



Capital Markets Snapshot

Courtesy of Sage Advisors

Week ending March 21, 2025

Last week, the Federal Reserve decided to keep the federal funds rate unchanged, reflecting a cautious approach amid slowing economic growth and policy uncertainty. Notable observations from the Fed's meeting include their expectations for slowing GDP growth and higher inflation in the short-term plus plans to slow its balance sheet reduction program in April. By week's end, U.S. stocks experienced a slight recovery from correction territory but remain down year-to-date. International stocks, particularly in Europe and China, continue to deliver impressive performance to start the year. In the U.S. fixed income markets, bond yields declined, leading to higher bond prices and solid returns. So far this year, investment-grade bonds and emerging-market debt are performing particularly well. The U.S. economy showed signs of cooling from its above-trend pace, but the labor market remained healthy, and manufacturing sectors indicated a recovery.

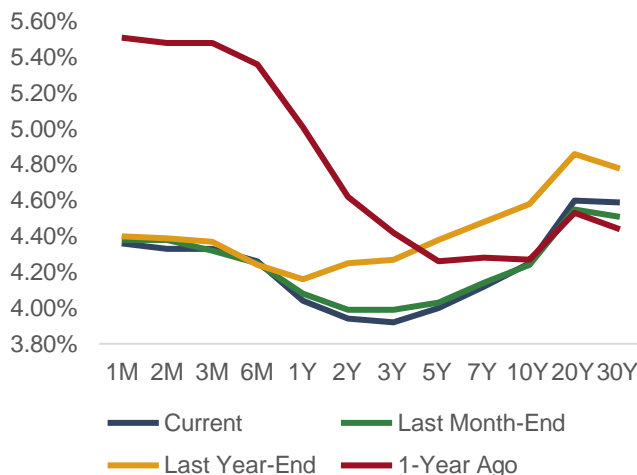
Fixed Income Markets Overview

- Changes in U.S. Treasury yields were mostly flat at the short- and long ends of the curve, while yields of maturities 1-year to 10-years fell between 6 to 12 basis points.
- The Federal Reserve projects two rate cuts before the end of 2025. This remained unchanged from their December meeting.
- Mortgage rates have remained flat between 6.6% to 6.7% for the last 3 weeks. After breaking above 7% in mid-January, rates have been below the 7% level for the last 9 weeks.

Asset Class	Name	1W	YTD	3Y(Ann.)	5Y(Ann.)
Short	1-3 Year Govt/Credit	0.2%	1.5%	3.0%	1.7%
Core Plus	Intermediate Govt/Credit	0.4%	2.2%	2.0%	1.2%
	International Aggregate	0.2%	2.5%	-1.7%	-0.8%
	US Aggregate	0.5%	2.6%	0.5%	0.2%
	US Treasury	0.4%	2.6%	-0.2%	-1.4%
	US TIPS	0.7%	3.2%	-0.6%	2.8%
	US Corporate	0.6%	2.3%	1.4%	3.0%
	US Corporate High Yield	0.4%	1.5%	5.3%	8.8%
Other	Emerging Markets Aggregate	0.3%	2.5%	4.0%	3.9%
Muni	US Municipals	0.3%	0.4%	1.3%	2.7%
	US Municipals High Yield	0.5%	1.1%	2.4%	6.4%

Source: Bloomberg as of March 21, 2025

U.S. Treasury Yield Curve



Source: Bloomberg and U.S Treasury as of March 21, 2025

Interest Rates (%)

Date	3/21/2025	2/28/2025	12/31/2024	3/21/2024
Federal Funds Rate	4.36%	4.38%	4.40%	5.51%
3 Month Treasury	4.33%	4.32%	4.37%	5.48%
6 Month Treasury	4.26%	4.25%	4.24%	5.36%
2 Year Treasury	3.94%	3.99%	4.25%	4.62%
5 Year Treasury	4.00%	4.03%	4.38%	4.26%
10 Year Treasury	4.25%	4.24%	4.58%	4.27%
30 Year Treasury	4.59%	4.51%	4.78%	4.44%
US Aggregate	4.62%	4.58%	4.91%	4.89%
US Corporate	5.15%	5.08%	5.33%	5.34%
US Corporate High Yield	7.52%	7.15%	7.49%	7.65%
US Municipal	3.75%	3.55%	3.74%	3.44%
US Municipal High Yield	5.54%	5.43%	5.52%	5.50%

