Capital Markets Snapshot

Week ending July 25, 2025

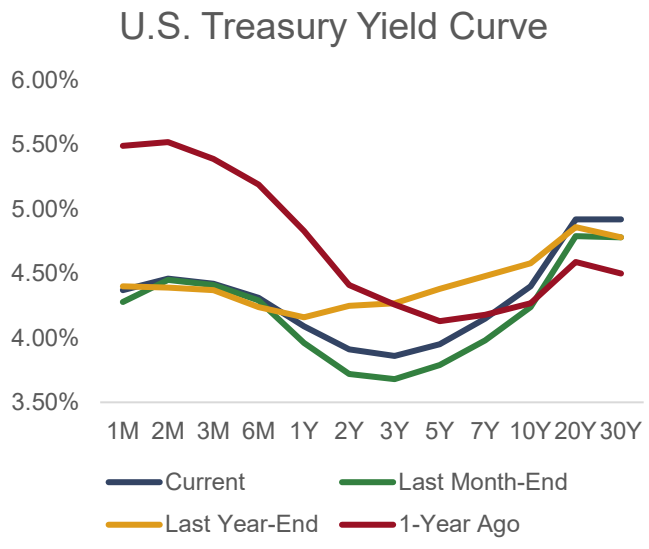
Markets continued their upward trajectory, as the S&P 500 and Nasdaq continue climbing to new all-time highs. Markets have been buoyed by strong Q2 earnings, new trade deals, and resilient economic data. This upcoming week is loaded with earnings and economic releases, which introduces the potential for increased short-term volatility on the back of any surprises. Thus far Q2 is off to a strong start for earnings releases. With just under half of the S&P 500 companies reporting this week, we will get more clarity on the strength of earnings growth and potential impacts of US tariff policy on future growth prospects. A recent string of trade deals has led to decreasing uncertainty around US trade policy and created a template for future negotiations. While geopolitical tensions remain elevated in parts of the world, equity markets have showed resilience, supported by solid fundamentals and corporate performance. As valuations are high relative to history, a strong earnings season is important to support the recent growth trend.

Fixed Income Markets Overview

- The Treasury yields curve experienced modest flattening as long-term rates fell more than short-term rates rose. The 20 and 30-year Treasury rates continue to hover around 5% and the 10-year around 4.5%.
- Markets are still pricing in expectations for two Fed rate cuts by year-end. Expectations that the first cut occurs at the September meeting have increased slightly.
- This week's Fed meeting and their Jackson Hole comments in August should provide more perspective on their thinking regarding expected monetary policy.
- Mortgage rates remain around 6.7%. Elevated rates and high prices weigh on activity in the housing market shown in decreasing sales of both new and existing homes.

Asset Class	Name	1W	YTD	3Y(Ann.)	5Y(Ann.)
Short	1-3 Year Govt/Credit	0.0%	2.9%	3.7%	1.6%
Core Plus	Intermediate Govt/Credit	0.2%	3.9%	3.2%	0.5%
	International Aggregate	0.4%	6.5%	2.2%	-1.7%
	US Aggregate	0.4%	3.6%	1.9%	-1.0%
	US Treasury	0.3%	3.2%	1.0%	-1.9%
	US TIPS	0.1%	4.8%	1.7%	1.3%
	US Corporate	0.6%	4.1%	3.6%	-0.5%
	US Corporate High Yield	0.4%	5.1%	8.5%	5.3%
Other	Emerging Markets Aggregate	0.6%	5.5%	7.7%	1.3%
Muni	US Municipals	0.4%	-1.0%	1.7%	0.1%
	US Municipals High Yield	0.3%	-2.3%	2.9%	2.3%

Source: Bloomberg as of July 25, 2025



Source: Bloomberg and U.S Treasury as of July 25, 2025

Interest Rates (%)

