

# Baker Market Update – Week in Review

May 8, 2026



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Financial Analyst

Happy Friday everyone, and welcome to this week's Baker Market Update! Per usual, before we get started, I would like to mention that our beloved Oklahoma City Thunder lead the Los Angeles Lakers 2–0 after last night's 125–107 win. The series will resume in Los Angeles tomorrow evening.

## UPCOMING EVENTS

### Credit Unions

#### Schools:

Bond School

Nov 5-6, 2026

#### Seminars:

Dallas Seminar

Aug 28, 2026

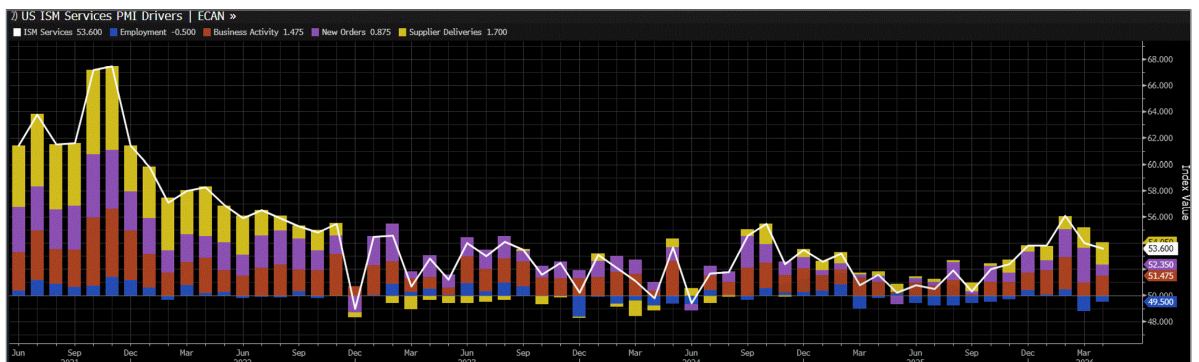
OK Seminar

Oct 14-16, 2026

This week had no shortage of labor market data to digest, and this morning's Employment Situation report from the BLS was the main event. April nonfarm payrolls came in at 115k, which was softer than last month, but nearly double what forecasters were pricing in at 65k. The unemployment rate stayed put at 4.3%, and hourly wages for private nonfarm workers nudged up 0.2% to \$37.41, now running 3.6% above prior year's levels. Health care, transportation and warehousing, and retail trade did most of the heavy lifting on the jobs side, adding 38k, 30k, and 22k respectively. On the federal side, government payrolls shed another 9k in April and are now down 348k from their October 2024 peak. Wednesday's release of the ADP National Employment Report added another data point to this week's labor market picture. Private sector employment grew by 109k in April, coming in below the 120k analyst estimate but representing a meaningful pickup from the 62k increase recorded in March, pointing to a modest improvement in private hiring activity on a month-over-month basis.

The Institute for Supply Management's Services PMI hit the tape on Tuesday, giving us the latest read on U.S. service sector conditions. April's print of 53.6 came in just a tick below both the 53.7 estimate and the prior reading of 54.0, continuing a slow drift lower from the stronger values we saw at the start of the year. As a diffusion index, anything above 50 tells you the sector is still expanding on net, and at 53.6 that remains the case, though the mild deceleration we have seen in recent months does suggest the pace of growth is gradually tapering from its earlier highs. Tuesday also brought the S&P Global US Services PMI, which echoed much of the same narrative, reinforcing the picture of a services sector that is still growing but losing a bit of steam.

