



Capital Markets Snapshot

Courtesy of Sage Advisors

Week ending September 27, 2024

Last week, the equity markets saw modest gains, with the three major US indices rising between 0.6% to 1.0% due to positive economic data and a series of stimulus measures launched by the Chinese government. The Chinese stimulus measures led to significant gains in Chinese stocks, which in turn benefited several U.S. industries, such as materials and industrials. Additionally, the U.S. Federal Reserve's preferred inflation gauge showed further easing of price pressures, contributing to the positive market sentiment. Despite the growth in equity markets, it was another flat week for US fixed income markets while international bonds saw a modest 0.5% gain.

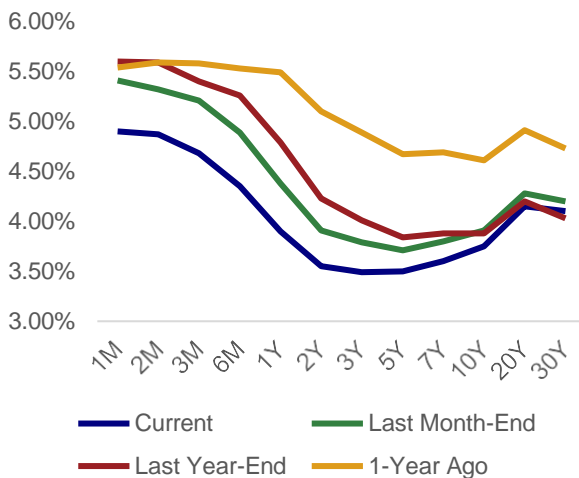
Fixed Income Markets Overview

- Yields were relatively flat for the week with most rates only fluctuating between 1 to 3 basis points, the largest moves were a drop of 7 and 8 bps in the 3- and 6-month rates and an increase of 5 bps for the 20-year yield.
- Overall, we saw the short end of the curve drop and long end rise as the yield curve continues to normalize. This is supported by the 10-year yield spread over the 2-year yield increasing to 20 bps, its highest level since June 2022.
- Mortgage rates declined slightly, continuing their recent trend, but remain just above 6%. As rates have dropped refinancing activity has picked up as homeowners seek to lower their monthly mortgage payments. Home purchases remain stagnant as buyers appear to be waiting to see if rates continue to drop if more positive economic data comes in over the coming weeks.

Asset Class	Name	1W	YTD	3Y(Ann.)	5Y(Ann.)
Short	1-3 Year Govt/Credit	0.1%	4.5%	1.6%	1.7%
	Core Plus				
Core Plus	Intermediate Govt/Credit	0.1%	4.9%	0.3%	1.3%
	International Aggregate	0.5%	3.8%	-3.1%	-0.8%
	US Aggregate	0.0%	4.7%	-1.3%	0.4%
	US Treasury	0.0%	4.1%	-1.7%	-0.2%
	US TIPS	0.0%	4.9%	-0.5%	2.6%
	US Corporate	0.0%	5.5%	-1.1%	1.2%
	US Corporate High Yield	0.1%	8.0%	3.1%	4.7%
Other	Emerging Markets Aggregate	0.1%	8.1%	-0.2%	1.3%
Muni	US Municipals	0.1%	2.2%	0.0%	1.4%
	US Municipals High Yield	0.0%	7.4%	1.0%	3.1%

Source: Bloomberg as of September 27, 2024

U.S. Treasury Yield Curve



Source: Bloomberg and U.S. Treasury as of September 27, 2024

Interest Rates (%)

Date	9/27/2024	8/30/2024	12/29/2023	9/27/2023
Federal Funds Rate	4.90%	5.41%	5.60%	5.54%
3 Month Treasury	4.68%	5.21%	5.40%	5.58%
6 Month Treasury	4.35%	4.89%	5.26%	5.53%
2 Year Treasury	3.55%	3.91%	4.23%	5.10%
5 Year Treasury	3.50%	3.71%	3.84%	4.67%
10 Year Treasury	3.75%	3.91%	3.88%	4.61%
30 Year Treasury	4.10%	4.20%	4.03%	4.73%
US Aggregate	4.17%	4.42%	4.53%	5.43%
US Corporate	4.68%	4.94%	5.06%	6.06%
US Corporate High Yield	6.98%	7.30%	7.59%	8.93%
US Municipal	3.32%	3.45%	3.22%	4.27%
US Municipal High Yield	5.20%	5.29%	5.57%	6.18%

