Baker Market Update Week In Review

July 25, 2025





UPCOMING EVENTS

Banks

Webinars:

Q2 Bank Trends Aug 13, 2025

Seminars:

IL Seminar Aug 04, 2025

OH Seminar Oct 01, 2025

MI Seminar Oct 02, 2025

MN Seminar Dec 08, 2025

CUs

Seminars: **MI CU Seminar** Sep 30, 2025

Banks and CUs

Schools:

Bond School Sep 18-19, 2025

Dillon Wiedemann Senior Vice President of FSG

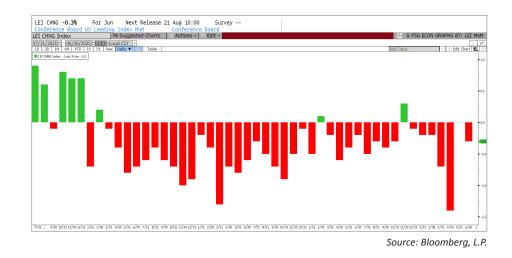
It was a relatively quiet week for economic data, with only a handful of noteworthy releases. Among them was the Conference Board's Leading Economic Index (LEI), which came in at -0.3% (exp = -0.3%). This marks the 38th negative reading out of the past 41 months, underscoring persistent headwinds in the "soft-data". Initial jobless claims for the week were reported at 217,000—slightly better than consensus expectations of 226,000.

This week did bring a slew of manufacturing data. Activity in the Richmond Fed region declined sharply in July, posting its largest monthly contraction since September 2024. This survey contrasts with recent improvements we saw in the New York and Philadelphia Fed surveys released earlier this month. Continuing on manufacturing, S&P Global's Composite Purchasing Manager's Index (PMI), a survey of over 1,100 manufacturers and service providers, saw a sharp increase for the month. However, the uptick was largely driven by services, while the manufacturing component declined from June's 37-month high. This points to a fresh weakening in factory activity not seen since December. Analysts often turn to manufacturing data for early signs of pricing pressure. This month, price increases registered the second-strongest monthly rise since September 2022. Survey respondents cited tariffs and labor costs as key drivers behind the increase.

The housing market continued its slump, with U.S. existing home sales falling to a nine-month low. Housing affordability remains a drag as prices stay elevated due to limited supply and mortgage rates stagnating near 7%. U.S. Durable Goods orders, a key proxy for future business investment, declined by 9.3%. These orders typically cover items expected to last at least three years, suggesting a cautious stance by businesses toward larger capital expenditures.

Looking ahead, next week should offer more market-moving potential. The FOMC rate decision comes Wednesday. Markets are currently only pricing in just a 2.6% chance of a rate cut, but it will be interesting to see if they signal potential for additional cuts later in the year. Also on deck are the advance Q2 GDP report, non-farm payrolls, updated unemployment figures, PCE, and the JOLTS survey.

Have a great weekend!



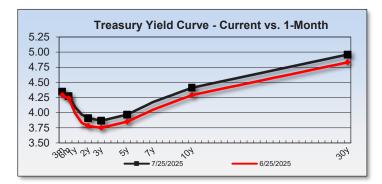
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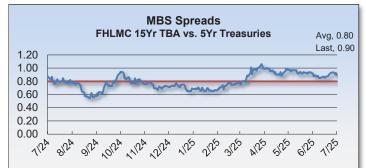
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Treasury Market Historical					Fixed Rate Market											
Maty	Current	1Wk	Historical		Maty	N-Call	US	AAA B	Q Muni	Tax		Agency Calls - Euro				
Maty		Change	1 Mo	6 Mo	1 Yr	/AL	Agency	Swap	C-Corp ²	S-Corp ³	Muni N	Mty	3Mo	6mo	1Yr	2Yr
3mo	4.35	0.01	4.30	4.31	5.31	2yr	4.00	3.67	3.40	3.62	4.03	2Yr				
6mo	4.27	0.01	4.25	4.28	5.16	3yr	3.93	3.58	3.42	3.64	3.99	3Yr				
1yr	4.09	0.02	3.99	4.16	4.84	5yr	4.02	3.61	3.60	3.83	4.14	5Yr				
2yr	3.91	0.04	3.78	4.27	4.43	7yr	4.25	3.72	4.05	4.31	4.45	7Yr				
3yr	3.87	0.03	3.75	4.33	4.33	10yr	4.58	3.88	4.68	4.98	4.81	10Yr				
5yr	3.97	0.02	3.85	4.43	4.13	15yr	4.91	4.09	5.60	5.96	4.95		August TBA MBS			
7yr	4.18	0.01	4.05	4.53	4.17	20yr	5.24	4.17	6.26	6.66	5.62	Cpn	15Yr -Yld	/AL	30Yr - Y	'ld/AL
10yr	4.41	(0.01)	4.29	4.62	4.24	25yr	5.57	4.17	6.43	6.84	5.68	3.50	4.84	4.6y	5.31	
30yr	4.96	(0.03)	4.83	4.85	4.48	30yr		4.12	6.59	7.02	5.74	4.00	4.77	4.6y		
* Interpolated						•	-			-	4.50	4.79	4.8y	5.42	9.2v	

