



# Capital Markets Snapshot

Courtesy of LWS Financial

Week ending October 18, 2024

Last week, the S&P 500 and Dow continued to reach record highs, driven by strong quarterly earnings and economic data. The September Retail Sales report exceeded expectations, boosting the SPX by 0.8% for the week. Additionally, the semiconductor sector saw mixed results, with ASML's cautious guidance causing a dip, while Taiwan Semiconductor's robust results lifted the sector. The Russell 2000 also performed well, setting a fresh two-year high. Overall, the market sentiment remains bullish, supported by positive economic indicators and strong earnings.

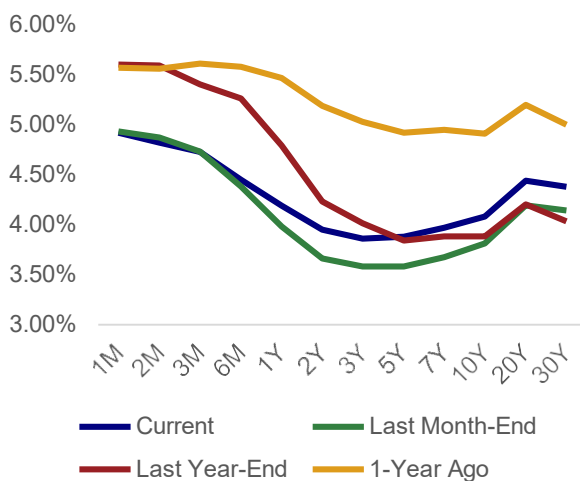
## Fixed Income Markets Overview

- Bond yields were unchanged last week, despite a strong retail sales report. This translated to bond returns coming in essentially flat for the week.
- Recent strong economic data supports the Federal Reserve taking a more patient approach to interest rate cuts. As of last week, Bloomberg probabilities indicate an over 90% chance of a 25-basis point cut at the November FOMC, a slight increase from the prior week, and potential for 150-basis points of cuts through 2025, which is consistent with the Fed's September dot plots.
- Mortgage rates increased for the third week settling just below 6.5%, likely a reflection of the strong economic data that has come in recent weeks. Despite the recent increases, rates are still over 1% lower than last year.

Asset Class	Name	1W	YTD	3Y(Ann.)	5Y(Ann.)
<b>Short</b>	1-3 Year Govt/Credit	0.1%	4.1%	1.5%	1.5%
	<b>Core Plus</b>				
	Intermediate Govt/Credit	0.1%	3.8%	0.1%	1.1%
	International Aggregate	0.0%	1.3%	-3.7%	-1.3%
	US Aggregate	0.1%	3.0%	-1.8%	0.1%
	US Treasury	0.1%	2.3%	-2.2%	-0.4%
	US TIPS	-0.1%	3.9%	-1.1%	2.4%
	US Corporate	0.1%	4.0%	-1.6%	0.9%
	US Corporate High Yield	0.3%	7.9%	3.1%	4.6%
<b>Other</b>	Emerging Markets Aggregate	0.2%	7.5%	-0.2%	1.2%
<b>Muni</b>	US Municipals	0.2%	2.0%	0.0%	1.3%
	US Municipals High Yield	0.3%	7.2%	1.1%	3.0%

Source: Bloomberg as of October 18, 2024

## U.S. Treasury Yield Curve



Source: Bloomberg and U.S Treasury as of October 18, 2024

## Interest Rates (%)

Date	10/18/2024	9/30/2024	12/29/2023	10/18/2023
Federal Funds Rate	4.92%	4.93%	5.60%	5.57%
3 Month Treasury	4.73%	4.73%	5.40%	5.61%
6 Month Treasury	4.45%	4.38%	5.26%	5.58%
2 Year Treasury	3.95%	3.66%	4.23%	5.19%
5 Year Treasury	3.88%	3.58%	3.84%	4.92%
10 Year Treasury	4.08%	3.81%	3.88%	4.91%
30 Year Treasury	4.38%	4.14%	4.03%	5.00%
US Aggregate	4.51%	4.23%	4.53%	5.71%
US Corporate	4.93%	4.72%	5.06%	6.37%
US Corporate High Yield	7.16%	6.99%	7.59%	9.35%
US Municipal	3.43%	3.32%	3.22%	4.42%
US Municipal High Yield	5.27%	5.20%	5.57%	6.37%

