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### UPCOMING EVENTS

#### Banks

##### Webinars:

Q3 Bank Trends

Nov 13, 2024

#### Banks and CUs

##### Seminar:

Scottsdale, AZ

45th Anniversary

Celebration Seminar

Nov 7-8, 2024

FOMC Minutes, CPI numbers, Jobless Claims, and Hurricanes – oh my! It's been an interesting week in the bond market to say the least.

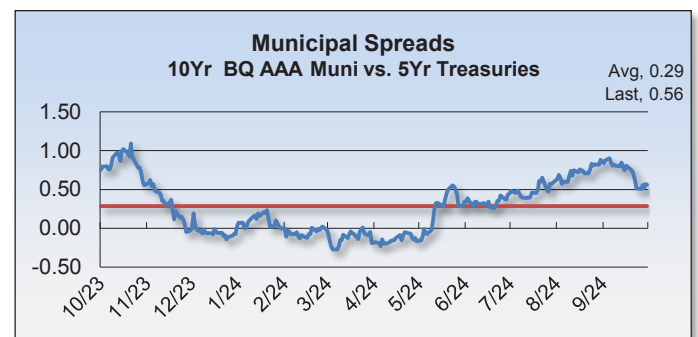
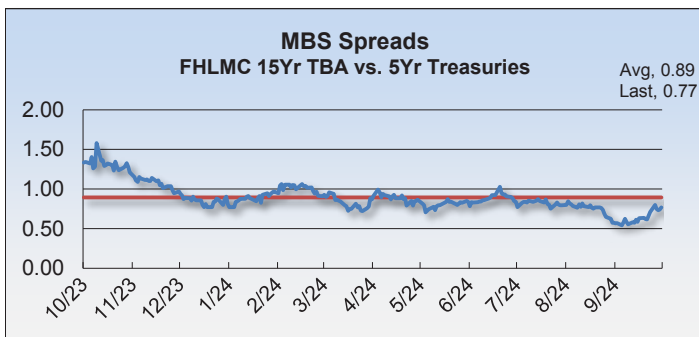
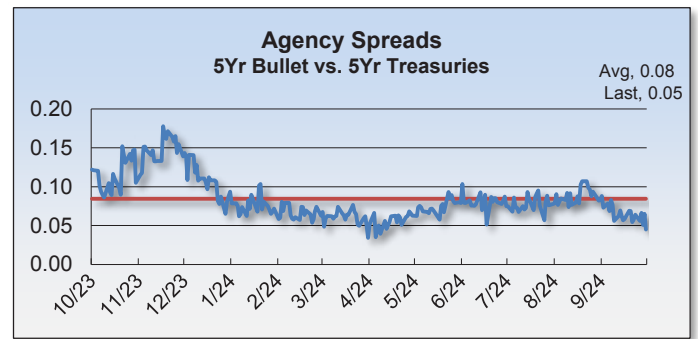
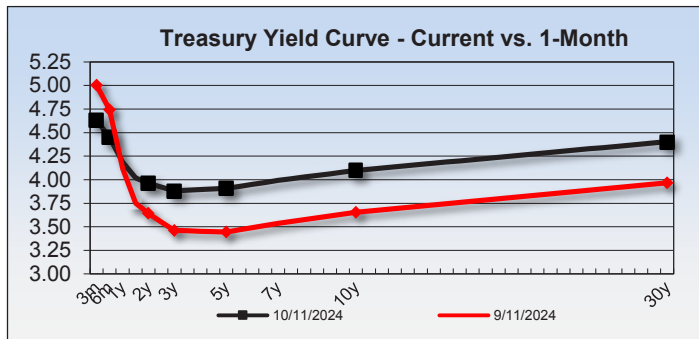
We received a little more insight from the FOMC meeting minutes on what was discussed specifically when the Federal Reserve cut rates last month. It turned first to a review of the development of the financial markets. "Nominal treasury yields declined notably over the period, driven by weaker than expected data releases, especially the July employment report in early August" stated the minutes. They also discussed elevated market volatility in early August, policy expectations, international developments, money markets, and desk operations. We also read that Federal Governor Michelle Bowman preferred in this meeting to lower the target range for the federal funds rate by 25 basis points to 5 – 5.25% in light of core inflation remaining well above the committee's objective which is a labor market that is near full employment and solid underlying growth. She also expressed her concern that the committee's large policy action could be seen as premature declaration of victory on the price stability part of a dual mandate.

