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This week proved to be a calm week in the bond market as yields across the curve remained relatively flat. The 10yr sits at 3.56% and within 5 basis points of the start of the week. The Fed has remained steadfast in their plan to raise short-term rates, but bond investors have actually seen yields on the 10yr fall -68bps from the highs in Oct. '22. It may still be too soon to call a peak in yields, but for investors who feel they have missed an opportunity, it's important to note that you'd have to go all the way back to April of 2011 to see bond yields at current levels.

As for economic updates, we kicked off the week with a look at Housing Starts and Building Permits, both of which came in softer than February's numbers at -0.8% MoM and -8.8% MoM respectively. Starts and Permits are strong leading indicators for future housing growth and continue to remain subdued by higher mortgage rates. Speaking of Leading Indicators, we also got a look at the LEI which fell -1.2% from last month and the 6mo annualized number is now down -8.8%. We have all heard that "correlation does not equal causation", but this another data point that has never been this negative outside of a recession and suggests the "soft-landing" could be a little firmer than we would like.

UPCOMING EVENTS

Banks

Seminar:

- West Des Moines, IA
Jun 12, 2023
- Bismarck, ND
Jul 25, 2023
- Springfield, IL
Aug 7, 2023
- Stevens Point, WI
Aug 29, 2023
- Oklahoma City, OK
Oct 18-20, 2023

Credit Unions

CU Seminar:

- Philadelphia, PA
Sep 27, 2023
- Dallas, TX
Nov 9, 2023

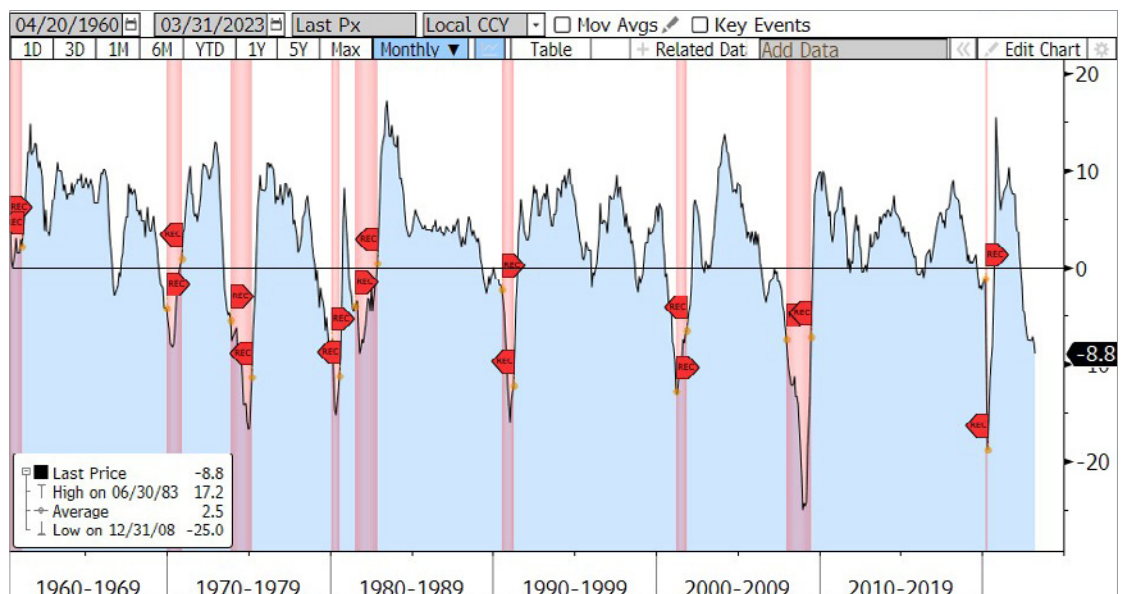
CU School:

- CU Bond School
Apr 26-27, 2023
- CU ALM School
Aug 23-24, 2023

-Bank & Credit Unions-

School:

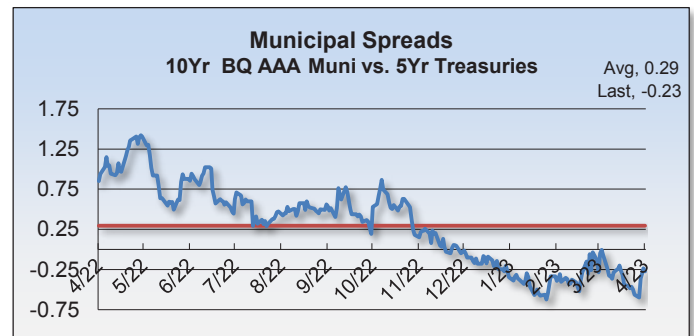
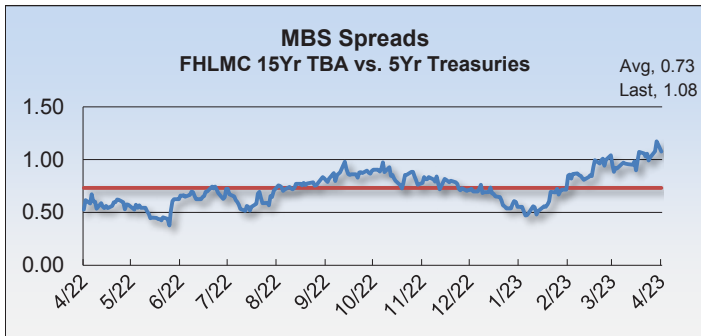
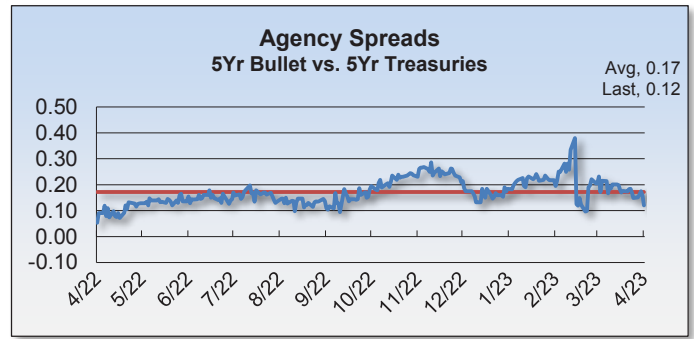
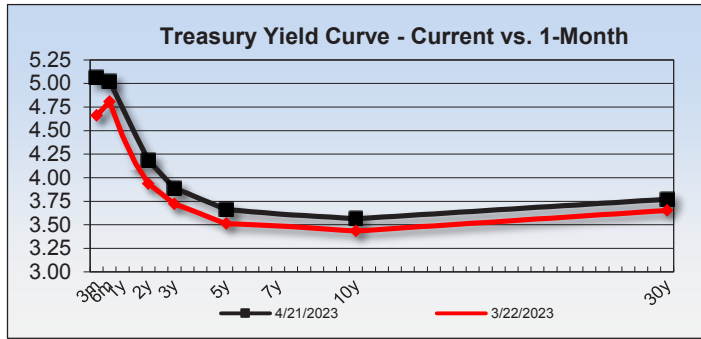
- Bond School
May 10-11, 2023
- ALM School
Aug 8-9, 2023



Source: Bloomberg, L.P.

This week's economic release did have a bright spot as the Empire Manufacturing index surprised to the upside and expanded for the first time in 5 months, but noted that factory headcount declined for the third month in a row. Additionally, Continuing Jobless Claims have been slowly trending up since the lows in September to 1.865mm.

Looking ahead to next week, is the first look at Q1 GDP along with the University of Michigan's Consumer Sentiment Report. And, just in time for the Fed's May 3rd meeting, we will also get a look at their preferred measure of inflation, the PCE Index. We will see where the inflation data leads us as the Fed remains hyper-focused on returning to long-term price stability, but the current CME FedWatch tool is showing a strong 88% probability of a 0.25% rate hike to the 500-525 range. The Fed Funds Futures market is currently betting that this will be the last rate hike we see from the Fed before they pause, but as ever, this will be data dependent and the picture only gets clearer with time.



Treasury Market -- Historical						Fixed Rate Market										
Maty	Current	1Wk Change	Historical			Maty /AL	N-Call Agency	US Swap	AAA BQ Muni		Tax Muni	Agency Calls - Euro				
			1 Mo	6 Mo	1 Yr				C-Corp ²	S-Corp ³		Mty	3Mo	6mo	1Yr	2Yr
3mo	5.07	0.02	4.67	3.99	0.80	2yr	4.26	4.46	3.58	3.81	4.53	2Yr	4.83	4.83	4.83	-
6mo	5.03	0.01	4.91	4.42	1.29	3yr	3.97	4.07	3.44	3.67	4.43	3Yr	4.59	4.60	4.50	4.59
1yr	4.74	(0.05)	4.59	4.55	1.99	5yr	3.83	3.74	3.30	3.52	4.24	5Yr	4.42	4.42	4.41	4.35
2yr	4.18	0.08	4.17	4.48	2.69	7yr	3.85	3.62	3.19	3.40	4.36	7Yr	4.36	4.39	4.38	4.31
3yr	3.89	0.06	3.98	4.51	2.78	10yr	3.94	3.57	3.30	3.52	4.55	10Yr	4.36	4.42	4.41	4.34
5yr	3.66	0.05	3.75	4.34	2.98	15yr	4.03	3.58	4.14	4.41	4.68	May TBA MBS				
7yr	3.61	0.06	3.70	4.29	2.98	20yr	4.12	3.55	4.45	4.74	4.94	Cpn	15Yr -Yld/AL		30Yr -Yld/AL	
10yr	3.56	0.05	3.61	4.22	2.91	25yr	4.21	3.46	4.61	4.90	5.00	2.00	4.39	5.7y	4.37	
30yr	3.77	0.03	3.73	4.34	2.93	30yr	4.21	3.37	4.76	5.07	5.05	2.50	4.60	5.6y		
												3.00	4.61	5.6y	4.61	10.0y
												3.50	4.49	5.6y	4.68	9.7y
												4.00			4.79	9.3y
												4.50			4.94	8.8y

