Capital Markets Snapshot

Courtesy of The McConachie Team

Week ending April 25, 2025

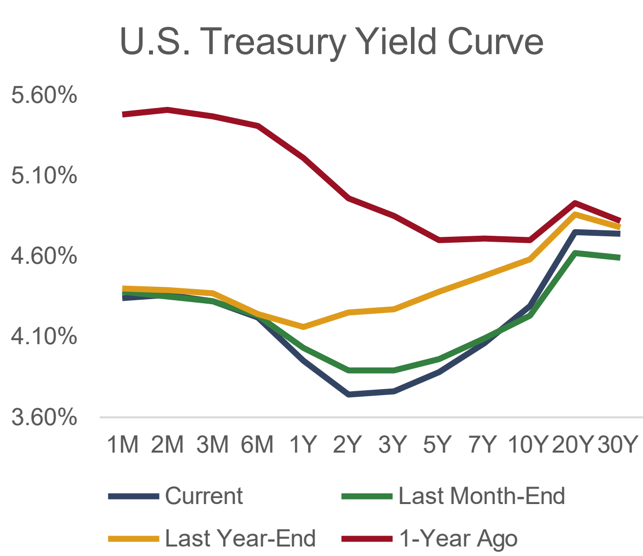
Last week, equity and bond markets experienced a relief rally as the U.S. administration softened its stance on trade and concerns over the Fed's independence eased. This change of position from the Trump administration appears to have helped alleviate trade uncertainty and market volatility with both measures dropping sharply off their recent highs. While this is a positive shift, equity markets are still below their recent highs and likely require more concrete agreements with major countries to return to those levels. As first quarter earnings season continues corporate profits are in focus. Based on releases thus far, it appears mid-single-digit earnings growth could be achievable if the economic slowdown doesn't worsen. While the US equity market continues recovering from their recent drawdown episodes, US fixed income and international equities continue to deliver positive returns on a year-to-date basis. This highlights the importance of maintaining diversification across markets segments and asset classes when constructing and rebalancing portfolios.

Fixed Income Markets Overview

- Yields fell an average of 4.5 basis points across the yield curve, which drove a modest relief rally for the Bloomberg US Aggregate Bond Index, which rose 0.7% over the week. Maturities 1 year and longer saw their yields fall between 4 and 7 basis points. Shorter term rates were either flat or fell 2 bps.
- Expectations for rate cuts from the Fed were relatively constant from week to week. Bloomberg expectations for a 25-basis point cut at the May FOMC meeting remained at 11%. Also, the theoretically 100% chance of a cut at the June FOMC meeting now sits at an expected 67% chance.
- Mortgage rates decreased slightly but remains around 6.8%. Since November, rates have chopped sideways between a low of 6.6% and a high just over 7%.

Asset Class	Name	1W	YTD	3Y(Ann.)	5Y(Ann.)
Short	1-3 Year Govt/Credit	0.2%	2.1%	3.4%	1.5%
Core Plus	Intermediate Govt/Credit	0.4%	2.8%	2.9%	0.7%
	International Aggregate	0.3%	5.1%	0.7%	-1.1%
	US Aggregate	0.7%	2.7%	1.6%	-0.8%
	US Treasury	0.5%	3.0%	0.9%	-1.8%
	US TIPS	0.8%	3.6%	0.5%	1.6%
	US Corporate	1.0%	2.0%	2.6%	0.4%
	US Corporate High Yield	1.3%	1.1%	6.0%	6.6%
Other	Emerging Markets Aggregate	1.1%	2.1%	4.8%	2.8%
Muni	US Municipals	0.1%	-1.6%	1.9%	0.9%
	US Municipals High Yield	0.0%	-1.5%	3.2%	4.3%

Source: Bloomberg as of April 25, 2025



Source: Bloomberg and U.S Treasury as of April 25, 2025

Interest Rates (%)

Date	4/25/2025	3/31/2025	12/31/2024	4/25/2024
Federal Funds Rate	4.34%	4.38%	4.40%	5.48%
3 Month Treasury	4.32%	4.32%	4.37%	5.47%
6 Month Treasury	4.22%	4.23%	4.24%	5.41%
2 Year Treasury	3.74%	3.89%	4.25%	4.96%
5 Year Treasury	3.88%	3.96%	4.38%	4.70%
10 Year Treasury	4.29%	4.23%	4.58%	4.70%
30 Year Treasury	4.74%	4.59%	4.78%	4.82%
US Aggregate	4.61%	4.60%	4.91%	5.31%
US Corporate	5.21%	5.15%	5.33%	5.75%
US Corporate High Yield	7.80%	7.73%	7.49%	8.21%
US Municipal	4.14%	3.85%	3.74%	3.78%
US Municipal High Yield	5.88%	5.59%	5.52%	5.64%

