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It was another week of volatility as US Treasury yields fell across the curve. Peaking to 4.24% on Monday, the 10 UST Note yield is currently back down below 4% as of Friday morning, making a 25bps round trip over the last couple weeks. Meanwhile, the 2Yr UST Note is currently 4.37% and was up to 4.6% late last week as well as the long bond (30Yr) is hovering around 4.1% which is down from 4.4 since Monday. Yields are slightly higher today with bond prices down this morning with the release of personal spending and income figures along with the Fed's preferred inflation Personal Consumption Expenditures (PCE). Checking in on the shape of the yield curve, after nearing inversion earlier this week, the spread between the 10-year and 3-month Treasury yields has now moved into negative territory. It currently sits at negative 10 basis points and has been considered a better indicator than the more popular 10s versus 2s spread. All three major equity indices here in the US are currently around 2% higher since Monday open.

On Tuesday, the S&P CoreLogic Case-Shiller index indicated prices fell 0.9% in August, the second consecutive monthly decline following decades of increases. Also related to housing, new home sales fell 10% month over the month in September and are now down 42% from the peak and likely falling in the months ahead. Soaring mortgage rates, plunging demand and a surge in housing inventory will continue downward pressure on this important sector in the economy. On Thursday we saw the first estimate of 3rd quarter GDP showing the economy grew 2.6% in Q3 following two consecutive quarters of negative growth. While the 2.6% figure looks impressive, a lot of the growth can be attributed to the 2.8% boost in net external trade. Personal consumption, which is approximately 70% of GDP slowed to 1.4% from 2.0% in Q2. Today, US Income and Spending data was released as well as the Employment Cost Index. Personal income was on target with a 0.4% increase and spending rose 0.6% up from an estimated 0.4% increase now showing the savings rate dropping to 3.1% the lowest since 2008. The Employment Cost Index was up 1.2% from 1.3% prior month. The PCE Deflator, The Fed's preferred measure of inflation rose 0.3% making the YoY 6.2%.

It will be an action-packed week as economic data and central bank meetings hope to clear up some of the uncertainty currently embedded in the financial markets. Manufacturing and Services PMI data will be highly anticipated for the first look at Q4 performance in the US and abroad. Surveys are signaling a slowdown in both releases. Mid-week the Federal Reserve Open Market Committee (FOMC) will meet and are widely expected to increase short-term interest rates another 75bps taking the Fed Funds Rate up to 4%. This meeting will not include the release of their Summary of Economic Projections (SEP). Outside the US, other Central Bank meetings will occur in the UK, Norway, Australia, and Malaysia and Eurozone Q3 GDP will be released along with their CPI figures for October. On Friday, we will get the monthly US jobs report for October which is showing 200K for non-farm payrolls (another down shift from 263K in September) and the unemployment rate edging up slightly to 3.6%, from 3.5%.

Happy Halloween.

