural gas, surging nearly 100% in the 3rd week of January. Prices have corrected back to normal since.





Tariff Impacts in Aluminum

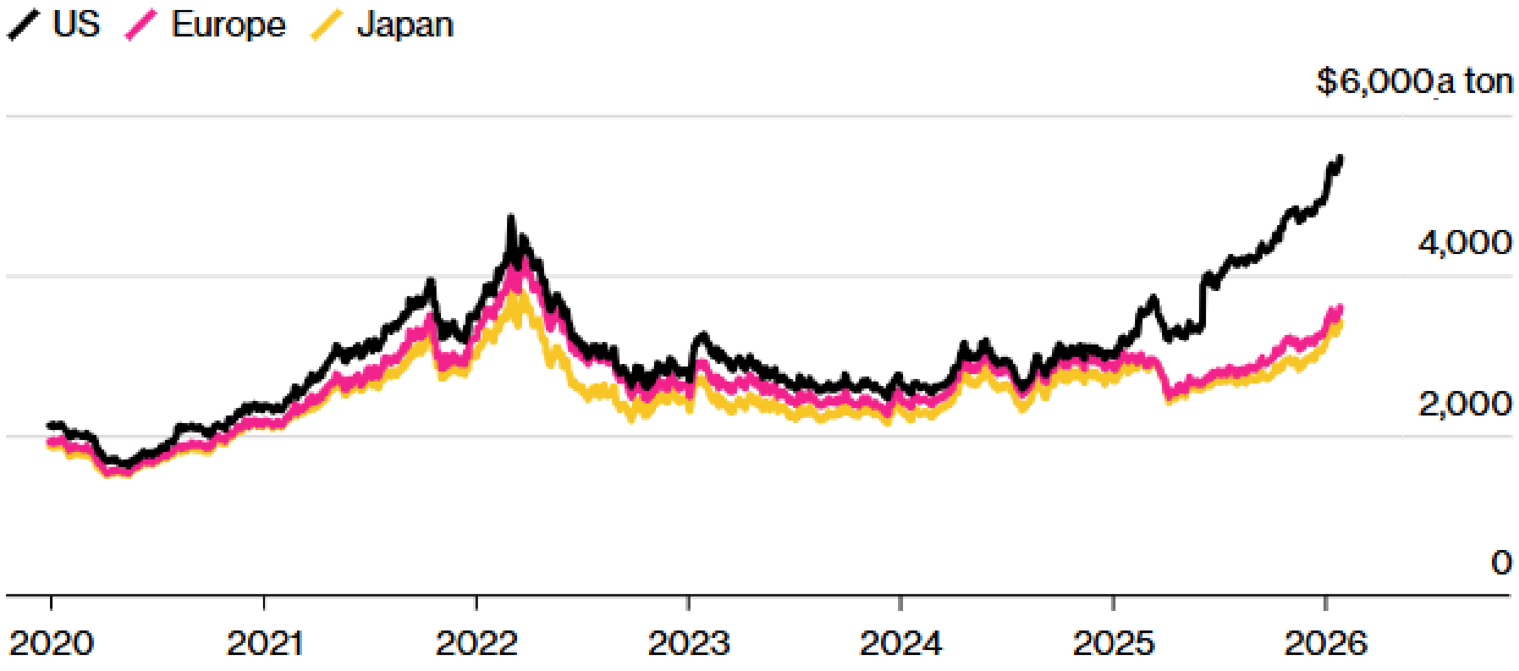
An interesting case study for tariff effects are showing up in Aluminum. For years, aluminum has traded at a similar cost regardless of where it was produced, but that price has diverged with the introduction of tariffs.

Since international aluminum is now being tariffed, demand for locally sourced aluminum is going up. The issue is domestic production has not kept pace after many smelters were shut down over the past decade.

In addition, aluminum requires large amounts of electricity to produce, which is often costlier in the U.S. than in other regions. Together, these factors have created a widening gap between U.S. aluminum prices and those in Europe and Japan.

Aluminum Prices in US Surge Above Those in Overseas Markets

Premium in America has sored above $1 a pound for the first time



Source: Fastmarkets
Note: US all-in price is LME-cash plus regional premium; Europe price is LME cash plus regional premium; Japan price is LME cash plus regional premium.

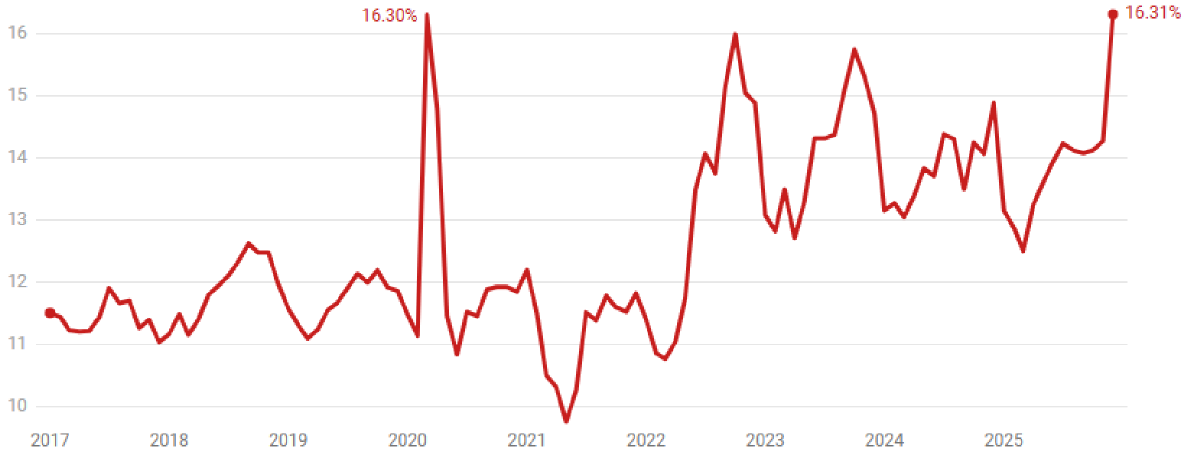
The Housing Market is Still Stuck

Going on 4 years now, the housing market remains stuck, with low transaction volume and high unaffordability. Homebuilders, including PulteGroup in the bar chart, are doing what they can to sell homes, with incentives now as high as 10%, more than triple the typical 3-3.5% they offer in “normal” times.

Despite those efforts, transactions are slow to rise. In fact, last month was the highest rate of home-purchase cancellations in history, surpassing the peak of the COVID crash. The Trump Administration has offered some provocative solutions to improve the market, but they face the difficult tradeoff of wanting to increase accessibility, without lowering home values.

Home-Purchase Cancellations Are at a Record High

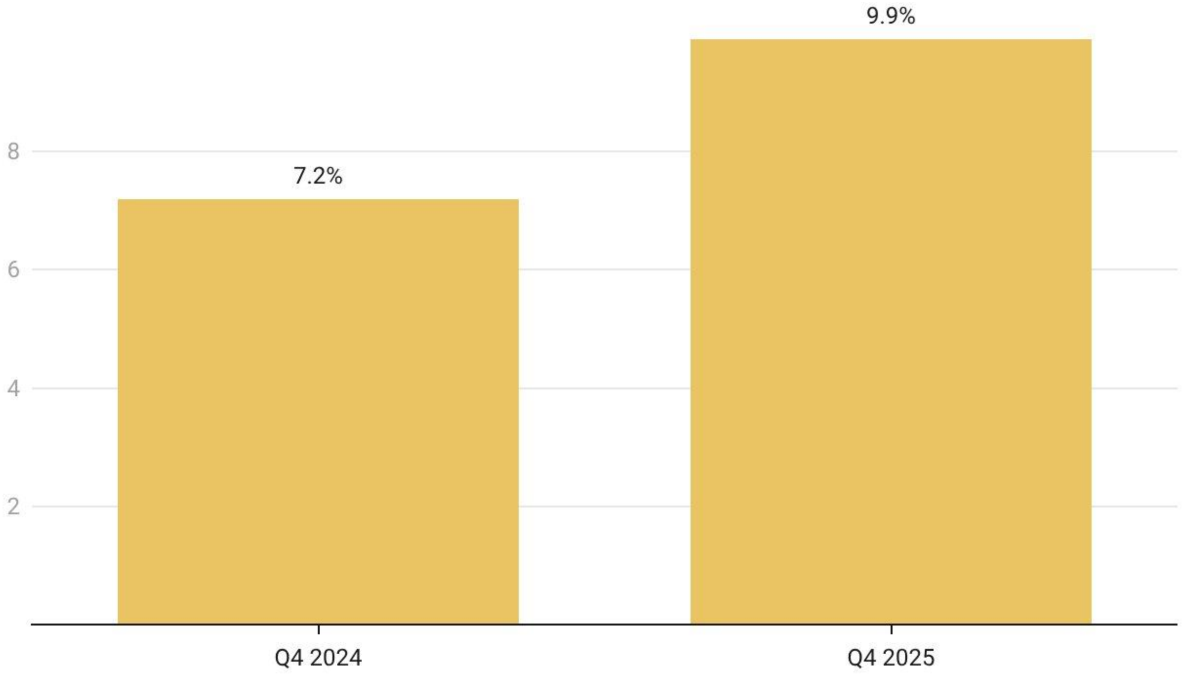
Pending sales that fell out of contract, as % of overall pending sales



Source: MLS data • Get the data • Embed • Download image • Created with Datawrapper

PulteGroup is spending more on incentives

In Q4 2025, PulteGroup—a homebuilder ranked No. 229 on the Fortune 500—spent an average of 9.9% of the final gross sales price on sales incentives, marking a steady climb. Incentives averaged 6.3% in Q2 2024, rose to 7.0% in Q3 2024 and 7.2% in Q4 2024, then accelerated further in 2025—8.0% in Q1, 8.7% in Q2, and 8.9% in Q3—before reaching the current level. PulteGroup notes that its historically “normal” incentive range is between 3.0% and 3.5%



PulteGroup's Q4 is the three months ending December 31st. ResiClub doesn't yet have a historic apples-to-apples data set for this metric.

Chart: Lance Lambert • Source: ResiClub research • Created with Datawrapper

ResiClub

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AI's Impact on Growth & Productivity

AI continues to be an enormous force that effects markets, the economy, and the way we use technology as a whole. In fact, as I write this, agentic AI (which is basically AI that can do things for you) is causing a steep sell off in many of the legacy software stocks. Goldman Sachs put out a list of companies reporting some of the various ways they are using AI in their business to boost productivity. Expect to see this increase as the models and capability continue to improve.

