

Capital Markets Snapshot

Courtesy of Sage Advisors

Week ending October 10, 2025

The U.S. government shutdown entered its second week and has become the fourth longest on record with low expectations of a quick resolution. Despite this, markets chopped sideways most of the week until experiencing a selloff on Friday, following President Trump's announcing the potential for higher tariffs on Chinese imports. The S&P 500, NASDAQ, and Dow Jones all posted weekly losses, breaking a multi-week rally. Despite mounting disruptions from the shutdown, markets appear focused on AI sector headlines, expectations of falling interest rates in months ahead, and trade policy developments. A bright spot in the volatility, gold continued to surge as its price broke above \$4,000 per ounce, reflecting potential longer-term fiscal concerns and safe-haven demand. The Federal Reserve released meeting minutes reaffirming expectations for further rate cuts, even as economic data releases are delayed by the shutdown. It appears the Federal Reserve may be "operating in the dark" as labor market data is suspended, but the Bureau of Labor Statistics plans to pull in some furloughed workers to release the October CPI on October 24 before suspending further data. Looking ahead, Q3 earnings season is set to begin, with expectations for continued growth in corporate profits.

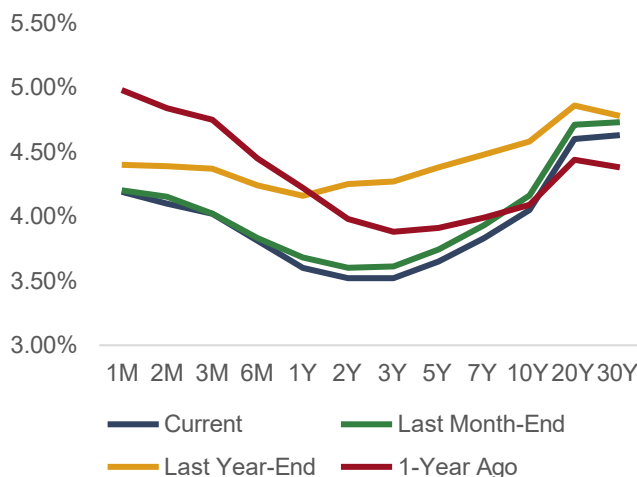
Fixed Income Markets Overview

- Treasury yields fell an average of 6 bps across the curve last week, driven by "flight to safety" buying after trade tensions escalated between the US and China. Yields with 1 or more years to maturity saw the largest movement falling 6-10 bps.
- The Fed's minutes reaffirmed expectations for further rate cuts before year-end. Markets are currently pricing in two more 25-basis-point cuts this year and two in 2026.
- The Atlanta Fed's GDPNow estimate for Q3 GDP remained unchanged at +3.8%. The shutdown can be expected to have a temporary negative impact on economic growth, particularly the longer it takes to resolve. However, historically negative impacts have been quickly recovered post shutdown.

Asset Class	Name	1W	YTD	3Y(Ann.)	5Y(Ann.)
Short	1-3 Year Govt/Credit	0.2%	4.4%	4.8%	1.8%
Core Plus	Intermediate Govt/Credit	0.2%	6.1%	5.4%	0.9%
	International Aggregate	-0.5%	7.5%	5.7%	-1.7%
	US Aggregate	0.3%	6.7%	5.2%	-0.3%
	US Treasury	0.5%	6.1%	3.9%	-1.1%
	US TIPS	0.4%	7.3%	4.9%	1.5%
	US Corporate	0.1%	7.3%	7.2%	0.4%
	US Corporate High Yield	-0.7%	6.6%	10.3%	5.1%
Other	Emerging Markets Aggregate	-0.1%	8.8%	10.3%	1.8%
Muni	US Municipals	0.3%	3.2%	4.6%	1.0%
	US Municipals High Yield	0.3%	1.6%	6.5%	3.0%

Source: Bloomberg as of October 10, 2025

U.S. Treasury Yield Curve



Source: Bloomberg and U.S. Treasury as of October 10, 2025

Interest Rates (%)

Date	10/10/2025	9/30/2025	12/31/2024	10/10/2024
Federal Funds Rate	4.19%	4.20%	4.40%	4.98%
3 Month Treasury	4.02%	4.02%	4.37%	4.75%
6 Month Treasury	3.81%	3.83%	4.24%	4.45%
2 Year Treasury	3.52%	3.60%	4.25%	3.98%
5 Year Treasury	3.65%	3.74%	4.38%	3.91%
10 Year Treasury	4.05%	4.16%	4.58%	4.09%
30 Year Treasury	4.63%	4.73%	4.78%	4.38%
US Aggregate	4.30%	4.37%	4.91%	4.50%
US Corporate	4.78%	4.81%	5.33%	4.94%
US Corporate High Yield	6.99%	6.70%	7.49%	7.25%
US Municipal	3.62%	3.66%	3.74%	3.42%
US Municipal High Yield	5.69%	5.69%	5.52%	5.28%

