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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:

Philadelphia, PA
 Sep 27, 2023

Dallas, TX
 Nov 9, 2023

CU School:

CU Bond School
 Apr 26-27, 2023

CU ALM School
 Aug 23-24, 2023

Bank & Credit Unions

School:

Bond School
 May 10-11, 2023

ALM School
 Aug 8-9, 2023

If March is the month of madness and April the month of fools, many of us are eager to usher in a new season of sanity and stability soon. Perhaps we are on our way there, with the week of April 7-14 proving fairly calm. Much of the data released this week suggests the Fed has reason pause rate hikes at their next meeting but the market is still expecting an additional 25bp hike. The CME FedWatch tool shows a strong 82% probability of a hike to the 5%-5.5% range when the Fed meets again on May 3rd. However, with mounting evidence that the economy is weakening, this could mark the end of the road for hikes.

On Wednesday, the BLS reported that the Consumer Price Index rose 0.1% in March, cooler than the expected 0.2%. The YoY was up 5.0% from a year ago (survey 5.1%). Core CPI came in right on target at 0.4% for the month and 5.6% for the year. Producer prices also surprised to the downside in March, with Headline PPI falling 0.5% MoM after a flat February. The consensus was looking for an unchanged number for last month and the -0.5% drop marks the biggest decline since the start of the pandemic. Notably, Core PPI was down 0.1% vs a +0.3% forecast. This is the first time it's been in negative territory since the start of the pandemic. On the heels of the softer than expected CPI and PPI numbers, Initial Jobless Claims for the week also came in higher than expected at 239k vs. 235k expected.

Finally on Friday, we got a host of other important releases to close out the week. The release of Retail Sales for March this morning gave us yet more evidence of a softening economy, falling for a second straight month at -1.0% vs. -0.5% survey. This suggests household spending is cooling in the face of high inflation and rising borrowing costs. Eight out of 13 retail categories declined over the month, led by gasoline stations, general merchandise, and electronics. In a separate report out from Bank of America this week, data showed credit and debit card usage declined to the weakest pace in two years as slower wage growth, fewer tax refunds, and the end of pandemic-related benefits weighed on spending.

Core Retail Sales Now Thru 20yr Average Level



Source: Bloomberg, L.P.

There was a small rebound in the University of Michigan Consumer Sentiment Index for April released this morning, suggesting that easing tensions in the banking sector has reassured consumers somewhat. However, confidence still remains considerably lower than it was in February before the issues with SVB and Signature Bank hit the newswires; and it is still well

(Continued)



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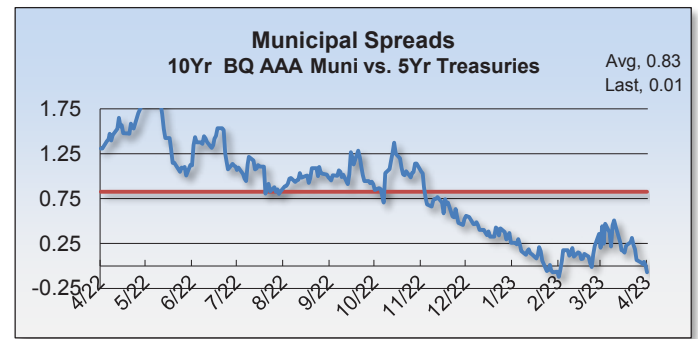
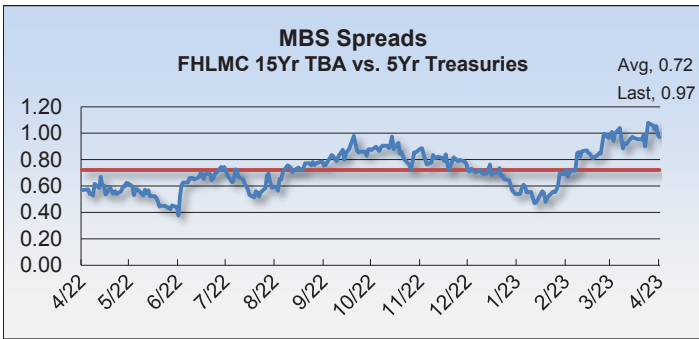
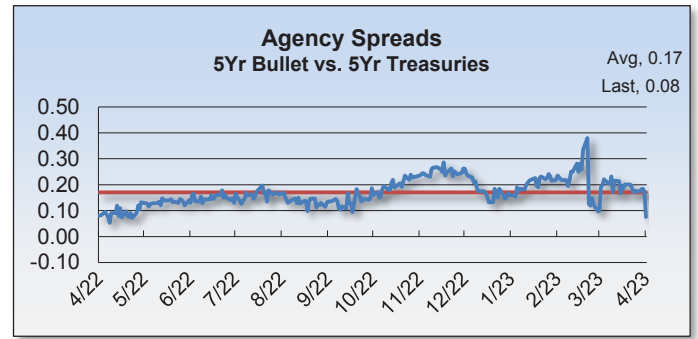
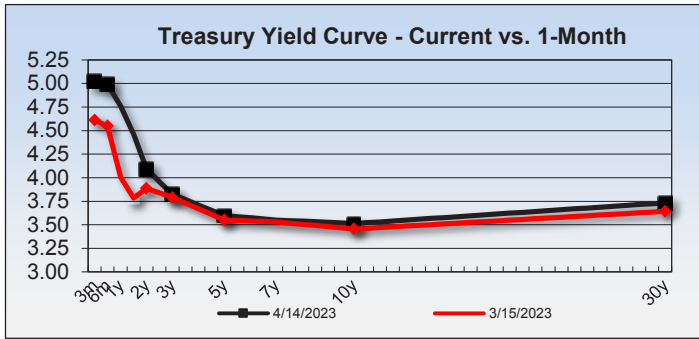
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below the long-term average of 87.0. The headline index for April came in at 63.5, up from 62.0 in March, and 67.0 in February.

