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We've all seen the yearbook photos of the FOMC members seated around the big, shiny table. Has anyone else noticed that there is no sign of a Bloomberg terminal in the room? Maybe it's in that fancy credenza. For a decision-making body whose decision-making process is self-described as being "data driven", this morning's jobs data will presumably make its way to the Committee with or without help from the Bloomberg. And when it does, those fence sitters among the voting committee members who have broadcast that the big, shiny table may have a June rate hike on it may want to rethink things. If only this morning's employment data were as shiny as the table.

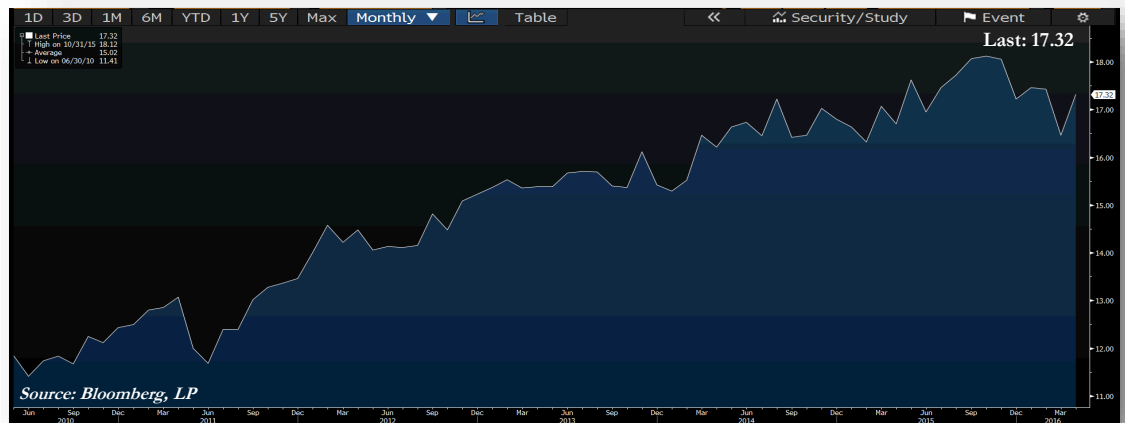
But, it's not. The 160k increase in April's Non-Farm Payroll count was well below the 200k market expectation and was accompanied by a net downward revision of 19k for the previous two reports. The positive vibes propagated by recent increases in the Labor Force Participation Rate and the Employment/Population Ratio are now less positive as the LFPR fell by 0.2% to 62.8% and the Employment Ratio slipped by the same magnitude to 59.7%. A bright spot in the report might be the 2.5% rise in Average Hourly Earnings; market surveys anticipated 2.4%. The 4.1% increase in Unit Labor Costs reported for Q1 might be seen as good news if the interpretation is that tight labor conditions have forced employers to pay-up for good help. Unfortunately, the 1.0% Q1 decline in Nonfarm Productivity is the bigger reason. That same measure dropped by 1.7% the previous quarter. Increasing inefficiency is not the sort of cost-push inflation the Fed wants to see.

The Fed might like to see the manufacturing sector come out of its death spiral, but a drop in the Institute of Supply Management Manufacturing Index to 50.8 from 51.8 is not going to help with that. The Trade Deficit and its negative impact on GDP became less so as that measure narrowed to \$40.4B from \$47B. Also in the good news column was the 1.1% jump in Factory Orders that was just about double what the market was expecting. The 0.3% rise in Construction Spending, however, was a little shy of what observers were looking for.

Looking for a new car? Well, lots of people were, as Total Vehicle Sales came in at 17.32M on an annualized pace last month. That volume was pretty close to expectations, and about 800k better than the prior month.

For the week, Treasury yields declined steadily as did the tone and tenor of economic news. After an initial price bump following this morning's Jobs Report, that has pretty much evaporated. The results is a Ten Year yield of around 1.75%. Next week is a little light on economic news, but will still provide new reports for the Producer Price Index and Retail Sales. And will somebody please get the Fed a Bloomberg!

