Capital Markets Snapshot

Week ending June 27, 2025

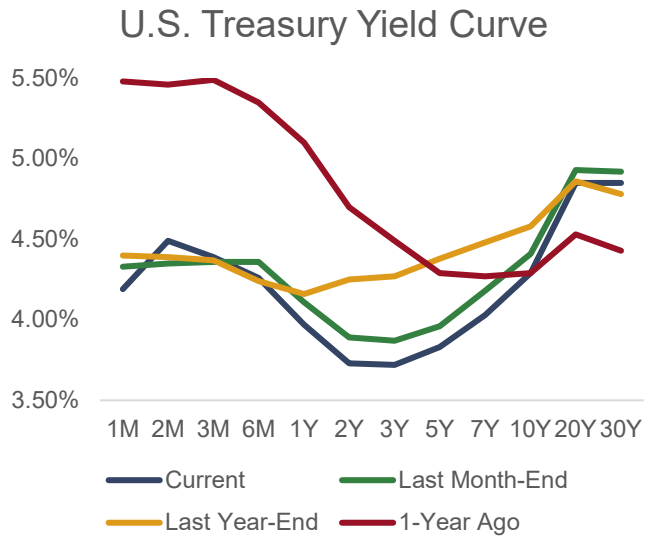
US equity markets surged as the S&P 500 and Nasdaq both climbed over 3% and posted record highs. Mega-cap technology stocks led the charge, driven by strong earnings and AI-related optimism. The broader rally was partially fueled by easing geopolitical tensions in the Middle East, which led to a sharp drop in oil prices. U.S. crude fell from over $75 to around $65 per barrel. This decline helped ease inflation concerns and supported consumer sentiment. Meanwhile, the Federal Reserve signaled a continued path toward rate cuts, with markets now pricing in two to three cuts by year-end. Increased expectations of lower long-term rates helped further boost equity valuations. However, trade tensions resurfaced late in the week as the U.S. abruptly ended talks with Canada over a digital services tax, triggering some intraday volatility.

Fixed Income Markets Overview

- U.S. Treasury yields fell for the third consecutive week while the yield curve steepened slightly, with the 2-year yield dropping 17 basis points to 3.73% and the 10-year yield easing 8 basis points to 4.29%.
- Dovish commentary from Fed officials, including Michelle Bowman and Austan Goolsbee, contributed to a rise in market-implied rate cut probabilities. Markets are now pricing in approximately 2.55 cuts for 2025, up from 2.05 the week prior.
- Core PCE inflation rose 0.2% month-over-month and 2.7% year-over-year, both slightly above expectations. Despite this, falling oil prices and softening consumer data helped reinforce the case for easing rates.
- Q2 GDP was revised down to +2.9% from +3.4%, and both personal income and spending came in below expectations, signaling potential economic softening that supports a more accommodative Fed stance.

Asset Class	Name	1W	YTD	3Y(Ann.)	5Y(Ann.)
Short	1-3 Year Govt/Credit	0.3%	2.8%	3.8%	1.6%
Core Plus	Intermediate Govt/Credit	0.6%	3.9%	3.7%	0.6%
	International Aggregate	1.0%	7.0%	2.7%	-1.2%
	US Aggregate	0.7%	3.7%	2.8%	-0.8%
	US Treasury	0.6%	3.5%	1.8%	-1.7%
	US TIPS	0.4%	4.4%	2.0%	1.5%
	US Corporate	0.7%	3.7%	4.4%	0.1%
	US Corporate High Yield	0.8%	4.3%	9.2%	5.8%
Other	Emerging Markets Aggregate	0.9%	4.7%	7.3%	1.6%
Muni	US Municipals	0.2%	-0.4%	2.6%	0.5%
	US Municipals High Yield	0.2%	-0.4%	4.6%	3.2%

Source: Bloomberg as of June 27, 2025



Source: Bloomberg and U.S Treasury as of June 27, 2025

Interest Rates (%)