Industrial Production for the month of March was also released this morning, showing that the US grew at a stronger pace than expected in March, coming in at 0.4% for the month vs. 0.2% expected and prior. However, the manufacturing and mining output each fell -0.5%, which serves as another piece of evidence that economic momentum going into the second quarter is waning.

Despite the weakness in recent economic data, the market sold off Friday morning on comments from Jamie Dimon that the market should expect higher rates for longer and a speech from Fed Governor Waller this morning where he made the case for more rate hikes saying, "Because financial conditions have not significantly tightened, the labor market continues to be strong and quite tight, and inflation is far above target, [so] monetary policy needs to be tightened further." "How much further will depend on incoming data on inflation, the real economy, and the extent of tightening credit conditions."

Next week, we'll get a variety of housing data that is expected to show a drop in Building Permits, Housing Starts, as well as Homes Sales. Empire Manufacturing and Leading Index are also out next week and expected to show drops as well. Investors will also be watching closely for any additional guidance from the Fed and as they continue to balance efforts to quash inflation with growing evidence of economic weakness.



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	5.02	0.17	4.80	3.72	0.77	2yr	4.18	4.39	3.05	3.25	4.34	2Yr	4.83	4.83	4.83	-	
6mo	4.99	0.07	4.91	4.31	1.22	3yr	3.92	4.00	2.91	3.10	4.26	3Yr	4.59	4.60	4.50	4.59	
1yr	4.76	0.15	4.47	4.48	1.73	5yr	3.77	3.67	2.84	3.02	4.11	5Yr	4.42	4.42	4.41	4.35	
2yr	4.09	0.11	4.25	4.50	2.46	7yr	3.79	3.55	2.80	2.98	4.25	7Yr	4.36	4.39	4.38	4.31	
3yr	3.82	0.07	4.10	4.50	2.57	10yr	3.86	3.50	2.91	3.10	4.45	10Yr	4.36	4.42	4.41	4.34	
5yr	3.60	0.10	3.86	4.27	2.79	15yr	3.94	3.52	3.78	4.02	4.58	May TBA MBS					
7yr	3.55	0.10	3.80	4.17	2.84	20yr	4.01	3.49	4.12	4.38	4.88	Cpn	15Yr -Yld/AL		30Yr -Yld/AL		
10yr	3.51	0.12	3.69	4.02	2.83	25yr	4.09	3.39	4.27	4.54	4.94		2.00	4.30	5.5y	4.38	
30yr	3.73	0.12	3.81	4.00	2.92	30yr	4.09	3.30	4.42	4.71	4.99		2.50	4.54	5.5y		
													3.00	4.59	5.6y	4.59	9.9y
													3.50	4.42	5.6y	4.67	9.6y
												4.00			4.74	9.2y	
												4.50			4.88	8.6y	

