

# Capital Markets Snapshot

Courtesy of Summit Pointe Advisors

Week ending December 26, 2025

Last week, all three major U.S. equity indices posted gains of more than 1% during the holiday-shortened trading week, with the S&P 500 and Dow Jones setting new all-time highs. Economic data surprised to the upside, as third-quarter U.S. GDP accelerated to a 4.3% annualized pace, well above expectations and signaling continued economic strength. Precious metals extended their remarkable year-to-date performance, with silver climbing above \$77 per ounce for the first time and gold also hitting new records. Market volatility continued to ease, with the VIX falling to its lowest level in over a year. Despite a modest rebound, oil prices remained on track for their steepest annual decline since 2020. Fixed-income markets reflected expectations for further monetary easing, as futures markets implied a 74% probability of at least two Fed cuts in 2026. International equities continued to outperform U.S. benchmarks on a year-to-date basis, illustrating the importance of portfolio diversification. Corporate earnings expectations remain robust, with analysts projecting 15% S&P 500 earnings growth in 2026.

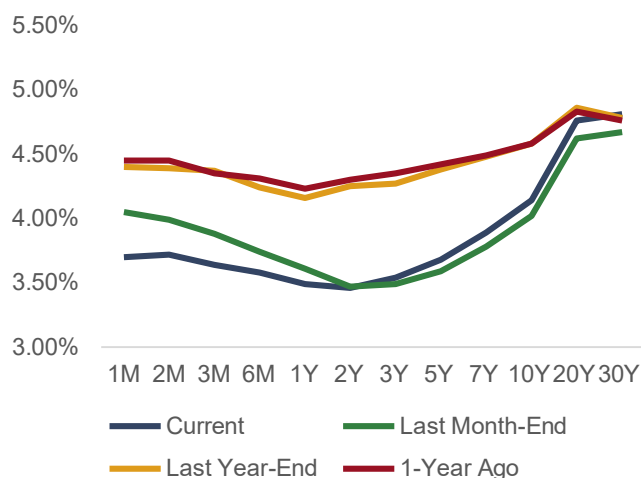
## Fixed Income Markets Overview

- Rate-futures markets priced a 74% chance of at least two Fed rate cuts in 2026. Probabilities implied a 21% chance of one cut and 5% chance of no cuts.
- Treasury yields were largely flat or declined a couple basis points during the week as market expectations for further easing in 2026 continued to firm. Market pricing appears to reflect confidence that slowing inflation and labor-market cooling justify additional easing.
- Investment-grade yields remained competitive versus cash, supporting demand for duration.

Asset Class	Name	1W	YTD	3Y(Ann.)	5Y(Ann.)
Short	1-3 Year Govt/Credit	0.1%	5.3%	4.7%	2.0%
Core Plus	Intermediate Govt/Credit	0.1%	6.9%	4.9%	1.0%
	International Aggregate	0.6%	8.3%	3.9%	-2.0%
	US Aggregate	0.2%	7.3%	4.4%	-0.3%
	US Treasury	0.2%	6.3%	3.4%	-1.0%
	US TIPS	0.1%	6.9%	4.1%	1.2%
	US Corporate	0.3%	7.8%	5.9%	0.0%
	US Corporate High Yield	0.2%	8.4%	9.6%	4.6%
Other	Emerging Markets Aggregate	0.1%	11.0%	8.8%	1.5%
Muni	US Municipals	0.1%	4.2%	3.8%	0.8%
	US Municipals High Yield	0.0%	2.3%	5.6%	2.2%

Source: Bloomberg as of December 26, 2025

## U.S. Treasury Yield Curve



Source: Bloomberg and U.S. Treasury as of December 26, 2025

## Interest Rates (%)

Date	12/26/2025	11/28/2025	12/31/2024	12/26/2024
Federal Funds Rate	3.70%	4.05%	4.40%	4.45%
3 Month Treasury	3.64%	3.88%	4.37%	4.35%
6 Month Treasury	3.58%	3.74%	4.24%	4.31%
2 Year Treasury	3.46%	3.47%	4.25%	4.30%
5 Year Treasury	3.68%	3.59%	4.38%	4.42%
10 Year Treasury	4.14%	4.02%	4.58%	4.58%
30 Year Treasury	4.81%	4.67%	4.78%	4.76%
US Aggregate	4.31%	4.27%	4.91%	4.93%
US Corporate	4.81%	4.76%	5.33%	5.34%
US Corporate High Yield	6.57%	6.57%	7.49%	7.47%
US Municipal	3.60%	3.58%	3.74%	3.78%
US Municipal High Yield	5.59%	5.64%	5.52%	5.55%