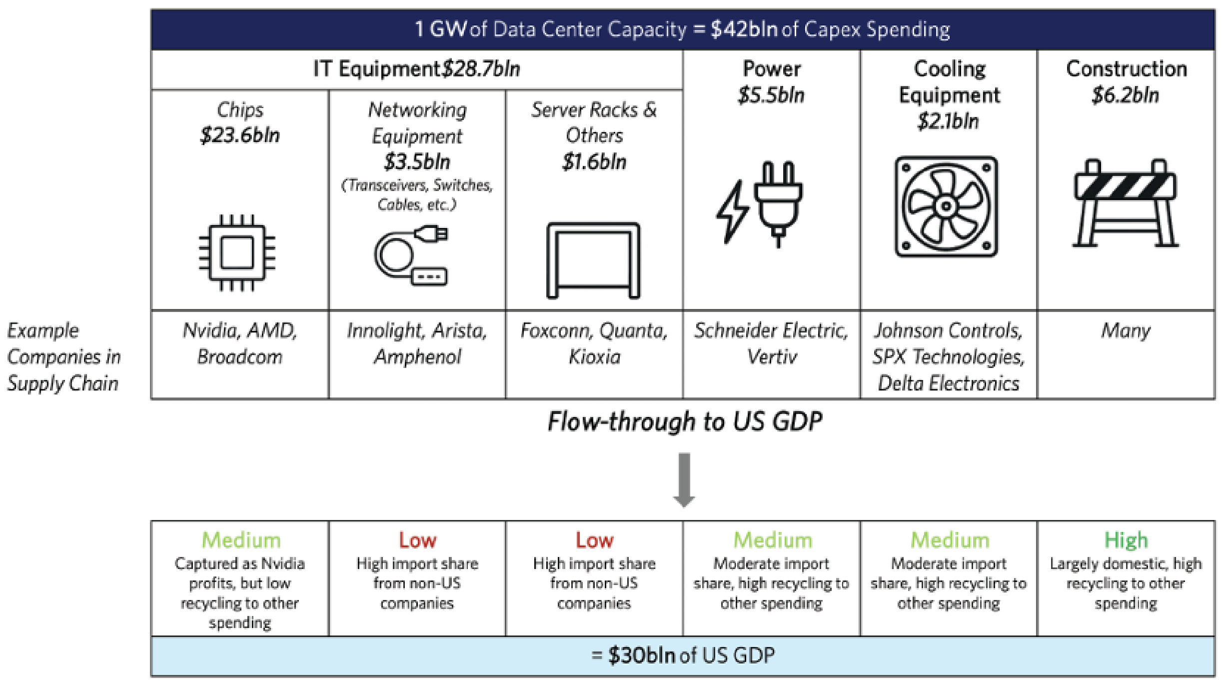
Last, I continue to be astounded by the scale of the new datacenters that are coming online. The spending and labor behind the AI buildout has greatly affected GDP growth to the upside, and I found an interesting graphic that breaks down how that happens. Assuming a 1 GW datacenter (1 GW is power for 1 million homes by the way) costs $42 billion to build, over half is just from the purchase of chips. The power is another $5.5 billion of that and the construction itself is about 15% of the overall costs. Each category of spend contributes to economic growth in different ways, as the bottom panel shows.

Bank of America (BAC): "We have 18,000 people on the company's payroll who code - using the AI techniques, we've taken 30% out of the coding technique - the coding part of the stream of introducing a new product or service or change, that saves us about 2,000 people... And I use an example, our audit team has built a capability they think a series of prompts around doing audits and stuff to allow them to shape the head count back down that they had to grow during the regulatory onslaught over the last few years."

Meta Platforms (META): "Since the beginning of 2025, we've seen a 30% increase in output per engineer with the majority of that growth coming from the adoption of agentic coding, which saw a big jump in Q4. We're seeing even stronger gains with power users of AI coding tools, whose output has increased 80% year-over-year. We expect this growth to accelerate through the next half."

ServiceNow (NOW): "AI is also driving significant cost efficiencies that have resulted in full-year profitability beats on top of our recently raised guidance... We expect an operating margin of 32%, up 100 basis points year-over-year driven by OpEx savings enabled by AI efficiencies."

Paychex (PAYX): "We are excited to share that our first agentic AI pilots were a success this quarter. They autonomously handled thousands of payroll calls and emails with nearly 100% accuracy, decreasing payroll processing time and enabling our service teams to focus on higher value strategic advisory support."



WJ State of the Economy

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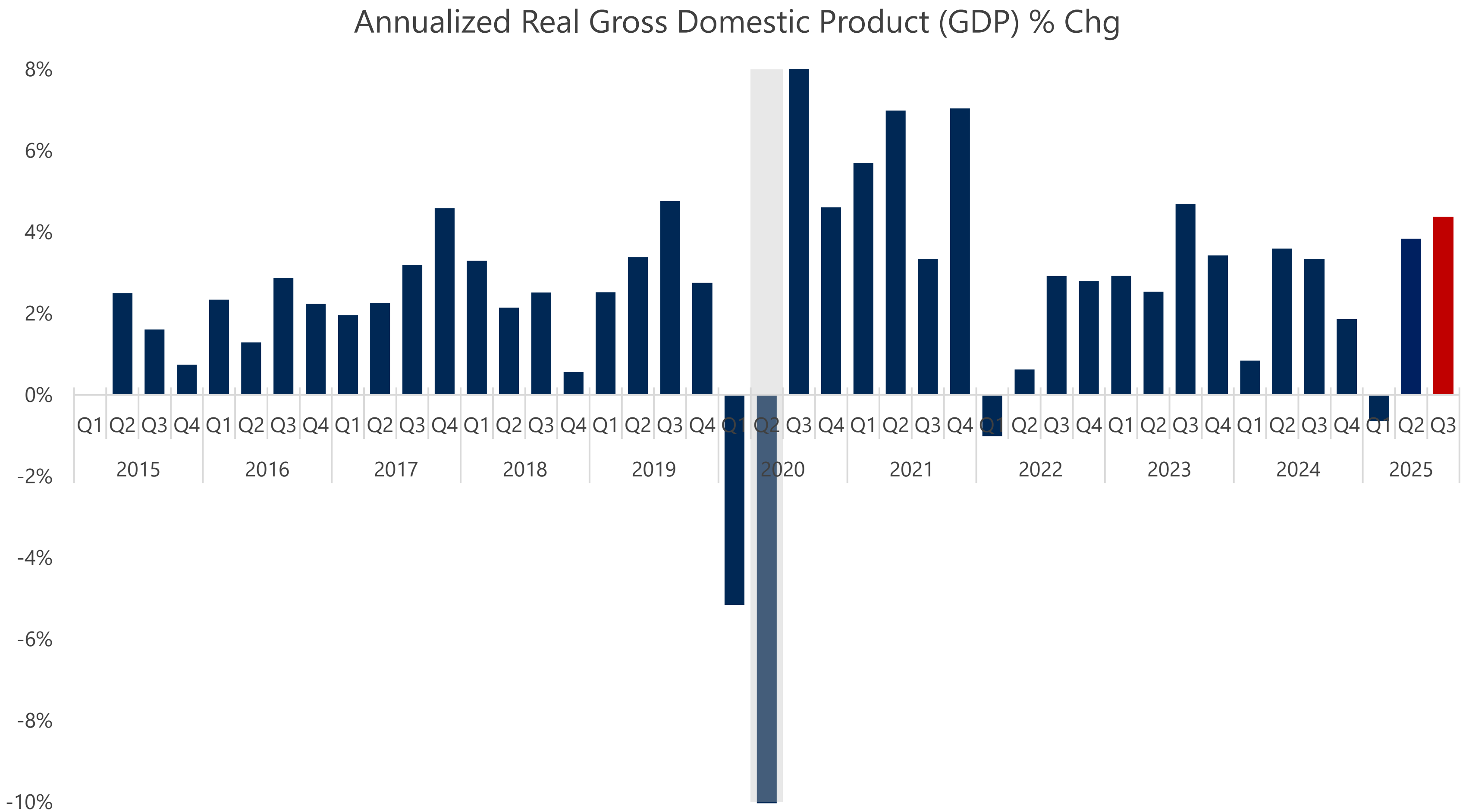
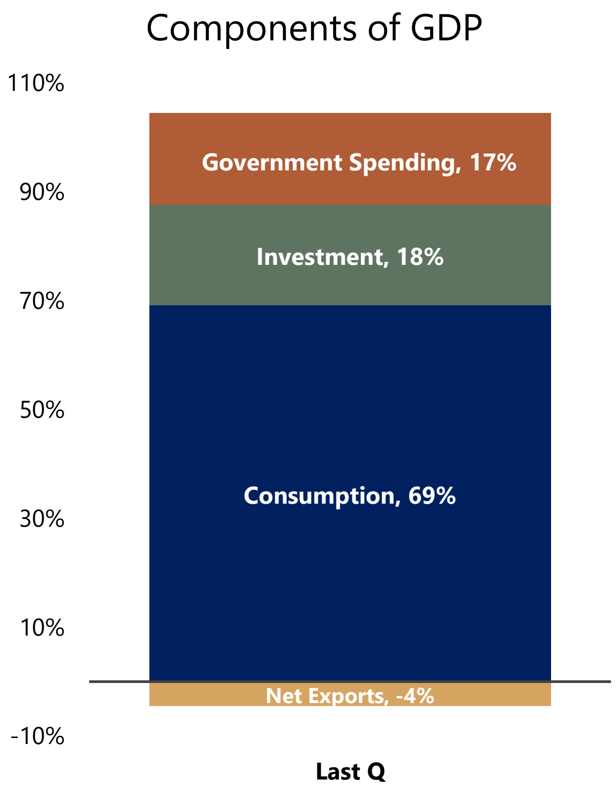
Q3 GDP Strong at 4.3%





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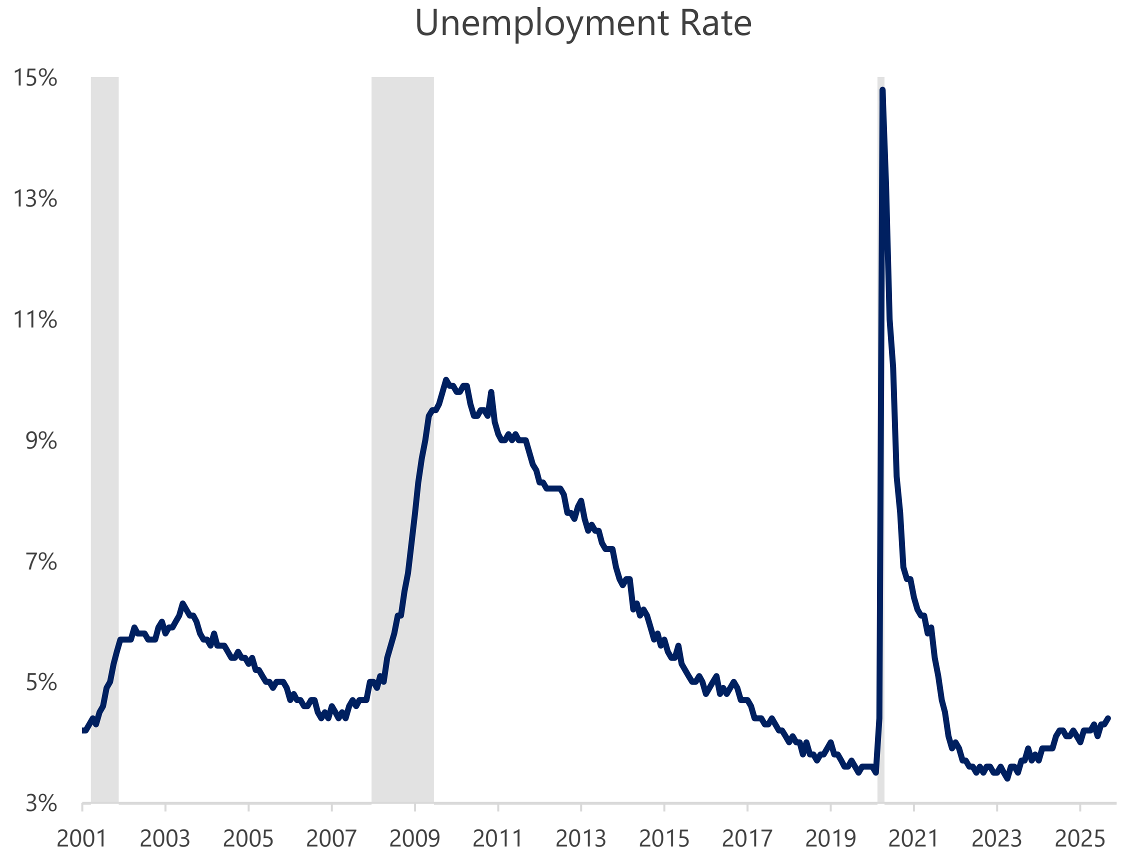
Source: Federal Reserve Economic Database (FRED). Real Gross Domestic Product (left). Components from U.S. Bureau of Economic Analysis, "Table 1.1.6. Real Gross Domestic Product, Chained Dollars" (right). Recessions from NBER based Recession Indicators for the United States from the Period following the Peak through the Trough

