

Capital Markets Snapshot

Courtesy of Summit Pointe Advisors

Week ending September 12, 2025

Last week, markets reacted to mixed inflation data and signs of a softening labor market. The Consumer Price Index (CPI) rose to 2.9% annualized, in line with expectations, while the Producer Price Index (PPI) fell to 2.6%, below forecasts, indicating that inflation remains elevated but generally contained. Labor market data showed downward revisions to job gains and a rise in initial jobless claims, suggesting a cooling trend. Despite inflation staying above the Federal Reserve's 2% target, markets expect the Fed to cut rates at its upcoming meeting to support employment. Bond yields dropped, with the 10-year Treasury briefly touching 4.0%, and equity markets climbed to record highs, buoyed by hopes of Fed easing and robust AI-driven growth in the tech sector. Consumer sentiment declined, and gold prices surged to new highs.

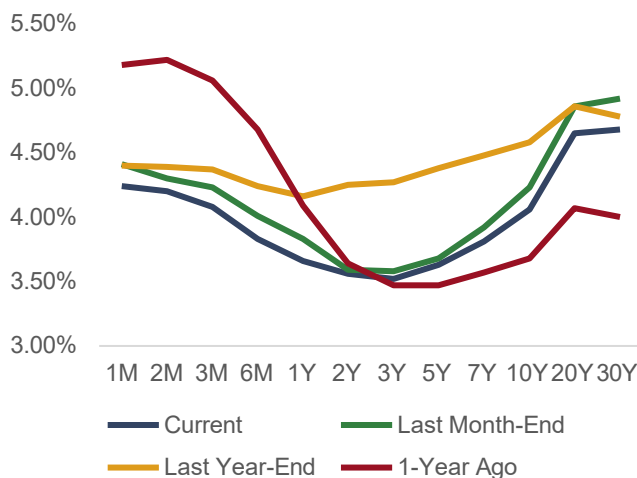
Fixed Income Markets Overview

- U.S. government bond prices climbed, as short- and long-term yields fell lower while intermediate-term rates rose. The 10-year Treasury closed the week at 4.06% after briefly hitting 4%, its lowest levels since April. The US Agg has posted a very solid 6.4% YTD gain.
- Markets are pricing in a 100% probability of a Fed rate cut in September. Expectations largely lean towards a 25-basis point cut, but some participants continue to expect a larger 50 bps reduction.
- The 30-year fixed-rate mortgage fell 15 basis points last week to 6.35%, its largest weekly drop in the past year. With rates trending in the right direction, housing market activity is beginning to pick up, purchase applications reached the highest YoY growth rate in over four years.

Asset Class	Name	1W	YTD	3Y(Ann.)	5Y(Ann.)
Short	1-3 Year Govt/Credit	0.0%	4.1%	4.3%	1.8%
	Intermediate Govt/Credit	0.1%	5.8%	4.4%	0.8%
Core Plus	International Aggregate	0.2%	8.0%	3.9%	-1.6%
	US Aggregate	0.4%	6.4%	3.8%	-0.4%
	US Treasury	0.3%	5.6%	2.8%	-1.3%
	US TIPS	0.2%	7.3%	3.2%	1.5%
	US Corporate	0.6%	7.2%	5.6%	0.3%
	US Corporate High Yield	0.3%	7.0%	9.0%	5.3%
Other	Emerging Markets Aggregate	0.5%	8.6%	8.4%	1.6%
Muni	US Municipals	1.5%	2.7%	3.7%	0.9%
	US Municipals High Yield	1.7%	1.3%	5.1%	2.9%

Source: Bloomberg as of September 12, 2025

U.S. Treasury Yield Curve



Source: Bloomberg and U.S. Treasury as of September 12, 2025

Interest Rates (%)

Date	9/12/2025	8/29/2025	12/31/2024	9/12/2024
Federal Funds Rate	4.24%	4.41%	4.40%	5.18%
3 Month Treasury	4.08%	4.23%	4.37%	5.06%
6 Month Treasury	3.83%	4.01%	4.24%	4.68%
2 Year Treasury	3.56%	3.59%	4.25%	3.64%
5 Year Treasury	3.63%	3.68%	4.38%	3.47%
10 Year Treasury	4.06%	4.23%	4.58%	3.68%
30 Year Treasury	4.68%	4.92%	4.78%	4.00%
US Aggregate	4.29%	4.44%	4.91%	4.18%
US Corporate	4.74%	4.91%	5.33%	4.72%
US Corporate High Yield	6.64%	6.75%	7.49%	7.24%
US Municipal	3.58%	3.89%	3.74%	3.35%
US Municipal High Yield	5.64%	5.88%	5.52%	5.21%

