

# Baker Market Update

## Week In Review

April 17, 2025

The  
**BakerGroup**



**Carson Francis**  
Financial Analyst

### UPCOMING EVENTS

#### 2025 Destination Seminar

Austin, TX  
May 8–9, 2025

#### Banks

##### Webinars:

Q1 Bank Trends  
May 14, 2025

##### Seminars:

KS Seminar  
May 22, 2025

IA Seminar  
Jun 17, 2025

NE Seminar  
Jun 18, 2025

ND Seminar  
Jul 15, 2025

WI Seminar  
Jul 24, 2025

IL Seminar  
Aug 04, 2025

OH Seminar  
Oct 01, 2025

MI Seminar  
Oct 02, 2025

#### Banks and CUs

##### Schools:

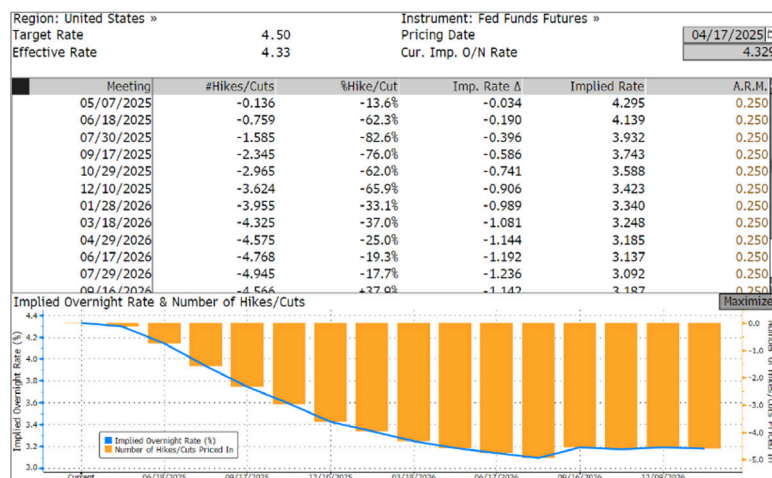
ALM School  
Apr 24–25, 2025

Short trading week, with Good Friday closing the markets earlier than usual. Good Friday is not the only testament of faith that is taking place in recent or upcoming events. This past Sunday, Rory McIlroy's completed the ever so sought-after Career Grand Slam at this year's Masters, overcoming an 11-year major drought. This mirrors resilience investors are exhibiting amid recent financial market turbulence. Despite significant market volatility triggered by new U.S. tariffs and escalating trade tensions, many investors are holding their positions, reflecting a belief in long-term recovery. Just as McIlroy persevered through setbacks to achieve the Grand Slam, market participants are maintaining confidence that despite recent events, American exceptionalism is not dead.

On Wednesday April 16th, Jerome Powell addressed the Economic Club of Chicago, highlighting challenges posed by recent U.S. trade policies. Persistent short-term volatility in financial markets following President Donald Trump's "Liberation Day" has fueled speculation that the Federal Reserve might soon respond by lowering its key interest rate or intervening through open market operations. Federal Reserve Chairman, Jerome Powell, expeditiously talked down rate cuts in the near future, quoting "As we gain a better understanding of the policy changes, we will have a better sense of the implications for the economy, and hence for monetary policy". As expected, the temporary effects of tariffs were a major talking point during his speech, with concerns of high inflation and slower growth echoed for the near term. The chairman did offer some reprieve for long-term investors and consumer alike, mentioning that "Survey measures of longer-term inflation expectations, for the most part, appear to remain well anchored; market-based break evens continue to run close to 2 percent".

Tensions sparked by the new administration are clearly visible in the world's most liquid markets, foreign exchange, where periods of political uncertainty often trigger sharp movements in currency values. The U.S. Dollar Index (DXY), which tracks the dollar's value against a basket of six major currencies, including the euro, yen, pound, Canadian dollar, Swedish krona, and Swiss franc, has recently experienced significant downward pressure. Since the beginning of this month, DXY has traded down roughly five percent over the past 17 days. Despite Powell's, previous and most recent comments, regarding future monetary policy being "data dependent" traders may be overlooking statements from the central bank executive. This is evident in the Fed Funds Futures market, where the implied rate for year-end 2025 dropped from 3.56% on Trump's "Day of Liberation" to 3.42% today, a decline of 14 basis points.

