



Capital Markets Snapshot

Courtesy of LWS Financial

Week ending October 11, 2024

Last week, equity markets trended upwards, with the S&P 500 continuing to reach record highs, driven by confidence in a strong U.S. economy. Despite rising oil prices, yields, and geopolitical tensions, stocks rebounded after initially falling to start the week. The Consumer Price Index (CPI) report came in slightly above expectations, and Initial Jobless Claims hit a one-year high but may be the temporary result of impacts from Hurricane Helene and the Boeing strike. Bond yields rose, with the 10-year Treasury yield increasing to 4.08% from 3.98%, as markets begin to cool down on expectations of continued aggressive rate cuts from the Federal Reserve and react to strong economic data, such as the Atlanta Fed's Q3 GDP forecast being revised up to 3.2%.

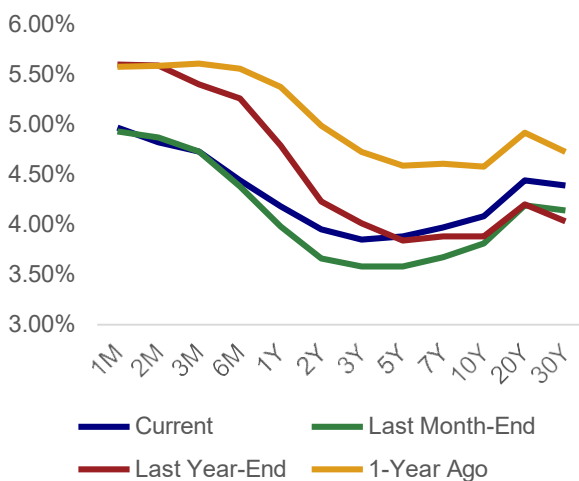
Fixed Income Markets Overview

- The yield curve steepened last week with rates 1-year and shorter falling slightly or remaining flat. Interest rates 2-years and longer rose during the week with longer term rates seeing the biggest movements, all rates 10-years or longer rose by 10 bps or more.
- It appears that the yield curve is continuing to normalize, shown by the 2- and 10-year spread expanding from 5 to 13 bps over the course of the week.
- Mortgage rates continued to increase from 6.12% to 6.32% through the week, which will make home affordability more challenging. The recent increases seem to reflect the market's reaction to strong economic news likely suggesting future rate cuts may not be as large or quick as previously expected.

Asset Class	Name	1W	YTD	3Y(Ann.)	5Y(Ann.)
Short	1-3 Year Govt/Credit	0.0%	4.0%	1.4%	1.6%
	Core Plus				
	Intermediate Govt/Credit	-0.2%	3.7%	0.0%	1.1%
	International Aggregate	-0.6%	1.3%	-3.6%	-1.3%
	US Aggregate	-0.5%	2.9%	-1.8%	0.1%
	US Treasury	-0.5%	2.2%	-2.2%	-0.5%
	US TIPS	0.0%	4.0%	-1.0%	2.5%
	US Corporate	-0.4%	4.0%	-1.5%	1.0%
	US Corporate High Yield	-0.3%	7.5%	3.1%	4.7%
Other	Emerging Markets Aggregate	-0.4%	7.2%	-0.1%	1.2%
Muni	US Municipals	-0.5%	1.7%	-0.1%	1.2%
	US Municipals High Yield	-0.6%	6.8%	0.9%	2.9%

Source: Bloomberg as of October 11, 2024

U.S. Treasury Yield Curve



Source: Bloomberg and U.S Treasury as of October 11, 2024

Interest Rates (%)

Date	10/11/2024	9/30/2024	12/29/2023	10/11/2023
Federal Funds Rate	4.97%	4.93%	5.60%	5.58%
3 Month Treasury	4.73%	4.73%	5.40%	5.61%
6 Month Treasury	4.44%	4.38%	5.26%	5.56%
2 Year Treasury	3.95%	3.66%	4.23%	4.99%
5 Year Treasury	3.88%	3.58%	3.84%	4.59%
10 Year Treasury	4.08%	3.81%	3.88%	4.58%
30 Year Treasury	4.39%	4.14%	4.03%	4.73%
US Aggregate	4.50%	4.23%	4.53%	5.37%
US Corporate	4.93%	4.72%	5.06%	6.04%
US Corporate High Yield	7.24%	6.99%	7.59%	9.00%
US Municipal	3.45%	3.32%	3.22%	4.23%
US Municipal High Yield	5.30%	5.20%	5.57%	6.19%

