Baker Market Update
Week In Review

October 31, 2025

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UPCOMING EVENTS

Banks

Webinars:
Q3 Bank Trends
Nov 12, 2025

Seminars:
MN Seminar
Dec 08, 2025

"There are three things that I've learned to never to discuss with people: religion, politics and the Great Pumpkin." – Linus van Pelt from It's the Great Pumpkin Charlie Brown. For today's Halloween edition, I'm also going to avoid most of those three things, except, I do have to make mention of the continued Government Shutdown. The US Government has now been shut down for 30 days, currently making it the second longest shutdown in US history. The longest was in December 2018 at 34 days. It is very likely the current shutdown will go beyond 34 days and become the longest in history. The last few weeks' Baker Market Updates have been a little briefer as most of the economic data releases comes from various government agencies that are currently shutdown.

The Fed met this week as part of their regularly scheduled two days policy rate decision meeting this week. Markets were fully expecting the Fed to cut interest rates by 25 basis points, moving the Fed Funds Rate Range lower to 3.75-4.00%. There were two dissenters, Fed Governor Miran wanted a 50bp cut and Kansas City Fed President Jeff Schmid was in favor of no rate cut. Additionally, the Fed announced it will conclude its quantitative tightening program on December 1, 2025, by ceasing further reductions in its aggregate securities holdings. This marks the end of a multi-year effort to normalize their balance sheet after pandemic-era expansion.

With the market fully expecting the 25bp rate cut, most of the newsworthy headlines came from Chairman Powell's press conference that started shortly after the rate cut announcement. One quote that pushed stocks into the red on Wednesday afternoon was Powell stating "A further reduction in the policy rate at the December meeting is not a forgone conclusion, far from it. Policy is not on a preset course." Before those comments, Fed Funds Futures market were pricing in a 95% chance of another 25bp rate cut in December, however, a current look shows that same probability has fallen to 64%.

A handful of other private economic data points were released this week including the Conference Board's Consumer Confidence. The index fell by 1 point to 94.6 in October from an upwardly revised September reading of 95.6. Economists were expecting the reading to come in unchanged from the previous month. Write-in responses to the survey showed that prices and inflation remained consumers' biggest concern. Mention of tariffs declined again this month but remained elevated.

The Treasury and Bond markets are trading flat this morning after some volatility early this week with the Fed's announcement. Next week's additional insight into the labor market through the JOLTS report is likely to be delayed because of the continued government shutdown. Until then, have a Happy Halloween and be safe trick or treating!

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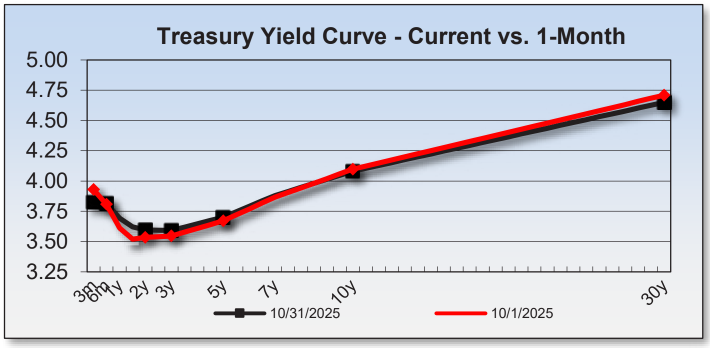

