Capital Markets Snapshot

Week ending June 13, 2025

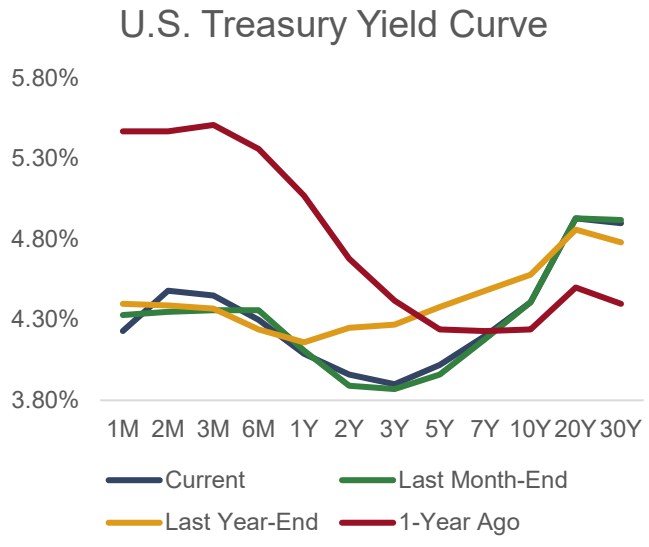
Last week, markets navigated a complex mix of geopolitical tension, economic data, and policy expectations. Equities experienced a late-week selloff triggered by Israeli airstrikes on Iranian nuclear facilities and subsequent counterstrikes. Oil prices surged to a four-month high, which raised concerns about inflationary pressures. However, inflation data came in cooler than expected, with CPI and PPI both undershooting forecasts, helping to anchor expectations for potential Fed rate cuts later this year. Treasury yields declined over the week, supported by strong demand in long-term bond auctions. Meanwhile, U.S. and China trade talks progressed, with a tentative framework reached, and consumer sentiment rebounded sharply, suggesting improved confidence. Market breadth also expanded, indicating broader participation in the recent equity rally despite near-term technical volatility.

Fixed Income Markets Overview

- Treasury yields declined last week, with the 10-year yield falling about 10 basis points to 4.41%, and the 30-year yield dropping 7 bps to 4.9%, reflecting strong demand in long-term bond auctions and easing inflation concerns.
- Inflation data came in cooler than expected, with both CPI and PPI undershooting forecasts. This reinforced expectations that the Federal Reserve may have room to cut rates later in the year. Fed rate cut expectations increased modestly, with futures markets now pricing in nearly two 25-basis-point cuts by year-end, up from 1.77 cuts the previous week.
- Investor demand for Treasuries remained strong, as evidenced by a well-received 30-year bond auction, which helped ease concerns about government debt issuance and supported bond prices.

Asset Class	Name	1W	YTD	3Y(Ann.)	5Y(Ann.)
Short	1-3 Year Govt/Credit	0.2%	2.3%	3.8%	1.5%
Core Plus	Intermediate Govt/Credit	0.5%	3.1%	3.7%	0.5%
	International Aggregate	0.8%	6.1%	2.8%	-1.4%
	US Aggregate	0.7%	2.7%	2.8%	-0.9%
	US Treasury	0.6%	2.6%	1.8%	-1.8%
	US TIPS	0.5%	3.3%	1.5%	1.5%
	US Corporate	0.7%	2.7%	4.3%	0.1%
	US Corporate High Yield	0.1%	3.2%	8.9%	5.5%
Other	Emerging Markets Aggregate	0.5%	3.7%	6.9%	1.6%
Muni	US Municipals	0.2%	-0.8%	2.6%	0.5%
	US Municipals High Yield	0.3%	-0.8%	4.3%	3.2%

Source: Bloomberg as of June 13, 2025



Source: Bloomberg and U.S Treasury as of June 13, 2025

Interest Rates (%)

Date	6/13/2025	5/30/2025	12/31/2024	6/13/2024
Federal Funds Rate	4.23%	4.33%	4.40%	5.47%
3 Month Treasury	4.45%	4.36%	4.37%	5.51%
6 Month Treasury	4.30%	4.36%	4.24%	5.36%
2 Year Treasury	3.96%	3.89%	4.25%	4.68%
5 Year Treasury	4.02%	3.96%	4.38%	4.24%
10 Year Treasury	4.41%	4.41%	4.58%	4.24%
30 Year Treasury	4.90%	4.92%	4.78%	4.40%
US Aggregate	4.71%	4.71%	4.91%	4.88%
US Corporate	5.20%	5.21%	5.33%	5.33%
US Corporate High Yield	7.42%	7.46%	7.49%	7.84%
US Municipal	4.02%	4.04%	3.74%	3.68%
US Municipal High Yield	5.84%	5.85%	5.52%	5.41%

