



Capital Markets Snapshot

Courtesy of Sage Advisors

Week ending January 24, 2025

Last week, stocks maintained their bullish momentum, driven by a pro-growth fiscal policy shift from the incoming Trump administration. The S&P 500 reached a fresh all-time high (ATH) during the week, while the Dow and NASDAQ also recorded gains but remain below their previous ATHs. Bitcoin prices also hit a new ATH above \$109,000 on Inauguration Day before trending down and ending the week essentially flat, fueled by optimism over the administration's crypto-friendly stance. Additionally, Meta Platforms announced a significant increase in AI infrastructure investment, which appeared to reflect positively on its stock price. Despite these positives, there are still concerns about potential inflationary pressures and the trajectory of Treasury yields, particularly longer-term yields. Overall, the market sentiment remained positive, supported by healthy economic indicators and earnings growth.

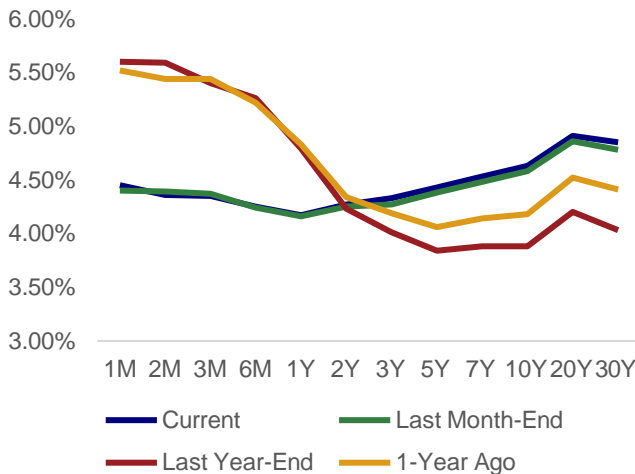
Fixed Income Markets Overview

- U.S. Treasury yields were essentially flat for the week, which was likely a source of last week's gain in the equity markets.
- Expectations around future potential rate cuts from the Federal Reserve remained largely unchanged, with markets still anticipating one to two 25-basis-point cuts for all of 2025. Current expectations suggest the next rate cut will occur around May.
- After recently breaking above 7%, mortgage rates declined last for the first time in six weeks. Higher mortgage rates and affordability continue to be headwinds on the housing market, evidenced by 2025 total home sales falling to the lowest annual level since 1995.

Asset Class	Name	1W	YTD	3Y(Ann.)	5Y(Ann.)
Short	1-3 Year Govt/Credit	0.1%	0.3%	1.9%	1.5%
	Core Plus				
	Intermediate Govt/Credit	0.1%	0.2%	0.3%	0.7%
	International Aggregate	0.9%	0.5%	-4.0%	-2.0%
	US Aggregate	0.1%	0.1%	-1.8%	-0.6%
	US Treasury	0.1%	0.1%	-2.3%	-1.0%
	US TIPS	0.3%	0.7%	-1.3%	1.8%
	US Corporate	0.3%	0.2%	-1.3%	0.0%
	US Corporate High Yield	0.3%	1.2%	3.9%	4.4%
Other	Emerging Markets Aggregate	0.4%	0.6%	0.6%	0.5%
Muni	US Municipals	0.3%	-0.1%	-0.1%	0.7%
	US Municipals High Yield	0.3%	0.0%	0.7%	2.3%

Source: Bloomberg as of January 24, 2025

U.S. Treasury Yield Curve



Source: Bloomberg and U.S Treasury as of January 24, 2025

Interest Rates (%)

Date	1/24/2025	12/31/2024	12/29/2023	1/24/2024
Federal Funds Rate	4.45%	4.40%	5.60%	5.52%
3 Month Treasury	4.35%	4.37%	5.40%	5.44%
6 Month Treasury	4.25%	4.24%	5.26%	5.22%
2 Year Treasury	4.27%	4.25%	4.23%	4.34%
5 Year Treasury	4.43%	4.38%	3.84%	4.06%
10 Year Treasury	4.63%	4.58%	3.88%	4.18%
30 Year Treasury	4.85%	4.78%	4.03%	4.41%
US Aggregate	4.92%	4.91%	4.53%	4.78%
US Corporate	5.35%	5.33%	5.06%	5.28%
US Corporate High Yield	7.23%	7.49%	7.59%	7.86%
US Municipal	3.76%	3.78%	0.00%	3.38%
US Municipal High Yield	5.52%	5.52%	5.57%	5.74%

