

## Stocks Barely Miss Green(land) Territory Amidst Davos Headlines

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There's usually some headline-driven action during the World Economic Forum's annual meeting in Davos, Switzerland, but this year (and this week), it opened with a bang. Ahead of his arrival in Davos, President Trump made increasingly **strident demands for the U.S. takeover of Greenland**, implying that both a purchase and an invasion were on the table to achieve his goals. As Denmark's European/NATO allies aligned in opposition, the president escalated by again threatening to impose **tariffs on European goods**.

Yet after equities plummeted on Tuesday, Fundstrat Head of Research Tom Lee suggested that concerns about Greenland's sovereignty and the NATO alliance likely had less to do with the decline than **surging interest rates in Japan**. In that sense and consistent with the view of Treasury Secretary Scott Bessent, **Trump's rhetoric was "a distraction," Lee told us**.

The 10-year-yield in Japan surged to levels not seen since 2011, sparked by remarks by Prime Minister Sanae Takaichi proposing increased government spending and tax cuts, which in turn resulted in concerns about the Japanese government's already high debt levels. As Lee put it, this "really reflects the fact that the Bank of Japan may have lost some of the confidence of the bond market." **Why do Japanese rates affect U.S. stocks?** The concern is likely that if the Bank of Japan does not resume yield-curve control, it would affect the profitability of the yen carry trade. But for right now, Lee sees the impact for U.S. investors is "actually nothing for the moment."

If the Greenland issue had any impact on markets on Tuesday, by Wednesday Trump had de-escalated, taking both a military invasion of a NATO ally and new tariffs off the table. Stocks rebounded Wednesday, and the volatility metrics subsided. It is arguably an indication of resilience that the S&P 500 and Nasdaq Composite ended the week more or less close to flat: the S&P 500 slipped just 0.35% for the week, and the Nasdaq Composite barely dipped 0.06%..

It is the view of both Lee and Head of Technical Strategy Mark Newton that what happens to markets at the beginning of the year often foreshadows what will happen for the year as a whole. As Newton put it, "Normally the saying goes that what happens in January sometimes can happen for the rest of the year."

At our weekly research huddle, he followed this up by noting that "when I look at overall performance, **energy and materials are actually the leading sectors for the year thus far.**" With breadth improving, healthcare making a multi-year breakout, and the small-cap Russell 2000 also having broken out with significant outperformance, Newton views the market as "incredibly healthy."



Live Webinar and Q&A

# Crypto Market Update

Tuesday, January 27 @ 2pm ET



Mark Newton  
Head of Technical Strategy



Sean Farrell  
Head of Digital Assets

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The promotional banner features a dark blue background with a network of white circles and lines, some containing cryptocurrency symbols like Bitcoin (B), Zcash (Z), and Ripple (R). The text is in white and light blue. The speakers' photos are in circular frames with blue borders.

## Chart of the Week

### WHAT TO WATCH: Bond VIX (MOVE) and Equity VIX calm...



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**fundstrat**

Despite the headlines surrounding Greenland and worries regarding Japanese interest rates, Fundstrat's Tom Lee stayed calm due to his assessment of equity- and bond-volatility indices, as measured by the VIX and MOVE indicators shown above. As Lee pointed out on Tuesday evening at the height of market uncertainty, the reaction of the VIX and the MOVE index (essentially the VIX analog for the bond market) was somewhat muted – significantly less than the reaction seen during the 7% drawdown back in October.

## Recent *Flash Insights*



**Mark L. Newton, CMT<sub>AC</sub>**

Head of Technical Strategy

**TSLA ▲N/A%**

up by over 3.2% today, breaking a downtrend from December as the two-wave decline unfolded down to right below \$420.. I had thought this would hold but TSLA actually closed this past Tuesday at \$419.25. We see that its pullback from 1/12 into 1/20 was 50% of the initial decline from 12/22-1/8 when measured from 1/12. So in essence, a 50% alternate retracement projection which ended up coinciding with a decent trading low. Now, TSLA has exceeded its VWAP at \$436.31 (Volume Weighted Avg. Price) and has broken the downtrend from December as of today. Volume from yesterday gave us a minor hint that this might have been an important reversal when it logged over 68 million shares, the highest since 1/6. I suspect that an initial bounce to 458, then 467 is likely, and over \$500 results in a larger breakout which could help its upward progress to accelerate. Key support lies at \$417.44 and can't be undercut without changing the direction from Bullish to bearish. However, today does look to have some technical significance



Jan 22 • 1:17 PM

**Tom Lee, CFA, CFA<sub>AC</sub>**Head of Research

Equity markets are under pressure this morning, mainly due to the Trump administration seeking to annex Greenland and threatening tariffs to accomplish this

- we have seen this before
- risk off as tariff sabers rattle
- peak fear and investors sell in anger
- major bottom

Please consider this carefully. Would I sell? Nope Does this change the EPS outlook? Nope Is this a buying oppty? Yes

**XLE ▲0.74%**

\$ XLB \$ SPY

**QQQ ▲0.26%****IWM ▼-2.05%****XLF ▼-1.49%****XL**

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Jan 20 • 7:06 AM**Mark L. Newton, CMT<sub>AC</sub>**Head of Technical Strategy

Energy higher as WTI Crude has jumped 3% on Iranian tension escalating again and we see that Crude is at multi-day highs at current levels. This is bullish technically on a close, and i expect it to lead to a push up to \$64-65 for WTI. Thus, Energy in the near-term.. meaning next few weeks, likely could continue to do quite well.



