Outlook: The Federal Government began a partial shutdown on Saturday, though expectations are for it to be short lived. A busy earnings week ahead headlined by **Alphabet (GOOGL), Amazon (AMZN), Disney (DIS), Advanced Micro Devices (AMD), Palantir Technology (PLTR), Pfizer (PFE)**. Other notable releases especially for infrastructure investors include TTM Technologies (TTMI), Bloom Energy (BE), Lumentum Holdings (LITE), Construction Partners (ROAD), among others. Last Friday was marked by a sharp correction in metals, especially Silver (-28%), Gold (-10%), Platinum (-19%). Copper fell sharply but more modestly (5.9%). In trading over the weekend, silver is rebounding to +8% gold +2.5%, Platinum +0.6%. Copper is off -1.1%. Will be interesting to see the reaction in the weeks ahead, particularly copper and silver where demand is sharply ahead of supply. On the economic calendar is productivity for Q4 where preliminary estimates are for +2% Q/Q. JOLTS Job Openings for December are for 7,200k. Nonfarm payrolls are due out Friday with an estimate of 80k for January. With respect to the earnings outlook, Q4 on track for the 5th straight Q of double-digit EPS growth at +11.5% which is solidly above the LT average of 7-8% and is one reason why the multiple remains several turns higher than average. Corporate earnings surprises are also higher than usual ab over +9% vs one year surprise rate of +7.4%. The nomination of Kevin Warsh to succeed Fed Chair Powell seems like more of a nothing burger though some suggested that he is more hawkish than the consensus expected selection and may have contributed to the plunge in precious metals Friday last week.

Elevated Volatility to continue: In addition to geopolitical events such as Valenzuela, Iran protests, Greenland, Minneapolis, Fed Government shutdown Round 2 the sharp divergence in response to **Microsoft (MSFT, -7.7% w/w) vs Meta Platforms (+8.7% w/w)** beginning to reveal winners and losers in the AI race. While some argue that the sell off in Microsoft is an over-reaction, others point to the Meta earnings release where they announced a material hike in capital spending plans ($115-$135B vs prior $94-$100B), robust acceleration in revenue (+30% y/y vs prior 27% high water mark), accelerating ad revenue (+24%), engineer productivity gains. From the cc:

“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.”

In contrast MSFT had an in-line guide but Azure slight slowdown and disclosure that only 1% of MSFT’s massive customer base is paying for its AI Co-pilot offering and Azure miss suggests it is competing with its own customers for compute power. That said, there was early skepticism on Alphabet's Google, only to see Google now as the Street darling in terms of adoption of its AI offering, Gemini. The other headwind MSFT faces is that Enterprise Software in general is facing massive investor skepticism regarding sustainability. One of the poster children is Service Now (NOW) which posted excellent results and guide and yet the stock was hammered anyway. Subscription top line revenue growth was 21% y/y, EPS solid beat and up +26% y/y, the company's Now Assist offering more than doubled ACV y/y with RPO up 25% and raised subscription outlook for 2026 to +20%. Yet the stock plunged -10% the day after the earnings report.

Sunday night futures are modestly lower.

Dow Futures	Change	S&P 500 Futures	Change	NASDAQ Futures	Change
48,963.00	- 45.00 0.09% ▼	6,946.75	- 19.00 0.27% ▼	25,542.75	- 127.25 0.50% ▼
Fair Value	**Implied Open**	**Fair Value**	**Implied Open**	**Fair Value**	**Implied Open**
49,007.05	- 44.05	6,964.67	- 17.92	25,663.91	- 121.16

Source: Pre-market Stock Trading | CNN

Key tailwind for 2026 remains the buildout in AI and AI infrastructure. . Repeating last week's Grok search, estimates suggest AI infrastructure investments could reach $6.9-$8.5 trillion by 2030 globally up another $0.5T compared to last week's estimates to meet compute demands.

