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UPCOMING EVENTS

2025 Destination Seminar

Austin, TX
May 8, 2025

Banks

Webinars:

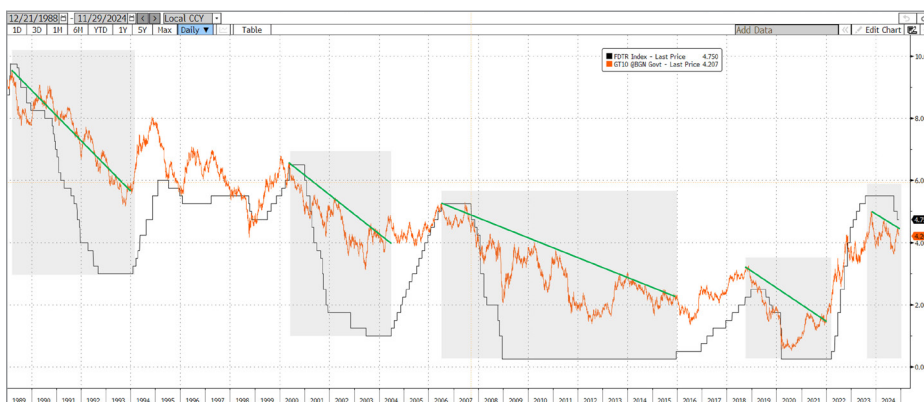
Q4 IRR Management
Dec 11, 2024

Bond yields continued their recent move lower this morning despite there being no “new” economic news following the Thanksgiving holiday. This could be due to lighter trading volume in the markets today or part of a larger trend we’ve seen with the 10yr over time. Historically during easing cycles, the 10yr Treasury has seen periods of rallies and retracements within a broader move lower in yields throughout the easing cycle. Each time yields retrace higher, they tend to peak below the prior high-point in a gradual “stair-stepping” down pattern. It’s still very early in the cycle, but the 10yr may already be showing some similarities to previous easing cycles. In October, the 10yr peaked at 4.99, we then saw a rally and retracement back to 4.70 in April. If the rally we’ve seen over the last 12 trading days continues, the same pattern could be showing up again, which would put the most recent peak at 4.45 earlier this month. Again, it’s still very early and the 10yr could certainly go higher than that point, but it is at least interesting to see the early similarities to historical easing cycles.

