MONTHLY VIEWPOINT

OUR CURRENT VIEW ON INVESTMENTS AND THE ECONOMY

JANUARY 2026

Merrimack Wealth Management

BIG THOUGHT

This year we ask you to make three investing resolutions that we believe will reduce your emotions and therefore improve your long-term financial picture. First avoid the noise. That means watch no financial TV and drastically reduce or eliminate news and social media related to the financial markets. Bonus credit for eliminating all news. The second resolution is to look at your accounts less often. I have told some clients they should only look at their account once per year. They all look at me as if I was crazy, but checking on your account less often will reduce your stress. The third investing resolution for 2026 differs depending on if you are retired or not. If you are still working, make a resolution to contribute to your account each month. This dollar-cost averaging helps establish a systematic process and smooth volatility. If you are retired and no longer contributing to accounts, make a resolution to be honest with yourself and your advisor as to your true risk tolerance. As you get older it is natural to be less risk tolerant. A shift in your asset allocation could be warranted at this point in your life. Following these three investing resolutions will help reduce the emotional strain that some feel related to money. Happy New Year!

DASHBOARD

- TREND
- VALUATION
- SENTIMENT
- ECONOMY
- CREDIT

BULLISH

- Market breadth healthy with small caps and international performing well
- Recent inflation data lower than expected
- Earnings growth expected in 2026
- Corporate profit margins are strong
- Stock market in uptrend

BEARISH

- Supreme Court decision on tariffs could be unexpected
- Market valuation above average
- China relations and risk of attack on Taiwan
- Market pushing back against the AI spending
- Job market is weakening

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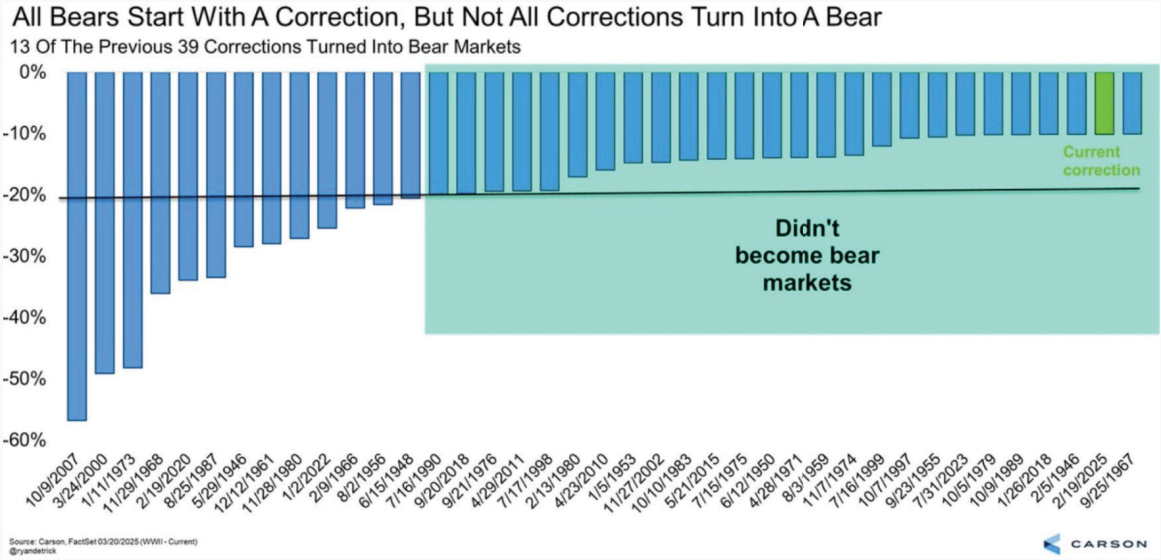
CHART OF THE MONTH



Some investors feel that every time the stock market pulls back it will turn into a major bear market. It turns out that historically only about a third of corrections have turned into bear markets. Some of those were just barely categorized as a bear and/or recovered very quickly like in the pandemic. It has been rare for a correction to turn into a major sustained bear market. It is very difficult to know when a small market loss will turn into a major one. We do our best to implement risk management, but it can be dangerous to get too defensive during every correction, as most will not turn into a bear and the snapback returns can be very strong.

GREG TOWNER, CFA, CMT

CHIEF INVESTMENT OFFICER

Mr. Towner has worked in the investment industry since 1999 and received his MBA from the University of Central Florida and BA from the University of Mount Union. At Parallel he oversees the implementation of the firm's overall investment philosophy and is the Senior Portfolio Manager for several strategies. Prior to his current role Mr. Towner was comanager of large cap core and equity income portfolios totaling approximately $1 billion at Sterling Capital Management. He holds the designations of Chartered Financial Analyst and a Chartered Market Technician.

BRIAN BOUGHNER, CFA, CMT

PRINCIPAL

Mr. Boughner has worked in the investment industry since 2000 and holds a BS from Florida State University. He is a cofounder of Parallel, a Senior Portfolio Manager for several strategies and has developed the firm's quantitative tools. Prior to Parallel he had extensive experience with U.S. Trust, BB&T Wealth, Royal Bank of Canada (RBC Centura), Amsouth Bank, and Charles Schwab Co. Mr. Boughner holds the designations of Chartered Financial Analyst and Chartered market Technician.

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