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Welcome to the end of the last week of the year! I hope you have been using the ever hilarious saying this week of “see you next year!” If you haven’t yet, then today is your chance.

This was a light week of economic data releases as the markets were closed Monday. This morning, the Chicago PMI rebounded in December to 44.9, up from 37.2 the prior month. This was better than expected but remains in contraction territory. On Tuesday, the FHFA released their House Price Index for the month of October and house prices were unchanged from the previous month and rose 9.8% from the previous year. Higher mortgage rates continue to put downward pressure on demand and therefore weakening house price growth. More real estate related data was released on Wednesday with information on pending home sales. U.S. pending home sales decreased for the sixth consecutive month, down 4.0% from October. All four U.S. regions recorded month-over-month decreases and all four regions saw year-over-year declines in transactions. The pending home sales index is a leading indicator for the housing sector.

UPCOMING EVENTS

Banks

Seminar:

West Des Moines, IA
Jun 12, 2023

Springfield, IL
Aug 7, 2023

Oklahoma City, OK
Oct 18-20, 2023

Webinar:

Q1 Conference Call
Jan 11, 2023

Credit Unions

CU Webinar:

Q1 Conference Call
Jan 12, 2023

CU Strategies for
2023 with Dakota
Credit Union
Association
Jan 12, 2023

CU Seminar:

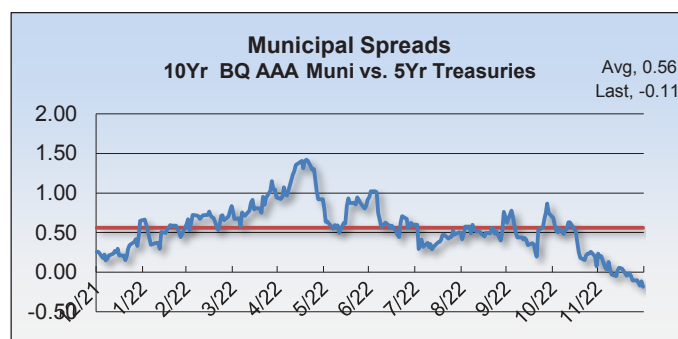
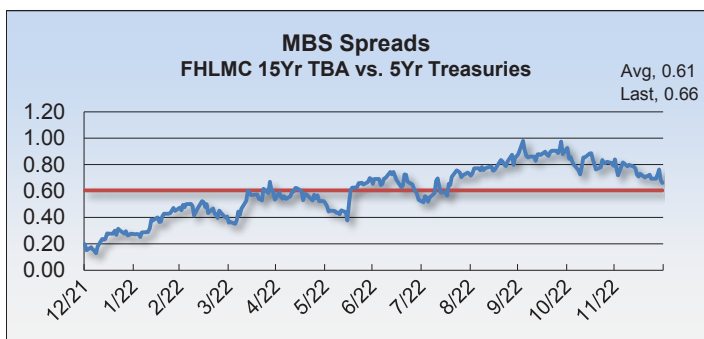
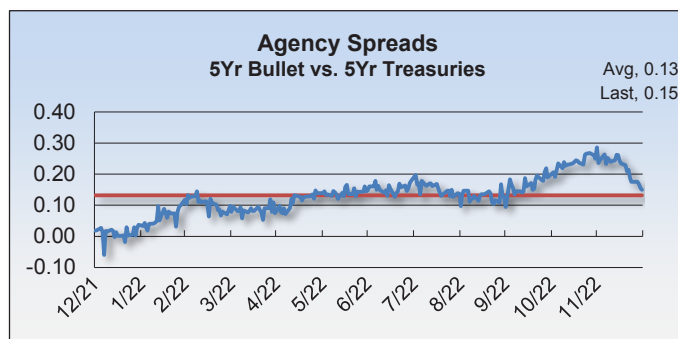
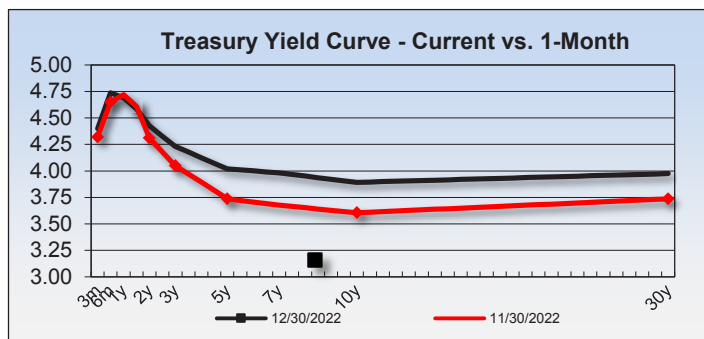
Minneapolis, MN
Mar 21, 2023