U.S. Total Auto Sales (Annualized)

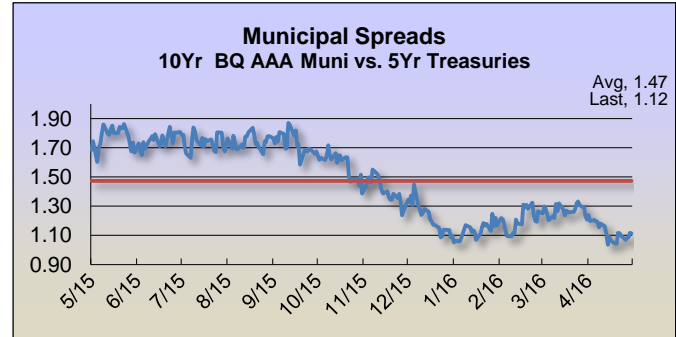
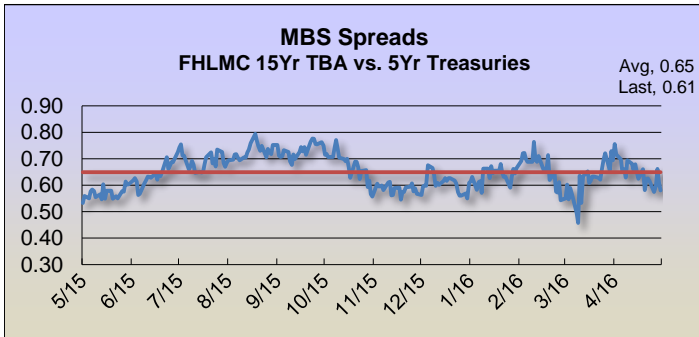
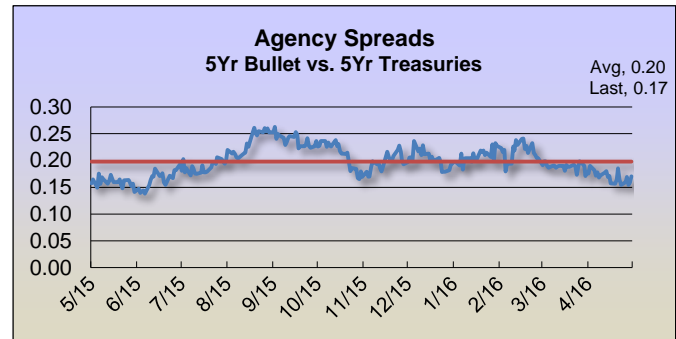
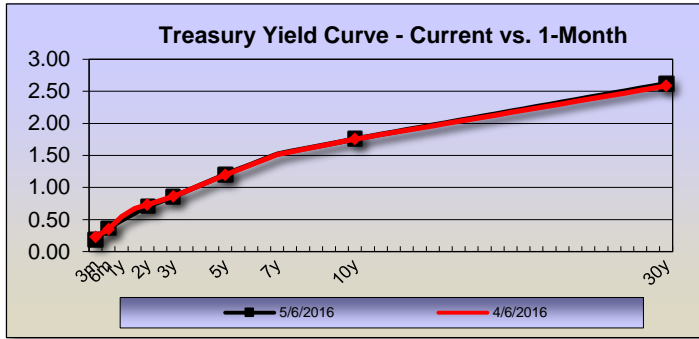


Vehicle Sales outpaced last month's performance, but came in just shy of April's expectations.

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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 <sup>2</sup>	S-Corp <sup>3</sup>		Mty	3Mo	6mo	1Yr	2Yr
3mo	0.18	(0.03)	0.23	0.08	0.01	2yr	0.79	0.85	0.90	0.95	0.96	2Yr	0.95	0.94	0.90	-
6mo	0.37	(0.01)	0.35	0.31	0.08	3yr	0.98	0.95	1.05	1.12	1.19	3Yr	1.13	1.15	1.10	1.02
1yr	0.49	(0.06)	0.55	0.44	0.24	5yr	1.33	1.16	1.33	1.42	1.66	5Yr	1.45	1.48	1.47	1.40
2yr	0.71	(0.07)	0.73	0.89	0.64	7yr	1.67	1.36	1.67	1.77	2.14	7Yr	1.68	1.74	1.76	1.72
3yr	0.86	(0.08)	0.86	1.22	0.95	10yr	2.08	1.60	2.21	2.35	2.58	10Yr	1.97	2.05	2.08	2.06
5yr	1.20	(0.09)	1.20	1.73	1.59	15yr	2.63	1.87	2.77	2.95	3.27	June TBA MBS				
7yr	1.52	(0.10)	1.52	2.09	1.98	20yr	3.18	2.02	3.19	3.40	3.52	Cpn	15Yr -Yld/AL		30Yr -Yld/AL	
10yr	1.76	(0.08)	1.76	2.33	2.24	25yr	3.74	2.09	3.35	3.57	3.60	2.00	1.79	5.5y		
30yr	2.62	(0.06)	2.58	3.09	2.99	30yr		2.13	3.51	3.74	3.67	2.50	1.88	5.1y		
												3.00	1.81	4.2y	2.55	7.1y
												3.50	1.69	3.5y	2.52	5.7y
												4.00			2.05	3.9y
												4.50			1.90	3.8y