### UPCOMING EVENTS

#### Banks

##### Seminars:

Minneapolis, MN  
Nov 29, 2022

##### Webinars:

3rd Quarter Bank Trends Webinar  
Nov 15, 2022

#### Credit Unions

##### Seminars:

Dallas, TX  
Nov 4, 2022

#### Save the Date

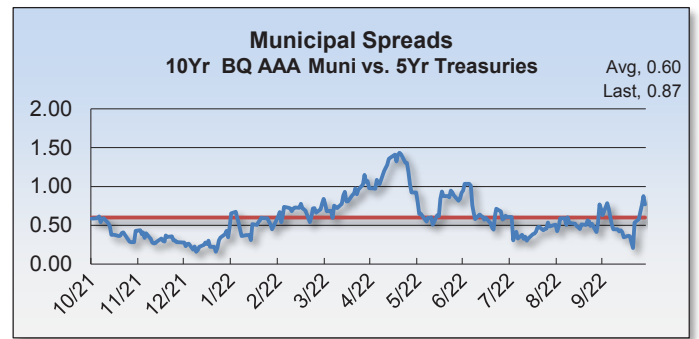
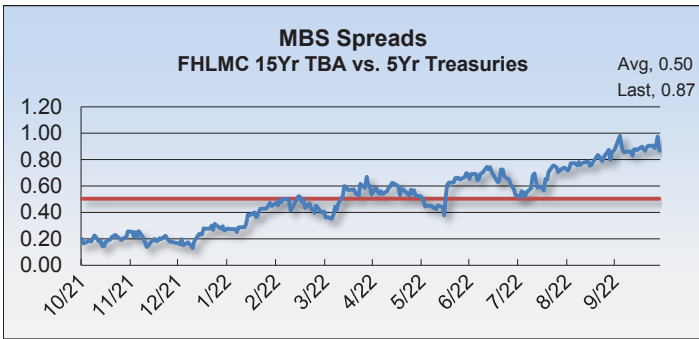
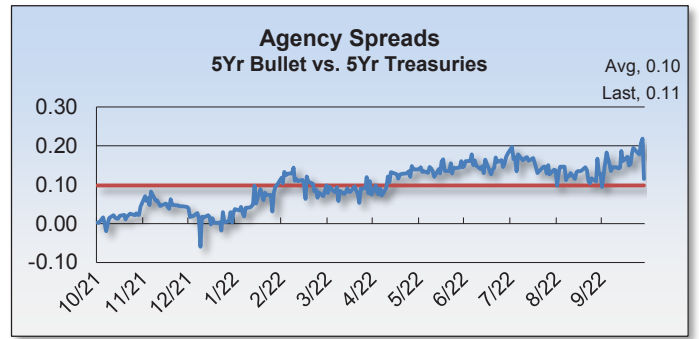
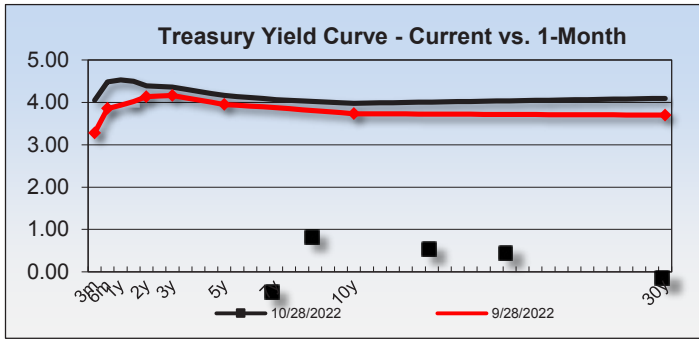
##### CU Webinar:

Q1 Conference Call  
January 12, 2022

### 10Yr-3Mo US Treasury Yield Curve Spread



Source: Bloomberg Finance 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 <sup>2</sup>	S-Corp <sup>3</sup>		Mty	3Mo	6mo	1Yr	2Yr
3mo	4.05	0.06	3.33	0.82	0.05	2yr	4.53	4.77	4.45	4.74	4.77	2Yr	5.29	5.29	5.29	-
6mo	4.48	0.06	3.88	1.37	0.06	3yr	4.46	4.51	4.48	4.77	4.79	3Yr	5.29	5.29	5.20	5.29
1yr	4.53	(0.02)	3.97	1.98	0.11	5yr	4.27	4.24	4.54	4.83	4.84	5Yr	5.14	5.14	5.13	5.07
2yr	4.39	(0.09)	4.14	2.62	0.49	7yr	4.34	4.10	4.62	4.92	4.93	7Yr	5.04	5.06	5.05	4.98
3yr	4.36	(0.16)	4.16	2.78	0.72	10yr	4.48	4.02	4.77	5.08	5.05	10Yr	4.93	4.99	4.98	4.92
5yr	4.16	(0.18)	3.95	2.84	1.19	15yr	4.62	3.99	5.19	5.53	5.24	November TBA MBS				
7yr	4.06	(0.23)	3.88	2.86	1.45	20yr	4.76	3.91	5.49	5.84	5.46	Cpn	15Yr -Yld/AL		30Yr -Yld/AL	
10yr	3.98	(0.24)	3.73	2.83	1.58	25yr	4.91	3.76	5.66	6.02	5.52	2.00	4.73	5.7y	4.89	
30yr	4.09	(0.25)	3.70	2.89	1.98	30yr		3.64	5.82	6.20	5.57	2.50	5.07	5.8y		
												3.00	5.27	5.8y	5.23	10.6y
												3.50	5.10	5.8y	5.36	10.6y
												4.00			5.39	10.4y
												4.50			5.44	9.8y

