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### UPCOMING EVENTS

#### Banks

##### Seminar:

Minneapolis, MN  
Dec 5, 2023

##### Webinar:

Bank Trends for Q3  
Nov 15, 2023

There are few topics that garner as much agreement as the disdain for the semiannual change to/from daylight saving time (DST) that we went through to start the week. And it's not just anyone with a dog or small child that bemoans the change. Industry groups, lawmakers, sleep doctors, and others suggest that the time change can be disruptive, citing studies that show a rise in health issues, car accidents, and even stock market losses in the days and weeks that follow. The time change may or may not have been the culprit for this week's market moves but in a week light on data, anything is possible!

The more likely scenario is that it was comments from Fed speakers and Treasury auctions that drove market activity this week. After tumbling last week, Treasury yields regained their footing to start the week ahead of three days of Treasury debt sales. The Treasury had \$112 billion of new notes and bonds to sell this week, starting with 3-year notes on Tuesday, followed by benchmark 10-year and 30-year tenors on Wednesday and Thursday.

Wednesday's 10-year auction resulted in a slightly higher-than-anticipated rate of 4.519%, suggesting that demand fell short of expectations. However, bonds rallied through that level after the sale cleared, and the 10-year dipped below 4.5%.

Fed officials on the docket this week gave a mixed review of what they believe still needs to be done on the policy front. Fed governor, Michelle Bowman, who tends to lean more hawkish, was on brand this week, suggesting that one more hike was likely needed. However, Chicago Fed President, Austan Goolsbee, who typically resides in the dovish camp, indicated that recent bond market tightening should hold the Fed back from further tightening.

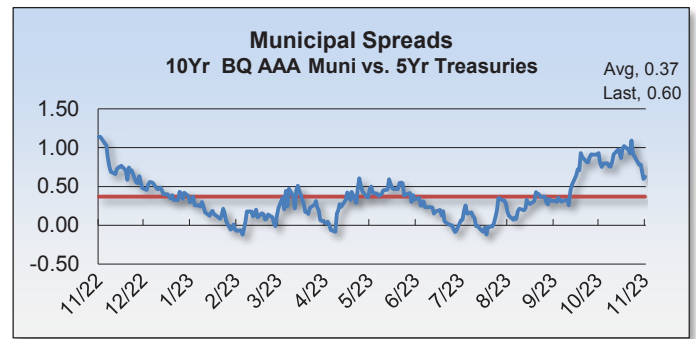
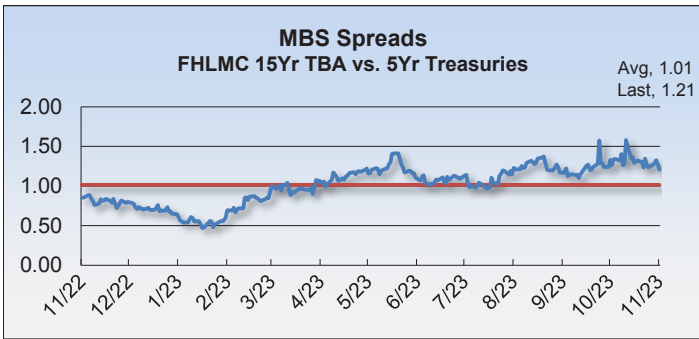
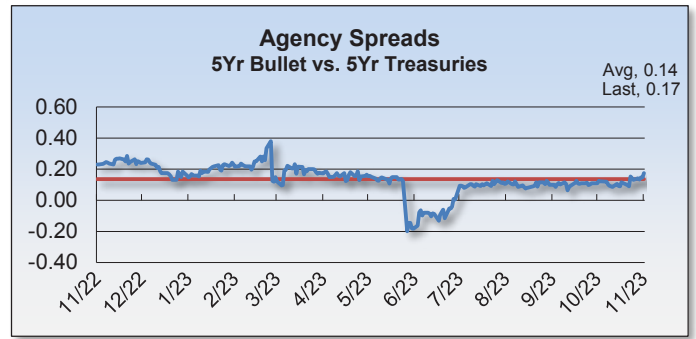
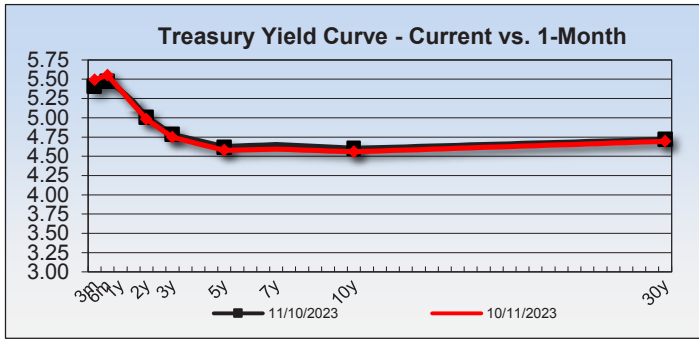
Chairman Powell had two chances to speak this week but elected to exclude any monetary policy discussion from his speech on Wednesday. His speech on Thursday leaned hawkish as he suggested the FOMC was not yet confident its policy stance was restrictive enough to get inflation back to the 2% target. There was little change in Fed Funds futures market pricing after Powell spoke. The market held its view that next year would end with a Fed Funds rate of 4.50%-4.75% and rate cuts would start as early as June.

