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### 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 ALM School  
Aug 23-24, 2023

#### Bank & Credit Unions

ALM School  
Aug 8-9, 2023

This week, various Federal Reserve Presidents were scattered across the country speaking at various events. Minneapolis Fed President, Neel Kashkari, said the central bank probably has “more work to do on our end, to try to bring inflation back down”. He also stated, “we should not be fooled by a few months of positive data”. Dallas Fed President Lorie Logan said that she did not believe halting interest rate hikes was justified based on recent economic data. Others seemed to be a little more cautious, including Chicago Fed President, Austan Goolsbee, (say that name ten times fast) as he told CNBC that voting for the most recent rate hike in May was a “close call” because of his worries over tightening credit conditions in the wake of the recent bank failures. Their comments come at a time when many think the Fed could be close to an end of their most aggressive tightening cycle in decades.

On Monday, the New York Empire State Manufacturing Index unexpectedly sank to -31.8 (est. -3.9) in May from 10.8 in April. It is the lowest reading in four months, pointing to a sharp drop in the manufacturing business activity in the state of New York.

Retail sales data was released on Tuesday and retail sales rose 0.4% (est. 0.8%) in April, less than expected, as consumers struggled with inflation. Excluding auto-related figures, sales increased 0.4%, which was in line with expectations. The gain in retail sales appears to mostly reflect higher prices as the Consumer Price Index also rose 0.4% in the month of April. Retail sales are a big part of consumer spending and offer insight into the strength of the economy.

Permits for future U.S. single-family homebuilding jumped to a seven-month high in April, giving the housing market a small boost, but tightening credit conditions could make it difficult for some building to obtain financing for new projects. On Wednesday, the Commerce Department reported that overall housing starts increased 2.2% to a rate of 1.401 million units in April, slightly above economists’ expectations of 1.400 million units. Overall, building permits dropped 1.5% to a 1.42 million annual rate in April.

Yesterday, the weekly initial jobless claims fell by 22,000 to 242,000. The prior week’s numbers had been heavily boosted by a jump in filing in Massachusetts, which accounted for nearly half of the increase of the (unadjusted) filings across the nation. State officials in Massachusetts say it was “an increase in fraudulent claim activities.”

Next week’s economic data releases include new home sales as well as the latest on personal income and spending data. The Fed Meeting minutes for the May meeting will be released next Wednesday providing more insight into the latest rate hike last month. Next Friday will also provide more insight into the inflation picture with the release of the PCE Deflator for the month of April.

*(Continued)*



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Bonds are selling off this morning with the longer part of the yield curve selling off the most. Of note this week is the movement of the 2-Year Treasury Bond. The yield on the 2-Year Treasury has risen approximately 30 basis points this week as investors looked to remarks from Fed speakers for hints about monetary policy and assessed how that may affect the economy. Lastly, I can't forget to mention fears about the U.S. defaulting on its debt appeared to be somewhat calmed recently as progress appeared to be made in debt ceiling deal negotiations. House Speaker Kevin McCarthy suggested yesterday that a resolution may be found as soon as next week.

I'd rather not find out what would happen if the U.S. were to default on their debt...until then...have a great weekend!

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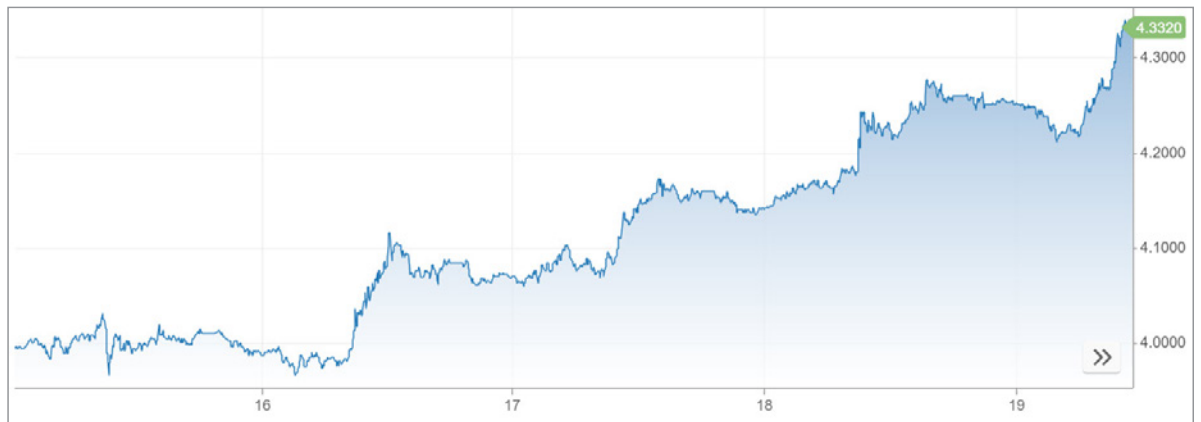
Aug 23-24, 2023

