



Capital Markets Snapshot

Courtesy of The Davis Financial Group
 Week ending October 25, 2024

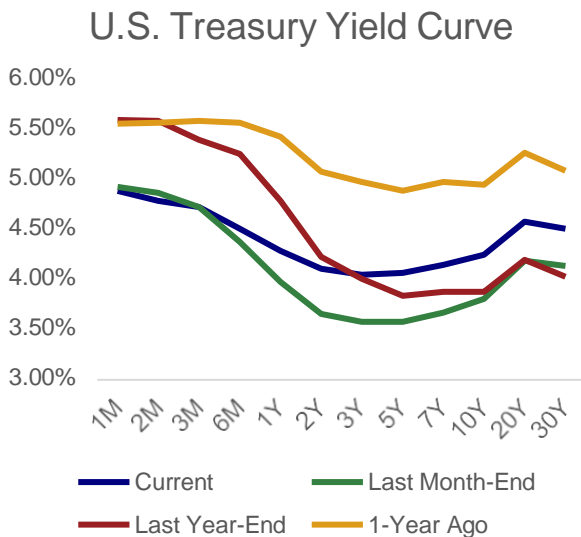
Last week was eventful week as markets experienced notable movements driven by various factors. Rising bond yields contributed to interrupting the S&P 500's six-week streak of gains, as stronger-than-expected economic data continue to temper expectations surrounding rate cuts. The US stock market saw mixed results as the S&P 500 and Dow fell; while the NASDAQ posted its seventh consecutive weekly gain, due to the tech sector being one of the only sectors with positive growth for the week. The yield on the 10-year U.S. Treasury note climbed, reflecting investor caution about inflationary pressures and future interest-rate cuts. Despite the down week and rising rates, the U.S. economy continues to appear resilient as initial jobless claims have continued to come in below estimates, GDP growth expectations remain around 3% for 2024, and recession expectations continue to decline.

Fixed Income Markets Overview

- Bond yields rose across most of the curve last week, with the largest increases occurring for intermediate- and long-term rates while short-term rates modestly fell. Due to the recent increases, the yield curve is approaching a flat structure.
- As more strong economic data comes in it continues to support the Federal Reserve taking a more patient approach to interest rate cuts, which has led to a repricing of future rate expectations. As of last week, the expectation for the Fed policy rate at the end of 2025 came in at 3.5%, up from 2.9% last month.
- Mortgage rates increased for the fourth week in a row with the 30-year average hitting 6.54% due in part to the continued strong economic data coming in recent weeks. Housing data has been somewhat mixed as new home sales have grown recently while previously owned home sales have declined.

Asset Class	Name	1W	YTD	3Y(Ann.)	5Y(Ann.)
Short	1-3 Year Govt/Credit	-0.2%	3.9%	1.4%	1.5%
	Core Plus				
Core Plus	Intermediate Govt/Credit	-0.6%	3.2%	-0.1%	1.0%
	International Aggregate	-0.9%	0.4%	-4.0%	-1.5%
	US Aggregate	-0.9%	2.0%	-2.0%	-0.1%
	US Treasury	-0.8%	1.5%	-2.4%	-0.5%
	US TIPS	-1.0%	2.9%	-1.6%	2.2%
	US Corporate	-1.0%	3.0%	-1.8%	0.7%
Other	US Corporate High Yield	-0.4%	7.5%	3.0%	4.5%
	Emerging Markets Aggregate	-0.6%	6.8%	-0.4%	1.0%
Muni	US Municipals	-1.1%	0.8%	-0.3%	1.1%
	US Municipals High Yield	-1.1%	6.0%	0.8%	2.8%

Source: Bloomberg as of October 25, 2024



Source: Bloomberg and U.S Treasury as of October 25, 2024

Interest Rates (%)				
Date	10/25/2024	9/30/2024	12/29/2023	10/25/2023
Federal Funds Rate	4.89%	4.93%	5.60%	5.56%
3 Month Treasury	4.73%	4.73%	5.40%	5.59%
6 Month Treasury	4.51%	4.38%	5.26%	5.57%
2 Year Treasury	4.11%	3.66%	4.23%	5.08%
5 Year Treasury	4.07%	3.58%	3.84%	4.89%
10 Year Treasury	4.25%	3.81%	3.88%	4.95%
30 Year Treasury	4.51%	4.14%	4.03%	5.09%
US Aggregate	4.67%	4.23%	4.53%	5.70%
US Corporate	5.10%	4.72%	5.06%	6.37%
US Corporate High Yield	7.30%	6.99%	7.59%	9.35%
US Municipal	3.64%	3.32%	3.22%	4.49%
US Municipal High Yield	5.41%	5.20%	5.57%	6.44%

