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UPCOMING EVENTS

Banks

Webinars:

[ALM Education Series](#)
May 14, 16, 21, & 23,
2024

[Q1 Bank Trends](#)
May 15, 2024

Seminars:

[IL Seminar](#)
Aug 5, 2024

Schools:

[Baker ALM School](#)
Aug 20-21, 2024

CUs

Schools:

[Baker CU Virtual](#)
[ALM School](#)
Jul 24-25, 2024

[Baker ALM School](#)
Aug 20-21, 2024

Banks and CUs

Seminar:

[Scottsdale, AZ](#)
[45th Anniversary](#)
[Celebration Seminar](#)
Nov 7-8, 2024

Happy Jobs Friday, everyone! It has been an exciting week here in Oklahoma City as our hometown Thunder swept the New Orleans Pelicans to win their first playoff series since 2016. It has also been an exciting week for the markets, as we have had a litany of economic data come out along with the FOMC meeting that was on Wednesday.

This morning's Bureau of Labor Statistics (BLS) jobs numbers marked the smallest gain in 6 months, with a gain of 175,000 in Nonfarm Payrolls versus an estimated 240,000. The largest gains were in health care (+55,000), social assistance (+31,000), transportation and warehousing (+22,000) and retail trade (+20,000). The change in transportation and warehousing jobs had shown little change over the last 12 months, prior to today's report. Retail job growth remains strong as consumers continue to spend and the hiring needs of retail stores continues to grow. The prior two months' jobs reports were revised down by a net loss of 22,000 and the unemployment rate has ticked back up to 3.9%. The unemployment rate has now risen 0.5% since April of 2023. While the unemployment rate is still under 4% this overall level of change has historically led to the beginning of a recession, however this is not the current consensus forecast. Average hourly earnings stayed relatively steady, rising 0.2% versus an estimate 0.3% in April and 3.9% from a year ago versus an estimated 4.0%. This marks the first time annual wage gains have been below 4.0% since June of 2021. Finally, the labor force participation rate remained unchanged at 62.7% matching expectations.

The BLS also released the monthly JOLTS survey on Wednesday. The survey showed that job openings fell more than expected at 325,000 in March to a total of 8.488mm, which is the lowest level of openings in more than 3 years. The JOLTS survey also showed quits fell 198,000, hires fell 281,000 and layoffs fell 155,000. The recent jobs data provided signs of labor market conditions starting to ease and a return to a better overall balance between supply and demand, which ultimately could aid the Fed's goal to bring inflation down to 2.0%.

The FOMC decided to maintain the target range for the federal fund rate at 5.25%-5.50% following their Wednesday Meeting, noting that "The Committee does not expect it will be appropriate to reduce the target range until it has gained greater confidence that inflation is moving sustainably toward 2 percent". Chairman Powell stated in his press conference that "We are prepared to maintain the current target range for the federal funds rate for as long as appropriate. We are also prepared to respond to an unexpected weakening in the labor market." This morning's jobs report provides some weight to this comment as Fed Funds futures are now pricing in the first full rate cut by September, previously priced in for November/December, and two full cuts by the end of the year.

(Continued)