Employment Slowly Weakening



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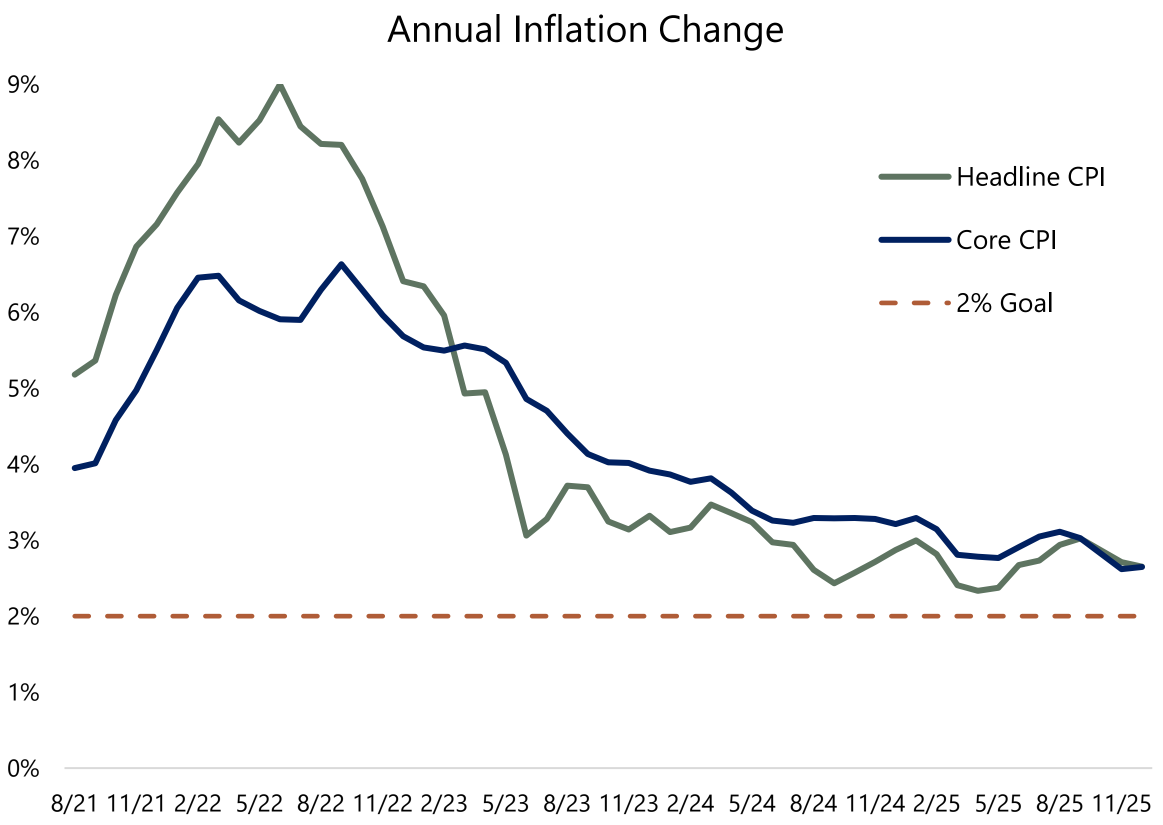
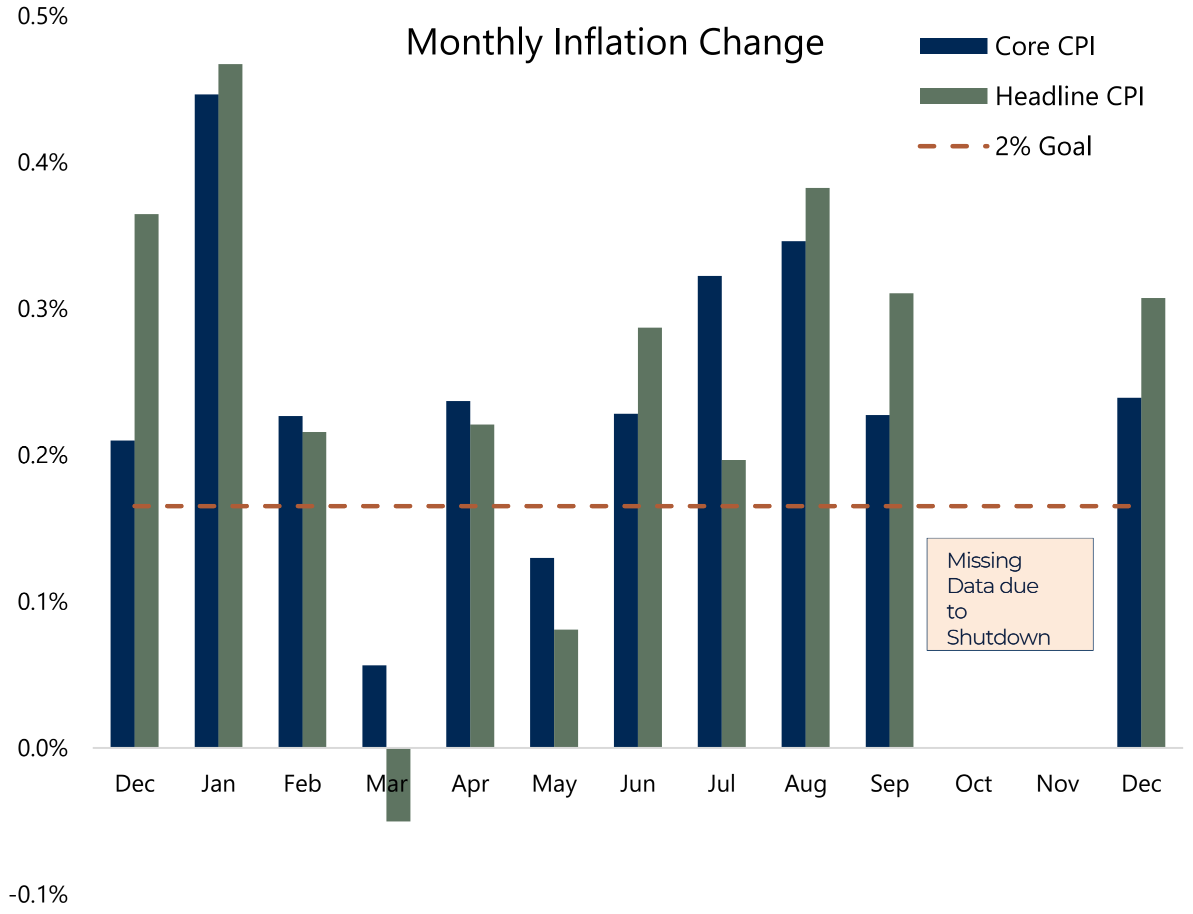
Source: Federal Reserve Economic Database (FRED). Unemployment Rate (left) and Job Openings: Total Nonfarm divided by Unemployment Level as well as Quits: Total Nonfarm (right). Recessions from NBER based Recession Indicators for the United States from the Period following the Peak through the Trough

CPI Cooler than Expected





CPI is cooling but will be a bit distorted until after May. Housing costs are input 6 months at a time, and due to the shutdown, no prices were collected in October or November. Rather than omitting the number or using old data, they input 0% price change, which will artificially lower CPI for 6 months.

Source: Federal Reserve Economic Database (FRED). Consumer Price Index. Annual CPI Forecasts are made by WJ using past month over month CPI data and extrapolating forward with different growth rates.