* Interpolated

Key Market Indices					
Index	Current	1Wk Change	Historical		
			1 Mo	6 Mo	1 Yr
Fed Funds	5.00	--	4.75	3.25	0.50
Primary Discount	5.00	--	4.75	3.25	0.50
2ndary Discount	5.50	--	5.25	3.75	1.00
Prime Rate	8.00	--	7.75	6.25	3.50
Sec. O.N. Finance	4.80	--	4.55	3.03	--
1 Month LIBOR	4.98	0.04	4.78	3.50	0.62
3 Month LIBOR	5.26	0.01	5.00	4.28	1.10
6 Month LIBOR	5.45	0.11	5.05	4.74	1.61
1 Year LIBOR	5.48	0.12	5.03	5.34	2.30
6 Month CD	5.33	0.12	5.01	4.83	1.71
1 Year CMT	4.77	0.11	4.34	4.66	1.93
REPO O/N	4.82	(0.01)	4.59	3.05	0.27
REPO 1Wk	4.75	(0.28)	4.86	3.16	0.41
CoF Federal	3.239	--	3.139	2.022	0.870
11th D. CoF (Dec)	0.223	--	0.218	0.282	0.460

FHLB Fixed Advance Rates			
Maturity	Chicago	Boston	Topeka
3mo	5.09	5.15	5.13
6mo	5.21	5.25	5.26
1yr	4.90	4.98	5.06
2yr	4.32	4.51	4.48
3yr	4.08	4.25	4.21
4yr	3.97	4.13	4.08
5yr	3.88	4.00	3.98
7yr	4.11	4.24	4.20
10yr	4.21	4.36	4.29
5yr Am	4.15		4.25
10yr Am	4.21		4.30

Fed Fund Futures	
Maturity	Rate
Apr-23	4.830
May-23	5.030
Jun-23	5.090
Jul-23	5.110
Aug-23	5.080
Sep-23	5.035
Oct-23	4.955
Nov-23	4.780
Dec-23	4.665
Jan-24	4.585
Feb-24	4.375

