

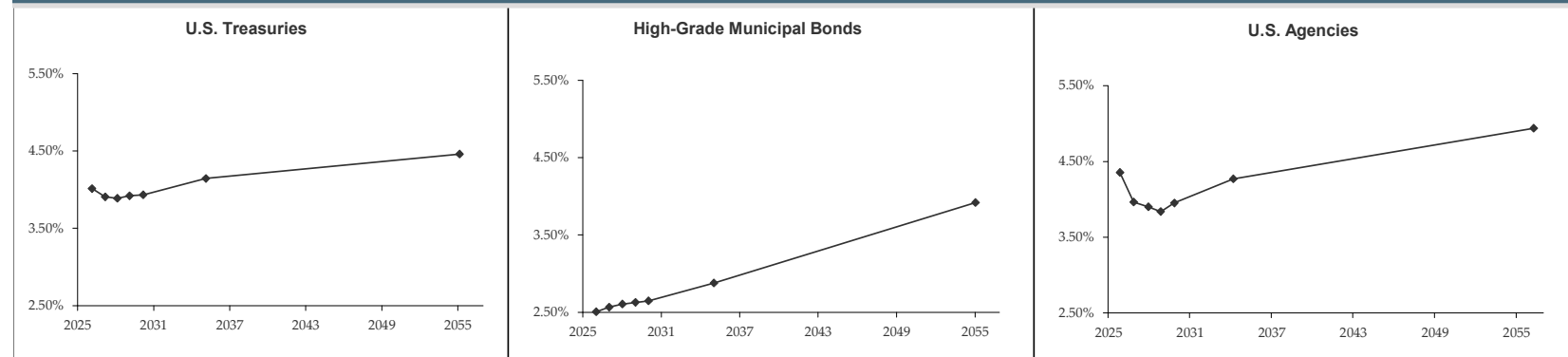
March 4, 2025

U.S. Treasury Yields		
Coupon	Maturity	YTM
0.000%	02/19/26	4.01%
4.125%	02/28/27	3.91%
4.250%	02/15/28	3.89%
4.000%	01/31/29	3.92%
4.000%	02/28/30	3.93%
4.625%	02/15/35	4.14%
4.625%	02/15/55	4.46%

Municipal Bond Yields ¹		
Maturity	YTM	Tax-Equiv. ²
03/03/26	2.51%	3.58%
03/03/27	2.57%	3.66%
03/03/28	2.61%	3.72%
03/03/29	2.63%	3.75%
03/03/30	2.65%	3.78%
03/03/35	2.88%	4.11%
03/03/55	3.92%	5.60%

U.S. Agency Yields - Active Bonds					
Agency	Coupon	Maturity	Price	YTM	To Muni (bp)
FFCB	4.875%	11/13/25	\$100.30	4.36%	+78
FHLB	4.625%	11/17/26	\$100.84	3.97%	+30
FHLB	4.250%	12/10/27	\$100.76	3.90%	+18
FHLB	3.250%	11/16/28	\$97.89	3.84%	+8
FFCB	4.000%	11/01/29	\$99.39	3.95%	+17
FHLB	4.750%	03/10/34	\$103.11	4.27%	+16
TVA	5.375%	04/01/56	\$106.39	4.94%	-66

Current Yield Curves



Corporate Bond Yields			
Description	Price	YTM	To Treasury (bp)
PFE (A2/A) 3% 12/15/2026	\$97.96	4.17%	+26
CAT (A2/A) 4.7% 11/15/2029	\$101.23	4.37%	+45
UNH (A2/A+) 4.95% 1/15/2032	\$100.71	4.81%	+87
HD (A2/A) 4.95% 6/25/2034	\$100.85	4.82%	+67

Bullet & Callable Agency Bond Yields ³				
Description	Call Date	Price	YTM	YTW
FFCB 0.6% 11/24/2025	03/11/25	\$97.49	4.18%	4.18%
FHLB 4.48% 11/27/2026	08/27/25	\$100.04	4.46%	4.46%
FHLMC 5.1% 11/7/2029	05/07/25	\$99.94	5.11%	5.11%
FFCB 5.48% 11/20/2034	05/20/25	\$99.98	5.48%	5.48%

(1) High-grade municipal bonds. (2) Based on a 30% marginal federal income tax bracket. (3) Graph displays yield to call.

Key: bp - basis points. One basis point is 1/100 of one percent. YTM - yield to maturity; YTC - yield to call.

