

Capital Markets Snapshot

Courtesy of The Davis Financial Group

Week ending November 29, 2024

Last week, U.S. stock indexes continued their positive momentum. The S&P 500 and Dow both hit new record levels, while the NASDAQ remained slightly below its recent high. Additionally, U.S. stock indexes saw significant gains in November, marking the sixth positive month out of the past seven. U.S. government bond yields fell sharply following the announcement of Scott Bessent as the next Treasury secretary. While inflation progress appears to have stalled, with the Personal Consumption Expenditures Index rising slightly in October, the Federal Reserve expressed confidence in easing price pressures and a strong labor market. Looking ahead, analysts expect robust fourth-quarter earnings growth for S&P 500 companies.

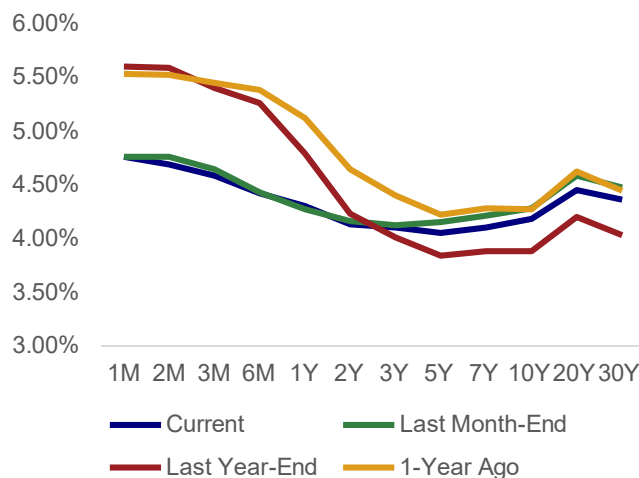
Fixed Income Markets Overview

- U.S. government bond yields fell sharply after the announcement of Scott Bessent as the next Treasury secretary, Treasury rates with 1-year or longer maturities fell on average 22 basis points last week.
- While still posting a negative 3-year return due to their poor performance during the rate hiking cycle, investment-grade bonds have outperformed cash-like investments over the last 12 months.
- High-yield bonds have led the way this year within fixed income, benefiting from higher interest rates and contained credit spreads. Credit spreads within U.S. high-yield bonds are historically low, which may increase the attractiveness of higher-quality, well-diversified emerging-market debt.

Asset Class	Name	1W	YTD	3Y(Ann.)	5Y(Ann.)
Short	1-3 Year Govt/Credit	0.4%	4.2%	1.5%	1.5%
	US Corporate High Yield	0.4%	8.7%	3.7%	4.7%
Core Plus	Intermediate Govt/Credit	0.9%	3.6%	0.0%	1.0%
	International Aggregate	1.8%	0.5%	-3.8%	-1.4%
	US Aggregate	1.4%	2.9%	-1.9%	0.0%
	US Treasury	1.4%	2.2%	-2.4%	-0.5%
	US TIPS	1.0%	3.5%	-1.6%	2.3%
	US Corporate	1.6%	4.1%	-1.5%	0.8%
	US Corporate High Yield	0.4%	8.7%	3.7%	4.7%
Other	Emerging Markets Aggregate	1.0%	7.9%	0.3%	1.2%
Muni	US Municipals	0.8%	2.5%	0.0%	1.3%
	US Municipals High Yield	1.1%	8.1%	1.0%	3.1%

Source: Bloomberg as of November 29, 2024

U.S. Treasury Yield Curve



Source: Bloomberg and U.S. Treasury as of November 29, 2024

Interest Rates (%)

Date	11/29/2024	10/31/2024	12/29/2023	11/29/2023
Federal Funds Rate	4.76%	4.76%	5.60%	5.53%
3 Month Treasury	4.58%	4.64%	5.40%	5.45%
6 Month Treasury	4.42%	4.43%	5.26%	5.38%
2 Year Treasury	4.13%	4.16%	4.23%	4.64%
5 Year Treasury	4.05%	4.15%	3.84%	4.22%
10 Year Treasury	4.18%	4.28%	3.88%	4.27%
30 Year Treasury	4.36%	4.47%	4.03%	4.44%
US Aggregate	4.64%	4.73%	4.53%	5.00%
US Corporate	5.05%	5.16%	5.06%	5.56%
US Corporate High Yield	7.14%	7.33%	7.59%	8.42%
US Municipal	3.45%	3.66%	3.22%	3.61%
US Municipal High Yield	5.26%	5.44%	5.57%	5.82%