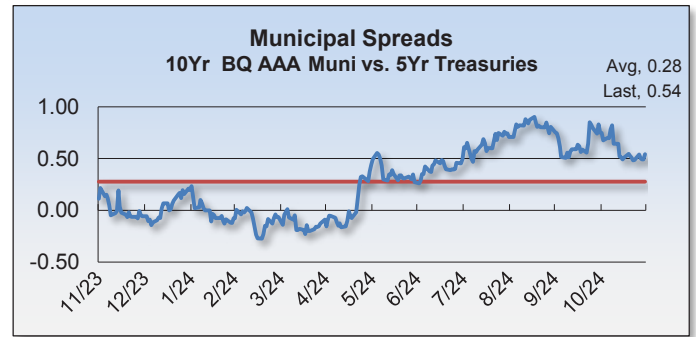
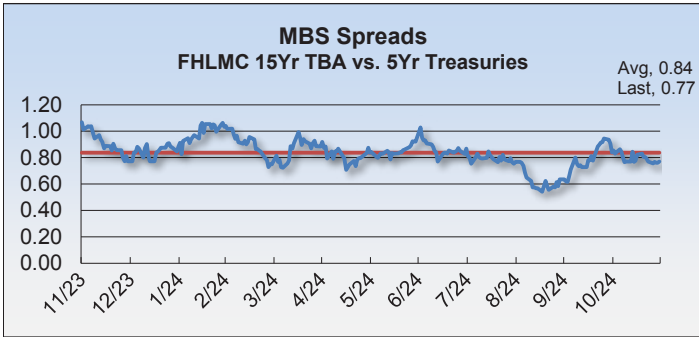
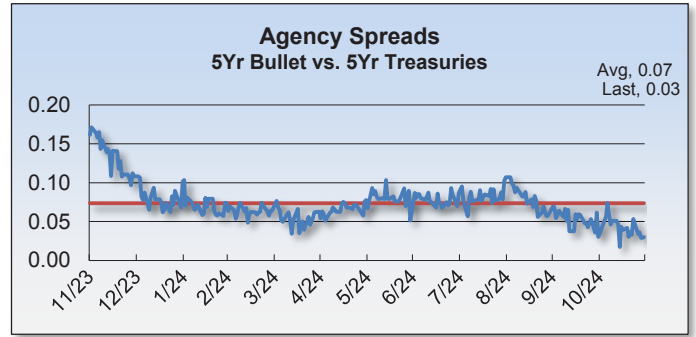
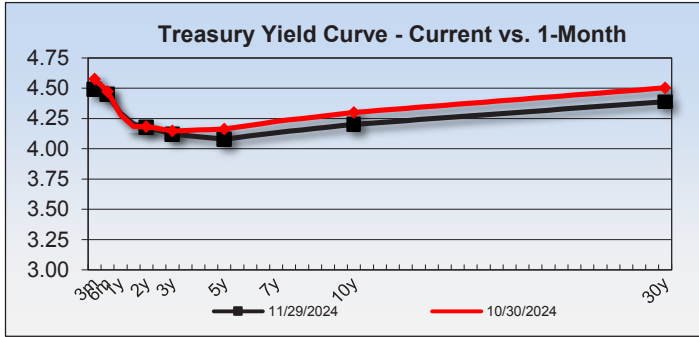
Enough with the Technical Analysis, we did have some important economic data released earlier this week. The second revision to Q3 GDP was released on Wednesday and remained consistent with the first estimate at 2.8%. Household spending was downgraded slightly, which was offset by a slight upgrade in the price index. Durable goods orders came in lighter than expected at 0.2% (est = 0.5%) while capital goods orders nondefense ex-air (a proxy for business investment) unexpectedly fell 0.2% (est = +0.1%). While still negative, Regional Fed Manufacturing indices ticked up for the month which suggests that business investment “intent” could be improving and the drag on business investment may have been due to uncertainty surrounding the election. Initial jobless claims increased slightly less than expected (+213k vs est of +215k), but continuing claims rose to the highest level in 3 years (1.907mm), suggesting laid off workers are having a harder time finding new work. Personal income increased twice as much as expected (0.6% vs est of 0.3%) while personal spending was in-line at 0.4%. Finally, the Fed’s preferred measure of inflation, the Personal Consumption Expenditure price index (PCE) rose 0.2% in October and 2.3% from a year ago, both in-line with expectations. Core PCE also came in as expected, up 0.3% for the month and 2.8% for the year. Although PCE was in-line with expectations, both the headline and the core year-over-year rates of inflation were an uptick from last month and could point to a bumpy path to 2% inflation for the Fed. Futures markets are currently pointing to a 66% chance of a -25bp rate cut in December.

Next week is Jobs Week so markets will be watching to see the bounce back from October’s lackluster report where the economy added 12k jobs. Expectations are that the economy will add 200k jobs for November and that we’ll see an uptick in the Unemployment rate from 4.1% to 4.2%.

Happy belated Thanksgiving to all and hope you have a great weekend!



Source: Bloomberg, L.P.



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	4.49	(0.05)	4.59	5.41	5.40	2yr	4.17	4.01	3.63	3.86	4.34	2Yr						
6mo	4.45	(0.04)	4.48	5.40	5.41	3yr	4.11	3.89	3.58	3.81	4.32	3Yr						
1yr	4.29	(0.12)	4.27	5.22	5.11	5yr	4.11	3.78	3.65	3.89	4.27	5Yr						
2yr	4.18	(0.20)	4.10	4.97	4.65	7yr	4.23	3.74	3.71	3.95	4.42	7Yr						
3yr	4.12	(0.19)	4.05	4.79	4.50	10yr	4.37	3.74	3.89	4.14	4.62	10Yr						
5yr	4.08	(0.22)	4.08	4.63	4.21	15yr	4.52	3.78	4.20	4.47	4.75		December TBA MBS					
7yr	4.13	(0.20)	4.16	4.63	4.28	20yr	4.67	3.76	4.68	4.98	5.07	Cpn	15Yr -Yld/AL		30Yr -Yld/AL			
10yr	4.20	(0.20)	4.26	4.61	4.26	25yr	4.81	3.68	4.87	5.19	5.13	3.00	4.97	5.0y	4.99			
30yr	4.39	(0.20)	4.50	4.73	4.44	30yr		3.59	5.07	5.39	5.18	3.50	4.78	4.9y				
												4.00	4.72	4.9y	5.05 9.1y			
												4.50	4.76	5.3y	5.17 9.4y			
												5.00			5.32 8.4y			
												5.50			5.49 6.3y			

