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### UPCOMING EVENTS

#### Banks

##### Seminar:

Bismarck, ND  
Jul 25, 2023

Springfield, IL  
Aug 7, 2023

Stevens Point, WI  
Aug 29, 2023

Oklahoma City, OK  
Oct 18-20, 2023

##### Webinar:

Q3 Strategies Webinar  
Jul 12, 2023

#### Credit Unions

##### CU Seminar:

Philadelphia, PA  
Sep 27, 2023

Dallas, TX  
Nov 9, 2023

##### CU Webinar:

Q3 CU Strategies Webinar  
Jul 13, 2023

##### CU School:

CU ALM School  
Aug 23-24, 2023

#### - Bank & Credit Unions -

ALM School  
Aug 8-9, 2023

The mid-week holiday brought a short trading week, but that didn't prevent market volatility from making an appearance. The yield on the 10yr Treasury is up +19bps since the start of the week as markets are filtering through economic data to predict the Fed's next move.

The big news of the week is the jobs numbers as both the ADP and BLS released employment numbers this week. On Thursday, the ADP released an eye-popping June number that showed private payrolls increased by 497k compared to an estimated 225k. Hiring improved across the spectrum, including everything from construction, leisure, and hospitality. Continuing Claims also came in slightly lower than expected at 1,720k compared to an estimated 1,737k.

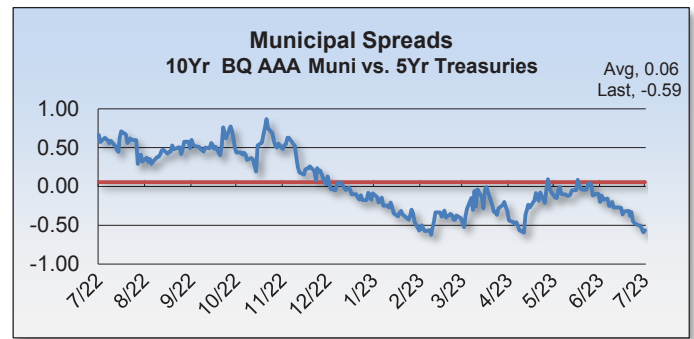
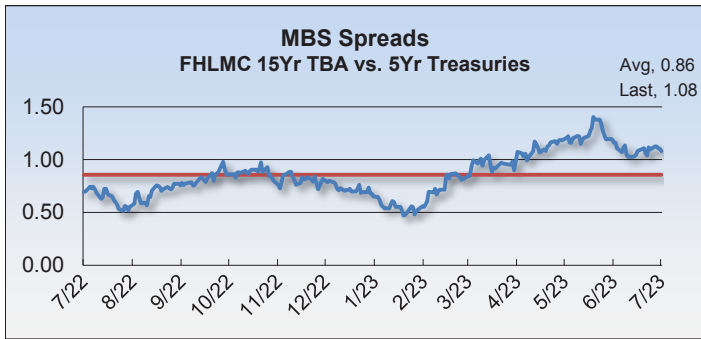
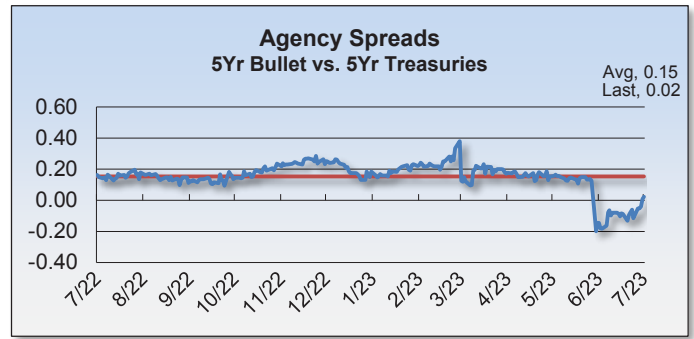
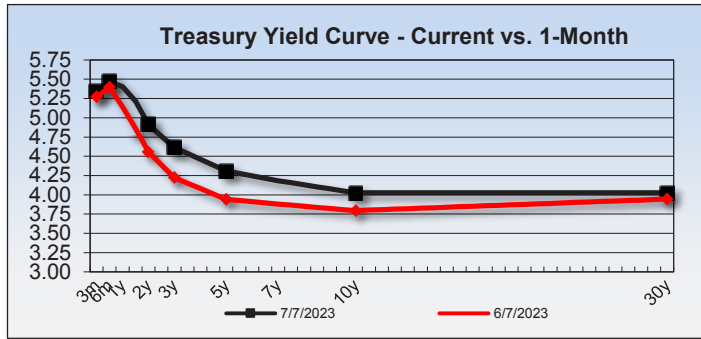
Alternatively, the BLS released its "less exciting" change in nonfarm payrolls report on Friday morning which showed jobs gains of 209k compared to an estimated 230k while the unemployment rate remained steady at 3.6%. Mortgage applications were down -4.4% for the week ending on June 30th as the average rate on a 30yr mortgage ticked up to 6.85% from 6.75%.