Spreads Over 10-Year US Treasuries

Date	4/25/2025	3/31/2025	12/31/2024	4/25/2024
30 Year Treasury	0.45%	0.36%	0.20%	0.12%
US Aggregate	0.32%	0.37%	0.33%	0.61%
US Corporate	0.92%	0.92%	0.75%	1.05%
US Corporate High Yield	3.51%	3.50%	2.91%	3.51%
US Municipal	-0.15%	-0.38%	-0.84%	-0.92%
US Municipal High Yield	1.59%	1.36%	0.94%	0.94%

Source: Bloomberg and U.S. Treasury as of April 25, 2025

Equity Markets Overview

- Equity markets posted strong weekly gains as the relief rally from softening positions on tariff and monetary policy from the administration drove the markets upward. The Nasdaq led the three major indices with a weekly gain of 6.7%, followed by the S&P 500's 4.6%, and the Dow Jones' 2.5%.
- Almost all sectors posted gains with only the Consumer Discretionary sector posting a loss of 1.4%. For the positive sectors, weekly returns ranged 0.2% to 7.9%. Technology, Consumer Discretionary, and Telecommunications were the biggest winners posting weekly gains ranging from 6.4% to 7.9%.
- Large cap stocks outpaced their small- and mid-cap peers for the week and continue to lead them on a year to date basis as well. Last week, large caps rose 4.6% while both small- and mid-caps posted gains of 3.8% and 3.2%, respectively.
- From a style lens, growth outperformed value in the large and mid-cap market segments while the opposite held true with small cap stocks. Large cap stocks saw the biggest divergence between the two style groups.

Asset Class	Name	1W	YTD	3Y(Ann.)	5Y(Ann.)
All-Cap	S&P 1500	4.5%	-6.0%	9.9%	15.9%
Large-Cap	S&P 500	4.6%	-5.7%	10.4%	16.0%
	S&P 500 Growth	6.5%	-7.1%	11.5%	16.5%
	S&P 500 Value	2.7%	-4.2%	8.3%	14.4%
Mid-Cap	S&P Midcap 400	3.2%	-8.9%	4.6%	14.6%
	S&P Midcap 400 Growth	3.5%	-9.5%	4.6%	12.3%
	S&P Midcap 400 Value	2.9%	-8.2%	4.6%	16.7%
Small-Cap	S&P Smallcap 600	3.8%	-13.0%	0.6%	13.0%
	S&P Smallcap 600 Growth	3.5%	-10.5%	1.9%	12.0%
	S&P Smallcap 600 Value	4.0%	-15.5%	-0.9%	13.9%
Int'l.	MSCI ACWI ex-USA	2.8%	7.3%	7.7%	10.7%
	MSCI EM	2.7%	2.8%	4.3%	7.1%

Source: Bloomberg as of April 25, 2025

Alternative Markets Overview

- Gold prices fell 0.9% last week as the dollar posted its first weekly gain since March and signs of easing U.S.-China trade tensions helped calm markets.
- Oil prices fell last week due to pressure from market expectations of oversupply and uncertainty around tariff talks between the U.S. and China.
- Bitcoin posted a 12.9% gain last week, placing it in positive territory on a year-to-date basis with a 2.1% gain.

Name	1W	YTD	3Y (Ann.)	5Y (Ann.)
S&P GSCI	-0.2%	-0.5%	-0.8%	22.5%
Gold	-0.9%	24.9%	20.3%	13.7%
FTSE All Equity NAREIT	-0.1%	-1.2%	-3.5%	7.8%
Bitcoin	12.9%	2.1%	33.3%	66.1%
Ethereum	13.8%	-46.1%	-15.8%	56.9%

Source: Bloomberg as of April 25, 2025

Upcoming Week

- Q1 earnings season continues with a busy week full of releases. Key names include Meta, Amazon, and Apple.
- It is a jam-packed week for economic releases. Important ones include Wednesday's Q1 GDP and PCE releases as well as Friday's Nonfarm Payrolls report.

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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