\* Interpolated

Key Market Indices					
Index	Current	1Wk Change	Historical		
			1 Mo	6 Mo	1 Yr
Fed Funds	3.25	--	3.25	0.50	0.25
Primary Discount	3.25	--	3.25	0.50	0.25
2ndary Discount	3.75	--	3.75	1.00	0.75
Prime Rate	6.25	--	6.25	3.50	3.25
Sec. O.N. Finance	3.04	0.01	2.98	0.28	--
1 Month LIBOR	3.63	0.13	3.11	0.75	0.09
3 Month LIBOR	4.37	0.10	3.64	1.24	0.14
6 Month LIBOR	4.93	0.19	4.25	1.83	0.18
1 Year LIBOR	5.39	0.05	4.91	2.55	0.32
6 Month CD	4.95	0.12	4.37	1.90	0.33
1 Year CMT	4.50	(0.16)	4.16	1.97	0.12
REPO O/N	3.04	(0.01)	3.00	0.27	0.03
REPO 1Wk	3.63	0.47	3.20	0.69	0.14
CoF Federal	2.022	--	1.762	0.870	0.752
11th D. CoF (Dec)	0.223	--	0.218	0.282	0.460

FHLB Fixed Advance Rates			
Maturity	Chicago	Boston	Topeka
3mo	4.29	4.38	4.34
6mo	4.69	4.74	4.74
1yr	4.77	4.82	4.94
2yr	4.59	4.70	4.81
3yr	4.51	4.63	4.73
4yr	4.47	4.60	4.69
5yr	4.37	4.47	4.56
7yr	4.50	4.62	4.68
10yr	4.80	4.94	4.98
5yr Am	4.51		4.70
10yr Am	4.64		4.80

Fed Fund Futures		
Maturity	Rate	
Oct-22	3.080	
Nov-22	3.775	
Dec-22	4.150	
Jan-23	4.410	
Feb-23	4.715	
Mar-23	4.755	
Apr-23	4.825	
May-23	4.845	
Jun-23	4.820	
Jul-23	4.795	
Aug-23	4.745	

Weekly Economic Calendar						
This Week & Next						
Date	Release	Per.	Est.	Actual	Prior	Revised
10/24	Chicago Fed Nat Activity Index	Sep	-0.10	0.10	0.00	0.10
10/24	S&P Global US Manufacturing PMI	Oct P	51.0	49.9	52.0	--
10/24	S&P Global US Services PMI	Oct P	49.5	46.6	49.3	--
10/24	S&P Global US Composite PMI	Oct P	49.2	47.3	49.5	--
10/25	S&P CoreLogic CS 20-City YoY NSA	Aug	14.00%	13.08%	16.06%	16.01%
10/25	S&P CoreLogic CS US HPI YoY NSA	Aug	--	12.99%	15.77%	15.62%
10/25	Conf. Board Consumer Confidence	Oct	105.9	102.5	108.0	107.8
10/25	Conf. Board Present Situation	Oct	--	138.9	149.6	150.2
10/25	Conf. Board Expectations	Oct	--	78.1	80.3	79.5
10/26	Advance Goods Trade Balance	Sep	-\$87.5b	-\$92.2b	-\$87.3b	--
10/26	New Home Sales	Sep	580k	603k	685k	677k
10/27	GDP Annualized QoQ	3Q A	2.4%	2.6%	-0.6%	--
10/27	Personal Consumption	3Q A	1.0%	1.4%	2.0%	--
10/27	GDP Price Index	3Q A	5.3%	4.1%	9.0%	--
10/27	Core PCE QoQ	3Q A	4.5%	4.5%	4.7%	--
10/27	Durables Ex Transportation	Sep P	0.2%	-0.5%	0.3%	0.0%
10/27	Cap Goods Ship Nondef Ex Air	Sep P	0.5%	-0.5%	0.4%	0.2%
10/27	Initial Jobless Claims	10/22	220k	217k	214k	--
10/27	Continuing Claims	10/15	1390k	1438k	1385k	1383k
10/28	Employment Cost Index	3Q	1.2%	1.2%	1.3%	--
10/28	Personal Income	Sep	0.4%	0.4%	0.3%	0.4%
10/28	Real Personal Spending	Sep	0.2%	0.3%	0.1%	0.3%
10/28	PCE Deflator YoY	Sep	6.3%	6.2%	6.2%	--
10/28	PCE Core Deflator YoY	Sep	5.2%	5.1%	4.9%	--
10/28	Pending Home Sales NSA YoY	Sep	--	-30.4%	-22.5%	--
10/28	U. of Mich. Sentiment	Oct F	59.6	59.9	59.8	--
10/28	U. of Mich. Current Conditions	Oct F	65.0	65.6	65.3	--
10/28	U. of Mich. 1 Yr Inflation	Oct F	5.1%	5.0%	5.1%	--
10/31	MNI Chicago PMI	Oct	47.6	--	45.7	--
11/1	JOLTS Job Openings	Sep	9750k	--	10053k	--
11/1	ISM Manufacturing	Oct	50.0	--	50.9	--
11/1	ISM Employment	Oct	--	--	48.7	--
11/2	ADP Employment Change	Oct	200k	--	208k	--
11/2	FOMC Rate Decision (Lower Bound)	11/2	3.75%	--	3.00%	--
11/2	FOMC Rate Decision (Upper Bound)	11/2	4.00%	--	3.25%	--
11/2	Interest on Reserve Balances Rate	11/3	--	--	3.2%	--
11/3	Challenger Job Cuts YoY	Oct	--	--	67.6%	--
11/3	Nonfarm Productivity	3Q P	-0.1%	--	-4.1%	--
11/4	Two-Month Payroll Net Revision	Oct	--	--	11k	--
11/4	Change in Nonfarm Payrolls	Oct	200k	--	263k	--
11/4	Change in Private Payrolls	Oct	178k	--	288k	--
11/4	Change in Manufact. Payrolls	Oct	10k	--	22k	--
11/4	Unemployment Rate	Oct	3.6%	--	3.5%	--
11/4	Average Hourly Earnings YoY	Oct	4.7%	--	5.0%	--
11/4	Average Weekly Hours All Employees	Oct	34.5	--	34.5	--
11/4	Labor Force Participation Rate	Oct	62.4%	--	62.3%	--
11/4	Underemployment Rate	Oct	--	--	6.7%	--

