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### UPCOMING EVENTS

#### Banks

##### Webinars:

Q3 Bank Trends  
Nov 13, 2024

Q4 IRR Management  
Dec 11, 2024

It was a short week for economic news due to the Veterans Day holiday on Monday. A special thank you to all the Veterans who have served our great country and afford us the freedoms we all hold dear.

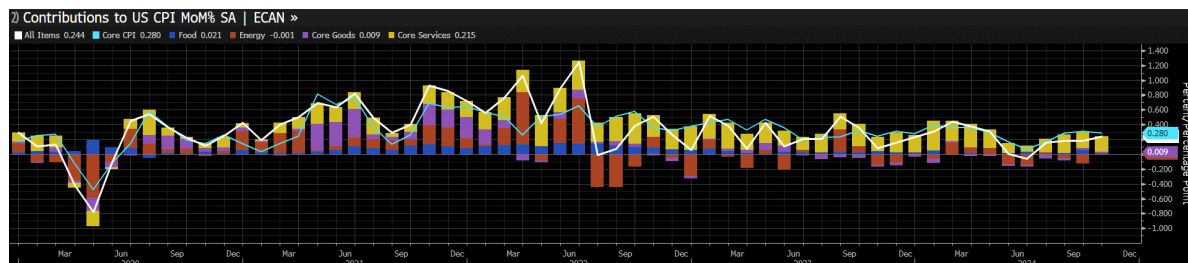
Inflation was the big news for the week. On Wednesday, the Bureau of Labor Statistics (BLS) released its Consumer Price Index (CPI) report for October. The report showed that consumer prices came in exactly as expected, alleviating some traders' fears that inflation would accelerate. CPI rose 0.2% in October (est = 0.2%) and 2.6% from a year ago (est = 2.6%) while Core CPI rose 0.3% (est = 0.3%) and 3.3% from a year ago (est = 3.3%). There were declines in gasoline, fuel oil and apparel prices, while food, transportation, medical care and shelter rose. The shelter component represented more than half of the monthly increase in prices and continues to be the most stubborn portion of core inflation. The closely watched "Supercore" (core services less housing) increased slightly to 4.38%, the first monthly increase since April, indicating core inflation still remains too high for the Fed.

The BLS also released the Producer Price Index (PPI) on Thursday. PPI measures the change in the price of goods as they leave their place of production, making the index a good measure of inflation from the wholesale level. Headline PPI increased 0.2% in October (est = 0.2%) and 2.4% from a year ago (est = 2.3%). Removing more volatile items Food and Energy, the index increase 0.3% (est = 0.2%). Over three-fourths of the overall increase in the headline number came from services with much of that increase coming from prices for portfolio management.

Retail Sales (not adjusted for inflation) advanced 0.4% MoM (est = 0.3%) with nearly three-fourths of that increase coming from the volatile Motor Vehicle component. The Retail Sales Control Group, which strips out the more volatile categories of consumer spending declined -0.1% (est = 0.3%).

All in all, this week's data was largely in-line with expectations, but will likely be somewhat disappointing to Fed Officials as price growth remains above a pace that is consistent with the Fed's target of 2% inflation. As of the time of this writing, markets were still projecting a 62% chance of a 25bp rate cut in December. Looking ahead to next week, we'll get a look at Housing Starts, Leading Economic Indicators, and Consumer Sentiment.

Have a great weekend!