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MARKET STATISTICS

INDEX RETURNS

EQUITIES (%)

	WTD	MTD	YTD
S&P 500	-3.10	-3.06	-1.67
DJIA	-2.37	-2.33	0.91
Nasdaq	-3.45	-3.43	-5.66
Russell 1000	-3.25	-3.22	-1.89
Russell 2000	-4.05	-4.01	-6.76
Russell 3000	-3.28	-3.25	-2.12

FOREIGN (%)

	WTD	MTD	YTD
MSCI ACWI	-1.46	-1.41	1.34
MSCI ACWI xUSA	2.92	3.00	8.69
MSCI EAFE	3.52	3.62	11.23
MSCI EM	3.10	3.14	5.52

FIXED INCOME (%)

	WTD	MTD	YTD
US Intermediate Gov/Cred	-0.14	-0.14	1.83
U.S. Aggregate	-0.46	-0.46	2.27
US Corp High Yield	-0.31	-0.31	1.73
Municipal Bond	-0.52	-0.52	0.97

OTHERS (%)

	WTD	MTD	YTD
DJ Eqty REIT TOT RE IDX	-1.28	-1.28	3.89
Alerian MLP Index	-3.89	-3.89	8.15
S&P GSCI Index Spot Indx	-1.09	-1.09	-0.38
Dollar Index Spot	-3.57	-3.57	-4.35

RUSSELL STYLE

RETURNS YTD (%)

	VALUE	CORE	GROWTH
Large Cap	2.53	-1.89	-5.57
Mid Cap	-0.96	-1.76	-4.05
Small Cap	-5.27	-6.76	-8.17

ECONOMIC SCORECARD

SELECTED RELEASES

	ESTIMATE	ACTUAL	DIFFERENCE
Change in Nonfarm Payrolls	160k	151k	-9k
Unemployment Rate	4.0%	4.1%	0.1%
Average Hourly Earnings YoY	4.1%	4.0%	-0.1%
Labor Force Participation Rate	62.6%	62.4%	-0.2%
ISM Manufacturing	50.7	50.3	-0.4
ISM Services Index	52.5	53.5	1

COMMODITY PRICES

ALTERNATIVES

	3/7/2025	2/28/2025	12/31/2024
Generic Crude Oil Future	\$67.01	\$69.76	\$71.72
Generic Gold Future	\$2,918.40	\$2,848.50	\$2,641.00
Dollar Index Spot	\$103.77	\$107.61	\$108.49
Euro Spot	\$1.08	\$1.04	\$1.04

S&P 500

SECTOR RETURNS (%)

	YTD
Discretionary	-10.45
Staples	6.37
Energy	2.16
Financials	1.68
Health Care	8.58
Industrials	1.92
Info Tech	-7.43
Materials	4.44
Real Estate	4.44
Communication Services	0.25
Utilities	2.15

ECONOMIC OUTLOOK

Summary

Recent news and data may hint at a potential shift in the U.S. economic landscape. The January Consumer Price Index (CPI), released in mid-February, rose 0.5% month-over-month, lifting the annual rate to 3%—the highest since mid-2024. The largest CPI increase in 16 months caught market participants off guard, as many expected year-over-year inflation to stabilize or ease due to favorable base effects. Rising costs in housing and services indicate prices are not cooling as expected, potentially keeping borrowing costs high if the Federal Reserve continues to hold rates steady.

The labor market continues to send mixed signals. January's jobs report added just 143,000 jobs—below expectations. On the positive side, the unemployment rate edged lower by 0.1%, while prior months' payroll figures were revised higher. These contrasting trends offer a varied but cautiously positive tone since seasonality tends to factor into the January hiring data. However, continued weakness could pressure the Fed to cut rates more aggressively.

The uncertainty of the new administration's policies adds complexity. President Trump's tariffs on Mexico, Canada and China may disrupt supply chains, potentially driving up prices for goods such as cars and groceries. Conversely, proposed tax cuts and deregulation may boost private and business investment, offsetting some of these pressures. Reduced government spending and federal job cuts could ripple beyond Washington, potentially weighing on the broader economy. These developments remain fluid and warrant close attention.

First quarter GDP is projected to fall below trend—possibly negative—due to record high imports as businesses preempt

tariffs. Looking further ahead, the tug of war between growth and restraint will shape the economy. Persistent inflation and tariffs may erode purchasing power, while a softening labor market would test consumer resilience. Navigating this evolving landscape calls for balancing optimism with caution as the economic landscape adjusts to these new cross currents.

Positives

ISM manufacturing and services were both in expansionary territory (50.3 and 53.5)

Durable goods orders exceeded expectations (3.1% vs. 2.0% est.)

Average Hourly Earnings beat expectations by 0.2% (0.5% vs. 0.3% est.)

