

# Baker Market Update

## Week In Review

April 25, 2025



**Ryan Hayhurst**  
President

Relative calm returned to the bond market this week after several weeks of extreme volatility triggered by Trump's introduction of the highest tariffs in more than a century on virtually every country in the world. The ever-escalating trade war and Trump's threats to fire Federal Reserve Chairman Powell had some market participants worrying the dollar could lose its reserve currency status and US Treasuries might be at risk of losing their safe-haven status as the world's largest risk-free asset. Adding to those fears were rumors that large holders of US bonds like China and Japan were selling long Treasuries in an effort to "punish" the US by driving up long-term interest rates. The result was a 50bp surge in the 10yr yield at the beginning of April that spooked markets worldwide. But this week the administration seemed to get the message and made a concerted effort to calm the bond market. Trump and Treasury Secretary Bessent announced the US had trade proposals from 18 countries and was actively working on deals with China, Japan and India among others. They even announced they could lower tariffs on China as a sign of their willingness to negotiate. That alone led to rallies in both the stock and bond markets as it was the first sign of de-escalation since tariffs were introduced on China. Adding to the good news, Trump explicitly stated he has no plans to fire Chairman Powell and bonds rallied further. For the week, bond yields fell 2-7bp and the 10yr has now recovered about half of its early April selloff.

The economic data was a mixed bag this week. New Home Sales surged 7.4% on lower prices while Existing Home Sales fell 5.9%, the most since 2022. Durable Goods Orders surged 9.2%, but were flat after excluding the volatile transportation sector. We got much worse than expected regional economic indices from the Chicago, Philadelphia and Richmond Federal Reserves. Finally, Leading Economic Indicators fell by a larger than expected 0.7% as consumer sentiment, stock prices, and new order all pointed to weaker growth ahead.

Next is absolutely packed with economic data that has a chance to bring volatility back to the markets. Here's an abbreviated list of the biggest releases to pay attention to and the current estimate: JOLTS Job Openings (7.49mm), ADP (+125k), Q1 GDP (+0.3%), PCE (2.2%) and Core PCE (2.6%), ISM Manufacturing (48.0), Non-Farm Payrolls (+125k) and Unemployment (4.2%).

### Fed Funds Futures Rate Cut Probabilities

|              | CME FEDWATCH TOOL - CONDITIONAL MEETING PROBABILITIES |         |         |         |         |         |         |         |         |         |
|--------------|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| MEETING DATE | 200-225   | 225-250 | 250-275 | 275-300 | 300-325 | 325-350 | 350-375 | 375-400 | 400-425 | 425-450 |
| 5/7/2025     |   |         |         |         | 0.0%    | 0.0%    | 0.0%    | 0.0%    | 6.8%    | 93.2%   |
| 6/18/2025    | 0.0%  | 0.0%    | 0.0%    | 0.0%    | 0.0%    | 0.0%    | 0.0%    | 4.0%    | 58.0%   | 38.0%   |
| 7/30/2025    | 0.0%  | 0.0%    | 0.0%    | 0.0%    | 0.0%    | 0.0%    | 3.1%    | 45.3%   | 42.7%   | 8.9%    |
| 9/17/2025    | 0.0%  | 0.0%    | 0.0%    | 0.0%    | 0.0%    | 2.4%    | 36.1%   | 43.3%   | 16.3%   | 2.0%    |
| 10/29/2025   | 0.0%  | 0.0%    | 0.0%    | 0.0%    | 1.4%    | 22.5%   | 40.4%   | 27.1%   | 7.7%    | 0.8%    |
| 12/10/2025   | 0.0%  | 0.0%    | 0.0%    | 0.9%    | 15.1%   | 34.1%   | 31.8%   | 14.6%   | 3.2%    | 0.3%    |

