



RESEARCH

Insights

Monthly Equities and Options Market Metrics and Trends: January

Analyzing Volatility, Market Performance, and Equity and Options Volumes

Theme for the Month: Capital Markets Sub-Sector

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Market Theme

- We analyze revenue performance of some of the sub-components within the Financials sector of the S&P 500, noting that some of the existing index groupings do not necessarily present a full picture of industry trends.

Market Metrics

- Volatility Index (VIX): Monthly average 16.0%; +0.5 pp M/M, -0.7 pp Y/Y
- S&P 500 (Price Index): Monthly average 6,929.12; +1.1% M/M, +15.9% Y/Y
- S&P 500 Sector Total Return Performance:
 - Best = Energy +14.4% M/M
 - Worst = Financials -2.5% M/M
- Equity Average Daily Volume (ADV): Monthly average 19.4 billion shares; +22.4% M/M, +25.9% Y/Y
- Options ADV: Monthly average 66.3 million contracts; +16.4% M/M, +18.5% Y/Y

Market Theme

S&P 500 – Capital Markets Sub-Sector

SIFMA represents firms at the core of the securities industry, whose revenues provide a useful lens into the functioning of the U.S. capital markets. We look at recent revenue trends from a subset of financial services firms, highlighting recent performance.

Financials is one of the 11 broad sector groups that make up the S&P 500 and comprises almost 13% of the overall index by market capitalization as of the end of January 2026. Each of the 11 sectors is further broken down into industry groups (25 in total), followed by industries (74) and sub-industries (163), with each subsequent part of the hierarchy becoming more granular.

As shown in Table 1, the 76-member Financials sector modestly underperformed the overall index in 2025 and has begun 2026 in the red. However, closer inspection shows dramatic outperformance by one sub-industry within the Capital Markets group—Investment Banking & Brokerage—which outperformed the overall Financials sector by more than 25 percentage points in 2025. Was it because of a surge in banking revenue?

Table 1: S&P 500: Financials and Component Weights and Total Returns

Sector (Weight as of 1/30/2026)	2025	Jan 2026
	Total Return (%)	Total Return (%)
SPX Index (100%)	17.9	1.4
Financials (12.9%)	15.0	-2.5
Financial Services (7.6%)	2.6	-6.0
Capital Markets (3.5%)	16.9	1.7
Investment Banking & Brokerage (1.4%)	41.1	3.3
Asset Management & Custody Banks (1.0%)	5.7	-0.2
Financial Exchanges & Data (1.0%)	6.8	1.7

Source: Bloomberg, SIFMA estimates

Note: Total returns assume dividends are reinvested into the index.

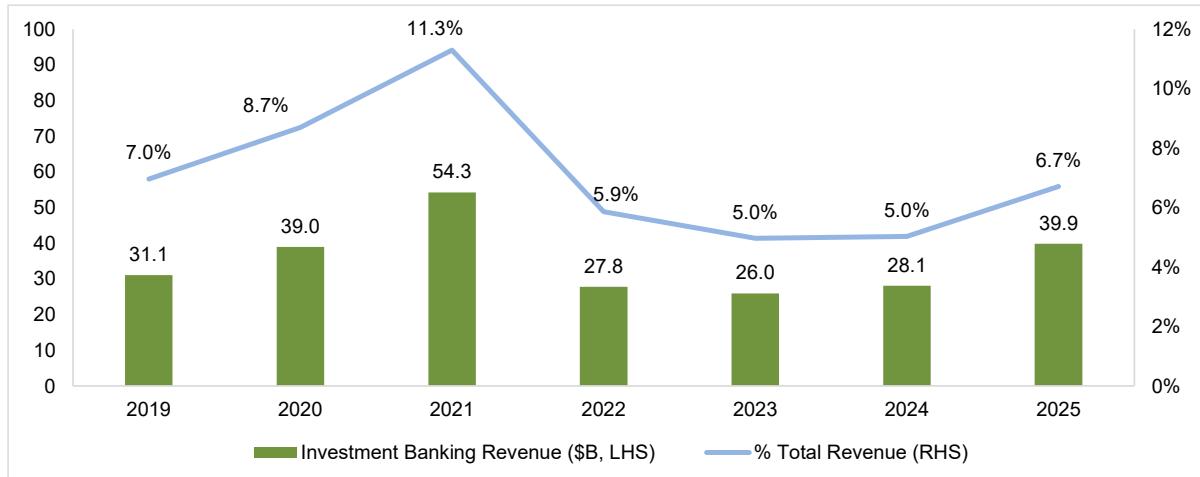
Unfortunately, it's hard to say; as shown in Table 2 on the following page, the Investment Banking & Brokerage Sub-Industry group index contains only four investment banks and two retail brokerages that were added into the index toward the end of the year. Analysis of revenues at this sub-industry level would conflate the impact from capital markets with the effects from retail trading. Moreover, there are many other banks (included in other sub-category indices) which derive a substantial portion of their revenue from their capital markets operations. For this reason, we created a custom group encompassing more firms to show revenue from both investment banking and sales and trading, recognizing that many of these companies also derive a significant portion of their revenue from their commercial and retail bank operations.

