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Happy Friday wherever you may be reading this today! Veteran's Day was yesterday, but I wanted to start off by saying Happy Veteran's Day and we thank you for your service. This week's economic calendar release was rather light, given the fact that no economic releases came out yesterday during the holiday. The major market moving news this week was the latest Consumer Price Index (CPI) release for the month of October. The higher-than-expected increase in CPI had markets once again questioning whether or not inflation is or will be transitory as the Fed continues to preach. Equity and bond markets sold off Wednesday as investors digested the higher inflation numbers and their potential impact on the global economy.

Let's take a look into the details of this week's CPI release. The CPI increased in October by 6.2% from a year ago. The core price index, which excludes food and energy, climbed 4.6%, up from September's 4% rise and the largest increase since 1991. On a monthly basis, CPI increased a seasonally adjusted 0.9% in October versus an expectation of 0.6%, and a sharp acceleration from September's 0.4% rise. Core

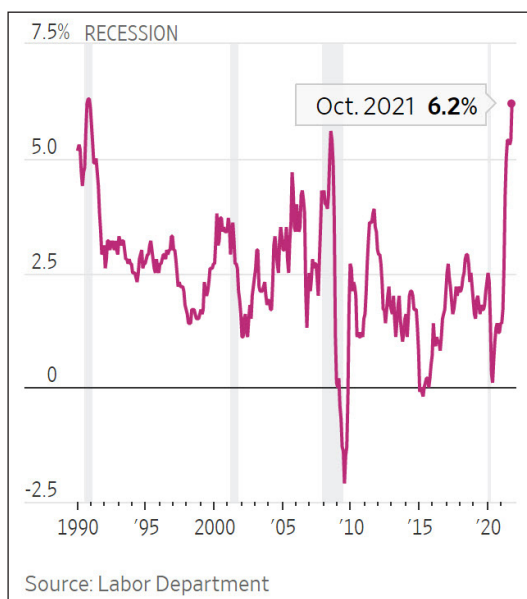
CPI was up 0.6% for the month of October versus an expected 0.4% increase. Used vehicle prices again were a big contributor, rising 2.5% on the month and 26.4% for the year. New vehicle prices were up 1.4% and 9.8% respectively.

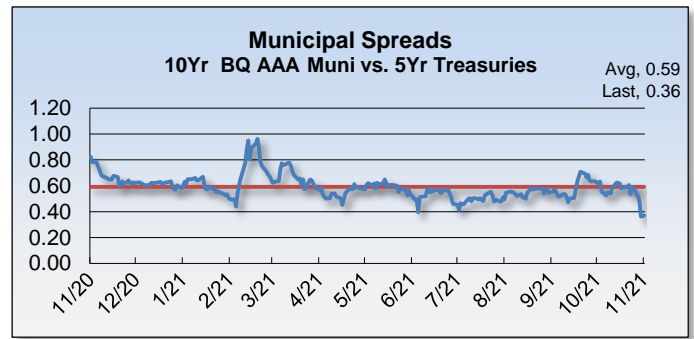
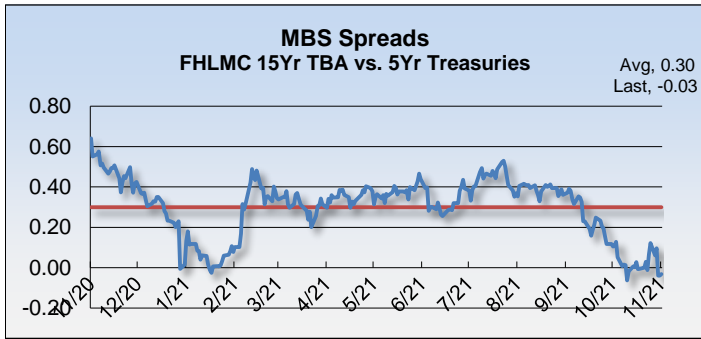
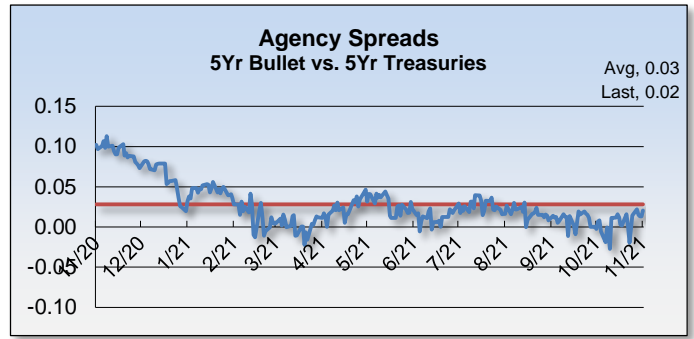
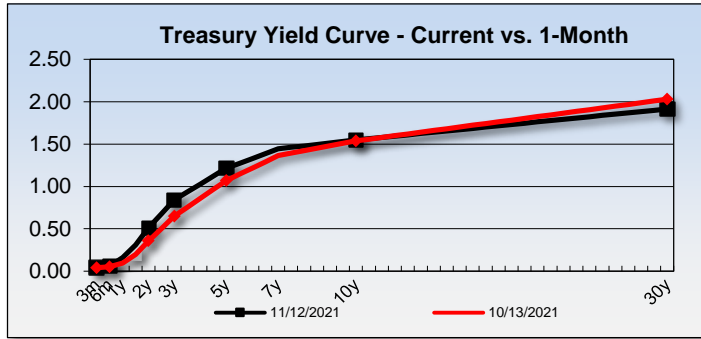
This morning brought updated JOLTS report as well as the preliminary University of Michigan Consumer Sentiment Index. U.S. job openings edged lower in September at 10.4 million job openings but remained well above pre-pandemic levels as employers continue to struggle to find workers. Additionally, the level of people quitting their jobs increased by 164,000 to 4.4 million, a record high. The preliminary estimate of the University of Michigan Consumer Sentiment index released this morning fell to 66.8 in November from 71.7 in October. Americans' sentiment worsened due to escalating inflation despite a reduction in COVID cases across the nation.