All in all, the market believes that this week's news should give the "data-dependent" Fed enough ammo to continue their rate hiking campaign when they meet later this month. As it stands now, Fed Funds Futures are currently projecting a 91% chance of a 25bp rate hike at the July meeting.

Looking ahead to next week, there will be plenty of news to keep the market's attention. We'll get a look at June's inflation numbers with the CPI report coming out on Wednesday and the PPI report on Thursday. The University of Michigan will also be releasing their Consumer Sentiment report for the month on Friday.

MEETING PROBABILITIES												
MEETING DATE	300-325	325-350	350-375	375-400	400-425	425-450	450-475	475-500	500-525	525-550	550-575	575-600
7/26/2023				0.0%	0.0%	0.0%	0.0%	0.0%	5.1%	94.9%	0.0%	0.0%
9/20/2023	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.9%	73.3%	22.8%	0.0%
11/1/2023	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.8%	54.4%	36.6%	6.2%
12/13/2023	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%	12.3%	51.1%	31.0%	5.1%
1/31/2024	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	3.7%	22.8%	45.7%	24.0%	3.7%
3/20/2024	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	1.6%	11.7%	32.4%	36.6%	15.5%
5/1/2024	0.0%	0.0%	0.0%	0.0%	0.1%	1.4%	10.5%	29.8%	36.1%	18.1%	3.8%	0.3%
6/19/2024	0.0%	0.0%	0.0%	0.0%	0.7%	5.6%	19.3%	32.7%	27.8%	11.5%	2.2%	0.1%
7/31/2024	0.0%	0.0%	0.0%	0.5%	4.4%	16.1%	29.6%	29.0%	15.4%	4.4%	0.6%	0.0%
9/25/2024	0.0%	0.0%	0.4%	3.6%	13.7%	26.7%	29.1%	18.2%	6.7%	1.4%	0.2%	0.0%
11/6/2024	0.0%	0.3%	3.0%	11.6%	24.1%	28.6%	20.4%	9.0%	2.5%	0.4%	0.0%	0.0%
12/18/2024	0.2%	1.6%	7.2%	17.8%	26.3%	24.6%	14.8%	5.8%	1.5%	0.2%	0.0%	0.0%

Source: CME Group



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	5.34	0.05	5.29	4.60	1.91	2yr	5.00	5.10	4.16	4.43	5.10	2Yr	5.72	5.72	5.72	-
6mo	5.47	0.04	5.41	4.81	2.60	3yr	4.69	4.68	3.98	4.23	4.96	3Yr	5.42	5.43	5.40	5.42
1yr	5.40	(0.01)	5.16	4.70	2.83	5yr	4.40	4.22	3.74	3.98	4.67	5Yr	5.20	5.20	5.19	5.13
2yr	4.91	0.01	4.56	4.25	3.02	7yr	4.37	4.01	3.63	3.86	4.74	7Yr	5.08	5.10	5.09	5.02
3yr	4.61	0.08	4.22	3.98	3.02	10yr	4.33	3.86	3.65	3.89	4.74	10Yr	4.96	5.02	5.01	4.95
5yr	4.31	0.15	3.94	3.70	3.03	15yr	4.28	3.79	4.40	4.68	4.94	August TBA MBS				
7yr	4.18	0.18	3.88	3.63	3.07	20yr	4.23	3.72	4.65	4.95	5.03	Cpn	15Yr -Yld/AL		30Yr -Yld/AL	
10yr	4.03	0.19	3.80	3.56	3.00	25yr	4.18	3.60	4.80	5.11	5.09	2.50	5.37	5.5y	4.89	
30yr	4.03	0.17	3.95	3.69	3.19	30yr	3.48	3.48	4.96	5.27	5.14	3.00	5.36	5.7y		
												3.50	5.17	5.6y	5.13	10.2y
												4.00	5.09	5.5y	5.21	10.1y
												4.50			5.35	10.1y
												5.00			5.55	9.4y