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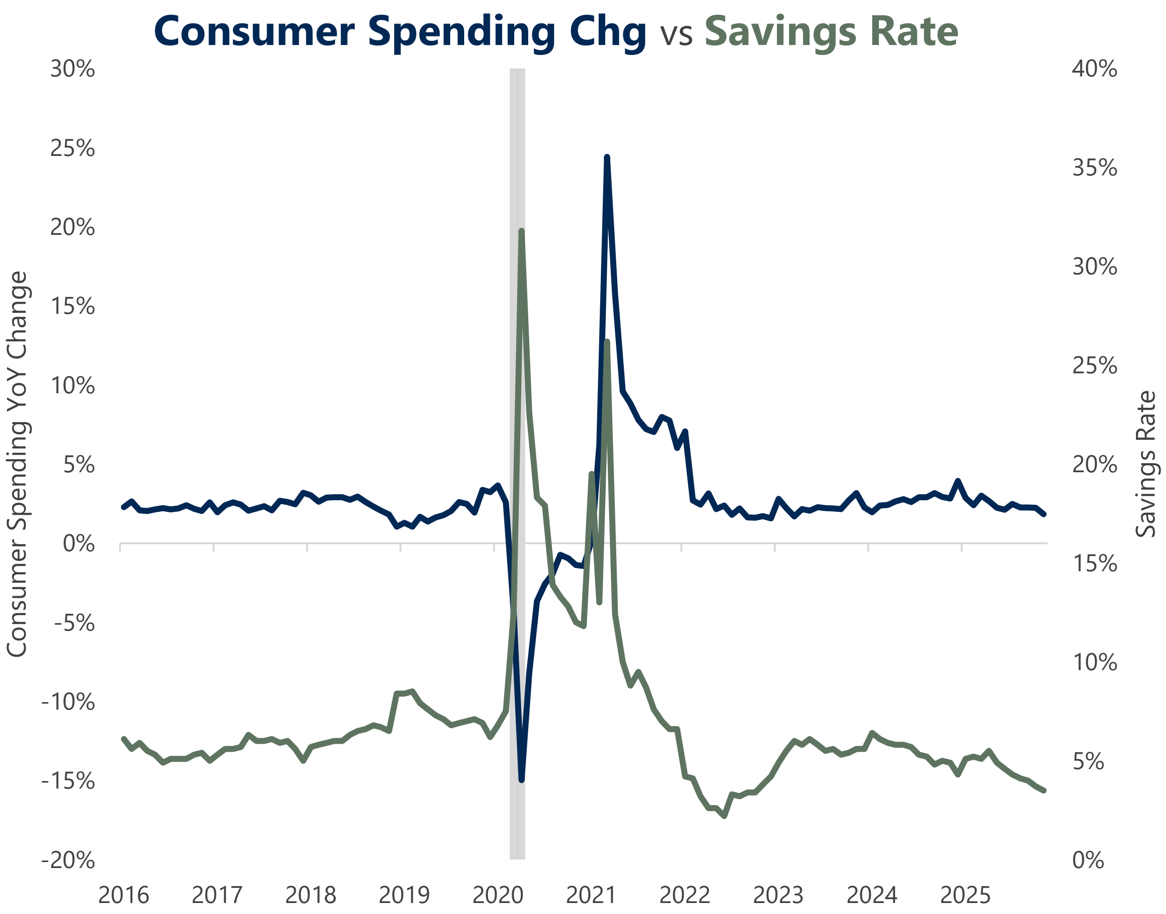
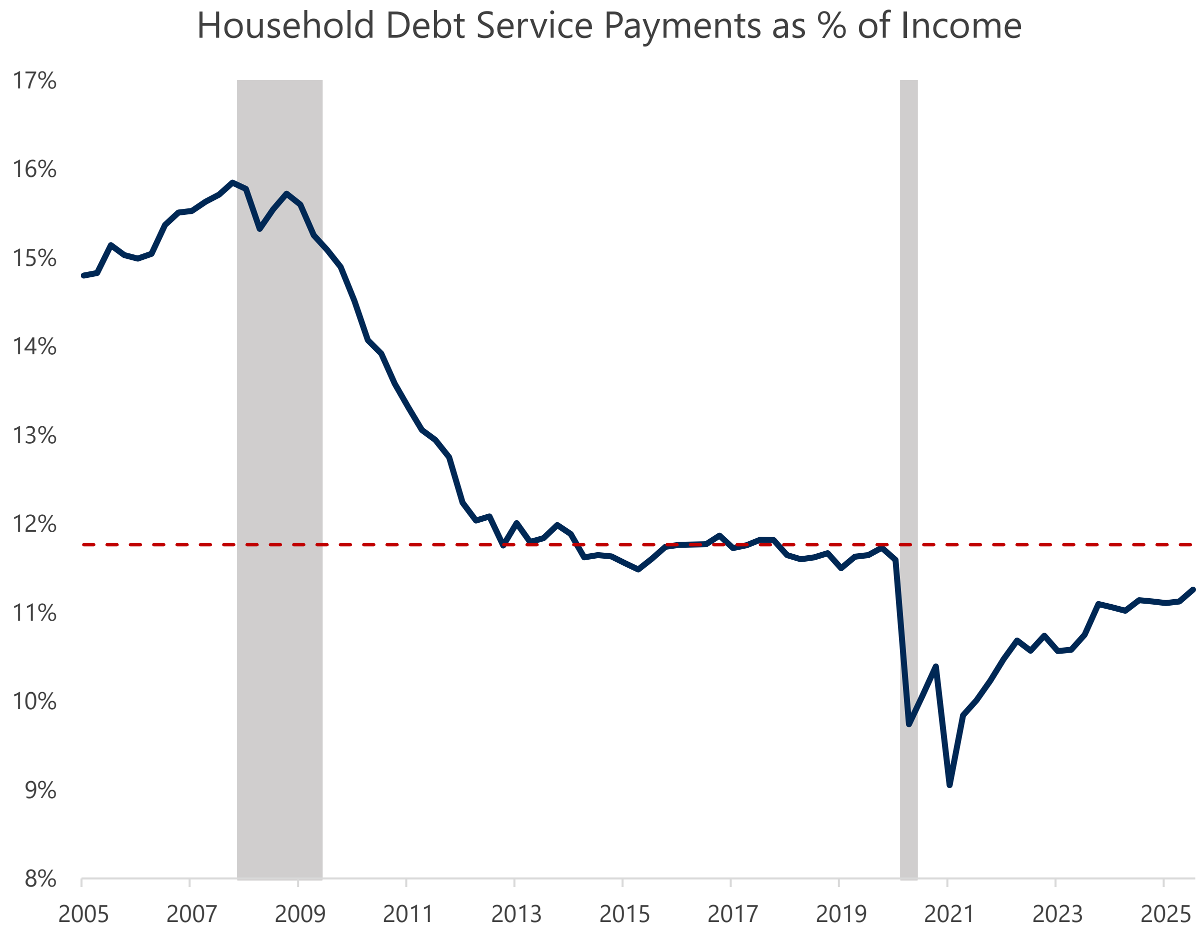
Consumer is Still Strong





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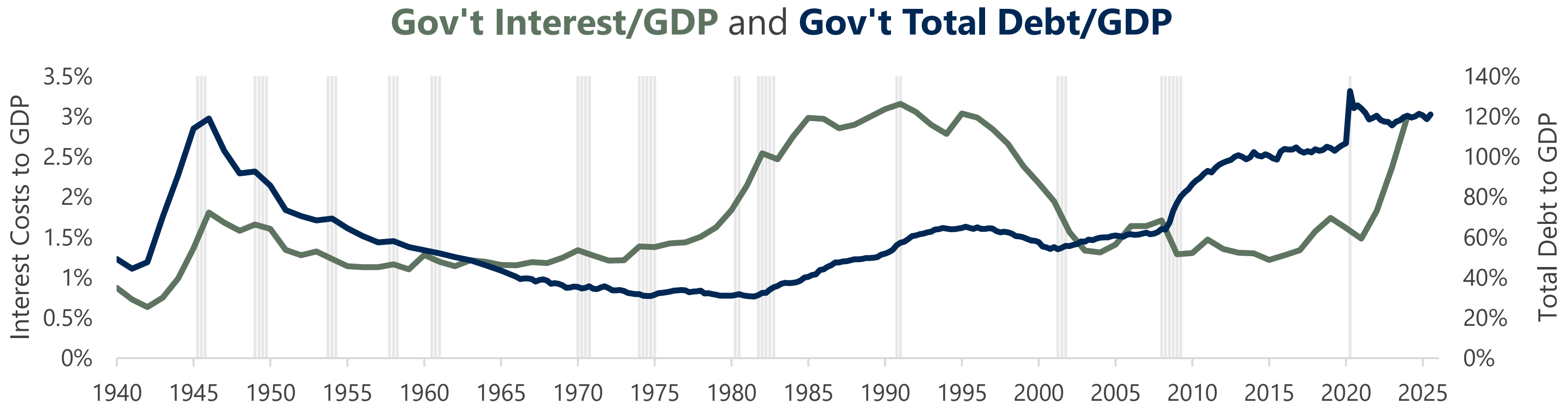
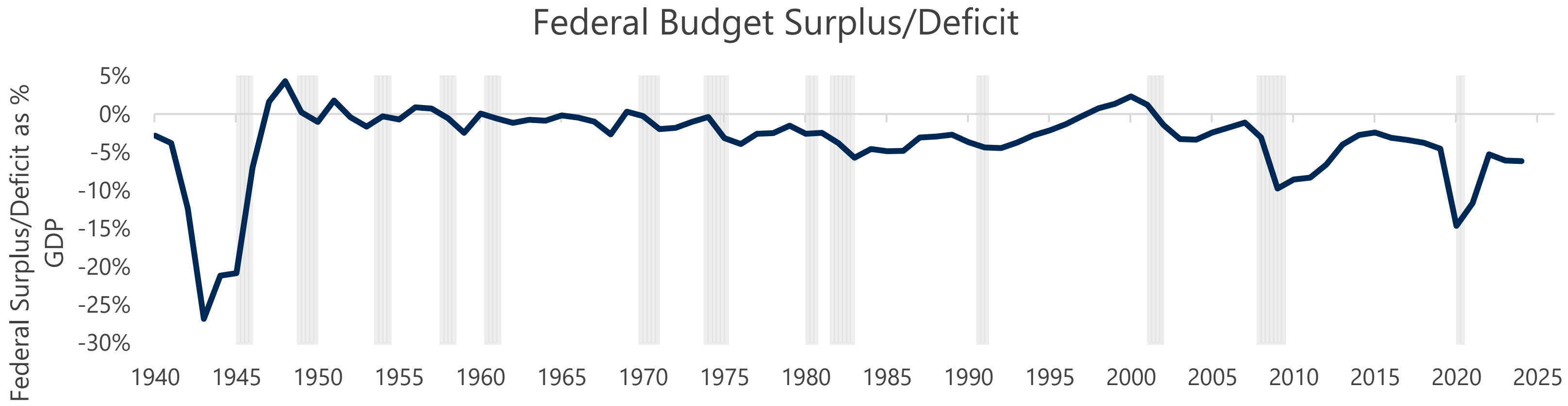
Source: Federal Reserve Economic Database (FRED). Personal Saving Rate plus Real Personal Consumption Expenditures (left) and Household Debt Service Payments as a Percent of Disposable Personal Income (right). Recessions from NBER based Recession Indicators for the United States from the Period following the Peak through the Trough

Interest Costs and the Deficit Rising





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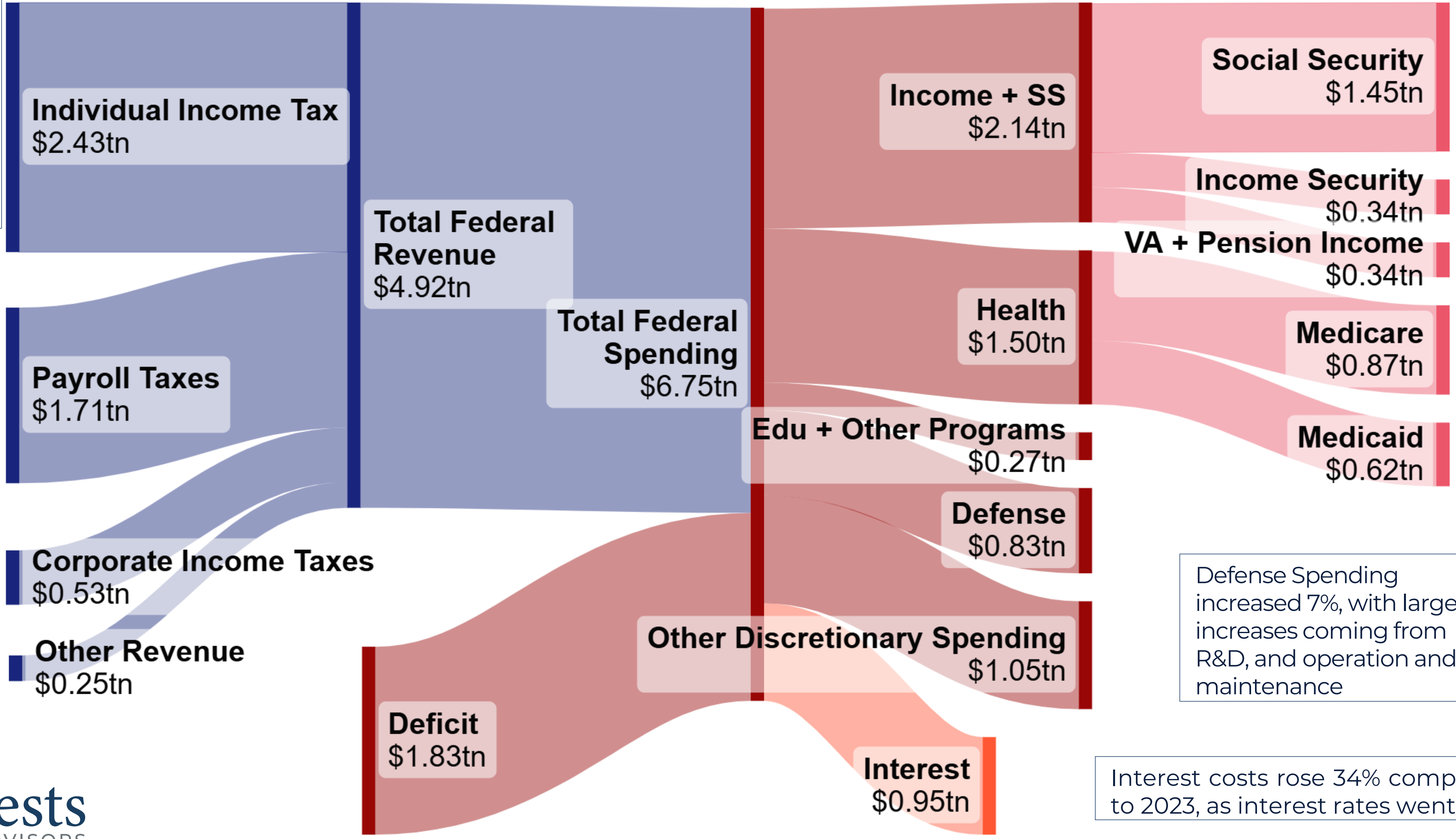
Source: Federal Reserve Economic Database (FRED) Federal Surplus or Deficit [-] as Percent of Gross Domestic Product (top) and Federal Debt: Total Public Debt as Percent of Gross Domestic Product plus Federal Outlays: Interest as Percent of Gross Domestic Product (bottom). Recessions from NBER based Recession Indicators for the United States from the Period following the Peak through the Trough

Government Expenditures 2024

This is an in depth look at how the US makes and spends money. On the spending side, the top 3 categories are known as “mandatory spending” and are unable to change without major reform. That leaves “Defense” and “Other Discretionary Spending” as the two categories congress can change on any year.