Negatives

Year-over-year Core CPI increased for the first time in five months (3.3%)

Month-over-month retail sales disappointed (-0.9% vs. -0.2% est.)

Existing home sales missed expectations (-4.9% vs. -2.6% est.)

EQUITY OUTLOOK

Summary

The S&P 500 Index notched a fresh closing high-water mark mid month but still closed out February 1.3% lower than where it started. The price action seems consistent with a market that appears to have lost a bit of momentum.

The trend of growth stocks outperforming value that has been so pervasive the last several years seems to be losing some steam too. The Russell 1000 Growth Index fell 3.6% while the Russell 1000 Value Index rose 0.4%. This further expanded the performance disparity between these styles to begin 2025. This trend is further evidenced when you consider the best performing sector in February was value-oriented consumer staples, which climbed 5.7% and the worst performing sector over the month was growth-oriented consumer discretionary, which fell 9.4%. It gives the appearance investors may be looking for a safer place to hide.

International markets have fared better so far this year. The developed markets MSCI EAFE Index rose 2.0% in February, extending the year-to-date gain to 7.3%. The MSCI Emerging Markets Index added 0.5% during the month and is up 2.3% to begin the year.

With fourth quarter earnings results largely behind us, results were mostly better than expected. However, there were increasing mentions of inflation and tariffs that put a slight damper on guidance. Many companies, close to the consumer, also noted some belt tightening behavior as shoppers brace for more uncertain economic conditions.

Overall, corporations are healthy from a financial position, which should allow them to weather any potential rough waters. There is a high level of uncertainty around tariffs, retaliatory tariffs, austerity measures and isolationism. There is also much political and academic debate about the long-term impact of these policies, but the reality is that it is difficult to be certain how this will play out. It seems reasonable to expect a higher level of volatility over the months ahead.

Positives

Corporate balance sheets

Reduced government spending

Higher productivity from technological investment

Negatives

Softening economic conditions

Elevated trade tensions

Unknowns

Inflation path forward

FIXED INCOME OUTLOOK

Summary

Last fall, economic optimism and concerns about higher budget deficits propelled interest rates higher as President Trump began to lead in the polls and ultimately retook the presidency. From mid-September to mid-January the 10-year Treasury note increased by 1.17%. Over the same period, investors reduced their expectations for cumulative Fed rate cuts by the end of 2025 from 250 basis points (bps) to 125 bps (just one additional 25 bp cut beyond the 100 bps in cuts already delivered). That optimism faded as the new administration worked quickly to shake-up the status quo on trade, foreign aid, military arrangements and government efficiency. Concern has now shifted to a slowing economy due to the fallout of these efforts to restructure our government.

Investor concerns about inflation seem to have fallen by the wayside even as actual inflation trends upward and consumer surveys show inflation expectations becoming “unanchored.” On the broad tariff concerns, the University of Michigan survey shows the 5-year inflation expectation jumping to 3.5%, the highest in 31 years. Echoing the survey results, market-based indicators show near-term inflation expectations have been steadily rising. But ultimately, the economic pessimism became the driving force behind a powerful rally in the bond market. Since the mid-January high in yields, the 10-year has declined by about 60 bps, 33 of which came in February. The 2-year followed a similar pattern coming down about 40 bps from the January high with a 21 bp drop in February. The Fed Funds futures market is back to expecting three 25 bp rate cuts this year from just one in mid-January.

February was another active month for new issuance of investment-grade (IG) corporate bonds at \$155 billion. According to JP Morgan’s tabulations, this level was 15% higher than the past four-year average, but down 21% from last year’s record February. Importantly, net issuance was only \$75 billion as there were maturities of \$80 billion, which was a record for the month of February. Credit spreads increased about 8 bps on average across the IG market during the month leading to modest underperformance of corporate

bonds relative to Treasury debt. With favorable net supply, the increase in credit spreads was likely due to the same concerns about the economy. Going forward, there will be rapidly increasing levels of maturing corporate bonds that were issued at or near record low yields five years ago at the beginning of the pandemic. If corporations decide to use cash to fund those maturities instead of issuing new bonds, there could be a bidding war for IG bonds which could drive spreads back down again, maybe beyond recent lows.

With the continued uncertainty about tariff/trade policy and government rightsizing, we continue to maintain a duration policy that is neutral to relevant benchmarks. Given the wave of maturities in the IG corporate market, we believe buyers will be flush with cash which should keep credit spreads from moving materially wider. We continue to recommend a higher allocation to corporate bonds.