\* Interpolated

Key Market Indices					
Index	Current	1Wk Change	Historical		
			1 Mo	6 Mo	1 Yr
Fed Funds	5.25	--	5.25	4.50	1.75
Primary Discount	5.25	--	5.25	4.50	1.75
2ndary Discount	5.75	--	5.75	5.00	2.25
Prime Rate	8.25	--	8.25	7.50	4.75
Sec. O.N. Finance	5.06	--	5.05	4.31	--
1 Month LIBOR	5.26	0.07	5.19	4.40	1.79
3 Month LIBOR	5.54	0.00	5.51	4.81	2.35
6 Month LIBOR	5.81	0.08	5.66	5.17	2.97
1 Year LIBOR	6.04	0.12	5.73	5.48	3.62
6 Month CD	5.77	0.03	5.62	5.02	3.14
1 Year CMT	5.44	0.03	5.20	4.71	2.82
REPO O/N	5.13	--	5.10	4.34	1.54
REPO 1Wk	5.14	(0.04)	5.01	4.44	1.47
CoF Federal	3.460	--	3.302	2.568	1.096
11th D. CoF (Dec)	0.223	--	0.218	0.282	0.460

FHLB Fixed Advance Rates			
Maturity	Chicago	Boston	Topeka
3mo	5.48	5.57	5.53
6mo	5.61	5.62	5.64
1yr	5.55	5.63	5.77
2yr	5.07	5.36	5.25
3yr	4.78	4.94	4.93
4yr	4.62	4.78	4.76
5yr	4.50	4.62	4.59
7yr	4.59	4.74	4.69
10yr	4.64	4.79	4.73
5yr Am	4.15		4.92
10yr Am	4.21		4.84

Fed Fund Futures		
Maturity	Rate	
Jul-23	5.110	
Aug-23	5.300	
Sep-23	5.325	
Oct-23	5.360	
Nov-23	5.425	
Dec-23	5.400	
Jan-24	5.380	
Feb-24	5.320	
Mar-24	5.280	
Apr-24	5.220	
May-24	5.075	

