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How is it already March? I guess I'll blame it on February having 28 days. Normally, the first Friday of the month brings us a slew of employment data from the Bureau of Labor Statistics (BLS). However, the BLS decided that we weren't (or they weren't) quite ready to release new data to the public. I guess I wasn't the only one who was surprised that it is already March! Next Friday, the BLS will release the Employment Situation data for the month of February.

Monday brought us durable goods orders and orders for manufactured goods declined 4.5% in January. This reading followed December's increase of 4% and came in slightly weaker than the market expectation for a decrease of 4%. If you exclude transportation, "core" durable goods were up 0.7% month over month.

On Tuesday, we gained a little more insight into how real estate prices are holding up. The S&P/Case-Shiller 20-City Index fell by 0.51% month over month and increased 4.65% year over year. The Case-Shiller Home Price Indices for December is actually a 3-month average of October, November and December closing pricing. October closing prices include some contracts signed in August, so there is significant lag to this data. The S&P/Case-Shiller National Index also fell by 0.35% month over month. The average 30-year mortgage rate is around 7% which continues to weigh on home prices.

The ISM Manufacturing Index for February was released Wednesday and came in at a 47.7. This marks the fourth straight month that manufacturing contracted as a reading less than 50 signals a contraction of the manufacturing sector. Also released on Wednesday was the ISM Prices Index came in at 51.3, above estimates for a reading of 46.7.

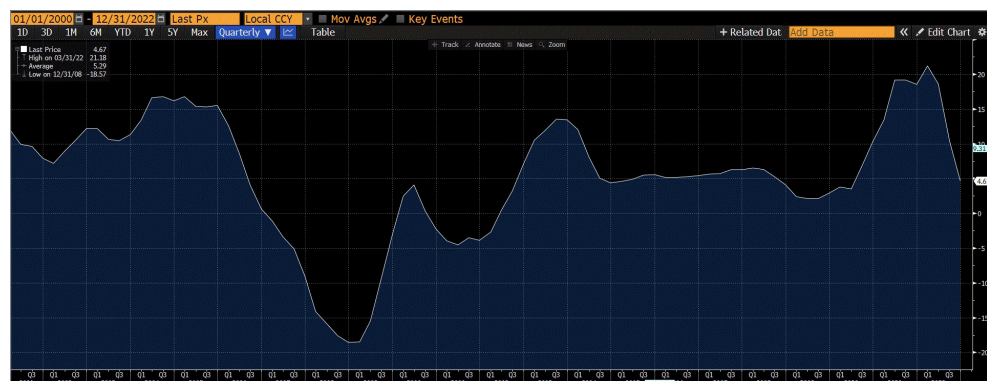
This morning, we found out that the US service sector expanded in February by more than forecasted. The ISM Service Index came in at 55.1 (est. 54.5) reflecting expansion or growth in services. The data also suggests that service providers are having more success hiring after having trouble attracting workers throughout the pandemic.

As mentioned earlier, next week will bring us the latest Employment Situation release from the BLS. The current consensus estimate is for a 200,000 increase in nonfarm payrolls for the month of February. Additionally, the estimate for the year over year Average Hourly Earnings Change is 4.8% and an Unemployment Rate remaining unchanged at 3.4%. The monthly JOLTS report will also come out next week giving us insight into the number of open jobs as well as job hiring, layoff and quits data.

Let's check in on the markets this morning! The 2-Year Treasury is sitting at 4.90% with the 10-Year Treasury sitting just above 4% at 4.01%. These levels reflect an 89-basis point inversion between the two points on the Treasury Yield Curve. The 30-Year Treasury Bond is seeing a stronger rally as the price is up 1 point with the yield falling down to 3.93%. Stocks are up early in today's trading session with the Dow Jones Industrial Average up 122 points and the S&P 500 up 33 points.

Have a great weekend! It's March Madness time!

Case-Shiller 20-City Composite Home Price Seasonally Adjusted Index YOY Change (2000 to Present)



Source: Bloomberg, L.P.