## Spreads Over 10-Year US Treasuries

Date	10/18/2024	9/30/2024	12/29/2023	10/18/2023
30 Year Treasury	0.30%	0.33%	0.15%	0.09%
US Aggregate	0.43%	0.42%	0.65%	0.80%
US Corporate	0.85%	0.91%	1.18%	1.46%
US Corporate High Yield	3.08%	3.18%	3.71%	4.44%
US Municipal	-0.65%	-0.49%	-0.66%	-0.49%
US Municipal High Yield	1.19%	1.39%	1.69%	1.46%

Source: Bloomberg and U.S. Treasury as of October 18, 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 while the Nasdaq continues inch closer towards the record set in July. The Dow Jones led the pack again with a 0.98% gain while the S&P and Nasdaq posted a 0.87% and 0.8% gain, respectively.
- Sectors were largely positive for the week. Energy and Healthcare were the only losers with -2.64% and -0.57% losses, respectively. Utilities, Real Estate, and Financials had strong weeks rising 3.42%, 3%, and 2.43%, respectively.
- From a size perspective, small-cap stocks (+1.6%) outpaced their large- (+0.9%) and mid-cap (+1.4%) peers. From a style perspective, value stocks beat out growth stocks in market-cap segments, the biggest outperformance came in small-caps with value rising 2.5% to growth's 0.8%.

Asset Class	Name	1W	YTD	3Y(Ann.)	5Y(Ann.)
All-Cap	S&P 1500	0.9%	23.5%	10.6%	15.9%
Large-Cap	S&P 500	0.9%	24.3%	11.1%	16.3%
	S&P 500 Growth	0.6%	30.6%	9.0%	18.0%
	S&P 500 Value	1.2%	17.5%	12.5%	13.4%
Mid-Cap	S&P Midcap 400	1.4%	16.4%	6.8%	12.3%
	S&P Midcap 400 Growth	0.8%	19.3%	5.6%	12.0%
	S&P Midcap 400 Value	2.1%	13.2%	7.9%	12.1%
Small-Cap	S&P Smallcap 600	1.6%	10.4%	3.4%	10.3%
	S&P Smallcap 600 Growth	0.8%	13.0%	3.0%	10.5%
	S&P Smallcap 600 Value	2.5%	7.7%	3.6%	9.8%
Int'l.	MSCI ACWI ex-USA	-0.3%	12.2%	2.8%	6.8%
	MSCI EM	-0.4%	15.3%	-0.8%	5.0%

Source: Bloomberg as of October 18, 2024

## Alternative Markets Overview

- U.S. crude oil prices fell over 7% last week after data indicated China's economic growth is slowing and markets continue to monitor events in the Middle East.
- Gold prices continued to climb posting a strong 3% gain for the week, bringing its YTD performance up to 31.8% and once again overtaking US large-cap growth stocks performance.
- Bitcoin jumped 8.8% last week but remains below its March all-time high. Last week's increase brings its YTD performance up to a 61.3% despite sideways performance for much of the year.

Name	1W	YTD	3Y (Ann.)	5Y (Ann.)
S&P GSCI	-4.9%	5.1%	6.7%	7.8%
Gold	2.0%	31.8%	15.6%	12.8%
FTSE All Equity NAREIT	3.0%	14.3%	1.9%	4.8%
Bitcoin	8.8%	61.3%	3.8%	53.9%
Ethereum	7.9%	15.1%	-10.9%	72.3%

Source: Bloomberg as of October 18, 2024



### Upcoming Week

- It is going to be a busy week for third quarter earnings releases. Some notable releases to monitor are GE Aerospace, Verizon Communications, and Tesla.
- In terms of economic data, we can expect to receive several datapoints on the health of the housing market throughout the week. Other releases worth monitoring include Wednesday's Federal Reserve Beige Book and Thursday's release of the Manufacturing and Services Purchasing Managers Indices.

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## 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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