AI infrastructure capex scenarios, 2025–2030

(Global, annual, rough order of magnitude ranges in USD)

Year	Base Annual ($T)	Base Cumulative ($T)	Accelerated Annual ($T)	Accelerated Cumulative ($T)
2025	0.75	0.75	0.75	0.75
2026	0.88	1.63	0.94	1.69
2027	1.03	2.66	1.17	2.86
2028	1.21	3.87	1.47	4.33
2029	1.41	5.28	1.83	6.16
2030	1.65	6.93	2.29	8.45

Source: xAI's AI Buildout Funding and Plans - Grok

Summary: The major averages were mixed. The **Russell 2000 (IWM)**, which has been leading this year, tanked -1.95%, the S&P500 rose +0.34% and both the Nasdaq Composite (COMP) and the Dow Jones Industrial Average were modestly lower. Notable leaders included the previously mentioned, **Meta Platforms (META, +8.8%), Lumentum Holdings (LITE, +15.5%), Ciena (CIEN, +9.9%), AT&T (T, +11.1%), Nextpower (NXT, +11.5%), GE Vernova (GEV, +10.4%), Bloom Energy (BE, +4.5%), Targa Resources (TRGP, +4.95%), Modine Manufacturing (MOD, +26%), Eaton (ETN, +6.1%). Micron Technology (MU)** rose for the 9th consecutive week, +3.8%. Miners of precious metals hit hard: **Hecla Mining (HL, -29%)** after surging from $19 to $32 over the prior three weeks. **First Majestic Silver gave ground (AG, -18%), but Southern Copper (SCCO, +3.3%)** on top of over 20% the prior two weeks and **Freeport McMoran (FCX, -0.3)** held for the week. Software providers continue their woes as investors continue punishing formerly top plays such as Service Now (NOW), was pounded another -12% w/w despite arguably a very strong earnings report. **Nvidia (NVDA)** gained +1.8 and +3% in 2026 YTD after a +39% advance in 2025. NVDA has one of the strongest EPS outlooks in the entire stock market with a 99 EPS rating and revenue outlook above +60% in each of the next 4Qs.

Sectors again diverged sharply. **Software (IGV)** was the big loser again, diving -7.6% after losing -6.4% the prior week. **Metals and Mining (XME, -9.7%)** plunged on plunging gold, silver, platinum prices which had been going parabolic into the week. But metals are up in pre-market trading as mentioned above. Technology (XLK, +2.7%) and Energy (XLE, +3.8%) led. **Mag 7 (MAGS, +0.8%)** gained on the strength of Meta and Apple (AAPL, +4.6%) to offset the weakness in MSFT and TSLA (-4.15%). Risk proxies **Innovator IBD 50 (FFTY)** plunged -6.6% on the metals/mining crash and **ARK Innovation (ARKK)** dropped -7.2%.

The S&P500 and Nasdaq both have their moving averages stacked in the proper positions for a power trend to kick into gear.

Decisive odds of rate cut remain well out in the future with June 17 meeting (+67%, FedWatch - CME Group).

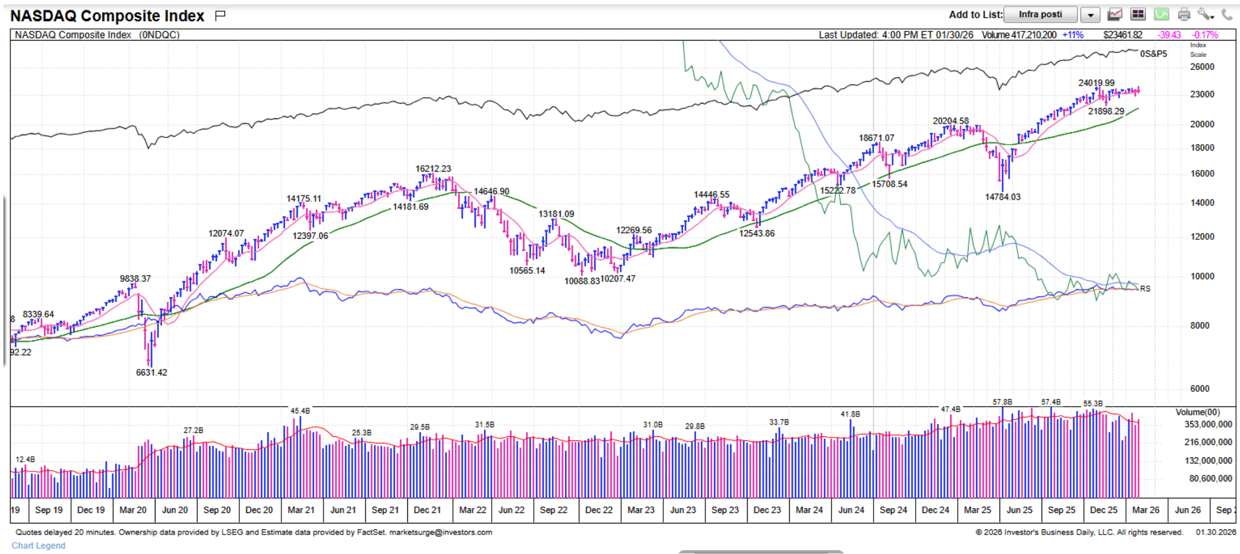
The US 10-year interest rate rose 3bp to 4.26%.