CPI numbers were released this week. Both the headline and the core CPI came in at 0.1% point higher than forecast for the month with a 0.2% increase in the headline index and a 0.3% rise in the core. Food prices helped propel the headline figure, which came in hot even as gasoline and energy costs more broadly declined. The core figure was driven by the service costs. On an annual basis, the headline index rose 2.4% in September, slightly less than 2.5% the month before, while the core figure accelerated for the first time in 1 ½ years, to 3.3% from 3.2%.

Weekly jobless claims came out on Thursday and showed a much bigger than expected increase of 258,000, against the median forecast of 230,000. The states that had the most claims increase was Michigan which came in first due mostly to layoffs and followed by North Carolina, California, Florida, Indiana, Kentucky, and Tennessee. On an unadjusted basis, more than half of the advance was tied to states affected by hurricane Helene, including North Carolina and Florida. The jobless claims data are likely in for a stretch of volatility in the wake of the hurricanes Milton and Helene. Complicating efforts by the Federal Reserve to accurately gauge underlying developments in the US labor market.

Next week we see some more information on Monthly Budget Statements, Empire Manufacturing, NY Fed 1 year Inflation expectations, Import and Export Price Index numbers, retail sales information, and the NAHB Housing Market Index. Have a good long weekend everyone! Enjoy your fall break and OU/Texas weekend!

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 <sup>2</sup>	S-Corp <sup>3</sup>			3Mo	6mo	1Yr	2Yr	
3mo	4.63	0.01	5.01	5.40	5.50	2yr	4.01	3.79	3.42	3.64	4.13	2Yr					
6mo	4.45	(0.00)	4.75	5.36	5.56	3yr	3.93	3.67	3.32	3.53	4.13	3Yr					
1yr	4.18	0.00	4.12	5.16	5.37	5yr	3.99	3.59	3.37	3.59	4.12	5Yr					
2yr	3.96	0.04	3.64	4.96	4.98	7yr	4.12	3.59	3.56	3.78	4.31	7Yr					
3yr	3.88	0.05	3.46	4.80	4.85	10yr	4.28	3.63	3.85	4.10	4.54	10Yr					
5yr	3.91	0.10	3.44	4.63	4.58	15yr	4.45	3.70	4.17	4.44	4.69						
7yr	3.99	0.13	3.54	4.62	4.59	20yr	4.61	3.71	4.69	4.99	5.17	Cpn					November TBA MBS
10yr	4.10	0.13	3.65	4.59	4.56	25yr	4.77	3.65	4.91	5.22	5.23	2.50	15Yr -Yld/AL		30Yr -Yld/AL		
30yr	4.40	0.15	3.97	4.68	4.70	30yr		3.58	5.12	5.45	5.28	3.00	4.81	5.0y	4.77		
* Interpolated													3.50	4.49	4.8y	4.93	9.3y
													4.00	4.47	4.8y	4.97	8.9y
													4.50			5.07	9.3y
													5.00			5.25	7.8y
Key Market Indices																	
		1Wk	Historical														

\* Interpolated

Key Market Indices					
Index	Current	1Wk Change	Historical		
			1 Mo	6 Mo	1 Yr
Fed Funds	5.00	--	5.50	5.50	5.50
Primary Discount	5.00	--	5.50	5.50	5.50
2ndary Discount	5.50	--	6.00	6.00	6.00
Prime Rate	8.00	--	8.50	8.50	8.50
Sec. O.N. Finance	4.82	(0.03)	5.33	5.31	--
1 Month LIBOR	4.96	(0.01)	5.31	5.44	5.43
3 Month LIBOR	4.85	(0.08)	5.28	5.56	5.66
6 Month LIBOR	4.68	(0.08)	5.14	5.65	5.90
1 Year LIBOR	6.04	0.12	5.73	5.48	3.62
6 Month CD	4.55	0.11	4.69	5.39	5.74
1 Year CMT	4.22	0.20	4.07	5.19	5.37
REPO O/N	4.88	(0.01)	5.42	5.37	5.37
REPO 1Wk	4.87	(0.00)	5.34	5.39	5.37
CoF Federal	3.988	--	4.003	3.889	3.698
11th D. CoF (Aug)	3.259	--	3.274	3.160	2.969

