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UPCOMING EVENTS

Banks

Webinars:

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

[IRR Management](#)
June 12, 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:

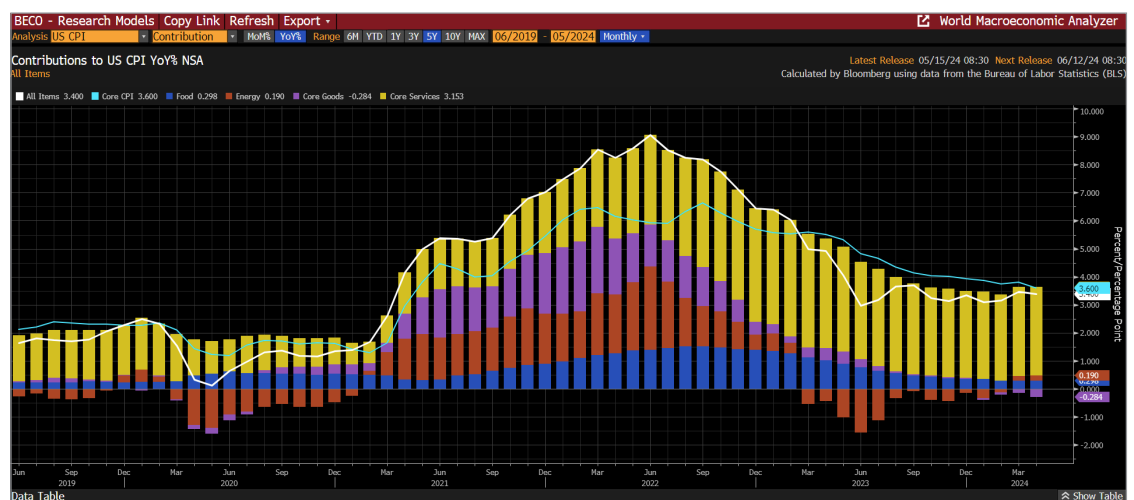
[Scottsdale, AZ](#)
[45th Anniversary](#)
[Celebration Seminar](#)
Nov 7-8, 2024

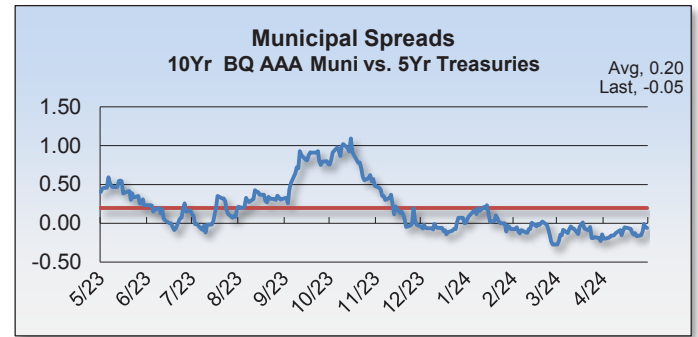
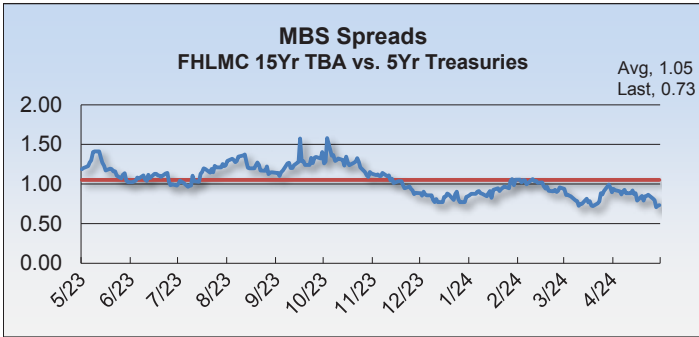
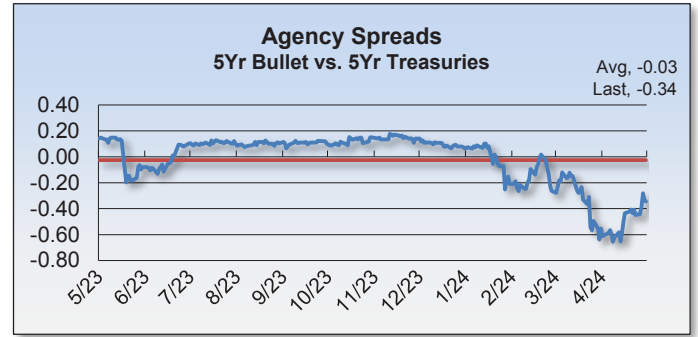
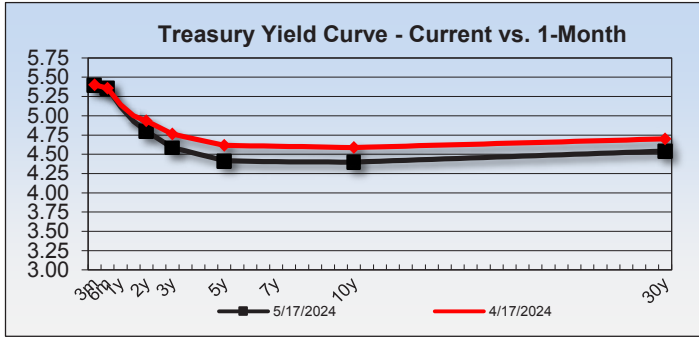
This week's economic calendar offered plenty of potential for market volatility, however, market yields remained fairly stable with headline numbers staying in-line with analyst expectations. The main outlier of the week came on Tuesday, when the Bureau of Labor Statistics released its Producer Price Index (PPI) report which came in higher than expected, and the highest level since April 2023, at 0.5% vs 0.3%. Markets were initially spooked as several of the categories that are used in the PPI are also used to calculate PCE, which is the Fed's preferred measure of inflation. Upon further review of the data, markets eased noticing that many of the underlying components that feed into PCE actually declined. PCE will come out later this month, but this report was viewed as somewhat encouraging by market participants.

