



WJ Charts of the Month

January 2026



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.

Highlights

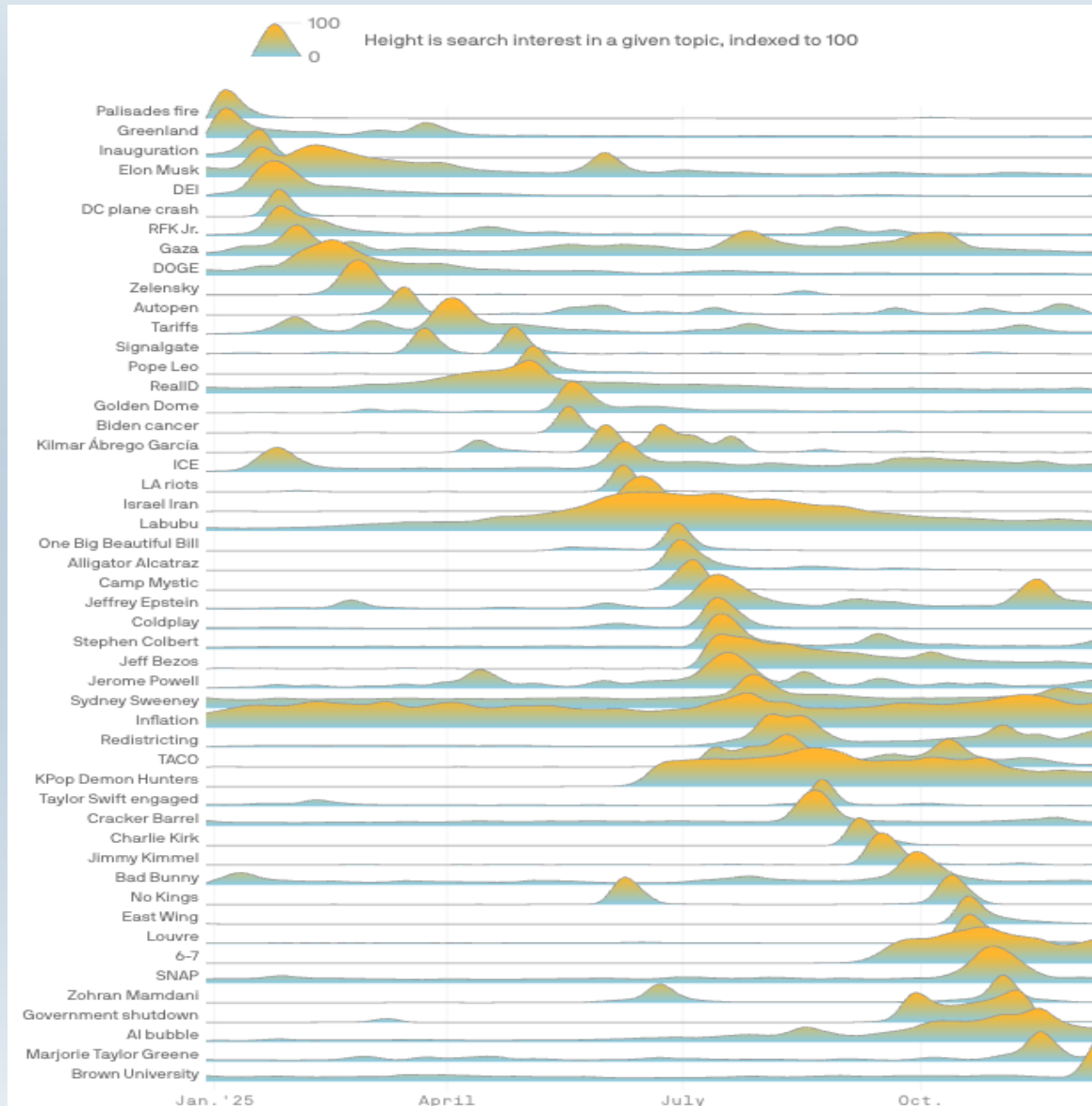
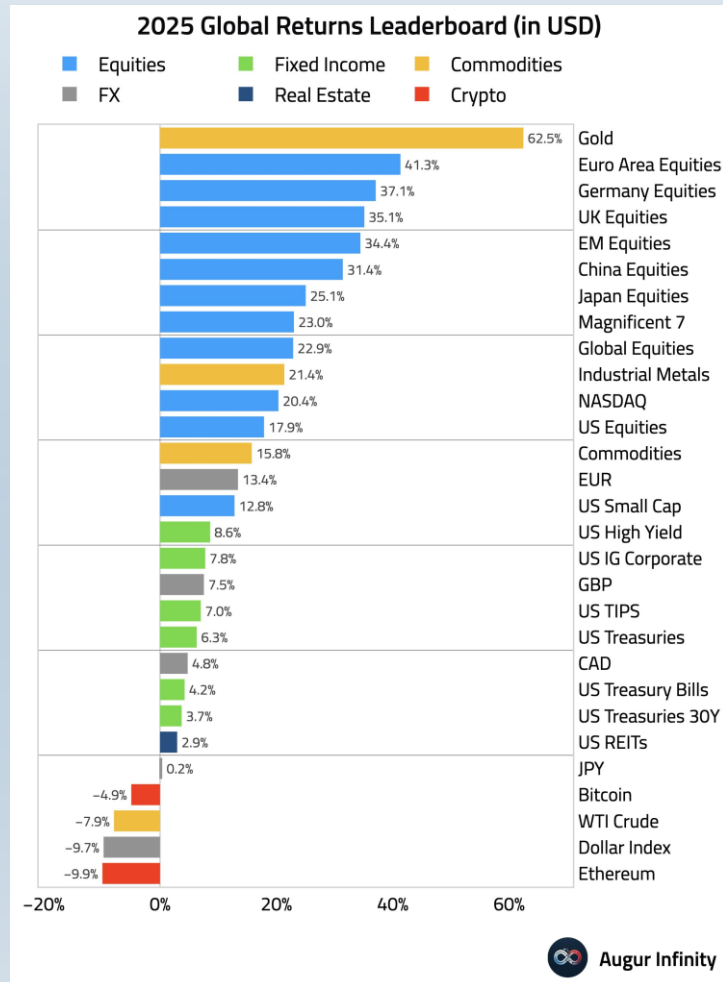
A Look Back at 2025
New Regime in Venezuela
Why So Pessimistic?
Blue Collar Unemployment
2nd Highest M&A Year

What Happened

A Look Back at 2025

As we head into 2026, we can look back and reflect on what happened in 2025. First, to the right is a recap of several popular markets. Long story short, basically everything was up. Oddly, both Gold and stocks (especially European stocks...) led the way in the same year. Only the dollar, crypto and oil fell in 2025.

The chart on the far right shows the attention given to various topics over the year. It's amazing how important some of these seemed at the time, but most are "flashes in the pan". The only one that was consistent all year was "inflation"!



Climbing the Wall of Worry

Another interesting perspective is viewing how the market reacts in real time to the news. The media provides plenty of noise, but most of the time the market ignores it and chugs along to new highs.



How Was Your Stock Picking?

It's always fun to look at the top and bottom performing stocks of the year. It's meaningless, sure, and most investors will own all of them in their mutual fund or ETF, but it's still interesting.

It was another year of significant semiconductor outperformance. Many AI data center related names also joining the top list.

Among the bottom you will find AI roadkill, negative tariff impacted and lower income consumer slowdowns...

Best Performing Stocks in the S&P 500 (2025)

Rank	Symbol	Name	Industry	2025 Total Return
1	SNDK	Sandisk Corp.	Technology Hardware, Storage & Peripherals	559.4%
2	WDC	Western Digital Corp.	Technology Hardware, Storage & Peripherals	283.8%
3	MU	Micron Technology, Inc.	Semiconductors & Semiconductor Equipment	240.2%
4	STX	Seagate Technology Holdings Plc	Technology Hardware, Storage & Peripherals	225.2%
5	HOOD	Robinhood Markets, Inc.	Capital Markets	203.5%
6	NEM	Newmont Corp.	Metals & Mining	172.8%
7	WBD	Warner Bros. Discovery, Inc.	Entertainment	172.7%
8	LRCX	Lam Research Corp.	Semiconductors & Semiconductor Equipment	139.1%
9	PLTR	Palantir Technologies, Inc.	Software	135.0%
10	FIX	Comfort Systems USA, Inc.	Construction & Engineering	120.9%
11	APP	Applovin Corp.	Software	108.1%
12	CVNA	Carvana Co.	Specialty Retail	107.5%
13	GEV	GE Vernova, Inc.	Electrical Equipment	99.0%
14	TPR	Tapestry, Inc.	Textiles, Apparel & Luxury Goods	98.8%
15	APH	Amphenol Corp.	Electronic Equipment, Instruments & Components	96.1%
16	KLAC	KLA Corp.	Semiconductors & Semiconductor Equipment	94.5%
17	HWM	Howmet Aerospace, Inc.	Aerospace & Defense	88.0%
18	GLW	Corning, Inc.	Electronic Equipment, Instruments & Components	87.8%
19	GE	GE Aerospace	Aerospace & Defense	85.7%
20	CVS	CVS Health Corp.	Health Care Providers & Services	84.3%

Worst Performing Stocks in the S&P 500 (2025)

Rank	Symbol	Name	Industry	2025 Total Return
500	TTD	The Trade Desk, Inc.	Media	-67.7%
499	FISV	Fiserv, Inc.	Financial Services	-67.3%
498	DECK	Deckers Outdoor Corp.	Textiles, Apparel & Luxury Goods	-49.0%
497	IT	Gartner, Inc.	IT Services	-47.9%
496	ARE	Alexandria Real Estate Equities, Inc.	Health Care REITs	-46.6%
495	LULU	lululemon athletica, Inc.	Textiles, Apparel & Luxury Goods	-45.7%
494	MOH	Molina Healthcare, Inc.	Health Care Providers & Services	-40.4%
493	CHTR	Charter Communications, Inc.	Media	-39.1%
492	FDS	FactSet Research Systems, Inc.	Capital Markets	-38.9%
491	CMG	Chipotle Mexican Grill, Inc.	Hotels, Restaurants & Leisure	-38.6%
490	DOW	Dow, Inc.	Chemicals	-37.4%
489	GDDY	GoDaddy, Inc.	IT Services	-37.1%
488	ZBRA	Zebra Technologies Corp.	Electronic Equipment, Instruments & Components	-37.1%
487	STZ	Constellation Brands, Inc.	Beverages	-36.0%
486	LYB	LyondellBasell Industries NV	Chemicals	-35.9%
485	LW	Lamb Weston Holdings, Inc.	Food Products	-35.7%
484	CLX	The Clorox Co.	Household Products	-35.6%
483	CAG	Conagra Brands, Inc.	Food Products	-33.3%
482	BAX	Baxter International, Inc.	Health Care Equipment & Supplies	-33.3%
481	UNH	UnitedHealth Group, Inc.	Health Care Providers & Services	-33.1%

2026 is Off to an Exciting Start

Cheating just a bit by moving to January, the biggest story of the week is the arrest of Venezuelan President Nicolas Maduro and his wife.

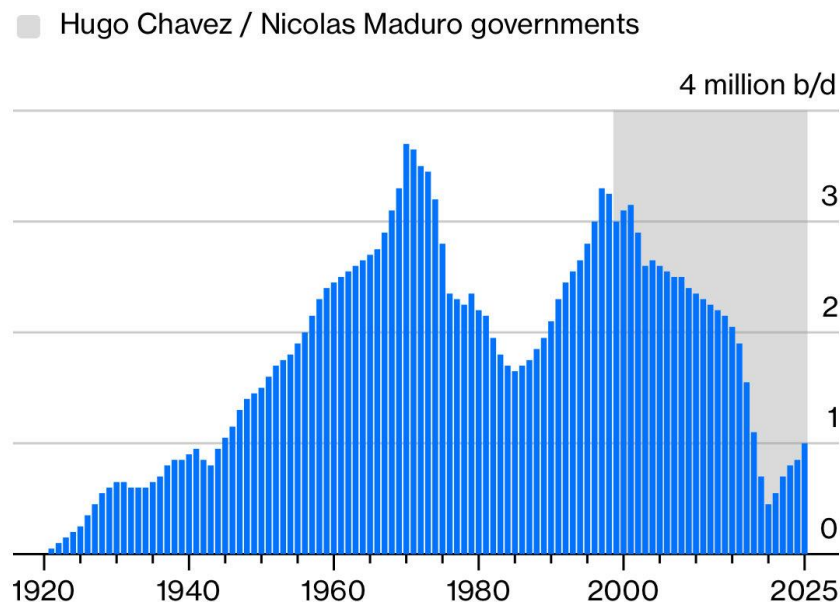
While there are plenty of reasons for why the US may or may not have done this, oil is certainly in the equation. Venezuela is reported to have the largest oil reserves in the world, at about 300 billion barrels. Though many are skeptical that it's that high as it was self reported by Hugo Chavez decades ago.

Despite such high reserves, the Venezuelan oil industry has collapsed over the last 25 years.

"Venezuela could produce 4 million barrels instead of the 1 million barrels it produces per day, but it would take maybe a little bit less than a decade and \$100 billion in total over that period to get it to 4 million barrels," Francisco Monaldi, an expert in Latin American energy policy at Rice University, told the Atlantic.

