

# Capital Markets Snapshot

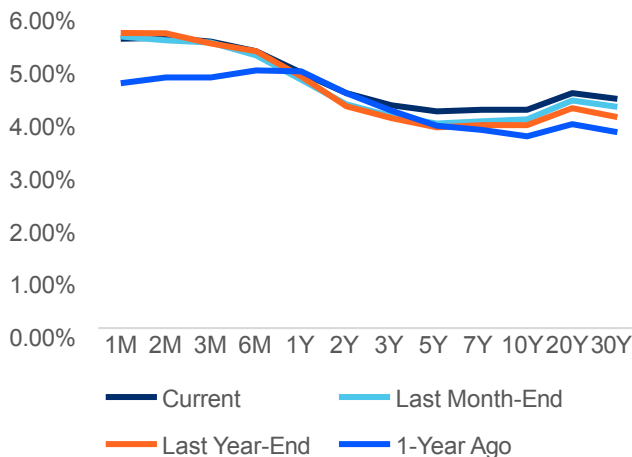
Week ending February 9, 2024

Earnings reports drove the markets higher this week led by positive results from technology providers, automakers, and pharmaceutical companies. Financial data company Factset is reporting of the S&P 500 companies that reported fourth quarter 2023 results 77% reported earnings above estimates and 65% reported revenue above expectations. With 67% of the companies already reporting earnings, the year over year earnings growth rate for the S&P 500 is currently at 2.9%.

## Fixed Income Markets Overview

- Bond yields continue to rise this week following Thursday's low unemployment claims number. CME FedWatch Tool is currently reflecting an 84% chance the Federal Reserve does not adjust rates at their March FOMC meeting.
- According to Freddie Mac, 30-year mortgage rates averaged 6.64% last week. While the rate is flat from the previous week, this does mark a 1.00% decline from the highs seen last Fall.
- New house listings were up 12.8% on a year-over-year basis for the week of February 3rd, according to Redfin. This marked the biggest jump in 3 years but the company noted the number of homes for sale is currently 40% below pre-pandemic levels.

### U.S. Treasury Yield Curve



Source: Bloomberg and U.S Treasury as of February 9, 2024

Asset Class	Name	1W	YTD	3Y(Ann.)	5Y(Ann.)
Short	1-3 Year Govt/Credit	-0.1%	0.1%	0.1%	1.8%
	Core Plus				
Core Plus	Intermediate Govt/Credit	-0.4%	-0.6%	-1.7%	1.9%
	International Aggregate	-0.8%	-2.8%	-6.1%	-1.1%
	US Aggregate	-0.8%	-1.5%	-3.5%	1.2%
	US Treasury	-0.8%	-1.5%	-3.9%	0.8%
	US TIPS	-0.6%	-1.2%	-1.5%	3.1%
	US Corporate	-1.0%	-1.5%	-3.3%	2.3%
	US Corporate High Yield	0.1%	0.2%	1.6%	5.2%
Other	Emerging Markets Aggregate	-0.3%	-0.9%	-3.3%	1.5%
Muni	US Municipals	-0.4%	-0.6%	-0.9%	2.7%
	US Municipals High Yield	-0.5%	-0.5%	-0.3%	4.6%

Source: Bloomberg as of February 9, 2024

#### Interest Rates (%)

Date	2/9/2024	1/31/2024	12/29/2023	2/9/2023
Federal Funds Rate	5.49%	5.53%	5.60%	4.66%
3 Month Treasury	5.44%	5.42%	5.40%	4.77%
6 Month Treasury	5.26%	5.18%	5.26%	4.90%
2 Year Treasury	4.48%	4.27%	4.23%	4.48%
5 Year Treasury	4.14%	3.91%	3.84%	3.87%
10 Year Treasury	4.17%	3.99%	3.88%	3.67%
30 Year Treasury	4.37%	4.22%	4.03%	3.75%
US Aggregate	4.81%	4.59%	4.53%	4.50%
US Corporate	5.31%	5.11%	5.06%	5.16%
US Corporate High Yield	7.75%	7.80%	7.59%	8.14%
US Municipal	3.41%	3.37%	3.22%	3.18%
US Municipal High Yield	5.63%	5.62%	5.57%	5.45%

