

# Capital Markets Snapshot

Courtesy of The McConachie Team

Week ending November 22, 2024

Last week, bullish market sentiment supported investors “buying the dip” throughout the week as buying pressures helped push the S&P 500 up 1.7%, despite dips throughout the week. Nvidia's earnings report showed strong results. However, the stock traded down for the second quarter in a row following a positive post-earnings release, possibly indicating high expectations are weighing on investor enthusiasm. The technology sector's performance was mixed, with semiconductors underperforming due to concerns about tighter export restrictions to China. Overall, optimism about potential positive impacts from the next administration's policy changes and a strong U.S. dollar contributed are influencing market psychology and contributed to the market's upward momentum.

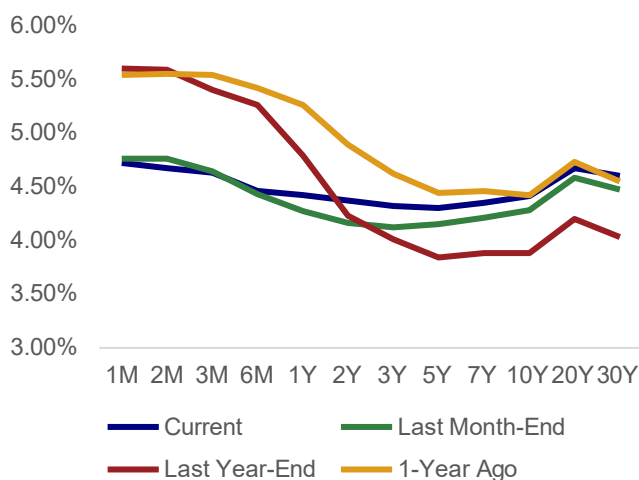
## Fixed Income Markets Overview

- Shorter-term bond yields saw an increase as Treasury yields for maturities three years and shorter rose between 2 and 8 basis points, except for the 2-month yield that remained flat over the prior week. Yields for maturities 5-years and longer remained relatively stable.
- Expectations for future Federal Reserve rate cuts eased, with probabilities suggesting a 55% chance of a 25-basis-point cut at the December FOMC meeting, down from 58% the previous week.
- After a brief pause the week prior, mortgage rates continued to tick back up this week as they approach 7%. The increasing rates resulted in downward pressure on purchase demand, which increased for-sale inventory and contributed to falling demand for new construction.

Asset Class	Name	1W	YTD	3Y(Ann.)	5Y(Ann.)
<b>Short</b>	1-3 Year Govt/Credit	0.0%	3.7%	1.5%	1.5%
	<b>Core Plus</b>				
	Intermediate Govt/Credit	0.1%	2.8%	-0.1%	0.8%
	International Aggregate	-0.1%	-1.3%	-4.3%	-1.8%
	US Aggregate	0.2%	1.5%	-2.2%	-0.3%
	US Treasury	0.1%	0.8%	-2.6%	-0.7%
	US TIPS	0.3%	2.5%	-1.9%	2.1%
	US Corporate	0.1%	2.5%	-1.9%	0.5%
	US Corporate High Yield	0.3%	8.2%	3.3%	4.7%
<b>Other</b>	Emerging Markets Aggregate	0.3%	6.8%	-0.3%	1.0%
<b>Muni</b>	US Municipals	0.2%	1.7%	-0.2%	1.2%
	US Municipals High Yield	0.2%	7.0%	0.7%	2.9%

Source: Bloomberg as of November 22, 2024

## U.S. Treasury Yield Curve



Source: Bloomberg and U.S Treasury as of November 22, 2024

## Interest Rates (%)

Date	11/22/2024	10/31/2024	12/29/2023	11/22/2023
Federal Funds Rate	4.72%	4.76%	5.60%	5.54%
3 Month Treasury	4.63%	4.64%	5.40%	5.54%
6 Month Treasury	4.46%	4.43%	5.26%	5.42%
2 Year Treasury	4.37%	4.16%	4.23%	4.89%
5 Year Treasury	4.30%	4.15%	3.84%	4.44%
10 Year Treasury	4.41%	4.28%	3.88%	4.42%
30 Year Treasury	4.60%	4.47%	4.03%	4.55%
US Aggregate	4.84%	4.73%	4.53%	5.18%
US Corporate	5.25%	5.16%	5.06%	5.76%
US Corporate High Yield	7.24%	7.33%	7.59%	8.64%
US Municipal	3.56%	3.66%	3.22%	3.83%
US Municipal High Yield	5.36%	5.44%	5.57%	5.98%