Key Market Indices										
		1Wk								
Index	Current	Change	1 Mo	6 Mo	1 Yr					
Fed Funds	4.50		4.50	4.50	5.50					
Primary Discount	4.50		4.50	4.50	5.50					
2ndary Discount	5.00		5.00	5.00	6.00					
Prime Rate	7.50		7.50	7.50	8.50					
Sec. O.N. Finance	4.30	(0.04)	4.30	4.34						
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	4.32	(0.01)	4.29	4.34	5.19					
1 Year CMT	4.10		3.99	4.17	4.82					
REPO O/N	4.32		4.32	4.37	5.44					
REPO 1Wk	4.36	(0.01)	4.38	4.39	5.36					
CoF Federal	3.677		3.662	3.719	3.969					
11th D. CoF (May)	2.933		2.934	3.038	3.227					

			6	.00		5.5	9 4.8y
FH	LB Fixed	Advance		Fed Fund Future			
Maturity	Chicago	Boston	Topeka	J	Mat	urity	Rate
3mo	4.48	4.53	4.52		Jul	-25	4.330
6mo	4.40	4.41	4.45		Aug	g-25	4.320
1yr	4.20	4.21	4.29		Sep	b -25	4.245
2yr	4.00	4.06	4.11		Oc	t-25	4.155
3yr	3.97	4.02	4.06		No	v-25	4.045
4yr	4.03	4.08	4.12		De	c-25	3.940
5yr	4.10	4.14	4.19		Jan	-26	3.880
7yr	4.42	4.47	4.51		Feb	b-2 6	3.805
10yr	4.74	4.81	4.83		Ma	r-26	3.750
5yr Am	4.15		4.19		Ap	r-26	3.675
10yr Am	4.21		4.55		Ma	y-26	3.605