FHLB Fixed Advance Rates				Fed Fund Futures	
Maturity	Chicago	Boston	Topeka	Maturity	Rate
3mo	4.81	4.84	4.84	Oct-24	4.828
6mo	4.58	4.60	4.63	Nov-24	4.665
1yr	4.30	4.29	4.43	Dec-24	4.515
2yr	4.06	4.11	4.16	Jan-25	4.365
3yr	3.99	4.04	4.08	Feb-25	4.175
4yr	4.02	4.08	4.11	Mar-25	4.085
5yr	4.03	4.09	4.11	Apr-25	3.940
7yr	4.29	4.36	4.38	May-25	3.815
10yr	4.51	4.60	4.59	Jun-25	3.720
5yr Am	4.15		4.17	Jul-25	3.625
10yr Am	4.21		4.42	Aug-25	3.540

# Baker Market Update

## Week in Review

October 11, 2024

Weekly Economic Calendar						
This Week & Next						
Date	Release	Per.	Est.	Actual	Prior	Revised
10/7	Consumer Credit	Aug	\$12.000b	\$8.929b	<del>\$25.452b</del>	\$26.633b
10/8	NFIB Small Business Optimism	Sep	92.0	91.5	91.2	--
10/8	Trade Balance	Aug	<del>-\$70.5b</del>	<del>-\$70.4b</del>	<del>-\$78.8b</del>	<del>-\$78.9b</del>
10/9	MBA Mortgage Applications	10/4	--	-5.1%	-1.3%	--
10/9	Wholesale Inventories MoM	Aug F	0.2%	0.1%	0.2%	--
10/9	Wholesale Trade Sales MoM	Aug	0.4%	-0.1%	1.1%	--
10/10	CPI MoM	Sep	0.1%	0.2%	0.2%	--
10/10	CPI Ex Food and Energy MoM	Sep	0.2%	0.3%	0.3%	--
10/10	CPI YoY	Sep	2.3%	2.4%	2.5%	--
10/10	CPI Ex Food and Energy YoY	Sep	3.2%	3.3%	3.2%	--
10/10	CPI Index NSA	Sep	314.88	315.30	314.80	--
10/10	CPI Core Index SA	Sep	320.55	320.77	319.77	--
10/10	Real Avg Hourly Earning YoY	Sep	--	1.5%	<del>1.3%</del>	1.4%
10/10	Real Avg Weekly Earnings YoY	Sep	--	0.9%	<del>0.9%</del>	1.0%
10/10	Initial Jobless Claims	10/5	230k	258k	225k	--
10/10	Continuing Claims	9/28	1830k	1861k	<del>1826k</del>	1819k
10/11	PPI Final Demand MoM	Sep	0.1%	0.0%	0.2%	--
10/11	PPI Ex Food and Energy MoM	Sep	0.2%	0.2%	0.3%	--
10/11	PPI Ex Food, Energy, Trade MoM	Sep	0.2%	0.1%	<del>0.3%</del>	0.2%
10/11	PPI Final Demand YoY	Sep	1.6%	1.8%	<del>1.7%</del>	1.9%
10/11	PPI Ex Food and Energy YoY	Sep	2.6%	2.8%	<del>2.4%</del>	2.6%
10/11	PPI Ex Food, Energy, Trade YoY	Sep	--	3.2%	3.3%	--
10/11	U. of Mich. Sentiment	Oct P	71.0	68.9	70.1	--
10/11	U. of Mich. Current Conditions	Oct P	64.0	62.7	63.3	--
10/11	U. of Mich. Expectations	Oct P	74.8	72.9	74.4	--
10/11	U. of Mich. 1 Yr Inflation	Oct P	2.7%	2.9%	2.7%	--
10/11	U. of Mich. 5-10 Yr Inflation	Oct P	3.0%	3.0%	3.1%	--
10/15	Empire Manufacturing	Oct	3.3	--	11.5	--
10/15	NY Fed 1-Yr Inflation Expectations	Sep	--	--	3.0%	--
10/16	New York Fed Services Business Activit	Oct	--	--	0.5	--
10/16	Import Price Index MoM	Sep	-0.3%	--	-0.3%	--
10/16	Import Price Index ex Petroleum MoM	Sep	--	--	-0.1%	--
10/16	Import Price Index YoY	Sep	--	--	0.8%	--
10/16	Export Price Index MoM	Sep	-0.6%	--	-0.7%	--
10/16	Export Price Index YoY	Sep	--	--	-0.7%	--
10/17	Retail Sales Advance MoM	Sep	0.3%	--	0.1%	--
10/17	Retail Sales Ex Auto MoM	Sep	0.1%	--	0.1%	--
10/17	Retail Sales Ex Auto and Gas	Sep	0.3%	--	0.2%	--
10/17	Retail Sales Control Group	Sep	0.4%	--	0.3%	--
10/17	Capacity Utilization	Sep	77.8%	--	78.0%	--
10/17	Manufacturing (SIC) Production	Sep	-0.2%	--	0.9%	--
10/17	Business Inventories	Aug	0.3%	--	0.4%	--
10/17	NAHB Housing Market Index	Oct	43	--	41	--
10/17	Total Net TIC Flows	Aug	--	--	\$156.5b	--
10/17	Net Long-term TIC Flows	Aug	--	--	\$135.4b	--
10/18	Housing Starts	Sep	--	--	1356k	--
10/18	Building Permits	Sep	1450k	--	<del>1475k</del>	1470k