Weekly Economic Calendar						
This Week & Next						
Date	Release	Per.	Est.	Actual	Prior	Revised
4/17	Empire Manufacturing	Apr	-18.0	10.8	-24.6	--
4/17	Net Long-term TIC Flows	Feb	--	\$71.0b	\$31.9b	--
4/17	Total Net TIC Flows	Feb	--	\$28.0b	\$183.1b	\$183.2b
4/18	Housing Starts	Mar	1400k	1420k	1450k	1432k
4/18	Building Permits	Mar	1450k	1413k	1524k	--
4/18	Housing Starts MoM	Mar	-3.5%	-0.8%	9.8%	7.3%
4/18	Building Permits MoM	Mar	-6.5%	-8.8%	13.8%	--
4/18	New York Fed Services Business Activit	Apr	--	-9.8	-10.1	--
4/19	MBA Mortgage Applications	4/14	--	-8.8%	5.3%	--
4/20	Initial Jobless Claims	4/15	240k	245k	239k	240k
4/20	Continuing Claims	4/8	1825k	1865k	1810k	1804k
4/20	Philadelphia Fed Business Outlook	Apr	-19.3	-31.3	-23.2	--
4/20	Existing Home Sales	Mar	4.50m	4.44m	4.58m	4.55m
4/20	Leading Index	Mar	-0.7%	-1.2%	-0.3%	-0.5%
4/21	S&P Global US Manufacturing PMI	Apr P	49.0	50.4	49.2	--
4/21	S&P Global US Services PMI	Apr P	51.5	53.7	52.6	--
4/21	S&P Global US Composite PMI	Apr P	51.2	53.5	52.3	--
4/24	Chicago Fed Nat Activity Index	Mar	--	--	-0.19	--
4/25	Philadelphia Fed Non-Manufacturing Ac	Apr	--	--	-12.8	--
4/25	FHFA House Price Index MoM	Feb	--	--	0.2%	--
4/25	S&P CoreLogic CS 20-City MoM SA	Feb	-0.40%	--	-0.43%	--
4/25	S&P CoreLogic CS 20-City YoY NSA	Feb	-0.10%	--	2.55%	--
4/25	S&P CoreLogic CS US HPI YoY NSA	Feb	--	--	3.79%	--
4/25	New Home Sales	Mar	632k	--	640k	--
4/25	Conf. Board Consumer Confidence	Apr	104.5	--	104.2	--
4/25	Conf. Board Present Situation	Apr	--	--	151.1	--
4/25	Conf. Board Expectations	Apr	--	--	73.0	--
4/25	Richmond Fed Manufact. Index	Apr	--	--	-5.0	--
4/25	Richmond Fed Business Conditions	Apr	--	--	-17.0	--
4/26	Advance Goods Trade Balance	Mar	-\$90.0b	--	-\$91.6b	--
4/26	Durables Ex Transportation	Mar P	-0.2%	--	-0.1%	--
4/26	Cap Goods Orders Nondef Ex Air	Mar P	0.2%	--	-0.1%	--
4/26	Cap Goods Ship Nondef Ex Air	Mar P	--	--	-0.1%	--
4/27	GDP Annualized QoQ	1Q A	2.0%	--	2.6%	--
4/27	Personal Consumption	1Q A	4.0%	--	1.0%	--
4/27	GDP Price Index	1Q A	3.7%	--	3.9%	--
4/27	Core PCE QoQ	1Q A	4.7%	--	4.4%	--
4/27	Pending Home Sales NSA YoY	Mar	--	--	-21.1%	--
4/28	Employment Cost Index	1Q	1.1%	--	1.0%	--
4/28	Personal Income	Mar	0.2%	--	0.3%	--
4/28	Real Personal Spending	Mar	-0.1%	--	-0.1%	--
4/28	PCE Deflator YoY	Mar	4.1%	--	5.0%	--
4/28	PCE Core Deflator YoY	Mar	4.5%	--	4.6%	--
4/28	MNI Chicago PMI	Apr	43.5	--	43.8	--
4/28	U. of Mich. Sentiment	Apr F	63.5	--	63.5	--
4/28	U. of Mich. Current Conditions	Apr F	--	--	68.6	--
4/28	U. of Mich. 1 Yr Inflation	Apr F	--	--	4.6%	--

MBS Prepayments ⁴						
3-Month CPR						
Type	2.0	2.5	3.0	3.5	4.0	4.5
FN 10y	7.2	12.0	12.1	13.1	14.4	13.1
FH/FN 15y	5.8	5.9	6.5	8.4	14.1	17.4
GN 15y	16.9	13.1	13.7	16.0	18.5	21.6
FH/FN 20y	51.6	4.7	6.0	6.7	7.8	9.2
FH/FN 30y	7.0	3.1	4.2	4.5	5.2	6.9
GN 30y	2.3	4.5	6.0	5.7	3.5	6.4

CPR Projections						
Type	2.0	2.5	3.0	3.5	4.0	4.5
FN 10y	11.0	12.5	12.6	12.8	12.4	10.3
FH/FN 15y	6.7	6.3	7.0	8.0	13.2	15.2
GN 15y	10.4	9.4	9.8	11.2	11.9	13.7
FH/FN 20y	5.5	5.9	6.7	7.8	8.6	9.7
FH/FN 30y	5.7	5.7	5.9	6.7	7.6	8.6
GN 30y	5.8	6.3	6.9	7.3	9.2	10.1

Other Markets					
Index	Current	1Wk Chng	Historical		
			1 Mo	6 Mo	1 Yr
Currencies					
Japanese Yen	134.38	0.59	132.51	147.65	128.38
Euro	1.09	(0.00)	1.08	0.99	1.08
Dollar Index	102.00	0.44	103.26	112.01	100.58
Major Stock Indices					
Dow Jones	33,753	(133)	32,561	31,083	34,793
S&P 500	4,133.1	(4.6)	4,002.9	3,752.8	4,393.7
NASDAQ	12,000.7	(123)	11,860.1	10,859.7	13,174.7
Commodities					
Gold	1,989.4	(12.8)	1,941.1	1,651.0	1,944.9
Crude Oil	77.94	(4.58)	69.33	85.05	103.79
Natural Gas	2.24	0.12	2.35	4.96	6.96
Wheat	667.3	-15.3	683.3	850.8	1,068.0
Corn	660.3	-6.0	630.0	684.3	799.3

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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