\* Interpolated

Key Market Indices					
Index	Current	1Wk Change	Historical		
			1 Mo	6 Mo	1 Yr
Fed Funds	0.50	--	0.50	0.25	0.25
Primary Discount	1.00	--	1.00	0.75	0.75
2ndary Discount	1.50	--	1.50	1.25	1.25
Prime Rate	3.50	--	3.50	3.25	3.25
1 Month LIBOR	0.44	--	0.44	0.19	0.18
3 Month LIBOR	0.63	--	0.63	0.34	0.28
6 Month LIBOR	0.91	--	0.89	0.57	0.41
1 Year LIBOR	1.23	--	1.21	0.90	0.72
6 Month CD	1.04	0.14	1.01	0.73	0.54
1 Year CMT	0.51	--	0.56	0.42	0.24
REPO O/N	0.44	0.09	0.45	0.13	0.09
REPO 1Wk	0.58	0.04	0.53	0.20	0.26
CoF Federal	1.081	--	1.071	0.968	0.940
11th D. CoF (Mar)	0.678	--	0.670	0.651	0.687

FHLB Fixed Advance Rates					Fed Fund Futures	
Maturity	Chicago	Boston	Dallas	Topeka	Maturity	Rate
3mo	0.44	0.64	0.50	0.65	May-16	0.362
6mo	0.57	0.69	0.57	0.71	Jun-16	0.370
1yr	0.77	0.84	0.72	0.85	Jul-16	0.380
2yr	0.93	1.16	0.90	1.12	Aug-16	0.415
3yr	1.12	1.33	1.10	1.27	Sep-16	0.430
4yr	1.31	1.53	1.30	1.47	Oct-16	0.450
5yr	1.47	1.70	1.46	1.60	Nov-16	0.460
7yr	1.84	2.09	1.82	1.90	Dec-16	0.490
10yr	2.35	2.63	2.33	2.42	Jan-17	0.520
5yr Am	1.22		1.23	1.45	Feb-17	0.530
10yr Am	1.84		2.34	2.04	Mar-17	0.545

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Weekly Economic Calendar						
This Week & Next						
Date	Release	Per.	Est.	Actual	Prior	Revised
05/02	Markit US Manufacturing PMI	Apr F	50.80	50.80	50.80	--
05/02	ISM Manufacturing	Apr	51.40	50.80	51.80	--
05/02	ISM Prices Paid	Apr	52.00	59.00	51.50	--
05/02	ISM New Orders	Apr	--	55.80	58.30	--
05/02	Construction Spending MoM	Mar	0.50%	0.30%	-0.50%	1.00%
05/03	ISM New York	Apr	--	57.00	50.40	--
05/03	IBD/TIPP Economic Optimism	May	46.50	48.70	46.30	--
05/03	Wards Domestic Vehicle Sales	Apr	13.40m	13.48m	12.97m	--
05/04	ADP Employment Change	Apr	195k	156k	<del>200k</del>	194k
05/04	Nonfarm Productivity	1Q P	-1.30%	-1.00%	-2.20%	-1.70%
05/04	Markit US Services PMI	Apr F	52.10	52.80	52.10	--
05/04	Markit US Composite PMI	Apr F	--	52.40	51.70	--
05/04	ISM Non-Manf. Composite	Apr	54.80	55.70	54.50	--
05/04	Factory Orders Ex Trans	Mar	--	0.80%	-0.80%	-0.90%
05/04	Durables Ex Transportation	Mar F	-0.10%	-0.20%	-0.20%	--
05/04	Cap Goods Orders Nondef Ex Air	Mar F	--	0.10%	0.00%	--
05/04	Cap Goods Ship Nondef Ex Air	Mar F	--	0.50%	0.30%	--
05/05	Challenger Job Cuts YoY	Apr	--	5.80%	31.70%	--
05/05	Initial Jobless Claims	4/30	260k	274k	257k	--
05/05	Continuing Claims	4/23	2128k	2121k	<del>2130k</del>	2129k
05/06	Change in Nonfarm Payrolls	Apr	200k	160k	<del>215k</del>	208k
05/06	Two-Month Payroll Net Revision	Apr	--	-19k	--	--
05/06	Change in Private Payrolls	Apr	195k	171k	<del>195k</del>	184k
05/06	Change in Manufact. Payrolls	Apr	-5k	4k	-29k	--
05/06	Unemployment Rate	Apr	4.90%	5.00%	5.00%	--
05/06	Average Hourly Earnings YoY	Apr	2.40%	2.50%	2.30%	--
05/06	Average Weekly Hours All Employees	Apr	34.50	34.50	34.40	--
05/06	Change in Household Employment	Apr	170.00	-316.00	246.00	--
05/06	Labor Force Participation Rate	Apr	63.00%	62.80%	63.00%	--
05/06	Underemployment Rate	Apr	--	9.70%	9.80%	--
05/09	Labor Market Conditions Index Change	Apr	--	--	-2.10	--
05/10	NFIB Small Business Optimism	Apr	93.10	--	92.60	--
05/10	Wholesale Inventories MoM	Mar	0.10%	--	-0.50%	--
05/10	JOLTS Job Openings	Mar	--	--	5445.00	--
05/12	Initial Jobless Claims	5/7	265k	--	274k	--
05/12	Continuing Claims	4/30	--	--	2121k	--
05/13	Retail Sales Advance MoM	Apr	0.80%	--	-0.30%	-0.40%
05/13	Retail Sales Ex Auto MoM	Apr	0.50%	--	-0.20%	0.10%
05/13	Retail Sales Ex Auto and Gas	Apr	0.30%	--	0.10%	--
05/13	Retail Sales Control Group	Apr	0.30%	--	0.10%	--
05/13	PPI Final Demand YoY	Apr	0.30%	--	-0.10%	--
05/13	PPI Ex Food and Energy YoY	Apr	0.90%	--	1.00%	--
05/13	PPI Ex Food, Energy, Trade YoY	Apr	--	--	0.90%	--
05/13	Business Inventories	Mar	0.20%	--	-0.10%	--
05/13	U. of Mich. Sentiment	May P	90.00	--	89.00	--
05/13	U. of Mich. Current Conditions	May P	--	--	106.70	--
05/13	U. of Mich. 1 Yr Inflation	May P	--	--	2.80%	--