Continuing on the topic of inflation, the BLS also released April's CPI report which marked the lowest monthly gain in Core CPI for the year. Additionally, the Core CPI number at 3.6% YoY was the lowest number in 3 years. Shelter costs continue to be the largest contributor to inflation accounting for roughly. Motor Vehicle Insurance was also a big contributor as the cost of insurance has accelerated significantly this year. Big ticket items including new and used vehicles, and household furnishings continued to cool for the year suggesting that consumers are feeling the impact of higher interest rates. Furthermore, the retail sales number came in unexpectedly flat at 0.0% vs 0.4% expected. Retail Sales are not adjusted for inflation so this report suggests real consumer spending may have actually fallen in April and could point to another weak quarter for GDP growth.

Rounding out the week, Initial Jobless Claims and Continuing Claims stayed largely in-line with expectations. Earlier this morning, the Conference Board released its Leading Economic Indicators Index which came in negative for the 26th time in the last 28 months.

Next week we'll get a look at New and Existing Home Sales and May's finalized report of the University of Michigan Consumer Sentiment Index. Have a great weekend!





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)	5.41	5.39	5.23	2yr	4.81	4.70	4.30	4.57	4.86	2Yr					
6mo	5.36	(0.02)	5.36	5.41	5.25	3yr	4.59	4.44	4.07	4.34	4.76	3Yr					
1yr	5.11	(0.06)	5.16	5.24	4.90	5yr	4.42	4.17	3.86	4.11	4.57	5Yr					
2yr	4.80	(0.07)	4.93	4.89	4.16	7yr	4.40	4.08	3.82	4.07	4.63	7Yr					
3yr	4.58	(0.09)	4.76	4.62	3.97	10yr	4.40	4.03	3.85	4.10	4.78	10Yr					
5yr	4.42	(0.10)	4.62	4.44	3.59	15yr	4.41	4.03	4.35	4.63	4.90		June TBA MBS				
7yr	4.40	(0.10)	4.61	4.47	3.57	20yr	4.41	3.99	4.86	5.17	5.22	Cpn	15Yr -Yld/AL		30Yr -Yld/AL		
10yr	4.40	(0.10)	4.59	4.44	3.57	25yr	4.42	3.90	5.06	5.39	5.28	3.00	5.56	5.3y	5.40		
30yr	4.54	(0.10)	4.70	4.59	3.86	30yr		3.80	5.26	5.60	5.33	3.50	5.19	5.2y			
												4.00	4.97	5.2y	5.40	9.4y	
												4.50	4.95	4.9y	5.45	9.0y	
												5.00			5.54	8.6y	
												5.50			5.69	7.2y	