Total Receipts were up 11% in fiscal year 2024 compared to 2023. Most of these came from higher income tax receipts, and deferalls from 2023 that were paid in 2024.



Made at SankeyMATIC.com

Total Outlays were up 10% in fiscal year 2024 compared to 2023

SS and Medicare rose 8% and 9% respectively, due to cost of living adjustments and more beneficiaries.

Defense Spending increased 7%, with largest increases coming from R&D, and operation and maintenance

Interest costs rose 34% compared to 2023, as interest rates went up.

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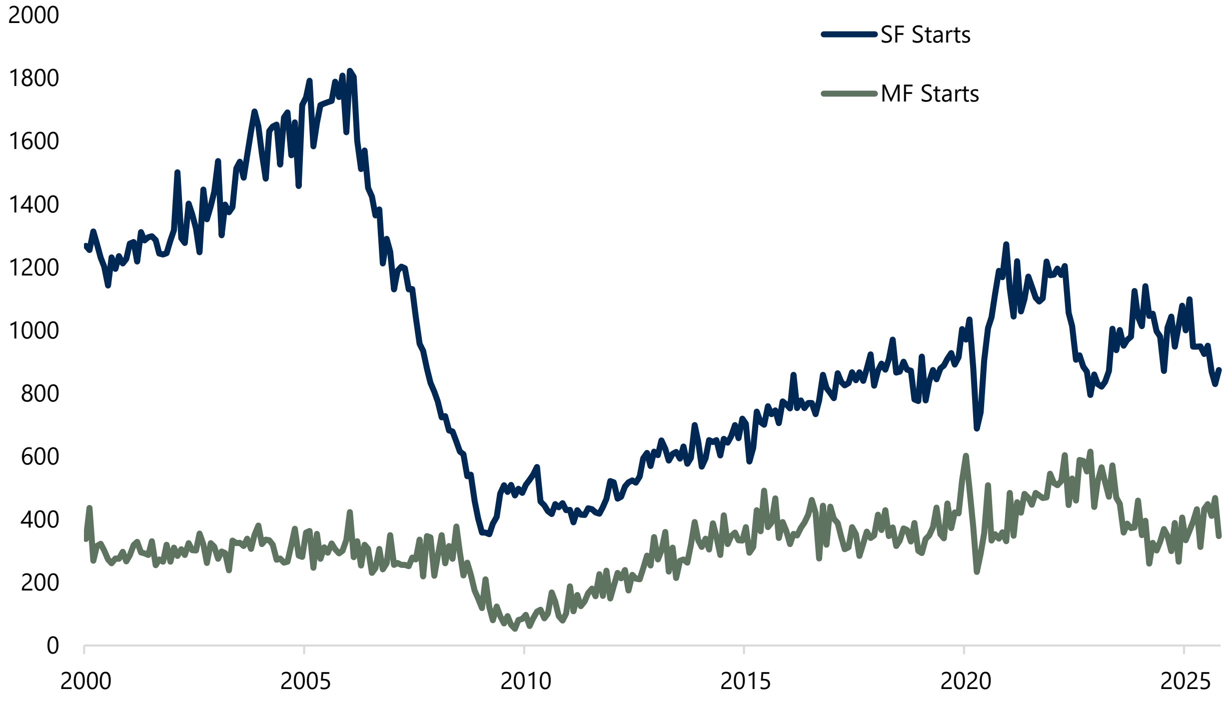
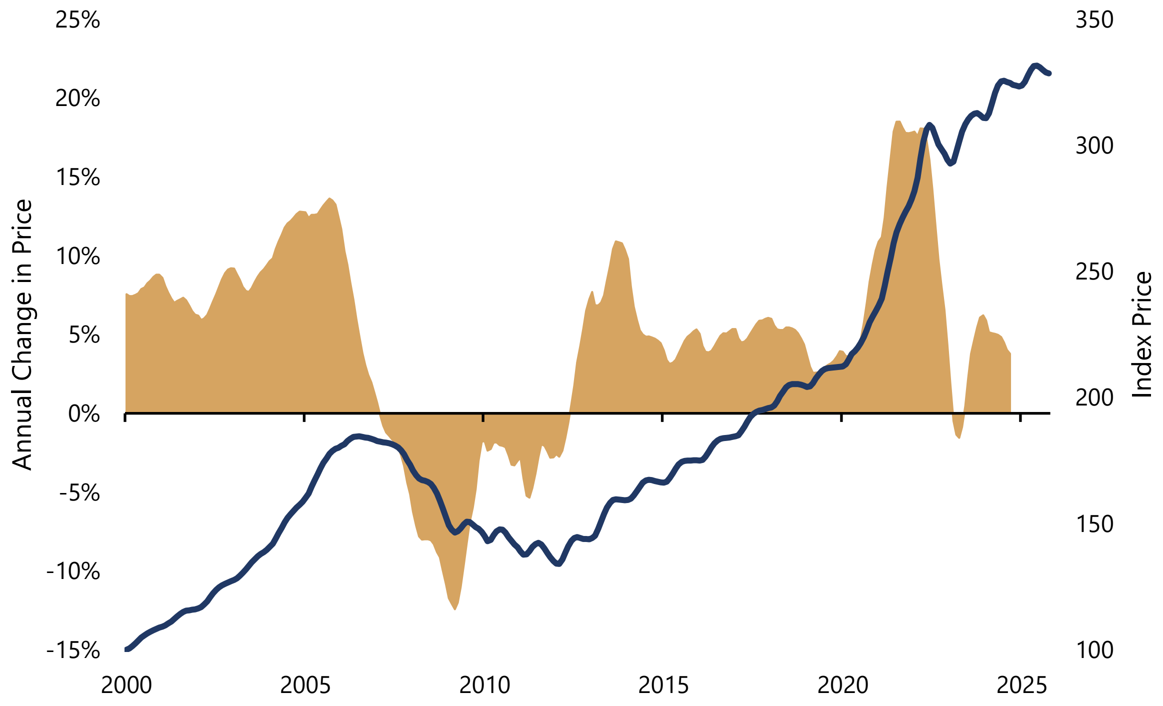
Source: https://www.cbo.gov/publication/59544/html

SF and MF Starts Drop

Housing Starts and Completes



Home Prices



A housing start is the beginning of construction on a new residential housing unit and indicates how much new housing supply is on the horizon. On the right we show home prices over time, as well as the annual rate of change. Prices surged in 2021-2022 but have stopped growing altogether. What they do next will depend on how much pent-up demand there is, and how much housing we build going forward. Note of how significantly starts dropped after the 2008 crisis, and led to the undersupply we have today.

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Source: Federal Reserve Economic Database (FRED) (LEFT)New Privately-Owned Housting Units Starts: Single-Family Units and New Privately-Owned Housting Units Started: Units in Buildings with 5 units or More. (RIGHT) S&P CoreLogic Case-Shiller U.S. National Home Price Index

WJ State of the Markets

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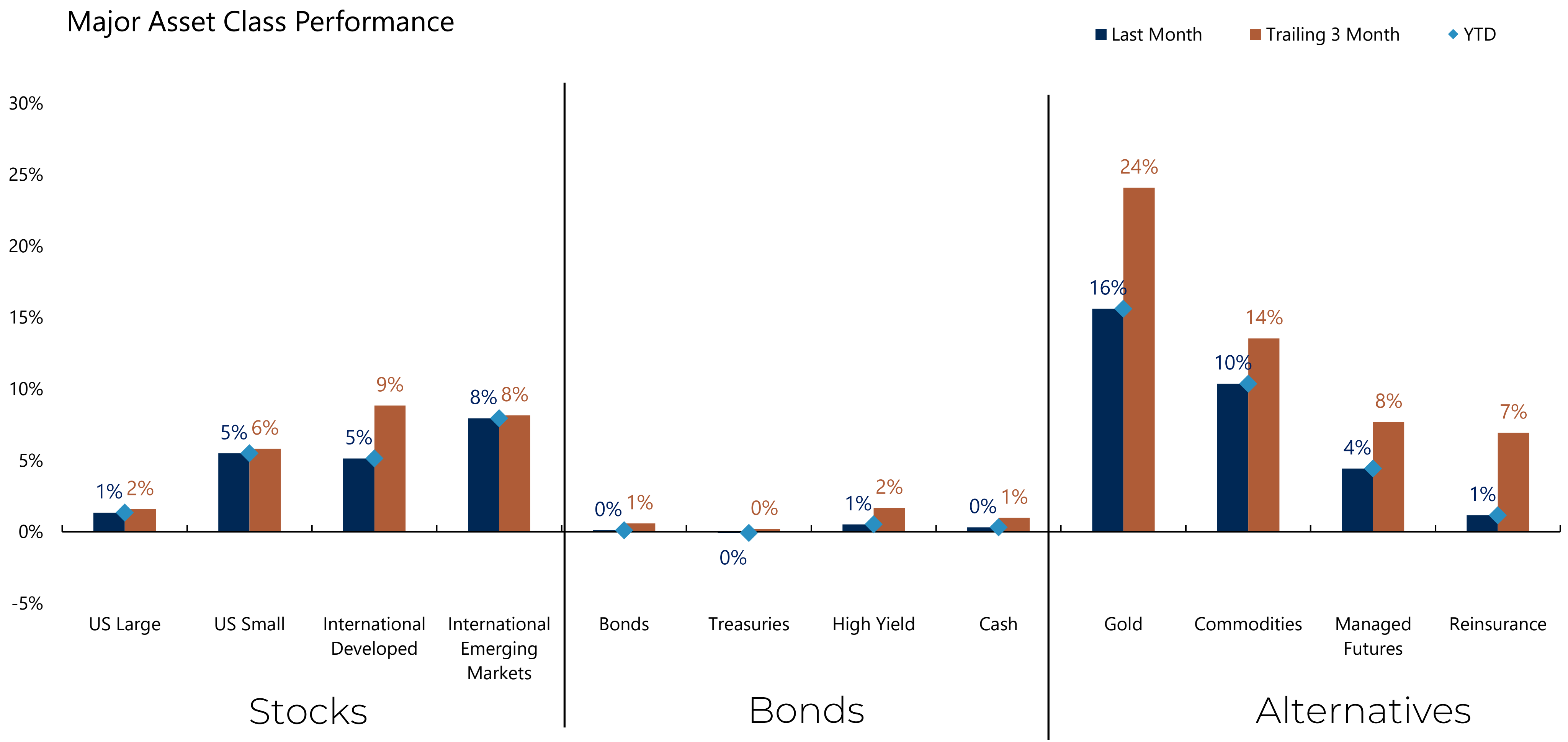
Strong Start to 2026. Alts Surge



