

January 2026

**MARKET BRIEF**

The U.S. economy entered 2026 with resilient fundamentals despite mixed signals. GDP growth remained strong, with the Atlanta Fed GDPNow model tracking Q4 2025 growth at 5.4% annualized, and online holiday consumer spending hit a record \$257.8 billion, according to Forbes. While hiring slowed in 2025 (584,000 jobs added vs. 2+ million in prior years), the unemployment rate held steady at 4.4% and inflation continued its gradual decline to 2.7%. Consumer confidence has softened, but actual spending behavior remains robust.

**Unemployment Rate Remains Steady**

In December 2025, the unemployment rate (4.4%) and the number of unemployed people (7.5 million) showed little change from the previous month. Total nonfarm payroll employment (+50,000) also changed little in December. Industries showing job growth included food services and drinking places (+27,000), health care (+21,000), and social assistance (+17,000). Retail trade lost 25,000 jobs in December. Industries showing little to no change in December included mining oil & gas extraction, construction, manufacturing, transportation and warehousing, and professional and business services, among others.

[Bureau of Labor Statistics](#)

**Consumer Confidence Slips Again in December**

The Conference Board Consumer Confidence Index declined by 3.8 points in December to 89.1 (1985=100) from an upwardly revised 92.9 in November. Responses collected after the federal government shutdown ended on November 12 were more positive than those collected during the shutdown. The Present Situation Index—based on consumers' assessment of current business and labor market conditions—fell by 9.5 points to 116.8. The Expectations Index—based on consumers' short-term outlook for income, business, and labor market conditions—held steady at 70.7. The Expectations Index has tracked below 80, the threshold under which the gauge signals recession ahead, for eleven consecutive months.

"Despite an upward revision in November related to the end of the shutdown, consumer confidence fell again in December and remained well below this year's January peak," said Dana M Peterson, Chief Economist, The Conference Board. "Four of five components of the overall index fell, while one was at a level signaling notable weakness."

[The Conference Board](#)

## S&P Cotality Case-Shiller Index

The S&P Cotality Case-Shiller U.S. National Home Price NSA Index, covering all nine U.S. census divisions, reported a 1.4% annual gain for October, up from a 1.3% gain in the previous month. The 10-City Composite showed an annual increase of 1.9%, down from a 2.0% increase in the previous month. The 20-City Composite posted a year-over-year increase of 1.3%, down from a 1.4% increase in the previous month. Chicago reported the highest annual gain among the 20 cities with a 5.8% increase for the second month in a row.

"October's data show the housing market settling into a much slower gear, with the National Composite Index up only about 1.4% year over year – among the weakest performances since mid-2023," said Nicholas Godec, CFA, CAIA, CIPM, Head of Fixed Income Tradables & Commodities at S&P Dow Jones Indices. "This figure is essentially unchanged from September's 1.3% annual gain and represents less than a third of the 5.1% average home price increase recorded in 2024. National home prices also continue to lag consumer inflation, as October's CPI is estimated around 3.1% (based on a provisional index the U.S. Treasury announced due to the federal data shutdown) – roughly 1.8 percentage points higher than the latest housing appreciation. In real terms, that gap implies a slight decline in inflation-adjusted home values over the past year."

[S&P Global | National Home Price Index](#)

## The Consumer Price Index

The Consumer Price Index for All Urban Consumers (CPI-U) increased 0.3% on a seasonally adjusted basis in December 2025. The all items index saw an increase of 2.7% for the 12 months ending December 2025 before seasonal adjustment, unchanged from November. The seasonally adjusted index for all items less food and energy rose 0.2% in December. Data for October and November 2025 was not collected due to the federal government shutdown.

In December, the index for shelter increased 0.4% and was the largest factor in the monthly increase. Components that increased over the month include recreation, airline fares, medical care, apparel, personal care, and education. Components that decreased include communication, used cars and trucks, and household furnishings and operations. The index for food increased 3.1% over the last year.

[Bureau of Labor Statistics | Consumer Price Index - December 2025](#)

## PUBLIC MARKET

Public markets were relatively flat in December, with the S&P 500 finishing down 0.1%, the Dow up 0.7%, and the Nasdaq down 0.5% for the month. For the full year, equities delivered their third consecutive year of double-digit gains, with the S&P 500 up 16.4%, the Nasdaq up 20.4%, and the Dow up 13.0%.

