

Capital Markets Snapshot

Courtesy of Sage Advisors

Week ending April 11, 2025

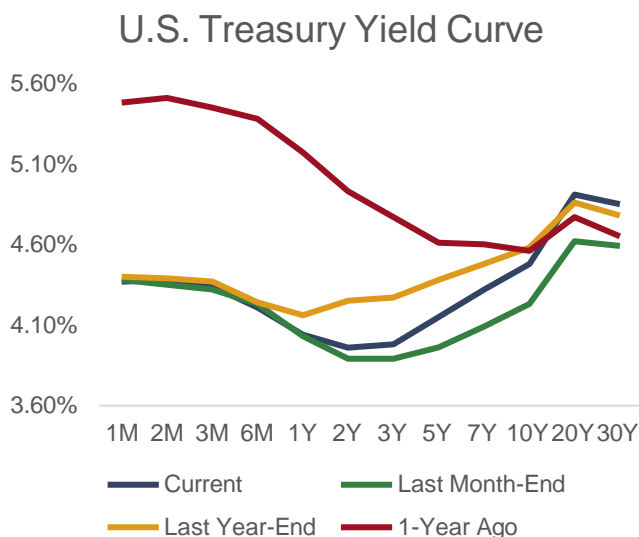
Heightened volatility persisted last week, this time to both the up and downside as markets reacted to the news of pauses on reciprocal tariffs to all countries that did not retaliate. China was notably excluded and the back-and-forth escalation in tariff levels with the US added to the volatility experienced last week. Equity markets rebounded off their recent skid but are still well off their February highs. Following the announcement of the tariff pauses, equity markets sharply jumped and posted one of the largest daily gains since World War II. Increased volatility should be expected in the near-term until more certainty emerges around the future of US and global trade policies. Breaking with typical market behavior, US Treasuries and the US Dollar experienced selloffs during this recent volatility shock. Often viewed as "safe haven" assets that investors seek during these episodes, instead last week saw a steepening of the yield curve as long-term rates rose by around 50 basis points.

Fixed Income Markets Overview

- Yields rose an average of 27 basis points across the yield curve due to atypical selling pressures during a period of increased market volatility. The yield curve steepened over the week as yields with maturities 5-years or longer rose between 40 and 50 bps.
- Expectations for rate cuts from the Fed moved lower this week. Bloomberg probability expectations for a 25-basis point cut at the May FOMC meeting are fell to 24% from 43% the week prior. They still project a theoretically 100% chance of a cut at the June FOMC meeting.
- Mortgage rates continue to slowly trend downward, remaining under 7% for the twelfth consecutive week. With rising mortgage applications and decreasing rates, we may see an uptick in spring homebuying activity relative to last year.

Asset Class	Name	1W	YTD	3Y(Ann.)	5Y(Ann.)
Short	1-3 Year Govt/Credit	-0.5%	1.5%	3.2%	1.4%
Core Plus	Intermediate Govt/Credit	-1.5%	1.6%	2.4%	0.6%
	International Aggregate	-0.4%	3.8%	-0.3%	-1.3%
	US Aggregate	-2.5%	1.1%	0.8%	-0.9%
	US Treasury	-2.4%	1.6%	0.3%	-1.9%
	US TIPS	-2.5%	1.9%	-0.1%	1.4%
	US Corporate	-2.8%	-0.2%	1.4%	0.5%
	US Corporate High Yield	-0.7%	-1.4%	4.9%	6.1%
Other	Emerging Markets Aggregate	-2.4%	-0.6%	3.3%	2.3%
Muni	US Municipals	-4.0%	-2.8%	1.0%	0.6%
	US Municipals High Yield	-5.0%	-2.7%	2.2%	3.8%

Source: Bloomberg as of April 11, 2025



Source: Bloomberg and U.S. Treasury as of April 11, 2025

Interest Rates (%)

Date	4/11/2025	3/31/2025	12/31/2024	4/11/2024
Federal Funds Rate	4.37%	4.38%	4.40%	5.48%
3 Month Treasury	4.34%	4.32%	4.37%	5.45%
6 Month Treasury	4.21%	4.23%	4.24%	5.38%
2 Year Treasury	3.96%	3.89%	4.25%	4.93%
5 Year Treasury	4.15%	3.96%	4.38%	4.61%
10 Year Treasury	4.48%	4.23%	4.58%	4.56%
30 Year Treasury	4.85%	4.59%	4.78%	4.65%
US Aggregate	4.86%	4.60%	4.91%	5.19%
US Corporate	5.55%	5.15%	5.33%	5.62%
US Corporate High Yield	8.58%	7.73%	7.49%	8.02%
US Municipal	4.29%	3.85%	3.74%	3.68%
US Municipal High Yield	5.98%	5.59%	5.52%	5.62%