UPCOMING EVENTS

Banks

Seminar:

West Des Moines, IA

Jun 12, 2023

Bismarck, ND

Jul 25, 2023

Springfield, IL

Aug 7, 2023

Stevens Point, WI

Aug 29, 2023

Oklahoma City, OK

Oct 18-20, 2023

Credit Unions

CU Seminar:

Minneapolis, MN

Mar 21, 2023

Dallas, TX

Nov 9, 2023

CU School:

CU Bond School

Apr 26-27, 2023

CU ALM School

Aug 23-24, 2023

Save the Date:

Philadelphia, PA

Sep 27, 2023

Bank and Credit Unions

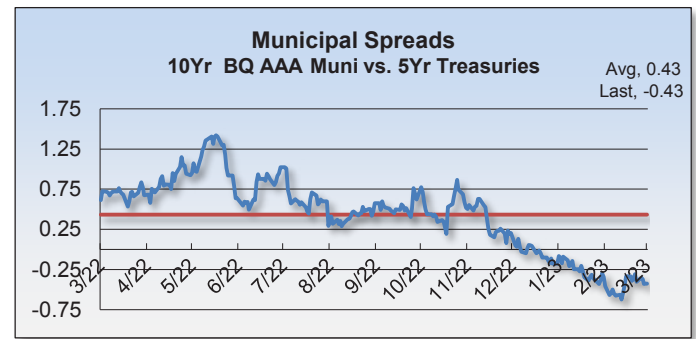
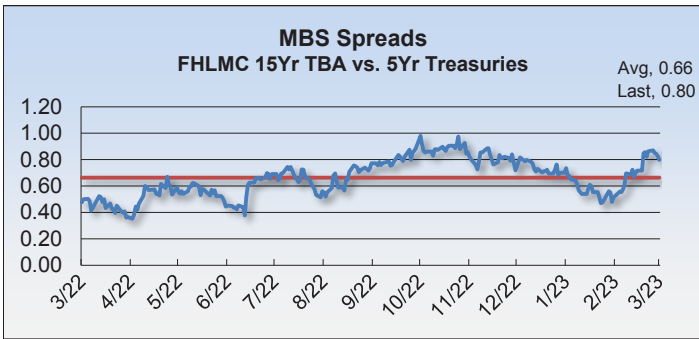
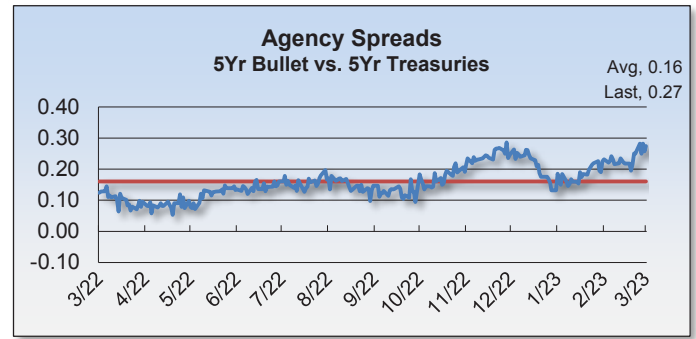
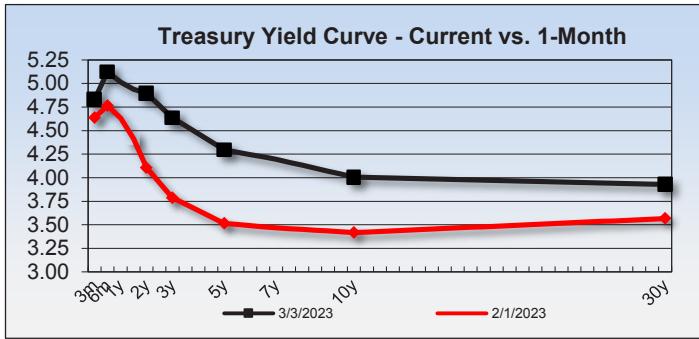
Schools:

ALM School

Aug 8-9, 2023

Bond School

May 10-11, 2023



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	4.83	0.03	4.65	2.89	0.34	2yr	4.94	5.23	4.19	4.46	5.06	2Yr	5.68	5.68	5.68	-
6mo	5.12	0.02	4.84	3.33	0.66	3yr	4.68	4.83	3.95	4.20	4.95	3Yr	5.43	5.44	5.40	5.43
1yr	5.02	(0.01)	4.76	3.43	1.04	5yr	4.37	4.38	3.75	3.99	4.72	5Yr	5.20	5.20	5.19	5.13
2yr	4.90	0.08	4.29	3.39	1.53	7yr	4.32	4.17	3.63	3.86	4.71	7Yr	5.12	5.14	5.13	5.06
3yr	4.64	0.10	3.96	3.43	1.60	10yr	4.35	4.02	3.68	3.92	4.77	10Yr	5.00	5.05	5.05	4.98
5yr	4.30	0.08	3.66	3.29	1.73	15yr	4.38	3.93	4.55	4.84	4.90	April TBA MBS				
7yr	4.20	0.08	3.60	3.28	1.81	20yr	4.41	3.82	4.79	5.10	4.91	Cpn	15Yr -Yld/AL		30Yr -Yld/AL	
10yr	4.01	0.06	3.53	3.19	1.84	25yr	4.45	3.68	4.91	5.23	4.97	2.00	4.70	5.6y	4.66	
30yr	3.93	(0.00)	3.62	3.35	2.22	30yr		3.54	5.04	5.36	5.02	2.50	5.02	5.6y		
												3.00	5.12	5.7y	4.88	10.5y
												3.50	4.89	5.8y	4.97	10.4y
												4.00			5.05	10.3y
												4.50			5.18	9.7y

