

Capital Markets Snapshot

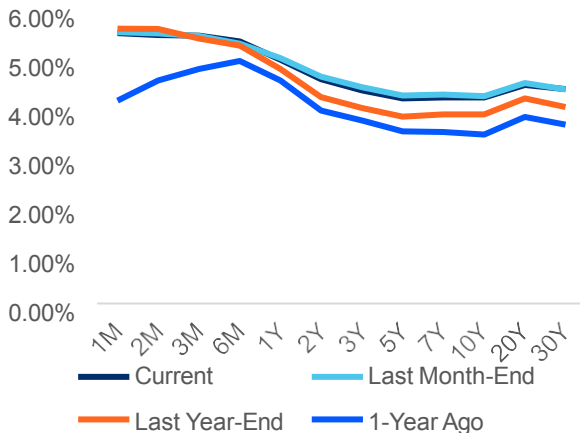
Week ending March 22, 2024

The Federal Reserve's "dot-plot" was back in the news this week following the March FOMC meeting. While no rate cuts were announced at this meeting, the new pattern of expected Fed moves implies three cuts at some point in 2024. The dot plot also shows a multi-year process of bringing the Fed Funds rate down to 3.1% by 2026. In comments following the meeting, Fed Chairman Jerome Powell noted that inflation continues to gradually decline on a "sometimes bumpy road". The markets reacted positively to this news with higher equity indices and lower U.S. Treasury yields by the end of the week.

Fixed Income Markets Overview

- While U.S. Treasury yields came down for the week, the Bank of Japan raised interest rates for the first time in 17 years with an increase from -0.1% to 0.1%.
- Several banks around the world, including The European Central Bank and Bank of England, seemed to imply a similar pattern as the FOMC indicating potential rate cuts this year. The Swiss National Bank made a surprise move and cut rates this week by 0.25% indicating their fight against inflation "has been effective".
- The National Association of Realtors provided some bright spots in the U.S. Housing Market last week. The group reported existing home sales were up by 9.5% in February and inventory of homes for sale rose by 5.9%. The median price of a home was up 5.7% on an annual basis.

U.S. Treasury Yield Curve



Source: Bloomberg and U.S Treasury as of March 22, 2024

	Name	1W	YTD	3Y (Ann.)	5Y (Ann.)
Short	1-3 Year Govt/Credit	0.3%	0.4%	0.3%	1.9%
	Intermediate Govt/Credit	0.6%	-0.2%	-1.2%	2.0%
	International Aggregate	0.1%	-2.2%	-5.0%	-1.3%
	US Aggregate	0.7%	-1.0%	-2.6%	1.3%
Core Plus	US Treasury	0.7%	-1.2%	-3.0%	0.8%
	US TIPS	0.9%	-0.3%	-0.6%	3.1%
	US Corporate	0.8%	-0.6%	-1.9%	2.6%
	US Corporate High Yield	0.6%	1.4%	2.3%	5.4%
Other	Emerging Markets Aggregate	1.1%	1.3%	-1.7%	2.0%
	US Municipals	-0.2%	-0.2%	-0.3%	2.8%
Muni	US Municipals High Yield	0.0%	1.4%	0.6%	4.8%

Interest Rates (%) Source: Bloomberg as of March 22, 2024

Date	3/22/2024	2/29/2024	12/29/2023	3/22/2023
Federal Funds Rate	5.51%	5.53%	5.60%	4.16%
3 Month Treasury	5.46%	5.45%	5.40%	4.79%
6 Month Treasury	5.34%	5.30%	5.26%	4.95%
2 Year Treasury	4.59%	4.64%	4.23%	3.96%
5 Year Treasury	4.20%	4.26%	3.84%	3.54%
10 Year Treasury	4.22%	4.25%	3.88%	3.48%
30 Year Treasury	4.39%	4.38%	4.03%	3.68%
US Aggregate	4.84%	4.92%	4.53%	4.34%
US Corporate	5.29%	5.41%	5.06%	5.19%
US Corporate High Yield	7.64%	7.86%	7.59%	8.83%
US Municipal	3.44%	3.40%	3.22%	3.36%
US Municipal High Yield	5.49%	5.57%	5.57%	5.73%