The Treasury market, however, did see a notable selloff on the heels of Powell's speech that was also fueled by poor demand for Thursday's 30-year bond auction. Two-year yields jumped more than 10 basis points on the day and 10- and 30-year yields both jumped 12 bps to end the day at 4.65% and 4.77% respectively. Both have recovered somewhat this morning. The 10-year now sits at 4.58% and the 30-year at 4.71% at the time of this writing.

Also of note this week was the surprise plunge in oil prices. A combination of global demand worries, record U.S. production, and ebbing supply concerns as the conflict in Gaza continues, worked to bring U.S. crude oil prices down more than 20% from their late September peak. The drop in energy prices obviously aids the inflation outlook and so helped to calm 10-year Treasury yields back down this week.

Next week, the return of market-moving data to the economic calendar will give markets much to digest. Tuesday brings the much-anticipated announcement of October's Consumer Price Index (CPI) report, which is expected to come in at 3.3% YoY. On Wednesday, we will get Retail Sales, which are expected to show some weakening in the strength of the consumer, as well as the Producer Price Index (PPI). PPI can be a leading indicator for CPI because it reflects the cost of producing goods and services that are ultimately consumed some months down the line and is expected to increase just 0.1% MoM in October. We will also get Housing Starts and Building Permits data on Friday to round out the week.

Happy Veterans Day tomorrow to all those who have served our country and to the families and friends who support them!



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	5.41	(0.00)	5.49	5.22	4.17	2yr	5.13	4.85	4.61	4.90	5.22	2Yr	5.89	5.89	5.89	-
6mo	5.47	0.00	5.55	5.09	4.54	3yr	4.87	4.57	4.47	4.75	5.14	3Yr	5.73	5.74	5.70	5.73
1yr	5.36	0.07	5.36	4.71	4.58	5yr	4.72	4.36	4.37	4.65	4.99	5Yr	5.75	5.75	5.74	5.68
2yr	5.02	0.18	4.97	3.91	4.33	7yr	4.92	4.30	4.41	4.69	5.15	7Yr	5.82	5.84	5.83	5.76
3yr	4.78	0.14	4.76	3.58	4.20	10yr	4.88	4.29	4.48	4.77	5.19	10Yr	5.86	5.91	5.91	5.84
5yr	4.63	0.12	4.61	3.39	3.94	15yr	4.84	4.32	5.19	5.53	5.39	December TBA MBS				
7yr	4.65	0.09	4.66	3.41	3.88	20yr	4.81	4.29	5.53	5.89	5.81	Cpn	15Yr -Yld/AL		30Yr -Yld/AL	
10yr	4.60	0.03	4.65	3.44	3.81	25yr	4.78	4.19	5.72	6.09	5.87	3.00	5.89	5.5y	5.71	
30yr	4.72	(0.05)	4.83	3.80	4.05	30yr	4.09	4.09	5.91	6.29	5.92	3.50	5.54	5.5y		
												4.00	5.32	5.9y	5.80	10.3y
												4.50	5.37	5.8y	5.84	10.4y
												5.00			5.90	9.9y
												5.50			6.03	9.2y