Spreads Over 10-Year US Treasuries

Date	9/12/2025	8/29/2025	12/31/2024	9/12/2024
30 Year Treasury	0.62%	0.69%	0.20%	0.32%
US Aggregate	0.23%	0.21%	0.33%	0.50%
US Corporate	0.68%	0.68%	0.75%	1.04%
US Corporate High Yield	2.58%	2.52%	2.91%	3.56%
US Municipal	-0.48%	-0.34%	-0.84%	-0.33%
US Municipal High Yield	1.58%	1.65%	0.94%	1.53%

Source: Bloomberg and U.S. Treasury as of September 12, 2025

Equity Markets Overview

- Major U.S. stock indexes continued their positive momentum and as all three major indices posted new record highs. Markets have been melting upward recently with the S&P 500 posting its fifth positive week out of six.
- AI-related growth stories, such as Oracle's strong cloud revenue outlook and Nebius Group's \$17.4B 5-year cloud services deal with Microsoft, boosted investor sentiment
- The Russell 2000 small-cap index reached a year-to-date high, supported by prospects for lower borrowing costs. It was within 2.5% of its all-time high, should it break above this level it could be a bullish signal for small cap stocks.
- Market breadth continues to expand, with more stocks trading above their 200-day moving averages. Improving breadth amidst the recent stock rally is generally positive, suggesting healthy sentiment and supportive technicals.
- Small- and mid-cap stocks lagged large-caps this week, the former group posting losses of 0.5% and 0.4%, respectively, and the latter a gain of 1.6%. Similarly, growth outperformed value across all size segments, highlighted by a 2.6% weekly gain for large cap growth.

Asset Class	Name	1W	YTD	3Y(Ann.)	5Y(Ann.)
All-Cap	S&P 1500	1.4%	12.4%	18.1%	16.0%
Large-Cap	S&P 500	1.6%	13.0%	18.8%	16.3%
	S&P 500 Growth	2.6%	17.7%	22.1%	16.9%
	S&P 500 Value	0.4%	7.8%	14.1%	14.8%
Mid-Cap	S&P Midcap 400	-0.4%	6.3%	11.0%	13.8%
	S&P Midcap 400 Growth	-0.2%	6.5%	11.4%	11.5%
	S&P Midcap 400 Value	-0.6%	6.0%	10.4%	16.1%
Small-Cap	S&P Smallcap 600	-0.5%	3.6%	8.0%	12.6%
	S&P Smallcap 600 Growth	-0.4%	4.5%	8.4%	11.1%
	S&P Smallcap 600 Value	-0.6%	2.6%	7.3%	14.1%
Int'l.	MSCI ACWI ex-USA	1.9%	24.8%	15.7%	9.7%
	MSCI EM	4.0%	25.5%	13.3%	6.5%

Source: Bloomberg as of September 12, 2025

Alternative Markets Overview

- Gold prices rose for the fourth consecutive week and broke the \$3,700/oz price level.
- Oil prices rose slightly but remained around \$66/barrel. Prices rose following an Ukrainian drone strike on Russia's largest oil terminal. The price rally was limited due to concerns about falling US demand as economic data continue to suggest weakness.

Name	1W	YTD	3Y (Ann.)	5Y (Ann.)
S&P GSCI	1.3%	5.6%	2.0%	18.0%
Gold	0.9%	39.6%	28.4%	13.6%
FTSE All Equity NAREIT	0.4%	4.5%	2.2%	6.8%
Bitcoin	4.6%	25.0%	73.3%	62.0%
Ethereum	7.7%	39.5%	39.2%	66.0%

Source: Bloomberg as of September 12, 2025



Upcoming Week

- As we prepare to enter the next earnings season, it will be light on earnings reports over the next few weeks. Two notable releases this week include Cracker Barrel Old Country Store and FedEx.
- It is a busier week for economic data. We will be monitoring the Retail Sales, Import and Export figures, Housing and Building Starts, and weekly unemployment claims. Most everyone will be watching closely for Wednesday's FOMC Rate Decision.

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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