Weekly Economic Calendar						
This Week & Next						
Date	Release	Per.	Est.	Actual	Prior	Revised
7/3	S&P Global US Manufacturing PMI	Jun F	46.3	46.3	46.3	--
7/3	Construction Spending MoM	May	0.6%	0.9%	<del>1.2%</del>	0.4%
7/3	ISM Manufacturing	Jun	47.1	46.0	46.9	--
7/3	ISM Prices Paid	Jun	44.0	41.8	44.2	--
7/3	ISM Employment	Jun	--	48.1	51.4	--
7/3	ISM New Orders	Jun	--	45.6	42.6	--
7/5	Factory Orders Ex Trans	May	--	-0.5%	<del>-0.2%</del>	-0.6%
7/5	Durables Ex Transportation	May F	0.6%	0.7%	0.6%	--
7/5	Cap Goods Orders Nondef Ex Air	May F	--	0.7%	0.7%	--
7/5	Cap Goods Ship Nondef Ex Air	May F	--	0.3%	0.2%	--
7/6	MBA Mortgage Applications	6/30	--	-4.4%	3.0%	--
7/6	Challenger Job Cuts YoY	Jun	--	25.2%	286.7%	--
7/6	ADP Employment Change	Jun	225k	497k	<del>278k</del>	267k
7/6	Trade Balance	May	-\$69.0b	-\$69.0b	<del>-\$74.6b</del>	-\$74.4b
7/6	Initial Jobless Claims	7/1	245k	248k	<del>239k</del>	236k
7/6	Continuing Claims	6/24	1737k	1720k	<del>1742k</del>	1733k
7/6	S&P Global US Services PMI	Jun F	54.1	54.4	54.1	--
7/6	S&P Global US Composite PMI	Jun F	53.0	53.2	53.0	--
7/6	JOLTS Job Openings	May	9900k	9824k	<del>10103k</del>	10320k
7/6	ISM Services Index	Jun	51.2	53.9	50.3	--
7/6	ISM Services Prices Paid	Jun	--	54.1	56.2	--
7/6	ISM Services Employment	Jun	--	53.1	49.2	--
7/6	ISM Services New Orders	Jun	--	55.5	52.9	--
7/7	Two-Month Payroll Net Revision	Jun	--	-110k	--	--
7/7	Change in Nonfarm Payrolls	Jun	230k	209k	<del>339k</del>	306k
7/7	Change in Private Payrolls	Jun	200k	149k	<del>283k</del>	259k
7/7	Change in Manufact. Payrolls	Jun	5k	7k	<del>-2k</del>	-3k
7/7	Unemployment Rate	Jun	3.6%	3.6%	3.7%	--
7/7	Average Hourly Earnings MoM	Jun	0.3%	0.4%	<del>0.3%</del>	0.4%
7/7	Average Hourly Earnings YoY	Jun	4.2%	4.4%	<del>4.3%</del>	4.4%
7/7	Average Weekly Hours All Employees	Jun	34.3	34.4	34.3	--
7/7	Labor Force Participation Rate	Jun	62.6%	62.6%	62.6%	--
7/7	Underemployment Rate	Jun	--	6.9%	6.7%	--
7/11	NFIB Small Business Optimism	Jun	89.8	--	89.4	--
7/12	CPI YoY	Jun	3.1%	--	4.0%	--
7/12	CPI Ex Food and Energy YoY	Jun	5.0%	--	5.3%	--
7/12	CPI Core Index SA	Jun	308.78	--	307.82	--
7/12	Real Avg Weekly Earnings YoY	Jun	--	--	<del>-0.7%</del>	-0.6%
7/12	Real Avg Hourly Earning YoY	Jun	--	--	0.2%	--
7/13	PPI Final Demand YoY	Jun	0.4%	--	1.1%	--
7/13	PPI Ex Food and Energy YoY	Jun	2.5%	--	2.8%	--
7/13	PPI Ex Food, Energy, Trade YoY	Jun	--	--	2.8%	--
7/14	Import Price Index YoY	Jun	--	--	-5.9%	--
7/14	Export Price Index YoY	Jun	--	--	-10.1%	--
7/14	U. of Mich. Sentiment	Jul P	65.5	--	64.4	--
7/14	U. of Mich. Current Conditions	Jul P	--	--	69.0	--
7/14	U. of Mich. 1 Yr Inflation	Jul P	--	--	3.3%	--

MBS Prepayments <sup>4</sup>						
3-Month CPR						
Type	2.5	3.0	3.5	4.0	4.5	5.0
FN 10y	12.5	14.1	13.3	13.9	15.1	16.3
FH/FN 15y	6.8	7.4	8.6	14.1	16.6	25.1
GN 15y	12.9	14.2	17.2	19.9	22.3	29.6
FH/FN 20y	5.2	6.8	7.7	8.3	9.8	13.1
FH/FN 30y	3.9	6.4	5.8	6.5	6.9	8.7
GN 30y	4.8	7.5	7.0	5.0	7.0	7.8
CPR Projections						
Type	2.5	3.0	3.5	4.0	4.5	5.0
FN 10y	12.5	12.4	12.5	12.1	10.0	10.6
FH/FN 15y	7.8	6.6	7.2	11.7	13.5	14.3
GN 15y	8.9	9.2	10.7	11.4	13.1	13.3
FH/FN 20y	6.3	6.4	6.4	7.4	8.5	9.8
FH/FN 30y	5.3	5.6	5.8	6.2	6.9	7.8
GN 30y	6.4	6.7	7.0	8.0	8.4	6.8

Other Markets					
Index	Current	1Wk Chng	Historical		
			1 Mo	6 Mo	1 Yr
<b>Currencies</b>					
Japanese Yen	142.47	(1.84)	140.13	131.88	136.01
Euro	1.09	0.00	1.07	1.07	1.02
Dollar Index	102.71	(0.63)	104.10	103.88	107.13
<b>Major Stock Indices</b>					
Dow Jones	33,882	(240)	33,665	33,631	31,385
S&P 500	4,415.0	18.6	4,267.5	3,895.1	3,902.6
NASDAQ	13,712.8	122	13,104.9	10,569.3	11,621.4
<b>Commodities</b>					
Gold	1,928.5	10.6	1,942.7	1,869.7	1,739.7
Crude Oil	72.73	2.87	72.53	73.77	102.73
Natural Gas	2.66	(0.04)	2.33	3.71	6.30
Wheat	642.8	-10.3	616.8	743.5	824.5
Corn	566.3	-14.8	604.3	654.0	747.0

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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