Spreads Over 10-Year US Treasuries

Date	4/11/2025	3/31/2025	12/31/2024	4/11/2024
30 Year Treasury	0.37%	0.36%	0.20%	0.09%
US Aggregate	0.38%	0.37%	0.33%	0.63%
US Corporate	1.07%	0.92%	0.75%	1.06%
US Corporate High Yield	4.10%	3.50%	2.91%	3.46%
US Municipal	-0.19%	-0.38%	-0.84%	-0.88%
US Municipal High Yield	1.50%	1.36%	0.94%	1.06%

Source: Bloomberg and U.S. Treasury as of April 11, 2025

Equity Markets Overview

- Following the Trump administration's announcement of widespread pauses to reciprocal tariffs, equity markets rebounded sharply and experienced one of the largest single day gains in recent history. Wednesday's high flying performance drove each of the major indices to end the week with sizable gains. Nasdaq closed with a 7.3% gain, followed by the S&P 500 and Dow Jones with 5.7% and 5%, respectively.
- Most sectors posted gains of 1% or larger for the week, the average across all eleven sectors was a 3.9% gain. Energy and Real Estate were the only to post losses of 0.4% and 0.2%, respectively. Technology, Industrials and Telecommunications posted the largest gains of 9.7%, 6.5%, and 6.4%, respectively.
- Large cap stocks handily outpaced their mid- and small-cap peers for the week posting gains of 5.7%, 2.8%, and 0.6%, respectively. From a style lens, growth outpaced value in all market segments with the biggest divergence in the large cap segment.
- While international is still outpacing US equity performance for the year, last week marked a significant reversal in the recent trend.

Asset Class	Name	1W	YTD	3Y(Ann.)	5Y(Ann.)
All-Cap	S&P 1500	5.4%	-8.9%	7.9%	15.5%
	S&P 500	5.7%	-8.5%	8.4%	15.7%
Large-Cap	S&P 500 Growth	8.1%	-10.7%	8.7%	16.5%
	S&P 500 Value	3.4%	-6.0%	7.0%	13.7%
	S&P Midcap 400	2.8%	-12.4%	3.2%	13.1%
Mid-Cap	S&P Midcap 400 Growth	4.3%	-12.9%	3.1%	11.4%
	S&P Midcap 400 Value	1.3%	-11.9%	3.1%	14.7%
	S&P Smallcap 600	0.8%	-16.9%	-1.0%	11.2%
Small-Cap	S&P Smallcap 600 Growth	2.4%	-14.2%	0.3%	10.4%
	S&P Smallcap 600 Value	-0.9%	-19.6%	-2.4%	11.6%
	MSCI ACWI ex-USA	-0.3%	0.8%	3.8%	9.1%
Int'l.	MSCI EM	-3.8%	-2.2%	0.6%	5.9%

Source: Bloomberg as of April 11, 2025

Alternative Markets Overview

- Gold posted nearly a 7% gain last week as its price broke the \$3.2k/oz price level and set another ATH. The rally was fueled by investors seeking safety in gold (as opposed to the US dollar or US Treasuries) as the U.S.-China trade war continued to escalate.
- Despite the strong rally in stocks and selloff in fixed income markets, Bitcoin prices were relatively stable posting only a 0.2% loss for the week. Despite its volatile history, the cryptocurrency's price movement has been relatively muted in this recent market shock.

Name	1W	YTD	3Y (Ann.)	5Y (Ann.)
S&P GSCI	0.6%	-2.9%	-0.6%	17.9%
Gold	6.9%	22.9%	18.5%	13.1%
FTSE All Equity NAREIT	-0.6%	-4.9%	-4.3%	5.3%
Bitcoin	-0.2%	-10.3%	28.0%	65.2%
Ethereum	-13.5%	-53.1%	-19.4%	56.1%

Source: Bloomberg as of April 11, 2025



Upcoming Week

- Q1 earnings season kicks off this week with several important releases. Key names include Goldman Sachs, Johnson & Johnson, and UnitedHealth Group.
- It is a lighter week of economic releases. Some releases worth monitoring include US Import and Export activity (Tuesday), Chairman Powell speaks (Wednesday), Retail Sales (Wednesday), and housing market as well as weekly labor data (Thursday).

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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