* Interpolated

Key Market Indices					
Index	Current	1Wk Change	Historical		
			1 Mo	6 Mo	1 Yr
Fed Funds	4.75	--	5.00	5.50	5.50
Primary Discount	4.75	--	5.00	5.50	5.50
2ndary Discount	5.25	--	5.50	6.00	6.00
Prime Rate	7.75	--	8.00	8.50	8.50
Sec. O.N. Finance	4.57	0.01	4.83	5.32	--
1 Month LIBOR	4.96	(0.01)	5.31	5.44	5.43
3 Month LIBOR	4.85	(0.08)	5.28	5.56	5.66
6 Month LIBOR	4.68	(0.08)	5.14	5.65	5.90
1 Year LIBOR	6.04	0.12	5.73	5.48	3.62
6 Month CD	4.48	(0.08)	4.51	5.44	5.61
1 Year CMT	4.34	(0.03)	4.29	5.21	5.24
REPO O/N	4.64	(0.20)	4.88	5.37	5.38
REPO 1Wk	4.61	(0.02)	4.90	5.42	5.38
CoF Federal	3.834	--	3.942	3.927	3.814
11th D. CoF (Oct)	3.105	--	3.213	3.198	3.085

FHLB Fixed Advance Rates			
Maturity	Chicago	Boston	Topeka
3mo	4.65	4.70	4.70
6mo	4.59	4.60	4.64
1yr	4.44	4.43	4.59
2yr	4.29	4.31	4.38
3yr	4.22	4.26	4.31
4yr	4.21	4.26	4.30
5yr	4.20	4.25	4.29
7yr	4.37	4.45	4.46
10yr	4.52	4.61	4.60
5yr Am	4.15		4.37
10yr Am	4.21		4.51

Fed Fund Futures	
Maturity	Rate
Nov-24	4.638
Dec-24	4.515
Jan-25	4.410
Feb-25	4.350
Mar-25	4.295
Apr-25	4.200
May-25	4.140
Jun-25	4.090
Jul-25	4.010
Aug-25	3.955
Sep-25	3.920

