Capital Markets Snapshot

Week ending July 18, 2025

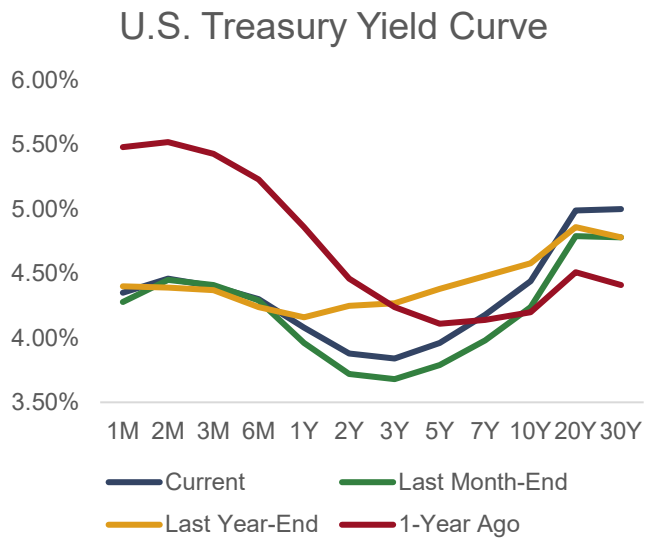
Last week, U.S. capital markets continued their upward momentum, with the S&P 500 and Nasdaq reaching new all-time highs, buoyed by strong corporate earnings and resilient economic data. Retail sales rebounded sharply in June, and inflation data remained within manageable levels, helping to support investor sentiment. Earnings season kicked off with better-than-expected results from major banks and tech firms, although some stocks like Netflix saw muted reactions despite strong reports. Geopolitical tensions added some uncertainty, particularly with the potential for US tariff policy to influence inflation and trade dynamics going forward. Meanwhile, the Federal Reserve signaled a cautious stance, with markets pricing in potential rate cuts later this year. Overall, despite some volatility and policy uncertainty, markets remained supported by solid fundamentals and investor optimism heading into the heart of earnings season.

Fixed Income Markets Overview

- The yield on the 30-year U.S. Treasury bond climbed for the fourth consecutive week, briefly surpassing 5.07%. This marks one of the few times since 2007 it has held above the 5% level, reflecting persistent inflation concerns and reduced expectations for near-term Fed rate cuts.
- Probabilities for a September rate cut declined, with futures pricing in a 64% chance of a September 25-basis-point cut, down from 70% the previous week. The total expected cuts for 2025 also edged lower, suggesting a more cautious outlook on monetary easing.
- Consumer inflation rose to 2.7% year-over-year in June, up from 2.4% in May. However, wholesale inflation (PPI) came in lower than expected at 2.3%, indicating some easing in producer-level price pressures.
- Midweek volatility in bond markets was triggered by reports President Trump considered firing Fed Chair Jerome Powell. Although the threat was later downplayed, it briefly impacted Treasury yields and investor sentiment.

Asset Class	Name	1W	YTD	3Y(Ann.)	5Y(Ann.)
Short	1-3 Year Govt/Credit	0.1%	2.9%	3.8%	1.6%
Core Plus	Intermediate Govt/Credit	0.2%	3.8%	3.4%	0.5%
	International Aggregate	-0.2%	6.0%	2.5%	-1.6%
	US Aggregate	0.0%	3.2%	2.1%	-1.0%
	US Treasury	0.0%	2.9%	1.2%	-1.8%
	US TIPS	0.3%	4.7%	2.0%	1.4%
	US Corporate	0.2%	3.5%	3.8%	-0.4%
	US Corporate High Yield	0.1%	4.7%	9.2%	5.5%
Other	Emerging Markets Aggregate	0.0%	4.9%	8.2%	1.4%
Muni	US Municipals	-1.1%	-1.4%	1.6%	0.1%
	US Municipals High Yield	-1.9%	-2.6%	3.0%	2.3%

Source: Bloomberg as of July 18, 2025



Source: Bloomberg and U.S Treasury as of July 18, 2025

Interest Rates (%)

