



Capital Markets Snapshot

Courtesy of Sage Advisors

Week ending May 17, 2024

The equity markets saw record highs this week following some optimistic news on the inflation front. Wednesday's release of the April Consumer Price Index (CPI) came in below expectations with a monthly increase of 0.3%. Core CPI, which excludes the volatile food and energy sectors, was reported in line with analyst estimates and fell to its lowest reading in 3 years. While the data is still not at the Federal Reserve's annualized target level of 2.0%, the reading was the first in four months that did not exceed economists' estimates.

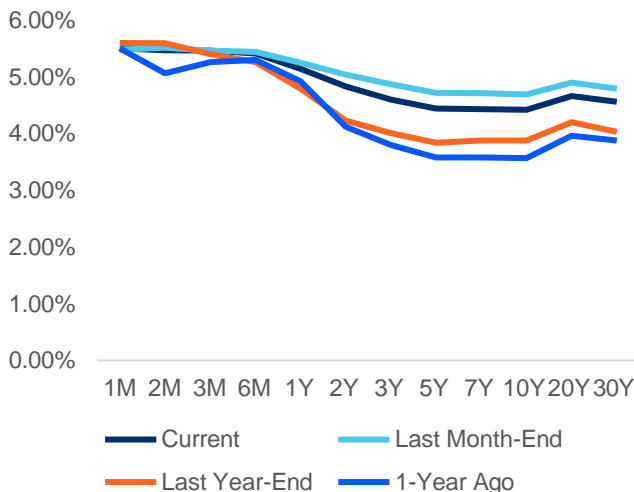
Fixed Income Markets Overview

- U.S. Treasury yields fell in response to the CPI data on hopes that cooling inflationary pressures may result in rate cuts later this year.
- Other economic data during the week included a flat retail sales number for April. The market had been expecting an increase of 0.4%.
- On Tuesday, Fed Chairman Jerome Powell restated recent inflation data had been higher than expected, so the Fed will continue to be patient before suggesting any rate cuts. Powell did state he does not anticipate the Fed will have to make any future rate increases.

Asset Class	Name	1W	YTD	3Y(Ann.)	5Y(Ann.)
Short	1-3 Year Govt/Credit	0.2%	0.8%	0.3%	2.0%
Core Plus	Intermediate Govt/Credit	0.4%	-0.3%	-1.3%	2.1%
	International Aggregate	0.7%	-2.7%	-5.5%	-0.7%
	US Aggregate	0.6%	-1.4%	-2.9%	1.4%
	US Treasury	0.5%	-1.7%	-3.1%	0.9%
	US TIPS	0.5%	-0.2%	-1.4%	3.2%
	US Corporate	0.7%	-1.0%	-2.4%	2.7%
	US Corporate High Yield	0.4%	1.9%	1.9%	5.4%
Other	Emerging Markets Aggregate	0.8%	2.0%	-1.9%	2.5%
Muni	US Municipals	-0.1%	-0.6%	-0.8%	2.6%
	US Municipals High Yield	0.3%	2.6%	0.2%	4.6%

Source: Bloomberg as of May 17, 2024

U.S. Treasury Yield Curve



Source: Bloomberg and U.S Treasury as of May 17, 2024

Interest Rates (%)

Date	5/17/2024	4/30/2024	12/29/2023	5/17/2023
Federal Funds Rate	5.50%	5.48%	5.60%	5.50%
3 Month Treasury	5.46%	5.46%	5.40%	5.26%
6 Month Treasury	5.41%	5.44%	5.26%	5.30%
2 Year Treasury	4.83%	5.04%	4.23%	4.12%
5 Year Treasury	4.44%	4.72%	3.84%	3.58%
10 Year Treasury	4.42%	4.69%	3.88%	3.57%
30 Year Treasury	4.56%	4.79%	4.03%	3.88%
US Aggregate	5.04%	5.31%	4.53%	4.49%
US Corporate	5.47%	5.73%	5.06%	5.33%
US Corporate High Yield	7.85%	8.11%	7.59%	8.80%
US Municipal	3.65%	3.77%	3.22%	3.44%
US Municipal High Yield	5.49%	5.66%	5.57%	5.70%