### Public Trading Multiples

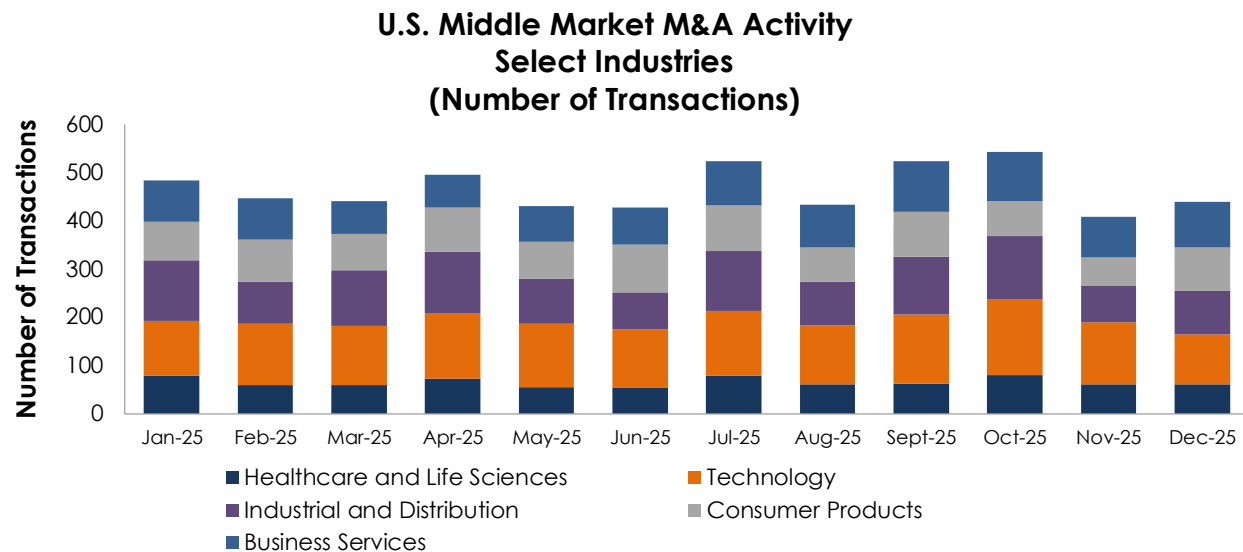
As of December 31, 2025

Category	EV / Revenue	EV/ EBITDA	Revenue Growth		EBITDA Growth		EBITDA Margin
			1 Year	3 Year	1 Year	3 Year	
Healthcare and Life Sciences							
Healthcare Technology	5.1x	25.1x	10.3%	8.8%	42.6%	19.2%	2.5%
Healthcare Equipment and Supplies	4.2x	18.0x	6.2%	4.8%	8.2%	2.8%	15.1%
Healthcare Providers and Services	0.6x	11.0x	9.2%	8.8%	-0.6%	1.1%	9.2%
Healthcare and Life Sciences Aggregate	3.3x	18.1x	8.6%	7.5%	16.7%	7.7%	8.9%
Technology							
IT Services	2.9x	15.8x	5.2%	6.0%	10.9%	9.0%	15.5%
Software	10.4x	24.6x	13.6%	10.6%	30.5%	24.5%	9.1%
Computers and Other Electronic Equipment	2.6x	18.6x	11.4%	4.1%	9.1%	2.5%	16.2%
Technology Aggregate	5.3x	19.7x	10.1%	6.9%	16.8%	12.0%	13.6%
Industrial and Distribution							
Aerospace and Defense	3.2x	20.5x	8.3%	9.4%	17.4%	11.4%	14.1%
Building Products	1.9x	12.1x	2.2%	1.8%	2.7%	2.4%	15.4%
Construction and Engineering	0.9x	10.8x	1.4%	5.7%	6.5%	7.4%	6.7%
Machinery	2.1x	14.7x	1.3%	5.8%	-0.5%	10.5%	11.0%
Distributors	1.0x	12.2x	-0.2%	-0.3%	-3.4%	-1.4%	4.1%
Industrial and Distribution Aggregate	1.8x	14.1x	2.6%	4.5%	4.5%	6.1%	10.2%
Consumer Products							
Food and Beverage	1.9x	10.8x	4.9%	4.1%	6.0%	5.3%	15.0%
Household and Personal Products	2.9x	13.9x	3.2%	3.0%	3.7%	4.9%	13.6%
Household Durables	1.1x	9.9x	1.3%	3.1%	-2.0%	-1.3%	8.4%
Textiles, Apparel, and Luxury Goods	2.1x	11.4x	8.3%	5.2%	-2.6%	0.7%	8.4%
Consumer Products Aggregate	2.0x	11.5x	4.4%	3.9%	1.3%	2.4%	11.3%
Business Services							
Human Resource and Employment Services	1.4x	13.8x	3.0%	4.5%	2.8%	2.3%	10.9%
Research and Consulting Services	2.9x	15.7x	9.0%	6.2%	10.0%	8.4%	14.0%
Business Services Aggregate	2.1x	14.8x	6.0%	5.3%	6.4%	5.4%	12.5%