Table 2: S&P 500 Investment Banking & Brokerage Sub-Industry Members

Company
Investment Banking & Brokerage Index
Charles Schwab
Goldman Sachs
Morgan Stanley
Raymond James
Interactive Brokers (Added 8/28/25)
Robinhood (Added 9/22/25)

Source: Bloomberg

We assembled a group of US G-SIBs¹, all of which derive substantial revenue from their capital markets businesses. Our goal was to illustrate what might be missed without a deeper look into index constituents, particularly with regard to performance drivers.

Chart 1: Custom Investment Banking Group – Investment Banking Revenue (\$B) and % of Total Revenue

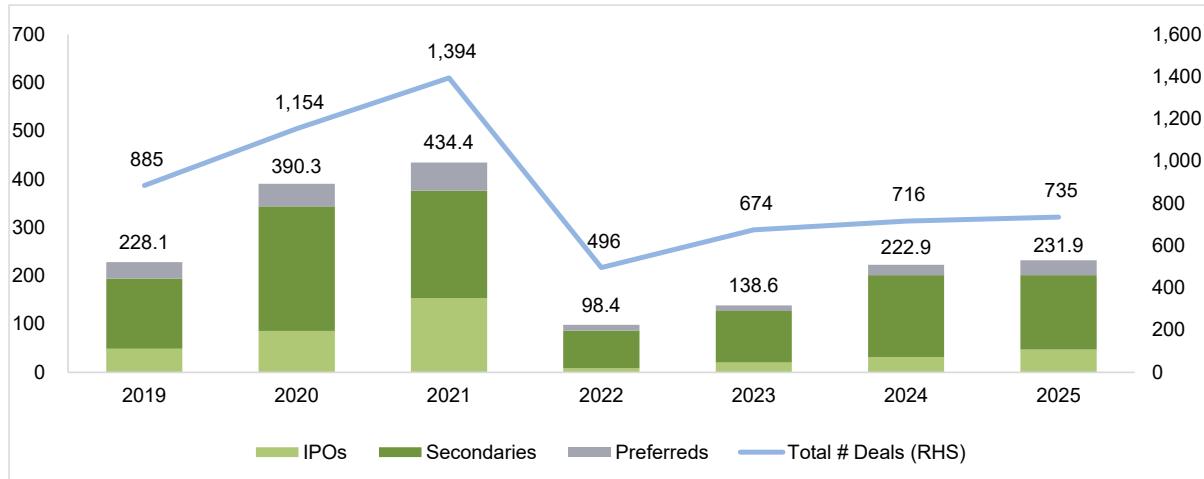
Source: Bloomberg, SEC Filings, SIFMA estimates

Perhaps not surprisingly, investment banking revenue (Chart 1) mimics the trend observed in capital formation (Chart 2 on the following page), both of which peaked in 2021. In 2025, the deal count (735) and dollar volume of capital raised (\$232B) were roughly half the level of the corresponding figures from 2021 (1,394 deals and \$434B in issuance); in contrast, 2025 investment bank revenue was only slightly less than 75% of investment bank revenue in 2021, suggesting that revenues were relatively more resilient than what underwriting and banking would suggest.

¹ G-SIBs or global systemically important banks are defined by the Financial Stability Board in consultation with Basel Committee on Banking Supervision (BCBS) and national authorities. For purposes of our analysis, we included all US G-SIBs which derive substantial revenue from underwriting and sales and trading operations rather than custody services, including Goldman Sachs, Morgan Stanley, Bank of America, Citigroup, JP Morgan and Wells Fargo.