\* Interpolated

Key Market Indices					
Index	Current	1Wk Change	Historical		
			1 Mo	6 Mo	1 Yr
Fed Funds	5.50	--	5.50	5.25	4.00
Primary Discount	5.50	--	5.50	5.25	4.00
2ndary Discount	6.00	--	6.00	5.75	4.50
Prime Rate	8.50	--	8.50	8.25	7.00
Sec. O.N. Finance	5.32	(0.01)	5.31	5.06	--
1 Month LIBOR	5.44	(0.00)	5.46	5.10	3.86
3 Month LIBOR	5.63	(0.02)	5.67	5.34	4.59
6 Month LIBOR	5.83	(0.06)	5.88	5.35	5.13
1 Year LIBOR	6.04	0.12	5.73	5.48	3.62
6 Month CD	5.68	--	5.75	5.27	4.95
1 Year CMT	5.39	0.01	5.43	4.81	4.75
REPO O/N	5.37	0.04	5.37	5.13	3.82
REPO 1Wk	5.37	(0.01)	5.40	5.11	3.89
CoF Federal	3.743	--	3.698	3.239	2.022
11th D. CoF (Dec)	0.223	--	0.218	0.282	0.460

FHLB Fixed Advance Rates			
Maturity	Chicago	Boston	Topeka
3mo	5.55	5.59	5.58
6mo	5.58	5.60	5.58
1yr	5.43	5.47	5.55
2yr	5.11	5.14	5.23
3yr	4.90	4.93	5.02
4yr	4.83	4.87	4.93
5yr	4.76	4.80	4.85
7yr	4.98	5.05	5.08
10yr	5.13	5.22	5.21
5yr Am	4.15		5.01
10yr Am	4.21		5.12

Fed Fund Futures	
Maturity	Rate
Nov-23	5.328
Dec-23	5.340
Jan-24	5.355
Feb-24	5.380
Mar-24	5.365
Apr-24	5.335
May-24	5.245
Jun-24	5.165
Jul-24	5.115
Aug-24	4.975
Sep-24	4.925

Weekly Economic Calendar						
This Week & Next						
Date	Release	Per.	Est.	Actual	Prior	Revised
11/7	Trade Balance	Sep	-\$59.8b	-\$61.5b	-\$58.3b	-\$58.7b
11/7	Consumer Credit	Sep	\$9.500b	\$9.057b	-\$15.628b	\$15.788b
11/8	MBA Mortgage Applications	11/3	--	2.5%	-2.1%	--
11/8	Wholesale Inventories MoM	Sep F	0.0%	0.2%	0.0%	--
11/8	Wholesale Trade Sales MoM	Sep	0.9%	2.2%	1.8%	2.0%
11/9	Initial Jobless Claims	11/4	218k	217k	247k	220k
11/9	Continuing Claims	10/28	1820k	1834k	1848k	1812k
11/10	U. of Mich. Sentiment	Nov P	63.7	60.4	63.8	--
11/10	U. of Mich. Current Conditions	Nov P	70.3	65.7	70.6	--
11/10	U. of Mich. Expectations	Nov P	61.0	56.9	59.3	--
11/10	U. of Mich. 1 Yr Inflation	Nov P	4.0%	4.4%	4.2%	--
11/10	U. of Mich. 5-10 Yr Inflation	Nov P	3.0%	3.2%	3.0%	--
11/13	NY Fed 1-Yr Inflation Expectations	Oct	--	--	3.67%	--
11/14	NFIB Small Business Optimism	Oct	90.5	--	90.8	--
11/14	Real Avg Weekly Earnings YoY	Oct	--	--	-0.1%	0.0%
11/14	CPI MoM	Oct	0.1%	--	0.4%	--
11/14	CPI Ex Food and Energy MoM	Oct	0.3%	--	0.3%	--
11/14	CPI YoY	Oct	3.3%	--	3.7%	--
11/14	CPI Ex Food and Energy YoY	Oct	4.1%	--	4.1%	--
11/14	CPI Index NSA	Oct	307.83	--	307.79	--
11/14	CPI Core Index SA	Oct	--	--	310.66	--
11/14	Real Avg Hourly Earning YoY	Oct	--	--	0.5%	--
11/15	Retail Sales Advance MoM	Oct	-0.3%	--	0.7%	--
11/15	Retail Sales Ex Auto MoM	Oct	-0.2%	--	0.6%	--
11/15	Retail Sales Ex Auto and Gas	Oct	0.2%	--	0.6%	--
11/15	Retail Sales Control Group	Oct	0.2%	--	0.6%	--
11/15	PPI Final Demand MoM	Oct	0.1%	--	0.5%	--
11/15	PPI Ex Food and Energy MoM	Oct	0.3%	--	0.3%	--
11/15	PPI Ex Food, Energy, Trade MoM	Oct	--	--	0.2%	--
11/15	PPI Final Demand YoY	Oct	2.0%	--	2.2%	--
11/15	PPI Ex Food and Energy YoY	Oct	--	--	2.7%	--
11/15	PPI Ex Food, Energy, Trade YoY	Oct	--	--	2.8%	--
11/15	Empire Manufacturing	Nov	-2.6	--	-4.6	--
11/15	Business Inventories	Sep	0.4%	--	0.4%	--
11/16	Import Price Index MoM	Oct	-0.3%	--	0.1%	--
11/16	Import Price Index ex Petroleum MoM	Oct	--	--	-0.3%	--
11/16	Import Price Index YoY	Oct	--	--	-1.7%	--
11/16	Export Price Index MoM	Oct	-0.6%	--	0.7%	--
11/16	Export Price Index YoY	Oct	--	--	-4.1%	--
11/16	Industrial Production MoM	Oct	-0.3%	--	0.3%	--
11/16	Capacity Utilization	Oct	79.5%	--	79.7%	--
11/16	Manufacturing (SIC) Production	Oct	--	--	0.4%	--
11/16	NAHB Housing Market Index	Nov	40	--	40	--
11/16	Net Long-term TIC Flows	Sep	--	--	\$63.5b	--
11/16	Total Net TIC Flows	Sep	--	--	\$134.4b	--
11/17	Building Permits	Oct	1453k	--	1473k	1471k
11/17	Housing Starts	Oct	1350k	--	1358k	--

