



Capital Markets Snapshot

Courtesy of Sage Advisors

Week ending October 17, 2025

The S&P 500, currently on a six-month rally, posted a positive yet volatile week following the prior Friday's selloff. The US equity benchmark may be showing signs of short-term fatigue with headwinds arising from ongoing U.S.-China trade tensions, the U.S. government shutdown, and emerging concerns about small regional banks' credit quality. Volatility recently increased, as indicated by the recent spike in the VIX index and a shift toward safe-haven assets, like U.S. Treasuries. Despite these challenges, any market pullback we may experience is not expected to become a deep/prolonged bear market, given supportive factors such as anticipated Federal Reserve rate cuts, strong, positive corporate earnings, and accommodative fiscal policies. Despite the increased volatility of recent weeks, the S&P 500 held above its 50-day moving average, and major U.S. banks kicked off earnings season with strong results, which are potentially bullish signals. Treasury yields fell midweek, with the 2- and 10-year rates breaking below key resistance levels, but rebounded before week's end, reflecting ongoing uncertainty. Oil prices dropped to their lowest levels since May, while gold surged to a new high and Bitcoin experienced a sharp sell-off.

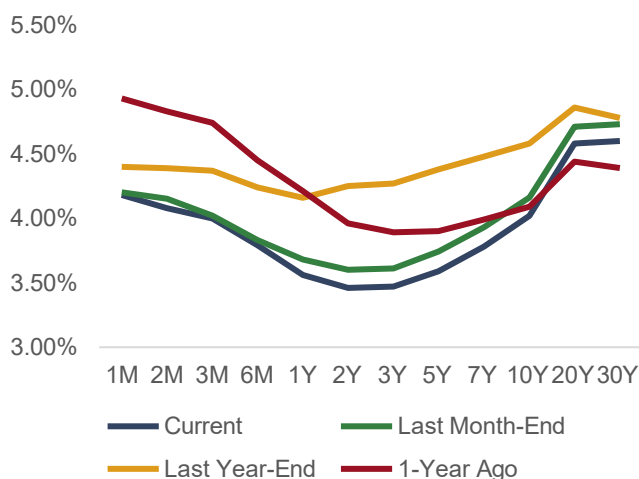
Fixed Income Markets Overview

- Treasury yields fell across the curve, driven by a flight to safety amid heightened uncertainty. The 10-year Treasury yield briefly dipped below 4% for the first time since April, then rebounded above this key level to end the week. The 2-year Treasury yield hit its lowest level since 2022, reflecting increased market caution.
- Expectations for Federal Reserve rate cuts in 2025 and 2026 increased, supported by dovish comments from Fed Chair Powell.
- The government shutdown restricted economic data releases, but the Atlanta Fed's GDPNow tracker revised Q3 GDP growth up to +3.9%.
- Credit concerns emerged following losses and lawsuits at certain regional banks, but default rates remain low and banks are well-capitalized.

Asset Class	Name	1W	YTD	3Y(Ann.)	5Y(Ann.)
Short	1-3 Year Govt/Credit	0.2%	4.6%	5.0%	1.9%
Core Plus	Intermediate Govt/Credit	0.3%	6.4%	5.7%	0.9%
	International Aggregate	0.8%	8.3%	6.1%	-1.6%
	US Aggregate	0.5%	7.2%	5.8%	-0.2%
	US Treasury	0.4%	6.4%	4.3%	-1.1%
	US TIPS	0.1%	7.5%	4.8%	1.5%
	US Corporate	0.5%	7.9%	7.9%	0.4%
	US Corporate High Yield	0.5%	7.1%	10.7%	5.2%
Other	Emerging Markets Aggregate	0.4%	9.2%	11.1%	1.8%
Muni	US Municipals	0.5%	3.7%	4.7%	1.1%
	US Municipals High Yield	0.5%	2.1%	6.9%	3.0%

Source: Bloomberg as of October 17, 2025

U.S. Treasury Yield Curve



Source: Bloomberg and U.S. Treasury as of October 17, 2025

Interest Rates (%)

Date	10/17/2025	9/30/2025	12/31/2024	10/17/2024
Federal Funds Rate	4.18%	4.20%	4.40%	4.93%
3 Month Treasury	4.00%	4.02%	4.37%	4.74%
6 Month Treasury	3.79%	3.83%	4.24%	4.45%
2 Year Treasury	3.46%	3.60%	4.25%	3.96%
5 Year Treasury	3.59%	3.74%	4.38%	3.90%
10 Year Treasury	4.02%	4.16%	4.58%	4.09%
30 Year Treasury	4.60%	4.73%	4.78%	4.39%
US Aggregate	4.23%	4.37%	4.91%	4.52%
US Corporate	4.71%	4.81%	5.33%	4.93%
US Corporate High Yield	6.79%	6.70%	7.49%	7.16%
US Municipal	3.57%	3.66%	3.74%	3.42%
US Municipal High Yield	5.64%	5.69%	5.52%	5.28%