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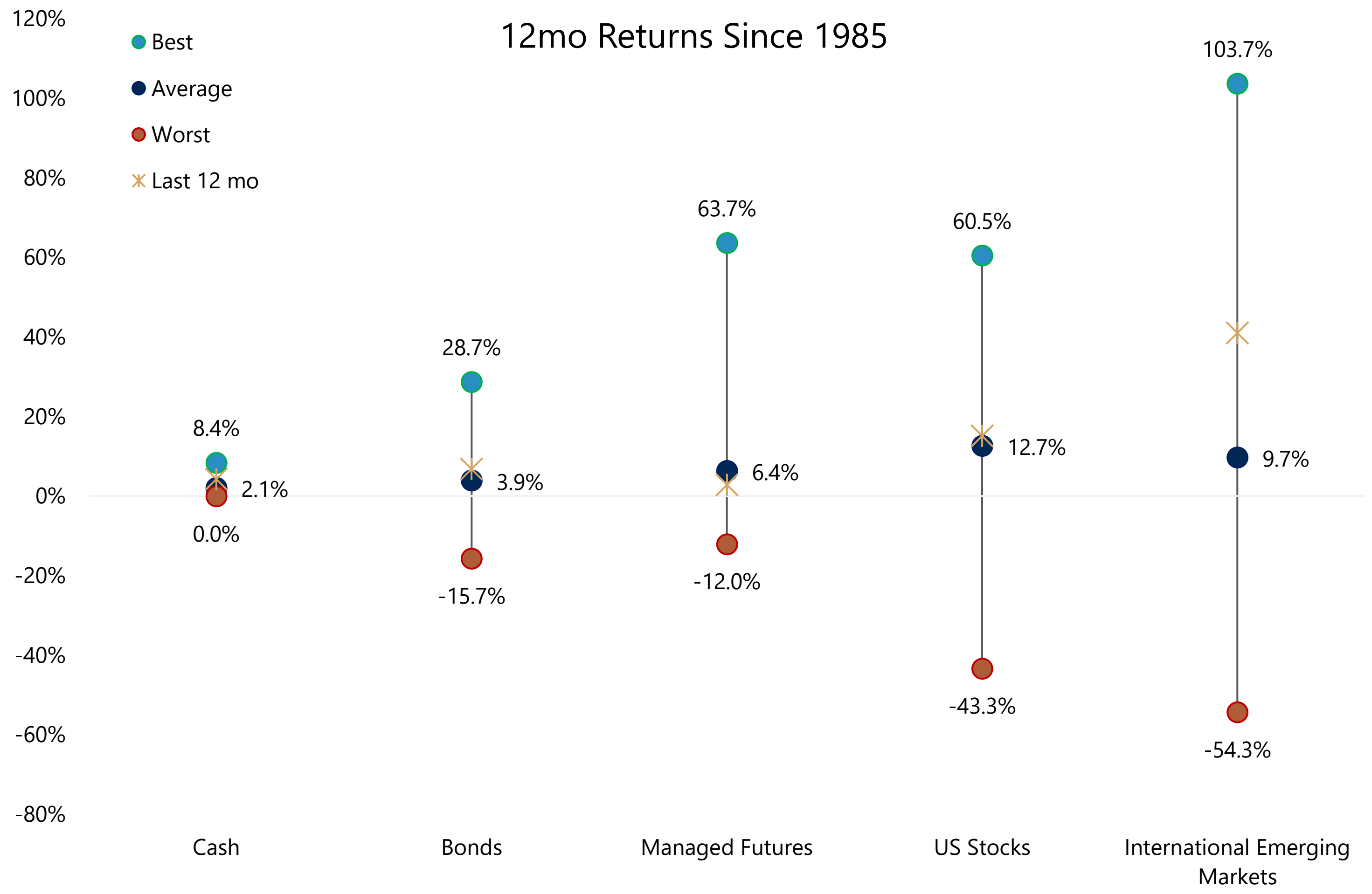
Source: Morningstar Direct. Categories in table are represented by (left to right) iShares Russell 1000 (IWB), iShares Russell 2000 (IWM), iShares Core MSCI EAFE (IEFA), iShares Core MSCI EM (IEMG), Bloomberg US Agg Bond TR, Bloomberg US Treasury TR USD, Bloomberg US Corporate High Yield TR USD, IA SBBI US 30 Day TBill TR USD, SPDR Gold Shares, Bloomberg Commodity TR USD, CISDM CTA EW USD, Stone Ridge Reinsurance Fund

Historical Asset Class Return Range



This chart shows the range of 12 month returns historically, by asset class. As you'd expect, the riskier investment leads to a greater potential gain, as well as loss.

The X on the line represents the last 12 months.

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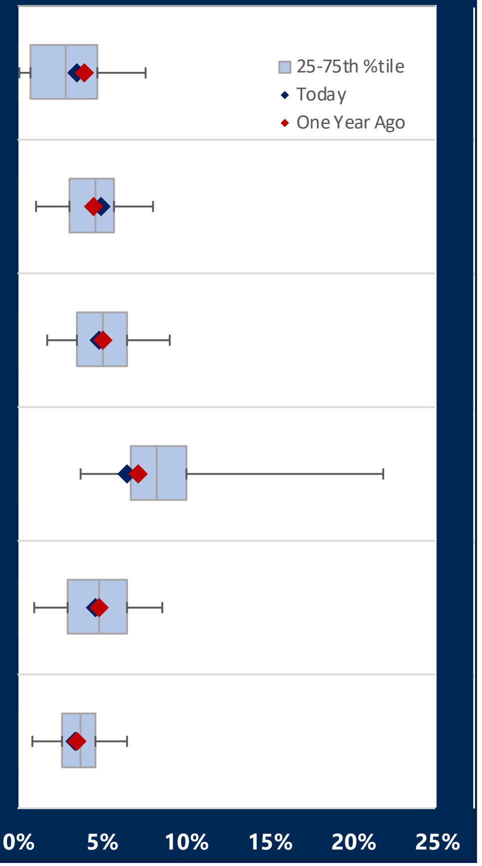
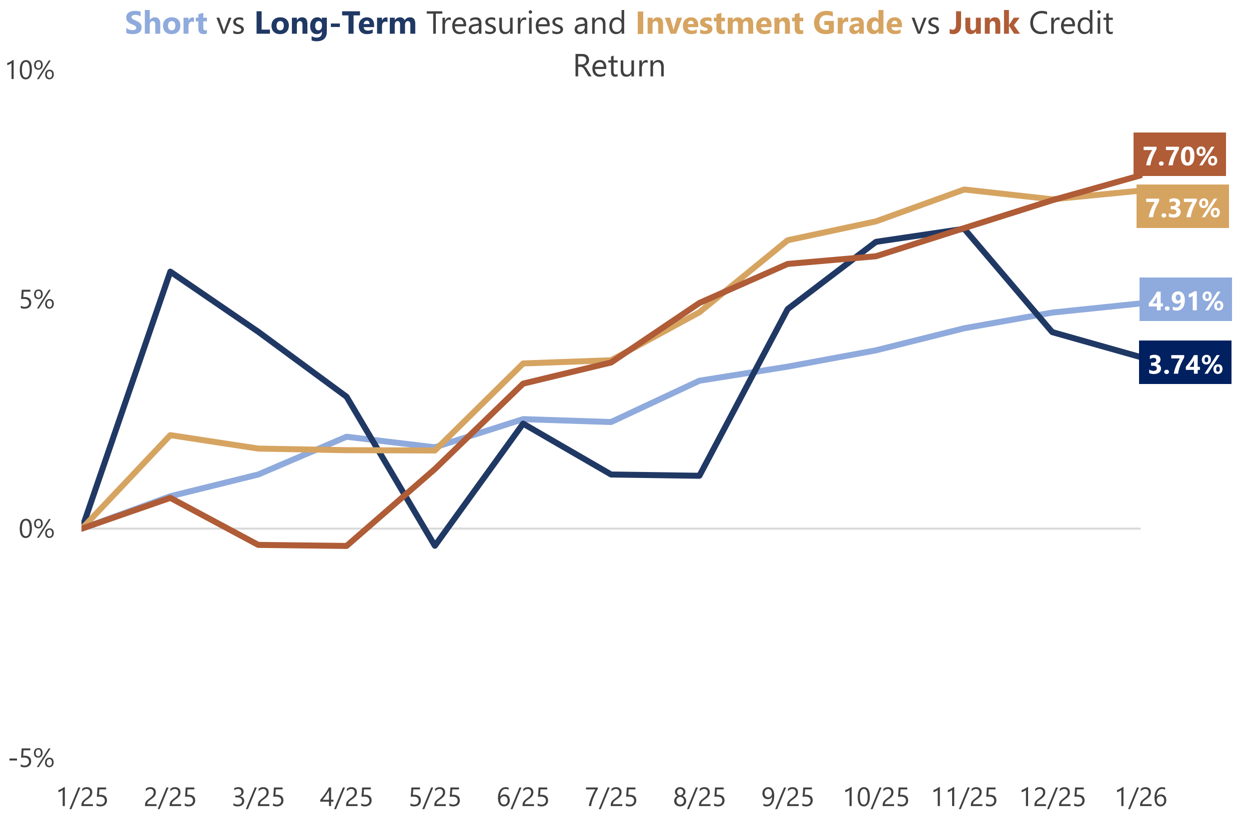
Source: Morningstar Direct. Categories in table are represented by (left to right) IA SBBI US 30 Day TBill TR US, Bloomberg US Agg Bond TR USD, CISDM CTA EW USD, iShares Russell 1000 (IWB), iShares Core MSCI EM (IEMG). Historical data starts at common inception in 1985.

