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UPCOMING EVENTS

2025 Destination Seminar

Austin, TX
May 8, 2025

Banks

Webinars:

Q4 IRR Management
Dec 11, 2024

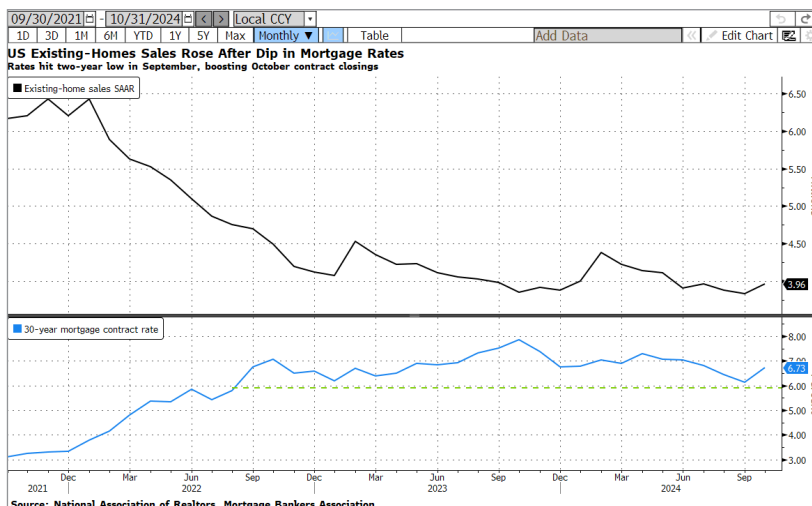
With a light data docket this week, much of the trading activity has been dominated by geopolitical rumblings abroad and speculation about the dynamics of President-elect Donald Trump's incoming administration. Flight to safety trades emerged early in the week after Ukraine made use of its new permission from Washington to use U.S.-supplied missiles on Russian territory and Moscow responded with nuclear threats. Russian leader Vladimir Putin updated Moscow's military policy and "nuclear doctrine" to allow Moscow to respond with nuclear weapons if it is subject to a conventional missile attack that was supported by a nuclear power.

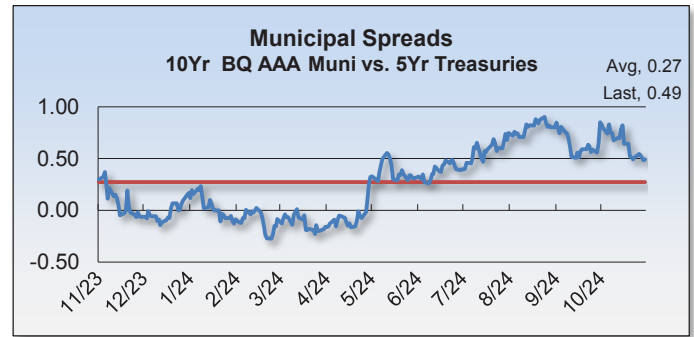
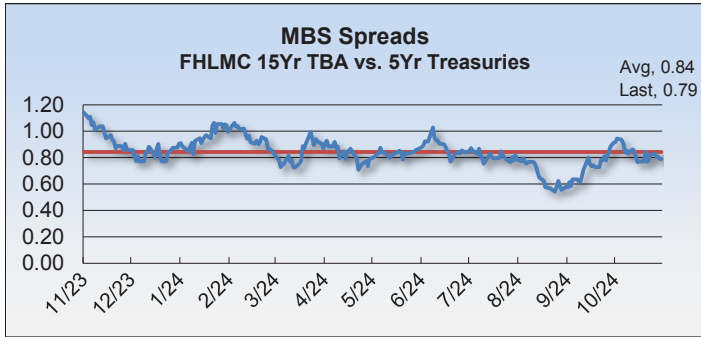
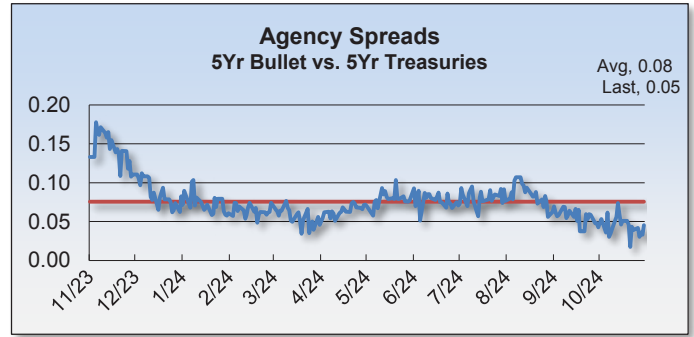
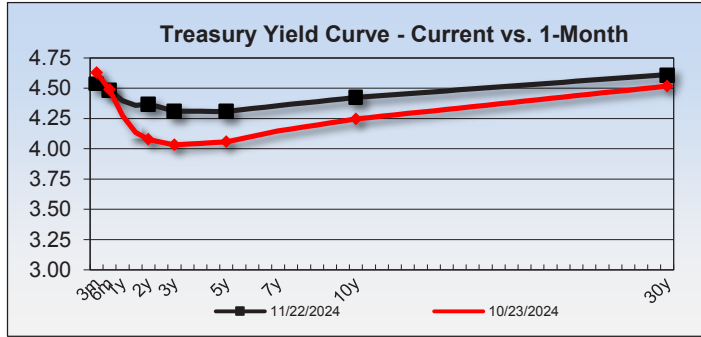
U.S. Treasury yields had already been slipping back from the post-election highs reached as investors considered the tax and tariff plans expected from the incoming administration, sticky inflation readings, and scaled-back Federal Reserve easing bets. That retreat was further fueled by the nuclear sabre-rattling from Russia this week but also aided by speculation that President-elect Trump's pick for Treasury Secretary could land on a relatively familiar face.