#### Spreads Over 10-Year US Treasuries

Date	2/9/2024	1/31/2024	12/29/2023	2/9/2023
30 Year Treasury	0.20%	0.23%	0.15%	0.08%
US Aggregate	0.64%	0.60%	0.65%	0.83%
US Corporate	1.14%	1.12%	1.18%	1.49%
US Corporate High Yield	3.58%	3.81%	3.71%	4.47%
US Municipal	-0.76%	-0.62%	-0.66%	-0.49%
US Municipal High Yield	1.46%	1.63%	1.69%	1.78%

Source: Bloomberg and U.S. Treasury as of February 9, 2024

## Equity Markets Overview

- All three major equity indices were up for the week led by Nasdaq which was up 2.3%, while the S&P rose 1.4% and the DJIA saw a gain of 0.1%. The S&P 500 closed above 5,000 for the first time.
- Leading S&P sectors for the week included Technology, which was up by 3.3%, followed by Consumer Discretionary, with a gain of 1.5%. Only three sectors were negative this week led by Utilities, which was down 1.9%, Consumer Staples, down 1.3%, and Energy, which fell by 0.2%
- In earnings news last week, Uber, Disney, and Cloudflare all reported positive results, while earnings from Pinterest, Pepsico, and Snap fell below estimates. Ford Motor Company and Toyota Motor Corp both raised forecasts for 2024 while Eli Lilly and Bristol Myers Squibb posted strong results due to new products.
- Look for another large slate of earnings reports this week including Airbnb, Coca-Cola, Cisco Systems, Lyft, and Deere.

Asset Class	Name	1W	YTD	3Y(Ann.)	5Y(Ann.)	
All-Cap	S&P 1500	1.4%	5.1%	9.9%	15.8%	
	Large-Cap	S&P 500	1.4%	5.5%	10.4%	16.3%
		S&P 500 Growth	2.5%	9.4%	8.3%	18.4%
	S&P 500 Value	0.0%	1.0%	12.0%	13.0%	
Mid-Cap	S&P Midcap 400	1.5%	1.1%	5.3%	11.2%	
	S&P Midcap 400 Growth	2.6%	4.3%	2.6%	11.0%	
	S&P Midcap 400 Value	0.4%	-2.3%	7.8%	10.9%	
Small-Cap	S&P Smallcap 600	1.2%	-2.1%	1.5%	9.4%	
	S&P Smallcap 600 Growth	1.8%	0.2%	-0.8%	10.2%	
	S&P Smallcap 600 Value	0.5%	-4.5%	3.7%	8.3%	
Intl.	MSCI ACWI ex-USA	0.3%	-1.1%	-0.7%	4.2%	
	MSCI EM	0.8%	-2.7%	-9.0%	0.2%	

Source: Bloomberg as of February 9, 2024

## Alternative Markets Overview

- Bitcoin rallied on Friday by 5% and closed the week with a gain of 10%. Analysts noted investors' individual positions of bitcoin have risen in recent weeks ahead of the next scheduled halving of the cryptocurrency, which is scheduled for April of 2024.
- The price of oil was up by over 6% for the week on continued Middle East concerns.
- The price of gold has been trending down in recent weeks, down 0.88% for the past month, but still remaining above the key \$2,000 price level.

Name	1W	YTD	3Y (Ann.)	5Y (Ann.)
S&P GSCI	3.6%	5.3%	16.8%	7.3%
Gold	-0.5%	-2.6%	3.2%	9.0%
FTSE All Equity NAREIT	0.1%	-4.2%	2.6%	7.9%
Bitcoin	10.8%	13.2%	2.2%	40.9%
Ethereum	8.5%	8.1%	13.2%	23.6%

Source: Bloomberg as of February 9, 2024



### Upcoming Week

- Inflation numbers will be the focus this week with the Consumer Price Index (CPI) on Tuesday followed by the Producer Price Index (PPI) on Friday.
- Later in the week, look for a large slate of releases including U.S. Retail Sales, Industrial Production, Capacity Utilization, and the University of Michigan Consumer Sentiment Index.

## 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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