Spreads Over 10-Year US Treasuries

Date	6/13/2025	5/30/2025	12/31/2024	6/13/2024
30 Year Treasury	0.49%	0.51%	0.20%	0.16%
US Aggregate	0.30%	0.30%	0.33%	0.64%
US Corporate	0.79%	0.80%	0.75%	1.09%
US Corporate High Yield	3.01%	3.05%	2.91%	3.60%
US Municipal	-0.39%	-0.37%	-0.84%	-0.56%
US Municipal High Yield	1.43%	1.44%	0.94%	1.17%

Source: Bloomberg and U.S. Treasury as of June 13, 2025

Equity Markets Overview

- All three major US equity indices fell last week following Friday's selloff. The S&P 500 and Nasdaq held up better with respective losses of 0.36% and 0.61% while the Dow Jones fell 1.3%. On a YTD basis, S&P 500 leads the pack with a 2.2% gain.
- Most sectors posted losses, but a few managed to climb higher, particularly the Energy sector following the escalation between Israel and Iran. Biggest losers include Financials falling 2.61%, Industrials 1.6%, and Consumer Staples 1.14%. Energy and Healthcare were the biggest bright spots with respective gains of 5.73% and 1.25%.
- Large caps held up better than its smaller peers. US large caps fell 0.4% while mid- and small caps fells 1.4% and 1.3%, respectively. From a style lens, value held up better than growth across all size segments.
- International stocks managed to post small gains and their YTD outperformance relative to US equities. 2025 continues to demonstrate the importance of diversification within as well as across asset classes.

Asset Class	Name	1W	YTD	3Y(Ann.)	5Y(Ann.)
All-Cap	S&P 1500	-0.4%	1.7%	17.9%	15.9%
Large-Cap	S&P 500	-0.4%	2.2%	18.6%	16.2%
	S&P 500 Growth	-0.4%	3.8%	22.4%	17.0%
	S&P 500 Value	-0.3%	0.6%	13.8%	14.3%
Mid-Cap	S&P Midcap 400	-1.4%	-3.0%	11.2%	13.0%
	S&P Midcap 400 Growth	-2.2%	-3.1%	12.1%	11.1%
	S&P Midcap 400 Value	-0.5%	-2.9%	10.3%	14.8%
Small-Cap	S&P Smallcap 600	-1.3%	-7.4%	6.3%	11.5%
	S&P Smallcap 600 Growth	-1.9%	-4.5%	8.3%	10.7%
	S&P Smallcap 600 Value	-0.7%	-10.3%	4.3%	12.1%
Int'l.	MSCI ACWI ex-USA	0.2%	15.6%	12.6%	9.9%
	MSCI EM	0.7%	12.0%	8.3%	6.4%

Source: Bloomberg as of June 13, 2025

Alternative Markets Overview

- Gold prices continued their upward trajectory last week, reaching a new all-time high of approximately $3,450 per ounce during trading hours Friday. This marks a sharp rise from its $3,310 close the previous week and a significant gain from $2,624 to start the year.
- U.S. crude oil prices jumped over 7% on Friday to a four-month high of around $73 per barrel, driven by concerns over supply disruptions following Israeli strikes on Iranian nuclear sites. For the week, oil gained 13%, amplifying inflationary pressures across global markets.

Name	1W	YTD	3Y (Ann.)	5Y (Ann.)
S&P GSCI	4.9%	6.5%	-2.6%	19.6%
Gold	3.2%	30.7%	23.5%	14.7%
FTSE All Equity NAREIT	-0.2%	1.9%	4.9%	6.3%
Bitcoin	0.8%	12.6%	65.6%	62.1%
Ethereum	1.6%	-24.3%	26.8%	60.6%

Source: Bloomberg as of June 13, 2025



Upcoming Week

It is a lighter week for earnings reports as Q1 earnings season draws closer to its end. Earnings releases worth monitoring this week include Lennar and Darden Restaurants.

It is another busy week of economic releases. Key releases include the Federal Reserve Rate Decision, Retail Sales, Industrial Production and Capacity Utilization, and Jobless 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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