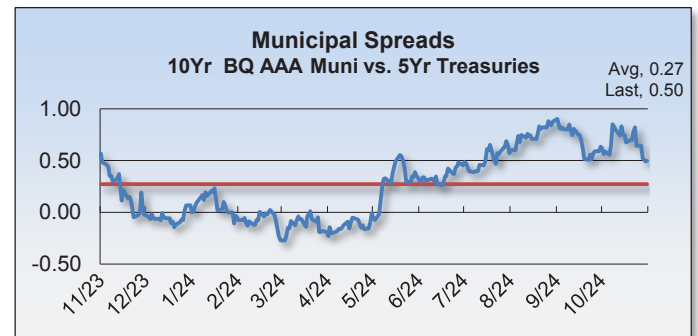
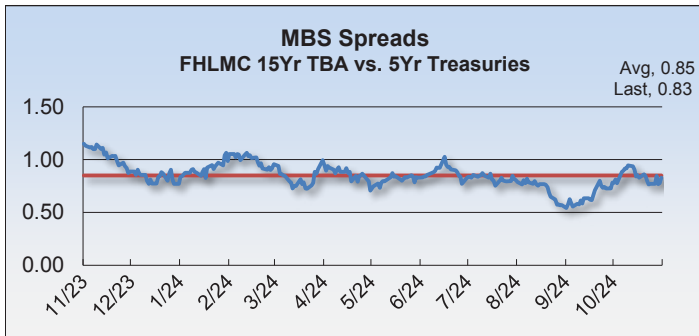
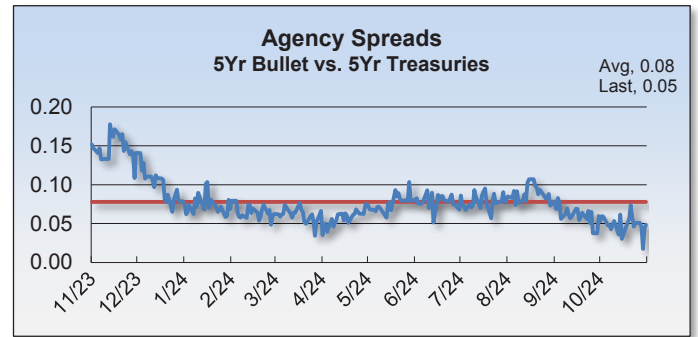
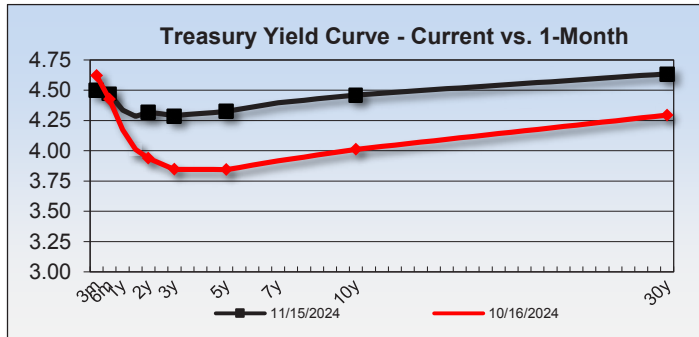
Source: Bloomberg, L.P.

# Baker Market Update

## Week in Review

The Baker Group

November 15, 2024



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	4.50	(0.03)	4.63	5.40	5.42	2yr	4.32	4.11	3.68	3.92	4.42	2Yr					
6mo	4.47	0.03	4.44	5.36	5.44	3yr	4.29	4.03	3.58	3.81	4.43	3Yr					
1yr	4.34	0.03	4.18	5.09	5.27	5yr	4.31	3.96	3.70	3.93	4.45	5Yr					
2yr	4.32	0.06	3.95	4.72	4.91	7yr	4.39	3.94	3.86	4.11	4.63	7Yr					
3yr	4.29	0.09	3.86	4.50	4.78	10yr	4.46	3.95	4.12	4.38	4.82	10Yr					
5yr	4.32	0.13	3.86	4.35	4.52	15yr	4.53	3.99	4.42	4.71	4.97						December TBA MBS
7yr	4.40	0.15	3.93	4.34	4.56	20yr	4.59	3.97	4.90	5.22	5.31	Cpn	15Yr -Yld/AL		30Yr -Yld/AL		
10yr	4.46	0.16	4.03	4.34	4.53	25yr	4.65	3.89	5.10	5.43	5.37	3.00	5.51	5.0y	5.35		
30yr	4.64	0.17	4.32	4.50	4.70	30yr		3.80	5.31	5.65	5.42	3.50	5.17	5.0y			
* Interpolated													4.00	5.03	5.0y	5.39	9.2y
													4.50	5.00	5.1y	5.47	9.4y
													5.00			5.58	8.6y
													5.50			5.73	7.0y