* Interpolated

Key Market Indices					
Index	Current	1Wk Change	Historical		
			1 Mo	6 Mo	1 Yr
Fed Funds	4.75	--	4.75	2.50	0.25
Primary Discount	4.75	--	4.75	2.50	0.25
2ndary Discount	5.25	--	5.25	3.00	0.75
Prime Rate	7.75	--	7.75	5.50	3.25
Sec. O.N. Finance	4.55	--	4.56	2.29	--
1 Month LIBOR	4.67	0.07	4.58	2.63	0.23
3 Month LIBOR	4.98	0.05	4.80	3.14	0.51
6 Month LIBOR	5.29	0.02	5.09	3.70	0.76
1 Year LIBOR	5.69	0.07	5.32	4.21	1.18
6 Month CD	5.25	0.02	4.91	3.75	0.91
1 Year CMT	5.04	0.01	4.64	3.47	1.06
REPO O/N	4.57	--	4.58	2.30	0.03
REPO 1Wk	4.64	0.02	4.64	2.39	0.16
CoF Federal	2.998	--	2.794	1.508	0.750
11th D. CoF (Dec)	0.223	--	0.218	0.282	0.460

FHLB Fixed Advance Rates			
Maturity	Chicago	Boston	Topeka
3mo	5.03	5.14	5.09
6mo	5.28	5.34	5.35
1yr	5.36	5.44	5.57
2yr	5.07	5.23	5.33
3yr	4.77	4.94	5.02
4yr	4.59	4.76	4.82
5yr	4.46	4.65	4.68
7yr	4.57	4.77	4.77
10yr	4.60	4.83	4.81
5yr Am	4.79		4.94
10yr Am	4.69		4.84

Fed Fund Futures	
Maturity	Rate
Mar-23	4.665
Apr-23	4.880
May-23	5.130
Jun-23	5.250
Jul-23	5.350
Aug-23	5.435
Sep-23	5.435
Oct-23	5.445
Nov-23	5.390
Dec-23	5.340
Jan-24	5.305

