



Capital Markets Snapshot

Courtesy of Sage Advisors

Week ending April 18, 2025

Last week, stock markets couldn't keep the positive momentum and experienced a modest decline, with the S&P 500 down 1.5% and the Nasdaq dropping around 2.6%. This was driven by uncertainty surrounding tariffs, particularly new export restrictions on semiconductors to China, which affected major U.S. semiconductor companies like NVIDIA. On the positive side, the bond market functioned more orderly, with government bond yields moving lower and the U.S. Aggregate bond index climbing about 1% for the week. The broader markets continue to be influenced by the tariff narrative. Given the increased uncertainty still present in the market, it is important to maintain discipline, ensure portfolio allocations are rebalanced to appropriate ranges and well-diversified. When possible, establish and maintain an emergency cash reserve to help weather any future volatility.

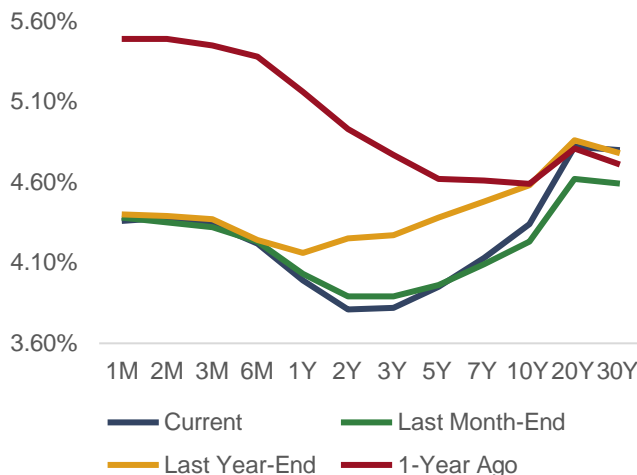
Fixed Income Markets Overview

- Yields fell an average of 8.5 basis points across the yield curve, which drove bond prices higher and led to a nearly 1% gain for the Bloomberg US Aggregate Bond Index. Maturities between 1 and 10 years saw the most movement falling between 14 to 20 bps.
- Expectations for rate cuts from the Fed continue to trend lower. Bloomberg expectations for a 25-basis point cut at the May FOMC meeting fell to 11% from 24% the week prior. Also, the theoretically 100% chance of a cut at the June FOMC meeting has fallen to a 63% chance.
- Mortgage rates jumped just over 20 bps last week to just over 6.8%. This marks the thirteenth consecutive week of rates below 7%. While rates are still high for recent history, they are still below the 7.1% experienced a year ago, and mortgage application is elevated over the same period. Lower rates and increased buying activity are positives for the housing market.

Asset Class	Name	1W	YTD	3Y(Ann.)	5Y(Ann.)	
Short	1-3 Year Govt/Credit	0.4%	1.9%	3.3%	1.5%	
	Core Plus	Intermediate Govt/Credit	0.9%	2.4%	2.7%	0.6%
		International Aggregate	1.0%	4.8%	0.2%	-1.2%
		US Aggregate	0.9%	2.0%	1.3%	-0.9%
	US Treasury	0.8%	2.4%	0.7%	-1.9%	
	US TIPS	1.0%	2.9%	0.3%	1.7%	
	US Corporate	1.2%	1.0%	2.1%	0.3%	
US Corporate High Yield	1.3%	-0.2%	5.3%	5.8%		
Other	Emerging Markets Aggregate	1.6%	1.0%	4.0%	2.4%	
Muni	US Municipals	1.1%	-1.7%	1.6%	0.7%	
	US Municipals High Yield	1.2%	-1.5%	2.8%	4.0%	

Source: Bloomberg as of April 18, 2025

U.S. Treasury Yield Curve



Source: Bloomberg and U.S Treasury as of April 18, 2025

Interest Rates (%)

Date	4/17/2025	3/31/2025	12/31/2024	4/17/2024
Federal Funds Rate	4.36%	4.38%	4.40%	5.49%
3 Month Treasury	4.34%	4.32%	4.37%	5.45%
6 Month Treasury	4.22%	4.23%	4.24%	5.38%
2 Year Treasury	3.81%	3.89%	4.25%	4.93%
5 Year Treasury	3.95%	3.96%	4.38%	4.62%
10 Year Treasury	4.34%	4.23%	4.58%	4.59%
30 Year Treasury	4.80%	4.59%	4.78%	4.71%
US Aggregate	4.70%	4.60%	4.91%	5.22%
US Corporate	5.34%	5.15%	5.33%	5.68%
US Corporate High Yield	8.19%	7.73%	7.49%	8.28%
US Municipal	4.14%	3.85%	3.74%	3.70%
US Municipal High Yield	5.87%	5.59%	5.52%	5.63%