The Crash of the Venezuelan Oil Industry

The Latin American nation was once the world's largest oil exporter, well ahead of Saudi Arabia. But then socialism arrived and a collapse followed



Source: Adapted by Bloomberg Opinion from 'Political Conflict and Economic Growth in Post-Independence Venezuela', BP and International Energy Agency

COUNTRIES WITH THE LARGEST OIL RESERVES

Oil Reserves in 2025 (Billion Barrels)



Source: U.S. Energy Information Administration, International Energy Statistics, Total oil (petroleum and other liquids) consumption, as of April 11, 2024

Why So Pessimistic?

Going back to 2025, one consistent, and troubling theme has been that people (or at least those responding to surveys) are as pessimistic as they've ever been. Politics plays a factor for sure, however the same dynamic was true during the Biden Administration. Most of the hard economic data has been good for the last several years, but people don't seem to feel that way. The University of Michigan Consumer Sentiment Index (green line chart) used to be a major economic indicator, but is effectively useless now as people are saying now is worse than in the depths of the Great Financial Crisis of 2008.

Another prominent survey by Gallup shows survey responders expecting almost universally worse outcomes for 2026. Perhaps they are right, or perhaps they are influenced by what they see on social media or traditional media, but it's a troubling dynamic regardless.

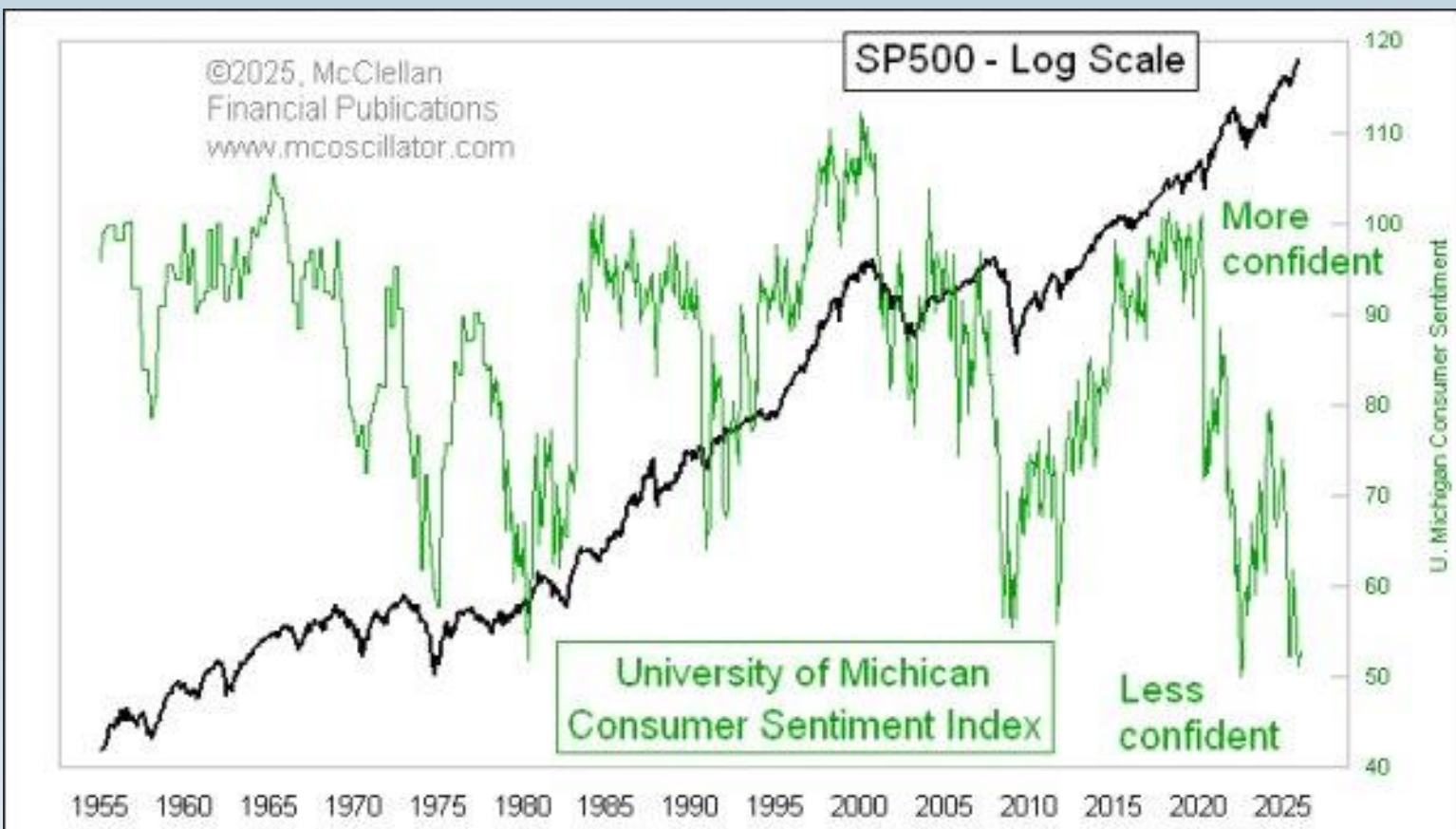
Changes in Americans' Positive Predictions for 2026 vs. 2025

% Positive prediction for U.S. interests

	2025	2026	2025-2026 difference (pct. pts.)
Full or increasing employment	54	36	-18
Taxes will fall	50	36	-14
Economic prosperity	44	30	-14
China's power will decline	39	26	-13
Political cooperation	23	10	-13
Prices will rise at a reasonable rate	52	41	-11
The stock market will rise	66	55	-11
America will increase its power in the world	52	43	-9
The federal budget deficit will decrease	37	29	-8
More or less free of international disputes	33	26	-7
Falling crime rates	48	43	-5
Few labor union strikes	51	50	-1
Russian power will decline	46	48	2

[Get the data](#) • [Download image](#)

GALLUP



Inflation a Key Factor

One major factor that has turned people sour is inflation (see the longest running search 5 slides ago). One thing all politicians and economists alike have learned over the past 5 years is people hate inflation more than they hate economic slowdowns.

This is despite the fact that, broadly, wages have kept up. The line chart shows average hourly earnings keeping well ahead of inflation over the past decade. If you don't believe the data, consider the poll below. Would you go back to a 2019 salary if prices went back as well?

Wages have grown faster than inflation



The Compound • Dec 16, 2025

Would you go back to your 2019 salary if it meant we went back to 2019 prices as well?

Yes 50%

No 50%

Votes

797

Comments

9

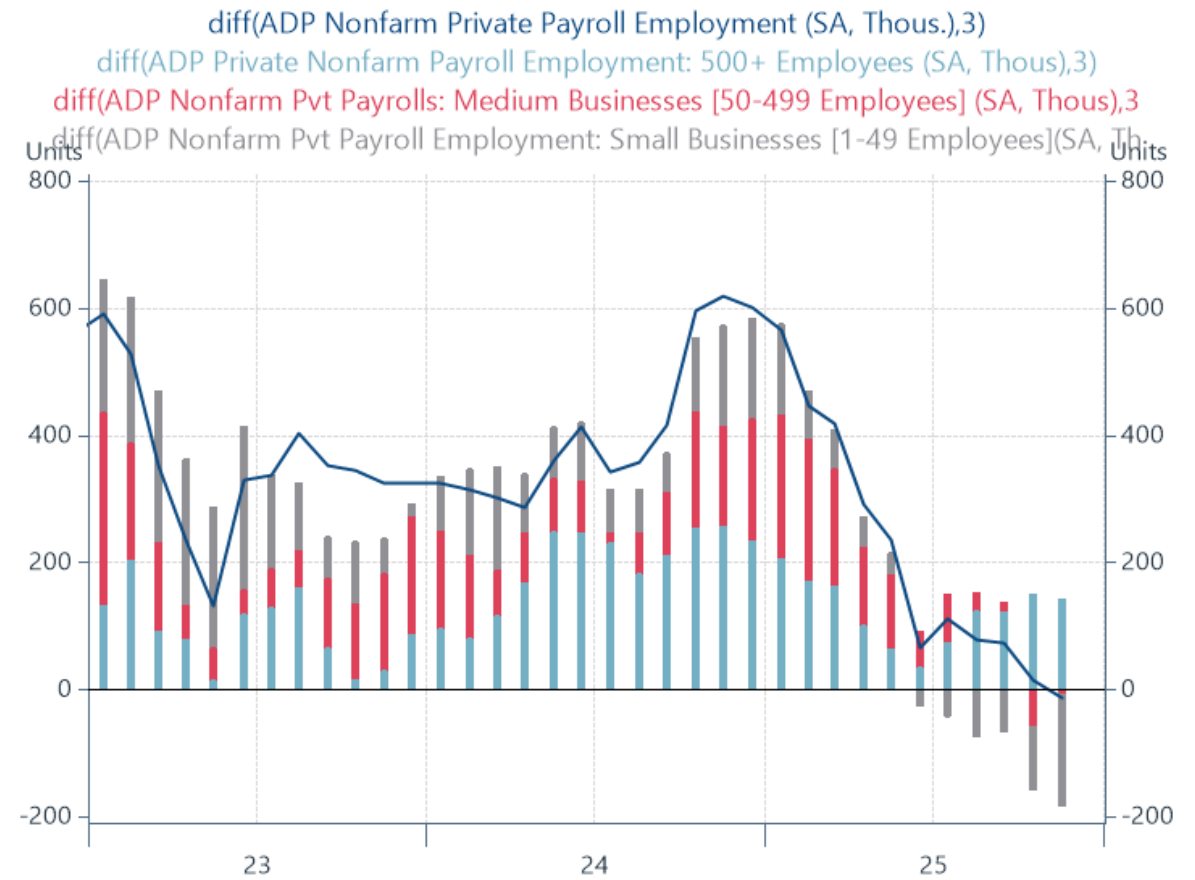
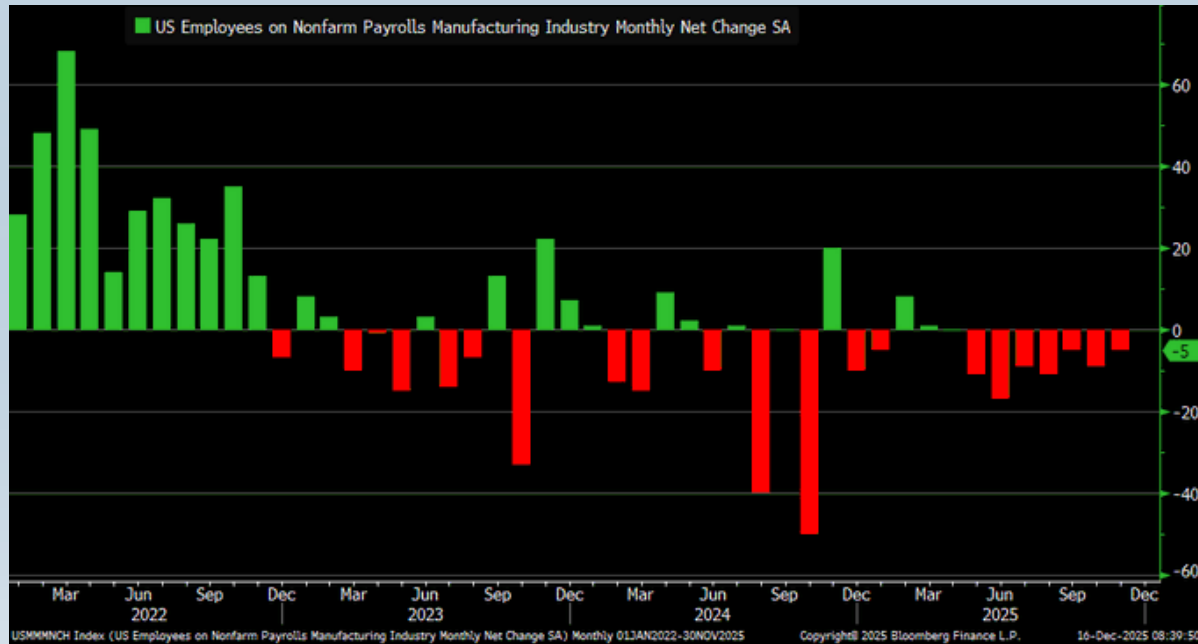
Likes

15

Weakness in Employment as Well

Perhaps the pessimism comes from weakness in certain parts of the economy. Last month's COTM referenced the "K" shaped economy, meaning there are two separate economies for lower- and upper-class people. These payroll charts point to some of that. Below shows 7 straight months of lost jobs in the manufacturing industry.

The chart to the right shows lost jobs in small business under 50 employees, while large businesses have added jobs.