Yields Down, Bond Prices Up

Bond Type	Yield (%) Last Month	Last Year	Change
ST Treasury	3.55	4.01	-0.46
LT Treasury	4.94	4.56	0.38
Investment Grade	4.84	5.08	-0.24
High-Yield	6.58	7.15	-0.57
Mortgage-Backed	4.64	4.85	-0.21
Municipal Bonds	3.45	3.55	-0.1

Yield History





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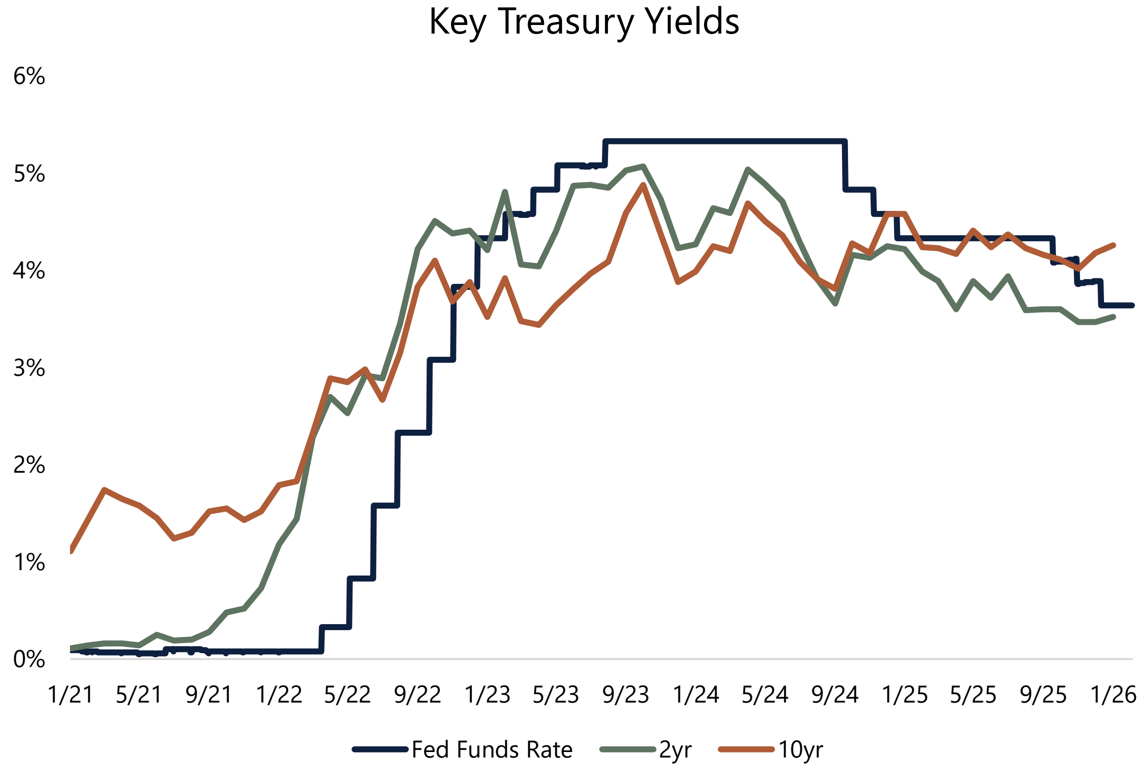
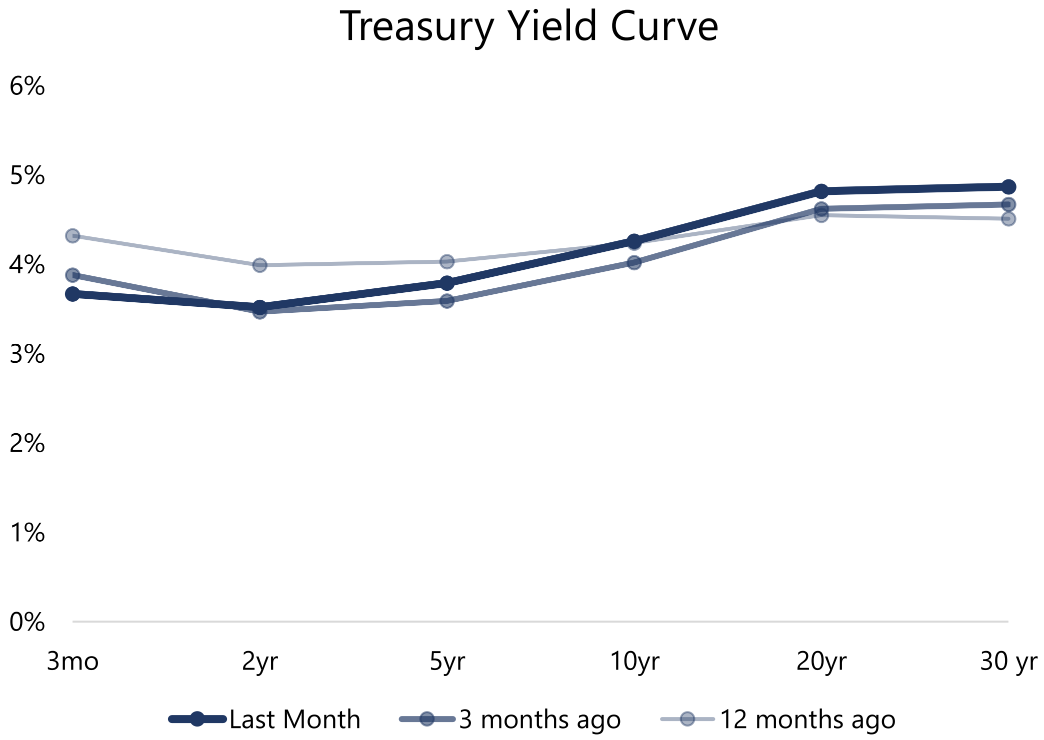
Source: Morningstar Direct. Categories in table are represented by (top to bottom) Bloomberg US Treasury 1-3 Yr Yld USD, Bloomberg US 20+Yr Yld USD, Bloomberg US Corp Bond Yld USD, Bloomberg US Corp High Yield Yld USD, Bloomberg US MBS Yld USD, Bloomberg Municipal Yld USD

Fed Holds Rate Steady in January





	3mo	2yr	5yr	10yr	20yr	30 yr
Last Month	3.7%	3.5%	3.8%	4.3%	4.8%	4.9%
3 months ago	3.9%	3.5%	3.6%	4.0%	4.6%	4.7%
12 months ago	4.3%	4.0%	4.0%	4.2%	4.6%	4.5%

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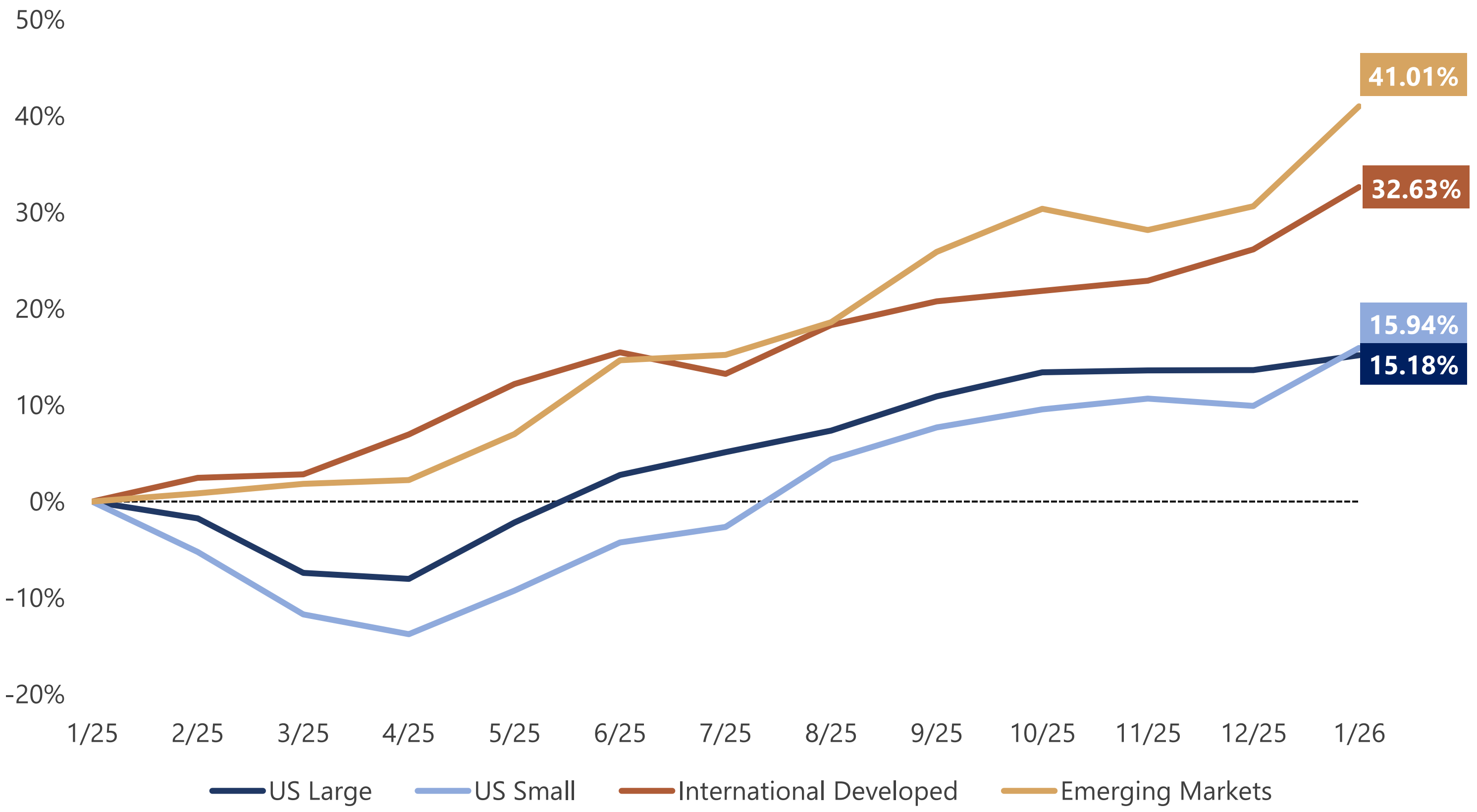
Source: Morningstar Direct. USTREAS T-Bill Cnst Mat Rate 3mo, USTREAS T-Bill Cnst Mat Rate 2 yr, USTREAS T-Bill Cnst Mat Rate 5yr, USTREAS T-Bill Cnst Mat Rate 10 Yr, USTREAS T-Bill Cnst Mat Rate 20 Yr, USTREAS T-Bill Cnst Mat Rate 30 Yr. Effective Fed Funds Rate from FRED Database.

International Stocks Running Away

	Stock Type	Last Month	Last 3 Months	Last 12 Months
Core	US Large	1.3%	1.6%	15.2%
	US Small	5.5%	5.8%	15.9%
	International Developed	5.1%	8.8%	32.6%
	International Emerging	7.9%	8.1%	41.0%
Other	US Value	4.5%	8.0%	15.6%
	US Growth	-1.5%	-3.9%	14.3%
	Nasdaq	1.2%	-1.1%	19.6%