Spreads Over 10-Year US Treasuries

Date	3/21/2025	2/28/2025	12/31/2024	3/21/2024
30 Year Treasury	0.34%	0.27%	0.20%	0.17%
US Aggregate	0.37%	0.34%	0.33%	0.62%
US Corporate	0.90%	0.84%	0.75%	1.07%
US Corporate High Yield	3.27%	2.91%	2.91%	3.38%
US Municipal	-0.50%	-0.69%	-0.84%	-0.83%
US Municipal High Yield	1.29%	1.19%	0.94%	1.23%

Source: Bloomberg and U.S. Treasury as of March 21, 2025

Equity Markets Overview

- Heightened volatility remained present in US equity markets, but the three major indices snapped their recent skid and posted a gain for the first time in several weeks. The Dow Jones delivered a leading 1.2% gain followed by gains for the S&P 500 and Nasdaq's of 0.5% and 0.2%, respectively.
- Most sectors experienced small losses while a few managed to post solid weekly gains. The week's biggest losers were Consumer Staples, Materials, and Utilities all fell between 0.2% to 0.3%. Energy, Financials, and Healthcare led the pack posting gains of 3.2%, 1.9%, and 1.1%, respectively.
- There were modest differences in performance from a size perspective last week. Mid-caps led the way followed closely by small and large cap, respectively. US large caps have given up less ground on a year-to-date basis than their smaller peers.
- From a style perspective, value outpaced growth in US large caps while the opposite was true for mid- and small cap peers. On a year-to-date basis, value has held up particularly well in large and mid-cap segments but has fallen almost 9% in the small cap segment.

Asset Class	Name	1W	YTD	3Y(Ann.)	5Y(Ann.)
All-Cap	S&P 1500	0.5%	-3.6%	9.5%	21.4%
Large-Cap	S&P 500	0.5%	-3.3%	10.0%	21.6%
	S&P 500 Growth	0.2%	-6.3%	9.4%	22.0%
	S&P 500 Value	0.9%	-0.1%	9.5%	19.8%
Mid-Cap	S&P Midcap 400	0.7%	-5.3%	4.7%	20.4%
	S&P Midcap 400 Growth	0.9%	-7.2%	3.9%	18.2%
	S&P Midcap 400 Value	0.5%	-3.3%	5.4%	22.3%
Small-Cap	S&P Smallcap 600	0.6%	-8.3%	0.7%	18.2%
	S&P Smallcap 600 Growth	0.7%	-7.6%	0.8%	17.0%
	S&P Smallcap 600 Value	0.5%	-8.9%	0.4%	19.1%
Int'l.	MSCI ACWI ex-USA	1.0%	8.2%	6.0%	13.8%
	MSCI EM	1.1%	5.7%	3.2%	9.7%

Source: Bloomberg as of March 21, 2025

Alternative Markets Overview

- Oil prices saw their largest weekly gain since early January and recorded a second consecutive weekly gain as expectations of tighter supplies increased following U.S. sanctions on Iran and an updated output plan from the OPEC+ producer group.
- Gold posted a modest 0.6% gain for the week after briefly setting a new all-time high on Thursday. This marks the third consecutive weekly gain, due to lingering geopolitical and economic uncertainties.

Name	1W	YTD	3Y (Ann.)	5Y (Ann.)
S&P GSCI	1.3%	2.9%	-0.8%	19.7%
Gold	0.6%	15.4%	16.4%	15.4%
FTSE All Equity NAREIT	-0.1%	1.2%	-1.1%	12.6%
Bitcoin	-0.8%	-10.2%	26.8%	68.3%
Ethereum	2.0%	-40.9%	-12.2%	72.7%

Source: Bloomberg as of March 21, 2025



Upcoming Week

- It is a light week from an earnings release perspective as the first quarter approaches its end. Two notable retailers, Dollar Tree and Lulu Lemon Athletica, will release their Q4 earnings update mid-week.
- It is a busy week with almost 70 US economic data releases this week. Key releases include consumer confidence, Q4 GDP (third estimate), and PCE inflation.

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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