Sources: ADP Research Institute, ADP Research Institute/Haver Analytics

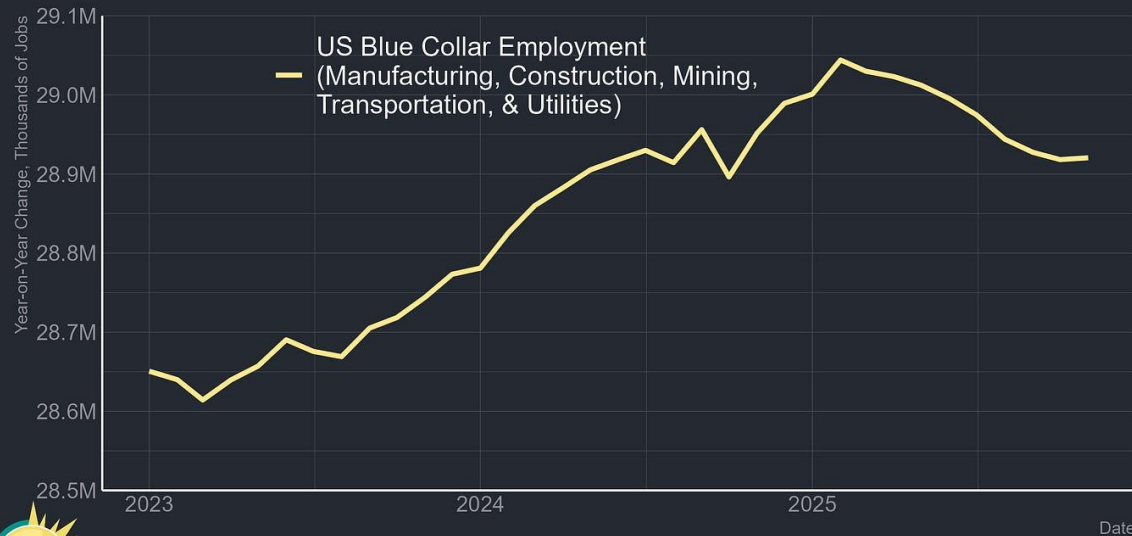
Blue Collar Unemployment Rising

Continuing on this subject, blue collar jobs, defined as employment in manufacturing, construction, mining, transportation & utilities, have been falling since the beginning of this year.

From the chart's author, "Blue-collar jobs made up roughly 1/2 of all US employment in the 1940s, then sank to 1/3 of all US employment in the early 1970s, 1/4 by the early 1990s, 1/5 by the mid 2000s, and then just over 1/6 by the mid-2010s. In some respects, that is a natural long-run pattern seen across nearly all high-income countries." So perhaps some of this is an AI/robotics story, and in time those employees may transition to another line of work, but it's still damaging in the moment.

US Blue Collar Employment

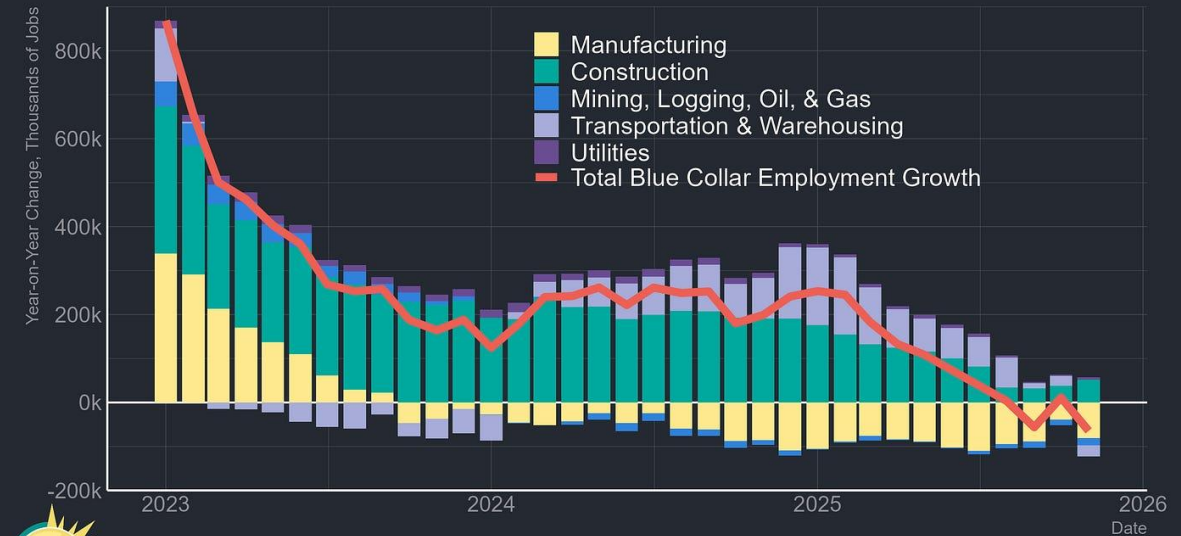
US Blue Collar Jobs are Down More than 100k From Their Early-2025 Peaks



Graph created by @JosephPolitano using BLS data

Year-on-Year Change in US Blue Collar Employment

American Blue Collar Job Growth Is Slowing Down, With Job Losses in the Manufacturing Sector



Graph created by @JosephPolitano using BLS data

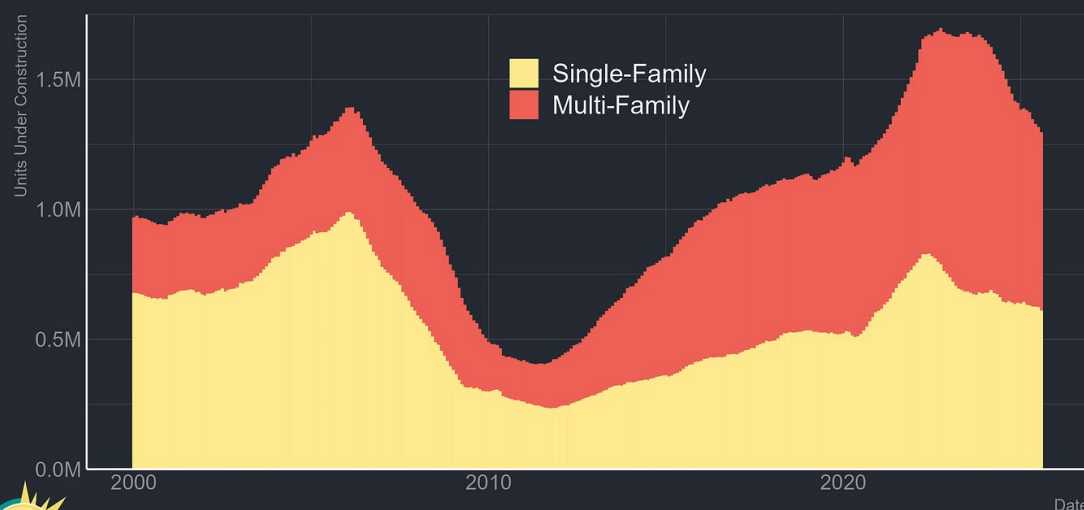
Housing Construction Unemployment Rising

I think the housing market is one of the most important factors for the overall economy. It's most people's greatest asset, and also greatest expense. It's part of the "American Dream." But housing has been in a state of disarray for the last 3 years or so, particularly as mortgage rates more than doubled in this short period.

Lower rates could help mitigate the cost, but of course more housing can lower the price. Unfortunately, the first chart shows the number of apartments and homes under construction is falling rapidly. And with that, residential contractor jobs are falling off a cliff. This combination will likely keep homeownership out of reach for many, and contribute to continued pessimism going forward.

Housing Under Construction By Type

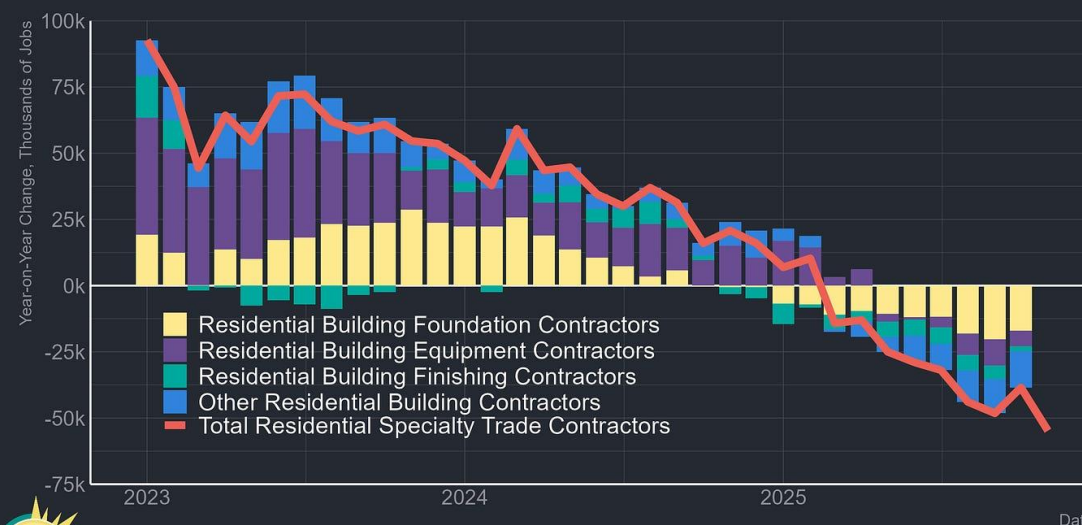
The Number of Housing Units Under Construction has Dropped 400K From its 2022 Peak



Graph created by @JosephPolitano using Census data

Year-on-Year Change in US Residential Contractor Jobs

American Construction Job Growth Is Slowing Down, Especially in the Residential Sector



Graph created by @JosephPolitano using BLS data

Huge Year in M&A

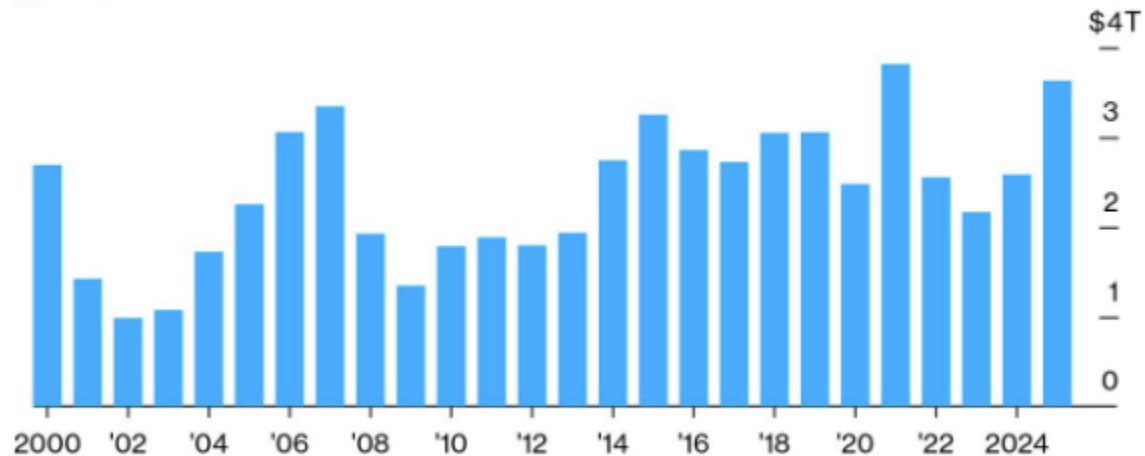
Despite a hesitant start to the year amid tariff and volatility anxieties, a second-half surge catapulted global mergers and acquisitions to a near-record volume of \$3.6 trillion. That was thanks in part to a \$500 billion December, the biggest month ever for M&A.

Part of that was private equity firms buying up a bunch of public companies. The \$239 billion in “take-private” deals in 2025 topped every prior year except 2022, with the size of those transactions more than doubling from 2024 to an average of more than \$2.9 billion in 2025. Among them is Electronic Arts agreeing to sell itself for \$55 billion to a group including Silver Lake Management and Saudi Arabia’s Public Investment Fund in the biggest-ever LBO.