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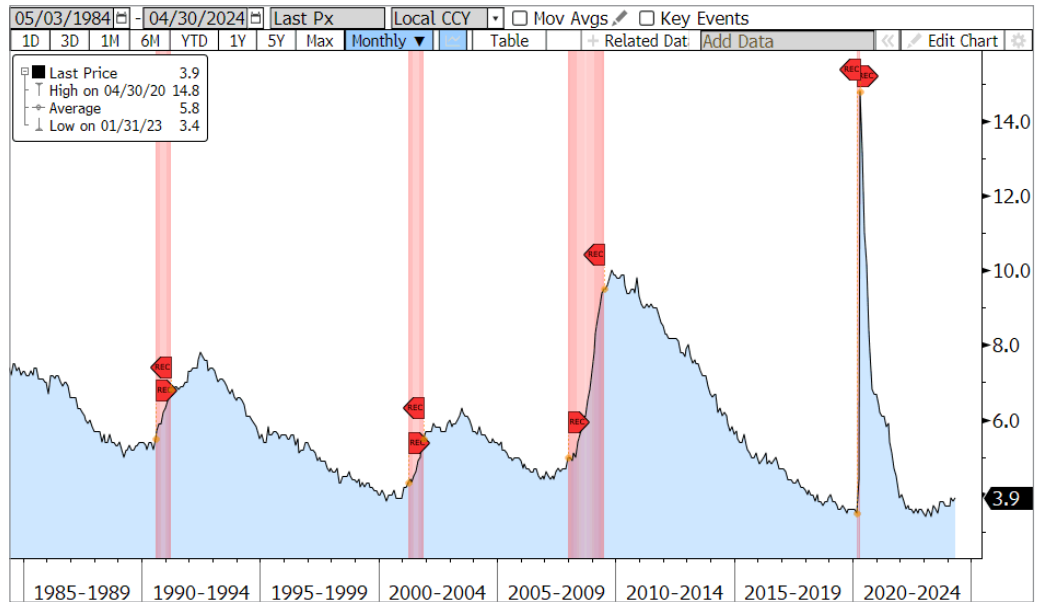
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The stock market seems to be digesting this data very well, as the Dow Jones Industrial Average is currently up 367 points. Treasury yields fell across the board this morning after the BLS report with the 10 Year UST currently at 4.53%, down from 4.68% on Tuesday.

Next week we look forward to the University of Michigan’s Consumer Sentiment preliminary report where consumer sentiment is expected to tick down slightly to 76.8% from 77.2%, and the Initial Jobless Claims report.

I hope everyone has a great weekend! Thunder up!

US Unemployment Rate (1984-Current)



Source: Bloomberg Finance L.P.