Positives

Economic disruptions caused by policy uncertainties

Treasury departments focus on long-term interest rates

Negatives

Tariffs could increase inflationary pressures in the near-term

America First agenda could sour foreign investor demand for U.S. debt

Unknowns

Ability to reduce budget deficit

Ability to end Israeli conflict and Russia/Ukraine war

March 11, 2025



(1) High-grade municipal bonds. (2) Based on a 30% marginal federal income tax bracket. (3) Graph displays yield to call.

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March 14, 2025

MARKET STATISTICS

INDEX RETURNS

EQUITIES (%)			
	WTD	MTD	YTD
S&P 500	-2.27	-5.22	-3.86
DJIA	-3.07	-5.24	-2.10
Nasdaq	-2.43	-5.75	-7.92
Russell 1000	-2.27	-5.36	-4.06
Russell 2000	-1.51	-5.40	-8.11
Russell 3000	-2.23	-5.37	-4.25

FOREIGN (%)			
	WTD	MTD	YTD
MSCI ACWI	-3.58	-4.69	-2.03
MSCI ACWI xUSA	-2.10	0.54	6.09
MSCI EAFE	-2.07	1.07	8.49
MSCI EM	-1.99	0.90	3.23

FIXED INCOME (%)			
	WTD	MTD	YTD
US Intermediate Gov/Cred	0.17	-0.04	1.93
U.S. Aggregate	0.15	-0.43	2.30
US Corp High Yield	-0.91	-1.19	0.83
Municipal Bond	-0.90	-1.42	0.06

OTHERS (%)			
	WTD	MTD	YTD
DJ Eqty REIT TOT RE IDX	-2.47	-3.72	1.33
Alerian MLP Index	2.59	-1.40	10.96
S&P GSCI Index Spot Indx	-0.12	-0.53	0.18
Dollar Index Spot	-0.14	-3.64	-4.42

RUSSELL STYLE

RETURNS YTD (%)			
	VALUE	CORE	GROWTH
Large Cap	0.61	-4.06	-7.96
Mid Cap	-3.07	-3.91	-6.33
Small Cap	-6.93	-8.11	-9.22

ECONOMIC SCORECARD

SELECTED RELEASES			
	ESTIMATE	ACTUAL	DIFFERENCE
CPI YoY	2.9%	2.8%	-0.1%
CPI Ex Food and Energy YoY	3.2%	3.1%	-0.1%
PPI Final Demand YoY	3.3%	3.2%	-0.1%
NFIB Small Business Optimism	101.0	100.7	-0.3
Initial Jobless Claims	225k	220k	-5k
Continuing Claims	1888k	1870k	-18k

COMMODITY PRICES

ALTERNATIVES			
	3/14/2025	2/28/2025	12/31/2024
Generic Crude Oil Future	\$67.19	\$69.76	\$71.72
Generic Gold Future	\$2,990.70	\$2,848.50	\$2,641.00
Dollar Index Spot	\$103.70	\$107.61	\$108.49
Euro Spot	\$1.09	\$1.04	\$1.04

S&P 500

SECTOR RETURNS (%)	
	YTD
Discretionary	-13.67
Staples	1.92
Energy	4.85
Financials	0.44
Health Care	5.44
Industrials	-0.43
Info Tech	-9.33
Materials	2.28
Real Estate	1.97
Communication Services	-3.21
Utilities	4.21

March 18, 2025



(1) High-grade municipal bonds. (2) Based on a 30% marginal federal income tax bracket. (3) Graph displays yield to call.

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MARKET STATISTICS

INDEX RETURNS

EQUITIES (%)

	WTD	MTD	YTD
S&P 500	0.51	-4.72	-3.35
DJIA	1.20	-4.09	-0.91
Nasdaq	0.17	-5.57	-7.76
Russell 1000	0.61	-4.76	-3.45
Russell 2000	0.63	-4.79	-7.52
Russell 3000	0.61	-4.76	-3.64

FOREIGN (%)

	WTD	MTD	YTD
MSCI ACWI	0.88	-2.11	0.62
MSCI ACWI xUSA	1.60	3.31	9.01
MSCI EAFE	1.38	3.45	11.05
MSCI EM	1.88	4.17	6.58

FIXED INCOME (%)

	WTD	MTD	YTD
US Intermediate Gov/Cred	0.42	0.20	2.18
U.S. Aggregate	0.61	-0.03	2.71
US Corp High Yield	0.51	-0.45	1.59
Municipal Bond	0.25	-1.16	0.32

OTHERS (%)

	WTD	MTD	YTD
DJ Eqty REIT TOT RE IDX	-0.07	-3.79	1.26
Alerian MLP Index	0.84	-0.57	11.89
S&P GSCI Index Spot Indx	1.46	1.12	1.84
Dollar Index Spot	0.40	-3.23	-4.01

