



Capital Markets Snapshot

Courtesy of Sage Advisors
Week ending May 24, 2024

The markets were mixed last week led by a surge in the technology sector due in part to a positive earnings report from chip maker Nvidia. Other sectors did not fare as well due to some disappointing earnings results and signs of a housing market continuing to struggle. The National Association of Realtors reported existing home sales dropped 1.9% in April on an annual basis versus expectations of an increase.

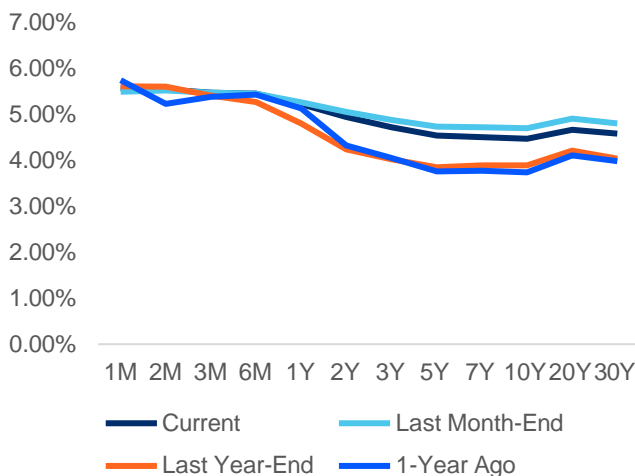
Fixed Income Markets Overview

- U.S. Treasury yields were up for the week with the 10-year U.S. Treasury up to 4.46% by Friday.
- The release of the May FOMC minutes revealed policy makers continue to be concerned about inflationary pressures. Some members expressed the idea of interest rate hikes if inflation does not stay under control.
- In more housing market news, Redfin reported the median home sales price in the U.S. rose by 4% on a year over year basis to \$387,600. However, mortgage rates have declined in recent weeks with Freddie Mac reporting the 30-year mortgage was at a rate of 7.02% last week.

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 24, 2024

U.S. Treasury Yield Curve



Source: Bloomberg and U.S Treasury as of May 24, 2024

Interest Rates (%)

Date	5/24/2024	4/30/2024	12/29/2023	5/24/2023
Federal Funds Rate	5.56%	5.48%	5.60%	5.73%
3 Month Treasury	5.46%	5.46%	5.40%	5.37%
6 Month Treasury	5.44%	5.44%	5.26%	5.42%
2 Year Treasury	4.93%	5.04%	4.23%	4.31%
5 Year Treasury	4.53%	4.72%	3.84%	3.75%
10 Year Treasury	4.46%	4.69%	3.88%	3.73%
30 Year Treasury	4.57%	4.79%	4.03%	3.97%
US Aggregate	5.11%	5.31%	4.53%	4.67%
US Corporate	5.54%	5.73%	5.06%	5.47%
US Corporate High Yield	7.95%	8.11%	7.59%	8.86%
US Municipal	3.84%	3.77%	3.22%	3.69%
US Municipal High Yield	5.58%	5.66%	5.57%	5.88%

Spreads Over 10-Year US Treasuries

Date	5/24/2024	4/30/2024	12/29/2023	5/24/2023
30 Year Treasury	0.11%	0.10%	0.15%	0.24%
US Aggregate	0.65%	0.62%	0.65%	0.94%
US Corporate	1.08%	1.04%	1.18%	1.74%
US Corporate High Yield	3.49%	3.42%	3.71%	5.13%
US Municipal	-0.62%	-0.92%	-0.66%	-0.04%
US Municipal High Yield	1.12%	0.97%	1.69%	2.15%

Source: Bloomberg and U.S. Treasury as of May 24, 2024

Equity Markets Overview

- As mentioned, the equity indices were mixed for the week with the Dow falling by 2.3%, while the Nasdaq was up 1.4% and S&P 500 was flat.
- Information technology was the strongest performing sector for the week with a gain of 3.4%. Meanwhile nine of the eleven S&P sectors were negative for the week with the largest declines seen in the Energy and Real Estate sectors.
- Company earnings reports last week included retailers Lowes, TJX, and Macy's, which beat analyst estimates, while Target fell below expectations.
- Look for a few remaining earnings reports this week including Salesforce, Best Buy, Kohls, and Dell Technologies.

Asset Class	Name	1W	YTD	3Y(Ann.)	5Y(Ann.)
All-Cap	S&P 1500	-0.1%	11.3%	9.4%	16.1%
Large-Cap	S&P 500	0.0%	11.8%	9.9%	16.7%
	S&P 500 Growth	1.5%	16.9%	9.4%	18.3%
	S&P 500 Value	-1.7%	6.1%	9.5%	13.8%
Mid-Cap	S&P Midcap 400	-1.3%	7.6%	5.2%	11.0%
	S&P Midcap 400 Growth	-0.6%	13.6%	5.4%	11.3%
	S&P Midcap 400 Value	-2.0%	1.5%	4.7%	10.1%
Small-Cap	S&P Smallcap 600	-1.3%	0.9%	1.3%	7.6%
	S&P Smallcap 600 Growth	-0.5%	4.7%	2.0%	8.5%
	S&P Smallcap 600 Value	-2.2%	-2.9%	0.6%	6.4%
Int'l.	MSCI ACWI ex-USA	-1.0%	6.8%	0.9%	5.4%
	MSCI EM	-1.5%	6.7%	-4.5%	2.0%

Source: Bloomberg as of May 24, 2024

Alternative Markets Overview

- The price of oil was down for the week due to an increase in U.S. crude inventories. Market participants are also concerned higher interest rates may weigh on consumer demand for oil heading into the summer months.
- The price of gold was down for the week with a loss of 3.4% but touched another record high on Monday at \$2,439 per ounce.
- In cryptocurrency news, the SEC gave approval for the launch of eight spot-traded Ethereum exchange traded funds. The launch date of these funds is not yet known.

Name	1W	YTD	3Y (Ann.)	5Y (Ann.)
S&P GSCI	-0.9%	11.0%	14.8%	5.9%
Gold	-3.4%	13.8%	7.4%	12.5%
FTSE All Equity NAREIT	-3.5%	-6.2%	-1.9%	6.3%
Bitcoin	3.2%	64.4%	22.6%	56.1%
Ethereum	21.2%	62.3%	13.8%	44.5%

Source: Bloomberg as of May 24, 2024



Upcoming Week

- On Thursday, the market will see the second estimate of 1st quarter GDP. The first estimate came in at 1.6% which was a significant decline from the fourth quarter rate of 3.4%
- The FOMC's favored measure of inflation, the Personal Consumption Expenditure (PCE) Price Index, will be released on Friday.

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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.

U.S. Treasury Securities are issued by the federal government and are considered to be among the safest investments you can make, because all Treasury securities are backed by the "full faith and credit" of the U.S. government.

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