Next week we have a full slate of Federal Reserve executives set to speak on the outlook of the future U.S. economy, as well as data prints regarding trade, retail sales, business activity and employment. Have a good weekend everyone!



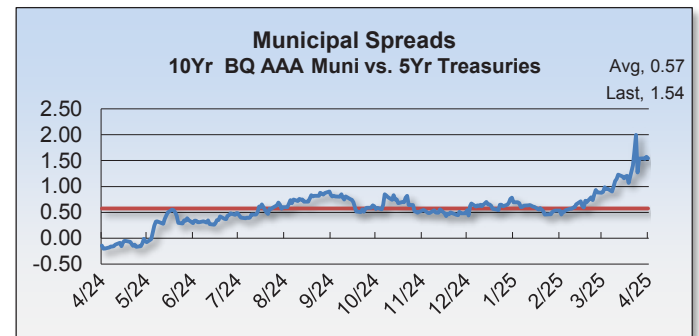
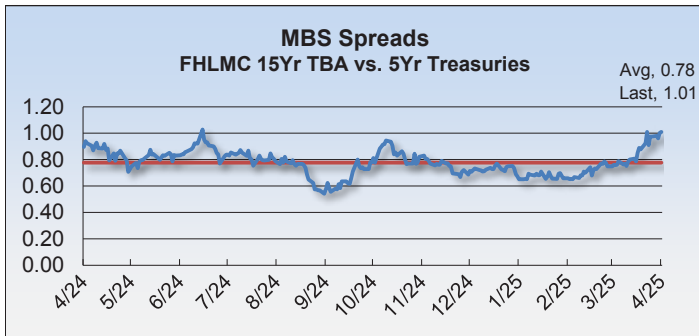
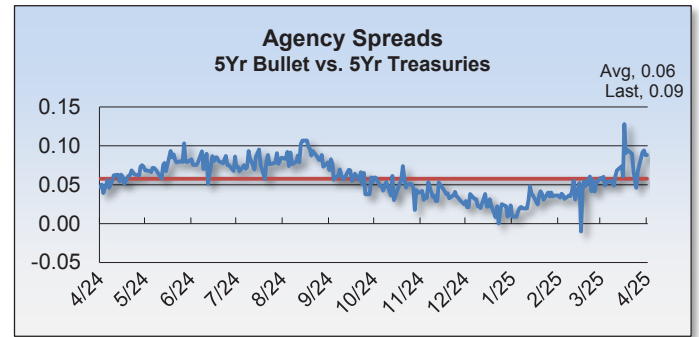
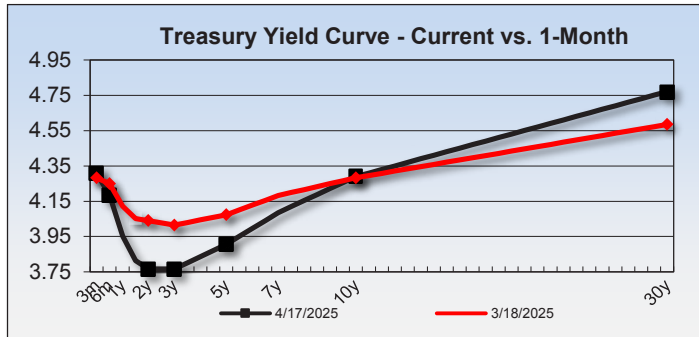
Source: Bloomberg, L.P.

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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	4.31	(0.01)	4.29	4.64	5.41	2yr	3.86	3.52	4.27	4.54	3.97	2Yr				
6mo	4.18	0.02	4.26	4.45	5.36	3yr	3.84	3.46	4.30	4.57	3.98	3Yr				
1yr	3.95	(0.03)	4.11	4.21	5.16	5yr	4.03	3.53	4.45	4.74	4.11	5Yr				
2yr	3.77	(0.10)	4.05	3.97	4.93	7yr	4.23	3.64	4.59	4.89	4.39	7Yr				
3yr	3.77	(0.15)	4.02	3.89	4.83	10yr	4.52	3.77	4.89	5.20	4.72	10Yr				
5yr	3.90	(0.17)	4.09	3.90	4.62	15yr	4.82	3.93	5.39	5.74	4.86					
7yr	4.09	(0.16)	4.20	3.99	4.61	20yr	5.11	3.98	5.98	6.36	5.42	Cpn	May TBA MBS			
10yr	4.29	(0.14)	4.30	4.09	4.59	25yr	5.40	3.95	6.13	6.53	5.48	3.00	15Yr -Yld/AL		30Yr -Yld/AL	
30yr	4.77	(0.10)	4.59	4.39	4.70	30yr		3.89	6.29	6.69	5.54	3.50	5.02	4.8y	5.25	
* Interpolated																
Key Market Indices																
		1Wk	Historical													