Date	7/25/2025	6/30/2025	12/31/2024	7/25/2024
Federal Funds Rate	4.37%	4.28%	4.40%	5.49%
3 Month Treasury	4.42%	4.41%	4.37%	5.39%
6 Month Treasury	4.31%	4.29%	4.24%	5.19%
2 Year Treasury	3.91%	3.72%	4.25%	4.41%
5 Year Treasury	3.95%	3.79%	4.38%	4.13%
10 Year Treasury	4.40%	4.24%	4.58%	4.27%
30 Year Treasury	4.92%	4.78%	4.78%	4.50%
US Aggregate	4.64%	4.51%	4.91%	4.82%
US Corporate	5.07%	4.99%	5.33%	5.32%
US Corporate High Yield	7.03%	7.06%	7.49%	7.66%
US Municipal	4.02%	3.96%	3.74%	3.58%
US Municipal High Yield	5.95%	5.81%	5.52%	5.40%

Spreads Over 10-Year US Treasuries

Date	7/25/2025	6/30/2025	12/31/2024	7/25/2024
30 Year Treasury	0.52%	0.54%	0.20%	0.23%
US Aggregate	0.24%	0.27%	0.33%	0.55%
US Corporate	0.67%	0.75%	0.75%	1.05%
US Corporate High Yield	2.63%	2.82%	2.91%	3.39%
US Municipal	-0.38%	-0.28%	-0.84%	-0.69%
US Municipal High Yield	1.55%	1.57%	0.94%	1.13%

Source: Bloomberg and U.S. Treasury as of July 25, 2025

Equity Markets Overview

- US equities continue to hit fresh highs, supported by trade optimism and solid corporate earnings. New trade deals signal reduced uncertainty ahead of the August 1 deadline. The US has now struck deals with the U.K., Vietnam, Indonesia, Japan, and partially with China, while key partners like the EU, Canada, South Korea, and India remain at the table.
- Earnings season is off to a strong start with over 80% of reporting companies outpacing earnings estimates for Q2. This is a key earnings week with four of the Magnificent 7 reporting with expectations for low double-digit earnings growth due to positive trends in AI markets and a weakening US dollar.
- Early Q2 earnings reports from major U.S. banks exceeded expectations, driven by a surge in investment banking activity. Overall, the S&P 500 companies with reported earning have thus far average 5% revenue growth and just under 10% earnings growth.

Asset Class	Name	1W	YTD	3Y(Ann.)	5Y(Ann.)
All-Cap	S&P 1500	1.5%	8.9%	18.3%	16.2%
Large-Cap	S&P 500	1.5%	9.4%	19.0%	16.5%
	S&P 500 Growth	1.3%	12.5%	22.0%	17.2%
	S&P 500 Value	1.7%	6.0%	14.7%	14.7%
Mid-Cap	S&P Midcap 400	1.5%	4.0%	11.9%	13.4%
	S&P Midcap 400 Growth	1.9%	4.4%	12.6%	11.3%
	S&P Midcap 400 Value	1.0%	3.5%	11.0%	15.5%
Small-Cap	S&P Smallcap 600	0.9%	-1.3%	6.8%	11.9%
	S&P Smallcap 600 Growth	0.3%	0.9%	7.7%	10.5%
	S&P Smallcap 600 Value	1.6%	-3.4%	5.7%	13.0%
Int'l.	MSCI ACWI ex-USA	1.5%	20.2%	14.2%	9.4%
	MSCI EM	0.7%	18.8%	11.2%	6.0%

Source: Bloomberg as of July 25, 2025

Alternative Markets Overview

- Oil prices remained settled at a three-week low due to concerns of potential weak economic news from the U.S. and China and increased global supplies from easing US rules on Venezuelan exports.
- Gold prices slipped slightly last week. A combination of a stronger US dollar and new trade deals reducing geopolitical uncertainty helped lead to decreased demand for the safe haven asset.

Name	1W	YTD	3Y (Ann.)	5Y (Ann.)
S&P GSCI	-1.1%	3.8%	1.3%	17.1%
Gold	-0.6%	28.5%	25.0%	12.0%
FTSE All Equity NAREIT	1.6%	4.2%	2.9%	7.2%
Bitcoin	-0.6%	25.0%	74.7%	64.5%
Ethereum	2.6%	9.2%	34.1%	66.7%

Source: Bloomberg as of July 25, 2025



Upcoming Week

- Almost 40% of S&P 500 companies report earnings this week, including four (Microsoft, Meta, Apple, and Amazon) of the Magnificent 7.
- It will be a full week of economic releases. Keep an eye on the FOMC interest rate decision, first estimate of Q2 GDP, nonfarm payrolls, PCE inflation, and consumer spending.

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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