## Spreads Over 10-Year US Treasuries

Date	12/26/2025	11/28/2025	12/31/2024	12/26/2024
30 Year Treasury	0.67%	0.65%	0.20%	0.18%
US Aggregate	0.17%	0.25%	0.33%	0.35%
US Corporate	0.67%	0.74%	0.75%	0.76%
US Corporate High Yield	2.43%	2.55%	2.91%	2.89%
US Municipal	-0.54%	-0.44%	-0.84%	-0.80%
US Municipal High Yield	1.45%	1.62%	0.94%	0.97%

Source: Bloomberg and U.S. Treasury as of December 26, 2025

## Equity Markets Overview

- The S&P 500 and Dow reached new all-time highs during the week. The S&P 500, Dow, and NASDAQ all gained more than 1% in a shortened week.
- Strong GDP data underscored resilient U.S. economic momentum. 2026 earnings expectations remain healthy, with analysts forecasting 15% earnings growth.
- U.S. equities underperformed internationally YTD. US equities posted a strong 19.3% through 12/26, outpaced by both International Developed and Emerging markets with gains of 32.3% and 32.9%, respectively.
- Communication Services and Technology continued their recent strength, leading all sectors in YTD performance. Current projections are for these sectors to continue to lead sector-level earnings growth in 2026.
- Market volatility continued to fall, with the VIX dropping to its lowest in more than 12 months.

Asset Class	Name	1W	YTD	3Y(Ann.)	5Y(Ann.)
All-Cap	S&P 1500	1.4%	18.5%	22.6%	14.5%
Large-Cap	S&P 500	1.4%	19.3%	23.5%	15.0%
	S&P 500 Growth	1.8%	23.9%	29.7%	15.7%
	S&P 500 Value	1.0%	14.3%	16.3%	13.5%
Mid-Cap	S&P Midcap 400	0.7%	9.7%	13.3%	9.5%
	S&P Midcap 400 Growth	1.0%	10.0%	14.2%	7.5%
	S&P Midcap 400 Value	0.4%	9.4%	12.3%	11.4%
Small-Cap	S&P Smallcap 600	0.6%	8.5%	11.0%	7.8%
	S&P Smallcap 600 Growth	0.8%	8.6%	11.5%	6.0%
	S&P Smallcap 600 Value	0.2%	8.5%	10.3%	9.5%
Int'l.	MSCI ACWI ex-USA	1.5%	32.3%	17.3%	8.3%
	MSCI EM	2.1%	32.9%	16.2%	4.7%

Source: Bloomberg as of December 26, 2025

## Alternative Markets Overview

- Precious metals continued to surge, with silver climbing to nearly \$84/oz for the first time. Gold also set new record highs. On a YTD basis, silver's gain reached nearly 174%, while gold climbed almost 73%.
- Oil prices saw a modest weekly rebound but remained sharply down for 2025. U.S. crude hovered near \$57 per barrel, far below year-end 2024 levels. 2025 is on pace to mark oil's steepest annual drop since 2020.

Name	1W	YTD	3Y (Ann.)	5Y (Ann.)
S&P GSCI	1.6%	7.4%	4.2%	15.0%
Gold	3.8%	72.4%	36.1%	19.3%
FTSE All Equity NAREIT	1.2%	2.6%	6.1%	5.2%
Bitcoin	-0.5%	-6.3%	73.2%	27.1%
Ethereum	-2.0%	-12.2%	34.0%	37.1%

Source: Bloomberg as of December 26, 2025



### Upcoming Week

- There are no noteworthy earnings reports this week.
- It is a light week for economic data as we wrap up 2025. Keep an eye out for the FOMC meeting minutes, some housing market data, and weekly 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.

CBOE Volatility Index (VIX) is a real-time market index that represents the market's expectation of 30-day forward-looking volatility. Derived from the price inputs of S&P 500 index options, it provides a measure of market risk and investor sentiment.

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