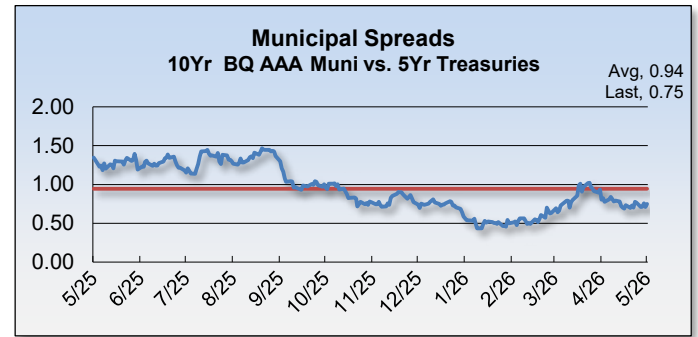
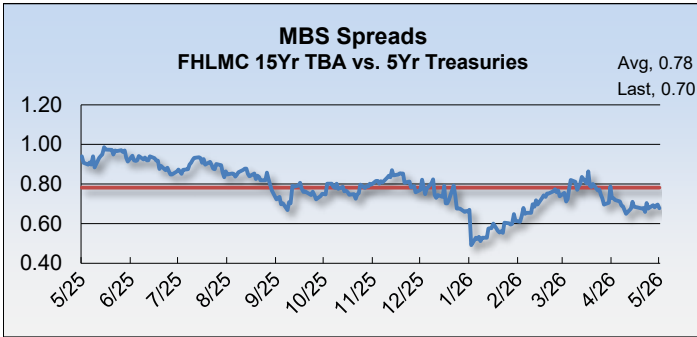
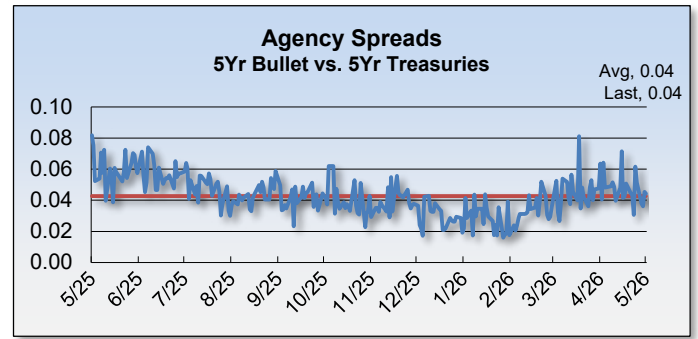
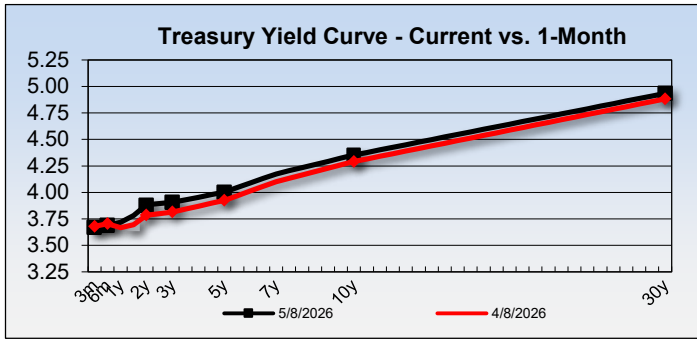
Next week we will get key data points regarding inflation at both the consumer and producer level via the Consumer Price Index and Producer Price Index, as well as some manufacturing data. Have a great weekend everyone!



Source: Bloomberg

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Treasury Market -- Historical						Fixed Rate Market											
Maty	Current	1Wk Change	Historical			Maty /AL	N-Call Agency	US Swap	AAA BQ Muni		Tax Muni	Mty	Agency Calls - Euro				
			1 Mo	6 Mo	1 Yr				C-Corp <sup>2</sup>	S-Corp <sup>3</sup>			3Mo	6mo	1Yr	2Yr	
3mo	3.68	0.01	3.69	3.85	4.33	2yr	3.91	3.74	3.43	3.65	3.98	2Yr					
6mo	3.69	(0.01)	3.71	3.79	4.25	3yr	3.97	3.71	3.46	3.68	4.03	3Yr					
1yr	3.72	0.01	3.68	3.63	4.07	5yr	4.05	3.74	3.64	3.87	4.17	5Yr					
2yr	3.88	0.00	3.79	3.56	3.88	7yr	4.25	3.83	3.82	4.07	4.41	7Yr					
3yr	3.91	0.00	3.82	3.57	3.91	10yr	4.50	3.96	4.14	4.41	4.70	10Yr					
5yr	4.00	(0.01)	3.92	3.68	3.99	15yr	4.75	4.15	4.70	5.01	4.89		June TBA MBS				
7yr	4.17	(0.02)	4.10	3.87	4.17	20yr	5.00	4.24	5.50	5.86	5.55	Cpn	15Yr -Yld/AL		30Yr -Yld/AL		
10yr	4.35	(0.02)	4.29	4.10	4.38	25yr	5.26	4.25	5.77	6.14	5.62	3.50	4.72	4.1y	4.98		
30yr	4.93	(0.03)	4.88	4.70	4.85	30yr		4.22	6.03	6.42	5.68	4.00	4.62	4.0y			
												4.50	4.63	4.6y	5.13	8.5y	
												5.00	4.70	3.9y	5.22	7.8y	
												5.50			5.29	6.1y	
												6.00			5.22	4.2y	