Source: CME Group

### 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

#### CUs

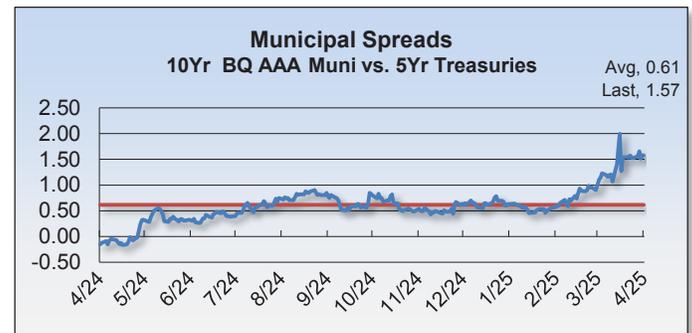
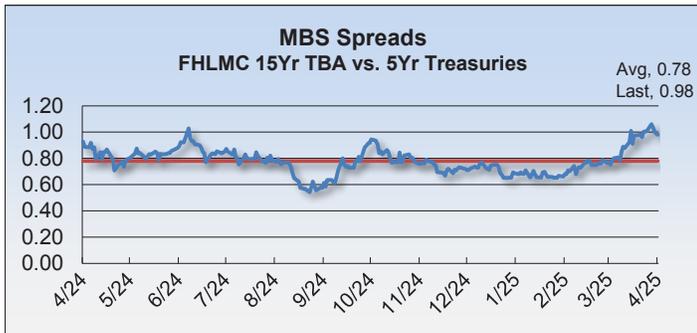
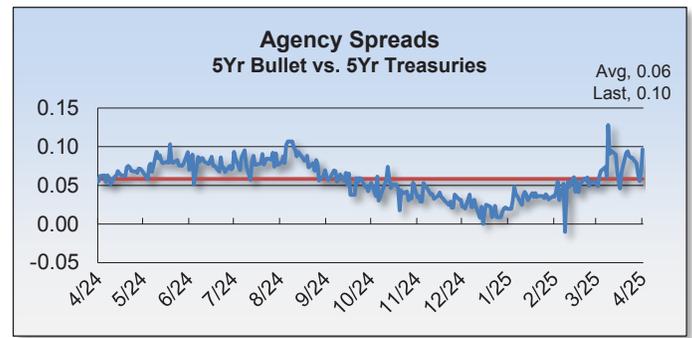
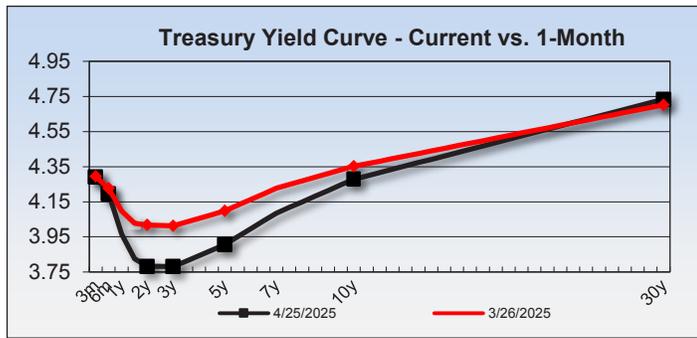
##### Seminars:

MI CU Seminar  
Sep 30, 2025

# Baker Market Update

## Week In Review

April 25, 2025



| Treasury Market -- Historical |         |            |            |      |      | Fixed Rate Market |               |         |                     |                     |          |      |                     |      |              |      |
|-------------------------------|---------|------------|------------|------|------|-------------------|---------------|---------|---------------------|---------------------|----------|------|---------------------|------|--------------|------|
| Maty                          | Current | 1Wk Change | Historical |      |      | Maty /AL          | N-Call Agency | US Swap | AAA BQ Muni         |                     | Tax Muni | Mty  | Agency Calls - Euro |      |              |      |
|                               |         |            | 1 Mo       | 6 Mo | 1 Yr |                   |               |         | C-Corp <sup>2</sup> | S-Corp <sup>3</sup> |          |      | 3Mo                 | 6mo  | 1Yr          | 2Yr  |
| 3mo                           | 4.29    | (0.03)     | 4.28       | 4.64 | 5.41 | 2yr               | 3.79          | 3.54    | 4.20                | 4.47                | 3.97     | 2Yr  |                     |      |              |      |
| 6mo                           | 4.20    | (0.00)     | 4.23       | 4.53 | 5.39 | 3yr               | 3.78          | 3.48    | 4.23                | 4.50                | 3.99     | 3Yr  |                     |      |              |      |
| 1yr                           | 3.96    | (0.01)     | 4.09       | 4.30 | 5.21 | 5yr               | 3.90          | 3.54    | 4.37                | 4.65                | 4.13     | 5Yr  |                     |      |              |      |
| 2yr                           | 3.78    | (0.02)     | 4.02       | 4.11 | 5.00 | 7yr               | 4.09          | 3.64    | 4.49                | 4.78                | 4.42     | 7Yr  |                     |      |              |      |
| 3yr                           | 3.78    | (0.02)     | 3.99       | 4.05 | 4.91 | 10yr              | 4.25          | 3.76    | 4.82                | 5.13                | 4.75     | 10Yr |                     |      |              |      |
| 5yr                           | 3.91    | (0.03)     | 4.07       | 4.06 | 4.72 | 15yr              | 4.40          | 3.92    | 5.35                | 5.69                | 4.89     |      | May TBA MBS         |      |              |      |
| 7yr                           | 4.09    | (0.04)     | 4.19       | 4.15 | 4.73 | 20yr              | 4.56          | 3.97    | 5.95                | 6.33                | 5.44     | Cpn  | 15Yr -Yld/AL        |      | 30Yr -Yld/AL |      |
| 10yr                          | 4.28    | (0.05)     | 4.31       | 4.24 | 4.70 | 25yr              | 4.73          | 3.94    | 6.11                | 6.50                | 5.50     | 3.00 | 5.03                | 4.8y | 5.22         |      |
| 30yr                          | 4.73    | (0.07)     | 4.66       | 4.50 | 4.81 | 30yr              | 3.88          | 3.88    | 6.27                | 6.68                | 5.56     | 3.50 | 4.87                | 4.7y |              |      |
|                               |         |            |            |      |      |                   |               |         |                     |                     |          | 4.00 | 4.76                | 4.7y | 5.27         | 9.1y |
|                               |         |            |            |      |      |                   |               |         |                     |                     |          | 4.50 | 4.78                | 5.0y | 5.35         | 9.3y |
|                               |         |            |            |      |      |                   |               |         |                     |                     |          | 5.00 |                     |      | 5.47         | 8.6y |
|                               |         |            |            |      |      |                   |               |         |                     |                     |          | 5.50 |                     |      | 5.62         | 6.8y |

\* 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  | 4.29    | (0.03)     | 4.31       | 4.83  | --    |
| 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         | 4.29    | 0.02       | 4.31       | 4.51  | 5.36  |
| 1 Year CMT         | 3.97    | (0.02)     | 4.11       | 4.25  | 5.17  |
| REPO O/N           | 4.38    | --         | 4.37       | 4.88  | 5.34  |
| REPO 1Wk           | 4.39    | --         | 4.38       | 4.91  | 5.41  |
| CoF Federal        | 3.661   | --         | 3.666      | 3.942 | 3.893 |
| 11th D. CoF (Feb)  | 2.937   | --         | 2.944      | 3.259 | 3.160 |

| FHLB Fixed Advance Rates |         |        |        |
|--------------------------|---------|--------|--------|
| Maturity                 | Chicago | Boston | Topeka |
| 3mo                      | 4.45    | 4.48   | 4.48   |
| 6mo                      | 4.33    | 4.35   | 4.39   |
| 1yr                      | 4.11    | 4.11   | 4.18   |
| 2yr                      | 3.92    | 3.96   | 3.99   |
| 3yr                      | 3.91    | 3.94   | 3.98   |
| 4yr                      | 3.97    | 4.00   | 4.03   |
| 5yr                      | 4.07    | 4.10   | 4.14   |
| 7yr                      | 4.37    | 4.43   | 4.44   |
| 10yr                     | 4.63    | 4.70   | 4.69   |
| 5yr Am                   | 4.15    |        | 4.11   |
| 10yr Am                  | 4.21    |        | 4.46   |

| Fed Fund Futures |       |  |
|------------------|-------|--|
| Maturity         | Rate  |  |
| Apr-25           | 4.330 |  |
| May-25           | 4.310 |  |
| Jun-25           | 4.250 |  |
| Jul-25           | 4.155 |  |
| Aug-25           | 3.970 |  |
| Sep-25           | 3.890 |  |
| Oct-25           | 3.765 |  |
| Nov-25           | 3.625 |  |
| Dec-25           | 3.515 |  |
| Jan-26           | 3.450 |  |
| Feb-26           | 3.375 |  |