Second-Biggest Haul

M&A totals for 2025 were second only to 2021

■ Global M&A volume



Source: Bloomberg

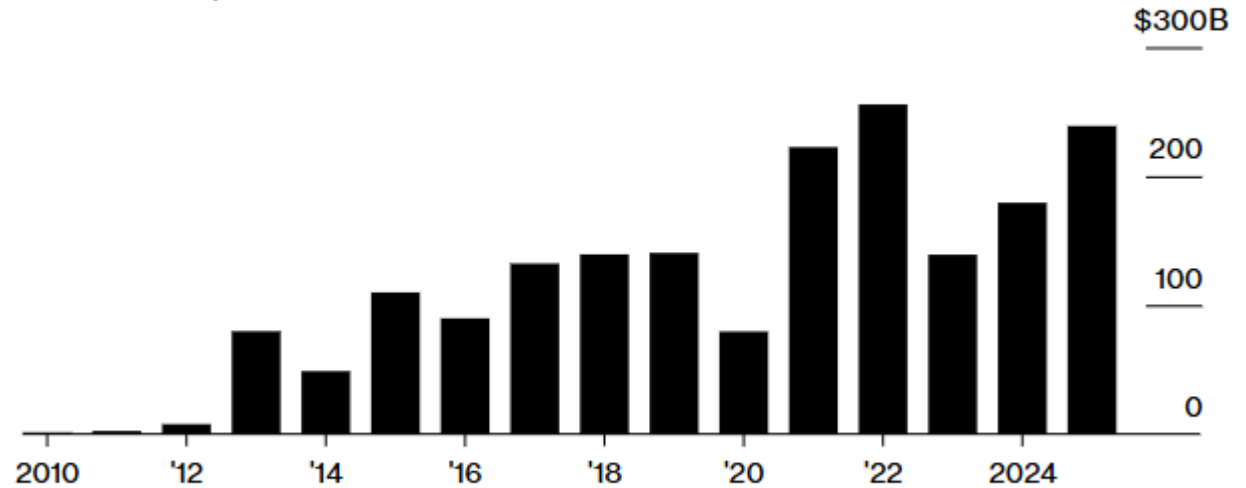
Note: 2025 data through Dec. 30

Bloomberg

Going Private

Buyout firms struck \$239 billion in deals for public companies in 2025

■ Global take-private volume

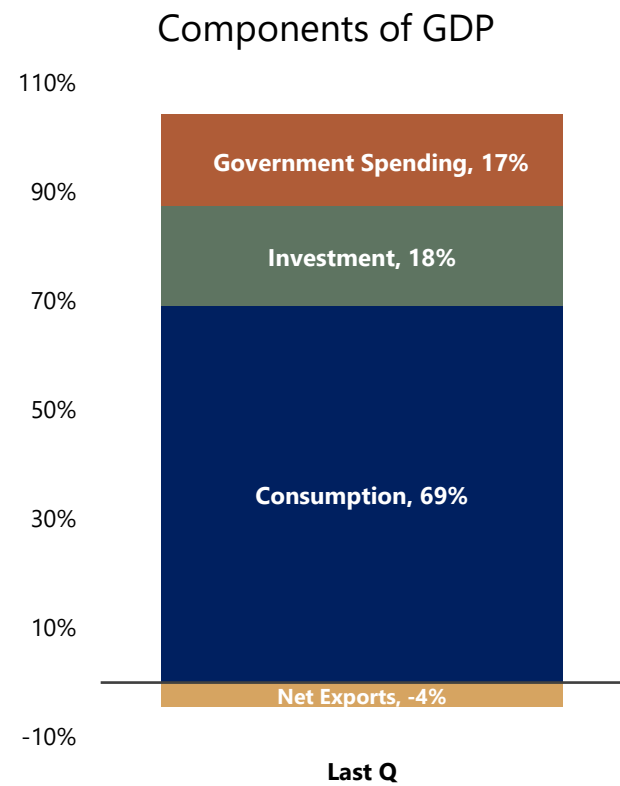
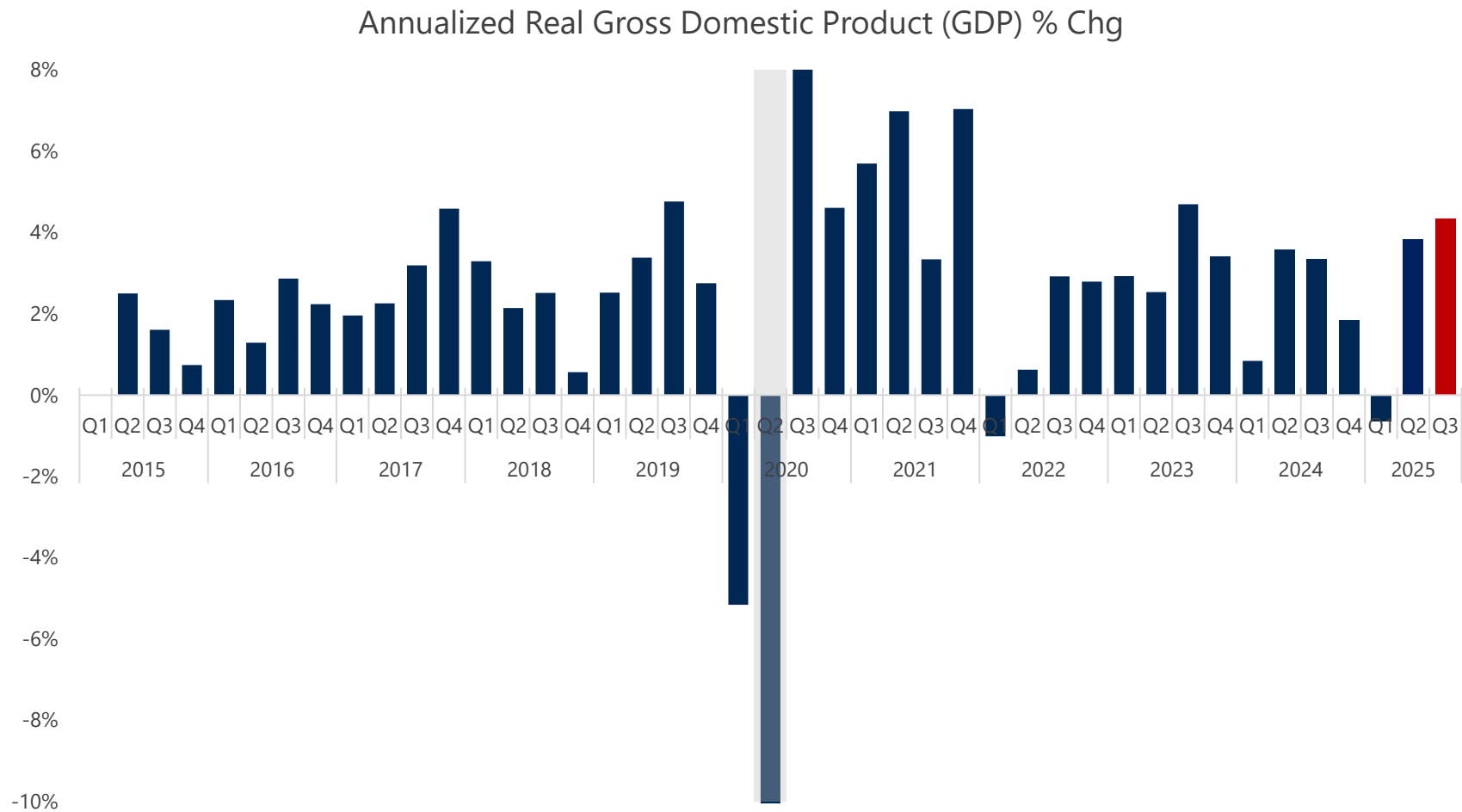