MBS Prepayments <sup>4</sup>						
3-Month CPR						
Type	2.5	3.0	3.5	4.0	4.5	5.0
FN 10y	12.7	14.5	14.7	14.0	15.0	19.0
FH/FN 15y	7.1	7.8	9.2	11.3	17.1	18.9
GN 15y	14.5	16.2	19.7	25.8	35.1	81.1
FH/FN 20y	5.6	6.8	7.4	8.3	10.5	12.4
FH/FN 30y	4.9	4.9	6.4	6.7	6.2	6.4
GN 30y	5.4	8.0	5.6	4.1	6.6	6.7
CPR Projections						
Type	2.5	3.0	3.5	4.0	4.5	5.0
FN 10y	9.8	11.1	12.3	13.3	15.1	19.2
FH/FN 15y	6.8	7.7	8.9	10.5	16.4	19.5
GN 15y	9.3	9.5	11.7	11.5	12.3	12.3
FH/FN 20y	6.1	7.1	7.8	8.8	9.9	12.6
FH/FN 30y	5.6	6.2	6.6	7.6	8.4	10.1
GN 30y	5.9	6.8	7.0	9.7	8.7	9.7

Other Markets					
Index	Current	1Wk Chng	Historical		
			1 Mo	6 Mo	1 Yr
Currencies					
Japanese Yen	149.16	0.46	141.58	153.07	148.71
Euro	1.09	(0.00)	1.10	1.07	1.06
Dollar Index	102.90	0.38	101.68	105.28	105.82
Major Stock Indices					
Dow Jones	42,649	297	40,862	38,459	33,805
S&P 500	5,788.3	37.3	5,554.1	5,199.1	4,377.0
NASDAQ	18,258.4	121	17,395.5	16,442.2	13,659.7
Commodities					
Gold	2,645.5	(0.3)	2,519.0	2,354.8	1,872.8
Crude Oil	75.29	0.91	67.31	85.02	83.49
Natural Gas	2.65	(0.21)	2.27	1.76	3.38
Wheat	605.3	15.5	563.8	551.8	556.0
Corn	420.0	-4.8	380.5	428.8	488.0

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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