This contrasts sharply with another (more significant) source of revenue: that from sales and trading. Revenue for the same custom grouping of banks from sales and trading remained roughly constant between 2020 and 2023, before rising by 10% Y/Y in 2024 and another 15% Y/Y in 2025 (Chart 3).

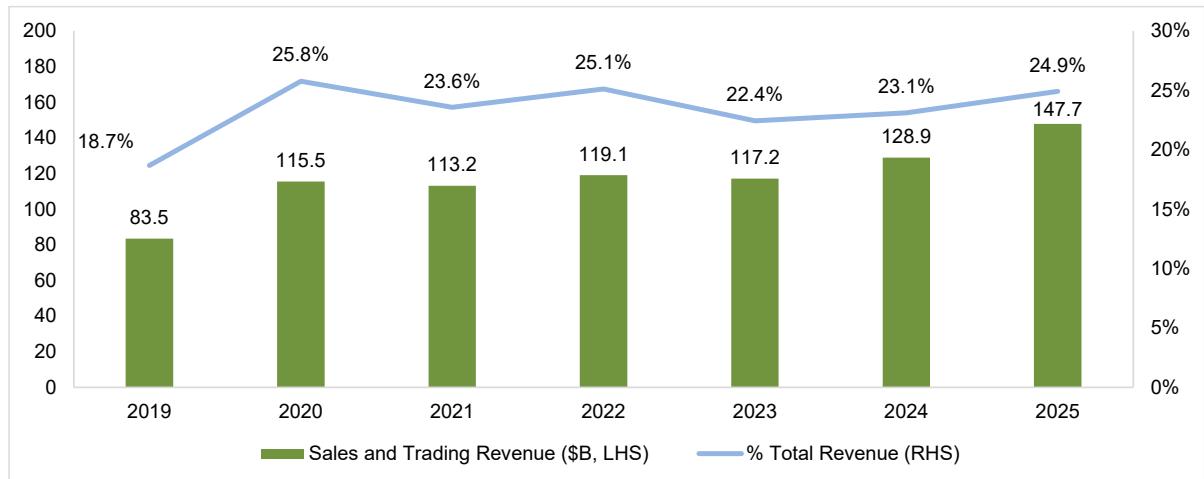
Chart 2: Capital Formation Trends by Year, Total Capital Issuance (\$B) and Deal Count



Source: Dealogic, SIFMA estimates

Note: IPOs, secondaries, and preferreds include rank eligible deals. BDCs, SPACs, CLEFs and rights offers are excluded.

Chart 3: Custom Investment Banking Group – Sales and Trading Revenue (\$B) and % of Total Revenue



Source: Bloomberg, SEC Filings, SIFMA estimates

In general, revenue trends among SIFMA members reflect the health and evolution of the securities industry itself. Tracking these developments provides useful insight into how capital markets are functioning and supports SIFMA's mission to advocate for effective and resilient markets. A more complete picture, however, requires looking beneath the returns of the S&P 500's industry and sub-industry groups, where shifts in trading, underwriting, and asset management activity are often more clearly reflected.

Market Metrics

Volatility Index (VIX) and S&P 500

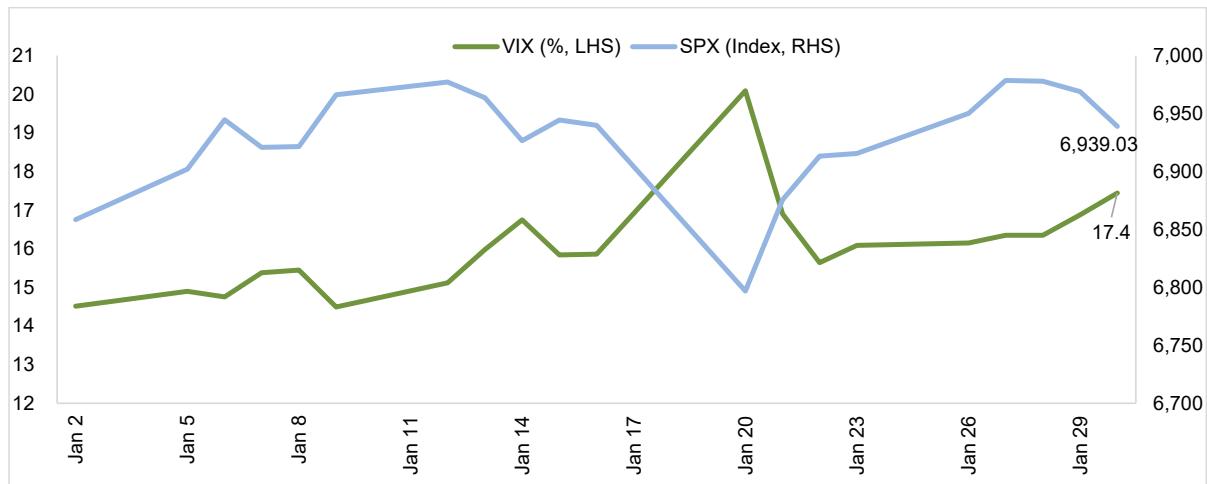
Table 3: Volatility Index (VIX, %) and S&P 500 Index Price