#### Bank & Credit Unions

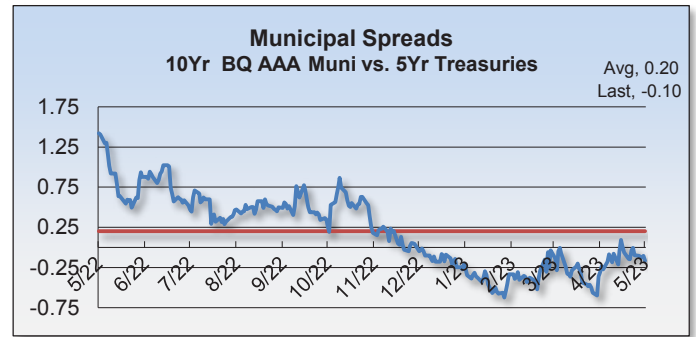
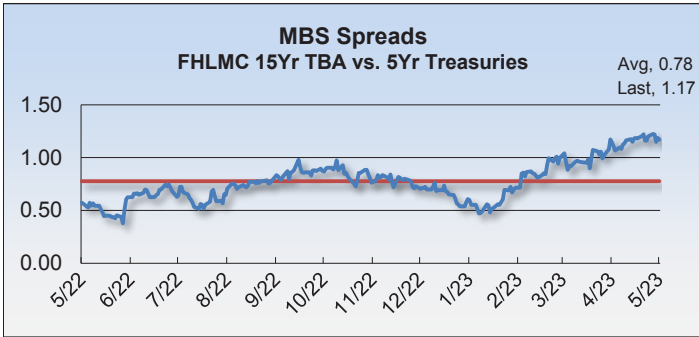
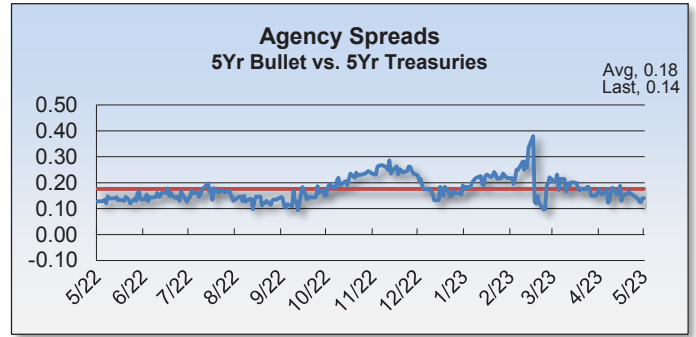
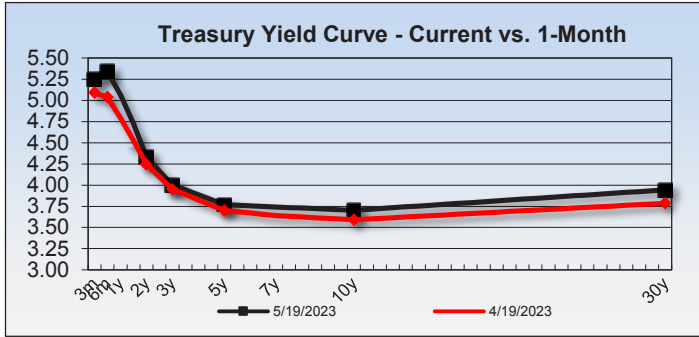
ALM School

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### 2-Year Treasury Bond (5/15/23 to Today)



Source: CNBC



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 <sup>2</sup>	S-Corp <sup>3</sup>		Mty	3Mo	6mo	1Yr	2Yr
3mo	5.25	0.08	5.12	4.24	1.01	2yr	4.43	4.53	4.20	4.47	4.53	2Yr	4.94	4.94	4.94	-
6mo	5.34	0.23	5.07	4.63	1.49	3yr	4.08	4.15	3.89	4.14	4.44	3Yr	4.60	4.60	4.60	4.60
1yr	5.06	0.30	4.81	4.72	2.09	5yr	3.88	3.85	3.60	3.83	4.25	5Yr	4.45	4.45	4.44	4.38
2yr	4.33	0.34	4.25	4.54	2.61	7yr	3.97	3.75	3.43	3.65	4.39	7Yr	4.44	4.47	4.46	4.39
3yr	4.00	0.35	3.95	4.30	2.69	10yr	4.02	3.71	3.46	3.68	4.60	10Yr	4.49	4.55	4.54	4.48
5yr	3.77	0.32	3.70	4.01	2.84	15yr	4.06	3.73	4.28	4.56	4.73	June TBA MBS				
7yr	3.74	0.29	3.65	3.93	2.87	20yr	4.09	3.71	4.55	4.84	5.16	Cpn	15Yr -Yld/AL		30Yr -Yld/AL	
10yr	3.70	0.24	3.59	3.83	2.84	25yr	4.12	3.62	4.70	5.01	5.22	2.50	4.73	5.7y	4.62	
30yr	3.94	0.15	3.79	3.93	3.05	30yr		3.53	4.86	5.17	5.27	3.00	4.76	5.6y		
												3.50	4.65	5.6y	4.82	10.2y
												4.00	4.68	5.5y	4.91	9.8y
												4.50			5.06	9.3y
												5.00			5.29	8.3y

