



Capital Markets Snapshot

Courtesy of Sage Advisors

Week ending February 28, 2025

Last week, equity markets experienced notable volatility. The S&P 500 briefly erased its year-to-date gains, driven by growth concerns, trade uncertainty, and deteriorating consumer confidence. Despite these challenges, there are still supporting factors such as positive economic growth, a steady labor market, and strong spending on AI. The Magnificent 7, which had previously led the market, entered correction territory, contributing to the broader index's sideways movement over the past three months. Diversification remains critical, as leadership has shifted away from U.S. large-cap and tech stocks. Overall, while market volatility may persist, the recipe for continued economic expansion and a continuation of the current bull market in stocks remain intact.

Fixed Income Markets Overview

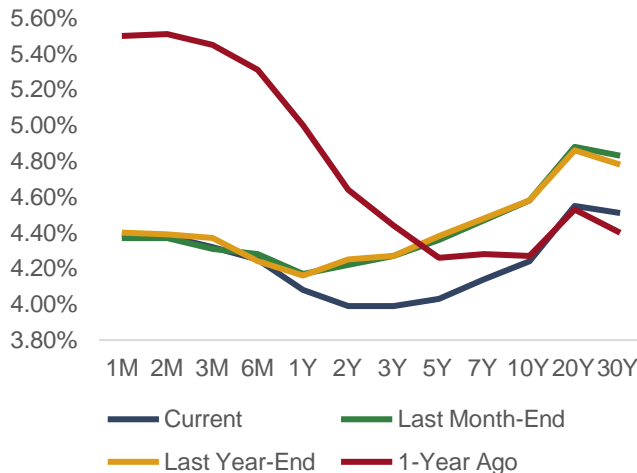
- Yields on U.S. Treasuries dropped significantly, with the 10-year yield closing around 4.19%, down from 4.42% the previous week.
- Expectations around potential rate cuts from the Federal Reserve have increased, with markets now anticipating two 25-basis-point cuts in 2025.
- This week, mortgage rates decreased to their lowest level in over two months. Dropping mortgage rates, combined with modestly improving inventory, is an

encouraging sign for consumers in the market to buy a home.

Asset Class	Name	1W	YTD	3Y(Ann.)	5Y(Ann.)	
Short	1-3 Year Govt/Credit	0.4%	1.2%	2.5%	1.5%	
	Core Plus	Intermediate Govt/Credit	0.9%	2.0%	1.2%	0.7%
		International Aggregate	0.4%	2.0%	-2.8%	-2.0%
	US Aggregate	1.3%	2.7%	-0.4%	-0.5%	
	US Treasury	1.3%	2.7%	-1.2%	-1.2%	
	US TIPS	1.4%	3.5%	-0.8%	1.9%	
Other	US Corporate	1.0%	2.6%	0.4%	0.1%	
	US Corporate High Yield	0.4%	2.0%	4.9%	4.9%	
	Emerging Markets Aggregate	0.9%	2.7%	2.9%	0.9%	
Muni	US Municipals	0.6%	1.5%	1.0%	0.7%	
	US Municipals High Yield	0.6%	2.0%	2.0%	2.1%	

Source: Bloomberg as of February 28, 2025

U.S. Treasury Yield Curve



Interest Rates (%)

Source: Bloomberg and U.S Treasury as of February 28, 2025

Date	2/28/2025	1/31/2025	12/31/2024	2/28/2024
Federal Funds Rate	4.38%	4.37%	4.40%	5.50%
3 Month Treasury	4.32%	4.31%	4.37%	5.45%
6 Month Treasury	4.25%	4.28%	4.24%	5.31%
2 Year Treasury	3.99%	4.22%	4.25%	4.64%
5 Year Treasury	4.03%	4.36%	4.38%	4.26%
10 Year Treasury	4.24%	4.58%	4.58%	4.27%
30 Year Treasury	4.51%	4.83%	4.78%	4.40%
US Aggregate	4.58%	4.86%	4.91%	4.93%
US Corporate	5.08%	5.30%	5.33%	5.42%
US Corporate High Yield	7.15%	7.20%	7.49%	7.88%
US Municipal	3.55%	3.68%	3.74%	3.42%
US Municipal High Yield	5.43%	5.45%	5.52%	5.59%