Bond and equity market activity this morning is rather muted after the volatility we saw earlier in the week. The Dow Jones Industrial Average is up 35 points in early trading. The 10-Year Treasury Yield is hovering around 1.55% with the 30-Year Long Bond Yield at 1.93%.

Next week's economic release calendar brings us monthly retail sales, industrial production and capacity utilization and housing starts. Until next time... have a great weekend!

## Consumer-price Index, percent change from a year ago (1990 to Present)





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	0.05	0.00	0.05	0.01	0.09	2yr	0.55	0.74	0.32	0.34	0.59	2Yr	0.38	0.38	0.38	-	
6mo	0.06	(0.00)	0.05	0.03	0.10	3yr	0.83	1.03	0.45	0.48	0.83	3Yr	0.71	0.72	0.70	0.71	
1yr	0.16	0.02	0.10	0.04	0.12	5yr	1.26	1.30	0.84	0.89	1.31	5Yr	1.17	1.17	1.16	1.10	
2yr	0.51	0.11	0.34	0.16	0.18	7yr	1.49	1.46	1.25	1.33	1.64	7Yr	1.40	1.42	1.41	1.34	
3yr	0.84	0.18	0.60	0.36	0.25	10yr	1.68	1.59	1.51	1.61	1.93	10Yr	1.55	1.61	1.60	1.54	
5yr	1.21	0.16	1.07	0.86	0.39	15yr	1.87	1.70	1.65	1.76	2.24	December TBA MBS					
7yr	1.44	0.13	1.39	1.34	0.64	20yr	2.05	1.75	1.86	1.98	2.39	Cpn	15Yr -Yld/AL		30Yr -Yld/AL		
10yr	1.55	0.09	1.58	1.69	0.88	25yr	2.23	1.75	2.00	2.13	2.44	2.00	1.35	4.2y	2.01		
30yr	1.91	0.03	2.10	2.41	1.64	30yr	2.23	1.73	2.14	2.28	2.49	2.50	1.33	3.5y			
													3.00	1.35	3.1y	1.96	4.5y
													3.50	1.16	2.7y	2.04	4.3y
													4.00			2.13	4.2y
													4.50			2.35	4.3y