Weekly Economic Calendar						
This Week & Next						
Date	Release	Per.	Est.	Actual	Prior	Revised
11/25	Chicago Fed Nat Activity Index	Oct	-0.28	-0.40	-0.28	-0.27
11/26	S&P CoreLogic CS 20-City YoY NSA	Sep	4.70%	4.57%	5.20%	5.21%
11/26	S&P CoreLogic CS US HPI YoY NSA	Sep	3.90%	3.89%	4.25%	4.28%
11/26	Conf. Board Consumer Confidence	Nov	111.8	111.7	108.7	109.6
11/26	Conf. Board Present Situation	Nov	--	140.9	138.0	136.1
11/26	Conf. Board Expectations	Nov	--	92.3	89.4	91.9
11/27	GDP Annualized QoQ	3Q S	2.8%	2.8%	2.8%	--
11/27	Personal Consumption	3Q S	3.7%	3.5%	3.7%	--
11/27	GDP Price Index	3Q S	1.8%	1.9%	1.8%	--
11/27	Core PCE Price Index QoQ	3Q S	2.2%	2.1%	2.2%	--
11/27	Durables Ex Transportation	Oct P	0.1%	0.1%	0.5%	0.4%
11/27	Cap Goods Ship Nondef Ex Air	Oct P	0.1%	0.2%	-0.1%	--
11/27	Initial Jobless Claims	11/23	215k	213k	243k	215k
11/27	Continuing Claims	11/16	1892k	1907k	1908k	1898k
11/27	MNI Chicago PMI	Nov	45.0	40.2	41.6	--
11/27	Personal Income	Oct	0.3%	0.6%	0.3%	--
11/27	Personal Spending	Oct	0.4%	0.4%	0.5%	0.6%
11/27	Real Personal Spending	Oct	0.2%	0.1%	0.4%	0.5%
11/27	PCE Price Index MoM	Oct	0.2%	0.2%	0.2%	--
11/27	PCE Price Index YoY	Oct	2.3%	2.3%	2.1%	--
11/27	Core PCE Price Index MoM	Oct	0.3%	0.3%	0.3%	--
11/27	Core PCE Price Index YoY	Oct	2.8%	2.8%	2.7%	--
11/27	Pending Home Sales NSA YoY	Oct	0.2%	6.6%	2.2%	--
12/2	S&P Global US Manufacturing PMI	Nov F	48.8	--	48.8	--
12/2	ISM Manufacturing	Nov	47.6	--	46.5	--
12/2	ISM Prices Paid	Nov	--	--	54.8	--
12/2	ISM New Orders	Nov	--	--	47.1	--
12/2	ISM Employment	Nov	--	--	44.4	--
12/3	JOLTS Job Openings	Oct	7510k	--	7443k	--
12/4	ADP Employment Change	Nov	165k	--	233k	--
12/4	S&P Global US Services PMI	Nov F	--	--	57.0	--
12/4	S&P Global US Composite PMI	Nov F	--	--	55.3	--
12/4	Factory Orders Ex Trans	Oct	--	--	0.1%	--
12/4	ISM Services Index	Nov	55.5	--	56.0	--
12/4	ISM Services Prices Paid	Nov	--	--	58.1	--
12/4	ISM Services Employment	Nov	--	--	53.0	--
12/4	ISM Services New Orders	Nov	--	--	57.4	--
12/5	Challenger Job Cuts YoY	Nov	--	--	50.9%	--
12/6	Change in Nonfarm Payrolls	Nov	200k	--	12k	--
12/6	Two-Month Payroll Net Revision	Nov	--	--	-112k	--
12/6	Change in Private Payrolls	Nov	200k	--	-28k	--
12/6	Change in Manufact. Payrolls	Nov	30k	--	-46k	--
12/6	Unemployment Rate	Nov	4.2%	--	4.1%	--
12/6	Average Hourly Earnings YoY	Nov	3.9%	--	4.0%	--
12/6	Average Weekly Hours All Employees	Nov	34.3	--	34.3	--
12/6	Labor Force Participation Rate	Nov	--	--	62.6%	--
12/6	Underemployment Rate	Nov	--	--	7.7%	--

MBS Prepayments ⁴						
3-Month CPR						
Type	3.0	3.5	4.0	4.5	5.0	5.5
FN 10y	14.7	14.3	13.6	15.1	20.2	23.4
FH/FN 15y	7.9	8.7	12.2	19.4	19.5	62.1
GN 15y	16.6	19.9	26.2	35.9	79.5	61.4
FH/FN 20y	6.9	7.5	8.4	10.6	13.9	19.8
FH/FN 30y	5.5	6.4	6.1	5.6	7.6	8.5
GN 30y	6.6	5.3	5.3	6.8	6.8	7.1
CPR Projections						
Type	3.0	3.5	4.0	4.5	5.0	5.5
FN 10y	10.6	11.9	12.7	14.6	17.5	19.6
FH/FN 15y	7.3	8.5	10.0	15.7	15.0	22.5
GN 15y	9.0	11.5	11.1	12.0	11.7	15.0
FH/FN 20y	6.4	7.4	8.3	9.5	11.8	14.1
FH/FN 30y	5.8	6.3	7.2	8.2	9.3	11.8
GN 30y	6.4	6.5	9.2	8.2	9.1	10.1

Other Markets					
Index	Current	1Wk Chng	Historical		
			1 Mo	6 Mo	1 Yr
Currencies					
Japanese Yen	149.95	(4.83)	153.34	157.23	147.78
Euro	1.06	0.01	1.08	1.08	1.10
Dollar Index	106.04	(0.93)	104.32	105.12	102.77
Major Stock Indices					
Dow Jones	44,842	971	42,388	38,853	35,417
S&P 500	6,014.9	66.2	5,823.5	5,306.0	4,554.9
NASDAQ	19,159.6	187	18,567.2	17,019.9	14,281.8
Commodities					
Gold	2,658.4	(16.5)	2,768.4	2,341.2	2,047.1
Crude Oil	69.42	(0.68)	67.21	79.23	77.86
Natural Gas	3.35	0.01	2.35	2.49	2.80
Wheat	534.0	-14.8	570.5	692.8	556.0
Corn	416.5	-10.3	413.8	455.3	449.8

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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