\* Interpolated

Key Market Indices					
Index	Current	1Wk Change	Historical		
			1 Mo	6 Mo	1 Yr
Fed Funds	3.75	--	3.75	4.00	4.50
Primary Discount	3.75	--	3.75	4.00	4.50
2ndary Discount	4.25	--	4.25	4.50	5.00
Prime Rate	6.75	--	6.75	7.00	7.50
Sec. O.N. Finance	3.60	(0.06)	3.62	3.93	--
1 Month LIBOR	4.96	(0.01)	5.31	5.44	5.43
3 Month LIBOR	4.85	(0.08)	5.28	5.56	5.66
6 Month LIBOR	4.68	(0.08)	5.14	5.65	5.90
1 Year LIBOR	6.04	0.12	5.73	5.48	3.62
6 Month CD	3.81	0.00	3.78	3.90	4.32
1 Year CMT	3.76	0.04	3.68	3.63	4.00
REPO O/N	3.68	(0.04)	3.67	3.96	4.37
REPO 1Wk	3.64	(0.05)	3.67	3.92	4.39
CoF Federal	3.457	--	3.455	3.650	3.661
11th D. CoF (Mar)	2.728	--	2.726	2.921	2.932

FHLB Fixed Advance Rates			
Maturity	Chicago	Boston	Topeka
3mo	3.82	--	3.87
6mo	3.84	--	3.84
1yr	3.90	--	3.92
2yr	3.98	--	4.07
3yr	4.01	--	4.10
4yr	4.07	--	4.16
5yr	4.11	--	4.19
7yr	4.33	--	4.42
10yr	4.55	--	4.63
5yr Am	4.12		4.18
10yr Am	4.39		4.45

Fed Fund Futures	
Maturity	Rate
May-26	3.632
Jun-26	3.625
Jul-26	3.620
Aug-26	3.600
Sep-26	3.595
Oct-26	3.595
Nov-26	3.610
Dec-26	3.630
Jan-27	3.635
Feb-27	3.655
Mar-27	3.670

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Weekly Economic Calendar						
This Week & Next						
Date	Release	Per.	Est.	Actual	Prior	Revised
5/4	Factory Orders Ex Trans	Mar	1.3%	1.6%	1.2%	1.6%
5/4	Durables Ex Transportation	Mar F	0.9%	0.9%	0.9%	--
5/4	Cap Goods Ship Nondef Ex Air	Mar F	1.2%	1.2%	1.2%	--
5/5	Building Permits MoM	Mar F	--	-11.4%	-10.8%	--
5/5	S&P Global US Services PMI	Apr F	51.3	51.0	51.3	--
5/5	S&P Global US Composite PMI	Apr F	52.1	51.7	52.0	--
5/5	ISM Services Index	Apr	53.7	53.6	54.0	--
5/5	ISM Services Prices Paid	Apr	73.5	70.7	70.7	--
5/5	ISM Services New Orders	Apr	57.3	53.5	60.6	--
5/5	ISM Services Employment	Apr	48.3	48.0	45.2	--
5/5	JOLTS Job Openings	Mar	6850k	6866k	6882k	6922k
5/5	JOLTS Job Openings Rate	Mar	4.2%	4.1%	4.2%	--
5/5	JOLTS Quits Level	Mar	3029k	3171k	2974k	3046k
5/5	JOLTS Quits Rate	Mar	1.9%	2.0%	1.9%	--
5/5	JOLTS Layoffs Level	Mar	1705k	1867k	1721k	1714k
5/5	JOLTS Layoffs Rate	Mar	1.1%	1.2%	1.1%	--
5/6	ADP Employment Change	Apr	120k	109k	62k	61k
5/7	Challenger Job Cuts YoY	Apr	--	-20.9%	-78.0%	--
5/7	Challenger Job Cuts Total	Apr	70000	83387	60620	--
5/7	Nonfarm Productivity	1Q P	0.6%	0.8%	1.8%	1.6%
5/7	Unit Labor Costs	1Q P	2.5%	2.3%	4.4%	4.6%
5/7	Initial Jobless Claims	5/2	205k	200k	189k	190k
5/7	Initial Claims 4-Wk Moving Avg	5/2	--	203.25k	207.50k	207.75k
5/7	Continuing Claims	4/25	1800k	1766k	1785k	1776k
5/7	Construction Spending MoM	Mar	0.3%	0.6%	-0.2%	--
5/8	Change in Nonfarm Payrolls	Apr	65k	115k	178k	185k
5/8	Two-Month Payroll Net Revision	Apr	--	-16k	-7k	--
5/8	Change in Private Payrolls	Apr	75k	123k	186k	190k
5/8	Change in Manufact. Payrolls	Apr	3k	-2k	15k	--
5/8	Nonfarm Payrolls 3-Mo Avg Chg	Apr	--	48k	68k	63k
5/8	Average Hourly Earnings MoM	Apr	0.3%	0.2%	0.2%	--
5/8	Average Hourly Earnings YoY	Apr	3.8%	3.6%	3.5%	3.4%
5/8	Average Weekly Hours All Employees	Apr	34.2	34.3	34.2	--
5/8	Unemployment Rate	Apr	4.3%	4.3%	4.3%	--
5/8	Labor Force Participation Rate	Apr	61.9%	61.8%	61.9%	--
5/8	Underemployment Rate	Apr	8.0%	8.2%	8.0%	--
5/12	CPI YoY	Apr	3.7%	--	3.3%	--
5/12	Core CPI YoY	Apr	2.7%	--	2.6%	--
5/12	CPI Index NSA	Apr	332.59	--	330.21	--
5/12	Core CPI Index SA	Apr	335.32	--	334.17	--
5/12	Real Avg Hourly Earning YoY	Apr	--	--	0.3%	0.2%
5/12	Real Avg Weekly Earnings YoY	Apr	--	--	0.2%	0.1%
5/13	PPI Final Demand YoY	Apr	4.9%	--	4.0%	--
5/13	PPI Ex Food and Energy YoY	Apr	4.3%	--	3.8%	--
5/13	PPI Ex Food, Energy, Trade YoY	Apr	--	--	3.6%	--
5/14	Import Price Index YoY	Apr	--	--	2.1%	--
5/14	Export Price Index YoY	Apr	--	--	5.6%	--