5.00 5.50

4.89

4.6y

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5.53

5.65

8.6y

6.6y

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Baker Market Update

Week In Review





6.0

25.7

19.0

76.3

22.0

9.0 7.7

6.0

21.1 26.8

30.7

15.6

15.3

11.0

1 Yr

152.21

1.09

104.36

39,935

5,399.2

2,353.5

78.28

2.04

537.8

406.0

17,181.7

Weekly Economic Calendar								MBS Prepayments ⁴					
	This W	Veek & Next					3-Month CPR						
Date	Release	Per.	Est.	Actual	Prior	Revised	Туре	3.5	4.0	4.5	5.0	5.5	
7/21	Leading Index	Jun	-0.3%	-0.3%	-0.1%	0.0%	FN 10y	16.6	17.9	15.0	21.2	21.7	
7/23	Existing Home Sales MoM	Jun	-0.7%	-2.7%	0.8%	1.0%	FH/FN 15y	9.3	11.5	15.9	8.5	13.5	
7/24	Building Permits MoM	Jun F		-0.1%	0.2%		GN 15y	26.8	29.4	35.6	71.5	-2.3	
7/24	Initial Jobless Claims	7/19	226k	217k	221k		FH/FN 20y	8.0	9.1	10.8	11.8	20.4	
7/24	Chicago Fed Nat Activity Index	Jun	-0.15	-0.10	-0.28	-0.16	FH/FN 30y	7.1	7.3	6.9	5.6	7.6	
7/24	Continuing Claims	7/12	1954k	1955k	1956k	1951k	GN 30y	6.7	8.3	6.5	7.3	7.8	
7/24	S&P Global US Manufacturing PMI	Jul P	52.7	49.5	52.9		CPR Project			ection	s		
7/24	S&P Global US Services PMI	Jul P	53.0	55.2	52.9		Туре	3.5	4.0	4.5	5.0	5.5	
7/24	S&P Global US Composite PMI	Jul P	52.8	54.6	52.9		FN 10y	12.1	12.8	15.1	17.4	19.5	
7/24	New Home Sales MoM	Jun	4.3%	0.6%	-13.7%	-11.6%	FH/FN 15y	8.8	10.1	16.2	15.9		
7/25	Durable Goods Orders	Jun P	-10.7%	-9.3%	16.4%	16.5%	GN 15y	7.9	13.9	14.7	14.2	23.8	
7/25	Durables Ex Transportation	Jun P	0.1%	0.2%	0.5%	0.6%	FH/FN 20y	7.2	8.1	9.4	12.3	14.0	
7/25	Cap Goods Ship Nondef Ex Air	Jun P	0.2%	0.4%	0.4%	0.5%	FH/FN 30y	6.2	6.8	7.7	8.7	11.6	
7/29	S&P CoreLogic CS 20-City YoY NSA	May			3.4%		GN 30y	6.5	8.1	7.9	9.2	10.0	
7/29	S&P CoreLogic CS US HPI YoY NSA	May			2.7%								
7/29	JOLTS Job Openings	Jun	7350k		7769k								
7/29	JOLTS Job Openings Rate	Jun			4.6%								
7/29	JOLTS Quits Level	Jun			3293k								
7/29	JOLTS Quits Rate	Jun			2.1%								
7/29	JOLTS Layoffs Level	Jun			1601k				Other I	Markets			
7/29	JOLTS Layoffs Rate	Jun			1.0%				1Wk		Histo	orical	
7/30	ADP Employment Change	Jul	78k		-33k		Index	Current	Chng	1 Mo	6 N	10	
7/30	GDP Annualized QoQ	2Q A	2.4%		-0.5%		Currencies						
7/30	Core PCE Price Index QoQ	2Q A	2.3%		3.5%		Japanese Yen	147.60	(1.21)	145.73	1	53.98	
7/30	Pending Home Sales MoM	Jun	0.3%		1.8%		Euro	1.17	0.01	1.10		1.05	
7/30	Pending Home Sales NSA YoY	Jun			-0.3%		Dollar Index	97.80	(0.69)	97.68	1	07.44	
7/30	FOMC Rate Decision (Upper Bound)	7/30	4.5%		4.5%		Major Stock	Indices					
7/30	FOMC Rate Decision (Lower Bound)	7/30	4.3%		4.3%		Dow Jones	44,677	335	42,982	44	4,424	
7/30	Fed Interest on Reserve Balances Rate	7/31			4.4%		S&P 500	6,374.1	77.3	6,092.2	6,	101.2	
7/30	Fed Reverse Repo Rate	7/30			4.3%		NASDAQ	21,086.4	191	19,973.6	19,9	954.3	
7/31	Challenger Job Cuts YoY	Jul			-1.6%		Commoditie	es					
7/31	Personal Income	Jun	0.2%		-0.4%		Gold	3,346.3	(12.0)	3,327.1	2	,778.9	
7/31	Real Personal Spending	Jun	0.2%		-0.3%		Crude Oil	65.88	(1.46)	64.92		74.66	
7/31	Employment Cost Index	2Q	0.8%		0.9%		Natural Gas	3.13	(0.43)	3.41		4.03	
7/31	MNI Chicago PMI	Jul	42.1		40.4		Wheat	537.5	-8.8	528.3		544.0	
8/1	Change in Nonfarm Payrolls	Jul	101k		147k		Corn	399.5	-9.0	410.3		486.5	
8/1	Change in Private Payrolls	Jul	100k		74k								
8/1	Change in Manufact. Payrolls	Jul			-7k								
8/1	Two-Month Payroll Net Revision	Jul			16k								
8/1	Average Hourly Earnings YoY	Jul	3.8%		3.7%								
8/1	Unemployment Rate	Jul	4.2%		4.1%								
8/1	Labor Force Participation Rate	Jul	62.3%		62.3%		Notes						
8/1	Underemployment Rate	Jul			7.7%		1 Call Agy = Maturity at left w/ a 1-Year Call at Par						
8/1	ISM Manufacturing	Jul	49.5		49.0		2 Muni TEY (21% Fed, 0.75% CoF)						
8/1	ISM Prices Paid	Jul			69.7		3 S-Corp TEY Muni (29.6%, no TEFERA)						
8/1	ISM New Orders	Jul			46.4		4 MBS Prepayr	nents are pro	ovided by	Bloomberg			
8/1	ISM Employment	Jul			45.0								

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