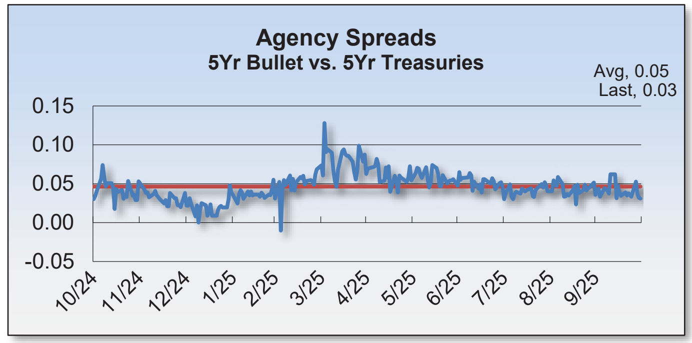

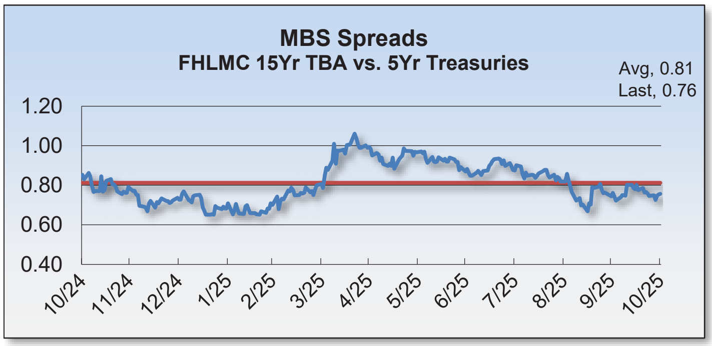

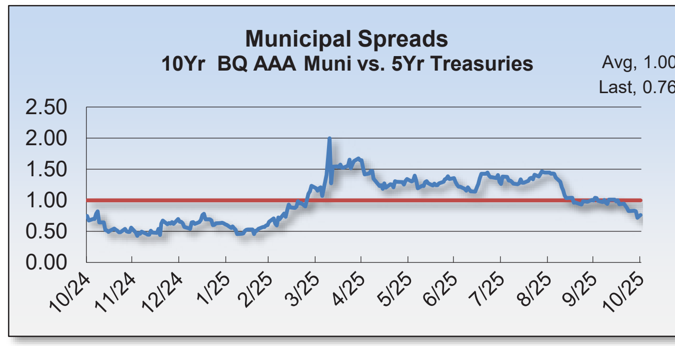

Treasury Market -- Historical

Maty	Current	1Wk Change	Historical 1 Mo	6 Mo	1 Yr
3mo	3.82	(0.03)	3.94	4.29	4.55
6mo	3.81	0.05	3.84	4.18	4.46
1yr	3.69	0.10	3.62	3.86	4.27
2yr	3.60	0.11	3.61	3.60	4.17
3yr	3.59	0.10	3.62	3.60	4.17
5yr	3.70	0.09	3.74	3.73	4.16
7yr	3.88	0.09	3.93	3.94	4.23
10yr	4.08	0.08	4.15	4.16	4.29
30yr	4.65	0.06	4.73	4.68	4.48

** Interpolated*

Fixed Rate Market

Maty /AL	N-Call Agency	US Swap	AAA BQ Muni C-Corp[2]	S-Corp[3]	Tax Muni
2yr	3.65	3.39	3.44	3.67	3.69
3yr	3.63	3.35	3.42	3.64	3.70
5yr	3.77	3.41	3.33	3.55	3.86
7yr	3.96	3.51	3.50	3.73	4.15
10yr	4.28	3.67	3.82	4.07	4.46
15yr	4.60	3.89	4.61	4.90	4.59
20yr	4.92	3.98	5.40	5.75	5.30
25yr	5.23	3.98	5.61	5.97	5.36
30yr		3.94	5.81	6.18	5.42

Agency Calls - Euro

Mty	3Mo	6mo	1Yr	2Yr
2Yr				
3Yr				
5Yr				
7Yr				
10Yr				

November TBA MBS

Cpn	15Yr -Yld	/AL	30Yr -Yld	/AL
3.00	4.43	4.5y	4.81	
3.50	4.43	4.4y		
4.00	4.36	4.4y	4.83	8.4y
4.50	4.45	4.5y	4.91	8.2y
5.00			5.03	7.0y
5.50			5.01	3.9y