\* Interpolated

Key Market Indices					
Index	Current	1Wk Change	Historical		
			1 Mo	6 Mo	1 Yr
Fed Funds	4.50	--	4.50	5.00	5.50
Primary Discount	4.50	--	4.50	5.00	5.50
2ndary Discount	5.00	--	5.00	5.50	6.00
Prime Rate	7.50	--	7.50	8.00	8.50
Sec. O.N. Finance	4.31	(0.11)	4.30	4.86	--
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	4.28	(0.01)	4.28	4.51	5.39
1 Year CMT	3.96	(0.07)	4.09	4.17	5.18
REPO O/N	4.38	--	4.37	4.91	5.37
REPO 1Wk	4.39	0.01	4.38	4.89	5.39
CoF Federal	3.666	--	3.673	3.988	3.889
11th D. CoF (Feb)	2.937	--	2.944	3.259	3.160

FHLB Fixed Advance Rates			
Maturity	Chicago	Boston	Topeka
3mo	4.45	4.46	4.50
6mo	4.32	4.33	4.37
1yr	4.12	4.12	4.15
2yr	3.90	3.94	4.02
3yr	3.91	3.96	4.05
4yr	3.99	4.04	4.12
5yr	4.08	4.12	4.21
7yr	4.37	4.44	4.50
10yr	4.66	4.74	4.78
5yr Am	4.15		4.17
10yr Am	4.21		4.53

Fed Fund Futures	
Maturity	Rate
Apr-25	4.330
May-25	4.300
Jun-25	4.235
Jul-25	4.130
Aug-25	3.930
Sep-25	3.845
Oct-25	3.720
Nov-25	3.580
Dec-25	3.470
Jan-26	3.405
Feb-26	3.335

