

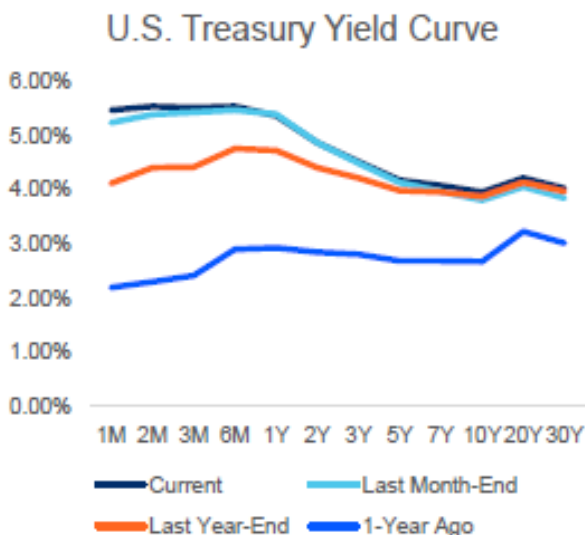
# Capital Markets Snapshot

Week ending July 28, 2023

In a widely expected move, the Federal Reserve raised the Fed Funds rate by 25 basis points on Wednesday. The Fed Funds rate is now in a range of 5.25 to 5.50%, the highest level since 2001. In comments following the announcement, Fed Chairman Powell stated that there was no decision on any future rate moves but acknowledged that inflation has come down in recent months. Other news during the week reflected a positive outlook for the economy as the preliminary report on second quarter GDP came in above expectations at 2.4%, while the Personal Consumption Expenditures (PCE) Index rose by 3.0% in June, down from 3.8% in the previous month.

## Fixed Income Markets Overview

- After Wednesday's rate hike, the 10-year U.S. Treasury yield reached 4.00%, but pulled back on Friday.
- The European Central Bank (ECB) also raised rates this week, but indicated they could be pausing their rate increases soon. The Bank of Japan raised their ceiling for their 10-year yield to 1.0% while also increasing their inflation forecast for the rest of the year.
- Other positive economic news during the week included U.S. Durable Goods orders jumping by 4.7% in June while personal spending rose by 0.5%.



Source: Bloomberg and U.S. Treasury as of July 28, 2023

Asset Class	Name	1W	YTD	3Y(Ann.)	5Y(Ann.)
Short	1-3 Year Govt/Credit	-0.01%	1.51%	-0.83%	1.14%
	Core Plus				
Core Plus	Intermediate Govt/Credit	-0.20%	1.66%	-2.60%	1.27%
	International Aggregate	-0.28%	2.22%	-5.63%	-0.90%
	US Aggregate	-0.40%	1.89%	-4.43%	0.73%
	US Treasury	-0.59%	1.11%	-5.21%	0.44%
	US TIPS	-0.40%	1.91%	-0.73%	2.62%
	US Corporate	-0.23%	3.33%	-4.33%	1.64%
	US Corporate High Yield	0.08%	6.61%	2.10%	3.41%
Other	Emerging Markets Aggregate	0.19%	4.30%	-3.29%	0.87%
Muni	US Municipals	-0.27%	3.09%	-0.91%	1.87%
	US Municipals High Yield	-0.39%	5.07%	1.19%	2.84%

Source: Bloomberg as of July 28, 2023

### Interest Rates (%)

Date	7/28/2023	6/30/2023	12/30/2022	7/28/2022
Federal Funds Rate	5.47%	5.24%	4.12%	2.20%
3 Month Treasury	5.52%	5.43%	4.42%	2.42%
6 Month Treasury	5.54%	5.47%	4.76%	2.90%
2 Year Treasury	4.87%	4.87%	4.41%	2.85%
5 Year Treasury	4.18%	4.13%	3.99%	2.69%
10 Year Treasury	3.96%	3.81%	3.88%	2.68%
30 Year Treasury	4.03%	3.85%	3.97%	3.02%
US Aggregate	4.87%	4.81%	4.68%	3.42%
US Corporate	5.49%	5.48%	5.42%	4.35%
US Corporate High Yield	8.37%	8.50%	8.96%	7.91%
US Municipal	3.49%	3.52%	3.55%	2.81%
US Municipal High Yield	5.70%	5.71%	5.83%	5.03%