# Baker Market Update

## Week In Review

April 25, 2025



| Weekly Economic Calendar |                                       |       |           |        |           |           |
|--------------------------|---------------------------------------|-------|-----------|--------|-----------|-----------|
| This Week & Next         |                                       |       |           |        |           |           |
| Date                     | Release                               | Per.  | Est.      | Actual | Prior     | Revised   |
| 4/21                     | Leading Index                         | Mar   | -0.5%     | -0.7%  | -0.3%     | -0.2%     |
| 4/22                     | Philadelphia Fed Non-Manufacturing Ac | Apr   | --        | -42.7  | -32.5     | --        |
| 4/22                     | Richmond Fed Manuf. Index             | Apr   | -7.0      | -13.0  | -4.0      | --        |
| 4/22                     | Richmond Fed Business Conditions      | Apr   | --        | -30.0  | -14.0     | --        |
| 4/23                     | MBA Mortgage Applications             | 4/18  | --        | -12.7% | -8.5%     | --        |
| 4/23                     | Building Permits                      | Mar F | --        | 1467k  | 1482k     | --        |
| 4/23                     | S&P Global US Manufacturing PMI       | Apr P | 49.0      | 50.7   | 50.2      | --        |
| 4/23                     | S&P Global US Services PMI            | Apr P | 52.6      | 51.4   | 54.4      | --        |
| 4/23                     | S&P Global US Composite PMI           | Apr P | 52.0      | 51.2   | 53.5      | --        |
| 4/23                     | New Home Sales                        | Mar   | 685k      | 724k   | 676k      | 674k      |
| 4/24                     | Chicago Fed Nat Activity Index        | Mar   | 0.12      | -0.03  | 0.18      | 0.24      |
| 4/24                     | Durable Goods Orders                  | Mar P | 2.0%      | 9.2%   | 1.0%      | 0.9%      |
| 4/24                     | Durables Ex Transportation            | Mar P | 0.3%      | 0.0%   | 0.7%      | --        |
| 4/24                     | Cap Goods Orders Nondef Ex Air        | Mar P | 0.1%      | 0.1%   | -0.2%     | -0.3%     |
| 4/24                     | Cap Goods Ship Nondef Ex Air          | Mar P | 0.2%      | 0.3%   | 0.8%      | 0.7%      |
| 4/24                     | Initial Jobless Claims                | 4/19  | 222k      | 222k   | 215k      | 216k      |
| 4/24                     | Initial Claims 4-Wk Moving Avg        | 4/19  | --        | 220k   | 221k      | 221k      |
| 4/24                     | Continuing Claims                     | 4/12  | 1869k     | 1841k  | 1885k     | 1878k     |
| 4/24                     | Existing Home Sales                   | Mar   | 4.13m     | 4.02m  | 4.26m     | 4.27m     |
| 4/24                     | Kansas City Fed Manf. Activity        | Apr   | -6.0      | -4.0   | -2.0      | --        |
| 4/25                     | U. of Mich. Sentiment                 | Apr F | 50.5      | 52.2   | 50.8      | --        |
| 4/25                     | U. of Mich. Current Conditions        | Apr F | 56.0      | 59.8   | 56.5      | --        |
| 4/25                     | U. of Mich. Expectations              | Apr F | 46.3      | 47.3   | 47.2      | --        |
| 4/25                     | U. of Mich. 1 Yr Inflation            | Apr F | 6.8%      | 6.5%   | 6.7%      | --        |
| 4/25                     | U. of Mich. 5-10 Yr Inflation         | Apr F | 4.4%      | 4.4%   | 4.4%      | --        |
| 4/25                     | Kansas City Fed Services Activity     | Apr   | --        | 3.0    | 0.0       | --        |
| 4/28                     | Dallas Fed Manf. Activity             | Apr   | -14.2     | --     | -16.3     | --        |
| 4/29                     | Advance Goods Trade Balance           | Mar   | -\$145.0b | --     | -\$147.9b | -\$147.8b |
| 4/29                     | JOLTS Job Openings                    | Mar   | 7490k     | --     | 7568k     | --        |
| 4/29                     | JOLTS Job Openings Rate               | Mar   | --        | --     | 4.5%      | --        |
| 4/29                     | JOLTS Quits Level                     | Mar   | --        | --     | 3195k     | --        |
| 4/29                     | JOLTS Quits Rate                      | Mar   | --        | --     | 2.00%     | --        |
| 4/29                     | JOLTS Layoffs Level                   | Mar   | --        | --     | 1790k     | --        |
| 4/29                     | JOLTS Layoffs Rate                    | Mar   | --        | --     | 1.1%      | --        |
| 4/29                     | Conf. Board Consumer Confidence       | Apr   | 87.0      | --     | 92.9      | --        |
| 4/29                     | Conf. Board Present Situation         | Apr   | --        | --     | 134.5     | --        |
| 4/29                     | Conf. Board Expectations              | Apr   | --        | --     | 65.2      | --        |
| 4/29                     | Dallas Fed Services Activity          | Apr   | --        | --     | -11.3     | --        |
| 4/30                     | ADP Employment Change                 | Apr   | 125k      | --     | 155k      | --        |
| 4/30                     | GDP Annualized QoQ                    | 1Q A  | 0.3%      | --     | 2.4%      | --        |
| 4/30                     | Personal Consumption                  | 1Q A  | --        | --     | 4.0%      | --        |
| 4/30                     | GDP Price Index                       | 1Q A  | 3.1%      | --     | 2.3%      | --        |
| 4/30                     | Core PCE Price Index QoQ              | 1Q A  | --        | --     | 2.6%      | --        |
| 4/30                     | Employment Cost Index                 | 1Q    | 0.9%      | --     | 0.9%      | --        |
| 4/30                     | MNI Chicago PMI                       | Apr   | 45.80     | --     | 47.60     | --        |
| 4/30                     | Personal Income                       | Mar   | --        | --     | 0.8%      | --        |
| 4/30                     | Personal Spending                     | Mar   | 0.6%      | --     | 0.4%      | --        |