## Spreads Over 10-Year US Treasuries

Date	11/22/2024	10/31/2024	12/29/2023	11/22/2023
30 Year Treasury	0.19%	0.19%	0.15%	0.13%
US Aggregate	0.43%	0.45%	0.65%	0.76%
US Corporate	0.84%	0.88%	1.18%	1.34%
US Corporate High Yield	2.83%	3.05%	3.71%	4.22%
US Municipal	-0.85%	-0.62%	-0.66%	-0.59%
US Municipal High Yield	0.95%	1.16%	1.69%	1.56%

Source: Bloomberg and U.S. Treasury as of November 22, 2024

## Equity Markets Overview

- All three major large cap indices rose last week. The Dow Jones led the pack with a 2% gain, closely followed by the Nasdaq and S&P 500 posting gains of 1.8% and 1.7%, respectively.
- Most sectors posted positive returns for the week. Telecommunications was the only loser with a -0.3% loss. Consumer Staples, Materials, and Real Estate led the way with gains of 3.1%, 2.95%, and 2.61%, respectively.
- From a size perspective, mid-cap stock led the pack with a strong 4.2% gain followed by small-cap rising 3.7% and large-cap bringing up the rear with a 1.7% rise. From a style perspective, growth stocks outperformed value in the small- and mid-cap segments, while large value stocks outpaced large growth.

Asset Class	Name	1W	YTD	3Y(Ann.)	5Y(Ann.)
All-Cap	S&P 1500	1.9%	26.2%	9.8%	15.5%
Large-Cap	S&P 500	1.7%	26.7%	10.1%	15.8%
	S&P 500 Growth	1.4%	33.4%	7.3%	17.6%
	S&P 500 Value	2.2%	19.3%	12.6%	12.7%
Mid-Cap	S&P Midcap 400	4.2%	21.7%	6.9%	12.7%
	S&P Midcap 400 Growth	4.6%	24.5%	5.4%	12.5%
	S&P Midcap 400 Value	3.8%	18.8%	8.1%	12.5%
Small-Cap	S&P Smallcap 600	3.7%	16.9%	3.7%	11.1%
	S&P Smallcap 600 Growth	4.3%	19.7%	3.1%	11.4%
	S&P Smallcap 600 Value	3.2%	13.9%	4.2%	10.4%
Int'l.	MSCI ACWI ex-USA	0.3%	6.6%	1.0%	5.2%
	MSCI EM	0.2%	8.5%	-2.3%	3.2%

Source: Bloomberg as of November 22, 2024

## Alternative Markets Overview

- Oil prices were up about 6% for the week, their highest settlements in over two weeks as the Ukrainian conflict intensified with Russia becoming more aggressive after Britain and the U.S. allowed Kyiv to strike deeper into Russia with their missiles.
- Gold prices breached the \$2,700 threshold for the first time in over two weeks on Friday, posting a 5.5% weekly gain which is among its largest weekly gains in nearly two years.
- Bitcoin's price continues to flirt with breaching \$100,000 as the recent bullish rally continues. The crypto currency posted an 8.5% gain for the week further fueling its leading YTD performance of over 133%. After spending most of the year trading sideways, the cryptocurrency has been on an upward tear following the election results.

Name	1W	YTD	3Y (Ann.)	5Y (Ann.)
S&P GSCI	3.9%	8.0%	8.6%	7.8%
Gold	5.5%	32.1%	14.8%	13.2%
FTSE All Equity NAREIT	2.3%	12.1%	0.3%	5.1%
Bitcoin	8.5%	133.4%	21.1%	68.4%
Ethereum	6.8%	43.0%	-6.7%	84.8%

Source: Bloomberg as of November 22, 2024



### Upcoming Week

- It will be another lighter week of releases, with a couple noteworthy ones from Abercrombie & Fitch and Dell Technologies.
- The short week will have limited economic releases but keep an eye out for a number of releases on housing market performance between Tuesday and Wednesday plus weekly unemployment data as well as personal income and spending releases on Wednesday.

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## 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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