Yesterday, the weekly initial jobless claims number came in right in line with expectations at 225,000 claims. This is up some from the previous month of 216,000 claims. The labor market’s resilience is a central focus for Fed policymakers as the economy has added an average of 392,000 new jobs a month this year despite rapid rate hikes and growing fears of a potential recession next year.

Next week, we will we get the latest JOLTS Report to give us insight to the labor market as well as the December Nonfarm Payrolls, Unemployment Rate and Labor Force Participation Rate. Expectations are for an increase of 200,000 jobs and an unemployment rate of 3.7%.

Have a great weekend and have a Happy New Year!

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	4.40	0.09	4.35	1.67	0.04	2yr	4.54	4.72	3.64	3.87	4.67	2Yr	5.13	5.13	5.13	-	
6mo	4.74	0.08	4.68	2.49	0.18	3yr	4.34	4.35	3.50	3.73	4.67	3Yr	4.89	4.90	4.80	4.89	
1yr	4.69	0.04	4.71	2.78	0.37	5yr	4.08	4.04	3.53	3.75	4.66	5Yr	4.74	4.75	4.74	4.67	
2yr	4.42	0.10	4.31	2.96	0.73	7yr	4.14	3.92	3.56	3.78	4.70	7Yr	4.72	4.74	4.73	4.67	
3yr	4.23	0.14	4.05	3.01	0.91	10yr	4.25	3.84	3.68	3.92	4.86	10Yr	4.68	4.74	4.73	4.67	
5yr	4.02	0.16	3.74	3.04	1.26	15yr	4.36	3.82	4.41	4.69	5.05	January TBA MBS					
7yr	3.98	0.15	3.68	3.07	1.43	20yr	4.47	3.75	4.72	5.02	5.21	Cpn	15Yr -Yld/AL		30Yr -Yld/AL		
10yr	3.89	0.14	3.61	3.02	1.51	25yr	4.58	3.63	4.87	5.18	5.27	2.00	4.47	5.8y	4.51		
30yr	3.97	0.15	3.74	3.18	1.92	30yr		3.51	5.01	5.33	5.32	2.50	4.70	5.8y			
												3.00	4.86	5.6y	4.75	10.6y	
												3.50	4.70	5.6y	4.85	10.6y	
												4.00			4.94	10.3y	
												4.50			5.07	9.6y	

* Interpolated

Key Market Indices					
Index	Current	1Wk Change	Historical		
			1 Mo	6 Mo	1 Yr
Fed Funds	4.50	--	4.00	1.75	0.25
Primary Discount	4.50	--	4.00	1.75	0.25
2ndary Discount	5.00	--	4.50	2.25	0.75
Prime Rate	7.50	--	7.00	4.75	3.25
Sec. O.N. Finance	4.30	--	3.81	1.51	--
1 Month LIBOR	4.38	(0.00)	4.07	1.67	0.10
3 Month LIBOR	4.73	0.00	4.73	2.25	0.22
6 Month LIBOR	5.15	(0.01)	5.21	2.88	0.34
1 Year LIBOR	5.47	0.04	5.57	3.61	0.57
6 Month CD	5.21	0.25	4.91	3.11	0.32
1 Year CMT	4.71	0.07	4.78	2.88	0.38
REPO O/N	4.34	--	3.82	1.54	0.03
REPO 1Wk	4.40	(0.59)	3.89	1.75	0.10
CoF Federal	2.568	--	2.278	1.096	0.738
11th D. CoF (Dec)	0.223	--	0.218	0.282	0.460

