



Capital Markets Snapshot

Courtesy of LWS Financial

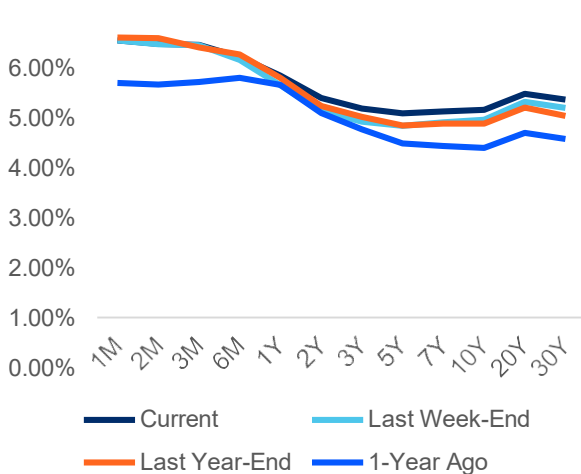
Week ending January 19, 2024

While the economic data remains mixed, the American consumer appears to have an optimistic outlook. The University of Michigan Consumer Sentiment index jumped in January to 78.8 from 69.7 in December 2023. This reading marked a 29% jump from the November level and represents the largest two month increase in the index since 1991. December retail sales were also reported above expectations last week coming in with an increase of 0.6% during the key holiday season.

Fixed Income Markets Overview

- U.S. Treasury yields moved higher during the week with the 10-year Treasury reaching 4.14% on Friday, its highest level in several weeks.
- The National Association of Realtors confirmed that 2023 saw the lowest level of housing sales since 1995 due to both higher interest rates and a lack of inventory. The 2023 level was down 19.5% from the prior year.
- Expectations for a rate cut in March dropped last week following comments from Fed Chairman Waller who expressed caution on a rapid cut in interest rates. According to CME Fedwatch Tool, the outlook for a March rate cut dropped from 76.9% last week to 46.2% on Friday.

U.S. Treasury Yield Curve



Source: Bloomberg and U.S Treasury as of January 19, 2024

Asset Class	Name	1W	YTD	3Y(Ann.)	5Y(Ann.)
Short	1-3 Year Govt/Credit	-0.33%	0.00%	0.08%	1.82%
Core Plus	Intermediate Govt/Credit	-0.70%	-0.58%	-1.73%	1.79%
	International Aggregate	-1.42%	-2.42%	-6.06%	-1.13%
	US Aggregate	-1.10%	-1.39%	-3.56%	1.01%
	US Treasury	-1.04%	-1.39%	-3.96%	0.63%
	US TIPS	-0.70%	-0.55%	-1.20%	2.92%
	US Corporate	-1.00%	-1.29%	-3.41%	2.04%
	US Corporate High Yield	-0.52%	-0.68%	1.54%	4.66%
Other	Emerging Markets Aggregate	-0.77%	-1.45%	-3.28%	1.07%
Muni	US Municipals	-0.77%	-1.01%	-0.77%	2.38%
	US Municipals High Yield	-1.40%	-1.76%	-0.27%	4.25%

Source: Bloomberg as of January 19, 2024

Interest Rates (%)

Date	1/19/2024	1/12/2024	12/29/2023	1/19/2023
Federal Funds Rate	5.54%	5.55%	5.60%	4.69%
3 Month Treasury	5.45%	5.45%	5.40%	4.71%
6 Month Treasury	5.21%	5.16%	5.26%	4.79%
2 Year Treasury	4.39%	4.14%	4.23%	4.09%
5 Year Treasury	4.08%	3.84%	3.84%	3.48%
10 Year Treasury	4.15%	3.96%	3.88%	3.39%
30 Year Treasury	4.36%	4.20%	4.03%	3.57%
US Aggregate	4.75%	4.55%	4.53%	4.22%
US Corporate	5.26%	5.07%	5.06%	4.93%
US Corporate High Yield	7.89%	7.71%	7.59%	8.16%
US Municipal	3.45%	3.30%	3.22%	3.07%
US Municipal High Yield	5.75%	5.60%	5.57%	5.42%