RUSSELL STYLE

RETURNS YTD (%)

	VALUE	CORE	GROWTH
Large Cap	1.63	-3.45	-7.69
Mid Cap	-2.25	-2.81	-4.45
Small Cap	-6.50	-7.52	-8.48

ECONOMIC SCORECARD

SELECTED RELEASES

	ESTIMATE	ACTUAL	DIFFERENCE
Retail Sales Advance MoM	0.6%	0.2%	-0.4%
Leading Index	-0.2%	-0.3%	-0.1%
U. of Mich. Consumer Sentiment	63.0	57.9	-5.1
Housing Starts MoM	1.4%	11.2%	9.8%
Initial Jobless Claims	224k	223k	-1k
Continuing Claims	1887k	1892k	5k

COMMODITY PRICES

ALTERNATIVES

	3/21/2025	2/28/2025	12/31/2024
Generic Crude Oil Future	\$68.27	\$69.76	\$71.72
Generic Gold Future	\$3,026.20	\$2,848.50	\$2,641.00
Dollar Index Spot	\$104.14	\$107.61	\$108.49
Euro Spot	\$1.08	\$1.04	\$1.04

S&P 500

SECTOR RETURNS (%)

	YTD
Discretionary	-13.69
Staples	1.77
Energy	8.21
Financials	2.35
Health Care	6.62
Industrials	0.42
Info Tech	-9.37
Materials	2.05
Real Estate	2.07
Communication Services	-3.31
Utilities	4.05

March 25, 2025



(1) High-grade municipal bonds. (2) Based on a 30% marginal federal income tax bracket. (3) Graph displays yield to call.

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MARKET STATISTICS

INDEX RETURNS

EQUITIES (%)			
	WTD	MTD	YTD
S&P 500	-1.53	-6.16	-4.81
DJIA	-0.96	-5.01	-1.85
Nasdaq	-2.59	-8.02	-10.15
Russell 1000	-1.58	-6.26	-4.97
Russell 2000	-1.64	-6.33	-9.02
Russell 3000	-1.58	-6.26	-5.16

FOREIGN (%)			
	WTD	MTD	YTD
MSCI ACWI	0.15	-2.05	0.69
MSCI ACWI xUSA	-0.33	2.54	8.20
MSCI EAFE	-0.60	2.57	10.10
MSCI EM	-0.07	3.30	5.69

FIXED INCOME (%)			
	WTD	MTD	YTD
US Intermediate Gov/Cred	-0.25	-0.05	1.92
U.S. Aggregate	-0.59	-0.74	1.98
US Corp High Yield	-0.19	-0.70	1.33
Municipal Bond	-1.02	-2.13	-0.67

OTHERS (%)			
	WTD	MTD	YTD
DJ Eqty REIT TOT RE IDX	0.57	-3.24	1.83
Alerian MLP Index	1.14	0.57	13.16
S&P GSCI Index Spot Indx	0.73	1.57	2.30
Dollar Index Spot	-0.10	-3.37	-4.15

RUSSELL STYLE

RETURNS YTD (%)			
	VALUE	CORE	GROWTH
Large Cap	1.17	-4.97	-10.05
Mid Cap	-2.78	-3.85	-6.93
Small Cap	-7.53	-9.02	-10.42

ECONOMIC SCORECARD

SELECTED RELEASES			
	ESTIMATE	ACTUAL	DIFFERENCE
Core PCE Price Index YoY	2.7%	2.8%	0.1%
Personal Income	0.4%	0.8%	0.4%
Personal Spending	0.5%	0.4%	-0.1%
Durable Goods Orders	-1.0%	0.9%	1.9%
Initial Jobless Claims	225k	224k	-1k
Continuing Claims	1886k	1856k	-30k

COMMODITY PRICES

ALTERNATIVES			
	3/28/2025	2/28/2025	12/31/2024
Generic Crude Oil Future	\$69.11	\$69.76	\$71.72
Generic Gold Future	\$3,088.90	\$2,848.50	\$2,641.00
Dollar Index Spot	\$103.99	\$107.61	\$108.49
Euro Spot	\$1.08	\$1.04	\$1.04

S&P 500

SECTOR RETURNS (%)	
	YTD
Discretionary	-13.65
Staples	3.52
Energy	9.04
Financials	2.18
Health Care	5.58
Industrials	-0.84
Info Tech	-12.68
Materials	1.71
Real Estate	2.54
Communication Services	-6.43
Utilities	3.83