Source: Bloomberg

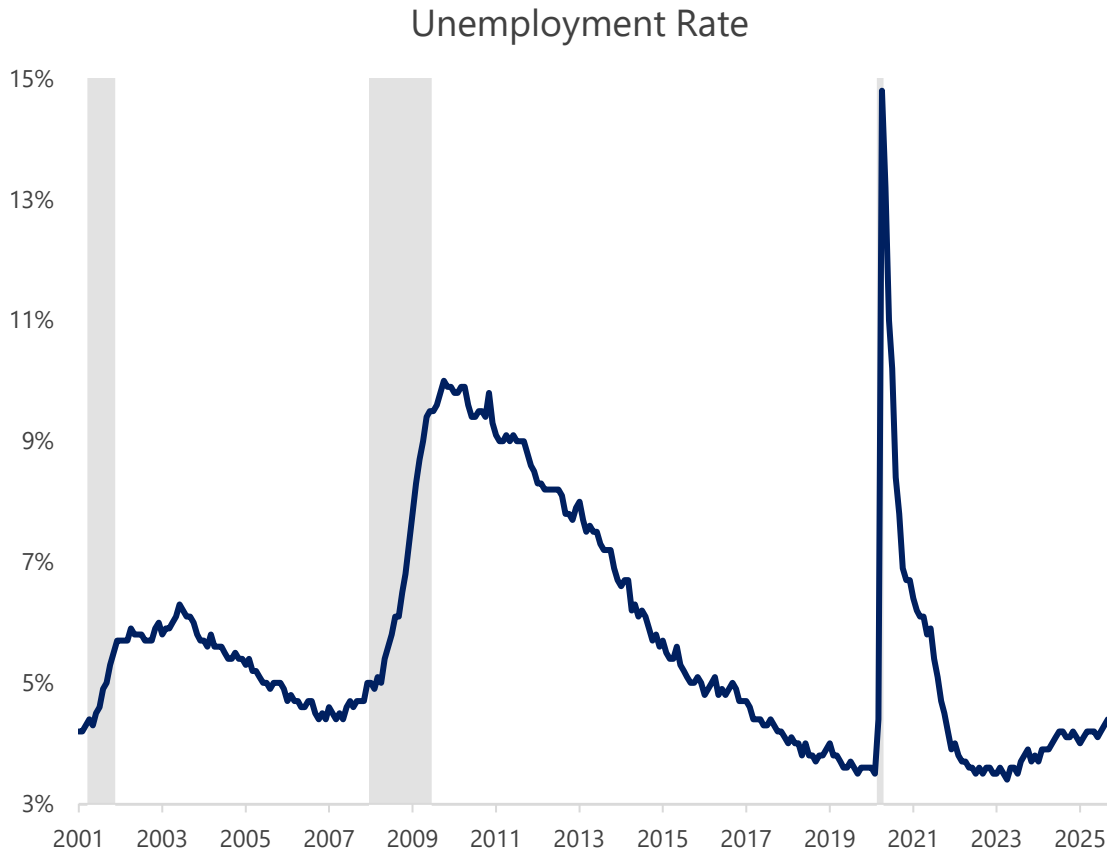
Note: 2025 data through Dec. 30

WJ State of the Economy

Q3 GDP Strong at 4.3%

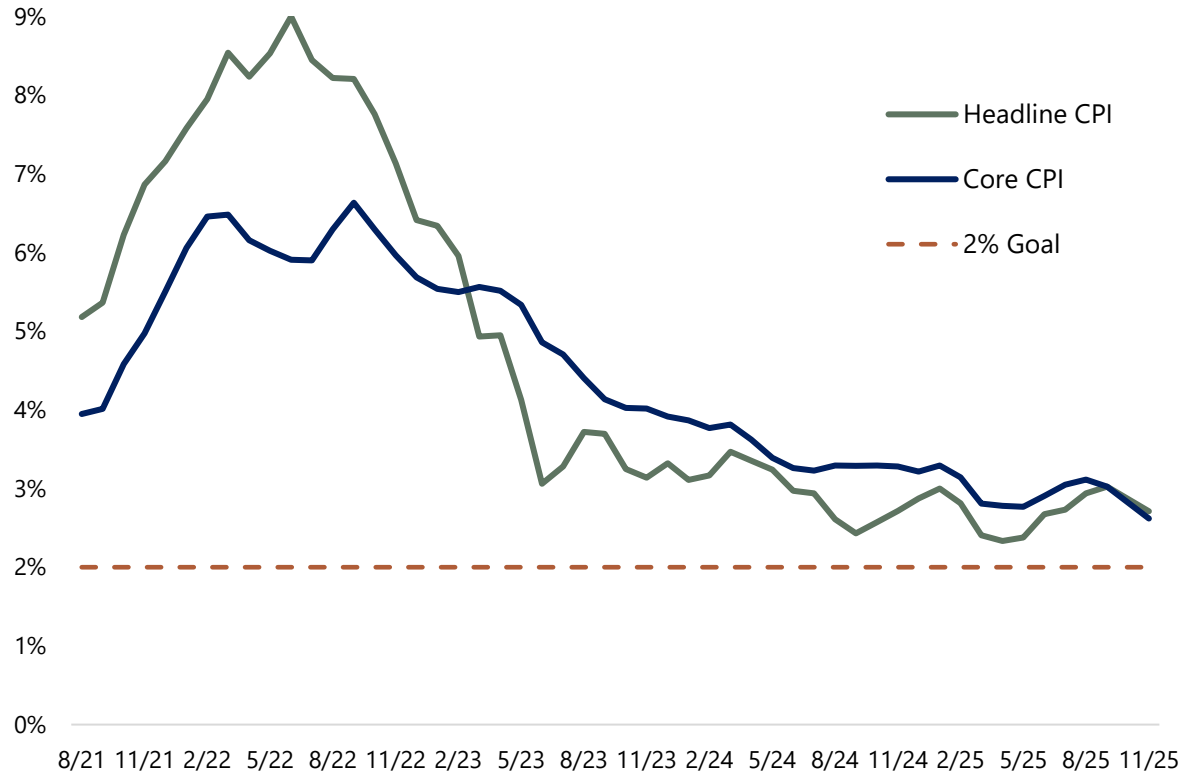


Employment Slowly Weakening



CPI Cooler than Expected

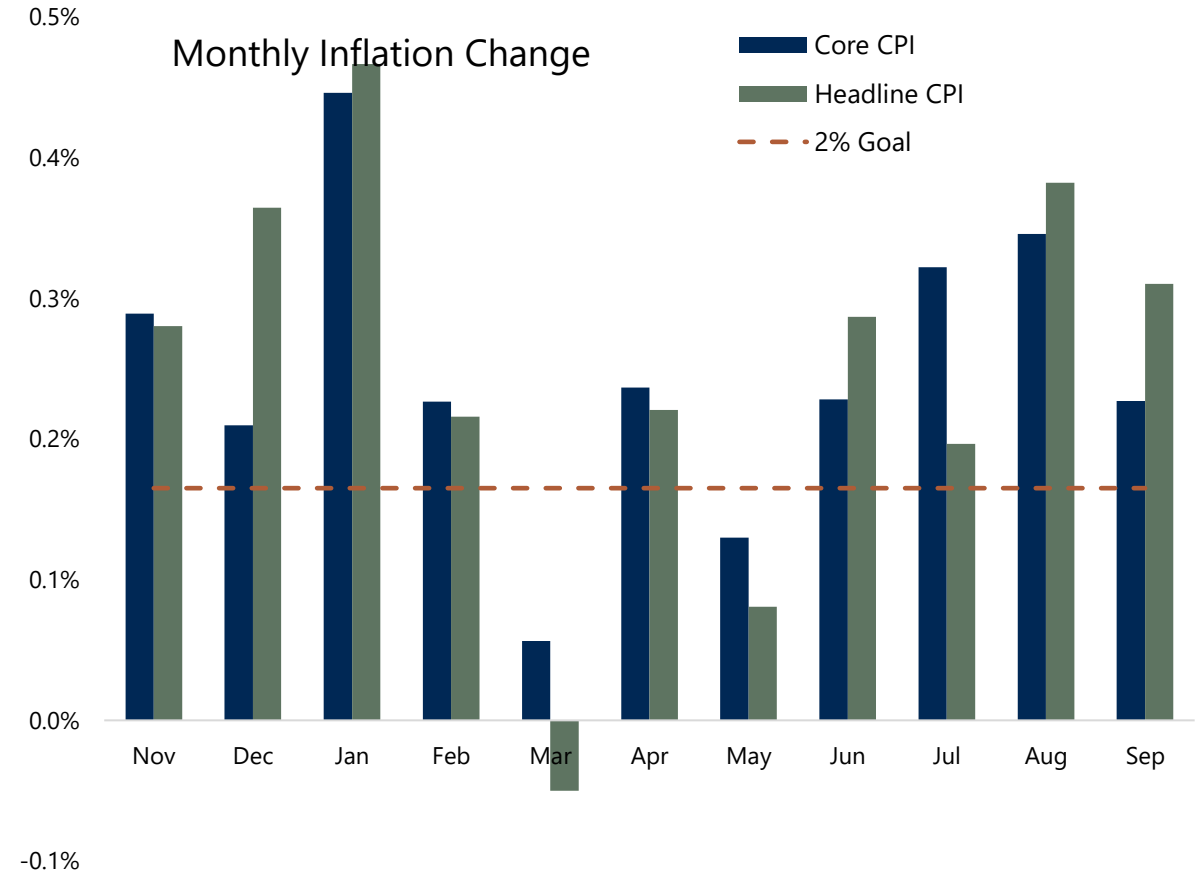
Annual Inflation Change



CPI was cool, however there are large data issues due to the shutdown. We still don't have month over month numbers for October/November (bar chart hasn't changed), because data wasn't collected. Many figures were estimated as well.

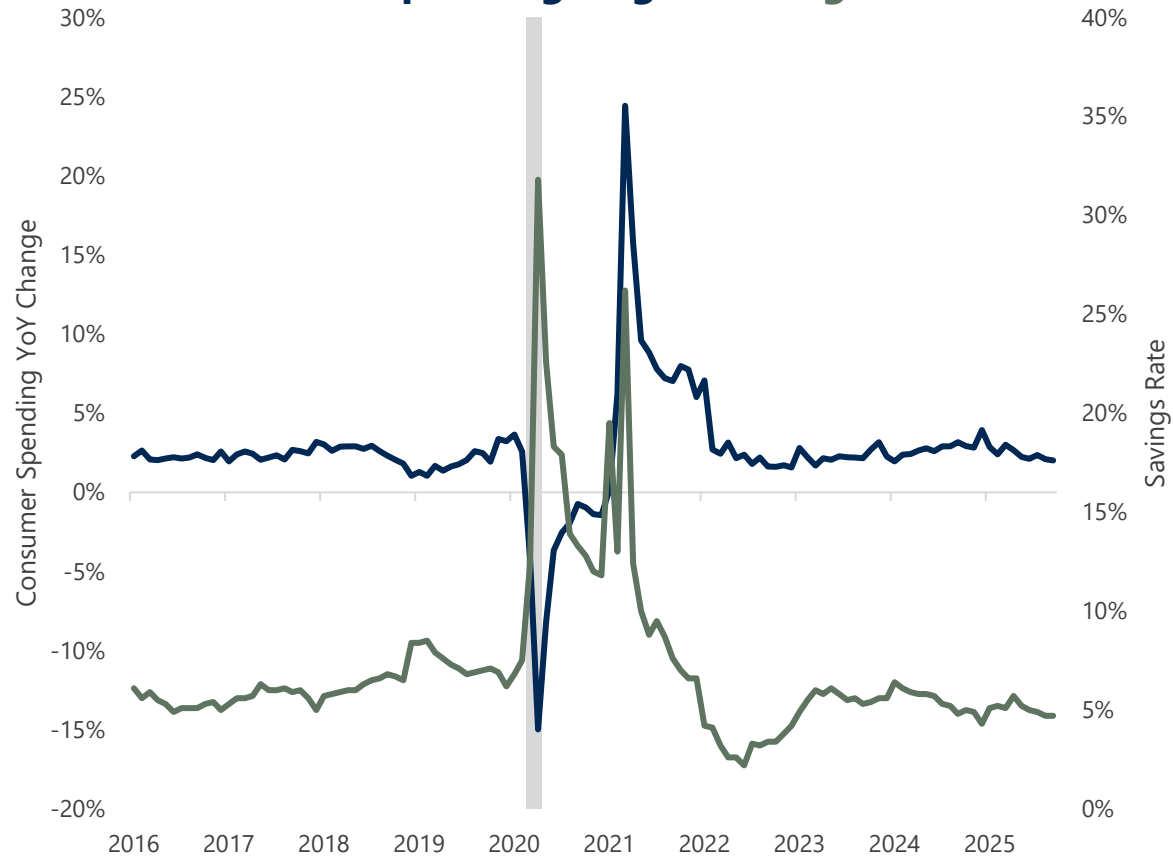
Source: Federal Reserve Economic Database (FRED). Consumer Price Index. Annual CPI Forecasts are made by WJ using past month over month CPI data and extrapolating forward with different growth rates.