Spreads Over 10-Year US Treasuries

Date	11/29/2024	10/31/2024	12/29/2023	11/29/2023
30 Year Treasury	0.18%	0.19%	0.15%	0.17%
US Aggregate	0.46%	0.45%	0.65%	0.73%
US Corporate	0.87%	0.88%	1.18%	1.29%
US Corporate High Yield	2.96%	3.05%	3.71%	4.15%
US Municipal	-0.73%	-0.62%	-0.66%	-0.66%
US Municipal High Yield	1.08%	1.16%	1.69%	1.55%

Source: Bloomberg and U.S. Treasury as of November 29, 2024

Equity Markets Overview

- All three major large cap indices rose over 1% last week. The Dow Jones led the pack with a 1.44% gain, followed by the Nasdaq and S&P 500 posting gains of 1.14% and 1.08%, respectively.
- Most sectors posted positive returns for the week. Energy was the only loser posting a -2% loss. Consumer Discretionary, Healthcare, and Real Estate led the way with gains of 2.32%, 2.09%, and 1.96%, respectively.
- From a size perspective, all market segments rose around 1% last week. From a style perspective, there was little difference in the performance of growth and value stocks, the largest divergence occurred with small-cap value outperforming their growth peers by 50 bps.

Asset Class	Name	1W	YTD	3Y(Ann.)	5Y(Ann.)
All-Cap	S&P 1500	1.1%	27.5%	10.5%	15.5%
Large-Cap	S&P 500	1.1%	28.1%	10.7%	15.8%
	S&P 500 Growth	1.1%	34.9%	7.7%	17.6%
	S&P 500 Value	1.0%	20.5%	13.4%	12.7%
Mid-Cap	S&P Midcap 400	0.8%	22.7%	8.3%	12.6%
	S&P Midcap 400 Growth	0.8%	25.4%	6.7%	12.3%
	S&P Midcap 400 Value	0.7%	19.7%	9.8%	12.4%
Small-Cap	S&P Smallcap 600	1.0%	18.1%	5.6%	10.8%
	S&P Smallcap 600 Growth	0.8%	20.7%	4.7%	11.0%
	S&P Smallcap 600 Value	1.3%	15.4%	6.3%	10.3%
Int'l.	MSCI ACWI ex-USA	1.0%	7.6%	2.5%	5.4%
	MSCI EM	-0.8%	7.7%	-1.4%	3.2%

Source: Bloomberg as of November 29, 2024

Alternative Markets Overview

- Oil prices posted a weekly decline of more than -3%, pressured by easing concern over supply risks from the Israel-Hezbollah conflict and the prospect of increased supply in 2025, despite expectations OPEC+ will extend output cuts.
- Gold prices fell just over -2% last week as bullion posted its worst monthly loss since September 2023 driven by a post-election sell-off following Donald Trump's win.
- While Bitcoin's price continues to hover between \$90k-\$100k, it posted a loss of almost -2% last week. Despite the retreat, the crypto currency is posting a strong YTD performance of 129%.

Name	1W	YTD	3Y (Ann.)	5Y (Ann.)
S&P GSCI	-2.0%	5.8%	9.8%	7.9%
Gold	-2.1%	29.4%	14.5%	12.7%
FTSE All Equity NAREIT	1.7%	14.0%	0.8%	5.2%
Bitcoin	-1.9%	129.0%	18.8%	65.9%
Ethereum	9.2%	56.1%	-6.7%	87.7%

Source: Bloomberg as of November 29, 2024



Upcoming Week

- It will be another lighter week of releases, keep an eye out for noteworthy releases from Salesforce and Ulta Beauty.
- It will be a bit of a busy week for economic releases, we will be monitoring several labor market releases coming through out the week in addition to various ISM releases that will provide context on the well-being of the US economy.

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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