Spreads Over 10-Year US Treasuries

Date	4/17/2025	3/31/2025	12/31/2024	4/17/2024
30 Year Treasury	0.46%	0.36%	0.20%	0.12%
US Aggregate	0.36%	0.37%	0.33%	0.63%
US Corporate	1.00%	0.92%	0.75%	1.09%
US Corporate High Yield	3.85%	3.50%	2.91%	3.69%
US Municipal	-0.20%	-0.38%	-0.84%	-0.89%
US Municipal High Yield	1.53%	1.36%	0.94%	1.04%

Source: Bloomberg and U.S. Treasury as of April 18, 2025

Equity Markets Overview

- Equity markets struggled to maintain the positive momentum that followed President Trump's announcement of a 90-day pause to tariffs. The S&P 500 held up the best of the 3 major indices falling 1.5% for the week while the Nasdaq and Dow Jones fell 2.6% and 2.7%, respectively.
- Sectors were mixed as 5 posted gains ranging from 0.4% to 3.9% and 6 losses ranging from .05% to 3.7%. Technology and Consumer Discretionary got hit hardest with losses of 3.7% and 3.2%, respectively. Real Estate and Energy saw the biggest gains of 3.9% and 3.2%, respectively.
- Large cap stocks lagged their small- and mid-cap peers for the week but are still ahead on a year-to-date basis. Last week, large caps fell 1.5% while both small- and mid-caps posted gains of 0.7% and 0.3%, respectively.
- From a style lens, value outperformed growth in all market segments with the biggest divergence in the large cap segment.
- International equities enjoyed a strong week with a gain of 3.6%. Their inclusion in a well-diversified portfolio would be a benefit to investors thus far this year as international is up 4.4% on the year while US equities are down just around 10%.

Asset Class	Name	1W	YTD	3Y(Ann.)	5Y(Ann.)
All-Cap	S&P 1500	-1.3%	-10.1%	7.5%	14.6%
Large-Cap	S&P 500	-1.5%	-9.8%	8.0%	14.7%
	S&P 500 Growth	-2.3%	-12.7%	8.2%	14.9%
	S&P 500 Value	-0.7%	-6.7%	6.8%	13.3%
Mid-Cap	S&P Midcap 400	0.8%	-11.7%	3.2%	13.7%
	S&P Midcap 400 Growth	0.3%	-12.6%	3.1%	11.4%
	S&P Midcap 400 Value	1.3%	-10.7%	3.2%	15.8%
Small-Cap	S&P Smallcap 600	0.9%	-16.2%	-1.1%	12.0%
	S&P Smallcap 600 Growth	0.7%	-13.6%	0.4%	11.0%
	S&P Smallcap 600 Value	1.1%	-18.7%	-2.6%	12.8%
Int'l.	MSCI ACWI ex-USA	3.6%	4.4%	5.3%	9.7%
	MSCI EM	2.3%	0.0%	1.5%	6.0%

Source: Bloomberg as of April 18, 2025

Alternative Markets Overview

- Gold continues to climb higher as it broke through the \$3.3k/oz price level after breaching \$3.2k/oz a week prior. Like last year, the precious metal is once again among the hottest performers with a 26% gain YTD.
- Bitcoin saw a modest gain of 0.8% last week but remains down around 10% on the year. The cryptocurrency has surprisingly not experienced the sharp volatility spike US equities have in recent weeks. Much of its negative performance came in early and late February and it has traded sideways since.

Name	1W	YTD	3Y (Ann.)	5Y (Ann.)
S&P GSCI	2.6%	-0.3%	-2.9%	19.7%
Gold	2.6%	26.0%	18.8%	14.4%
FTSE All Equity NAREIT	3.9%	-1.1%	-3.0%	6.9%
Bitcoin	0.8%	-9.5%	27.6%	63.6%
Ethereum	1.0%	-52.6%	-19.3%	55.9%

Source: Bloomberg as of April 18, 2025



Upcoming Week

- Q1 earnings season continues with a busy week full of releases. Key names include Tesla, Chipotle Mexican Grill, and Alphabet.
- Notable economic releases this week include Wednesday's Purchasing Managers Index (PMI) and Home Sales data as well as Friday's University of Michigan Consumer Sentiment.

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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