Monthly Inflation Change

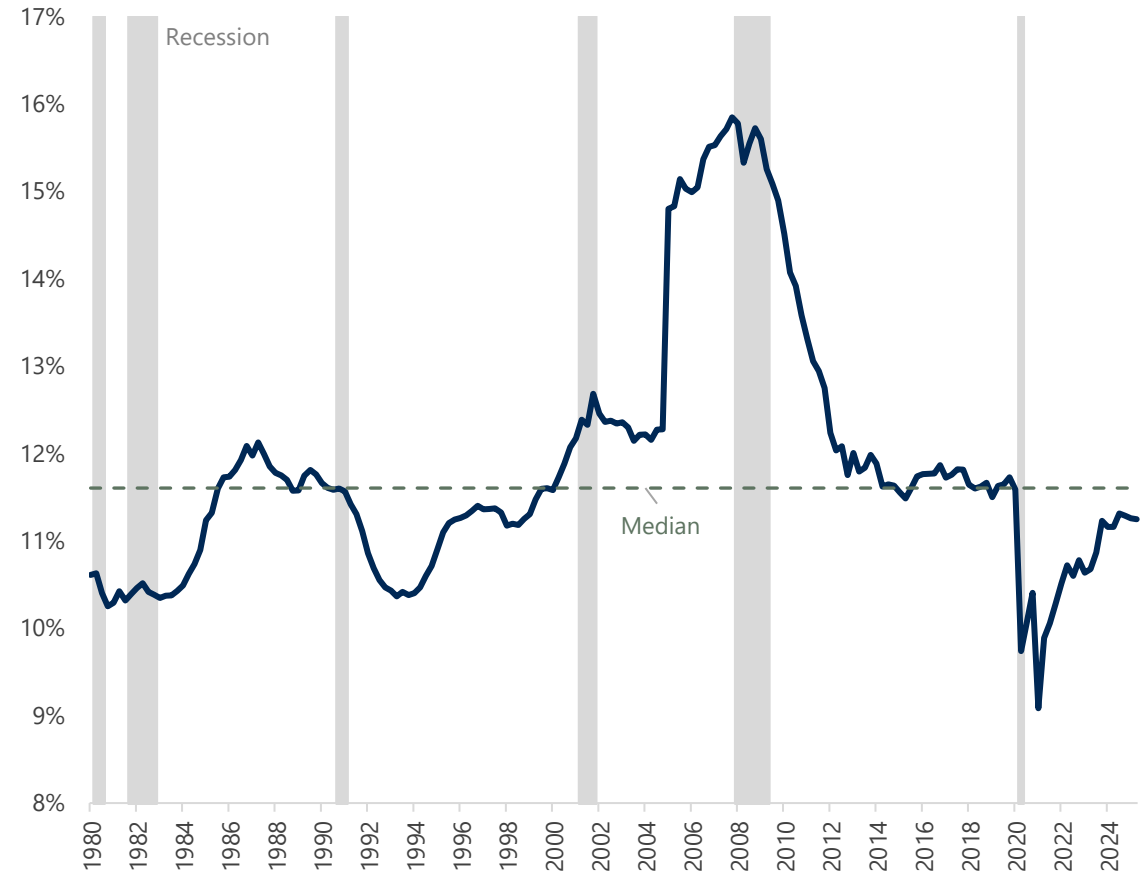


Consumer is Still Strong

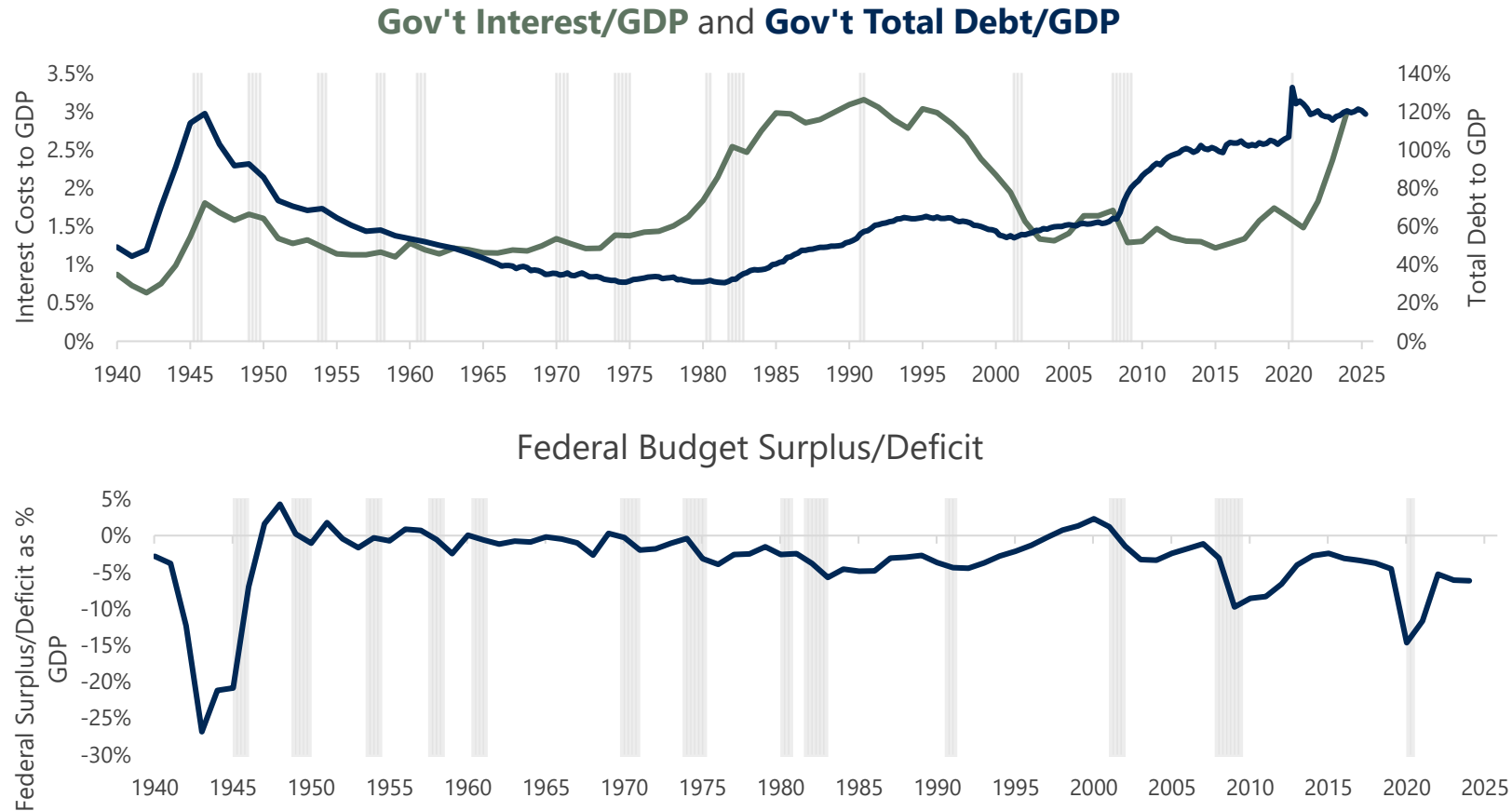
Consumer Spending Chg vs Savings Rate



Household Debt Service Payments as % of Income



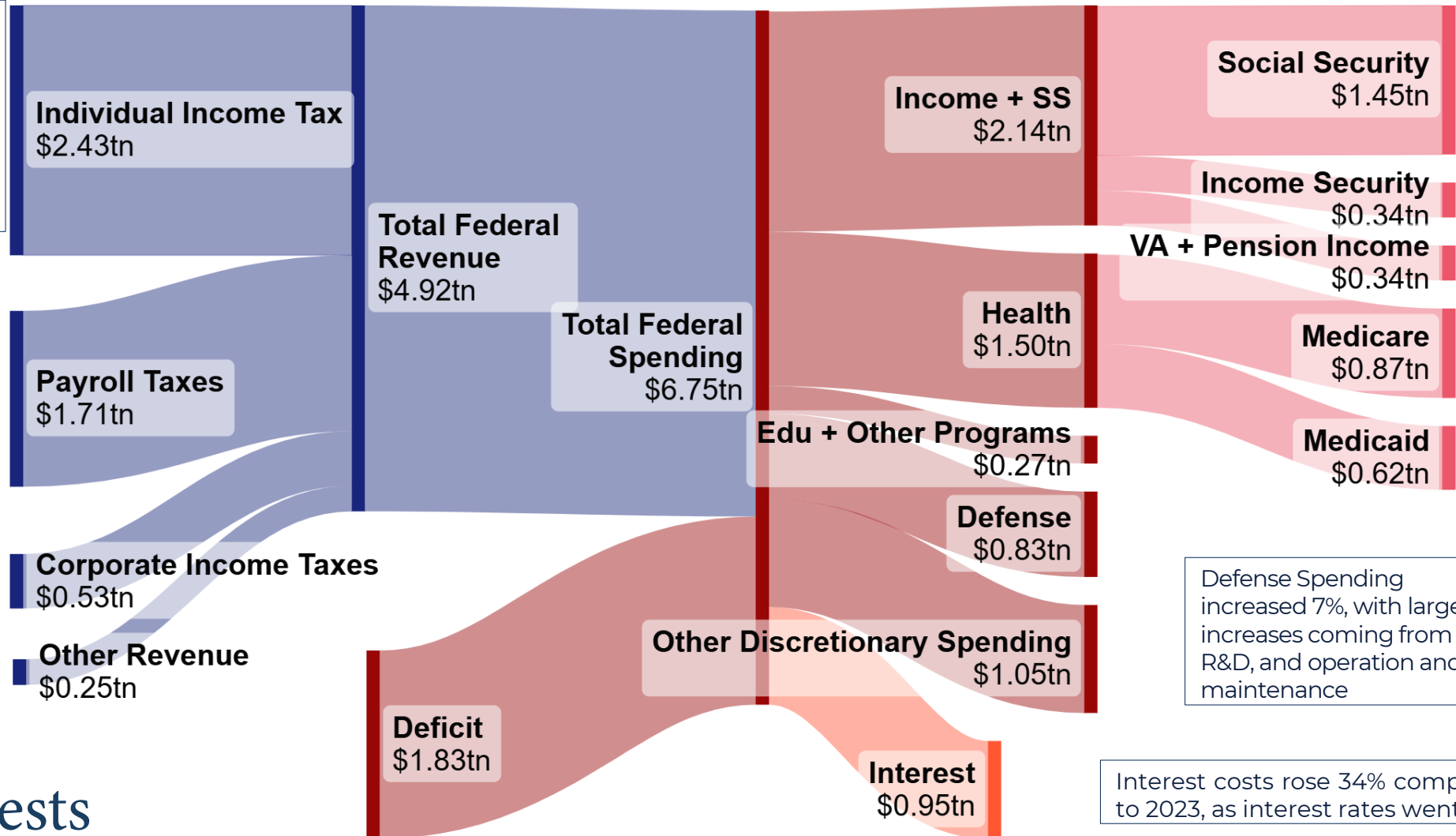
Interest Costs and the Deficit Rising



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 deferrals from 2023 that were paid in 2024.



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

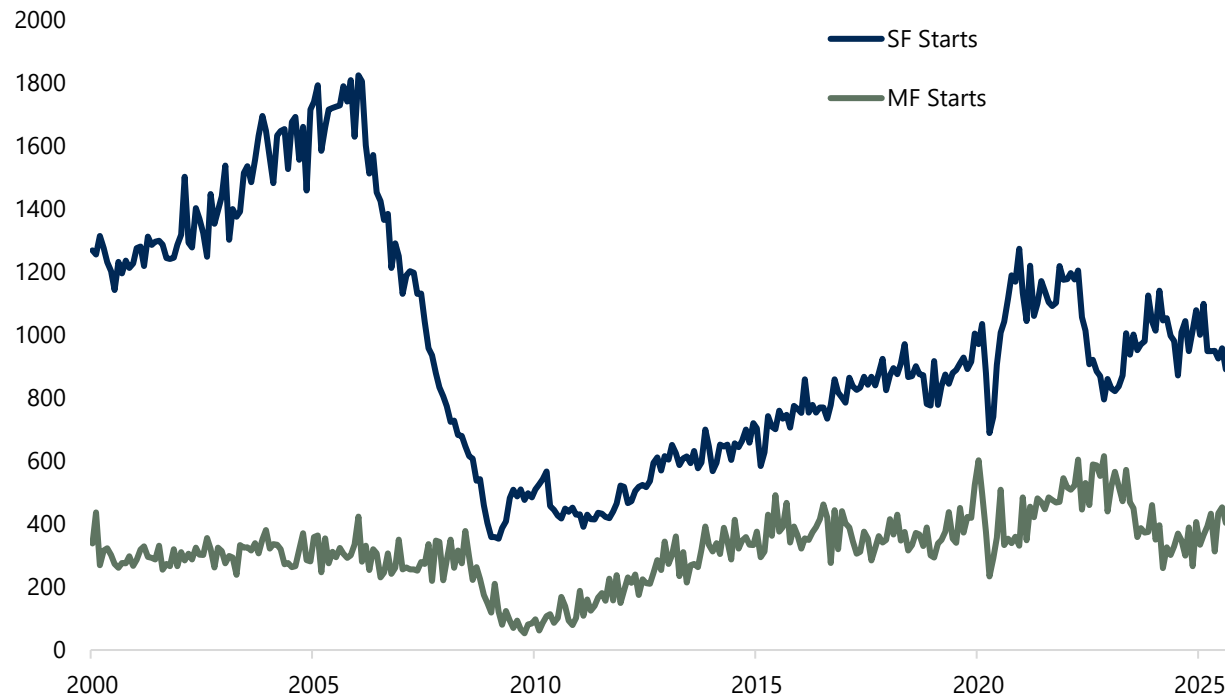
SS and Medicare rose 8% and 9% respectively, due to cost of living adjustments and more beneficiaries.

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

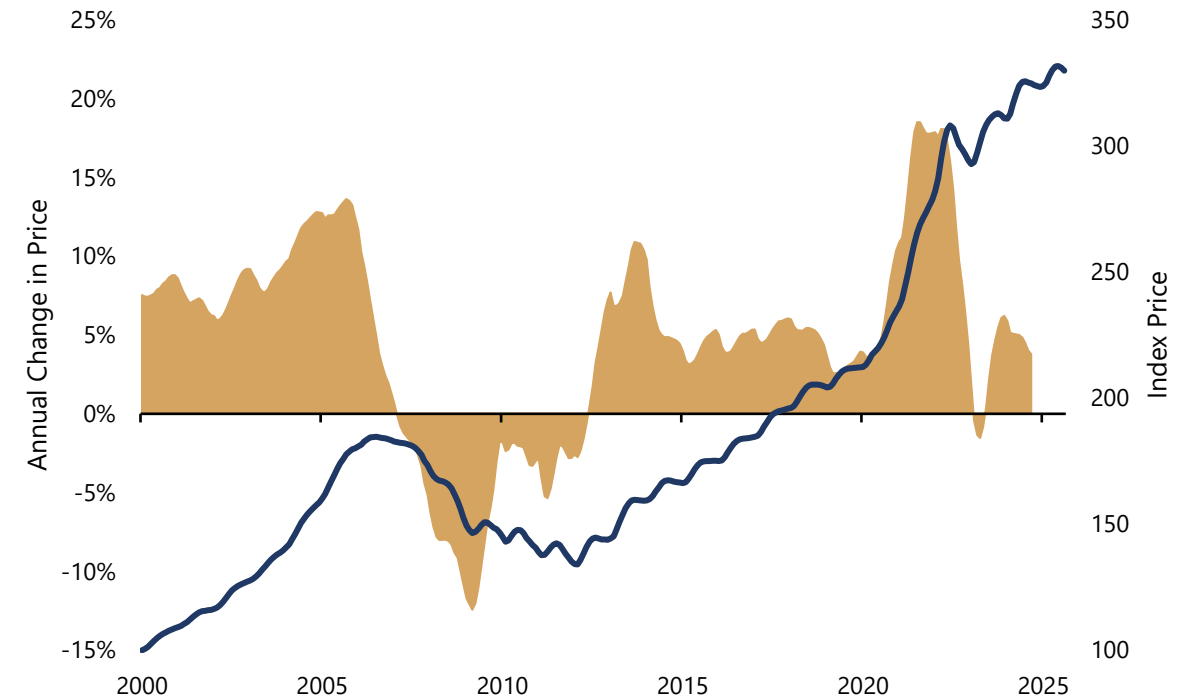
Interest costs rose 34% compared to 2023, as interest rates went up.

SF and MF Starts Drop

Housing Starts and Completes



Home Prices

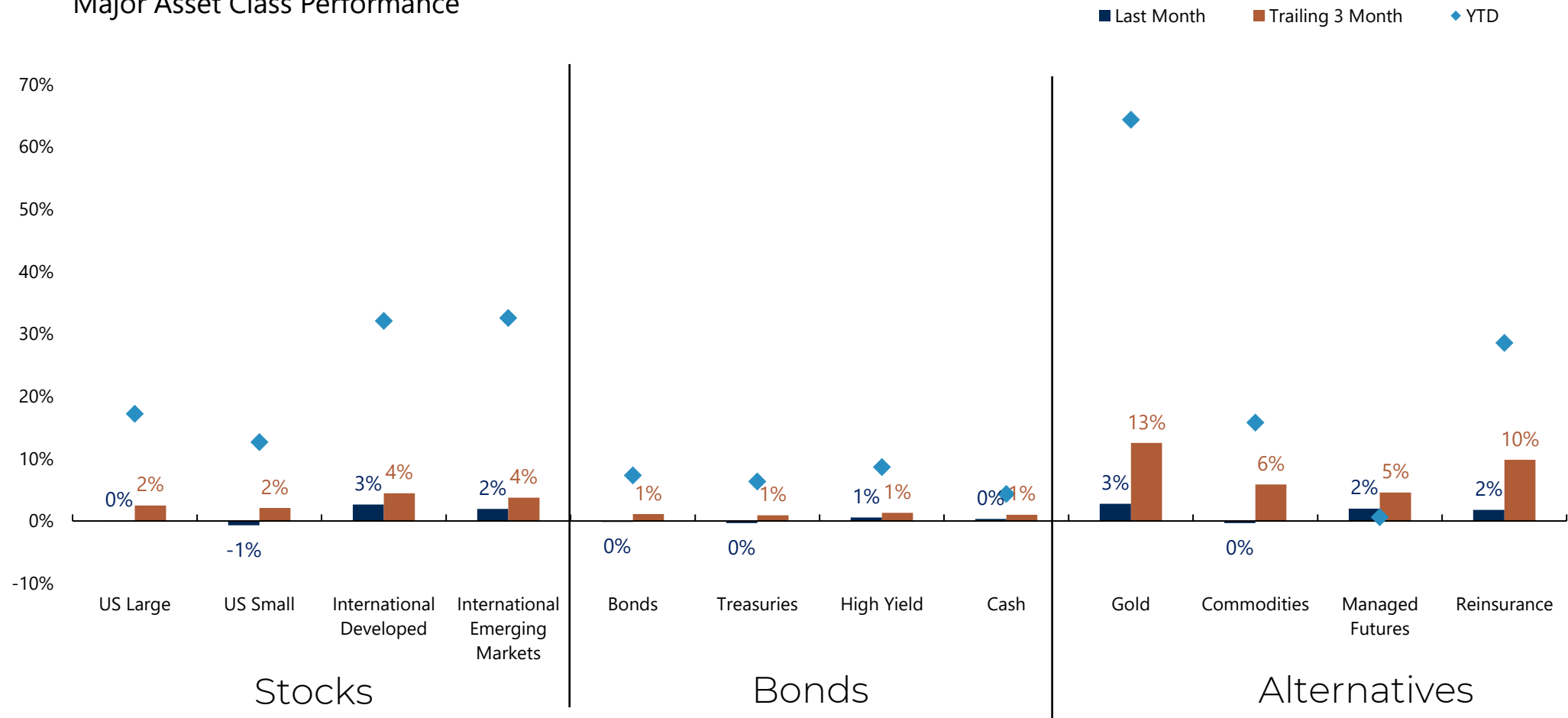


A housing start is the beginning of construction on a new residential housing unit and indicates how much new housing supply is on the horizon. On the right we show home prices over time, as well as the annual rate of change. Prices surged in 2021-2022 but have stopped growing altogether. What they do 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.