Key Market Indices

Index	Current	1Wk Change	Historical 1 Mo	6 Mo	1 Yr
Fed Funds	**4.00**	**(0.25)**	4.25	4.50	5.00
Primary Discount	**4.00**	**(0.25)**	4.25	4.50	5.00
2ndary Discount	**4.50**	**(0.25)**	4.75	5.00	5.50
Prime Rate	**7.00**	(0.25)	7.25	7.50	8.00
Sec. O.N. Finance	**4.04**	(0.20)	4.24	4.41	--
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	**3.90**	0.06	3.94	4.23	4.48
1 Year CMT	**3.70**	0.11	3.68	3.85	4.28
REPO O/N	**4.21**	--	4.23	4.40	4.94
REPO 1Wk	**3.94**	(0.13)	4.15	4.37	4.77
CoF Federal	**3.650**	--	3.685	3.661	3.942
11th D. CoF (Sep)	**2.921**	--	2.956	2.932	3.213

FHLB Fixed Advance Rates

Maturity	Chicago	Boston	Topeka
3mo	4.02	4.08	4.07
6mo	3.96	3.98	3.96
1yr	3.83	3.84	3.89
2yr	3.71	3.76	3.79
3yr	3.72	3.76	3.79
4yr	3.78	3.83	3.84
5yr	3.84	3.87	3.90
7yr	4.11	4.16	4.17
10yr	4.39	4.47	4.46
5yr Am	4.15		3.90
10yr Am	4.21		4.22

Fed Fund Futures

Maturity	Rate
Oct-25	4.087
Nov-25	3.885
Dec-25	3.780
Jan-26	3.720
Mar-26	3.610
Apr-26	3.560
May-26	3.500
Jun-26	3.435
Jul-26	3.340
Aug-26	3.260
Sep-26	3.215

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The BakerGroup

Weekly Economic Calendar

This Week & Next

Date	Release	Per.	Est.	Actual	Prior	Revised
10/28	FHFA House Price Index MoM	Aug	-0.1%	0.4%	~~-0.1%~~	0.0%
10/28	S&P Cotality CS 20-City MoM SA	Aug	-0.10%	0.19%	~~-0.07%~~	-0.09%
10/28	S&P Cotality CS 20-City YoY NSA	Aug	1.30%	1.58%	~~1.82%~~	1.81%
10/28	S&P Cotality CS US HPI YoY NSA	Aug	--	1.51%	~~1.68%~~	1.64%
10/28	Conf. Board Consumer Confidence	Oct	93.4	94.6	~~94.2~~	95.6
10/28	Conf. Board Present Situation	Oct	--	129.3	~~125.4~~	127.5
10/28	Conf. Board Expectations	Oct	--	71.5	~~73.4~~	74.4
10/29	MBA Mortgage Applications	10/24	--	7.1%	-0.3%	--
10/29	Pending Home Sales MoM	Sep	1.2%	0.0%	~~4.0%~~	4.2%
10/29	Pending Home Sales NSA YoY	Sep	--	1.5%	0.5%	--
10/29	FOMC Rate Decision (Upper Bound)	10/29	4.00%	4.00%	4.25%	--
10/29	FOMC Rate Decision (Lower Bound)	10/29	3.75%	3.75%	4.00%	--
10/29	Fed Interest on Reserve Balances Rate	10/30	3.90%	3.90%	4.15%	--
10/29	Fed Reverse Repo Rate	10/30	--	3.75%	4.00%	--
10/31	MNI Chicago PMI	Oct	42.3	43.8	40.6	--
11/3	S&P Global US Manufacturing PMI	Oct F	--	--	52.2	--
11/3	ISM Manufacturing	Oct	49.4	--	49.1	--
11/3	ISM Prices Paid	Oct	62.5	--	61.9	--
11/3	ISM New Orders	Oct	--	--	48.9	--
11/3	ISM Employment	Oct	--	--	45.3	--
11/4	JOLTS Job Openings	Sep	7180k	--	7227k	--
11/4	JOLTS Job Openings Rate	Sep	--	--	4.3%	--
11/4	JOLTS Quits Level	Sep	--	--	3091k	--
11/4	JOLTS Quits Rate	Sep	--	--	1.9%	--
11/4	JOLTS Layoffs Level	Sep	--	--	1725k	--
11/4	JOLTS Layoffs Rate	Sep	--	--	1.1%	--
11/5	ADP Employment Change	Oct	27k	--	-32k	--
11/5	S&P Global US Services PMI	Oct F	55.0	--	55.2	--
11/5	S&P Global US Composite PMI	Oct F	--	--	54.8	--
11/5	ISM Services Index	Oct	50.7	--	50.0	--
11/5	ISM Services Prices Paid	Oct	--	--	69.4	--
11/5	ISM Services New Orders	Oct	--	--	50.4	--
11/5	ISM Services Employment	Oct	--	--	47.2	--
11/6	Challenger Job Cuts YoY	Oct	--	--	-25.8%	--
11/6	Nonfarm Productivity	3Q P	4.0%	--	3.3%	--
11/6	Unit Labor Costs	3Q P	0.8%	--	1.0%	--
11/6	Initial Jobless Claims	11/1	225k	--	--	--
11/6	Continuing Claims	10/25	--	--	--	--
11/7	Change in Nonfarm Payrolls	Oct	--	--	--	--
11/7	Change in Private Payrolls	Oct	--	--	--	--
11/7	Change in Manufact. Payrolls	Oct	--	--	--	--
11/7	Unemployment Rate	Oct	--	--	--	--
11/7	Labor Force Participation Rate	Oct	--	--	--	--
11/7	Underemployment Rate	Oct	--	--	--	--
11/7	Average Hourly Earnings MoM	Oct	--	--	--	--
11/7	Average Hourly Earnings YoY	Oct		--	--	--
11/7	Average Weekly Hours All Employees	Oct	--	--	--	--

