

Capital Markets Snapshot

Courtesy of the Davis Financial Group

Week ending November 28, 2025

Markets rebounded after early November volatility, with major U.S. indexes posting strong weekly gains. International equities also continued their impressive 2025 performance, supported by a weaker dollar and improving global growth outlook. US economic resilience continues, as recession expectations continue to fade and consumer spending remains resilient. Corporate profits are strong, with S&P 500 earnings on track for an 11% year-over-year increase and margins near record highs. AI-driven innovation continues to underpin tech sector strength, though concentration risks persist. The Fed's resumed easing cycle has eased financial conditions, which helped mortgage rates decline. Inflation has moderated slightly, falling from 3% in 2024 to 2.7% in 2025. Treasury yields hovered near 4%, offering historically attractive income opportunities for bond investors. Seasonal trends of the S&P 500 suggest potential for a strong year-end finish, as December has historically delivered positive returns about 70% of the time of the last 30 years.

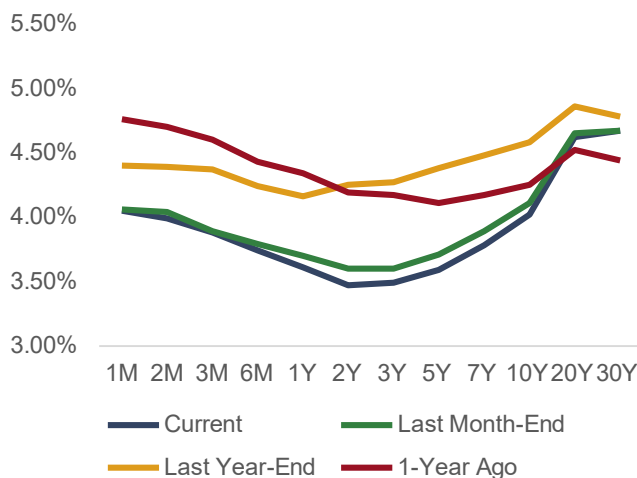
Fixed Income Markets Overview

- Rates ticked down modestly last week, as US bonds posted small gains to close out November. Since January, all rates have fallen across the curve, with the most movement occurring in the intermediate rates (1-5 year maturities).
- The 10-year Treasury yield ended near 4%, down from its peak of 4.8% earlier this year. Yields remain historically attractive, near 15-year highs, providing income above inflation.
- At the last Fed meeting, Powell's remarks suggested a December rate cut was not certain. Since then, rate cut expectations for the December meeting have become extremely volatile, falling from an expected 100% probability to around 40%. Expectations have since increased to an over 80% probability.
- Mortgage rates continue to trend down on the year, the average 30-year rate of 6.2% is down from its January high of 7%. Falling rates have led to increased housing market activity, with pending home sales at their high levels since November last year.

Asset Class	Name	1W	YTD	3Y(Ann.)	5Y(Ann.)
Short	1-3 Year Govt/Credit	0.1%	5.0%	4.8%	1.9%
	Core Plus				
	Intermediate Govt/Credit	0.2%	6.9%	5.1%	1.0%
	International Aggregate	0.7%	7.9%	4.0%	-1.9%
	US Aggregate	0.4%	7.5%	4.6%	-0.3%
	US Treasury	0.3%	6.7%	3.6%	-1.0%
	US TIPS	0.2%	7.4%	4.3%	1.5%
	US Corporate	0.7%	8.0%	6.1%	0.1%
	US Corporate High Yield	0.8%	8.0%	9.8%	4.8%
Other	Emerging Markets Aggregate	0.3%	10.6%	9.3%	1.7%
Muni	US Municipals	0.1%	4.2%	4.1%	0.9%
	US Municipals High Yield	0.1%	2.7%	6.1%	2.6%

Source: Bloomberg as of November 28, 2025

U.S. Treasury Yield Curve



Source: Bloomberg and U.S. Treasury as of November 28, 2025

Interest Rates (%)

