



Capital Markets Snapshot

Courtesy of Sage Advisors

Week ending June 28, 2024

The equity markets had a mixed week to close out the first half of the year; however, on a year-to-date basis, all three major equity indices have shown impressive gains. Economic news last week showed inflation continues to trend lower as the core Personal Consumption Expenditure (PCE) Index for May was reported in line with expectations with an annual gain at 2.6%. This marked the lowest annual rate since 2021. In other economic news, U.S. personal income exceeded expectations with a gain of 0.5% but consumer spending came in slightly below forecasts. The University of Michigan Consumer Sentiment Index came in above expectations with participants also showing a decline in inflation expectations.

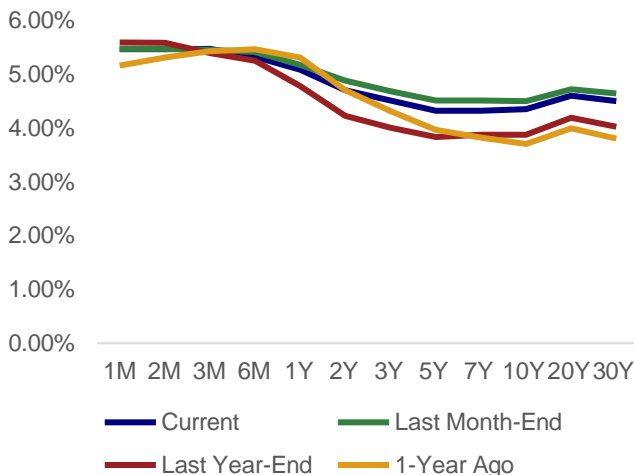
Fixed Income Markets Overview

- U.S. Treasury yields were higher at the end of the week following the positive PCE report.
- On Friday, the 2-, 10-, and 30-year U.S. Treasury yields are all higher than they were at the start of the year.
- The spread between the 2-year and 10-year U.S Treasury remains inverted by 35 basis points.

Asset Class	Name	1W	YTD	3Y(Ann.)	5Y(Ann.)
Short	1-3 Year Govt/Credit	0.0%	1.4%	0.6%	1.2%
	Core Plus				
	Intermediate Govt/Credit	-0.2%	0.5%	-1.2%	0.7%
	International Aggregate	-0.4%	-3.2%	-5.5%	-2.0%
	US Aggregate	-0.6%	-0.7%	-3.0%	-0.2%
	US Treasury	-0.6%	-0.9%	-3.2%	-0.7%
	US TIPS	-0.2%	0.7%	-1.3%	2.1%
	US Corporate	-0.7%	-0.5%	-3.0%	0.6%
	US Corporate High Yield	0.0%	2.6%	1.7%	3.9%
Other	Emerging Markets Aggregate	-0.4%	2.2%	-2.2%	0.5%
Muni	US Municipals	-0.2%	-0.4%	-0.9%	1.2%
	US Municipals High Yield	-0.4%	4.1%	0.2%	3.0%

Source: Bloomberg as of June 28, 2024

U.S. Treasury Yield Curve



Source: Bloomberg and U.S Treasury as of June 28, 2024

Interest Rates (%)

Date	6/28/2024	5/31/2024	12/29/2023	6/28/2023
Federal Funds Rate	5.47%	5.48%	5.60%	5.17%
3 Month Treasury	5.48%	5.46%	5.40%	5.44%
6 Month Treasury	5.33%	5.42%	5.26%	5.47%
2 Year Treasury	4.71%	4.89%	4.23%	4.71%
5 Year Treasury	4.33%	4.52%	3.84%	3.97%
10 Year Treasury	4.36%	4.51%	3.88%	3.71%
30 Year Treasury	4.51%	4.65%	4.03%	3.81%
US Aggregate	5.00%	5.10%	4.53%	4.71%
US Corporate	5.48%	5.52%	5.06%	5.43%
US Corporate High Yield	7.91%	8.00%	7.59%	8.56%
US Municipal	3.72%	3.93%	3.22%	3.49%
US Municipal High Yield	5.43%	5.63%	5.57%	5.70%