Spreads Over 10-Year US Treasuries

Date	5/17/2024	4/30/2024	12/29/2023	5/17/2023
30 Year Treasury	0.14%	0.10%	0.15%	0.31%
US Aggregate	0.62%	0.62%	0.65%	0.92%
US Corporate	1.05%	1.04%	1.18%	1.76%
US Corporate High Yield	3.43%	3.42%	3.71%	5.23%
US Municipal	-0.77%	-0.92%	-0.66%	-0.13%
US Municipal High Yield	1.07%	0.97%	1.69%	2.13%

Source: Bloomberg and U.S. Treasury as of May 17, 2024

Equity Markets Overview

- As mentioned, the equity markets rose to new highs this week as the Nasdaq reached a record level on Tuesday and the Dow crossed 40,000 for the first time on Thursday. For the week, the Nasdaq was the leader with a gain of 2.2%, the S&P saw an increase of 1.6%, and the DJIA closed with a gain of 1.3%.
- Ten of the eleven S&P sectors were positive for the week led by Information Technology with a gain of 2.9%, followed by Real Estate with an increase of 2.8%. Industrials was the only negative sector for the week with a loss of -0.3%.
- Earnings reports last week included Cisco System and Walmart who both reported results above analyst estimates. Retailer Home Depot reported positive earnings, but revenue was below expectations as the company noted higher interest rates were deferring customers' home improvement projects.

Asset Class	Name	1W	YTD	3Y(Ann.)	5Y(Ann.)
All-Cap	S&P 1500	1.5%	11.4%	9.9%	16.1%
Large-Cap	S&P 500	1.6%	11.8%	10.4%	16.7%
	S&P 500 Growth	1.8%	15.1%	9.9%	18.2%
	S&P 500 Value	1.3%	8.0%	10.3%	14.1%
Mid-Cap	S&P Midcap 400	0.8%	9.0%	5.5%	11.3%
	S&P Midcap 400 Growth	0.4%	14.3%	6.0%	11.5%
	S&P Midcap 400 Value	1.2%	3.6%	5.0%	10.6%
Small-Cap	S&P Smallcap 600	1.1%	2.2%	1.6%	8.0%
	S&P Smallcap 600 Growth	1.0%	5.2%	2.3%	8.7%
	S&P Smallcap 600 Value	1.3%	-0.8%	0.9%	6.9%
Int'l.	MSCI ACWI ex-USA	1.9%	7.9%	1.5%	5.3%
	MSCI EM	2.7%	8.3%	-3.7%	2.3%

Source: Bloomberg as of May 17, 2024

Alternative Markets Overview

- Gold was higher again this week, rising by almost 2%. The price of silver also rallied this week reaching an 11-year high.
- The price of oil rose by over 2% following news of a drop in U.S. inventories.
- Platinum was in the news this week as the World Platinum Investment Council forecasted a larger than expected deficit for the precious metal in 2024 amid supply concerns.

Name	1W	YTD	3Y (Ann.)	5Y (Ann.)
S&P GSCI	1.9%	12.0%	14.6%	5.8%
Gold	2.0%	17.8%	9.3%	13.5%
FTSE All Equity NAREIT	2.6%	-2.8%	-0.1%	7.5%
Bitcoin	10.4%	59.4%	15.8%	52.6%
Ethereum	6.3%	33.9%	-3.2%	35.7%

Source: Bloomberg as of May 17, 2024



Upcoming Week

- Look for data on the housing market this week including the National Association of Realtors existing home sales report and new homes sales figures from the U.S. Census Bureau.
- While corporate earnings season is winding down, the market will be paying close attention to chip maker Nvidia's quarterly release on Wednesday. Other earning reports this week include retailers Target, Lowe's, and Macy's.

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S&P 1500 Index combines three leading indices, the S&P 500, the S&P Midcap 400, and the S&P Smallcap 600, to cover approximately 90% of U.S. equity market capitalization.

S&P 500 Index includes approximately 500 leading companies that covers approximately 80% of available U.S. equity market capitalization.

S&P 500 Growth Index is a stock index that represents the fastest-growing companies in the S&P 500 based on three factors: sales growth, ratio of earnings change to price, and momentum.

S&P 500 Value Index is a stock index that represents the companies in the S&P 500 with the most attractive valuations based on three factors: book value, earnings, and sales to price.

S&P Midcap 400 Index is distinct from the large-cap S&P 500 and designed to measure the performance of 400 U.S. mid-sized companies, which have differing liquidity and growth potential than large and small cap companies.