Spreads Over 10-Year US Treasuries

Date	10/17/2025	9/30/2025	12/31/2024	10/17/2024
30 Year Treasury	0.58%	0.57%	0.20%	0.30%
US Aggregate	0.21%	0.21%	0.33%	0.43%
US Corporate	0.69%	0.65%	0.75%	0.84%
US Corporate High Yield	2.77%	2.54%	2.91%	3.07%
US Municipal	-0.45%	-0.50%	-0.84%	-0.67%
US Municipal High Yield	1.62%	1.53%	0.94%	1.19%

Source: Bloomberg and U.S. Treasury as of October 17, 2025

Equity Markets Overview

- All three major US indices were up for the week. The Nasdaq led with a 2.1% gain, followed by the S&P 500's 1.7% and Dow Jones' 1.6%.
- Q3 earnings season began with major banks beating expectations on both revenue and profit. Of companies that have reported so far 70% of companies beat revenue expectations, while 84% beat on profit expectations. Revenue growth for reporting companies was nearly 8%, and EPS growth almost 16%.
- Market breadth contracted as volatility has ticked up, suggesting last week's gains were driven primarily by larger companies. Speculative and momentum-driven stocks corrected off recent highs, signaling a healthy sentiment reset.
- Trade tensions eased slightly after President Trump suggested high tariffs on China were unsustainable.
- Volatility spiked but reversed by week's end, with the VIX dropping from its Friday intraday high near 29 to close around 22.

Asset Class	Name	1W	YTD	3Y(Ann.)	5Y(Ann.)
All-Cap	S&P 1500	1.8%	13.6%	22.8%	15.2%
	S&P 500	1.7%	14.5%	23.7%	15.6%
	S&P 500 Growth	1.7%	19.1%	28.2%	15.9%
Large-Cap	S&P 500 Value	1.7%	9.4%	18.0%	14.5%
	S&P Midcap 400	2.0%	4.5%	13.6%	11.7%
	S&P Midcap 400 Growth	1.7%	4.8%	14.1%	9.3%
Mid-Cap	S&P Midcap 400 Value	2.3%	4.3%	13.0%	14.2%
	S&P Smallcap 600	3.0%	3.2%	10.5%	11.0%
	S&P Smallcap 600 Growth	2.8%	4.5%	11.2%	9.4%
Small-Cap	S&P Smallcap 600 Value	3.2%	2.0%	9.7%	12.4%
	MSCI ACWI ex-USA	0.4%	26.7%	20.5%	9.9%
Int'l.	MSCI EM	-0.3%	29.1%	19.1%	6.4%

Source: Bloomberg as of October 17, 2025

Alternative Markets Overview

- Gold futures surged over 5%, marking their ninth consecutive weekly gain bringing its YTD gain to 59.5%. The rally in gold may be tied to both momentum and safe-haven trades.
- Bitcoin prices continued to melt downwards with prices falling 8.7% last week, at one point dropping to its lowest level in three months before a modest rebound.
- Oil prices fell for the third consecutive week, briefly trading below \$57 per barrel, as concerns about a global supply glut and rising U.S. inventories outweighed geopolitical risks. The decline was further influenced by news that Presidents Trump and Putin agreed to meet in Hungary to discuss ending the war in Ukraine, which eased fears of tighter energy supplies.

Name	1W	YTD	3Y (Ann.)	5Y (Ann.)
S&P GSCI	0.0%	4.1%	2.2%	16.5%
Gold	5.3%	59.5%	36.3%	17.2%
FTSE All Equity NAREIT	3.5%	4.6%	9.0%	6.5%
Bitcoin	-8.7%	14.0%	76.0%	56.5%
Ethereum	-4.4%	14.7%	42.4%	60.0%

Source: Bloomberg as of October 17, 2025



Upcoming Week

- Q3 earnings season is underway and off to a strong start. It is another week loaded with releases, two noteworthy ones include Netflix and Newmont.
- The government shutdown continues and continues to impact government data reporting. This week we will get the last CPI release until it is resolved. We expect to receive some housing data (mortgage applications and existing home sales) as well as the S&P PMI and University of Michigan sentiment updates.

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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