MBS Prepayments <sup>4</sup>						
3-Month CPR						
Type	2.0	2.5	3.0	3.5	4.0	4.5
FN 10y	8.7	13.8	14.8	16.4	17.7	20.6
FH/FN 15y	6.8	7.7	8.2	12.7	16.4	17.8
GN 15y	15.3	13.2	14.9	16.9	18.6	19.2
FH/FN 20y	52.5	7.4	8.8	9.8	11.3	12.7
FH/FN 30y	2.1	5.2	8.5	7.8	9.2	11.3
GN 30y	5.1	6.4	12.4	14.5	10.4	11.3

CPR Projections						
Type	2.0	2.5	3.0	3.5	4.0	4.5
FN 10y	11.6	13.7	14.0	14.3	14.5	14.7
FH/FN 15y	8.8	7.7	7.6	7.8	12.5	14.2
GN 15y	7.8	7.7	7.9	8.3	9.0	9.9
FH/FN 20y	52.4	5.7	6.4	7.0	7.9	9.4
FH/FN 30y	5.9	5.6	5.7	5.9	6.4	7.4
GN 30y	4.6	5.5	6.7	6.8	7.3	9.7

Other Markets					
Index	Current	1Wk Chng	Historical		
			1 Mo	6 Mo	1 Yr
<b>Currencies</b>					
Japanese Yen	147.51	(0.14)	144.16	130.85	113.58
Euro	1.00	0.01	0.97	1.05	1.17
Dollar Index	110.73	(1.28)	112.60	103.62	93.35
<b>Major Stock Indices</b>					
Dow Jones	32,402	1,319	29,684	33,916	35,730
S&P 500	3,835.9	83.2	3,719.0	4,287.5	4,596.4
NASDAQ	10,826.6	(33)	11,051.6	12,871.5	15,448.1
<b>Commodities</b>					
Gold	1,649.3	(7.0)	1,660.3	1,891.3	1,802.6
Crude Oil	88.46	3.41	82.15	105.36	82.81
Natural Gas	5.74	0.78	6.87	6.89	5.78
Wheat	829.8	-21.0	903.3	1,074.0	772.5
Corn	678.8	-5.5	670.5	816.0	562.8

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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