* 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	5.25
2ndary Discount	6.00	--	6.00	6.00	5.75
Prime Rate	8.50	--	8.50	8.50	8.25
Sec. O.N. Finance	5.31	--	5.31	5.32	--
1 Month LIBOR	5.44	(0.00)	5.43	5.44	5.11
3 Month LIBOR	5.59	0.00	5.58	5.63	5.33
6 Month LIBOR	5.72	0.00	5.71	5.81	5.38
1 Year LIBOR	6.04	0.12	5.73	5.48	3.62
6 Month CD	5.38	(0.01)	5.39	5.59	5.38
1 Year CMT	5.13	0.01	5.18	5.23	4.88
REPO O/N	5.37	--	5.37	5.38	5.13
REPO 1Wk	5.36	(0.00)	5.39	5.36	5.01
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	5.49	5.53	5.54
6mo	5.46	5.45	5.51
1yr	5.21	5.20	5.38
2yr	4.88	4.91	5.00
3yr	4.68	4.73	4.79
4yr	4.61	4.67	4.71
5yr	4.53	4.60	4.63
7yr	4.67	4.76	4.77
10yr	4.77	4.88	4.86
5yr Am	4.15		4.82
10yr Am	4.21		4.83

Fed Fund Futures	
Maturity	Rate
May-24	5.330
Jun-24	5.320
Jul-24	5.315
Aug-24	5.255
Sep-24	5.205
Oct-24	5.120
Nov-24	5.055
Dec-24	4.965
Jan-25	4.880
Feb-25	4.785
Mar-25	4.725

Weekly Economic Calendar						
This Week & Next						
Date	Release	Per.	Est.	Actual	Prior	Revised
5/13	NY Fed 1-Yr Inflation Expectations	Apr	--	3.3%	3.0%	--
5/14	NFIB Small Business Optimism	Apr	88.2	89.7	88.5	--
5/14	PPI Final Demand YoY	Apr	2.2%	2.2%	2.1%	1.8%
5/14	PPI Ex Food and Energy YoY	Apr	2.3%	2.4%	2.4%	2.1%
5/14	PPI Ex Food, Energy, Trade YoY	Apr	--	3.1%	2.8%	--
5/15	MBA Mortgage Applications	5/10	--	0.5%	2.6%	--
5/15	Empire Manufacturing	May	-10.0	-15.6	-14.3	--
5/15	CPI MoM	Apr	0.4%	0.3%	0.4%	--
5/15	CPI YoY	Apr	3.4%	3.4%	3.5%	--
5/15	CPI Ex Food and Energy YoY	Apr	3.6%	3.6%	3.8%	--
5/15	CPI Index NSA	Apr	313.8	313.5	312.3	--
5/15	CPI Core Index SA	Apr	317.7	317.6	316.7	--
5/15	Real Avg Hourly Earning YoY	Apr	--	0.5%	0.6%	--
5/15	Real Avg Weekly Earnings YoY	Apr	--	0.5%	0.6%	--
5/15	Retail Sales Ex Auto and Gas	Apr	0.2%	-0.1%	1.0%	0.7%
5/15	Retail Sales Control Group	Apr	0.1%	-0.3%	1.1%	1.0%
5/15	Business Inventories	Mar	-0.1%	-0.1%	0.4%	0.3%
5/15	NAHB Housing Market Index	May	50.0	45.0	51.0	--
5/15	Total Net TIC Flows	Mar	--	\$102.1b	\$51.6b	\$42.0b
5/15	Net Long-term TIC Flows	Mar	--	\$100.5b	\$71.5b	\$62.9b
5/16	Initial Jobless Claims	5/11	220k	222k	231k	232k
5/16	Continuing Claims	5/4	1780k	1794k	1785k	1781k
5/16	Housing Starts	Apr	1421k	1360k	1321k	1287k
5/16	Building Permits	Apr	1480k	1440k	1458k	1485k
5/16	New York Fed Services Business Activity	May	--	3.0	-0.6	--
5/16	Philadelphia Fed Business Outlook	May	7.8	4.5	15.5	--
5/16	Import Price Index YoY	Apr	0.4%	1.1%	0.4%	--
5/16	Export Price Index YoY	Apr	-1.1%	-1.0%	-1.4%	-1.6%
5/16	Capacity Utilization	Apr	78.4%	78.4%	78.4%	78.5%
5/16	Manufacturing (SIC) Production	Apr	0.1%	-0.3%	0.5%	0.2%
5/17	Leading Index	Apr	-0.3%	-0.6%	-0.3%	--
5/21	Philadelphia Fed Non-Manufacturing Activity	May	--	--	-12.4	--
5/22	Existing Home Sales	Apr	4.19m	--	4.19m	--
5/22	FOMC Meeting Minutes	5/1	--	--	--	--
5/23	Chicago Fed Nat Activity Index	Apr	--	--	0.2	--
5/23	S&P Global US Manufacturing PMI	May P	49.6	--	50.0	--
5/23	S&P Global US Services PMI	May P	51.3	--	51.3	--
5/23	S&P Global US Composite PMI	May P	--	--	51.3	--
5/23	New Home Sales	Apr	675k	--	693k	--
5/23	Kansas City Fed Manf. Activity	May	-7.0	--	-8.0	--
5/24	Durable Goods Orders	Apr P	-0.8%	--	2.6%	0.9%
5/24	Durables Ex Transportation	Apr P	0.1%	--	0.2%	0.0%
5/24	Cap Goods Orders Nondef Ex Air	Apr P	0.1%	--	0.1%	-0.2%
5/24	Cap Goods Ship Nondef Ex Air	Apr P	--	--	0.0%	-0.1%
5/24	U. of Mich. Sentiment	May F	67.8	--	67.4	--
5/24	U. of Mich. Current Conditions	May F	--	--	68.8	--
5/24	U. of Mich. Expectations	May F	--	--	66.5	--