Spreads Over 10-Year US Treasuries

Date	10/11/2024	9/30/2024	12/29/2023	10/11/2023
30 Year Treasury	0.31%	0.33%	0.15%	0.15%
US Aggregate	0.42%	0.42%	0.65%	0.79%
US Corporate	0.85%	0.91%	1.18%	1.46%
US Corporate High Yield	3.16%	3.18%	3.71%	4.42%
US Municipal	-0.63%	-0.49%	-0.66%	-0.35%
US Municipal High Yield	1.22%	1.39%	1.69%	1.61%

Source: Bloomberg and U.S. Treasury as of October 11, 2024

Equity Markets Overview

- All three major domestic indices continued to trend upwards last week; the S&P and Dow Jones both continued to set new highs. The Dow Jones won the week with a 1.2% gain while the S&P and Nasdaq each posted a 1.1% gain for the week.
- Sector performance continues to be mixed. Technology and Industrials were the biggest winners posting 2.50% and 2.10% gains, respectively. Utilities and Telecommunications brought up the rear posting losses of -2.57% and -1.39%, respectively.
- From a size perspective, large- and mid-cap stocks both posted a 1.1% gain beating out their small-cap peers' 0.4% gain. From a style perspective, growth stocks beat out value stocks in the large- and mid-cap segments, while small-caps saw value stocks outpace their growth counterparts.
- After a strong week, large-cap growth stocks finally overtook gold in terms of YTD performance with gains of 29.7% to 29.2%, respectively.

Asset Class	Name	1W	YTD	3Y(Ann.)	5Y(Ann.)
All-Cap	S&P 1500	1.1%	22.4%	11.4%	15.9%
Large-Cap	S&P 500	1.1%	23.3%	11.9%	16.2%
	S&P 500 Growth	1.3%	29.7%	10.3%	17.9%
	S&P 500 Value	0.9%	16.1%	12.8%	13.4%
Mid-Cap	S&P Midcap 400	1.1%	14.7%	7.1%	12.2%
	S&P Midcap 400 Growth	1.2%	18.4%	6.4%	12.1%
	S&P Midcap 400 Value	1.1%	10.8%	7.8%	11.9%
Small-Cap	S&P Smallcap 600	0.4%	8.6%	3.2%	10.3%
	S&P Smallcap 600 Growth	0.2%	12.1%	3.2%	10.7%
	S&P Smallcap 600 Value	0.5%	5.1%	3.1%	9.6%
Int'l.	MSCI ACWI ex-USA	-0.4%	12.5%	3.7%	7.1%
	MSCI EM	-1.7%	15.8%	0.1%	5.3%

Source: Bloomberg as of October 11, 2024

Alternative Markets Overview

- U.S. crude oil prices continued their recent trend upward rising over 1% last week due to concerns of possible disruptions from Hurricane Milton and continuing escalations in the Middle East.
- Gold prices resumed their upward trend for the year posting a 0.3% gain for the week and bringing its YTD performance up to 29.2%. Some analysts are projecting growth could maintain its recent trend upward into 2025 due to geopolitical tensions, election uncertainty, and inflation concerns.

Name	1W	YTD	3Y (Ann.)	5Y (Ann.)
S&P GSCI	0.3%	10.5%	9.1%	8.7%
Gold	0.3%	29.2%	15.0%	12.4%
FTSE All Equity NAREIT	-0.4%	11.0%	1.6%	4.5%
Bitcoin	1.1%	48.3%	4.5%	50.0%
Ethereum	1.2%	6.7%	-10.8%	68.3%

Source: Bloomberg as of October 11, 2024



Upcoming Week

- As third quarter earnings season continues, notable releases for this week include Bank of America and Netflix.
- It is a lighter week for economic data; we will be monitoring Thursday's releases on Business Inventories, Capacity Utilization, Retail Sales, as well as Continuing and Initial Unemployment Claims. There is also housing market data being released Wednesday to Friday (MBA Mortgage Applications Index, NAHB Housing Market Index, Building Permits, and Housing Starts).

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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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