Spreads Over 10-Year US Treasuries

Date	6/28/2024	5/31/2024	12/29/2023	6/28/2023
30 Year Treasury	0.15%	0.14%	0.15%	0.10%
US Aggregate	0.64%	0.59%	0.65%	1.00%
US Corporate	1.12%	1.01%	1.18%	1.72%
US Corporate High Yield	3.55%	3.49%	3.71%	4.85%
US Municipal	-0.64%	-0.58%	-0.66%	-0.22%
US Municipal High Yield	1.07%	1.12%	1.69%	1.99%

Source: Bloomberg and U.S. Treasury as of June 28, 2024

Equity Markets Overview

- The Nasdaq was the only positive equity index for the week with a slight gain of 0.3% but was the clear winner for the first half of the year with a gain of 18.6%. The S&P 500 was down by 0.1% for the week but is up 15.3% year-to-date. The Dow Jones Industrial Average was also down for the week with a loss of 0.1% but is up 4.8% so far this year.
- Energy was the leading sector last week with a gain of 2.7%. The other sectors remained mixed with seven sectors showing losses for the week.
- For the year-to-date, technology has been the winner among the equity sectors with a gain of 28.2%, followed closely by Communication Services with an increase of 26.7%. Of the eleven S&P 500 sectors, the only negative sector for the year is Real Estate with a loss of 1.9%.
- Stocks in the news last week included Nike, which was able to beat earnings expectations but cut their annual guidance based on slowing sales from China. Pharmacy giant Walgreens reported disappointing earnings and reduced their full year outlook due to a challenging environment.

Asset Class	Name	1W	YTD	3Y(Ann.)	5Y(Ann.)
All-Cap	S&P 1500	0.0%	14.3%	9.5%	14.6%
Large-Cap	S&P 500	-0.1%	15.3%	10.1%	15.0%
	S&P 500 Growth	0.2%	23.6%	9.4%	16.9%
	S&P 500 Value	-0.4%	5.8%	9.7%	11.9%
Mid-Cap	S&P Midcap 400	0.0%	6.2%	4.5%	10.3%
	S&P Midcap 400 Growth	-0.3%	11.7%	4.0%	10.5%
	S&P Midcap 400 Value	0.3%	0.4%	4.8%	9.5%
Small-Cap	S&P Smallcap 600	1.2%	-0.7%	-0.1%	8.1%
	S&P Smallcap 600 Growth	1.3%	3.3%	0.1%	8.3%
	S&P Smallcap 600 Value	1.1%	-4.7%	-0.5%	7.4%
Int'l.	MSCI ACWI ex-USA	0.4%	5.7%	0.3%	5.5%
	MSCI EM	0.1%	7.5%	-5.1%	3.1%

Source: Bloomberg as of June 28, 2024

Alternative Markets Overview

- Oil continues to trend higher with a gain of 1.0% last week. For the year-to-date, the price per barrel has risen by over 19%.
- Gold was relatively flat for the week but has also seen some significant gains in 2024 with an increase of over 12%.
- Bitcoin closed out a disappointing quarter after reaching a new high in mid-March of this year. However, for the year-to-date, the price of the cryptocurrency is up over 43%.

Name	1W	YTD	3Y (Ann.)	5Y (Ann.)
S&P GSCI	0.0%	11.1%	13.1%	8.3%
Gold	0.4%	12.9%	9.9%	10.6%
FTSE All Equity NAREIT	1.1%	-2.2%	-1.8%	3.4%
Bitcoin	-6.3%	43.1%	18.2%	37.3%
Ethereum	-4.4%	46.4%	14.9%	61.2%

Source: Bloomberg as of June 28, 2024



Upcoming Week

- Despite the upcoming holiday week, the markets have a full slate of economic releases scheduled including the ISM Manufacturing Index, Construction Spending, Factory Orders, and U.S. Trade Balance.
- Look for the all-important jobs report on Friday. The market is currently looking for a gain of 189,000 jobs in June, down from May's level of 272,000.

Glossary and Disclosures

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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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