



# Capital Markets Snapshot

Courtesy of Sage Advisors

Week ending November 8, 2024

Last week, the equity markets experienced significant gains, with the S&P 500 posting its largest weekly gain of the year. This surge was largely driven by positive reactions to the U.S. election results, which were seen as favorable for corporate earnings. The Federal Reserve's decision to cut interest rates by 25 basis points also played a role, although the Fed maintained a cautious stance on inflation. Bond yields saw notable fluctuations, initially spiking mid-week before settling down. Overall, the markets were buoyed by strong economic data and investor sentiment, leading to record highs for the major indices.

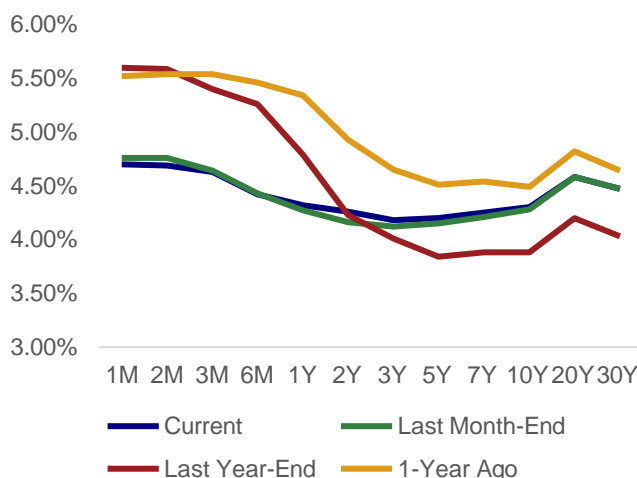
## Fixed Income Markets Overview

- Bond yields experienced significant fluctuations, initially spiking mid-week following the election results but eventually settling down by the end of the week. The Federal Reserve cut interest rates by 25 basis points, which was widely anticipated, and this decision influenced bond market movements.
- The yield on the 10-year U.S. Treasury briefly surged to a four-month high before easing back down, reflecting the market's reaction to both the election and the Fed's rate cut.
- Expectations for future Fed rate cuts have been adjusted, with the market now pricing in fewer cuts over the next year compared to previous forecasts.

Asset Class	Name	1W	YTD	3Y(Ann.)	5Y(Ann.)
<b>Short</b>	1-3 Year Govt/Credit	0.1%	3.8%	1.4%	1.5%
<b>Core Plus</b>	Intermediate Govt/Credit	0.3%	3.1%	-0.3%	1.0%
	International Aggregate	0.2%	0.1%	-4.3%	-1.4%
	US Aggregate	0.8%	2.2%	-2.2%	0.0%
	US Treasury	0.5%	1.4%	-2.7%	-0.4%
	US TIPS	0.8%	3.2%	-1.8%	2.4%
	US Corporate	1.2%	3.5%	-2.0%	0.9%
	US Corporate High Yield	0.7%	8.3%	3.0%	4.7%
<b>Other</b>	Emerging Markets Aggregate	0.8%	7.3%	-0.4%	1.2%
<b>Muni</b>	US Municipals	0.5%	1.3%	-0.3%	1.3%
	US Municipals High Yield	0.7%	6.5%	0.6%	3.0%

Source: Bloomberg as of November 8, 2024

## U.S. Treasury Yield Curve



Source: Bloomberg and U.S. Treasury as of November 8, 2024

## Interest Rates (%)

Date	11/8/2024	10/31/2024	12/29/2023	11/8/2023
Federal Funds Rate	4.70%	4.76%	5.60%	5.52%
3 Month Treasury	4.63%	4.64%	5.40%	5.54%
6 Month Treasury	4.42%	4.43%	5.26%	5.46%
2 Year Treasury	4.26%	4.16%	4.23%	4.93%
5 Year Treasury	4.20%	4.15%	3.84%	4.51%
10 Year Treasury	4.30%	4.28%	3.88%	4.49%
30 Year Treasury	4.47%	4.47%	4.03%	4.64%
US Aggregate	4.71%	4.73%	4.53%	5.30%
US Corporate	5.09%	5.16%	5.06%	5.98%
US Corporate High Yield	7.12%	7.33%	7.59%	8.87%
US Municipal	3.60%	3.66%	3.22%	4.11%
US Municipal High Yield	5.38%	5.44%	5.57%	6.13%