MarkNewtonCMT created with TradingView.com, Jan 23, 2026 10:18 UTC-5



TradingView

Jan 23 • 12:04 PM

## FS Insight Video: Weekly Highlight







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## Key incoming data

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- ~~1/22 8:30 AM ET: 3Q T GDP QoQ~~ **Tame**
- ~~1/22 11:00 AM ET: Jan Kansas City Fed Manufacturing Survey~~ **Tame**
- ~~1/23 9:45 AM ET: Jan P S&P Global Services PMI~~ **Tame**
- ~~1/23 9:45 AM ET: Jan P S&P Global Manufacturing PMI~~ **Tame**
- ~~1/23 10:00 AM ET: Jan F U. Mich. 1yr Inf Exp~~ **Tame**
- 1/26 8:30 AM ET: Nov P Durable Goods Orders MoM
- 1/26 10:30 AM ET: Jan Dallas Fed Manuf. Activity Survey
- 1/27 9:00 AM ET: Nov S&P Cotality CS 20-City MoM SA
- 1/27 10:00 AM ET: Jan Conference Board Consumer Confidence
- 1/27 10:00 AM ET: Jan Richmond Fed Manufacturing Survey
- 1/28 2:00 PM ET: Jan FOMC Decision
- 1/29 8:30 AM ET: Nov Trade Balance
- 1/29 8:30 AM ET: Dec Core PCE MoM
- 1/29 8:30 AM ET: 3Q F Unit Labor Costs
- 1/29 8:30 AM ET: 3Q F Nonfarm Productivity QoQ
- 1/29 10:00 AM ET: Nov F Durable Goods Orders MoM
- 1/30 8:30 AM ET: Dec Core PPI MoM



▶ Live Webinar with Q&A

# Macro Update & Top Ideas Webinar

Friday, January 9 @ 2pm ET



Tom Lee, CFA  
Head of Research



Mark Newton, CMT  
Head of Technical Strategy

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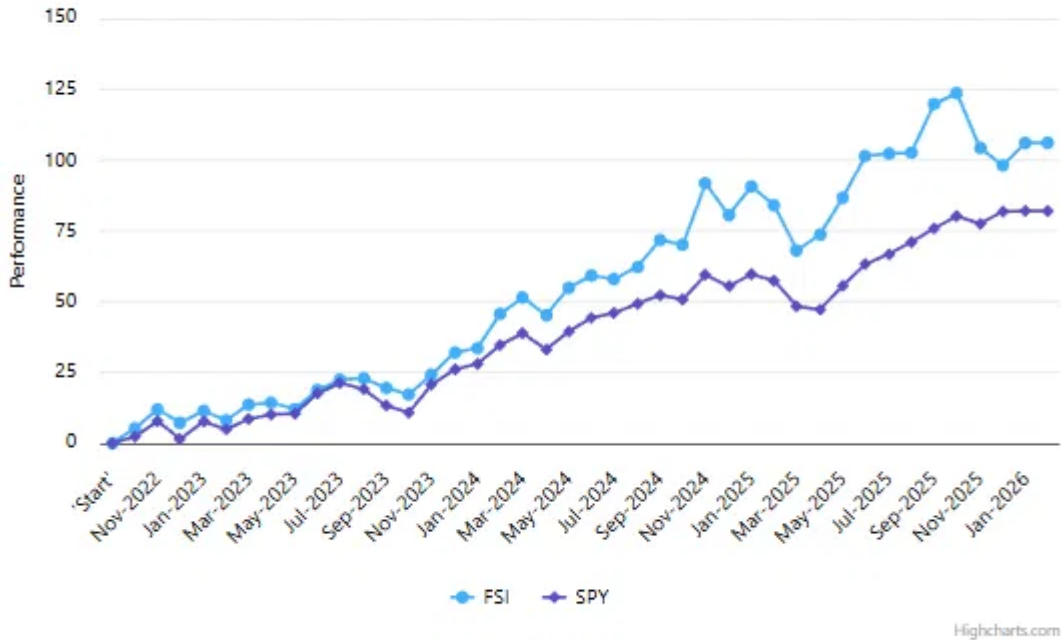
## *Stock List Performance*

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## Upticks vs SPY ( Inception to Date )



Performance period: October 5, 2022 through January 23, 2026

## In the News

Tom Lee on Gold, Mag 7 and the Next Rotation Trade

Jan 25, 2026



Tom Lee on Why This Dip Matters

Jan 25, 2026





## Why a 2% Market Drop Isn't What It Looks Like

Jan 20, 2026

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