MBS Prepayments[4]

3-Month CPR

Type	3.0	3.5	4.0	4.5	5.0	5.5
FN 10y	15.4	17.2	14.1	14.9	22.0	26.4
FH/FN 15y	8.8	10.3	12.6	16.4	29.9	13.6
GN 15y	22.2	25.0	24.1	21.2	0.0	-2.3
FH/FN 20y	7.4	8.4	8.8	11.4	12.9	20.4
FH/FN 30y	7.7	6.9	6.6	7.5	6.5	7.6
GN 30y	5.8	5.6	6.3	6.6	7.1	7.6

CPR Projections

Type	3.0	3.5	4.0	4.5	5.0	5.5
FN 10y	11.6	12.7	13.4	16.6	20.2	21.4
FH/FN 15y	8.3	9.5	10.7	18.6		26.1
GN 15y	7.9	7.9	14.8	14.5	13.8	27.4
FH/FN 20y	8.0	8.6	9.9	11.0	14.4	18.4
FH/FN 30y	6.4	6.7	7.5	8.7	10.8	18.2
GN 30y	6.8	7.0	9.1	9.6	10.7	14.3

Other Markets

Index	Current	1Wk Chng	Historical 1 Mo	6 Mo	1 Yr
Currencies					
Japanese Yen	154.00	1.14	148.03	143.07	152.46
Euro	1.15	(0.01)	1.17	1.14	1.09
Dollar Index	99.76	0.81	97.78	99.47	103.98
Major Stock Indices					
Dow Jones	47,588	381	46,398	40,669	41,763
S&P 500	6,854.2	62.5	6,688.5	5,569.1	5,705.5
NASDAQ	23,794.1	589	22,660.0	17,446.3	18,095.2
Commodities					
Gold	4,024.8	(93.6)	3,840.8	3,319.1	2,749.3
Crude Oil	61.20	(0.30)	62.37	58.21	69.26
Natural Gas	4.05	0.74	3.30	3.33	2.71
Wheat	519.0	6.5	508.0	513.0	570.5
Corn	428.8	5.5	415.5	467.3	410.8

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

Source for the aforementioned indices, rates, descriptions, & economic indicators: Bloomberg, LP. This report was printed as of: 10/31/2025 9:18AM