

Capital Markets Snapshot

Prepared by Stalt Financial

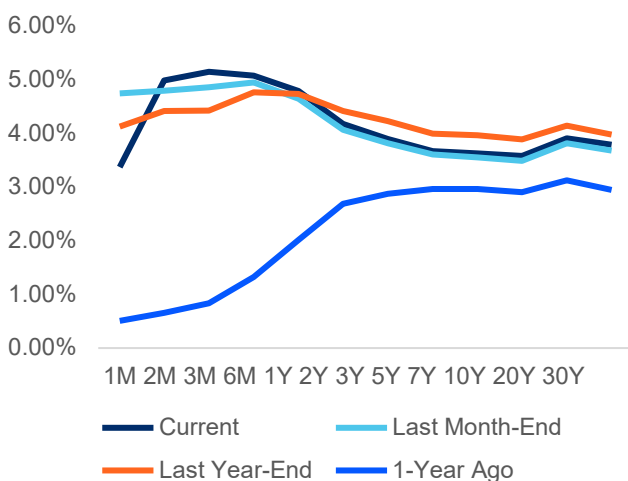
Week ending April 21, 2023

Despite many earnings reports during the week, the equity markets were little changed with all three indices showing slightly negative returns. The U.S. housing market drew a lot of attention this week when the National Association of Realtors announced that home prices in March had fallen for the second month in a row. The decline of 0.9% to a median price of \$375,000 was the largest year over year decline since January 2012. Also, this week, the U.S. Commerce Department reported slowing housing activity in March with a decline in housing starts of 0.8%, while residential permits dropped by 8.8%.

Fixed Income Markets Overview

- Adding to pressure on the housing market, Freddie Mac announced that the average mortgage rate this week moved up to 6.39%. This was the first increase following five weeks of declines.
- Several Federal Reserve officials, including Cleveland President Loretta Meister and St. Louis President James Bullard both voiced support for additional rate hikes at speeches this week. The Federal Reserve Open Market Committee is scheduled to meet on May 3rd and the market is anticipating another rate hike of 25 basis points.
- Continuing concerns about the U.S. debt ceiling has resulted in increased demand for 1 month U.S. Treasuries as investors choose to stay in short maturities. The 1-month yield has fallen over 120 basis points since the end of March.

U.S. Treasury Yield Curve



Source: Bloomberg and U.S Treasury as of April 21, 2023

Asset Class	Name	1W	YTD	3Y(Ann.)	5Y(Ann.)
Short	1-3 Year Govt/Credit	-0.06%	1.56%	-0.63%	1.25%
	Core Plus	Intermediate Govt/Credit	-0.16%	2.32%	-1.67%
	International Aggregate	-0.51%	2.70%	-3.73%	-1.23%
	US Aggregate	-0.23%	2.73%	-3.37%	1.03%
	US Treasury	-0.25%	2.66%	-4.56%	0.87%
	US TIPS	-0.26%	2.96%	0.78%	2.95%
	US Corporate	-0.22%	3.40%	-2.14%	1.79%
	US Corporate High Yield	-0.33%	4.10%	4.69%	3.10%
Other	Emerging Markets Aggregate	-0.75%	1.82%	-0.53%	0.36%
Muni	US Municipals	-1.36%	2.43%	0.25%	1.98%
	US Municipals High Yield	-1.51%	2.64%	3.30%	2.96%

Source: Bloomberg as of April 21, 2023

Interest Rates (%)

Date	4/21/2023	3/31/2023	12/30/2022	4/21/2022
Federal Funds Rate	3.36%	4.74%	4.12%	0.50%
3 Month Treasury	5.14%	4.85%	4.42%	0.83%
6 Month Treasury	5.07%	4.94%	4.76%	1.32%
2 Year Treasury	4.17%	4.06%	4.41%	2.68%
5 Year Treasury	3.66%	3.60%	3.99%	2.96%
10 Year Treasury	3.57%	3.48%	3.88%	2.90%
30 Year Treasury	3.78%	3.67%	3.97%	2.94%
US Aggregate	4.47%	4.40%	4.68%	3.46%
US Corporate	5.20%	5.17%	5.42%	4.21%
US Corporate High Yield	8.55%	8.52%	8.96%	6.64%
US Municipal	3.37%	3.25%	3.55%	3.10%
US Municipal High Yield	5.73%	5.68%	5.83%	4.78%