Spreads Over 10-Year US Treasuries

Date	10/10/2025	9/30/2025	12/31/2024	10/10/2024
30 Year Treasury	0.58%	0.57%	0.20%	0.29%
US Aggregate	0.25%	0.21%	0.33%	0.41%
US Corporate	0.73%	0.65%	0.75%	0.85%
US Corporate High Yield	2.94%	2.54%	2.91%	3.16%
US Municipal	-0.43%	-0.50%	-0.84%	-0.67%
US Municipal High Yield	1.64%	1.53%	0.94%	1.19%

Source: Bloomberg and U.S. Treasury as of October 10, 2025

Equity Markets Overview

- S&P 500, NASDAQ, and Dow all posted weekly declines after a Friday sell-off triggered by escalating U.S.-China trade tensions. AI sector headlines, including deals involving AMD and Nvidia, drove early-week gains but profit-taking followed.
- Volatility increased, particularly on Friday as the S&P 500 experienced its largest one-day drop since April. October has typically brought higher levels of market volatility than other months. Pair this with uncertainty from the government shutdown and markets near all-time highs with high valuations creates potential for higher volatility in the coming weeks.
- Earnings season is set to begin, with analysts expecting 8% year-over-year EPS growth. If expectations hold it will mark the ninth consecutive quarter of year over year earnings growth.
- Dividend growth accelerated in Q3, with S&P 500 companies posting net increases of \$10.6 billion (well above Q2's \$7.4 billion).

Asset Class	Name	1W	YTD	3Y(Ann.)	5Y(Ann.)
All-Cap	S&P 1500	-2.5%	11.7%	22.9%	14.9%
	S&P 500	-2.4%	12.5%	23.8%	15.2%
Large-Cap	S&P 500 Growth	-2.3%	17.1%	28.1%	15.7%
	S&P 500 Value	-2.5%	7.6%	18.2%	14.0%
	S&P Midcap 400	-3.8%	2.5%	13.6%	11.3%
Mid-Cap	S&P Midcap 400 Growth	-3.4%	3.0%	14.0%	8.9%
	S&P Midcap 400 Value	-4.4%	1.9%	13.1%	13.8%
	S&P Smallcap 600	-4.9%	0.2%	10.4%	10.3%
Small-Cap	S&P Smallcap 600 Growth	-4.1%	1.6%	10.9%	8.8%
	S&P Smallcap 600 Value	-5.7%	-1.2%	9.6%	11.6%
	Int'l.				
	MSCI ACWI ex-USA	-1.5%	26.2%	20.4%	9.5%
	MSCI EM	-0.6%	29.4%	18.4%	6.5%

Source: Bloomberg as of October 10, 2025

Alternative Markets Overview

- Gold rallied to a record above \$4,000/oz and closed the week up over 50% year-to-date. Gold prices hit an eighth consecutive weekly gain, driven by strong safe-haven demand amid geopolitical and economic uncertainty, and expectations of further U.S. Federal Reserve rate cuts.
- On Monday, U.S. spot bitcoin ETFs saw \$1.8B in inflows (the second largest singled day inflow). This aligned with bitcoin hitting a fresh all-time high above \$126k before trending lower and ending the week down 5%. This is the third time in as many months bitcoin failed to sustain positive price momentum after breaking above \$122k.
- The price of U.S. crude oil sank sharply, trading below \$60/barrel, on Friday following President Trump's comments about the prospect of higher tariffs on imports from China. Concerns about a potential global oversupply have recently weighed on oil prices.

Name	1W	YTD	3Y (Ann.)	5Y (Ann.)
S&P GSCI	-1.3%	4.1%	1.1%	16.6%
Gold	2.3%	51.5%	33.7%	15.7%
FTSE All Equity NAREIT	-3.2%	1.1%	8.9%	5.2%
Bitcoin	-5.0%	24.9%	82.4%	59.3%
Ethereum	-11.4%	20.0%	45.2%	61.5%

Source: Bloomberg as of October 10, 2025



Upcoming Week

- Q3 earnings seasons kicks off this week. Notable reports include a number of financial services and banking firms such as BlackRock, Citigroup, Goldman Sachs, JPMorgan Chase & Co, Wells Fargo, Morgan Stanley, PNC Financial Services, Bank of New York Mellon Corp, Charles Schwab Corp, and State Street Corp.
- The government shutdown can be expected to impact government data reporting. This week eyes will be on Jerome Powell when he speaks Tuesday. September CPI figures were scheduled to be released Wednesday but are delayed until next Friday. Other notable releases that could be delayed include PPI, retail sales, weekly unemployment claims, and housing data.

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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