Date	11/28/2025	10/31/2025	12/31/2024	11/27/2024
Federal Funds Rate	4.05%	4.06%	4.40%	4.76%
3 Month Treasury	3.88%	3.89%	4.37%	4.60%
6 Month Treasury	3.74%	3.79%	4.24%	4.43%
2 Year Treasury	3.47%	3.60%	4.25%	4.19%
5 Year Treasury	3.59%	3.71%	4.38%	4.11%
10 Year Treasury	4.02%	4.11%	4.58%	4.25%
30 Year Treasury	4.67%	4.67%	4.78%	4.44%
US Aggregate	4.27%	4.33%	4.91%	4.69%
US Corporate	4.76%	4.82%	5.33%	5.11%
US Corporate High Yield	6.57%	6.78%	7.49%	7.19%
US Municipal	3.58%	3.57%	3.74%	3.46%
US Municipal High Yield	5.64%	5.63%	5.52%	5.26%

Spreads Over 10-Year US Treasuries

Date	11/28/2025	10/31/2025	12/31/2024	11/27/2024
30 Year Treasury	0.65%	0.56%	0.20%	0.19%
US Aggregate	0.25%	0.22%	0.33%	0.44%
US Corporate	0.74%	0.71%	0.75%	0.86%
US Corporate High Yield	2.55%	2.67%	2.91%	2.94%
US Municipal	-0.44%	-0.54%	-0.84%	-0.79%
US Municipal High Yield	1.58%	1.52%	0.94%	0.94%

Source: Bloomberg and U.S. Treasury as of November 28, 2025

Equity Markets Overview

- US equities posted strong weekly gains to close out November. The Nasdaq led with a 4.9% gain followed by the S&P 500's 3.7%, and Dow Jones' 3.2%. On a YTD basis, the S&P 500 is up almost 18% as the 3-year bull market continues.
- All sectors were up last week as Telecommunications, Consumer Discretionary, and Technology sectors led the charge, up 5.9%, 5.3%, and 4.3%, respectively.
- Small and mid-cap stocks slightly outperformed large caps, potentially fueled by the increasing expectations of a December rate cut.
- Corporate earnings exceeded expectations, with profits projected to rise 11% in 2025. Looking ahead to 2026, expectations are for continued earnings growth around 14%.

Asset Class	Name	1W	YTD	3Y(Ann.)	5Y(Ann.)
All-Cap	S&P 1500	3.8%	16.9%	20.8%	14.7%
Large-Cap	S&P 500	3.7%	17.8%	21.8%	15.2%
	S&P 500 Growth	4.4%	22.4%	27.5%	16.0%
	S&P 500 Value	3.0%	12.8%	15.0%	13.4%
Mid-Cap	S&P Midcap 400	4.0%	7.4%	11.4%	10.1%
	S&P Midcap 400 Growth	4.2%	7.6%	12.4%	8.3%
	S&P Midcap 400 Value	3.7%	7.2%	10.4%	11.8%
Small-Cap	S&P Smallcap 600	4.6%	6.1%	8.7%	8.5%
	S&P Smallcap 600 Growth	4.4%	6.4%	9.5%	7.2%
	S&P Smallcap 600 Value	4.8%	5.7%	7.8%	9.7%
Int'l.	MSCI ACWI ex-USA	3.2%	28.5%	16.3%	8.1%
	MSCI EM	2.5%	29.7%	16.4%	4.6%

Source: Bloomberg as of November 28, 2025

Alternative Markets Overview

- Bitcoin rebounded nearly 8% ending the week around \$91k. The coin is down 27% from its October high of \$125k and on a YTD basis returning -2.3%.
- Gold posted a respectable 3.4% increase last week. Its 61% YTD return continues its multi-year run as one of the top performing assets in recent markets.

Name	1W	YTD	3Y (Ann.)	5Y (Ann.)
S&P GSCI	1.7%	7.4%	4.5%	15.9%
Gold	3.4%	61.1%	34.3%	18.9%
FTSE All Equity NAREIT	1.8%	4.5%	6.4%	5.6%
Bitcoin	7.9%	-2.3%	77.7%	38.8%
Ethereum	11.7%	-8.5%	37.7%	42.8%

Source: Bloomberg as of November 28, 2025



Upcoming Week

- As we move into December and wrap up 2025, it is a light week for earnings reports. Two notable releases this week include Salesforce and Dollar General.
- Key economic releases this week include the delayed September Personal Consumption Expenditures (PCE) Price Index and Core PCE (the Fed's preferred inflation gauge) on Friday, alongside November ADP employment data, ISM manufacturing and services PMIs, weekly jobless claims, and the October U.S. trade deficit.

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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