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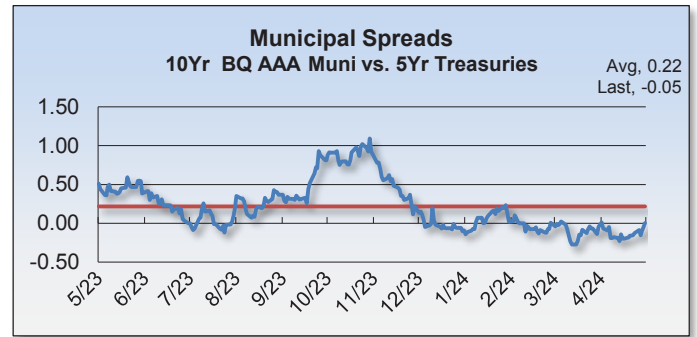
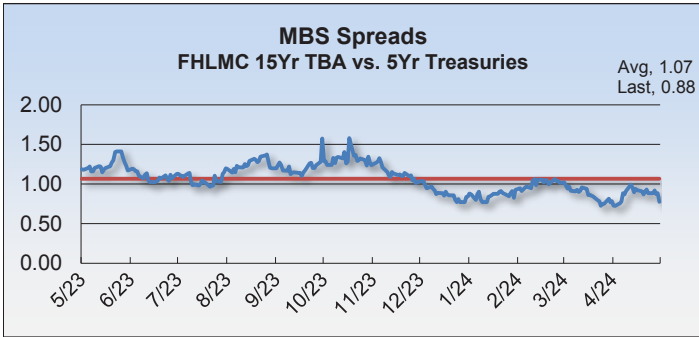
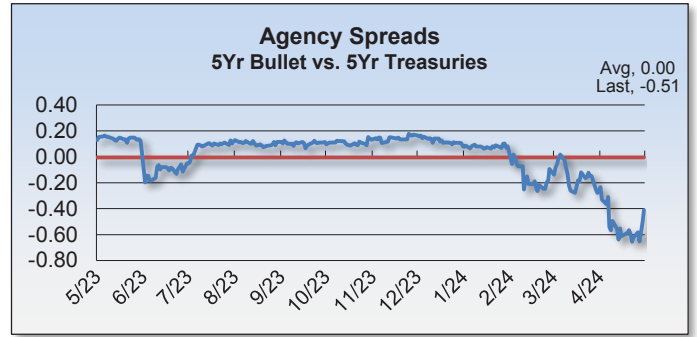
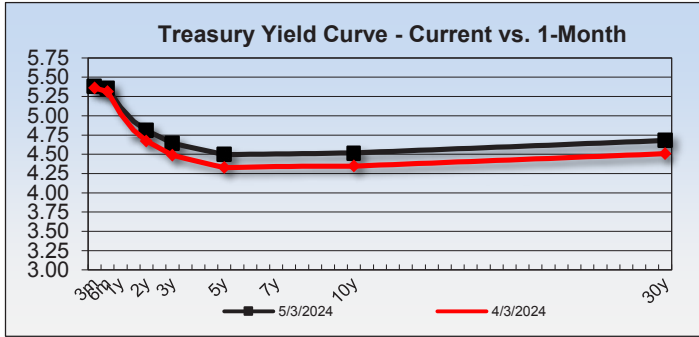
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Treasury Market -- Historical						Fixed Rate Market										
Maty	Current	1Wk Change	Historical			Maty /AL	N-Call Agency	US Swap	AAA BQ Muni		Tax Muni	Agency Calls - Euro				
			1 Mo	6 Mo	1 Yr				C-Corp ²	S-Corp ³		Mty	3Mo	6mo	1Yr	2Yr
3mo	5.39	(0.01)	5.37	5.41	5.21	2yr	4.83	4.81	4.48	4.77	4.95	2Yr	5.53	5.53	5.53	-
6mo	5.35	(0.03)	5.33	5.47	4.97	3yr	4.70	4.58	4.23	4.50	4.88	3Yr	5.31	5.32	5.30	5.31
1yr	5.11	(0.10)	5.04	5.28	4.66	5yr	4.66	4.33	3.96	4.22	4.74	5Yr	5.21	5.21	5.20	5.14
2yr	4.81	(0.19)	4.67	4.84	3.81	7yr	4.62	4.24	3.88	4.13	4.93	7Yr	5.22	5.24	5.23	5.16
3yr	4.64	(0.20)	4.49	4.64	3.64	10yr	4.69	4.20	3.92	4.17	4.97	10Yr	5.25	5.30	5.30	5.23
5yr	4.50	(0.19)	4.33	4.50	3.30	15yr	4.77	4.19	4.54	4.83	5.09	June TBA MBS				
7yr	4.50	(0.18)	4.34	4.56	3.32	20yr	4.84	4.15	5.05	5.38	5.42	Cpn	15Yr -Yld/AL		30Yr -Yld/AL	
10yr	4.52	(0.15)	4.35	4.57	3.34	25yr	4.92	4.05	5.28	5.62	5.48	3.00	5.59	5.3y	5.43	
30yr	4.68	(0.10)	4.51	4.77	3.68	30yr		3.95	5.50	5.86	5.53	3.50	5.24	5.3y		
												4.00	5.00	5.4y	5.44 9.9y	
												4.50	4.98	5.2y	5.50 10.1y	
												5.00			5.60 9.5y	
												5.50			5.78 8.3y	

* Interpolated

Key Market Indices					
Index	Current	1Wk Change	Historical		
			1 Mo	6 Mo	1 Yr
Fed Funds	5.50	--	5.50	5.50	5.25
Primary Discount	5.50	--	5.50	5.50	5.00
2ndary Discount	6.00	--	6.00	6.00	5.50
Prime Rate	8.50	--	8.50	8.50	8.00
Sec. O.N. Finance	5.31	--	5.34	5.33	--
1 Month LIBOR	5.43	0.00	5.44	5.44	5.06
3 Month LIBOR	5.59	0.01	5.56	5.65	5.30
6 Month LIBOR	5.75	0.04	5.65	5.88	5.41
1 Year LIBOR	6.04	0.12	5.73	5.48	3.62
6 Month CD	5.38	--	5.32	5.68	5.33
1 Year CMT	5.16	(0.05)	5.05	5.38	4.74
REPO O/N	5.37	0.03	5.37	5.33	4.84
REPO 1Wk	5.35	(0.06)	5.36	5.38	5.11
CoF Federal	3.893	--	3.889	3.743	3.239
11th D. CoF (Dec)	0.223	--	0.218	0.282	0.460