FHLB Fixed Advance Rates			
Maturity	Chicago	Boston	Topeka
3mo	4.72	4.81	4.76
6mo	4.96	5.00	5.00
1yr	4.98	5.00	5.10
2yr	4.62	4.69	4.73
3yr	4.38	4.45	4.48
4yr	4.26	4.33	4.35
5yr	4.20	4.26	4.28
7yr	4.47	4.54	4.56
10yr	4.61	4.70	4.71
5yr Am	4.44		4.46
10yr Am	4.56		4.59

Fed Fund Futures	
Maturity	Rate
Dec-22	4.102
Jan-23	4.335
Mar-23	4.730
Mar-23	4.730
May-23	4.955
May-23	4.955
Jul-23	4.960
Jul-23	4.960
Aug-23	4.915
Sep-23	4.885
Oct-23	4.835

Weekly Economic Calendar						
This Week & Next						
Date	Release	Per.	Est.	Actual	Prior	Revised
12/27	Advance Goods Trade Balance	Nov	-\$96.7b	-\$83.3b	-\$99.0b	-\$98.8b
12/27	Wholesale Inventories MoM	Nov P	0.3%	1.0%	0.5%	0.6%
12/27	Retail Inventories MoM	Nov	-0.1%	0.1%	-0.2%	-0.4%
12/27	FHFA House Price Index MoM	Oct	-0.7%	0.0%	0.1%	--
12/27	S&P CoreLogic CS 20-City MoM SA	Oct	-1.10%	-0.52%	-1.24%	-1.35%
12/27	S&P CoreLogic CS 20-City YoY NSA	Oct	8.00%	8.64%	10.43%	10.41%
12/27	S&P CoreLogic CS US HPI YoY NSA	Oct	--	9.24%	10.65%	10.72%
12/27	Dallas Fed Manf. Activity	Dec	-13.5	-18.8	-14.4	--
12/28	Richmond Fed Manufact. Index	Dec	-10.0	1.0	-9.0	--
12/28	Pending Home Sales MoM	Nov	-1.0%	-4.0%	-4.6%	-4.7%
12/28	Pending Home Sales NSA YoY	Nov	--	-38.6%	-36.7%	--
12/29	Initial Jobless Claims	12/24	225k	225k	216k	--
12/29	Continuing Claims	12/17	1690k	1710k	1672k	1669k
12/30	MNI Chicago PMI	Dec	40.0	44.9	37.2	--
1/3	S&P Global US Manufacturing PMI	Dec F	46.2	--	46.2	--
1/3	Construction Spending MoM	Nov	-0.4%	--	-0.3%	--
1/4	MBA Mortgage Applications	12/30	--	--	0.9%	--
1/4	ISM Employment	Dec	--	--	48.4	--
1/4	ISM Manufacturing	Dec	48.5	--	49.0	--
1/4	ISM New Orders	Dec	--	--	47.2	--
1/4	ISM Prices Paid	Dec	42.9	--	43.0	--
1/4	JOLTS Job Openings	Nov	10100k	--	10334k	--
1/4	FOMC Meeting Minutes	12/14	--	--	--	--
1/4	Wards Total Vehicle Sales	Dec	13.70m	--	14.14m	--
1/5	Challenger Job Cuts YoY	Dec	--	--	416.5%	--
1/5	ADP Employment Change	Dec	140k	--	127k	--
1/5	Trade Balance	Nov	-\$74.5b	--	-\$78.2b	--
1/5	S&P Global US Services PMI	Dec F	44.4	--	44.4	--
1/5	S&P Global US Composite PMI	Dec F	--	--	44.6	--
1/6	Two-Month Payroll Net Revision	Dec	--	--	-23k	--
1/6	Change in Nonfarm Payrolls	Dec	200k	--	263k	--
1/6	Change in Private Payrolls	Dec	167k	--	221k	--
1/6	Change in Manufact. Payrolls	Dec	6k	--	14k	--
1/6	Unemployment Rate	Dec	3.7%	--	3.7%	--
1/6	Average Hourly Earnings MoM	Dec	0.4%	--	0.6%	--
1/6	Average Hourly Earnings YoY	Dec	5.0%	--	5.1%	--
1/6	Average Weekly Hours All Employees	Dec	34.4	--	34.4	--
1/6	Labor Force Participation Rate	Dec	62.2%	--	62.1%	--
1/6	Underemployment Rate	Dec	--	--	6.7%	--
1/6	ISM Services Index	Dec	55.0	--	56.5	--
1/6	ISM Services Employment	Dec	--	--	51.5	--
1/6	ISM Services Prices Paid	Dec	--	--	70.0	--
1/6	ISM Services New Orders	Dec	--	--	56.0	--
1/6	Factory Orders Ex Trans	Nov	--	--	0.8%	--
1/6	Durables Ex Transportation	Nov F	--	--	0.2%	--
1/6	Cap Goods Orders Nondef Ex Air	Nov F	--	--	0.2%	--
1/6	Cap Goods Ship Nondef Ex Air	Nov F	--	--	-0.1%	--