Spreads Over 10-Year US Treasuries

Date	4/21/2023	3/31/2023	12/30/2022	4/21/2022
30 Year Treasury	0.21%	0.19%	0.09%	0.04%
US Aggregate	0.90%	0.92%	0.80%	0.56%
US Corporate	1.63%	1.69%	1.54%	1.31%
US Corporate High Yield	4.98%	5.04%	5.08%	3.74%
US Municipal	-0.20%	-0.23%	-0.33%	0.20%
US Municipal High Yield	2.16%	2.20%	1.95%	1.88%

Source: Bloomberg and U.S. Treasury as of April 21, 2023

Equity Markets Overview

- While the three major indices were negative for the week, the sectors were mixed with the largest gains seen in Consumer Staples (+1.8%), Real Estate (+1.6%), and Utilities (+1.1%). The largest declines were in the Communication Services (-3.1%) and the Energy sector (-2.5%).
- On the earnings front, Procter and Gamble, IBM Corp., and Morgan Stanley all beat analyst estimates, but Nokia and United Airlines were below expectations.
- Many investors were focused on earnings from regional banks which have come in mixed. U.S Bancorp and Truist were among those reporting losses, while Metropolitan Bank beat expectations.

Asset Class	Name	1W	YTD	3Y(Ann.)	5Y(Ann.)
All-Cap	S&P 1500	-0.06%	7.74%	16.05%	10.68%
Large-Cap	S&P 500	-0.09%	8.21%	15.71%	11.07%
	S&P 500 Growth	-0.47%	10.23%	13.46%	11.75%
	S&P 500 Value	0.36%	6.02%	16.91%	9.38%
Mid-Cap	S&P Midcap 400	0.38%	3.31%	19.99%	7.31%
	S&P Midcap 400 Growth	0.32%	5.12%	15.87%	6.61%
	S&P Midcap 400 Value	0.45%	1.43%	24.06%	7.61%
Small-Cap	S&P Smallcap 600	-0.30%	0.73%	20.14%	5.38%
	S&P Smallcap 600 Growth	-0.38%	0.38%	16.29%	5.19%
	S&P Smallcap 600 Value	-0.22%	1.13%	23.94%	5.34%
Int'l.	MSCI ACWI ex-USA	-0.55%	8.75%	11.38%	2.47%
	MSCI EM	-1.95%	3.06%	5.83%	-1.05%

Source: Bloomberg as of April 21, 2023

Alternative Markets Overview

- Oil gave up its recent gains falling by almost 5% this week.
- Bitcoin also gave back some recent gains falling below \$28,000 during the week. Shares of Ethereum were also down for the week.

Name	1W	YTD	3Y (Ann.)	5Y (Ann.)
S&P GSCI	-3.43%	-4.27%	37.19%	4.15%
Gold	-2.27%	8.82%	4.88%	8.10%
FTSE All Equity NAREIT	1.58%	0.95%	8.21%	6.53%
Bitcoin	-10.03%	64.35%	56.60%	26.20%
Ethereum	-11.94%	53.45%	116.09%	25.44%

Source: Bloomberg as of April 21, 2023



Upcoming Week

- Look for another big week of earnings news including reports from Coca Cola, Microsoft, General Electric, and Boeing.
- First quarter GDP is scheduled to be released on Thursday. Current expectations are looking for a reading of 2.0%, which would be a decrease from the fourth quarter's 2.6%.
- On Friday, look for the Personal Consumption Expenditure (PCE) Index which is the Federal Reserve's preferred metric of inflation.

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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