Spreads Over 10-Year US Treasuries

Date	3/22/2024	2/29/2024	12/29/2023	3/22/2023
30 Year Treasury	0.17%	0.13%	0.15%	0.20%
US Aggregate	0.62%	0.67%	0.65%	0.86%
US Corporate	1.07%	1.16%	1.18%	1.71%
US Corporate High Yield	3.42%	3.61%	3.71%	5.35%
US Municipal	-0.78%	-0.85%	-0.66%	-0.12%
US Municipal High Yield	1.27%	1.32%	1.69%	2.25%

Source: Bloomberg and U.S. Treasury as of March 22, 2024

Equity Markets Overview

- As mentioned, equities were up this week with the DJIA having its best week of the year, up by 2.0%. The S&P 500 rose by 2.3%, while the Nasdaq was the winner for the week with a gain of 2.9%. The rally was broad with both the mid and small cap indices performing in line with the S&P. Ten of the eleven S&P sectors were positive for the week, with Real Estate the only area to show a loss of 0.5%.
- Stocks in the news this week included Nike which reported positive sales in the fourth quarter but slowing sales in China. Chipmaker Micron is benefiting from the AI surge, beating earnings expectations in the fourth quarter, and providing positive guidance. FedEx saw lower revenue in the fourth quarter but was able to beat analysts' estimates thanks to recent cost-cutting efforts. The company noted that demand has continued to decline from the levels seen during the pandemic.

Asset Class	Name	1W	YTD	3Y(Ann.)	5Y(Ann.)
All-Cap	S&P 1500	2.3%	9.7%	11.4%	17.0%
Large-Cap	S&P 500	2.3%	10.1%	11.9%	17.5%
	S&P 500 Growth	3.0%	13.6%	10.9%	19.2%
	S&P 500 Value	1.4%	6.2%	12.3%	14.7%
Mid-Cap	S&P Midcap 400	2.3%	7.9%	7.4%	12.3%
	S&P Midcap 400 Growth	2.7%	14.1%	6.9%	12.5%
	S&P Midcap 400 Value	1.9%	1.5%	7.6%	11.7%
Small-Cap	S&P Smallcap 600	1.9%	-0.1%	2.2%	9.3%
	S&P Smallcap 600 Growth	2.3%	2.6%	1.8%	9.9%
	S&P Smallcap 600 Value	1.5%	-2.9%	2.5%	8.4%
Int'l.	MSCI ACWI ex-USA	0.9%	4.4%	1.8%	5.2%
	MSCI EM	0.5%	1.9%	-5.4%	0.6%

Source: Bloomberg as of March 22, 2024

Alternative Markets Overview

- Oil fell slightly this week but remains well above its level at the start of the year. Year to date, the price of WTI is up 14%.
- Bitcoin had a volatile week, falling by 15% at one point before rebounding to close the week with a loss of 7%. This move was on news that several of the spot ETFs have seen some significant outflows in recent weeks.
- The price of gold also pulled back this week but remains above the key \$2,000 per ounce threshold.

Name	1W	YTD	3Y (Ann.)	5Y (Ann.)
S&P GSCI	-0.1%	8.7%	18.0%	6.8%
Gold	0.4%	4.5%	8.0%	10.0%
FTSE All Equity NAREIT	-0.2%	-3.7%	2.1%	8.2%
Bitcoin	-7.0%	52.4%	5.2%	49.3%
Ethereum	-9.5%	45.3%	25.3%	44.9%

Source: Bloomberg as of March 22, 2024



Upcoming Week

- As we close out the first quarter, look for economic releases this week on U.S. Durable Goods, Personal Income, and The Conference Board's Consumer Confidence Index.
- The market will be focused on Friday's release of the Personal Consumption Expenditures (PCE) Index. This data release is known to be the preferred inflation gauge of the FOMC.

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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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