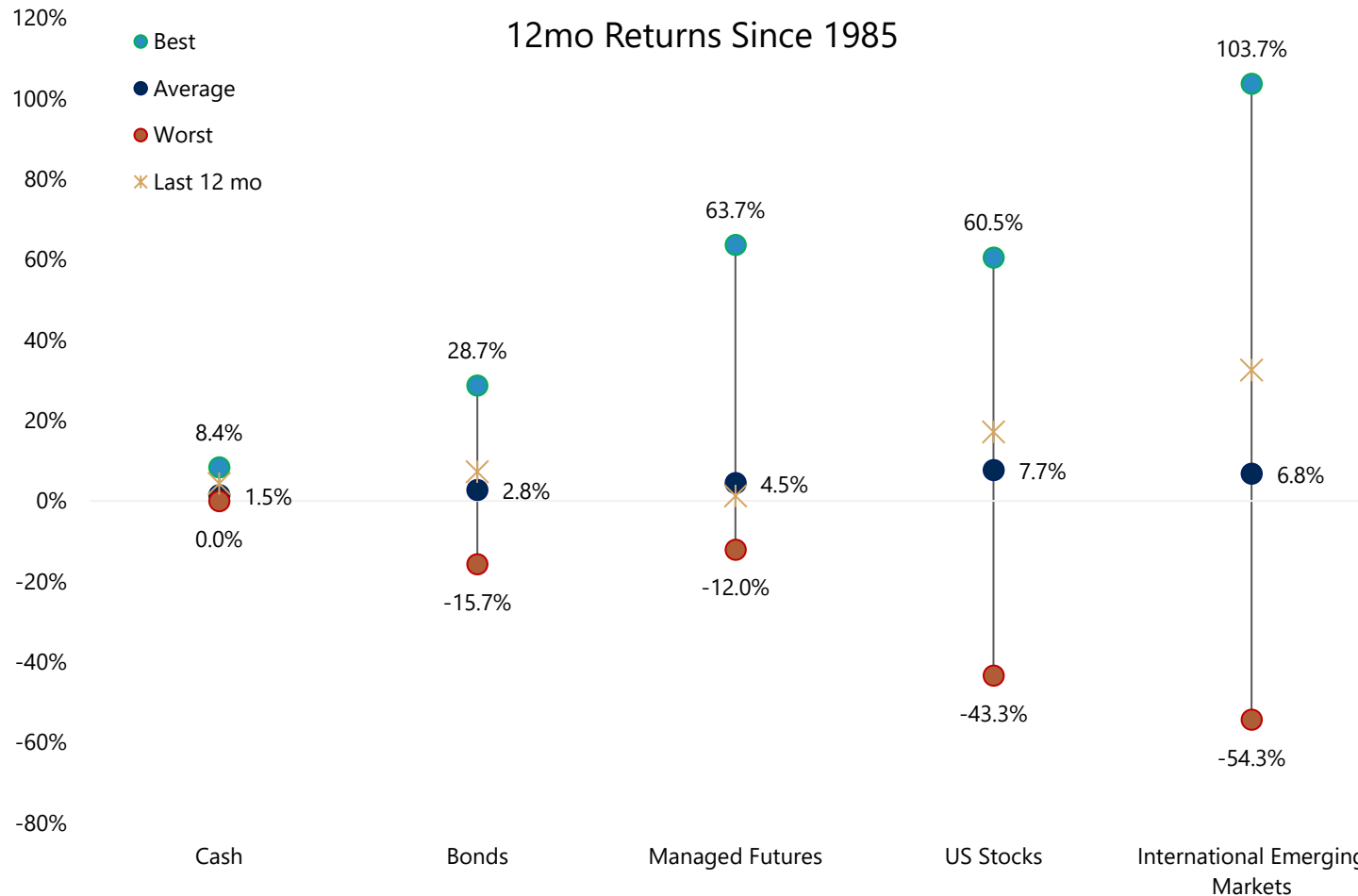
WJ State of the Markets

All Investments Positive for 2025

Major Asset Class Performance



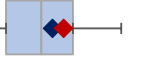
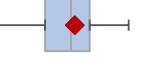




Historical Asset Class Return Range

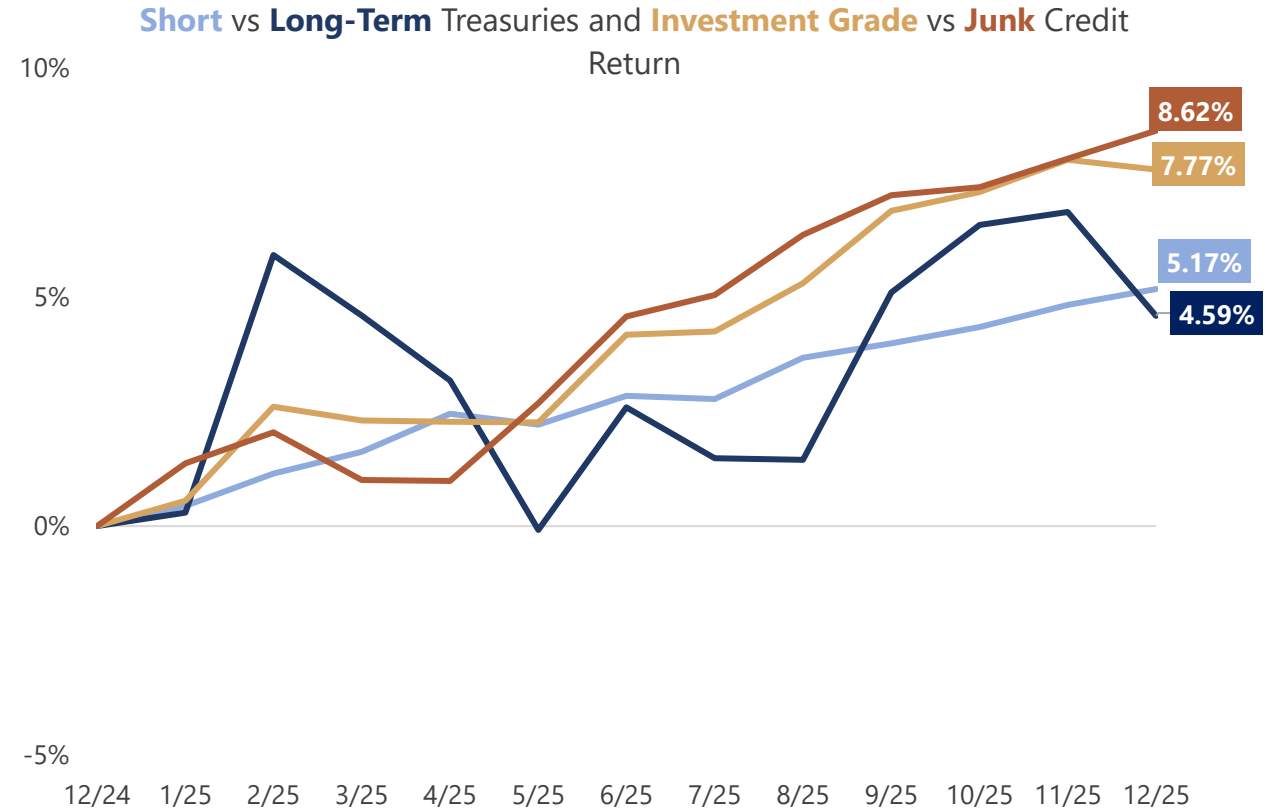


This chart shows the range of 12 month returns historically, by asset class. As you'd expect, the riskier investment leads to a greater potential gain, as well as loss.

The X on the line represents the last 12 months.

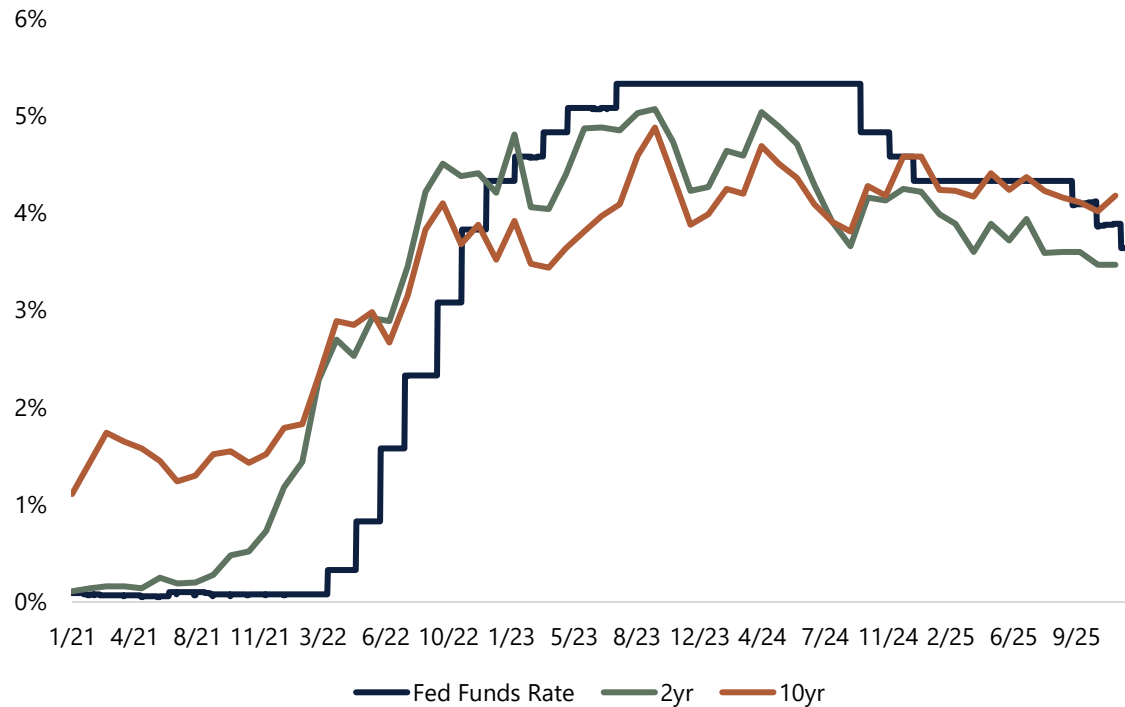
Yields Down for All Bond Types

Bond Type	Yield (%)			Yield History
	Last Month	Last Year	Change	
ST Treasury	3.5	4.22	-0.72	 ■ 25-75th %tile ◆ Today ◆ One Year Ago
LT Treasury	4.88	4.88	0	
Investment Grade	4.81	5.3	-0.49	
High-Yield	6.53	7.2	-0.67	
Mortgage-Backed	4.63	5.19	-0.56	
Municipal Bonds	3.6	3.68	-0.08	