* Interpolated

Key Market Indices					
Index	Current	1Wk Change	Historical		
			1 Mo	6 Mo	1 Yr
Fed Funds	5.00	--	4.75	3.25	0.50
Primary Discount	5.00	--	4.75	3.25	0.50
2ndary Discount	5.50	--	5.25	3.75	1.00
Prime Rate	8.00	--	7.75	6.25	3.50
Sec. O.N. Finance	4.80	(0.01)	4.55	3.04	--
1 Month LIBOR	4.95	0.06	4.80	3.34	0.55
3 Month LIBOR	5.25	0.04	5.14	4.01	1.04
6 Month LIBOR	5.34	0.05	5.43	4.49	1.56
1 Year LIBOR	5.37	0.17	5.74	5.07	2.31
6 Month CD	5.21	0.14	5.03	4.75	1.55
1 Year CMT	4.66	0.15	4.30	4.46	1.78
REPO O/N	4.83	(0.07)	4.59	3.06	0.31
REPO 1Wk	5.03	(0.03)	4.51	3.15	0.40
CoF Federal	3.139	--	2.998	1.762	0.791
11th D. CoF (Dec)	0.223	--	0.218	0.282	0.460

FHLB Fixed Advance Rates			
Maturity	Chicago	Boston	Topeka
3mo	5.04	5.06	5.01
6mo	5.09	5.16	5.17
1yr	4.87	4.91	4.96
2yr	4.33	4.46	4.49
3yr	4.08	4.19	4.20
4yr	3.94	4.08	4.07
5yr	3.86	3.96	3.96
7yr	4.08	4.21	4.18
10yr	4.20	4.35	4.29
5yr Am	4.13		4.24
10yr Am	4.20		4.30

Fed Fund Futures	
Maturity	Rate
Apr-23	4.828
May-23	5.015
Jun-23	5.065
Jul-23	5.075
Aug-23	4.995
Sep-23	4.945
Oct-23	4.850
Nov-23	4.675
Dec-23	4.555
Jan-24	4.475
Feb-24	4.270

Weekly Economic Calendar						
This Week & Next						
Date	Release	Per.	Est.	Actual	Prior	Revised
4/11	NFIB Small Business Optimism	Mar	89.8	90.1	90.9	--
4/12	CPI MoM	Mar	0.2%	0.1%	0.4%	--
4/12	CPI YoY	Mar	5.1%	5.0%	6.0%	--
4/12	CPI Ex Food and Energy YoY	Mar	5.6%	5.6%	5.5%	--
4/12	CPI Index NSA	Mar	302.24	301.84	300.84	--
4/12	CPI Core Index SA	Mar	305.36	305.24	304.07	--
4/12	Real Avg Hourly Earning YoY	Mar	--	-0.7%	-1.3%	--
4/12	Real Avg Weekly Earnings YoY	Mar	--	-1.6%	-1.9%	--
4/12	Monthly Budget Statement	Mar	-\$314.0b	-\$378.1b	-\$192.6b	--
4/12	FOMC Meeting Minutes	3/22	--	--	--	--
4/13	Initial Jobless Claims	4/8	235k	239k	228k	--
4/13	Continuing Claims	4/1	1833k	1810k	1823k	--
4/13	PPI Final Demand YoY	Mar	3.0%	2.7%	4.6%	4.9%
4/13	PPI Ex Food and Energy YoY	Mar	3.4%	3.4%	4.4%	4.8%
4/13	PPI Ex Food, Energy, Trade YoY	Mar	3.8%	3.6%	4.4%	4.5%
4/14	Import Price Index YoY	Mar	-4.1%	-4.6%	-1.1%	--
4/14	Export Price Index YoY	Mar	--	-4.8%	-0.8%	--
4/14	Retail Sales Advance MoM	Mar	-0.5%	-1.0%	-0.4%	-0.2%
4/14	Retail Sales Ex Auto MoM	Mar	-0.4%	-0.8%	-0.1%	0.0%
4/14	Retail Sales Ex Auto and Gas	Mar	-0.6%	-0.3%	0.0%	--
4/14	Retail Sales Control Group	Mar	-0.5%	-0.3%	0.5%	--
4/14	Industrial Production MoM	Mar	0.2%	0.4%	0.0%	0.2%
4/14	Capacity Utilization	Mar	79.1%	79.8%	78.0%	79.6%
4/14	Manufacturing (SIC) Production	Mar	-0.1%	-0.5%	0.1%	0.6%
4/14	Business Inventories	Feb	0.3%	0.2%	-0.1%	-0.2%
4/14	U. of Mich. Sentiment	Apr P	62.1	63.5	62.0	--
4/14	U. of Mich. Current Conditions	Apr P	66.0	68.6	66.3	--
4/14	U. of Mich. Expectations	Apr P	58.5	60.3	59.2	--
4/14	U. of Mich. 1 Yr Inflation	Apr P	3.7%	4.6%	3.6%	--
4/14	U. of Mich. 5-10 Yr Inflation	Apr P	2.9%	2.9%	2.9%	--
4/17	Empire Manufacturing	Apr	-16.5	--	-24.6	--
4/17	NAHB Housing Market Index	Apr	44.0	--	44.0	--
4/17	Net Long-term TIC Flows	Feb	--	--	\$31.9b	--
4/17	Total Net TIC Flows	Feb	--	--	\$183.1b	--
4/18	Building Permits	Mar	1455k	--	1524k	1550k
4/18	Building Permits MoM	Mar	-6.1%	--	13.8%	15.8%
4/18	Housing Starts	Mar	1405k	--	1450k	--
4/18	Housing Starts MoM	Mar	-3.1%	--	9.8%	--
4/18	New York Fed Services Business Activit	Apr	--	--	-10.1	--
4/19	MBA Mortgage Applications	4/14	--	--	5.3%	--
4/20	Philadelphia Fed Business Outlook	Apr	-19.0	--	-23.2	--
4/20	Existing Home Sales	Mar	4.50m	--	4.58m	--
4/20	Existing Home Sales MoM	Mar	-1.8%	--	14.5%	--
4/20	Leading Index	Mar	-0.4%	--	-0.3%	--
4/21	S&P Global US Manufacturing PMI	Apr P	49.2	--	49.2	--
4/21	S&P Global US Services PMI	Apr P	51.5	--	52.6	--
4/21	S&P Global US Composite PMI	Apr P	--	--	52.3	--

