

# RobustQuant Weekly Compass

Weekend Edition | January 5, 2026

 **COMPASS FOR EMOTIONAL DISCIPLINE---NOT TRADING ADVICE**

*Weekly boundaries to help reduce fear and greed in market decisions*

## 1 | At a Glance

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S&P 500 (SPX) 6,531 -- 7,083	±4.1%	51/54 (94.4%)
Gold (GLD) 369.9 -- 427.4*	±7.2%	24/25 (96.0%)
REITs (XLRE) 38 -- 42*	±5.0%	14/15 (93.3%)

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\*Newsletter-exclusive coverage

Target: ~95% of weekly closes fall within these ranges

Track record details → [robustquant.com/predictions](http://robustquant.com/predictions)

## 2 | This Week's Summary

Quiet prices, crowded upper ranges. Thin holiday liquidity, early macro shifts, unresolved event risk. All three assets drifted to upper territory during year-end trading. January will test whether this was structure---or just noise.

### Key Results:

- S&P 500: 6,930 (upper range) 
- Gold: 416.7 (upper range) 
- REITs: 41 (mid-upper range) 

**Pattern of the week:** All three assets crowded into upper territory during thin holiday trading. China PMI crossed 50.1 (first expansion since March). Maduro captured over weekend---markets haven't reacted yet. US jobless claims hit 199K (lowest since January 2025).

January brings data storm: employment report 10 Jan, CPI 15 Jan. First real test of 2026.

## 3 | What Moved Markets (Dec 22 -- Jan 4)

### China PMI Crosses into Expansion:

Official manufacturing PMI rose to 50.1 on 31 December---first expansion since March 2025, beating 49.2 consensus. Production jumped to 51.7, new orders to 50.8. Large enterprises led at 50.8 whilst small enterprises weakened to 48.6. Policy stimulus may finally be gaining traction.

## US Labour Market Resilience:

Initial jobless claims fell to 199,000 for week ending 27 December---lowest since January 2025 excluding Thanksgiving volatility. Continuing claims declined to 1.866 million. Labour market remains resilient despite November's 4.6% unemployment rate.

## Maduro Captured---Untested by Markets:

Trump administration announced capture of Venezuelan President Maduro during weekend. Event occurred after market close---price reaction pending. From Compass perspective: event ≠ signal. Market reaction = signal. January sessions will reveal whether this moves prices or remains noise.

→ *For detailed regional breakdowns and economic data, see Appendix at end of newsletter*

## 4 | S&P 500 (SPX) Boundaries (Jan 9)

🎯 Range: 6,531--7,083

📊 Hit Rate: 51/54 weeks (94.4%)

### Last Week's Performance:

Last week: Range 6,530-7,069, closed **6,930** (upper range) 

Current range: 6,531-7,083

Close at 6,930 positioned upper range as markets drifted higher during thin holiday trading. Range essentially unchanged ( $\pm 4.1\%$  vs  $\pm 4.0\%$ ). Track record reached 51/54 (94.4%), entering second year of tracking. January data storm ahead---employment 10 Jan, CPI 15 Jan will provide first real test of 2026.

### For Your Planning:

- Lower zone (6,531-6,715): Where fear often peaks
- Middle zone (6,715-6,900): Normal trading area
- Upper zone (6,900-7,083): Where excitement builds

Remember: These are weekly movement boundaries, not buy/sell signals.

## 5 | Gold (GLD) Coverage (Newsletter-Exclusive)

🎯 Range: 369.9--427.4

📊 Containment: 24/25 weeks (96.0%)

### Last Week's Performance:

Last week: Range 373.6-429.8, closed **416.7** (upper range) 

Current range: 369.9-427.4

GLD closed **416.7**, up 17.7 points (+4.4%) from prior week's 399. Upper range positioning during holiday drift. Range widens slightly ( $\pm 7.2\%$  vs  $\pm 7.0\%$ ). Track record strengthened to 96.0% (24/25), gathering statistically significant sample above design parameters.

### **For Your Planning:**

- Lower zone (369.9-388): Where fear flows typically emerge
- Middle zone (388-409): Consolidation territory
- Upper zone (409-427.4): Where safe-haven demand peaks

## **6 | REITs (XLRE) Coverage (Newsletter-Exclusive)**

 **Range:** 38--42

 **Containment:** 14/15 weeks (93.3%)

### **Last Week's Performance:**

Last week: Range 38.5-41.8, closed **41** (mid-upper range) 

Current range: 38-42

REITs closed **41**, up 1 point (+2.5%) from prior week's 40. Mid-upper positioning as rate-sensitive sector drifted higher with broader market. Range widens slightly ( $\pm 5.0\%$  vs  $\pm 4.1\%$ ). Track record improved to 93.3% (14/15) as fifteen-week sample continues building toward statistical significance.