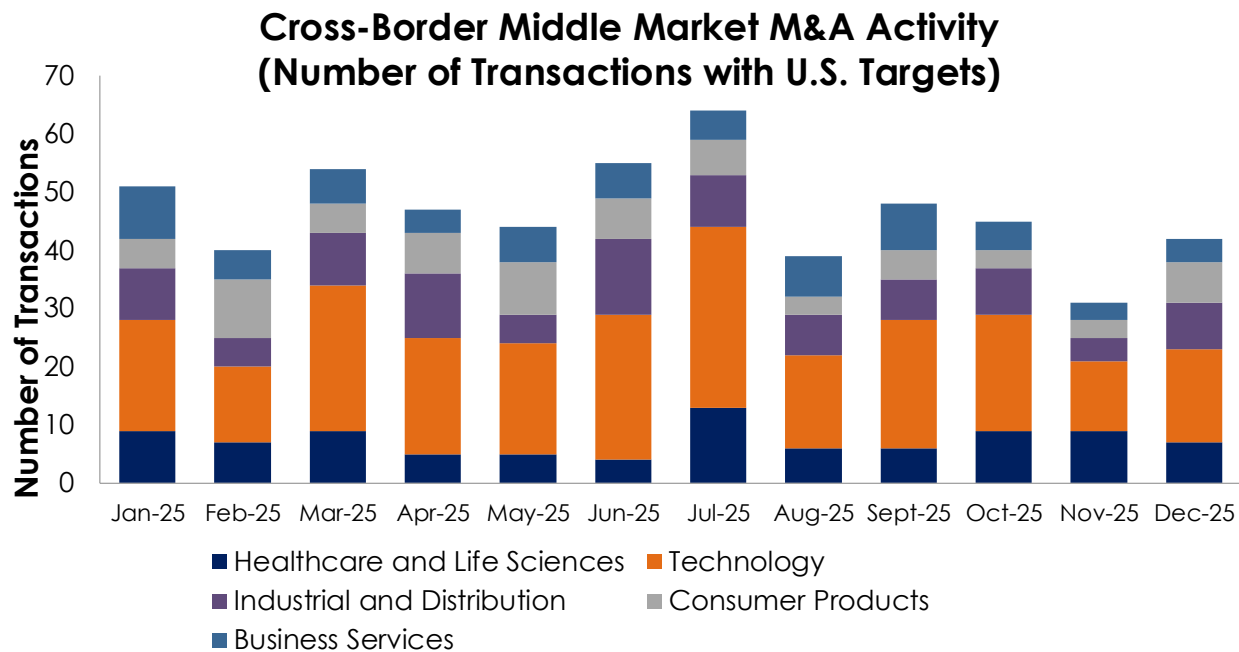
## M&A MARKET

Some of the largest deals announced in December include Netflix, Inc. entering an agreement to acquire Warner Bros Discovery, Inc. for \$68.8 billion; IBM entering an agreement to acquire Confluent, Inc. for \$11 billion; A private group led by Permira Advisers LLP and Warburg Pincus LLC agreeing to acquire Clearwater Analytics Holdings, Inc. for \$7.1 billion; ServiceNow Inc's deal to acquire Armis Inc. for \$7.8 billion; and Kimmeridge Energy Management Co. LLC's offer to acquire Ascent Resources - Utica LLC for \$6 billion.