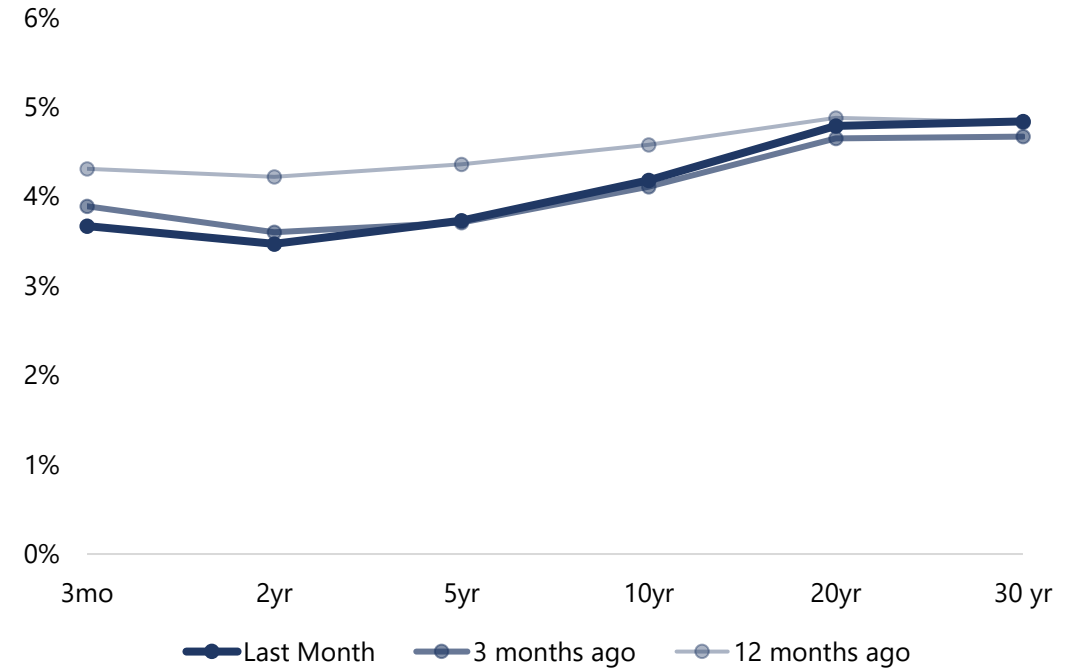


Fed Has Cut 3 Times, Steepening the Yield Curve

Key Treasury Yields



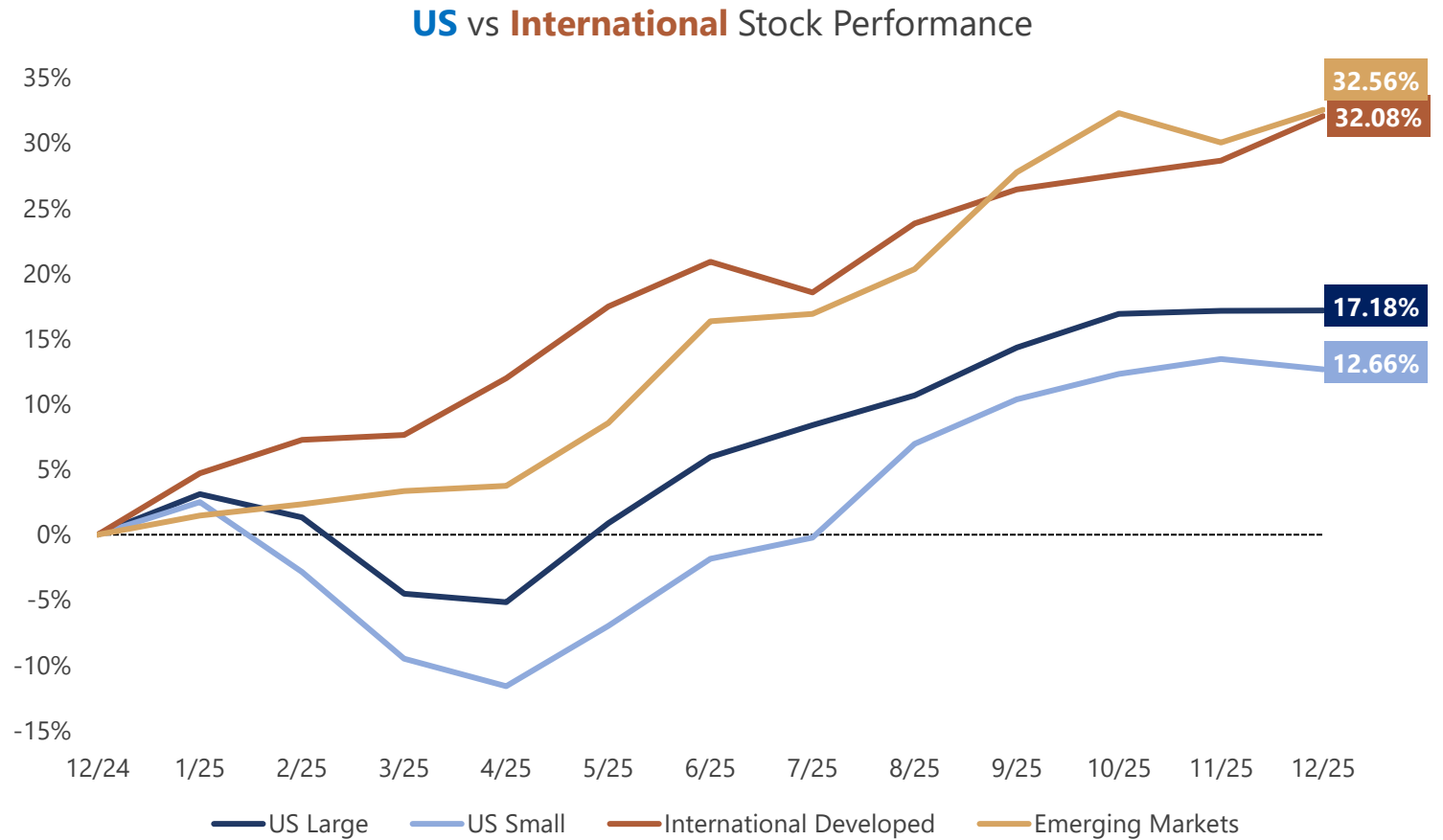
Treasury Yield Curve



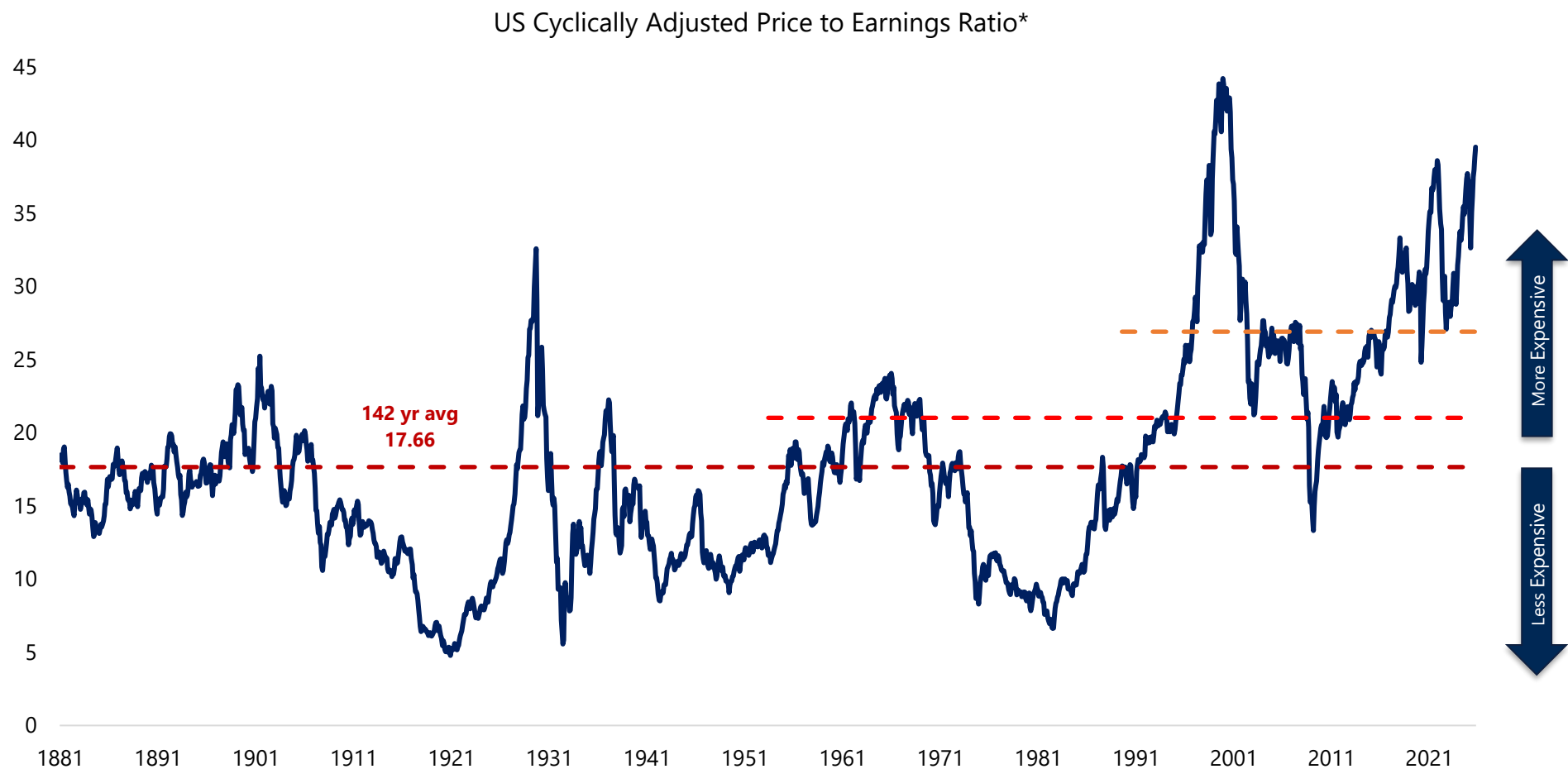
	3mo	2yr	5yr	10yr	20yr	30 yr
Last Month	3.7%	3.5%	3.7%	4.2%	4.8%	4.8%
3 months ago	3.9%	3.6%	3.7%	4.1%	4.7%	4.7%
12 months ago	4.3%	4.2%	4.4%	4.6%	4.9%	4.8%

Great Year for International Stocks

Stock Type		Last Month	Last 3 Months	Last 12 Months
Core	US Large	0.0%	2.5%	17.2%
	US Small	-0.7%	2.1%	12.7%
	International Developed	2.6%	4.4%	32.1%
	International Emerging	1.9%	3.8%	32.6%
Other	US Value	0.7%	3.8%	15.7%
	US Growth	-0.6%	1.1%	18.3%
	Nasdaq	-0.7%	2.4%	20.8%



US Stock Valuations Go Higher

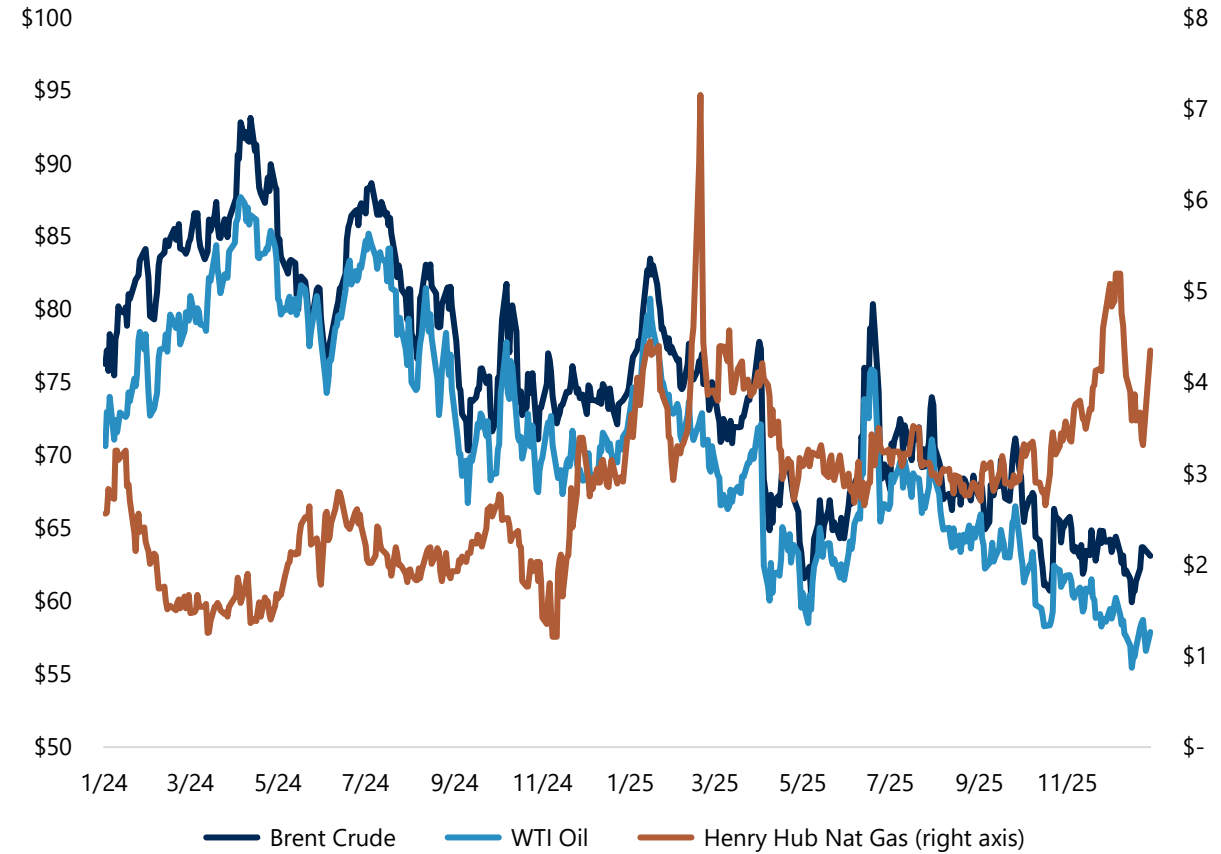


Nat Gas Prices Soaring as Oil Falls

Bloomberg Commodity Index



Energy Prices



Periodic Table of Asset Class Returns



											Through Last Month End 12/31/2025	
2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	5 Yr	10 Yr
Reinsurance 8%	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%	Reinsurance 19%	US Large Stock 14%
Bonds 2%	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 Large Stock 13%	US Small Stock 10%
US Large Stock 1%	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 29%	Intl Developed Stk 9%	Intl Emerging Stk 8%
Cash 0%	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 19%	Moderate Blended Port 8%	Moderate Blended Port 8%
Intl Developed Stk 0%	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%	TAA 7%	Intl Developed Stk 8%
Trend Following 0%	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%	US Small Stock 6%	Reinsurance 8%
Moderate Blended Port 0%	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%	Trend Following 5%	TAA 7%
TAA -4%	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%	Intl Emerging Stk 5%	Cash 2%
US Small Stock -4%	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 3%	Bonds 2%
Intl Emerging Stk -14%	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 0%	Bonds 0%	Trend Following 1%

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 Nwfd/Rslv Rbt ETF (ROMO)

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