Kevin Warsh, a former Fed governor, emerged as a favorite in betting markets early this week, which put his odds of nomination to the top job at the Treasury at 44% on Tuesday. Warsh, who is currently a Visiting Fellow at the Hoover Institution of Stanford University, has a track record of hawkish views on both inflation and deficits and was White House economic policy adviser to President George W. Bush from 2002 to 2006. Markets responded to the idea of a familiar face in stride but odds are constantly shifting and by Thursday afternoon Scott Bessent, founder of the investment firm Key Square Capital Management, had taken the lead with 42% odds.

Housing numbers showed some softness this week with housing starts slumping -3.1% MoM in October to 1.311 million units (at an annual rate). That moderately undercut the consensus estimate of 1.334 million. Building permits also dipped -0.6% to 1.416 million units, shy of the consensus estimate of 1.435 million units. Existing home sales, however, were up in line with economists' median estimates. Sales of previously owned homes rose in October to a 3.96 million annualized rate, up 3.4% from a month earlier.

Next week will be a short one with the Thanksgiving holiday on Thursday and markets typically quiet the Wednesday before and Friday after. However, there are several key readings due for release including the Fed's favorite inflation gage, Personal Consumption Expenditures (PCE), and the second reading of Q3 GDP both due on Wednesday, as well as minutes from November's FOMC meeting due Tuesday. We hope everyone has a very Happy Thanksgiving!





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	4.54	0.04	4.63	5.41	5.42	2yr	4.36	4.11	3.65	3.89	4.48	2Yr						
6mo	4.48	0.01	4.47	5.38	5.46	3yr	4.31	4.02	3.61	3.84	4.47	3Yr						
1yr	4.40	0.07	4.26	5.17	5.26	5yr	4.37	3.92	3.72	3.96	4.46	5Yr						
2yr	4.37	0.06	4.03	4.87	4.90	7yr	4.45	3.89	3.84	4.08	4.63	7Yr						
3yr	4.31	0.04	3.98	4.65	4.75	10yr	4.59	3.90	4.09	4.35	4.83	10Yr						
5yr	4.31	(0.00)	4.01	4.46	4.43	15yr	4.73	3.93	4.40	4.68	4.98		December TBA MBS					
7yr	4.36	(0.02)	4.10	4.44	4.45	20yr	4.87	3.92	4.87	5.19	5.30	Cpn	15Yr -Yld/AL		30Yr -Yld/AL			
10yr	4.42	(0.02)	4.21	4.42	4.41	25yr	5.02	3.84	5.08	5.40	5.36	3.00	5.27	5.0y		5.22		
30yr	4.61	(0.01)	4.50	4.54	4.54	30yr		3.75	5.28	5.62	5.41	3.50	5.00	5.0y				
												4.00	4.91	5.0y		5.29	9.3y	
												4.50	4.93	5.4y		5.38	9.8y	
												5.00				5.53	9.2y	
												5.50				5.71	7.1y	