Spreads Over 10-Year US Treasuries

Date	1/24/2025	12/31/2024	12/29/2023	1/24/2024
30 Year Treasury	0.22%	0.20%	0.15%	0.23%
US Aggregate	0.29%	0.33%	0.65%	0.60%
US Corporate	0.72%	0.75%	1.18%	1.10%
US Corporate High Yield	2.60%	2.91%	3.71%	3.68%
US Municipal	-0.87%	-0.80%	-3.88%	-0.80%
US Municipal High Yield	0.89%	0.94%	1.69%	1.56%

Source: Bloomberg and U.S. Treasury as of January 24, 2025

Equity Markets Overview

- The three major US equity indices posted a second straight week of gains with the S&P 500 setting a new ATH in the process. The Dow Jones once again led the pack with a 2.19% gain, followed by the S&P 500's 1.76% and the Nasdaq's 1.65%.
- Almost all sectors of the S&P 500 posted gains for the week. Energy was alone in posting a loss of 2.9%. Telecommunications, Healthcare, and Industrials led the way with gains of 4%, 2.9%, and 2.4%, respectively.
- From a size perspective, large cap stocks outpaced mid- and small caps for the week, but mid-caps lead the pack on a YTD basis. As for style, growth outperformed value last week in the large and mid-cap segments, while the two effectively tied in small caps. On a YTD basis, growth is outpacing value across all three market cap segments.

Asset Class	Name	1W	YTD	3Y(Ann.)	5Y(Ann.)
All-Cap	S&P 1500	1.7%	3.9%	12.8%	14.6%
Large-Cap	S&P 500	1.8%	3.8%	13.2%	14.9%
	S&P 500 Growth	2.4%	4.7%	13.9%	17.2%
	S&P 500 Value	1.1%	2.8%	11.3%	11.1%
Mid-Cap	S&P Midcap 400	1.1%	5.0%	9.2%	11.4%
	S&P Midcap 400 Growth	1.4%	5.7%	9.3%	11.0%
	S&P Midcap 400 Value	0.8%	4.3%	9.0%	11.4%
Small-Cap	S&P Smallcap 600	0.9%	3.4%	5.4%	9.2%
	S&P Smallcap 600 Growth	0.9%	4.0%	5.2%	8.7%
	S&P Smallcap 600 Value	1.0%	2.7%	5.3%	9.3%
Int'l.	MSCI ACWI ex-USA	2.7%	3.5%	3.2%	4.7%
	MSCI EM	1.9%	1.5%	-1.2%	1.9%

Source: Bloomberg as of January 24, 2025

Alternative Markets Overview

- Oil prices fell for the week, snapping a streak of four consecutive weeks of increases, following President Trump's announcements for plans to boost U.S. oil production and demands for OPEC to lower oil prices.
- Gold prices were up for the fourth consecutive week and hovering just below its October 2024 ATH, as a weakening dollar and tariff uncertainty may be fueling the recent run up.
- Bitcoin prices were essentially flat for the week after a strong rally on Inauguration Day set a new ATH over \$109k. Investors seem optimistic given what appears to be a crypto-friendly Trump Administration, evidenced by last week's executive order to create a group for the review of crypto regulatory policy and evaluation of building a government digital asset stockpile.

Name	1W	YTD	3Y (Ann.)	5Y (Ann.)
S&P GSCI	-1.1%	4.9%	8.7%	9.7%
Gold	1.1%	6.3%	15.0%	12.2%
FTSE All Equity NAREIT	1.0%	1.4%	-0.8%	3.0%
Bitcoin	0.0%	12.2%	41.2%	65.4%
Ethereum	-5.0%	-0.1%	10.8%	82.9%

Source: Bloomberg as of January 24, 2025



Upcoming Week

- As 4th quarter earnings season continues, it will be a full week of releases. Some key companies reporting this week include Lockheed Martin, Meta, and Apple.
- It is a busy week for economic releases. All eyes will be on Wednesday's Federal Reserve rate decision, but other important economic releases include New Home Sales, Durable Goods Orders, Consumer Confidence, Mortgage Applications, Wholesale Inventories, 4th Quarter GDP, weekly Jobless Claims, and Personal Income & Spending.

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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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