

# Capital Markets Snapshot

Courtesy of Summit Pointe Advisors

Week ending September 5, 2025

Last week was a loaded week for US labor market data, and it contained clear signs of a softening U.S. labor market. August jobs data showed only 22,000 jobs were added, well below expectations, and the unemployment rate rose to 4.3%. This weaker labor data increased expectations for Federal Reserve rate cuts, with markets expectations for a rate cut of either 25 or 50 basis points at the September meeting. Eyes will be on this week's CPI and PPI releases, which will provide the last read on inflation going into the September meeting. Treasury yields fell sharply, supporting consumer and corporate borrowing, while the yield curve steepened, benefiting lenders. Equity markets were volatile to end the week, with the S&P 500 hitting an all-time high before pulling back following Friday's nonfarm report. Despite the volatility, the S&P 500 and Nasdaq managed to post slightly positive weeks while the Dow Jones slipped slightly. Gold rallied to a record high, and mortgage rates saw their largest one-day drop in over a year.

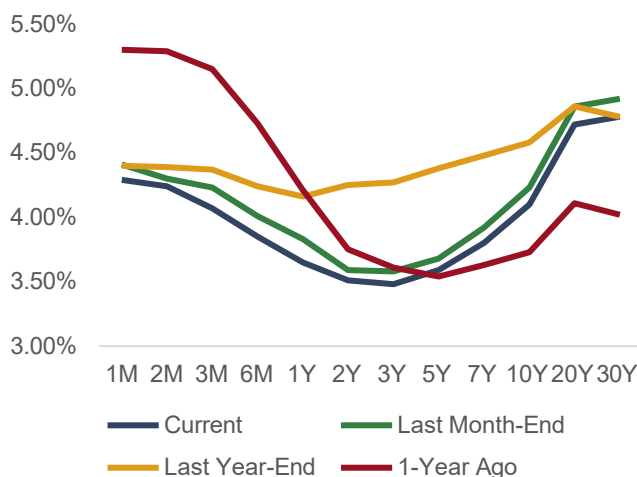
## Fixed Income Markets Overview

- U.S. government bond prices climbed, sending yields lower. The 10-year Treasury yield fell from 4.23% to 4.1% by week's end, and the 2-year Treasury yield dropped to its lowest level of the year, closing the week at 3.51%.
- Markets are pricing in a 100% probability of a Fed rate cut in September. Based on CME FedWatch data, expectations are around 90% for a 25 basis point cut and just over 10% chance of a 50 bps cut. Rate futures markets now imply four to six total Fed rate cuts by 2026, bringing the fed funds rate to around 3-3.5%.
- The average 30-year U.S. mortgage rate continues its recent trend down currently sitting at 6.5% after breaking above 7% in early January. Falling rates can spark increased activity in the housing sector, which is already seeing an increase in mortgage refinance applications.

Asset Class	Name	1W	YTD	3Y(Ann.)	5Y(Ann.)
Short	1-3 Year Govt/Credit	0.2%	4.1%	4.2%	1.8%
	Intermediate Govt/Credit	0.5%	5.8%	4.2%	0.8%
Core Plus	International Aggregate	0.6%	7.8%	3.9%	-1.6%
	US Aggregate	0.9%	6.0%	3.4%	-0.5%
	US Treasury	0.8%	5.3%	2.4%	-1.3%
	US TIPS	0.6%	7.0%	2.7%	1.5%
	US Corporate	1.2%	6.5%	5.2%	0.2%
	US Corporate High Yield	0.3%	6.7%	9.5%	5.2%
Other	Emerging Markets Aggregate	0.7%	8.0%	8.3%	1.5%
Muni	US Municipals	0.9%	1.2%	3.1%	0.6%
	US Municipals High Yield	0.9%	-0.4%	4.2%	2.5%

Source: Bloomberg as of September 5, 2025

## U.S. Treasury Yield Curve



Source: Bloomberg and U.S Treasury as of September 5, 2025

## Interest Rates (%)

Date	9/5/2025	8/29/2025	12/31/2024	9/5/2024
Federal Funds Rate	4.29%	4.41%	4.40%	5.30%
3 Month Treasury	4.07%	4.23%	4.37%	5.15%
6 Month Treasury	3.85%	4.01%	4.24%	4.73%
2 Year Treasury	3.51%	3.59%	4.25%	3.75%
5 Year Treasury	3.59%	3.68%	4.38%	3.54%
10 Year Treasury	4.10%	4.23%	4.58%	3.73%
30 Year Treasury	4.78%	4.92%	4.78%	4.02%
US Aggregate	4.31%	4.44%	4.91%	4.25%
US Corporate	4.78%	4.91%	5.33%	4.78%
US Corporate High Yield	6.66%	6.75%	7.49%	7.23%
US Municipal	3.78%	3.89%	3.74%	3.40%
US Municipal High Yield	5.80%	5.88%	5.52%	5.25%