FHLB Fixed Advance Rates			
Maturity	Chicago	Boston	Topeka
3mo	5.50	5.53	5.55
6mo	5.46	5.44	5.50
1yr	5.17	5.14	5.33
2yr	4.89	4.89	4.99
3yr	4.73	4.75	4.82
4yr	4.65	4.69	4.74
5yr	4.59	4.64	4.67
7yr	4.73	4.79	4.81
10yr	4.85	4.95	4.93
5yr Am	4.15		4.84
10yr Am	4.21		4.89

Fed Fund Futures	
Maturity	Rate
May-24	5.328
Jun-24	5.310
Jul-24	5.295
Aug-24	5.225
Sep-24	5.170
Oct-24	5.090
Nov-24	5.005
Dec-24	4.930
Jan-25	4.845
Feb-25	4.745
Mar-25	4.685

Weekly Economic Calendar						
This Week & Next						
Date	Release	Per.	Est.	Actual	Prior	Revised
4/30	Employment Cost Index	1Q	1.0%	1.2%	0.9%	--
4/30	FHFA House Price Index MoM	Feb	0.2%	1.2%	-0.1%	--
4/30	S&P CoreLogic CS 20-City MoM SA	Feb	0.10%	0.61%	0.14%	0.17%
4/30	S&P CoreLogic CS US HPI YoY NSA	Feb	6.38%	6.38%	6.03%	5.99%
4/30	S&P CoreLogic CS 20-City YoY NSA	Feb	6.70%	7.29%	6.59%	6.58%
4/30	MNI Chicago PMI	Apr	45.0	37.9	41.4	--
4/30	Conf. Board Consumer Confidence	Apr	104.0	97.0	104.7	103.1
4/30	Conf. Board Present Situation	Apr	--	142.9	151.0	146.8
4/30	Conf. Board Expectations	Apr	--	66.4	73.8	74.0
5/1	MBA Mortgage Applications	4/26	--	-2.3%	-2.7%	--
5/1	ADP Employment Change	Apr	183k	192k	184k	208k
5/1	S&P Global US Manufacturing PMI	Apr F	49.9	50.0	49.9	--
5/1	JOLTS Job Openings	Mar	8680k	8488k	8756k	8813k
5/1	ISM Manufacturing	Apr	50.0	49.2	50.3	--
5/1	ISM Prices Paid	Apr	55.4	60.9	55.8	--
5/1	ISM New Orders	Apr	51.0	49.1	51.4	--
5/1	ISM Employment	Apr	48.2	48.6	47.4	--
5/1	FOMC Rate Decision (Upper Bound)	5/1	5.50%	5.50%	5.50%	--
5/1	FOMC Rate Decision (Lower Bound)	5/1	5.25%	5.25%	5.25%	--
5/1	Interest on Reserve Balances Rate	5/2	5.40%	5.40%	5.40%	--
5/2	Challenger Job Cuts YoY	Apr	--	-3.3%	0.7%	--
5/2	Initial Jobless Claims	4/27	211k	208k	207k	208k
5/2	Continuing Claims	4/20	1790k	1774k	1781k	1774k
5/2	Nonfarm Productivity	1Q P	0.5%	0.3%	3.3%	3.5%
5/2	Unit Labor Costs	1Q P	4.0%	4.7%	0.4%	0.0%
5/2	Factory Orders Ex Trans	Mar	0.2%	0.5%	1.1%	--
5/2	Durables Ex Transportation	Mar F	0.2%	0.2%	0.2%	--
5/2	Cap Goods Orders Nondef Ex Air	Mar F	--	0.1%	0.2%	--
5/2	Cap Goods Ship Nondef Ex Air	Mar F	--	0.0%	0.2%	--
5/3	Two-Month Payroll Net Revision	Apr	--	-22k	--	--
5/3	Change in Nonfarm Payrolls	Apr	240k	175k	303k	315k
5/3	Change in Private Payrolls	Apr	193k	167k	232k	243k
5/3	Change in Manufact. Payrolls	Apr	5k	8k	0k	-4k
5/3	Unemployment Rate	Apr	3.8%	3.9%	3.8%	--
5/3	Average Hourly Earnings MoM	Apr	0.3%	0.2%	0.3%	--
5/3	Average Hourly Earnings YoY	Apr	4.0%	3.9%	4.1%	--
5/3	Average Weekly Hours All Employees	Apr	34.4	34.3	34.4	--
5/3	Labor Force Participation Rate	Apr	62.7%	62.7%	62.7%	--
5/3	Underemployment Rate	Apr	--	7.4%	7.3%	--
5/3	S&P Global US Services PMI	Apr F	51.0	51.3	50.9	--
5/3	S&P Global US Composite PMI	Apr F	51.0	51.3	50.9	--
5/3	ISM Services Index	Apr	52.0	49.4	51.4	--
5/3	ISM Services Prices Paid	Apr	55.0	59.2	53.4	--
5/3	ISM Services Employment	Apr	49.0	45.9	48.5	--
5/3	ISM Services New Orders	Apr	54.5	52.2	54.4	--
5/10	U. of Mich. Current Conditions	May P	--	--	79.0	--
5/10	U. of Mich. 1 Yr Inflation	May P	3.3%	--	3.2%	--