## Spreads Over 10-Year US Treasuries

Date	11/8/2024	10/31/2024	12/29/2023	11/8/2023
30 Year Treasury	0.17%	0.19%	0.15%	0.15%
US Aggregate	0.41%	0.45%	0.65%	0.81%
US Corporate	0.79%	0.88%	1.18%	1.49%
US Corporate High Yield	2.82%	3.05%	3.71%	4.38%
US Municipal	-0.70%	-0.62%	-0.66%	-0.38%
US Municipal High Yield	1.08%	1.16%	1.69%	1.64%

Source: Bloomberg and U.S. Treasury as of November 8, 2024

## Equity Markets Overview

- All three major indices experienced had strong rallies last week after election results came in. They all broke new highs during the week and posted their largest weekly gain in the past 12 months led by the Nasdaq's 5.8% gain.
- Every sector ended the week with a positive return last week. Consumer Discretionary led the pack with a 7.6% weekly gain and Utilities brought up the rear with a 1.2% rise.
- From a size perspective, small-cap stocks' 8.6% rally bested their large- and mid-cap peers' gains of 4.7% and 6.3% respectively. From a style perspective, growth stocks bested their value counterparts across all market caps, though outperformance in the small- and mid-cap segments was almost negligible.

Asset Class	Name	1W	YTD	3Y(Ann.)	5Y(Ann.)
All-Cap	S&P 1500	4.9%	26.5%	9.7%	15.6%
Large-Cap	S&P 500	4.7%	27.2%	10.1%	16.0%
	S&P 500 Growth	5.5%	35.3%	8.0%	18.2%
	S&P 500 Value	3.6%	18.0%	11.6%	12.5%
Mid-Cap	S&P Midcap 400	6.3%	20.0%	6.0%	12.3%
	S&P Midcap 400 Growth	6.4%	23.0%	4.5%	12.2%
	S&P Midcap 400 Value	6.2%	16.8%	7.3%	11.9%
Small-Cap	S&P Smallcap 600	8.6%	16.1%	2.7%	10.6%
	S&P Smallcap 600 Growth	8.7%	18.5%	2.0%	11.0%
	S&P Smallcap 600 Value	8.6%	13.5%	3.3%	9.8%
Int'l.	MSCI ACWI ex-USA	0.6%	9.5%	1.4%	5.6%
	MSCI EM	1.2%	13.3%	-1.1%	3.8%

Source: Bloomberg as of November 8, 2024

## Alternative Markets Overview

- U.S. crude oil prices rose about 1% last week following the election results.
- Gold prices experienced their sharpest weekly decline in over five months, influenced by a stronger dollar and the market's reaction to Donald Trump's victory.
- Bitcoin outperformed all other asset classes last week with a 10.9% gain. The cryptocurrency has experienced a strong rally since the election results came in and has since proceeded to set several new all-time highs.

Name	1W	YTD	3Y (Ann.)	5Y (Ann.)
S&P GSCI	0.5%	6.4%	7.5%	7.4%
Gold	-1.6%	30.5%	13.9%	13.0%
FTSE All Equity NAREIT	2.6%	11.8%	0.0%	5.2%
Bitcoin	10.9%	80.5%	5.1%	54.2%
Ethereum	17.0%	27.5%	-14.9%	74.0%

Source: Bloomberg as of November 8, 2024



### Upcoming Week

- As third quarter earnings season continues, it will be another week full of earnings releases including notable ones from Home Depot, Cisco Systems, and Walt Disney.
- This week we will be keeping an eye on the CPI and PPI inflation releases on Wednesday and Thursday, respectively. Other notable releases include Tuesday's NFIB Small Business Optimism Index and Friday's Business Inventories, Capacity Utilization, and Retail Sales figures.

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## 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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