\* Interpolated

Key Market Indices					
Index	Current	1Wk Change	Historical		
			1 Mo	6 Mo	1 Yr
Fed Funds	0.25	--	0.25	0.25	0.25
Primary Discount	0.25	--	0.25	0.25	0.25
2ndary Discount	0.75	--	0.75	0.75	0.75
Prime Rate	3.25	--	3.25	3.25	3.25
Sec. O.N. Finance	0.05	--	0.05	0.01	--
1 Month LIBOR	0.09	0.00	0.08	0.10	0.14
3 Month LIBOR	0.15	0.01	0.12	0.17	0.21
6 Month LIBOR	0.22	0.00	0.16	0.19	0.24
1 Year LIBOR	0.35	(0.00)	0.25	0.27	0.34
6 Month CD	0.30	0.19	0.13	0.14	0.26
1 Year CMT	0.17	--	0.09	0.05	0.12
REPO O/N	0.05	(0.01)	0.04	0.01	0.12
REPO 1Wk	0.12	--	0.14	0.09	0.13
CoF Federal	0.752	--	0.761	0.845	1.019
11th D. CoF (Sep)	0.225	--	0.238	0.377	0.523

FHLB Fixed Advance Rates			
Maturity	Chicago	Boston	Topeka
3mo	0.22	0.34	0.27
6mo	0.24	0.33	0.28
1yr	0.38	0.40	0.37
2yr	0.71	0.91	0.72
3yr	1.01	1.22	1.02
4yr	1.26	1.47	1.26
5yr	1.41	1.62	1.38
7yr	1.67	1.91	1.63
10yr	1.89	2.14	1.85
5yr Am	1.08		1.15
10yr Am	1.57		1.57

Fed Fund Futures	
Maturity	Rate
Nov-21	0.078
Dec-21	0.080
Jan-22	0.080
Feb-22	0.085
Mar-22	0.110
Apr-22	0.130
May-22	0.175
Jun-22	0.230
Jul-22	0.290
Aug-22	0.350
Sep-22	0.395

Weekly Economic Calendar						
This Week & Next						
Date	Release	Per.	Est.	Actual	Prior	Revised
11/9	NFIB Small Business Optimism	Oct	99.5	98.2	99.1	--
11/9	PPI Final Demand MoM	Oct	0.6%	0.6%	0.5%	--
11/9	PPI Ex Food and Energy MoM	Oct	0.5%	0.4%	0.2%	--
11/9	PPI Ex Food, Energy, Trade MoM	Oct	0.3%	0.4%	0.1%	--
11/9	PPI Final Demand YoY	Oct	8.6%	8.6%	8.6%	--
11/9	PPI Ex Food and Energy YoY	Oct	6.8%	6.8%	6.8%	--
11/9	PPI Ex Food, Energy, Trade YoY	Oct	6.2%	6.2%	5.9%	--
11/10	MBA Mortgage Applications	11/5	--	5.5%	-3.3%	--
11/10	Initial Jobless Claims	11/6	260k	267k	<del>269k</del>	271k
11/10	Continuing Claims	10/30	2050k	2160k	<del>2105k</del>	2101k
11/10	CPI MoM	Oct	0.6%	0.9%	0.4%	--
11/10	CPI Ex Food and Energy MoM	Oct	0.4%	0.6%	0.2%	--
11/10	CPI YoY	Oct	5.9%	6.2%	5.4%	--
11/10	CPI Ex Food and Energy YoY	Oct	4.3%	4.6%	4.0%	--
11/10	CPI Index NSA	Oct	275.81	276.59	274.31	--
11/10	CPI Core Index SA	Oct	280.99	281.70	280.02	--
11/10	Real Avg Hourly Earning YoY	Oct	--	-1.2%	-0.8%	--
11/10	Real Avg Weekly Earnings YoY	Oct	--	-1.6%	-0.8%	--
11/10	Mortgage Delinquencies	3Q	--	4.88%	5.47%	--
11/10	MBA Mortgage Foreclosures	3Q	--	0.46%	0.51%	--
11/10	Wholesale Inventories MoM	Sep F	1.1%	1.4%	1.1%	--
11/10	Wholesale Trade Sales MoM	Sep	1.0%	1.1%	<del>1.1%</del>	-0.9%
11/10	Monthly Budget Statement	Oct	-\$179.0b	-\$165.1b	-\$284.1b	--
11/11	Langer Consumer Comfort	11/7	--	50.3	49.2	--
11/12	JOLTS Job Openings	Sep	10300k	10438k	<del>10439k</del>	10629k
11/12	U. of Mich. Sentiment	Nov P	72.5	66.8	71.7	--
11/12	U. of Mich. Current Conditions	Nov P	77.2	73.2	77.7	--
11/12	U. of Mich. Expectations	Nov P	68.8	62.8	67.9	--
11/12	U. of Mich. 1 Yr Inflation	Nov P	4.9%	4.9%	4.8%	--
11/12	U. of Mich. 5-10 Yr Inflation	Nov P	--	2.9%	2.9%	--
11/15	Empire Manufacturing	Nov	21.1	--	19.8	--
11/16	Retail Sales Advance MoM	Oct	1.1%	--	0.7%	--
11/16	Retail Sales Control Group	Oct	0.8%	--	0.8%	--
11/16	Import Price Index YoY	Oct	--	--	9.2%	--
11/16	Export Price Index YoY	Oct	--	--	16.3%	--
11/16	Industrial Production MoM	Oct	0.9%	--	-1.3%	--
11/16	Capacity Utilization	Oct	75.9%	--	75.2%	--
11/16	Manufacturing (SIC) Production	Oct	0.9%	--	-0.7%	--
11/16	Business Inventories	Sep	0.6%	--	0.6%	--
11/16	NAHB Housing Market Index	Nov	80	--	80	--
11/16	Total Net TIC Flows	Sep	--	--	\$91.0b	--
11/16	Net Long-term TIC Flows	Sep	--	--	\$79.3b	--
11/17	Building Permits	Oct	1630k	--	<del>1589k</del>	1586k
11/17	Housing Starts	Oct	1580k	--	1555k	--
11/18	Philadelphia Fed Business Outlook	Nov	24.0	--	23.8	--
11/18	Leading Index	Oct	0.8%	--	0.2%	--
11/18	Kansas City Fed Manf. Activity	Nov	--	--	31	--