MBS Prepayments ⁴						
3-Month CPR						
Type	3.0	3.5	4.0	4.5	5.0	5.5
FN 10y	13.1	14.5	12.7	12.8	16.6	20.2
FH/FN 15y	7.1	7.7	12.4	19.2	23.4	28.4
GN 15y	15.0	17.5	22.6	29.2	36.8	43.2
FH/FN 20y	5.6	6.5	7.5	9.7	11.6	15.5
FH/FN 30y	3.3	5.0	5.2	4.8	5.4	4.7
GN 30y	4.8	5.1	3.3	5.5	6.0	6.8
CPR Projections						
Type	3.0	3.5	4.0	4.5	5.0	5.5
FN 10y	10.8	11.3	11.7	12.7	14.9	16.6
FH/FN 15y	6.8	7.3	9.8	14.5	12.9	17.0
GN 15y	8.8	10.7	10.8	11.5	12.7	16.0
FH/FN 20y	6.4	6.4	7.2	8.2	9.9	11.5
FH/FN 30y	5.5	5.8	6.1	6.8	7.7	9.5
GN 30y	5.8	6.4	7.9	8.2	8.5	10.0

Other Markets					
Index	Current	1Wk Chng	Historical		
			1 Mo	6 Mo	1 Yr
Currencies					
Japanese Yen	152.51	(5.82)	151.71	149.39	135.54
Euro	1.08	0.01	1.08	1.07	1.10
Dollar Index	104.84	(1.10)	104.25	105.02	101.34
Major Stock Indices					
Dow Jones	38,762	522	39,127	34,061	33,414
S&P 500	5,124.6	24.7	5,211.5	4,358.3	4,090.8
NASDAQ	16,183.3	255	16,277.5	13,478.3	12,025.3
Commodities					
Gold	2,295.5	(39.3)	2,294.4	1,999.2	2,037.0
Crude Oil	78.67	(5.18)	85.43	80.51	68.60
Natural Gas	2.05	0.43	1.84	3.52	2.17
Wheat	586.5	-15.8	545.3	565.5	595.5
Corn	458.0	18.0	431.8	477.3	645.3

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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