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Weekly Economic Calendar						
This Week & Next						
Date	Release	Per.	Est.	Actual	Prior	Revised
4/14	NY Fed 1-Yr Inflation Expectations	Mar	3.26%	3.58%	3.13%	--
4/15	Empire Manufacturing	Apr	-13.5	-8.1	-20.0	--
4/15	Import Price Index MoM	Mar	0.0%	-0.1%	0.4%	0.2%
4/15	Import Price Index ex Petroleum MoM	Mar	0.3%	0.0%	0.4%	0.1%
4/15	Import Price Index YoY	Mar	1.4%	0.9%	2.0%	1.6%
4/15	Export Price Index MoM	Mar	0.0%	0.0%	0.4%	0.5%
4/15	Export Price Index YoY	Mar	1.8%	2.4%	2.4%	2.6%
4/16	MBA Mortgage Applications	4/11	--	-8.5%	20.0%	--
4/16	Retail Sales Advance MoM	Mar	1.4%	1.4%	0.2%	--
4/16	Retail Sales Ex Auto MoM	Mar	0.4%	0.5%	0.3%	0.7%
4/16	Retail Sales Ex Auto and Gas	Mar	0.6%	0.8%	0.5%	0.8%
4/16	Retail Sales Control Group	Mar	0.6%	0.4%	1.0%	1.3%
4/16	New York Fed Services Business Activity	Apr	-12.1	-19.8	-19.3	--
4/16	Industrial Production MoM	Mar	-0.2%	-0.3%	0.7%	0.8%
4/16	Capacity Utilization	Mar	77.9%	77.8%	78.2%	--
4/16	Manufacturing (SIC) Production	Mar	0.2%	0.3%	0.9%	1.0%
4/16	Business Inventories	Feb	0.2%	0.2%	0.3%	--
4/16	NAHB Housing Market Index	Apr	38	40	39	--
4/16	Net Long-term TIC Flows	Feb	--	\$112.0b	-\$45.2b	-\$42.2b
4/16	Total Net TIC Flows	Feb	--	\$284.7b	-\$48.8b	-\$46.6b
4/17	Housing Starts	Mar	1420k	1324k	1504k	1494k
4/17	Housing Starts MoM	Mar	-5.4%	-11.4%	11.2%	9.8%
4/17	Building Permits	Mar P	1450k	1482k	1459k	--
4/17	Building Permits MoM	Mar P	-0.6%	1.6%	-1.0%	--
4/17	Philadelphia Fed Business Outlook	Apr	2.2	-26.4	12.5	--
4/17	Initial Jobless Claims	4/12	225k	215k	223k	224k
4/17	Initial Claims 4-Wk Moving Avg	4/12	--	221k	223k	223k
4/17	Continuing Claims	4/5	1870k	1885k	1850k	1844k
4/21	Leading Index	Mar	-0.4%	--	-0.3%	--
4/22	Philadelphia Fed Non-Manufacturing Activity	Apr	--	--	-32.5	--
4/23	S&P Global US Manufacturing PMI	Apr P	--	--	50.2	--
4/23	S&P Global US Services PMI	Apr P	--	--	54.4	--
4/23	S&P Global US Composite PMI	Apr P	--	--	53.5	--
4/23	New Home Sales	Mar	683k	--	676k	--
4/23	New Home Sales MoM	Mar	1.0%	--	1.8%	--
4/24	Chicago Fed Nat Activity Index	Mar	--	--	18.0%	--
4/24	Durable Goods Orders	Mar P	1.5%	--	1.0%	--
4/24	Durables Ex Transportation	Mar P	0.3%	--	0.7%	--
4/24	Cap Goods Orders Nondef Ex Air	Mar P	0.2%	--	-0.2%	--
4/24	Cap Goods Ship Nondef Ex Air	Mar P	--	--	0.8%	--
4/24	Existing Home Sales	Mar	4.13m	--	4.26m	--
4/24	Existing Home Sales MoM	Mar	-3.1%	--	4.2%	--
4/25	U. of Mich. Sentiment	Apr F	--	--	50.8	--
4/25	U. of Mich. Current Conditions	Apr F	--	--	56.5	--
4/25	U. of Mich. Expectations	Apr F	--	--	47.2	--
4/25	U. of Mich. 1 Yr Inflation	Apr F	--	--	6.7%	--
4/25	U. of Mich. 5-10 Yr Inflation	Apr F	--	--	4.4%	--

MBS Prepayments <sup>4</sup>						
3-Month CPR						
Type	3.0	3.5	4.0	4.5	5.0	5.5
FN 10y	14.4	16.1	14.6	13.9	18.2	21.1
FH/FN 15y	7.8	9.3	12.7	16.2	12.9	12.6
GN 15y	23.4	27.1	36.8	55.8	59.8	-1.0
FH/FN 20y	6.3	7.1	7.9	10.4	10.3	17.4
FH/FN 30y	5.0	5.6	5.4	5.1	6.0	
GN 30y	5.6	5.4	5.2	5.8	6.5	7.3
CPR Projections						
Type	3.0	3.5	4.0	4.5	5.0	5.5
FN 10y	10.6	11.8	12.5	14.5	17.2	18.9
FH/FN 15y	7.5	8.6	9.8	16.1	14.6	19.6
GN 15y	8.9	11.3	11.2	13.1	12.2	15.9
FH/FN 20y	6.6	6.6	7.7	8.8	12.0	12.9
FH/FN 30y	5.8	6.0	6.8	7.6	8.2	10.4
GN 30y	6.2	6.4	7.7	7.4	8.8	9.6

Other Markets					
Index	Current	1Wk Chng	Historical		
			1 Mo	6 Mo	1 Yr
Currencies					
Japanese Yen	142.14	(1.40)	149.65	149.53	154.45
Euro	1.14	0.00	1.09	1.09	1.07
Dollar Index	99.45	(1.42)	103.37	103.83	105.95
Major Stock Indices					
Dow Jones	39,194	(400)	41,842	43,239	37,753
S&P 500	5,305.8	37.8	5,675.1	5,841.5	5,022.2
NASDAQ	16,319.8	(68)	17,808.7	18,373.6	15,683.4
Commodities					
Gold	3,311.0	155.8	3,006.1	2,691.0	2,371.7
Crude Oil	63.26	3.19	67.58	70.67	82.69
Natural Gas	3.26	(0.30)	4.02	2.35	1.71
Wheat	553.8	15.8	568.5	589.5	537.0
Corn	484.5	1.5	461.0	406.8	430.3

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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