* 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	--	5.00	5.50	5.50
2ndary Discount	5.25	--	5.50	6.00	6.00
Prime Rate	7.75	--	8.00	8.50	8.50
Sec. O.N. Finance	4.57	(0.01)	4.82	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	4.56	0.05	4.57	5.41	5.62
1 Year CMT	4.39	0.03	4.24	5.14	5.24
REPO O/N	4.84	--	4.88	5.37	5.38
REPO 1Wk	4.64	0.02	4.89	5.39	5.40
CoF Federal	3.834	--	3.942	3.927	3.814
11th D. CoF (Sep)	3.213	--	3.259	3.164	3.014

FHLB Fixed Advance Rates			
Maturity	Chicago	Boston	Topeka
3mo	4.65	4.71	4.70
6mo	4.59	4.61	4.65
1yr	4.49	4.50	4.61
2yr	4.43	4.47	4.51
3yr	4.38	4.43	4.46
4yr	4.39	4.45	4.47
5yr	4.39	4.45	4.46
7yr	4.58	4.65	4.64
10yr	4.73	4.81	4.79
5yr Am	4.15		4.52
10yr Am	4.21		4.69

Fed Fund Futures	
Maturity	Rate
Nov-24	4.640
Dec-24	4.525
Jan-25	4.445
Feb-25	4.390
Mar-25	4.345
Apr-25	4.260
May-25	4.210
Jun-25	4.155
Jul-25	4.090
Aug-25	4.035
Sep-25	4.015