MBS Prepayments ⁴						
3-Month CPR						
Type	2.0	2.5	3.0	3.5	4.0	4.5
FN 10y	7.4	12.0	13.6	13.6	14.1	16.6
FH/FN 15y	5.9	6.5	7.2	9.5	14.4	17.6
GN 15y	8.7	12.9	12.9	14.5	17.2	18.7
FH/FN 20y	52.0	6.1	7.2	7.8	9.2	10.6
FH/FN 30y	7.2	4.3	5.4	6.1	6.3	8.5
GN 30y	5.1	5.7	7.2	11.7	8.0	8.8

CPR Projections						
Type	2.0	2.5	3.0	3.5	4.0	4.5
FN 10y	12.0	13.9	14.4	14.8	14.7	13.8
FH/FN 15y	7.6	6.8	7.5	7.9	13.3	15.3
GN 15y	10.4	9.5	9.9	12.5	13.1	13.5
FH/FN 20y	5.2	5.9	6.4	7.1	8.0	9.1
FH/FN 30y	5.6	5.5	5.6	5.9	6.6	7.7
GN 30y	5.8	6.2	7.1	7.3	8.8	9.6

Other Markets					
Index	Current	1Wk Chng	Historical		
			1 Mo	6 Mo	1 Yr
Currencies					
Japanese Yen	131.83	(1.08)	138.07	135.72	115.08
Euro	1.07	0.01	1.04	1.05	1.13
Dollar Index	103.54	(0.90)	105.95	104.69	95.97
Major Stock Indices					
Dow Jones	32,946	(81)	34,590	30,775	36,398
S&P 500	3,826.7	4.3	4,080.1	3,785.4	4,778.7
NASDAQ	10,331.2	(145)	11,468.0	11,028.7	15,741.6
Commodities					
Gold	1,828.6	41.6	1,746.0	1,807.3	1,814.1
Crude Oil	79.17	1.68	80.55	105.76	76.99
Natural Gas	4.43	(0.57)	6.93	5.42	3.56
Wheat	788.5	26.3	771.5	868.8	779.8
Corn	683.8	23.3	662.0	743.8	596.0

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: 12/30/2022 9:02AM