MBS Prepayments ⁴						
3-Month CPR						
Type	2.0	2.5	3.0	3.5	4.0	4.5
FN 10y	7.2	12.0	12.1	13.1	14.4	13.1
FH/FN 15y	5.8	5.9	6.5	8.4	14.1	17.4
GN 15y	16.9	13.1	13.7	16.0	18.5	21.6
FH/FN 20y	51.6	4.7	6.0	6.7	7.8	9.2
FH/FN 30y	7.0	3.1	4.2	4.5	5.2	6.9
GN 30y	2.3	4.5	6.0	5.7	3.5	6.4
CPR Projections						
Type	2.0	2.5	3.0	3.5	4.0	4.5
FN 10y	11.3	14.7	15.1	15.1	13.6	10.8
FH/FN 15y	9.9	7.9	7.9	8.3	13.4	16.1
GN 15y	7.8	7.7	8.0	8.4	9.1	10.3
FH/FN 20y	52.7	6.5	7.4	8.0	8.8	10.0
FH/FN 30y	6.1	6.0	6.5	6.8	7.8	8.8
GN 30y	5.3	6.0	7.0	7.1	7.3	9.0

Other Markets					
Index	Current	1Wk Chng	Historical		
			1 Mo	6 Mo	1 Yr
Currencies					
Japanese Yen	133.43	1.27	134.22	148.67	125.88
Euro	1.10	0.01	1.07	0.97	1.08
Dollar Index	101.45	(0.38)	103.60	113.31	100.32
Major Stock Indices					
Dow Jones	33,892	407	32,155	29,635	34,451
S&P 500	4,134.9	29.9	3,919.3	3,583.1	4,392.6
NASDAQ	12,112.2	24	11,428.2	10,321.4	13,351.1
Commodities					
Gold	2,021.7	(4.7)	1,910.9	1,648.9	1,974.9
Crude Oil	82.34	1.64	71.33	85.61	106.95
Natural Gas	1.99	(0.02)	2.57	6.45	7.30
Wheat	670.5	-5.0	696.3	859.8	1,096.5
Corn	657.8	14.3	620.8	689.8	790.3

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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