Date	7/18/2025	6/30/2025	12/31/2024	7/18/2024
Federal Funds Rate	4.35%	4.28%	4.40%	5.48%
3 Month Treasury	4.40%	4.41%	4.37%	5.43%
6 Month Treasury	4.30%	4.29%	4.24%	5.23%
2 Year Treasury	3.88%	3.72%	4.25%	4.46%
5 Year Treasury	3.96%	3.79%	4.38%	4.11%
10 Year Treasury	4.44%	4.24%	4.58%	4.20%
30 Year Treasury	5.00%	4.78%	4.78%	4.41%
US Aggregate	4.67%	4.51%	4.91%	4.78%
US Corporate	5.11%	4.99%	5.33%	5.25%
US Corporate High Yield	7.11%	7.06%	7.49%	7.64%
US Municipal	4.07%	3.96%	3.74%	3.59%
US Municipal High Yield	5.98%	5.81%	5.52%	5.41%

Spreads Over 10-Year US Treasuries

Date	7/18/2025	6/30/2025	12/31/2024	7/18/2024
30 Year Treasury	0.56%	0.54%	0.20%	0.21%
US Aggregate	0.23%	0.27%	0.33%	0.58%
US Corporate	0.67%	0.75%	0.75%	1.05%
US Corporate High Yield	2.67%	2.82%	2.91%	3.44%
US Municipal	-0.37%	-0.28%	-0.84%	-0.61%
US Municipal High Yield	1.54%	1.57%	0.94%	1.21%

Source: Bloomberg and U.S. Treasury as of July 18, 2025

Equity Markets Overview

- The S&P 500 and Nasdaq posted weekly gains of 0.6% and 1.5%, respectively, reaching new record highs. The Dow Jones Industrial Average lagged slightly, dipping 0.1%, and remaining below its December 2024 peak.
- Early Q2 earnings reports from major U.S. banks exceeded expectations, driven by a surge in investment banking activity. Overall, reported S&P 500 companies showed around 5% revenue growth and 10% earnings growth.
- U.S. retail sales climbed 0.6% in June, reversing a sharp decline in May. The increase may reflect both stronger consumer demand and higher prices.
- Nvidia and other tech stocks rallied, contributing to the Nasdaq's gains. Nvidia's announcement to resume AI chip sales to China was a potential tailwind on the positive price action.

Asset Class	Name	1W	YTD	3Y(Ann.)	5Y(Ann.)
All-Cap	S&P 1500	0.0%	7.3%	19.2%	15.8%
Large-Cap	S&P 500	0.6%	7.8%	19.8%	16.1%
	S&P 500 Growth	1.5%	11.1%	23.1%	16.8%
	S&P 500 Value	-0.4%	4.3%	15.3%	14.4%
Mid-Cap	S&P Midcap 400	0.0%	2.5%	13.2%	13.3%
	S&P Midcap 400 Growth	0.7%	2.5%	14.0%	11.0%
	S&P Midcap 400 Value	-0.8%	2.4%	12.3%	15.5%
Small-Cap	S&P Smallcap 600	-0.8%	-2.2%	8.2%	11.8%
	S&P Smallcap 600 Growth	-0.4%	0.6%	9.6%	10.6%
	S&P Smallcap 600 Value	-1.3%	-4.9%	6.7%	12.8%
Int'l.	MSCI ACWI ex-USA	0.4%	18.4%	14.4%	9.2%
	MSCI EM	1.7%	18.0%	11.2%	6.0%

Source: Bloomberg as of July 18, 2025

Alternative Markets Overview

- Gold prices rose last week as investors sought safety amid global geopolitical and economic uncertainty as well as a weakening U.S. dollar.
- Oil prices were relatively stable last week as mixed U.S. economic data and tariff news offset the impact of new sanctions on Russia, keeping market volatility in check.
- The three crypto-related bills, the GENIUS Act, which outlines a regulatory framework for stablecoins, the Anti-CBDC Surveillance State Act, and the Digital Asset Market Clarity (CLARITY) Act, all advanced. Bitcoin hit a fresh all-time high trading just below $123k on Tuesday but was slightly down by week's end.

Name	1W	YTD	3Y (Ann.)	5Y (Ann.)
S&P GSCI	0.4%	5.0%	1.2%	17.7%
Gold	0.2%	29.3%	25.5%	13.2%
FTSE All Equity NAREIT	0.3%	2.6%	3.7%	6.8%
Bitcoin	-0.7%	25.7%	75.8%	66.5%
Ethereum	18.4%	6.5%	34.3%	72.4%

Source: Bloomberg as of July 18, 2025



Upcoming Week

- Second quarter earnings season is off to a positive start. Notable reports this week include Coca Cola, Alphabet, and Tesla.
- This week's economic releases include a variety of housing and manufacturing activity as well as weekly unemployment claims.

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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