| 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          | 12.3 | 12.8 | 12.0 | 12.0 | 13.6 | 15.7  |
| FH/FN 15y       | 7.9  | 8.6  | 9.8  | 11.1 | 12.4 | ##### |
| GN 15y          | 7.7  | 8.0  | 8.5  | 11.2 | 9.7  | 11.1  |
| FH/FN 20y       | 7.6  | 8.5  | 9.3  | 10.6 | 12.0 | 16.4  |
| FH/FN 30y       | 5.7  | 5.9  | 6.8  | 7.4  | 8.1  | 10.3  |
| GN 30y          | 4.6  | 4.7  | 4.9  | 6.2  | 6.0  | 6.9   |

| Other Markets              |          |          |            |          |          |
|----------------------------|----------|----------|------------|----------|----------|
| Index                      | Current  | 1Wk Chng | Historical |          |          |
|                            |          |          | 1 Mo       | 6 Mo     | 1 Yr     |
| <b>Currencies</b>          |          |          |            |          |          |
| Japanese Yen               | 143.86   | 1.68     | 149.91     | 152.31   | 155.65   |
| Euro                       | 1.14     | (0.00)   | 1.08       | 1.08     | 1.07     |
| Dollar Index               | 99.56    | 0.18     | 104.18     | 104.26   | 105.60   |
| <b>Major Stock Indices</b> |          |          |            |          |          |
| Dow Jones                  | 39,879   | 737      | 42,588     | 42,114   | 38,086   |
| S&P 500                    | 5,463.9  | 181.2    | 5,776.7    | 5,808.1  | 5,048.4  |
| NASDAQ                     | 17,229.3 | 943      | 18,271.9   | 18,518.6 | 15,611.8 |
| <b>Commodities</b>         |          |          |            |          |          |
| Gold                       | 3,295.6  | (32.8)   | 3,025.9    | 2,754.6  | 2,342.5  |
| Crude Oil                  | 62.53    | (2.15)   | 69.00      | 71.78    | 83.57    |
| Natural Gas                | 2.96     | (0.29)   | 3.84       | 2.56     | 1.64     |
| Wheat                      | 531.0    | -17.8    | 543.3      | 569.0    | 602.3    |
| Corn                       | 480.0    | -2.3     | 457.8      | 415.3    | 441.0    |

### 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

INTENDED FOR INSTITUTIONAL INVESTORS ONLY. The data provided in these reports is for informational purposes only and is intended solely for your private use. Information herein is believed to be reliable but The Baker Group LP does not guarantee its completeness or accuracy. Opinions constitute our judgment and are subject to change without notice. Past performance is not indicative of future results. The investments and strategies discussed here may not be suitable for all investors; if you have

Source for the aforementioned indices, rates, descriptions, & economic indicators: Bloomberg, LP. This report was printed as of: 04/25/2025 10:26AM