MBS Prepayments <sup>4</sup>						
3-Month CPR						
Type	2.0	2.5	3.0	3.5	4.0	4.5
FN 10y	10.5	11.2	13.4	15.6	18.4	20.1
FH/FN 15y	7.0	8.5	10.3	12.2	15.5	17.6
GN 15y	4.5	10.0	13.6	14.9	15.2	16.0
FH/FN 20y		7.5	8.7	11.7	13.7	16.5
FH/FN 30y		5.3	7.9	12.0	16.4	18.1
GN 30y	10.1	8.9	12.6	16.2	19.2	21.8
CPR Projections						
Type	2.0	2.5	3.0	3.5	4.0	4.5
FN 10y	8.1	11.8	16.2	16.7	17.5	18.5
FH/FN 15y	7.4	9.1	13.7	15.7	16.9	22.5
GN 15y	5.4	7.4	11.2	14.6	13.4	15.6
FH/FN 20y	6.0	7.2	11.4	15.6	16.3	16.4
FH/FN 30y	6.2	7.2	10.4	13.7	20.9	21.9
GN 30y	7.2	8.6	11.3	15.4	18.4	21.2

Other Markets					
Index	Current	1Wk Chng	Historical		
			1 Mo	6 Mo	1 Yr
<b>Currencies</b>					
Japanese Yen	106.68	0.18	109.79	123.13	119.46
Euro	1.14	(0.00)	1.14	1.07	1.13
Dollar Index	93.69	0.60	94.43	99.17	94.09
<b>Major Stock Indices</b>					
Dow Jones	17,606	(167)	17,716	17,910	17,842
S&P 500	2,040.5	(24.8)	2,066.7	2,099.2	2,080.2
NASDAQ	4,690.3	(85.0)	4,920.7	5,147.1	4,919.6
<b>Commodities</b>					
Gold	1,292.5	2.0	1,222.5	1,087.7	1,190.3
Crude Oil	44.49	(1.43)	37.75	44.29	60.93
Natural Gas	2.09	(0.09)	1.91	2.37	2.78
Wheat	458.5	-19.5	463.0	523.3	475.8
Corn	376.0	-14.3	358.0	373.0	366.5

Notes	
1 Call Agy = Maturity at left w/ a 1-Year Call at Par	
2 Muni TEY (34% Fed, 0.5% CoF)	
3 S-Corp TEY Muni (39.6%, no TEFERA)	
4 MBS Prepayments are provided by Bloomberg	

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