Spreads Over 10-Year US Treasuries

Date	9/27/2024	8/30/2024	12/29/2023	9/27/2023
30 Year Treasury	0.35%	0.29%	0.15%	0.12%
US Aggregate	0.42%	0.51%	0.65%	0.82%
US Corporate	0.93%	1.03%	1.18%	1.45%
US Corporate High Yield	3.23%	3.39%	3.71%	4.32%
US Municipal	-0.43%	-0.46%	-0.66%	-0.34%
US Municipal High Yield	1.45%	1.38%	1.69%	1.57%

Source: Bloomberg and U.S. Treasury as of September 27, 2024

Equity Markets Overview

- All three major domestic indices saw modest gains last week with the S&P and Dow Jones continuing to set new ATHs. The Nasdaq led the pack with a 0.9% gain, followed closely by the S&P and Dow posting gains of 0.64 and 0.6%, respectively.
- It was another mixed week for sectors, Healthcare continues its recent slide dropping 1.1%. Energy, Financials, and Real Estate sectors were the other sectors losing ground, posting losses between 0.2% and 0.8%. As mentioned earlier, Materials had a great week posting a gain of nearly 3.4%, followed by Consumer Discretionary and Industrials sectors with gains of 1.75% and 1.56%, respectively.
- From a size perspective, large cap stocks 0.6% gain modestly outpaced their mid- and small-cap peers, which rose 0.5% and 0.2%, respectively. When looking at style performance, we saw value stocks outpace growth in the large- and mid-caps, while small-cap growth stocks just beat their value counterparts.

Asset Class	Name	1W	YTD	3Y(Ann.)	5Y(Ann.)
All-Cap	S&P 1500	0.6%	20.8%	10.9%	15.6%
Large-Cap	S&P 500	0.6%	21.6%	11.4%	16.0%
	S&P 500 Growth	0.6%	27.5%	9.6%	17.6%
	S&P 500 Value	0.7%	15.0%	12.5%	13.3%
Mid-Cap	S&P Midcap 400	0.5%	13.4%	6.9%	11.9%
	S&P Midcap 400 Growth	0.4%	16.8%	5.8%	11.8%
	S&P Midcap 400 Value	0.6%	9.8%	7.8%	11.6%
Small-Cap	S&P Smallcap 600	0.2%	9.0%	3.4%	10.2%
	S&P Smallcap 600 Growth	0.3%	12.2%	3.1%	10.6%
	S&P Smallcap 600 Value	0.1%	5.7%	3.6%	9.4%
Int'l.	MSCI ACWI ex-USA	4.3%	15.4%	4.3%	7.8%
	MSCI EM	6.2%	17.2%	0.3%	5.8%

Source: Bloomberg as of September 27, 2024

Alternative Markets Overview

- Oil prices fell last week as OPEC announced their decision to increase production and U.S. operations resume after Hurricane Helene. Chinese demand may increase as their central bank cut interest rates and more fiscal measures are expected as Chinese leaders are aiming to steer economic growth back towards their 5% target for the year.
- Gold continues to break higher with posting a 0.8% gain for the week, which brings its YTD gain to almost 29%.
- Bitcoin rose another 4.5% last week bringing its YTD gain to over 54%. While still below its previous ATH, it approached continues to creep up and ended the week above \$65,000.

Name	1W	YTD	3Y (Ann.)	5Y (Ann.)
S&P GSCI	0.0%	5.2%	8.8%	7.7%
Gold	0.8%	28.8%	15.4%	12.1%
FTSE All Equity NAREIT	-0.2%	13.4%	2.9%	5.0%
Bitcoin	4.5%	54.4%	16.5%	51.8%
Ethereum	6.2%	17.2%	-1.9%	74.2%

Source: Bloomberg as of September 27, 2024



Upcoming Week

Economic releases to keep an eye on this week relate to the health of the economy (Chicago Purchasing Managers Index [PMI], ISM Manufacturing and Services Indices, the S&P US Manufacturing, Services, and Composite PMIs, plus Factory and Durable Goods Orders) and labor markets (JOLTS Job Openings, Initial and Continuing Job Claims, Change in Nonfarm Payrolls, and the Unemployment Rate).

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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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