Spreads Over 10-Year US Treasuries

Date	1/19/2024	1/12/2024	12/29/2023	1/19/2023
30 Year Treasury	0.21%	0.24%	0.15%	0.18%
US Aggregate	0.60%	0.59%	0.65%	0.83%
US Corporate	1.11%	1.11%	1.18%	1.54%
US Corporate High Yield	3.74%	3.75%	3.71%	4.77%
US Municipal	-0.70%	-0.66%	-0.66%	-0.32%
US Municipal High Yield	1.60%	1.64%	1.69%	2.03%

Source: Bloomberg and U.S. Treasury as of January 19, 2024

Equity Markets Overview

- Another positive week for equities helped to push the S&P to a record high on Friday. All three major indices were up for the week, led by the Nasdaq which saw an increase of 2.3%.
- Sectors were mixed again this week, Information Technology was the leader with a gain of 4.3%. The worst performing sector was Utilities with a loss of 3.7%.
- In earnings news last week, Goldman Sachs, Travelers, and Morgan Stanley all exceeded analysts estimates for the fourth quarter.
- An estimated 350 companies are expected to report earnings this week including Netflix, Johnson and Johnson, General Electric, and Tesla.

Asset Class	Name	1W	YTD	3Y(Ann.)	5Y(Ann.)
All-Cap	S&P 1500	1.12%	1.23%	9.18%	13.36%
Large-Cap	S&P 500	1.19%	1.54%	9.61%	13.84%
	S&P 500 Growth	2.48%	3.34%	7.00%	15.59%
	S&P 500 Value	-0.30%	-0.53%	11.78%	10.97%
Mid-Cap	S&P Midcap 400	0.46%	-1.41%	5.16%	8.80%
	S&P Midcap 400 Growth	1.12%	-0.18%	1.67%	8.30%
	S&P Midcap 400 Value	-0.22%	-2.67%	8.60%	8.89%
Small-Cap	S&P Smallcap 600	0.05%	-3.57%	2.69%	7.38%
	S&P Smallcap 600 Growth	0.85%	-2.13%	0.30%	8.04%
	S&P Smallcap 600 Value	-0.78%	-5.04%	4.94%	6.43%
Int'l.	MSCI ACWI ex-USA	-2.15%	-3.23%	-1.00%	2.15%
	MSCI EM	-2.54%	-5.13%	-9.23%	-1.81%

Source: Bloomberg as of January 19, 2024

Alternative Markets Overview

- One week after the SEC allowed the issuance of Bitcoin ETFs, BlackRock has reported over \$1 billion of inflows into their iShares Bitcoin Trust while Fidelity's Wise Origin Bitcoin Fund has seen inflows of \$600 million. The Grayscale Bitcoin Trust ETF has the most assets under management at over \$25 billion after converting its fund to an ETF.
- Despite continued tensions in the Middle East, the price of oil only rose by 0.7% last week. Most analysts feel there have not been any significant impacts to oil supply at the current time and the shipping conflicts are manageable.

Name	1W	YTD	3Y (Ann.)	5Y (Ann.)
S&P GSCI	0.19%	1.23%	17.52%	5.38%
Gold	-1.32%	-2.40%	3.00%	8.73%
FTSE All Equity NAREIT	-2.08%	-2.96%	4.33%	7.06%
Bitcoin	-4.79%	-0.79%	6.12%	29.67%
Ethereum	-3.43%	7.83%	23.33%	19.32%

Source: Bloomberg as of January 19, 2024



Upcoming Week

- In addition to a heavy earnings week look for some key economic indicators including fourth quarter GDP and the Price Consumption Expenditure (PCE) Index.
- Other economic releases this week include the Conference Board's U.S. Leading Economic Index and U.S. Durable Goods.

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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