S&P Midcap 400 Growth Index is a stock index that represents the fastest-growing companies in the S&P Midcap 400 based on three factors: sales growth, ratio of earnings change to price, and momentum.

S&P Midcap 400 Value Index is a stock index that represents the companies in the S&P Midcap 400 with the most attractive valuations based on three factors: book value, earnings, and sales to price.

S&P Smallcap 600 Index measures the performance of 600 small-sized U.S. companies to reflect the small-cap segment of the U.S. equity market, which is typically known for less liquidity than large cap stocks.

S&P Smallcap 600 Growth Index is a stock index that represents the fastest-growing companies in the S&P Smallcap 600 based on three factors: sales growth, ratio of earnings change to price, and momentum.

S&P Smallcap 600 Value Index is a stock index that represents the companies in the S&P Smallcap 600 with the most attractive valuations based on three factors: book value, earnings, and sales to price.

MSCI ACWI ex-US Index captures large and mid-cap representation across 22 of 23 Developed Markets (DM) countries (excluding the US) and 24 Emerging Markets (EM) countries.

MSCI Emerging Markets Index captures large and mid-cap representation across 24 Emerging Markets (EM) countries.

S&P GSCI is broad-based and production weighted to represent the global commodity market beta. The index is designed to be investable by including the most liquid commodity futures.

S&P GSCI Gold a sub-index of the S&P GSCI, provides investors with a reliable and publicly available benchmark tracking the COMEX gold future.

FTSE All Equity NAREIT Index contains all tax-qualified REITs with more than 50 percent of total assets in qualifying real estate assets other than mortgages secured by real property that also meet minimum size and liquidity criteria.

Bitcoin USD Spot Exchange Rate measures the last price of 1 Bitcoin in USD.

Bloomberg Galaxy Bitcoin Index is designed to measure the performance of a single bitcoin traded in USD.

Ethereum USD Spot Exchange Rate measure the last price of 1 Ethereum in USD.

Bloomberg Galaxy Ethereum Index is designed to measure the performance of a single Ethereum traded in USD.

Bloomberg Barclays 1-3 Year Govt/Credit Index is the 1-3 Yr. component of the U.S. Government/Credit index, which includes securities in the Government, which includes treasuries and agencies debt securities, and Credit Indices, which includes publicly issued U.S. corporate and foreign debt that meet specified maturity, liquidity, and quality requirements.

Bloomberg Intermediate US Government/Credit Bond Index is a broad-based flagship benchmark that measures the non-securitized component of the US Aggregate Index with less than 10 years to maturity; this includes investment grade, US dollar-denominated, fixed-rate treasuries, government-related and corporate securities

Bloomberg Barclays Global Aggregate Bond Index provides a broad-based measure of the global investment-grade fixed income markets, with three major components of this index are the U.S. Aggregate, the Pan-European Aggregate, and the Asian-Pacific Aggregate Indices.

Bloomberg Barclays U.S. Aggregate Bond Index represents securities that are SEC-registered, taxable, and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities.

Bloomberg Barclays U.S. Treasury Aggregate Bond Index is the U.S. Treasury component of the U.S. Government index and represents public obligations of the U.S. Treasury with a remaining maturity of one year or more.

Bloomberg US TIPS Index consists of Inflation-Protection securities issued by the U.S. Treasury.

Bloomberg Barclays US Corporate Bond Index is the Corporate component of the U.S. Credit index and represents publicly issued U.S. corporate and specified foreign debentures and secured notes that meet the specified maturity, liquidity, and quality requirements.

Bloomberg Barclays U.S. Corporate High Yield Index covers the universe of fixed rate, non-investment grade debt.

Bloomberg Barclays Emerging Markets Bond Index is broad-based with country eligibility and classification as an Emerging Market being rules-based and reviewed on an annual basis using World Bank income group and International Monetary Fund (IMF) country classifications.

Bloomberg Barclays U.S. Municipal Index is a rules-based, market-value-weighted index engineered for the long-term tax-exempt bond market.

Bloomberg Barclays US High Yield Municipal Index is an unmanaged index of noninvestment-grade municipal debt securities, which provides a representation of the performance of US high-yield tax-exempt bonds.

Federal Funds Rate is the interest rate at which depository institutions trade federal funds (balances held at Federal Reserve Banks) with each other overnight.

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