

Capital Markets Snapshot

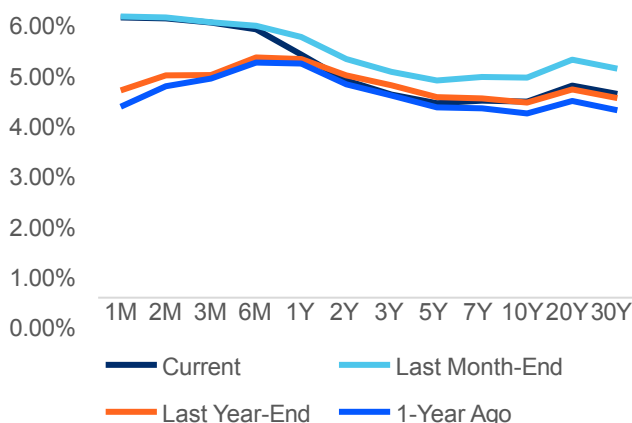
Week ending December 22, 2023

Good news on the economy continued to pour in last week with positive reports on both inflation and consumer sentiment. The headline Personal Consumer Expenditure (PCE) Index fell in November, down by 0.1%, with the annualized rate coming in at 2.6%. This marked the first negative reading since April 2020. Friday's release of the University of Michigan Consumer Sentiment index rose to 69.7, the highest level in five months, as survey participants have started to lower their inflation expectations

Fixed Income Markets Overview

- The bond markets were quiet last week, with the 10-year U.S. Treasury yield staying below 4.0%.
- Other economic data this past week included November Personal Spending, which came in up 0.2%, and Personal Income, which was up 0.4%. Both readings exceeded their October levels.
- Final estimates of third quarter GDP fell slightly from earlier estimates, but still came in at an annualized rate of 4.9%, which was the best rate in almost 2 years.
- With the week's economic data supporting the outlook for rate cuts, the CME Fedwatch Tool currently shows a 75% chance of a rate cut at the March 2024 FOMC meeting.

U.S. Treasury Yield Curve



Source: Bloomberg and U.S. Treasury as of December 22, 2023

Asset Class	Name	1W	YTD	3Y(Ann.)	5Y(Ann.)
Short	1-3 Year Govt/Credit	0.27%	4.44%	0.03%	1.48%
	Intermediate Govt/Credit	0.23%	4.87%	-1.68%	1.62%
Core Plus	International Aggregate	0.53%	5.20%	-5.48%	-0.29%
	US Aggregate	0.14%	5.02%	-3.36%	1.10%
	US Treasury	0.09%	3.63%	-3.86%	0.55%
	US TIPS	-0.18%	3.72%	-0.90%	3.17%
	US Corporate	-0.16%	7.81%	-3.28%	2.54%
	US Corporate High Yield	0.67%	13.00%	2.04%	5.34%
Other	Emerging Markets Aggregate	0.43%	8.70%	-3.14%	1.82%
Muni	US Municipals	0.26%	6.21%	-0.43%	2.26%
	US Municipals High Yield	0.19%	9.16%	0.82%	3.50%

Source: Bloomberg as of December 22, 2023

Interest Rates (%)				
Date	12/22/2023	11/30/2023	12/30/2022	12/22/2022
Federal Funds Rate	5.54%	5.56%	4.12%	3.80%
3 Month Treasury	5.44%	5.45%	4.42%	4.35%
6 Month Treasury	5.31%	5.38%	4.76%	4.66%
2 Year Treasury	4.31%	4.73%	4.41%	4.24%
5 Year Treasury	3.87%	4.31%	3.99%	3.79%
10 Year Treasury	3.90%	4.37%	3.88%	3.67%
30 Year Treasury	4.05%	4.54%	3.97%	3.73%
US Aggregate	4.59%	5.05%	4.68%	4.52%
US Corporate	5.14%	5.60%	5.42%	5.27%
US Corporate High Yield	7.67%	8.43%	8.96%	8.67%
US Municipal	3.23%	3.57%	3.55%	3.50%
US Municipal High Yield	5.55%	5.81%	5.83%	5.75%

Spreads Over 10-Year US Treasuries				
Date	12/22/2023	11/30/2023	12/30/2022	12/22/2022
30 Year Treasury	0.15%	0.17%	0.09%	0.06%
US Aggregate	0.69%	0.68%	0.80%	0.85%
US Corporate	1.24%	1.23%	1.54%	1.60%
US Corporate High Yield	3.77%	4.06%	5.08%	5.00%
US Municipal	-0.67%	-0.80%	-0.33%	-0.17%
US Municipal High Yield	1.65%	1.44%	1.95%	2.08%

Source: Bloomberg and U.S. Treasury as of December 22, 2023

Equity Markets Overview

- All three major equity indices had positive gains last week led by the Nasdaq, which was up 1.2%. This marked the eighth week of positive gains.
- Ten of the eleven S&P equity sectors were higher for the week, led by Communication Services, which was up 4.1%. The only negative sector was Utilities, which was down 1.3%.
- The small cap sector continued to advance again this week with the Russell 2000 up by almost 3.0%.
- Stocks in the news last week included Fed Ex, whose earnings fell below analysts' expectations, and Nike, who met expectations but lowered revenue guidance for the year.

Asset Class	Name	1W	YTD	3Y(Ann.)	5Y(Ann.)
All-Cap	S&P 1500	0.85%	25.08%	10.32%	16.17%
Large-Cap	S&P 500	0.77%	25.85%	10.54%	16.47%
	S&P 500 Growth	0.98%	29.92%	7.22%	17.18%
	S&P 500 Value	0.53%	21.46%	13.55%	14.70%
Mid-Cap	S&P Midcap 400	1.54%	16.60%	8.08%	13.38%
	S&P Midcap 400 Growth	1.43%	17.75%	4.11%	12.69%
	S&P Midcap 400 Value	1.65%	15.46%	12.04%	13.64%
Small-Cap	S&P Smallcap 600	2.25%	16.08%	7.22%	12.00%
	S&P Smallcap 600 Growth	2.69%	17.31%	3.99%	11.49%
	S&P Smallcap 600 Value	1.80%	14.73%	10.37%	12.19%
Int'l.	MSCI ACWI ex-USA	0.52%	13.64%	1.60%	6.93%
	MSCI EM	-0.79%	6.39%	-5.22%	3.25%

Source: Bloomberg as of December 22, 2023

Alternative Markets Overview

- The price of oil was up for the week over concerns on shipping vessel attacks in the Red Sea.
- Cryptocurrencies continued to perform well with Bitcoin again breaking \$44,000 this week before pulling back slightly. Ethereum was also up for the week, while several other cryptocurrencies, such as Solana, saw significant gains.

Name	1W	YTD	3Y (Ann.)	5Y (Ann.)
S&P GSCI	1.25%	-2.92%	20.22%	8.69%
Gold	0.46%	12.57%	2.88%	10.17%
FTSE All Equity NAREIT	0.27%	10.52%	6.30%	7.45%
Bitcoin	3.54%	163.36%	23.16%	63.03%
Ethereum	2.89%	92.99%	56.47%	85.26%

Source: Bloomberg as of December 22, 2023



Upcoming Week

- As we enter the final week of 2023, look for a few remaining economic reports including the Case Shiller Home Price Index and pending home sales from the National Association of Realtors.
- The Conference Board's Consumer Confidence Index will be released on Tuesday. This survey measures consumer's expectations regarding their future financial situation.

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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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