Weekly Economic Calendar						
This Week & Next						
Date	Release	Per.	Est.	Actual	Prior	Revised
11/18	New York Fed Services Business Activit	Nov	--	-0.5	-2.2	--
11/18	NAHB Housing Market Index	Nov	42	46	43	--
11/18	Total Net TIC Flows	Sep	--	\$398.4b	\$79.2b	\$75.9b
11/18	Net Long-term TIC Flows	Sep	--	\$216.1b	\$411.4b	\$108.8b
11/19	Housing Starts	Oct	1334k	1311k	1354k	1353k
11/19	Building Permits	Oct	1435k	1416k	1428k	1425k
11/19	Housing Starts MoM	Oct	-1.5%	-3.1%	-0.5%	-1.9%
11/19	Building Permits MoM	Oct	0.7%	-0.6%	-2.9%	-3.1%
11/20	MBA Mortgage Applications	11/15	--	1.7%	0.5%	--
11/21	Philadelphia Fed Business Outlook	Nov	8.0	-5.5	10.3	--
11/21	Initial Jobless Claims	11/16	220k	213k	217k	219k
11/21	Continuing Claims	11/9	1880k	1908k	1873k	1872k
11/21	Leading Index	Oct	-0.3%	-0.4%	-0.5%	-0.3%
11/21	Existing Home Sales	Oct	3.95m	3.96m	3.84m	3.83m
11/21	Existing Home Sales MoM	Oct	2.9%	3.4%	-1.0%	-1.3%
11/21	Kansas City Fed Manf. Activity	Nov	-5.0	-2.0	-4.0	--
11/22	S&P Global US Manufacturing PMI	Nov P	48.9	48.8	48.5	--
11/22	S&P Global US Services PMI	Nov P	55.0	57.0	55.0	--
11/22	S&P Global US Composite PMI	Nov P	54.3	55.3	54.1	--
11/22	U. of Mich. Sentiment	Nov F	73.9	71.8	73.0	--
11/22	U. of Mich. Current Conditions	Nov F	64.4	63.9	64.4	--
11/22	U. of Mich. Expectations	Nov F	79.0	76.9	78.5	--
11/22	U. of Mich. 1 Yr Inflation	Nov F	2.7%	2.6%	2.6%	--
11/22	U. of Mich. 5-10 Yr Inflation	Nov F	3.1%	3.2%	3.1%	--
11/25	Chicago Fed Nat Activity Index	Oct	--	--	-28.0%	--
11/26	FHFA House Price Index MoM	Sep	--	--	0.3%	--
11/26	House Price Purchase Index QoQ	3Q	--	--	0.9%	--
11/26	S&P CoreLogic CS 20-City MoM SA	Sep	--	--	0.35%	--
11/26	S&P CoreLogic CS 20-City YoY NSA	Sep	--	--	5.20%	--
11/26	S&P CoreLogic CS US HPI YoY NSA	Sep	--	--	4.25%	--
11/26	New Home Sales MoM	Oct	-2.40%	--	4.10%	--
11/26	Conf. Board Consumer Confidence	Nov	112.0	--	108.7	--
11/26	Conf. Board Present Situation	Nov	--	--	138.0	--
11/26	Conf. Board Expectations	Nov	--	--	89.1	--
11/27	GDP Annualized QoQ	3Q S	2.8%	--	2.8%	--
11/27	Personal Consumption	3Q S	--	--	3.7%	--
11/27	GDP Price Index	3Q S	1.8%	--	1.8%	--
11/27	Core PCE Price Index QoQ	3Q S	--	--	2.2%	--
11/27	Retail Inventories MoM	Oct	--	--	0.8%	--
11/27	Durables Ex Transportation	Oct P	0.2%	--	0.5%	--
11/27	Cap Goods Ship Nondef Ex Air	Oct P	--	--	-0.1%	--
11/27	MNI Chicago PMI	Nov	45.0	--	41.6	--
11/27	Personal Income	Oct	0.3%	--	0.3%	--
11/27	Real Personal Spending	Oct	--	--	0.4%	--
11/27	PCE Price Index YoY	Oct	2.3%	--	2.1%	--
11/27	Core PCE Price Index YoY	Oct	--	--	2.7%	--
11/27	Pending Home Sales NSA YoY	Oct	--	--	2.2%	--

MBS Prepayments ⁴						
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	10.3	11.6	12.3	14.1	16.9	18.7
FH/FN 15y	7.2	8.2	9.6	15.3	14.8	21.7
GN 15y	8.9	11.3	11.0	12.0	11.6	14.9
FH/FN 20y	6.0	6.9	7.9	9.0	11.2	13.3
FH/FN 30y	5.7	6.1	7.0	7.7	8.5	10.7
GN 30y	6.4	6.5	8.8	7.7	9.0	9.8

Other Markets					
Index	Current	1Wk Chng	Historical		
			1 Mo	6 Mo	1 Yr
Currencies					
Japanese Yen	154.79	0.49	150.85	156.43	148.90
Euro	1.04	(0.01)	1.08	1.08	1.09
Dollar Index	107.59	0.90	104.08	104.93	103.92
Major Stock Indices					
Dow Jones	44,174	729	42,925	39,671	35,273
S&P 500	5,970.8	100.1	5,851.2	5,307.0	4,556.6
NASDAQ	18,978.5	298	18,573.1	16,801.5	14,265.9
Commodities					
Gold	2,695.9	125.8	2,744.2	2,392.9	1,992.8
Crude Oil	70.57	3.55	72.09	77.57	77.10
Natural Gas	3.14	0.32	2.31	2.84	2.90
Wheat	545.3	8.8	576.0	693.0	555.8
Corn	428.3	4.3	416.5	461.3	468.8

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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