### **For Your Planning:**

- Lower zone (38-39.3): Where rate-hike fears typically pressure sector
- Middle zone (39.3-40.7): Normal trading area given current policy uncertainty
- Upper zone (40.7-42): Where rate-cut optimism drives positioning

## **7 | Psychology & How to Read**

Thin trading. All three upper. Untested headline (Maduro). January data storm coming.

This week illustrates why Compass separates events from signals. Maduro's capture is major news---but markets haven't priced it yet. Until we see price reaction, it's headline, not signal.

### **What They Show:**

Weekly boundaries where markets typically move---designed to help you stay calm when headlines scream and thin liquidity amplifies noise.

### **What They Don't Show:**

Buy/sell signals, price targets, or guaranteed outcomes.

### **The Retail Trap:**

Most individual investors buy high when markets break above ranges (excitement peaks) and sell low when they fall below (fear dominates). This emotional pattern---amplified when crowded positioning meets sudden catalysts---is the primary destroyer of long-term returns. This compass is designed to help you avoid this trap.

### **Professional Approach:**

- Stay systematic within boundaries
- Lower ranges: Fear creates opportunities for planned strategies

- Upper ranges: Excitement may warrant risk review
- Outside ranges: Market behaviour shifting beyond normal parameters

### **This Week's Context:**

All three upper range---SPX 6,930, GLD 416.7, XLRE 41. Crowded positioning during thin liquidity. January will test whether this reflects genuine structure or holiday noise. Event risk (Maduro) pending price confirmation.

### **Key Point:**

Your edge isn't predicting headlines---it's waiting for price confirmation. Event ≠ signal. Market reaction = signal. January data (employment 10 Jan, CPI 15 Jan) will provide first real test.

## **8 | Track Record**

### **Performance Since Launch:**

- S&P 500: 51 hits in 54 weeks (94.4%)
- Gold: 24 hits in 25 weeks (96.0%)
- REITs: 14 hits in 15 weeks (93.3%)

### **What This Means:**

SPX reached 51/54 (94.4%) with upper range close at 6,930, entering second year of tracking. Holiday drift pushed prices higher during thin liquidity---containment held whilst awaiting January's real tests.

GLD reached 96.0% (24/25), gathering statistically significant sample above design parameters. Upper range close at 416.7 reflected year-end positioning rather than fresh catalyst.

REITs improved to 93.3% (14/15) with mid-upper close at 41. Fifteen-week sample continues building toward statistical significance as rate-sensitive sector drifted with broader market.

### **Transparency:**

All ranges published before each week starts. No retroactive changes. Complete history available on our website.

## **9 | Method and Limitations**

### **How Ranges Work:**

Combines current volatility patterns, trend direction, and momentum indicators. Targets ~95% weekly containment rate. Model doesn't require headline prediction. Operates on market behaviour---completed price movement, volatility, breadth---which remains continuous regardless of news events.

### **When Ranges Break:**

Breakouts signal markets transitioning beyond normal parameters. These aren't failures---they're signals that create opportunities for disciplined investors prepared to recognize regime changes.

### **Current Environment:**

Holiday period produced crowded upper ranges across all three assets during thin liquidity. Maduro capture represents untested event risk---weekend timing means no price reaction yet. From Compass perspective: significance confirmed by price behaviour, not headline magnitude.

January brings critical data: employment report 10 January, CPI 15 January. These provide first comprehensive post-holiday readings and first real test of 2026 market structure.

**Questions About Your Situation:**

**Q: Markets drifted to upper ranges during holiday---should I reduce exposure?**

A: Compass shows upper range positioning---that's information about current location, not directive about what to do. Crowded positioning during thin liquidity can reverse quickly when normal volume returns. Your actions depend on financial plan and strategic rules established before crowded conditions, not reactive adjustments to holiday drift.

**Q: Maduro captured---should I expect oil market disruption?**

A: Event occurred over weekend when markets closed---no price reaction yet. From Compass perspective: event ≠ signal. Market reaction = signal. Oil's response in January sessions will reveal whether this moves prices or remains geopolitical noise. Stay disciplined. Watch the boundaries. Be prepared for what you'll do if they break---or hold.

**Next Week:** Ranges for January 9 close

**Updates:** Quick social media notes if exceptional volatility occurs

*This is a hobby project providing market context. Not investment advice. Past performance doesn't guarantee future results. Consult qualified professionals for personal financial decisions.*

**Systematic over emotional. Structure over speculation.**

# APPENDIX | Detailed Market Review (Dec 22 -- Jan 4)

*For readers who want comprehensive economic data and regional breakdowns*

## United States: Holiday Resilience and Pending Catalysts

### Labour market shows continued strength

Initial jobless claims for the week ending 27 December fell to 199,000---the lowest level since January 2025 excluding Thanksgiving-related volatility and well below market expectations of 220,000. The four-week moving average declined to 213,250, down 3,500 from the prior week. Continuing claims fell to 1.866 million from 1.908 million.