Spreads Over 10-Year US Treasuries

Date	2/28/2025	1/31/2025	12/31/2024	2/28/2024
30 Year Treasury	0.27%	0.25%	0.20%	0.13%
US Aggregate	0.34%	0.28%	0.33%	0.66%
US Corporate	0.84%	0.72%	0.75%	1.15%
US Corporate High Yield	2.91%	2.62%	2.91%	3.61%
US Municipal	-0.69%	-0.90%	-0.84%	-0.85%
US Municipal High Yield	1.19%	0.87%	0.94%	1.32%

Insert Firm Logo Here

Source:
Bloomberg and
U.S.
Treasury
as of
February
28, 2025

Equity Markets Overview

- It was a volatile and mixed week for US equities. The Dow Jones managed to end the week with a 1% gain; however, the S&P 500 and Nasdaq each retreated. As tech was the worst performing sector for the week, Nasdaq felt it more slipping 3.5% to the S&P 500's 1% loss.
- Sectors were mixed again as 4 posted losses and 7 gains for the week. Technology, Telecommunications, and Consumer Discretionary were the biggest losers falling 4%, 2.6%, and 2.1%, respectively. Financials, Real Estate, and Healthcare led the week posting gains of 2.8%, 2.1%, and 1.7%, respectively.
- From a size perspective, large and small cap stocks fell 1%, which slightly lagged their mid-cap peers' weekly loss of

0.2%. Large cap stocks have posted a 2.4% gain to start the year, while mid- and small caps have lost 1.5% and 2%, respectively. As for style, value held up better than growth stocks across all three size segments.

Asset Class	Name	1W	YTD	3Y(Ann.)	5Y(Ann.)
All-Cap	S&P 1500	-0.9%	1.2%	12.0%	16.5%
Large-Cap	S&P 500	-1.0%	1.4%	12.6%	16.9%
	S&P 500 Growth	-2.2%	-0.3%	12.5%	18.2%
	S&P 500 Value	0.4%	3.3%	11.5%	14.1%
Mid-Cap	S&P Midcap 400	-0.2%	-0.7%	6.9%	13.0%
	S&P Midcap 400 Growth	-0.6%	-2.0%	6.1%	11.8%
	S&P Midcap 400 Value	0.2%	0.8%	7.5%	13.9%
Small-Cap	S&P Smallcap 600	-1.0%	-3.0%	3.0%	10.8%
	S&P Smallcap 600 Growth	-0.7%	-2.2%	3.2%	10.2%
	S&P Smallcap 600 Value	-1.3%	-3.8%	2.6%	11.1%
Int'l.	MSCI ACWI ex-USA	-1.8%	5.5%	4.6%	7.6%
	MSCI EM	-4.3%	2.3%	0.5%	4.3%

Source: Bloomberg as of February 28, 2025

Alternative Markets Overview

- Oil prices continued to fall last week, which resulted in their first monthly drop since November. The price action is the result of markets' reactions to last week's meeting between Presidents Trump and Zelenskyy, continued bracing for Washington's new tariffs, and Iraq's decision to resume oil exports from the Kurdistan region.
- Gold prices fell over 3.5% last week as the dollar held close to two-week highs and U.S. inflation data came in line with expectations.
- Bitcoin had a rough February posting a 10% YTD loss. After spending much of late January above the \$100k price level, the popular cryptocurrency has seen its price slide to around \$84k at week's end.

Name	1W	YTD	3Y (Ann.)	5Y (Ann.)
S&P GSCI	-2.7%	1.9%	3.4%	12.0%
Gold	-3.5%	7.9%	14.4%	12.7%
FTSE All Equity NAREIT	2.5%	5.2%	1.4%	5.6%
Bitcoin	-11.4%	-10.0%	26.1%	57.7%
Ethereum	-15.9%	-33.7%	-7.8%	58.0%

Source: Bloomberg as of February 28, 2025



**Upcoming
Week**

- 4th quarter earnings season is nearing its end, key companies reporting this week include Target, Broadcom, and Costco Wholesale.
- Important economic releases this week include the ISM Manufacturing PMI and nonfarm payrolls report for February.

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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