Date	6/27/2025	5/30/2025	12/31/2024	6/27/2024
Federal Funds Rate	4.19%	4.33%	4.40%	5.48%
3 Month Treasury	4.39%	4.36%	4.37%	5.49%
6 Month Treasury	4.26%	4.36%	4.24%	5.35%
2 Year Treasury	3.73%	3.89%	4.25%	4.70%
5 Year Treasury	3.83%	3.96%	4.38%	4.29%
10 Year Treasury	4.29%	4.41%	4.58%	4.29%
30 Year Treasury	4.85%	4.92%	4.78%	4.43%
US Aggregate	4.56%	4.71%	4.91%	4.94%
US Corporate	5.06%	5.21%	5.33%	5.43%
US Corporate High Yield	7.10%	7.46%	7.49%	7.92%
US Municipal	3.97%	4.04%	3.74%	3.72%
US Municipal High Yield	5.81%	5.85%	5.52%	5.41%

Spreads Over 10-Year US Treasuries

Date	6/27/2025	5/30/2025	12/31/2024	6/27/2024
30 Year Treasury	0.56%	0.51%	0.20%	0.14%
US Aggregate	0.27%	0.30%	0.33%	0.65%
US Corporate	0.77%	0.80%	0.75%	1.14%
US Corporate High Yield	2.81%	3.05%	2.91%	3.63%
US Municipal	-0.32%	-0.37%	-0.84%	-0.57%
US Municipal High Yield	1.52%	1.44%	0.94%	1.12%

Source: Bloomberg and U.S. Treasury as of June 27, 2025

Equity Markets Overview

- US equities posted a strong week as all three major indices rose by over 3%, led by a weekly gain for the tech-heavy Nasdaq of 4.25%. Since the recent bottom on April 8, the S&P 500 and Nasdaq have rebounded 24% and 33%, respectively, and are now posting gains over 5% YTD.
- Most sectors posted gains last week, while Energy and Real Estate were the only sectors to end at a loss. Energy fell 3.45% last week due to collapsing oil prices and decreasing geopolitical tensions. Telecommunications, Technology, and Consumer Discretionary posted particularly strong weeks with gains of 6.2%, 466%, 4.37%, respectively, outperforming the broader market.
- It was a strong week for all size segments with large caps managing to slightly outperform their small and mid-cap peers. US equities continue to climb back from their recent depths as US large and mid-cap stocks are both posting growth on a YTD basis, while small caps are still positing negative YTD numbers. From a style perspective, growth outperformed value across all market cap segments.

Asset Class	Name	1W	YTD	3Y(Ann.)	5Y(Ann.)
All-Cap	S&P 1500	3.4%	5.1%	17.7%	17.0%
Large-Cap	S&P 500	3.5%	5.6%	18.3%	17.2%
	S&P 500 Growth	4.6%	8.2%	21.5%	17.9%
	S&P 500 Value	2.1%	2.8%	13.9%	15.6%
Mid-Cap	S&P Midcap 400	2.6%	0.2%	11.6%	14.3%
	S&P Midcap 400 Growth	2.9%	0.3%	12.5%	12.0%
	S&P Midcap 400 Value	2.3%	0.0%	10.7%	16.5%
Small-Cap	S&P Smallcap 600	3.1%	-4.3%	6.7%	12.9%
	S&P Smallcap 600 Growth	3.2%	-1.3%	8.3%	11.8%
	S&P Smallcap 600 Value	3.1%	-7.3%	4.9%	13.9%
Int'l.	MSCI ACWI ex-USA	3.0%	17.9%	13.0%	10.2%
	MSCI EM	3.4%	15.8%	9.0%	6.8%

Source: Bloomberg as of June 27, 2025

Alternative Markets Overview

- Gold prices fell nearly 3% marking two consecutive weekly losses after a U.S.-China trade agreement boosted risk appetite and diminished bullion's appeal as a safe-haven asset.
- Oil prices collapsed around 12% last week to around $65/barrel, marking the biggest single week drop since March 2023.

Name	1W	YTD	3Y (Ann.)	5Y (Ann.)
S&P GSCI	-6.0%	2.4%	-1.5%	18.3%
Gold	-2.9%	24.5%	21.7%	13.1%
FTSE All Equity NAREIT	-0.9%	1.1%	2.4%	7.2%
Bitcoin	3.4%	14.4%	72.5%	64.3%
Ethereum	-0.1%	-27.7%	26.2%	60.0%

Source: Bloomberg as of June 27, 2025



Upcoming Week

Important economic releases this week include labor market data for June, including the JOLTS report, nonfarm payrolls, and unemployment rate data, as well as ISM PMI data.

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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