MBS Prepayments <sup>4</sup>						
3-Month CPR						
Type	3.5	4.0	4.5	5.0	5.5	6.0
FN 10y	15.3	13.4	18.0	22.4	30.6	30.6
FH/FN 15y	10.5	12.6	16.4	28.3	16.6	21.6
G2 15y	12.3	11.3	12.0	17.8	25.6	35.0
FH/FN 20y	7.9	9.0	9.5	13.6	23.2	29.4
FH/FN 30y	6.4	4.6	4.7	5.5	7.2	22.6
G2 30y	0.7	0.9	6.5	8.8	20.5	43.1

CPR Projections						
Type	3.5	4.0	4.5	5.0	5.5	6.0
FN 10y	12.2	13.2	16.2	17.6	19.6	21.0
FH/FN 15y	9.9	11.5	17.8	20.2		28.9
G2 15y	9.5	11.8	13.3	15.5	16.3	18.8
FH/FN 20y	8.2	9.6	11.6	14.6	18.7	19.0
FH/FN 30y	6.8	7.9	9.1	10.3	13.3	17.0
G2 30y	7.9	8.8	10.3	15.8	24.1	35.1

Other Markets					
Index	Current	1Wk Chng	Historical		
			1 Mo	6 Mo	1 Yr
<b>Currencies</b>					
Japanese Yen	156.62	(0.39)	158.43	154.16	144.78
Euro	1.18	0.01	1.17	1.16	1.13
Dollar Index	97.93	(0.23)	99.13	99.60	100.64
<b>Major Stock Indices</b>					
Dow Jones	49,679	180	47,910	46,987	41,368
S&P 500	7,388.1	158.0	6,782.8	6,728.8	5,663.9
NASDAQ	26,114.2	1,000	22,635.0	23,004.5	17,928.1
<b>Commodities</b>					
Gold	4,747.3	102.8	4,749.5	4,009.8	3,306.0
Crude Oil	94.68	(7.26)	94.41	59.75	59.91
Natural Gas	2.83	0.05	2.72	4.32	3.59
Wheat	601.8	-22.0	598.0	527.8	518.0
Corn	454.0	-14.3	447.3	427.3	439.0

### Notes

- 1 Call Agy = Maturity at left w/ a 1-Year Call at Par
- 2 Muni TEY (21% Fed, 0.75% CoF)
- 3 S-Corp TEY Muni (29.6%, no TEFERA)
- 4 MBS Prepayments are provided by Bloomberg

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Source for the aforementioned indices, rates, descriptions, & economic indicators: Bloomberg, L.P. This report was printed as of: 05/08/2026 9:37AM

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