Spreads Over 10-Year US Treasuries				
Date	10/25/2024	9/30/2024	12/29/2023	10/25/2023
30 Year Treasury	0.26%	0.33%	0.15%	0.14%
US Aggregate	0.42%	0.42%	0.65%	0.75%
US Corporate	0.85%	0.91%	1.18%	1.42%
US Corporate High Yield	3.05%	3.18%	3.71%	4.40%
US Municipal	-0.61%	-0.49%	-0.66%	-0.46%
US Municipal High Yield	1.16%	1.39%	1.69%	1.49%

Source: Bloomberg and U.S. Treasury as of October 25, 2024

Equity Markets Overview

- It was a mixed week for equity markets as the S&P 500 and Dow Jones fell 0.96% and 2.66%, respectively, snapping their 6-week streak of gains. The Nasdaq continued to inch upward posting a modest gain of 0.16%.
- Sectors were largely negative last week. Technology and Consumer Discretionary were the only winners posting gains of 0.18% and 0.92%, respectively. Materials, Health Care, and Industrials were the biggest losers with losses of -4.01%, -2.98%, and -2.77%, respectively.
- From a size perspective, large-cap stocks (-1.0%) held up better than their mid- (-2.8%) and small-cap (-3.1%) peers. From a style perspective, growth stocks held up better than value in the large- and small-cap segments.

Asset Class	Name	1W	YTD	3Y(Ann.)	5Y(Ann.)
All-Cap	S&P 1500	-1.1%	22.1%	9.6%	15.4%
Large-Cap	S&P 500	-1.0%	23.1%	10.0%	15.8%
	S&P 500 Growth	0.0%	30.6%	8.4%	17.8%
	S&P 500 Value	-2.2%	14.8%	10.9%	12.5%
Mid-Cap	S&P Midcap 400	-2.8%	13.1%	5.1%	11.4%
	S&P Midcap 400 Growth	-2.8%	16.0%	3.8%	11.2%
	S&P Midcap 400 Value	-2.8%	10.0%	6.3%	11.1%
Small-Cap	S&P Smallcap 600	-3.1%	7.0%	1.7%	9.2%
	S&P Smallcap 600 Growth	-2.9%	9.7%	1.4%	9.6%
	S&P Smallcap 600 Value	-3.3%	4.1%	1.9%	8.5%
Int'l.	MSCI ACWI ex-USA	-1.9%	10.0%	1.8%	6.2%
	MSCI EM	-1.8%	13.3%	-1.8%	4.4%

Source: Bloomberg as of October 25, 2024

Alternative Markets Overview

- U.S. crude oil prices rose around 4% due to continued uncertainties stemming from the ongoing conflict in the Middle East and the upcoming U.S. election.
- Largely due to concerns around the above uncertainties, gold prices rose almost 1% last week, bringing its YTD performance up to 33%.

Name	1W	YTD	3Y (Ann.)	5Y (Ann.)
S&P GSCI	2.8%	8.0%	7.2%	7.9%
Gold	0.9%	33.0%	15.1%	12.8%
FTSE All Equity NAREIT	-1.8%	12.2%	0.5%	4.5%
Bitcoin	-2.8%	56.9%	2.1%	50.5%
Ethereum	-6.7%	7.4%	-16.1%	68.7%

Source: Bloomberg as of October 25, 2024



Upcoming Week

- It is going to be another busy week as third quarter earnings season continues to unfold. Some notable releases to monitor are Meta Platforms, Apple, and Amazon.
- As for economic data, we will be closely following Wednesday's initial estimate of 3rd Quarter GDP as well as several labor market releases coming through the week (Monday: Job Openings and Labor Turnover Survey, Wednesday: ADP National Employment Report, Thursday: Weekly Unemployment Claims, and Friday: Nonfarm Payrolls and Unemployment Rate).

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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