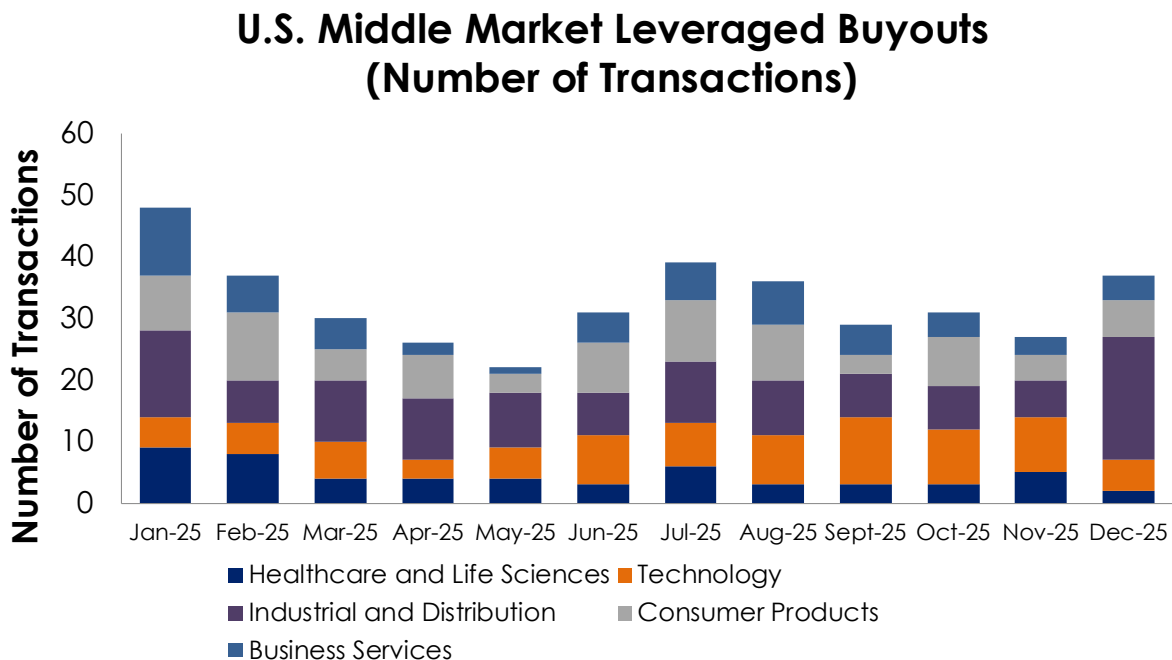
U.S. middle market M&A activity increased by 8% in December, with an uptick in activity in the Industrial and Distribution, Consumer, and Business Services sectors. Transaction volume for Healthcare and Life Sciences remained steady.



Cross-border middle market M&A activity rose in December. Technology, Consumer, Industrial and Distribution, and Business Services saw notable increases in activity, while Healthcare and Life Sciences saw a slight decrease.



LBO transaction activity rose in December compared to November. Industrial and Distribution saw a significant increase in deal flow from the prior month. Technology, and Healthcare and Life Sciences saw a slight decline in activity.



## **SELECT MIDDLE MARKET M&A TRANSACTIONS – TECHNOLOGY**

### ***Qualcomm Acquires Ventana Micro Systems, Inc.***

[Full Article](#)

Qualcomm announced the acquisition of Ventana Micro Systems, a California-based chip designer that develops server processors using RISC-V architecture. RISC-V is a free, publicly available blueprint for how processors receive and execute instructions, allowing companies to design custom chips without paying licensing fees to proprietary architecture owners. Financial terms were not disclosed. Founded in 2018, Ventana has developed several generations of high-performance RISC-V-based CPU designs aimed at datacenter and enterprise applications.

According to Durga Malladi, Qualcomm's executive vice president and general manager of technology planning, edge solutions, and datacenter, the company believes RISC-V has the potential to advance CPU technology and enable innovation across products. The deal integrates Ventana's expertise into Qualcomm's CPU engineering efforts, complementing the company's ongoing work on both RISC-V and its proprietary Oryon CPU.

### ***LandGate Acquires Topos***

[Full Article](#)

LandGate Corp., a data solutions provider for site selection, due diligence, and insights in the energy and infrastructure space, announced it has acquired Topos in an all-cash transaction. Topos, based in San Francisco, is an AI-powered insights platform that helps energy project teams rapidly assess sites by combining mapping of competitive leases, local regulatory and permitting data, township and county law summaries, meeting notes, news sentiment tracking, and demographic insights. The acquisition integrates Topos' advanced AI capabilities into LandGate's platform, enabling users to analyze competitive leases, local permits, public sentiment, and regulatory constraints to identify and run due diligence on optimal sites in hours rather than months.

### ***Zendesk Acquires Unleash***

[Full Article](#)

Zendesk announced its acquisition of Unleash, an Israeli-based AI-powered enterprise search platform designed to connect knowledge across systems for smarter employee service. The acquisition enables Zendesk to provide fast, accurate answers to employees directly in their everyday collaboration channels while strictly following company data permissions and security policies. With scattered data across various tools and teams, finding accurate knowledge slows down resolution times and increases support costs; Unleash offers connectivity to retrieve data from one place.

## FURTHER INFORMATION

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