## Spreads Over 10-Year US Treasuries

Date	9/5/2025	8/29/2025	12/31/2024	9/5/2024
30 Year Treasury	0.68%	0.69%	0.20%	0.29%
US Aggregate	0.21%	0.21%	0.33%	0.52%
US Corporate	0.68%	0.68%	0.75%	1.05%
US Corporate High Yield	2.56%	2.52%	2.91%	3.50%
US Municipal	-0.32%	-0.34%	-0.84%	-0.33%
US Municipal High Yield	1.70%	1.65%	0.94%	1.52%

Source: Bloomberg and U.S. Treasury as of September 5, 2025

## Equity Markets Overview

- The S&P 500 set another all-time high before reversing on Friday. Results were mixed for the major US indices with the S&P 500 ending the week up 0.4%; the Dow fell 0.3%, Nasdaq rose 1.2%.
- Mega-cap tech stocks (AMD, NVDA, MSFT) experienced a selloff, though broader market breadth held steady or improved, with 67% of S&P 500 stocks above their 200-day moving average.
- Alphabet (GOOGL) rallied 11% to a new all-time high after a favorable court ruling deemed it retain ownership of its Chrome browser but with concessions it can't forge exclusive contracts and must share search data.
- Broadcom (AVGO) experienced strong price surge following earnings that topped analysts' estimates and revealing plans to help OpenAI design and create an AI accelerator.
- Lululemon (LULU) dropped nearly 18% after cutting its outlook due to weak demand and tariff costs.

Asset Class	Name	1W	YTD	3Y(Ann.)	5Y(Ann.)
All-Cap	S&P 1500	0.4%	10.8%	19.3%	15.1%
	S&P 500	0.4%	11.2%	20.0%	15.3%
Large-Cap	S&P 500 Growth	1.0%	14.7%	23.3%	15.6%
	S&P 500 Value	-0.4%	7.4%	15.5%	14.3%
	S&P Midcap 400	1.3%	6.7%	13.1%	13.4%
Mid-Cap	S&P Midcap 400 Growth	1.6%	6.7%	13.6%	11.2%
	S&P Midcap 400 Value	1.1%	6.7%	12.5%	15.5%
	S&P Smallcap 600	0.9%	4.1%	9.6%	12.0%
Small-Cap	S&P Smallcap 600 Growth	0.3%	5.0%	10.1%	10.5%
	S&P Smallcap 600 Value	1.5%	3.3%	8.9%	13.3%
	Int'l.				
	MSCI ACWI ex-USA	0.7%	22.4%	16.2%	9.4%
	MSCI EM	1.4%	20.7%	12.3%	5.5%

Source: Bloomberg as of September 5, 2025

## Alternative Markets Overview

- Gold prices rose almost 4% last week, bringing its YTD gain to just over 38%. Its strong week was fueled by weak U.S. jobs data raising expectations for an impending Federal Reserve rate cut in September.
- Oil prices continued fall closing the week just shy of \$62/barrel as a weak U.S. jobs report dimmed the outlook for energy demand paired with expectations of growing supply from OPEC and allied producers.

Name	1W	YTD	3Y (Ann.)	5Y (Ann.)
S&P GSCI	-1.1%	4.3%	2.1%	17.0%
Gold	3.9%	38.3%	28.5%	13.6%
FTSE All Equity NAREIT	0.0%	4.1%	3.8%	6.3%
Bitcoin	3.1%	19.5%	78.3%	62.2%
Ethereum	-0.5%	29.5%	40.6%	61.7%

Source: Bloomberg as of September 5, 2025



### Upcoming Week

- It is a light week for earnings reports. Two notable releases this week include Chewy and Adobe.
- It is a lighter week for economic data. We will be monitoring the inflation (CPI and PPI) and consumer confidence releases.

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## 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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