MBS Prepayments <sup>4</sup>						
3-Month CPR						
Type	2.0	2.5	3.0	3.5	4.0	4.5
FN 10y	17.6	25.4	25.7	26.9	26.0	13.4
FH/FN 15y	14.2	32.0	35.2	37.5	30.4	23.3
GN 15y	27.1	19.8	20.9	19.7	19.6	21.1
FH/FN 20y	56.7	26.8	28.2	27.4	27.6	23.5
FH/FN 30y	8.7	17.2	46.1	45.5	46.1	47.7
GN 30y	6.9	17.1	45.4	45.9	42.9	27.5
CPR Projections						
Type	2.0	2.5	3.0	3.5	4.0	4.5
FN 10y	16.3	17.9	18.6	19.3	20.6	19.7
FH/FN 15y	14.3	16.0	18.8	22.5	21.9	21.0
GN 15y	13.8	13.7	13.7	13.1	12.5	12.2
FH/FN 20y	56.1	13.9	14.5	14.8	15.5	15.5
FH/FN 30y	10.4	12.5	18.4	19.1	20.3	19.8
GN 30y	8.9	10.7	15.3	14.7	15.1	12.1

Other Markets					
Index	Current	1Wk Chng	Historical		
			1 Mo	6 Mo	1 Yr
<b>Currencies</b>					
Japanese Yen	113.81	0.40	113.61	109.67	105.13
Euro	1.14	(0.01)	1.15	1.21	1.18
Dollar Index	95.21	0.89	94.52	90.71	92.96
<b>Major Stock Indices</b>					
Dow Jones	36,009	(319)	34,378	33,588	29,080
S&P 500	4,653.3	(44.3)	4,350.7	4,063.0	3,537.0
NASDAQ	15,738.1	(233)	14,465.9	13,031.7	11,709.6
<b>Commodities</b>					
Gold	1,861.5	44.7	1,758.3	1,822.8	1,873.3
Crude Oil	80.77	(0.50)	80.64	66.08	41.12
Natural Gas	5.03	(0.49)	5.51	2.97	2.98
Wheat	809.3	42.8	734.0	754.8	588.3
Corn	569.8	16.8	522.5	757.5	408.3

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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Source for the aforementioned indices, rates, descriptions, & economic indicators: Bloomberg, L.P. This report was printed as of: 11/12/2021 9:18AM