	Monthly Average	M/M Change	Y/Y Change	Monthly Peak	Monthly Trough
Volatility Index (VIX)	16.0%	+0.5 pp	-0.7 pp	20.1%	14.5%
S&P 500	6,929.12	+1.1%	+15.9%	6,978.60	6,796.86

Source: Bloomberg, SIFMA estimates

Note: Figures for the S&P 500 are price changes; total returns on a M/M and Y/Y basis are +1.4% and +16.3% respectively. Total returns assume dividends are reinvested into the index.

Chart 4: Volatility Index (VIX, %) and S&P 500 Price Index – Daily, January 2026



Source: Bloomberg, SIFMA estimates

S&P 500 Index: Sector Breakout

Looking at market performance by sector, we highlight the following:

- Best performing sectors:
 - Month = Energy at +14.4% and Materials at +8.7%
- Worst performing sectors:
 - Month = Financials at -2.5% and Information Technology at -1.7%

Table 4: S&P 500 Sector Indices – January 2026 Total Returns, M/M

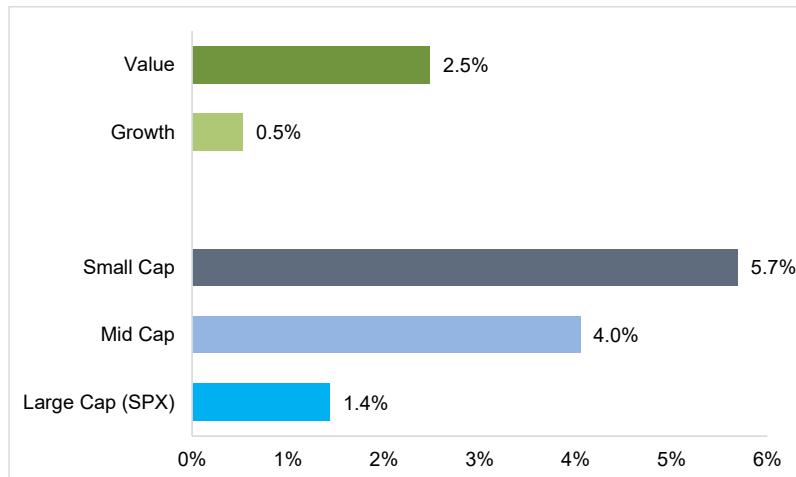
Sector (Weight)	Total Return (%) M/M
SPX	1.4
Information Technology (33.4%)	-1.7
Financials (12.9%)	-2.5
Communication Services (11.0%)	5.8
Consumer Discretionary (10.4%)	1.7
Health Care (9.4%)	0.0
Industrials (8.6%)	6.7
Consumer Staples (5.0%)	7.7
Energy (3.2%)	14.4
Utilities (2.2%)	1.4
Materials (2.0%)	8.7
Real Estate (1.9%)	2.9

Source: Bloomberg, SIFMA estimates

Note: Sectors are ordered by their respective weights in the SPX Index, which are indicated in parenthesis. Total returns assume dividends are reinvested into the index.