Stock Market Today/Week: Jan 30, 2026

Index	**Level**	**Day change**	**Week Change**
S&P 500	6,939.03	-0.43%	+0.34%
Nasdaq Composite	23,461.82	-0.94%	-0.17%

Dow Jones Industrial Avg.	48,892.46	-0.36%	-0.42%
US 10 year	4.26%		+3bps

Source: Factset



Source: MARKETSURGE BY INVESTOR'S BUSINESS DAILY

Key events for the week ahead:

Earnings season in full swing as mentioned earlier. Federal Government budget is expected to be passed early in the week.

2/2/2026 DIS PLTR RMBS

2/3/2026 NVT SMCI PFE MPLX LITE EMR ETN

2/4/2026 MOD AXX TTMI ARCC GOOGL ODFL RMR

2/5/2026 ROAD ROK OWL PI MTSI IREN HII FLS CMI BE ARES NVT B

2/6/2026 PAA

Source: Factset

Bullish talking points: Q4 earnings on track for 5th straight quarter of DD earnings growth now over +11.5% up from +8.3% at the end of the Q. Earnings surprises to the upside +9% vs one year average of +7.4%. AI cap ex with guiding +13% vs expectations to $125B at the midpoint and MSFT Dec Q =9% above Street at $37.5B. Caterpillar, GE Vernova, Trane

Technologies reported solid upsides in order books. AI monetization with Meta results and Q1 rev guid +7.5% at midpoint and AI investments definite tailwind with impression growth of +18% and pricing growth of +6%. Nvidia, Amazon, Microsoft in talis to invest up to $60B in OpenAI as part of company's effort to raise $100B. SoftBank reportedly in talks to invest another $30B. CoreWeave received another $2B investment from Nvidia. Favorable read through on consumer spending from Visa, Mastercard, Southwest Airlines, American Airlines, Royal Caribbean. Apple flagged "staggering" i-phone demand. Average income tax refunds expected to jump $1000, to $4167 vs last year.

Bearish talking points: Warsh nomination as Fed Chair seen as more hawkish than other choices and some see that as the catalyst that triggered crash in precious metals prices Friday. Elevated AI cap ex under renewed scrutiny with Microsoft underwhelming Azure growth, higher than expected cap ex and FCF miss. Software sector in bear market vs September highs and down over -30% vs semiconductors in January alone. AI competition a huge overhang for major S/W players such as SAP, Sales Force, Service Now, Manhattan Associates. Big sell off in health insurance providers after just a +0.09% increase in Medicate Advantage rates in 2027 vs consensus +4-6% negatively impacting UNH, CVS Health, Human, Centene, Molina, Elevance Health. Conference Board consumer confidence index declined sharply in January to lowest level since March 2014. Geopolitical tensions a headwind and showing up as a rally in oil prices due to unrest in Iran and a US Armada now in the region.

Trump calling for 10% cap on cc interest rates could cramp credit availability. Homebuilders potentially next group in the cross hairs for share buy backs. Big banks traded poorly on Q4 results. Renewed Fed independence threat on news of DoJ criminal investigation related to Powell's testimony about Fed building renovations. Geopolitical tensions in Iran. Futures pricing in just 2 rate cuts in 2026. Sentiment overly optimistic with bull-bear spread up 20pp since last year to +21.5%, highest since November 2024 and BofA Bull & Bear Indicator highest since early 2018. S/W continuing to sell off sharply on AI competition theme and impacting Salesforce, Adobe, Workday, ServiceNow. Cooler December core CPI tempered by fact that food at home prices posted largest increase in over three years.

What to do now: Raising equity exposure gaining more conviction.

Appendix:

What kind of positive technical confirmations for a power trend per IBD ("Webby's rules"):

1. Follow through day (FTD)
2. Subsequent FTDs.

3. Close above 21-day exponential moving average (EMA).
4. Low above 21EMA.
5. 3 consecutive days with low above 21EMA.
6. Close above 50-day moving average (DMA).
7. Low above 50dma.
8. 3 consecutive days with low above 50dma.
9. Close above 200dma.
10. Low above 200dma.
11. 3 consecutive days low above 200dma.
12. 21ema moves above 50dma.
13. 21ema moves above 200dma.
14. 50dma moves above 200dma.

In the current rally as of 1/30/2026 all conditions met.

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Disclaimer

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