The labour market data suggested continued resilience despite November's unemployment rate of 4.6%. The strong claims readings contrasted with softer payroll data from earlier months, creating mixed signals about underlying labour market conditions. January's employment report (10 January) will provide the first comprehensive post-holiday reading.

### Consumer spending patterns through holidays

Holiday retail sales showed mixed signals. National Retail Federation reported initial weekend spending slightly above prior year levels, though traffic patterns suggested continued price sensitivity among consumers. E-commerce continued outperforming physical retail, with Adobe Analytics reporting strong Cyber Monday performance extending into late December.

Consumer confidence remained fragile heading into 2026. Conference Board data from late December showed expectations component below the 80 recession threshold, though actual spending patterns contradicted survey pessimism---consistent with the sentiment-spending divergence observed throughout Q4 2025.

### Maduro capture---weekend event pending market reaction

The Trump administration announced on Saturday, 4 January 2026 the capture of Venezuelan President Nicolás Maduro. Details remained limited at time of publication, with administration officials citing cooperation from Venezuelan military elements. Venezuela holds the world's largest proven oil reserves, though production has declined substantially from 2015 peaks.

From market perspective, the event occurred after Friday close---no price reaction has occurred yet. Oil futures will provide first indication when trading resumes. Historical precedent suggests geopolitical events in oil-producing nations can move energy markets significantly, though actual impact depends on production continuity expectations and global supply dynamics.

### January data calendar intensifies

The first full trading week of 2026 brings critical data releases:

- **10 January:** Employment Report (December payrolls, unemployment rate)
- **15 January:** Consumer Price Index (December inflation)

- **16 January:** Retail Sales (December consumer spending)
- **17 January:** Industrial Production (December manufacturing)

These releases will provide first comprehensive post-holiday readings and test whether Q4 2025's trends continue into the new year. Fed officials have signalled data-dependent approach, making January readings particularly important for rate path expectations.

## China: Manufacturing Crosses Expansion Threshold

### Official PMI shows first expansion since March 2025

The National Bureau of Statistics reported official manufacturing PMI at 50.1 for December 2025--- first reading above the 50 expansion threshold since March and exceeding consensus expectations of 49.2. Production sub-index jumped to 51.7 from 50.0, new orders rose to 50.8 from 49.5, indicating both output and demand improving.

Large enterprises led expansion at 50.8, whilst medium enterprises reached 50.0 (breakeven) and small enterprises weakened to 48.6. The divergence highlighted continued challenges for smaller firms despite aggregate improvement. Export orders remained below 50 at 48.8, suggesting domestic demand driving improvement rather than external trade.

### Policy stimulus showing traction

The manufacturing improvement followed aggressive PBOC liquidity operations throughout Q4 2025, including CNY 1 trillion reverse repo in early December. Property sector stimulus measures and local government spending acceleration appeared to be gaining traction after months of implementation lag.

Non-manufacturing PMI rose to 50.6 from 50.1, driven by services sector strength at 51.2. Construction activity remained subdued at 49.8 despite infrastructure spending initiatives. Caixin PMI (private survey) showed 50.5 for manufacturing, confirming improvement signals from official data.

### 2026 outlook cautiously optimistic

Economists revised China growth forecasts modestly higher following the PMI data, though structural challenges remain. Property sector recovery continues lagging despite price stabilisation in some cities. Consumer confidence remains subdued, limiting domestic demand recovery potential. Export sector faces continued tariff headwinds despite October's US-China trade agreement reducing some friction.

## European Union: Year-End Consolidation

### Economic activity stable through holidays

Eurozone economic data through late December showed stable conditions without significant deterioration or improvement. Final December PMI readings confirmed composite at 52.1, with services at 53.2 offsetting manufacturing weakness at 49.1. German industrial data showed continued stabilisation without breakthrough improvement.

## **ECB maintaining cautious stance**

ECB officials reiterated data-dependent approach through year-end communications. President Lagarde's December remarks emphasised patience on further rate adjustments, citing services inflation persistence at 3.9% year-over-year. Markets priced approximately 45% probability of January rate cut, with June seen as more likely for next adjustment.

## **Political transitions ahead**

France's government transition remained uncertain following December's political developments. German federal elections scheduled for February 2026 created additional policy uncertainty. These political factors contributed to investor caution on eurozone assets despite stable economic fundamentals.

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