MBS Prepayments ⁴						
3-Month CPR						
Type	3.0	3.5	4.0	4.5	5.0	5.5
FN 10y	14.0	14.4	13.2	12.8	19.5	23.1
FH/FN 15y	7.4	8.4	12.7	18.4	26.4	30.6
GN 15y	15.7	18.3	23.2	30.7	40.9	55.6
FH/FN 20y	6.0	6.8	7.8	9.7	11.4	16.5
FH/FN 30y	4.6	5.6	5.9	6.2	4.6	6.1
GN 30y	5.0	4.0	4.5	5.8	6.5	6.9
CPR Projections						
Type	3.0	3.5	4.0	4.5	5.0	5.5
FN 10y	11.7	12.4	12.3	11.7	12.8	13.9
FH/FN 15y	7.3	8.0	9.4	11.9	12.7	23.5
GN 15y	7.4	7.8	8.3	9.9	10.9	11.1
FH/FN 20y	7.2	8.0	8.9	10.2	11.5	14.7
FH/FN 30y	5.8	6.1	7.0	7.7	8.5	9.8
GN 30y	5.5	5.6	5.7	6.9	6.8	7.4

Other Markets					
Index	Current	1Wk Chng	Historical		
			1 Mo	6 Mo	1 Yr
Currencies					
Japanese Yen	155.44	(0.34)	154.39	149.63	137.68
Euro	1.09	0.01	1.07	1.09	1.08
Dollar Index	104.43	(0.87)	105.95	103.92	102.88
Major Stock Indices					
Dow Jones	39,918	406	37,753	34,947	33,421
S&P 500	5,302.4	79.7	5,022.2	4,514.0	4,158.8
NASDAQ	16,712.0	371	15,683.4	14,125.5	12,500.6
Commodities					
Gold	2,414.8	39.8	2,388.4	1,984.7	1,984.9
Crude Oil	79.38	1.12	82.69	75.89	72.83
Natural Gas	2.60	0.35	1.71	2.96	2.37
Wheat	660.3	-3.3	537.0	550.8	625.5
Corn	455.0	-14.8	430.3	467.0	561.5

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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