MBS Prepayments <sup>4</sup>						
3-Month CPR						
Type	3.0	3.5	4.0	4.5	5.0	5.5
FN 10y	13.2	13.0	13.2	14.5	15.2	20.3
FH/FN 15y	7.2	8.3	12.0	16.4	25.4	43.6
GN 15y	14.7	16.6	21.1	24.0	37.3	57.7
FH/FN 20y	6.3	7.1	7.7	9.0	11.8	14.0
FH/FN 30y	5.2	5.6	6.2	6.8	9.4	7.5
GN 30y	4.9	5.5	7.4	6.4	6.7	7.1
CPR Projections						
Type	3.0	3.5	4.0	4.5	5.0	5.5
FN 10y	12.3	12.5	12.1	10.3	10.6	10.8
FH/FN 15y	6.6	6.6	9.7	13.3	13.3	14.3
GN 15y	8.6	10.8	11.1	11.9	11.9	14.7
FH/FN 20y	6.5	6.2	6.7	7.4	8.6	10.0
FH/FN 30y	5.1	5.5	6.0	6.2	7.1	8.4
GN 30y	6.1	6.5	7.4	7.6	8.3	9.4

Other Markets					
Index	Current	1Wk Chng	Historical		
			1 Mo	6 Mo	1 Yr
<b>Currencies</b>					
Japanese Yen	151.47	2.08	148.95	135.20	146.46
Euro	1.07	(0.01)	1.06	1.10	1.00
Dollar Index	105.98	0.96	105.83	101.48	108.21
<b>Major Stock Indices</b>					
Dow Jones	33,950	(111)	33,739	33,531	33,715
S&P 500	4,362.0	3.6	4,358.2	4,137.6	3,956.4
NASDAQ	13,587.8	110	13,562.8	12,306.4	11,114.2
<b>Commodities</b>					
Gold	1,948.8	(50.4)	1,861.0	2,037.1	1,753.7
Crude Oil	76.84	(3.67)	85.97	72.56	86.47
Natural Gas	3.04	(0.47)	3.38	2.19	6.24
Wheat	578.3	5.8	558.5	628.3	803.5
Corn	462.3	-15.0	485.5	645.5	653.3

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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