Weekly Economic Calendar						
This Week & Next						
Date	Release	Per.	Est.	Actual	Prior	Revised
2/27	Durables Ex Transportation	Jan P	0.1%	0.7%	-0.2%	-0.4%
2/27	Cap Goods Ship Nondef Ex Air	Jan P	0.2%	1.1%	-0.6%	--
2/27	Pending Home Sales MoM	Jan	1.0%	8.1%	2.5%	1.1%
2/27	Pending Home Sales NSA YoY	Jan	--	-22.4%	-34.3%	--
2/28	Advance Goods Trade Balance	Jan	-\$91.0b	-\$91.5b	-\$90.3b	-\$89.7b
2/28	Retail Inventories MoM	Jan	0.1%	0.3%	0.5%	0.4%
2/28	House Price Purchase Index QoQ	4Q	--	0.3%	0.1%	--
2/28	S&P CoreLogic CS 20-City YoY NSA	Dec	4.80%	4.65%	6.77%	6.76%
2/28	S&P CoreLogic CS US HPI YoY NSA	Dec	--	5.76%	7.69%	7.62%
2/28	MNI Chicago PMI	Feb	45.5	43.6	44.3	--
2/28	Conf. Board Consumer Confidence	Feb	108.5	102.9	107.1	106.0
2/28	Conf. Board Present Situation	Feb	--	152.8	150.9	151.1
2/28	Conf. Board Expectations	Feb	--	69.7	77.8	76.0
2/28	Richmond Fed Manufact. Index	Feb	-5.0	-16.0	-11.0	--
2/28	Richmond Fed Business Conditions	Feb	--	-6.0	-10.0	--
3/1	MBA Mortgage Applications	2/24	--	-5.7%	-13.3%	--
3/1	S&P Global US Manufacturing PMI	Feb F	47.8	47.3	47.8	--
3/1	Construction Spending MoM	Jan	0.2%	-0.1%	-0.4%	-0.7%
3/1	ISM Manufacturing	Feb	48.0	47.7	47.4	--
3/1	ISM Prices Paid	Feb	46.5	51.3	44.5	--
3/1	ISM Employment	Feb	--	49.1	50.6	--
3/1	ISM New Orders	Feb	--	47.0	42.5	--
3/2	Nonfarm Productivity	4Q F	2.5%	1.7%	3.0%	--
3/2	Unit Labor Costs	4Q F	1.6%	3.2%	1.1%	--
3/2	Initial Jobless Claims	2/25	195k	190k	192k	--
3/2	Continuing Claims	2/18	1669k	1655k	1654k	1660k
3/3	S&P Global US Services PMI	Feb F	50.5	50.6	50.5	--
3/3	S&P Global US Composite PMI	Feb F	--	50.1	50.2	--
3/3	ISM Services Index	Feb	54.5	55.1	55.2	--
3/3	ISM Services Prices Paid	Feb	--	65.6	67.8	--
3/3	ISM Services Employment	Feb	--	54.0	50.0	--
3/3	ISM Services New Orders	Feb	--	62.6	60.4	--
3/6	Factory Orders Ex Trans	Jan	--	--	-1.2%	--
3/7	Consumer Credit	Jan	\$26.000b	--	\$11.565b	--
3/8	ADP Employment Change	Feb	200k	--	106k	--
3/8	JOLTS Job Openings	Jan	10500k	--	11012k	--
3/9	Challenger Job Cuts YoY	Feb	--	--	440.0%	--
3/9	Household Change in Net Worth	4Q	--	--	-\$392b	--
3/10	Average Hourly Earnings YoY	Feb	4.7%	--	4.4%	--
3/10	Two-Month Payroll Net Revision	Feb	--	--	71k	--
3/10	Change in Nonfarm Payrolls	Feb	200k	--	517k	--
3/10	Change in Private Payrolls	Feb	200k	--	443k	--
3/10	Change in Manufact. Payrolls	Feb	10k	--	19k	--
3/10	Unemployment Rate	Feb	3.4%	--	3.4%	--
3/10	Average Weekly Hours All Employees	Feb	34.6	--	34.7	--
3/10	Labor Force Participation Rate	Feb	62.4%	--	62.4%	--
3/10	Underemployment Rate	Feb	--	--	6.6%	--

MBS Prepayments ⁴						
3-Month CPR						
Type	2.0	2.5	3.0	3.5	4.0	4.5
FN 10y	6.8	11.3	12.5	12.9	11.0	12.6
FH/FN 15y	5.6	5.3	6.4	8.2	13.2	16.6
GN 15y	5.0	11.9	12.3	13.9	17.6	19.6
FH/FN 20y	51.5	4.8	5.9	6.5	7.6	9.3
FH/FN 30y	7.9	3.4	3.7	4.7	5.5	7.2
GN 30y	1.7	4.7	8.3	7.0	5.7	6.7
CPR Projections						
Type	2.0	2.5	3.0	3.5	4.0	4.5
FN 10y	10.8	14.3	14.5	14.3	13.2	10.5
FH/FN 15y	8.0	6.9	7.1	7.1	13.5	14.5
GN 15y	10.1	9.0	9.3	12.2	12.6	13.2
FH/FN 20y	5.3	6.0	6.5	7.0	7.5	8.4
FH/FN 30y	5.5	5.4	5.6	5.9	6.4	7.2
GN 30y	5.3	6.1	6.7	6.9	8.6	8.9

Other Markets					
Index	Current	1Wk Chng	Historical		
			1 Mo	6 Mo	1 Yr
Currencies					
Japanese Yen	136.22	(0.26)	131.19	140.60	115.46
Euro	1.06	0.01	1.08	0.99	1.11
Dollar Index	104.72	(0.49)	102.92	109.53	97.79
Major Stock Indices					
Dow Jones	33,084	268	33,926	31,318	33,795
S&P 500	4,003.8	33.8	4,136.5	3,924.3	4,363.5
NASDAQ	11,573.4	178	12,007.0	11,630.9	13,537.9
Commodities					
Gold	1,848.8	40.0	1,862.9	1,713.0	1,935.9
Crude Oil	77.46	1.14	73.39	86.87	107.67
Natural Gas	2.81	0.36	2.41	8.79	4.72
Wheat	696.8	-11.5	756.8	793.0	1,289.0
Corn	641.0	-9.0	677.5	669.0	751.3

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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