\* Interpolated

Key Market Indices					
Index	Current	1Wk Change	Historical		
			1 Mo	6 Mo	1 Yr
Fed Funds	4.75	--	5.00	5.50	5.50
Primary Discount	4.75	(0.25)	5.00	5.50	5.50
2ndary Discount	5.25	(0.25)	5.50	6.00	6.00
Prime Rate	7.75	--	8.00	8.50	8.50
Sec. O.N. Finance	4.58	(0.24)	4.81	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	4.51	0.04	4.55	5.39	5.62
1 Year CMT	4.36	0.08	4.18	5.16	5.24
REPO O/N	4.84	--	4.93	5.37	5.37
REPO 1Wk	4.60	(0.04)	4.91	5.35	5.36
CoF Federal	3.942	--	3.988	3.893	3.743
11th D. CoF (Sep)	3.213	--	3.259	3.164	3.014

FHLB Fixed Advance Rates				Fed Fund Futures	
Maturity	Chicago	Boston	Topeka	Maturity	Rate
3mo	4.65	4.68	4.68	Nov-24	4.638
6mo	4.61	4.61	4.65	Dec-24	4.520
1yr	4.54	4.54	4.61	Jan-25	4.430
2yr	4.45	4.49	4.53	Feb-25	4.355
3yr	4.42	4.47	4.50	Mar-25	4.300
4yr	4.45	4.50	4.52	Apr-25	4.210
5yr	4.46	4.52	4.53	May-25	4.150
7yr	4.65	4.72	4.71	Jun-25	4.090
10yr	4.80	4.89	4.86	Jul-25	4.020
5yr Am	4.15		4.57	Aug-25	3.960
10yr Am	4.21		4.75	Sep-25	3.935

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Weekly Economic Calendar						
This Week & Next						
Date	Release	Per.	Est.	Actual	Prior	Revised
11/12	NFIB Small Business Optimism	Oct	92.0	93.7	91.5	--
11/12	NY Fed 1-Yr Inflation Expectations	Oct	3.0%	2.9%	3.0%	--
11/13	CPI YoY	Oct	2.6%	2.6%	2.4%	--
11/13	CPI Ex Food and Energy YoY	Oct	3.3%	3.3%	3.3%	--
11/13	CPI Index NSA	Oct	315.6	315.7	315.3	--
11/13	CPI Core Index SA	Oct	321.6	321.7	320.8	--
11/13	Real Avg Hourly Earning YoY	Oct	--	1.4%	1.5%	1.4%
11/13	Real Avg Weekly Earnings YoY	Oct	--	1.4%	0.9%	1.1%
11/13	Federal Budget Balance	Oct	-\$232.5b	-\$257.5b	\$64.3b	--
11/14	PPI Final Demand YoY	Oct	2.3%	2.4%	1.8%	1.9%
11/14	PPI Ex Food and Energy YoY	Oct	3.0%	3.1%	2.8%	2.9%
11/14	PPI Ex Food, Energy, Trade YoY	Oct	--	3.5%	3.2%	3.3%
11/15	Empire Manufacturing	Nov	0.0	31.2	-11.9	--
11/15	Retail Sales Ex Auto MoM	Oct	0.3%	0.1%	0.5%	1.0%
11/15	Retail Sales Ex Auto and Gas	Oct	0.3%	0.1%	0.7%	1.2%
11/15	Retail Sales Control Group	Oct	0.3%	-0.1%	0.7%	1.2%
11/15	Import Price Index ex Petroleum MoM	Oct	0.1%	0.2%	0.2%	--
11/15	Import Price Index YoY	Oct	0.3%	0.8%	-0.1%	--
11/15	Export Price Index YoY	Oct	-1.7%	-0.1%	-2.4%	-1.9%
11/15	Capacity Utilization	Oct	77.1%	77.1%	77.5%	77.4%
11/15	Manufacturing (SIC) Production	Oct	-0.5%	-0.5%	-0.4%	-0.3%
11/15	Business Inventories	Sep	0.2%	0.1%	0.3%	--
11/18	New York Fed Services Business Activity	Nov	--	--	-2.2	--
11/18	NAHB Housing Market Index	Nov	42.0	--	43.0	--
11/18	Total Net TIC Flows	Sep	--	--	\$79.2b	--
11/18	Net Long-term TIC Flows	Sep	--	--	\$111.4b	--
11/19	Housing Starts	Oct	1335k	--	1354k	--
11/19	Building Permits	Oct	1442k	--	1428k	1425k
11/19	Housing Starts MoM	Oct	-1.4%	--	-0.5%	--
11/19	Building Permits MoM	Oct	1.2%	--	-2.9%	-3.1%
11/20	MBA Mortgage Applications	11/15	--	--	0.5%	--
11/21	Philadelphia Fed Business Outlook	Nov	5.8	--	10.3	--
11/21	Initial Jobless Claims	11/16	--	--	217k	--
11/21	Continuing Claims	11/9	--	--	1873k	--
11/21	Leading Index	Oct	-0.3%	--	-0.5%	--
11/21	Existing Home Sales	Oct	3.93m	--	3.84m	--
11/21	Existing Home Sales MoM	Oct	2.3%	--	-1.0%	--
11/21	Kansas City Fed Manf. Activity	Nov	--	--	-4.0	--
11/22	S&P Global US Manufacturing PMI	Nov P	48.0	--	48.5	--
11/22	S&P Global US Services PMI	Nov P	55.0	--	55.0	--
11/22	S&P Global US Composite PMI	Nov P	--	--	54.1	--
11/22	U. of Mich. Sentiment	Nov F	73.0	--	73.0	--
11/22	U. of Mich. Current Conditions	Nov F	--	--	64.4	--
11/22	U. of Mich. Expectations	Nov F	--	--	78.5	--
11/22	U. of Mich. 1 Yr Inflation	Nov F	--	--	2.6%	--
11/22	U. of Mich. 5-10 Yr Inflation	Nov F	--	--	3.1%	--
11/22	Kansas City Fed Services Activity	Nov	--	--	5.0	--