US vs **International** Stock Performance



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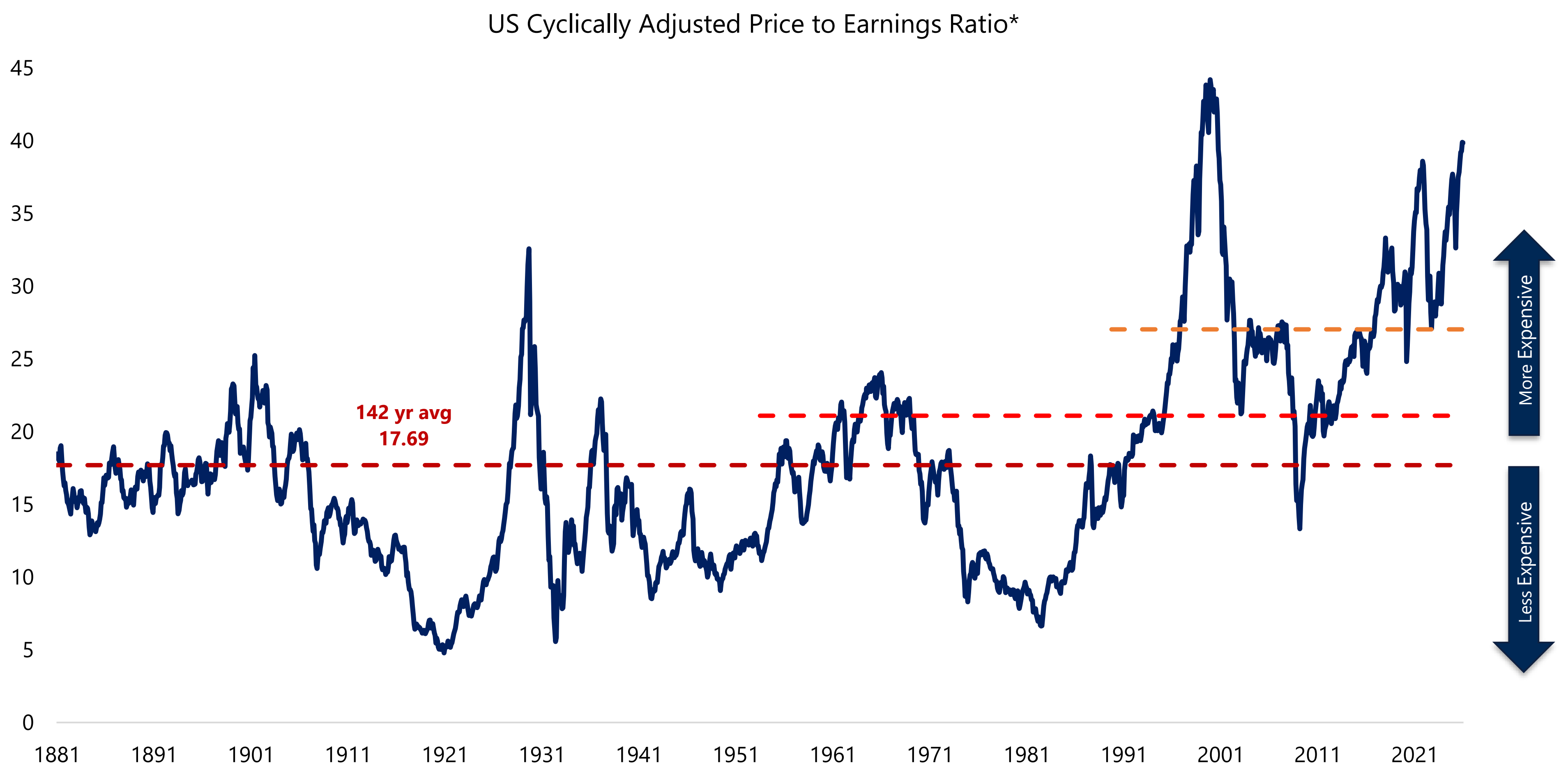
US Stock Valuations Near Tech Bubble Highs



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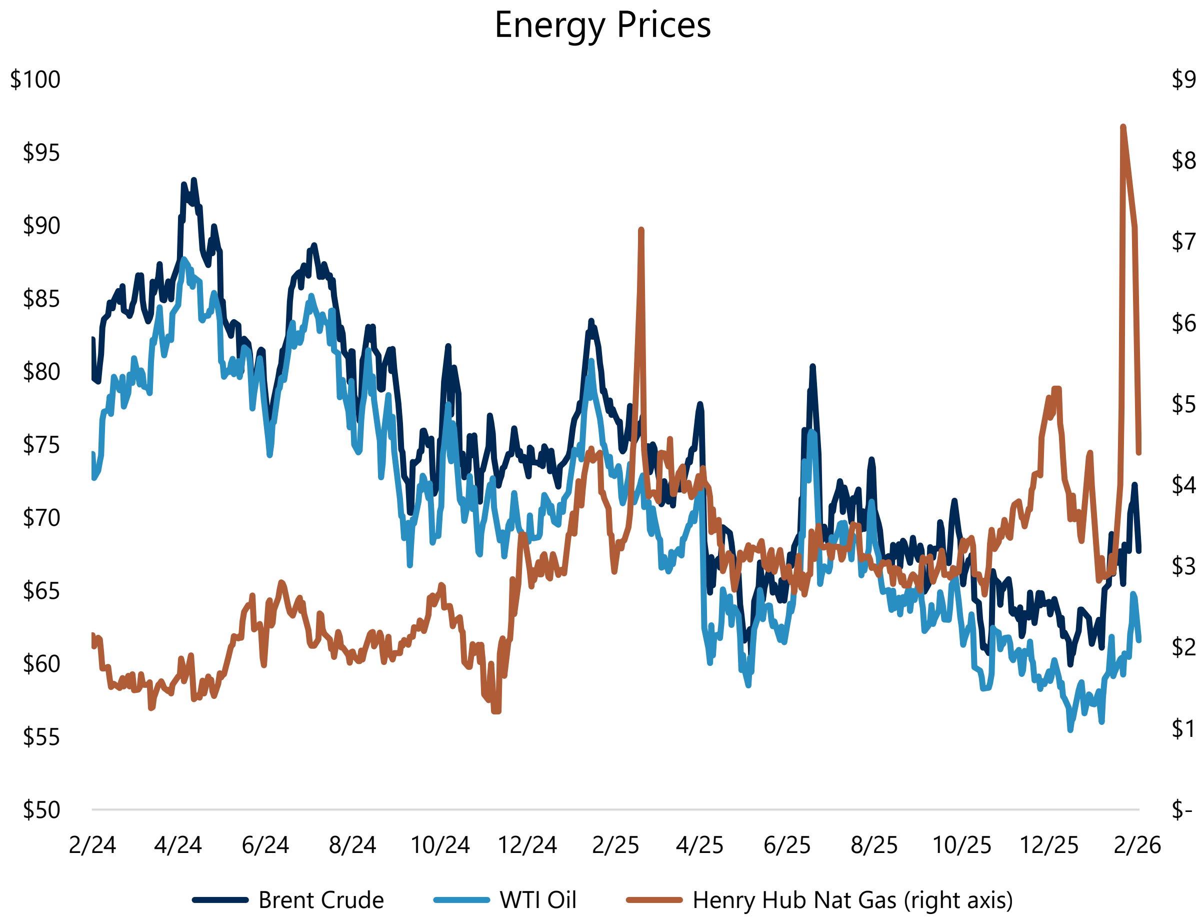
CAPE or Cyclically Adjusted Price to Earnings Ratio takes the current price and divides it by the last 10 years average earnings for the S&P 500 and adjusts it for inflation. It is thought to be more predictive of future returns than trailing 12 month or Forward PE.

Source: Data and CAPE Ratio were developed by Robert Shiller using various public sources.

Commodities Starting to Soar



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Source: Bloomberg Commodity TR USD (left) and Crude Oil Prices: West Texas Intermediate (WTI) - Cushing, Oklahoma, Crude Oil Prices: Brent – Europe, Henry Hub Natural Gas Spot Price from U.S.

Energy Information Administration (right)

Periodic Table of Asset Class Returns

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Through Last Month End 1/31/2026

2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	5 Yr	10 Yr
US Small Stock 22%	Intl Emerging Stk 37%	Cash 2%	US Large Stock 31%	US Large Stock 21%	US Large Stock 26%	Trend Following 22%	Reinsurance 44%	Reinsurance 31%	Intl Emerging Stk 33%	Intl Emerging Stk 8%	Reinsurance 20%	US Large Stock 15%
US Large Stock 12%	Intl Developed Stk 27%	Bonds 0%	US Small Stock 25%	US Small Stock 20%	US Small Stock 15%	Reinsurance 3%	US Large Stock 26%	US Large Stock 24%	Intl Developed Stk 32%	US Small Stock 5%	US Large Stock 14%	US Small Stock 11%
Intl Emerging Stk 10%	US Large Stock 22%	US Large Stock -5%	Intl Developed Stk 23%	Intl Emerging Stk 18%	Intl Developed Stk 12%	Cash 2%	Intl Developed Stk 18%	TAA 12%	Reinsurance 30%	Intl Developed Stk 5%	Intl Developed Stk 10%	Intl Emerging Stk 10%
Reinsurance 6%	TAA 19%	Reinsurance -6%	TAA 20%	Moderate Blended Port 13%	Moderate Blended Port 11%	Bonds -12%	US Small Stock 17%	US Small Stock 11%	Moderate Blended Port 18%	TAA 4%	TAA 8%	Intl Developed Stk 10%
Moderate Blended Port 6%	Moderate Blended Port 17%	Moderate Blended Port -7%	Moderate Blended Port 20%	Intl Developed Stk 8%	TAA 10%	TAA -12%	Moderate Blended Port 17%	Moderate Blended Port 10%	US Large Stock 17%	Trend Following 3%	Moderate Blended Port 8%	Moderate Blended Port 9%
TAA 5%	US Small Stock 15%	TAA -8%	Intl Emerging Stk 18%	Reinsurance 7%	Trend Following 5%	Moderate Blended Port -15%	Intl Emerging Stk 12%	Intl Emerging Stk 7%	TAA 16%	Moderate Blended Port 3%	US Small Stock 6%	Reinsurance 8%
Intl Developed Stk 2%	Bonds 5%	US Small Stock -11%	Bonds 8%	Bonds 7%	Cash 0%	Intl Developed Stk -15%	TAA 12%	Cash 5%	US Small Stock 13%	US Large Stock 1%	Intl Emerging Stk 6%	TAA 7%
Bonds 1%	Trend Following 2%	Trend Following -13%	Trend Following 4%	Trend Following 3%	Bonds -1%	US Large Stock -19%	Bonds 6%	Intl Developed Stk 3%	Bonds 7%	Reinsurance 1%	Trend Following 4%	Cash 2%
Cash 0%	Cash 1%	Intl Developed Stk -14%	Cash 2%	Cash 0%	Intl Emerging Stk -1%	Intl Emerging Stk -20%	Cash 5%	Trend Following 3%	Cash 4%	Cash 0%	Cash 3%	Bonds 2%
Trend Following -6%	Reinsurance -11%	Intl Emerging Stk -15%	Reinsurance -4%	TAA -2%	Reinsurance -5%	US Small Stock -20%	Trend Following -3%	Bonds 1%	Trend Following -4%	Bonds 0%	Bonds 0%	Trend Following 0%

Disclaimer

PAST PERFORMANCE IS NOT A GUARANTEE OF CURRENT OR FUTURE RESULTS. Examples of historical information included in this presentation do not, nor are they intended to, constitute a promise of similar future results. Specific client portfolio allocations, risks and returns can and may deviate from these examples depending on accounts and types of investments available through each account. Future market views by WJ Interests, LLC may vary significantly from the historical examples presented herein and no one receiving this summary should assume that WJ Interests, LLC will be able to replicate successful views in the future.

Moderate Blended Portfolio is for illustrative purposes only. It is calculated by taking a weighted average of the following asset classes and represents a moderate risk portfolio incorporating leverage and the asset classes in the table:

27%	US Large Stock: iShares Russell 1000 (IWB)
6%	US Small Stock: iShares Russell 2000 (IWM)
21%	Intl Developed Stock: iShares Core MSCI EAFE (IEFA)
6%	Intl Emerging Stock: iShares Core MSCI Emerging Markets (IEMG)
40%	Bonds: Vanguard Total Bond Market (BND)
-15%	Cash: Morningstar USD 1M Cash TR USD
5%	Reinsurance: Stone Ridge Reinsurance Fund (SRRIX)
5%	Managed Futures: SG Trend Index, PIMCO Trends (PQTIX), Virtus Alphasimplex (ASFYX), Standpoint (BLNDX)
5%	TAA: GMO Benchmark Free (GBMIX) and Strategy Shares Nwfnd/Rslv Rbt ETF (ROMO)

Assumes annual rebalancing. All data represents total return for stated period.

WJ Interests
WEALTH ADVISORS