S&P 500 Index: Strategy Breakout

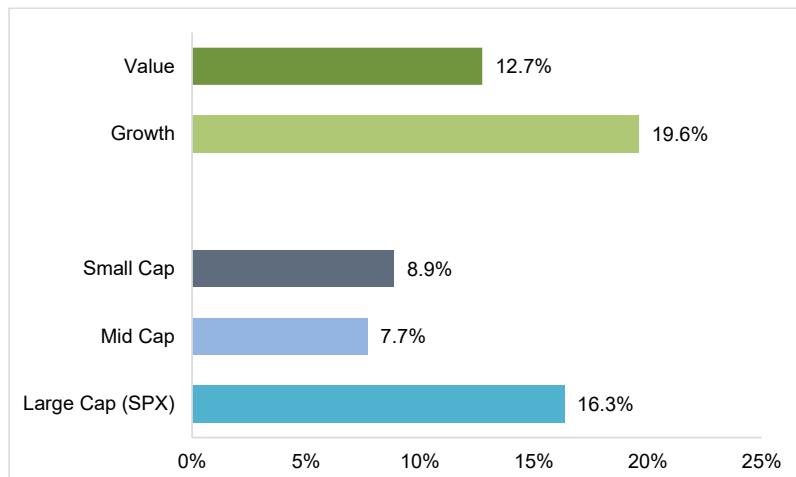
Chart 5: S&P 500 Total Return Indices by Type, January 2026, M/M



Source: Bloomberg, SIFMA estimates

Note: Total returns assume dividends are reinvested into the index.

Chart 6: S&P 500 Total Return Indices by Type, January 2026, Y/Y



Source: Bloomberg, SIFMA estimates

Note: Total returns assume dividends are reinvested into the index.

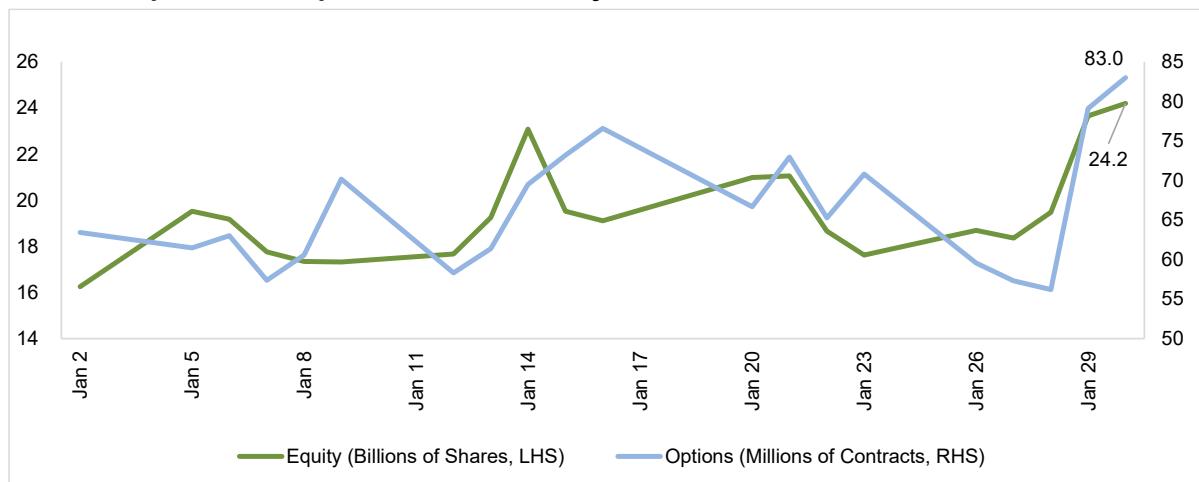
Equity and Options Volumes (ADV)

Table 5: Equities and Options Trading Volumes

	Monthly Average	M/M Change	Y/Y Change	Monthly Peak	Monthly Trough
Equities ADV (Bil. Shares)	19.4	+22.4%	+25.9%	24.2	16.3
Off-Exchange	49.8%	-0.4 pp	-1.7 pp	-	-
Options ADV (Mil. Contracts)	66.3	+16.4%	+18.5%	83.0	56.2
Equity Options	60.8	+17.1%	+18.2%	-	-
Index Options	5.5	+9.0%	+21.8%	-	-

Source: Cboe Global Markets, SIFMA estimates

Chart 7: Equities and Options ADV – January 2026



Source: Cboe Global Markets, SIFMA estimates

Note: Equity and options values reflect average daily volumes across all US equity and options exchanges.

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