\* Interpolated

Key Market Indices					
Index	Current	1Wk Change	Historical		
			1 Mo	6 Mo	1 Yr
Fed Funds	5.25	--	5.00	4.00	1.00
Primary Discount	5.25	--	5.00	4.00	1.00
2ndary Discount	5.75	--	5.50	4.50	1.50
Prime Rate	8.25	--	8.00	7.00	4.00
Sec. O.N. Finance	5.05	--	4.80	3.80	--
1 Month LIBOR	5.13	0.02	4.95	3.94	0.93
3 Month LIBOR	5.37	0.03	5.27	4.68	1.45
6 Month LIBOR	5.40	0.00	5.39	5.12	2.01
1 Year LIBOR	5.35	(0.01)	5.42	5.46	2.68
6 Month CD	5.35	0.10	5.35	4.91	2.11
1 Year CMT	5.02	0.32	4.81	4.74	2.16
REPO O/N	5.13	--	4.82	3.82	0.79
REPO 1Wk	5.11	--	4.89	3.89	0.91
CoF Federal	3.302	--	3.239	2.278	0.963
11th D. CoF (Dec)	0.223	--	0.218	0.282	0.460

FHLB Fixed Advance Rates			
Maturity	Chicago	Boston	Topeka
3mo	5.36	5.41	5.41
6mo	5.42	5.42	5.47
1yr	5.12	5.11	5.27
2yr	4.54	4.54	4.62
3yr	4.23	4.21	4.29
4yr	4.12	4.11	4.17
5yr	4.02	4.02	4.06
7yr	4.22	4.26	4.28
10yr	4.39	4.46	4.45
5yr Am	4.15		4.34
10yr Am	4.21		4.40

Fed Fund Futures	
Maturity	Rate
May-23	5.055
Jun-23	5.125
Jul-23	5.165
Aug-23	5.155
Sep-23	5.125
Oct-23	5.065
Nov-23	4.900
Dec-23	4.780
Jan-24	4.700
Feb-24	4.515
Mar-24	4.435