MBS Prepayments <sup>4</sup>						
3-Month CPR						
Type	3.0	3.5	4.0	4.5	5.0	5.5
FN 10y	14.7	14.3	13.6	15.1	20.2	23.4
FH/FN 15y	7.9	8.7	12.2	19.4	19.5	62.1
GN 15y	16.6	19.9	26.2	35.9	79.5	61.4
FH/FN 20y	6.9	7.5	8.4	10.6	13.9	19.8
FH/FN 30y	5.5	6.4	6.1	5.6	7.6	8.5
GN 30y	6.6	5.3	5.3	6.8	6.8	7.1
CPR Projections						
Type	3.0	3.5	4.0	4.5	5.0	5.5
FN 10y	11.8	12.5	11.9	11.7	13.2	15.0
FH/FN 15y	7.4	8.2	9.4	11.2	12.3	30.0
GN 15y	7.4	7.7	8.1	9.7	8.7	9.5
FH/FN 20y	7.3	8.2	9.0	10.2	11.4	15.1
FH/FN 30y	5.8	6.1	7.0	7.6	8.4	10.0
GN 30y	5.5	5.5	5.7	6.9	6.8	7.4

Other Markets					
Index	Current	1Wk Chng	Historical		
			1 Mo	6 Mo	1 Yr
Currencies					
Japanese Yen	154.95	2.31	149.20	154.88	151.36
Euro	1.05	(0.02)	1.09	1.09	1.08
Dollar Index	106.78	1.78	103.26	104.35	104.39
Major Stock Indices					
Dow Jones	43,434	(555)	42,740	39,908	34,991
S&P 500	5,881.7	(113.9)	5,815.3	5,308.2	4,502.9
NASDAQ	18,732.9	(554)	18,315.6	16,742.4	14,103.8
Commodities					
Gold	2,573.7	(121.1)	2,678.9	2,394.9	1,964.3
Crude Oil	68.12	(2.26)	70.58	78.63	76.66
Natural Gas	2.77	0.10	2.50	2.42	3.19
Wheat	536.8	-35.8	579.5	665.8	560.5
Corn	420.8	-10.3	401.3	462.5	470.8

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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