### Spreads Over 10-Year US Treasuries

Date	7/28/2023	6/30/2023	12/30/2022	7/28/2022
30 Year Treasury	0.07%	0.04%	0.09%	0.34%
US Aggregate	0.91%	1.00%	0.80%	0.74%
US Corporate	1.53%	1.67%	1.54%	1.67%
US Corporate High Yield	4.41%	4.69%	5.08%	5.23%
US Municipal	-0.47%	-0.29%	-0.33%	0.13%
US Municipal High Yield	1.74%	1.90%	1.95%	2.35%

Source: Bloomberg and U.S. Treasury as of July 28, 2023

## Equity Markets Overview

- All three indices were up for the week driven by positive earnings reports and upbeat news on the economy. The Nasdaq was the winner for the week, up by 2.00%.
- Equity sectors were mixed with Communication Services leading for the week with a gain of 6.9%, but Healthcare, Real Estate, and Utilities all saw losses.
- It was a huge week for earnings reports with positive reports from Procter & Gamble, McDonalds, Ford Motor, and Intel. Chipotle, Shell Oil, and Samsung were among those companies that did not meet analysts' expectations.
- Look for earnings this week from Advanced Micro Devices, Marriott, Pfizer, and Starbucks among others.

Asset Class	Name	1W	YTD	3Y(Ann.)	5Y(Ann.)
All-Cap	S&P 1500	1.00%	19.79%	13.90%	11.73%
Large-Cap	S&P 500	1.03%	20.47%	13.82%	12.14%
	S&P 500 Growth	1.41%	24.75%	10.94%	12.76%
	S&P 500 Value	0.59%	15.81%	16.12%	10.52%
Mid-Cap	S&P Midcap 400	0.43%	12.85%	14.60%	8.30%
	S&P Midcap 400 Growth	0.17%	14.29%	10.23%	7.64%
	S&P Midcap 400 Value	0.71%	11.32%	19.04%	8.54%
Small-Cap	S&P Smallcap 600	1.15%	10.88%	14.83%	5.66%
	S&P Smallcap 600 Growth	0.91%	11.34%	11.11%	5.38%
	S&P Smallcap 600 Value	1.40%	10.44%	18.56%	5.68%
Int'l.	MSCI ACWI ex-USA	1.38%	13.61%	6.25%	3.75%
	MSCI EM	2.85%	11.02%	1.10%	1.55%

Source: Bloomberg as of July 28, 2023

## Alternative Markets Overview

- Oil surged by almost 5% this week as the market faces continued demand amid supply cuts. This marked the fifth straight week of price increases.
- Both gold and silver were down for the week. For the year to date, gold has increased by 7.4%, while silver is up 1.9%. Other precious metals have not fared as well with platinum down by 12.9% and palladium down 31.1% year to date.

Name	1W	YTD	3Y (Ann.)	5Y (Ann.)
S&P GSCI	2.93%	1.92%	27.20%	5.54%
Gold	-0.32%	7.75%	0.06%	9.81%
FTSE All Equity NAREIT	-1.48%	4.41%	4.98%	5.34%
Bitcoin	-1.88%	76.45%	37.62%	28.93%
Ethereum	-1.04%	56.14%	79.79%	32.02%

Source: Bloomberg as of July 28, 2023



### Upcoming Week

- As we head into August, look for the July non-farm payroll report to be released on Friday. Current expectations are for looking for an increase of 184,000 jobs.
- Other upcoming economic news this week includes U.S. Construction Spending and both the ISM Manufacturing and Non-Manufacturing Indices.

## 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.

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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.

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