Weekly Economic Calendar						
This Week & Next						
Date	Release	Per.	Est.	Actual	Prior	Revised
5/15	Empire Manufacturing	May	-3.9	-31.8	10.8	--
5/15	Net Long-term TIC Flows	Mar	--	\$133.3b	\$71.0b	\$56.6b
5/15	Total Net TIC Flows	Mar	--	\$56.7b	\$28.0b	\$13.7b
5/16	Retail Sales Advance MoM	Apr	0.8%	0.4%	-1.0%	-0.7%
5/16	Retail Sales Ex Auto MoM	Apr	0.4%	0.4%	-0.8%	-0.5%
5/16	Retail Sales Ex Auto and Gas	Apr	0.2%	0.6%	-0.3%	-0.5%
5/16	Retail Sales Control Group	Apr	0.4%	0.7%	-0.3%	-0.4%
5/16	New York Fed Services Business Activit	May	--	-16.8	-9.8	--
5/16	Industrial Production MoM	Apr	0.0%	0.5%	0.4%	0.0%
5/16	Capacity Utilization	Apr	79.7%	79.7%	79.8%	79.4%
5/16	Manufacturing (SIC) Production	Apr	0.1%	1.0%	-0.5%	-0.8%
5/16	Business Inventories	Mar	0.0%	-0.1%	0.2%	0.0%
5/17	MBA Mortgage Applications	5/12	--	-5.7%	6.3%	--
5/17	Housing Starts	Apr	1400k	1401k	1420k	1371k
5/17	Building Permits	Apr	1430k	1416k	1413k	1437k
5/17	Housing Starts MoM	Apr	-1.4%	2.2%	-0.8%	-4.5%
5/17	Building Permits MoM	Apr	0.0%	-1.5%	-8.8%	-3.0%
5/18	Initial Jobless Claims	5/13	251k	242k	264k	--
5/18	Continuing Claims	5/6	1820k	1799k	1813k	1807k
5/18	Philadelphia Fed Business Outlook	May	-20.0	-10.4	-31.3	--
5/18	Existing Home Sales	Apr	4.30m	4.28m	4.44m	4.43m
5/18	Leading Index	Apr	-0.6%	-0.6%	-1.2%	--
5/23	Philadelphia Fed Non-Manufacturing Ac	May	--	--	-22.8	--
5/23	S&P Global US Manufacturing PMI	May P	50.0	--	50.2	--
5/23	S&P Global US Services PMI	May P	52.6	--	53.6	--
5/23	S&P Global US Composite PMI	May P	--	--	53.4	--
5/23	New Home Sales	Apr	663k	--	683k	--
5/23	Richmond Fed Manufact. Index	May	-8.0	--	-10.0	--
5/23	Richmond Fed Business Conditions	May	--	--	-27.0	--
5/25	Chicago Fed Nat Activity Index	Apr	--	--	-0.19	--
5/25	GDP Annualized QoQ	1Q S	1.1%	--	1.1%	--
5/25	Personal Consumption	1Q S	3.7%	--	3.7%	--
5/25	GDP Price Index	1Q S	4.0%	--	4.0%	--
5/25	Core PCE QoQ	1Q S	4.9%	--	4.9%	--
5/25	Pending Home Sales MoM	Apr	1.1%	--	-5.2%	--
5/25	Pending Home Sales NSA YoY	Apr	--	--	-23.3%	--
5/26	Personal Income	Apr	0.4%	--	0.3%	--
5/26	Personal Spending	Apr	0.4%	--	0.0%	--
5/26	Real Personal Spending	Apr	0.3%	--	0.0%	--
5/26	PCE Deflator YoY	Apr	4.3%	--	4.2%	--
5/26	PCE Core Deflator YoY	Apr	4.6%	--	4.6%	--
5/26	Advance Goods Trade Balance	Apr	-\$85.6b	--	-\$84.6b	--
5/26	Durables Ex Transportation	Apr P	0.0%	--	0.2%	--
5/26	Cap Goods Ship Nondef Ex Air	Apr P	--	--	-0.5%	--
5/26	U. of Mich. Sentiment	May F	58.0	--	57.7	--
5/26	U. of Mich. Current Conditions	May F	--	--	64.5	--
5/26	U. of Mich. 1 Yr Inflation	May F	--	--	4.5%	--

MBS Prepayments <sup>4</sup>						
3-Month CPR						
Type	2.5	3.0	3.5	4.0	4.5	5.0
FN 10y	11.9	12.7	12.9	13.6	12.5	15.5
FH/FN 15y	6.2	6.8	8.1	13.5	16.5	26.0
GN 15y	12.9	13.5	16.0	18.5	21.8	28.3
FH/FN 20y	4.9	6.3	7.1	7.8	9.1	12.9
FH/FN 30y	3.7	6.2	5.0	5.4	6.4	7.4
GN 30y	4.0	6.7	5.4	4.6	6.7	7.2

CPR Projections						
Type	2.5	3.0	3.5	4.0	4.5	5.0
FN 10y	12.5	12.6	12.8	12.4	10.4	11.6
FH/FN 15y	6.0	7.0	8.0	12.7	14.3	15.8
GN 15y	9.3	9.6	11.3	11.9	13.7	13.8
FH/FN 20y	5.9	6.2	7.3	8.5	9.6	10.7
FH/FN 30y	5.4	5.7	6.1	6.9	7.8	9.2
GN 30y	6.0	6.5	7.3	9.2	10.4	7.0

Other Markets					
Index	Current	1Wk Chng	Historical		
			1 Mo	6 Mo	1 Yr
<b>Currencies</b>					
Japanese Yen	138.62	2.92	134.72	142.14	127.79
Euro	1.08	(0.01)	1.10	1.02	1.06
Dollar Index	103.34	0.66	101.97	106.93	102.72
<b>Major Stock Indices</b>					
Dow Jones	33,587	286	33,897	33,746	31,253
S&P 500	4,210.9	86.8	4,154.5	3,965.3	3,900.8
NASDAQ	12,680.4	396	12,157.2	11,146.1	11,388.5
<b>Commodities</b>					
Gold	1,963.0	(56.8)	1,995.2	1,754.4	1,841.2
Crude Oil	72.26	2.22	79.16	80.08	112.21
Natural Gas	2.63	0.37	2.22	6.30	8.31
Wheat	614.5	-10.0	681.8	803.3	1,200.5
Corn	563.5	-69.8	672.3	667.8	783.3

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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