Baker Market Update
Week In Review

November 21, 2025

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After a six-week delay, a wave of postponed economic reports finally arrived yesterday, including September's Employment Situation Report. Nonfarm payrolls rose by 119k in September, more than twice the consensus forecast. Job gains were led by health care (+57k), leisure and hospitality (+47k), and government (+22k). Transportation and warehousing (-25k) and manufacturing (-6k) posted the largest declines. While the September headline was solid, job growth for the prior two months was revised down by a combined 33k. After those revisions, August payrolls now show employers actually shed jobs for the second time this year.

The report also highlighted an unexpected rise in the unemployment rate to 4.4%, up from 4.3% in August. The unemployment rate is now at its highest level since October 2021 when pandemic-era disruptions still weighed on the labor market. The increase was driven largely by a 470k jump in the labor force and a 245k decline in the number of people classified as "not in the labor force." Workers re-entering the labor force is typically a positive sign, suggesting improving job prospects. Still, a 1% increase in unemployment has historically only occurred before or during recessions, so the Fed is likely to be particularly watchful for any signs of a further rise.

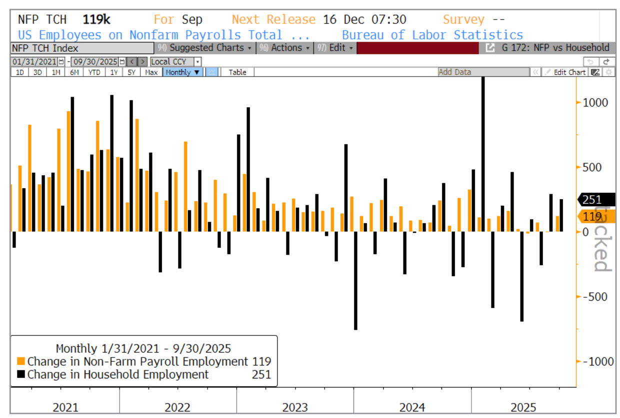
Additional Labor Department data this week showed layoffs remained low in mid-November, supporting the view that the job market is stuck in a "no-hire, no-fire" mode. Initial claims fell by 8k to 220k for the week ended November 15th. However, while layoffs remain subdued, more unemployed individuals are struggling to secure new positions amid soft hiring. The claims data also correspond to the survey week for November's payroll report.

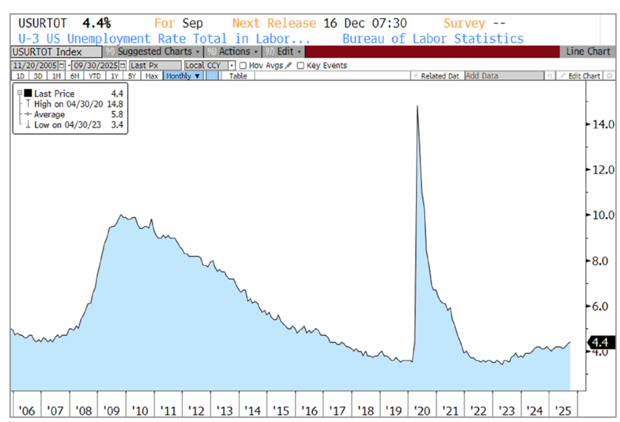
The Bureau of Labor Statistics (BLS) confirmed it will not release an October jobs report, as the government shutdown prevented staff from conducting the household survey that produces the unemployment rate. October's change in nonfarm payrolls will instead be reflected cumulatively in November's figures. The BLS also announced the November report will be delayed, meaning this is the last labor-market data the Fed will see before its December 10th meeting.

The Fed may be navigating without a clear view of the labor market for some time, as data is likely to remain distorted following the longest government shutdown in U.S. history. Futures markets are similarly uncertain. Yesterday traders assigned only a 33% probability of a December rate cut, but this morning those odds jumped to 73%.

Next week will be a shortened one due to Thanksgiving, but data releases will continue, with retail sales, PPI, and housing indicators all scheduled ahead of the holiday.

Have a great weekend!





Source: Bloomberg, L.P.

UPCOMING EVENTS

Banks

Webinars:

Q4 IRR Management
Dec 10, 2025

Seminars:

MN Seminar
Dec 08, 2025

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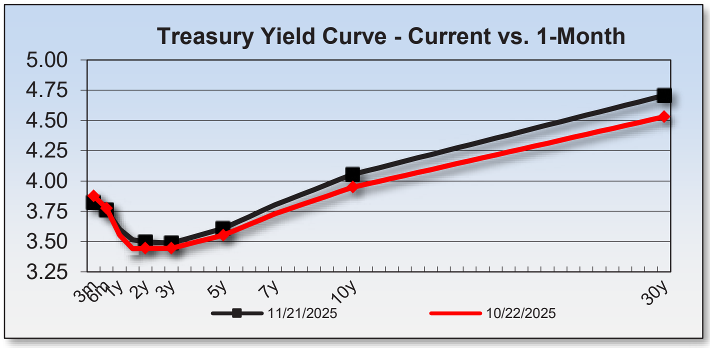
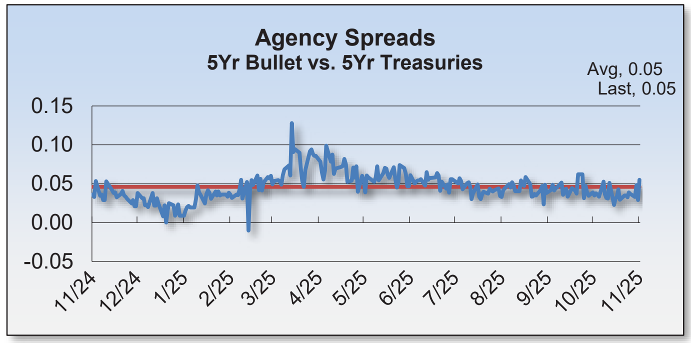
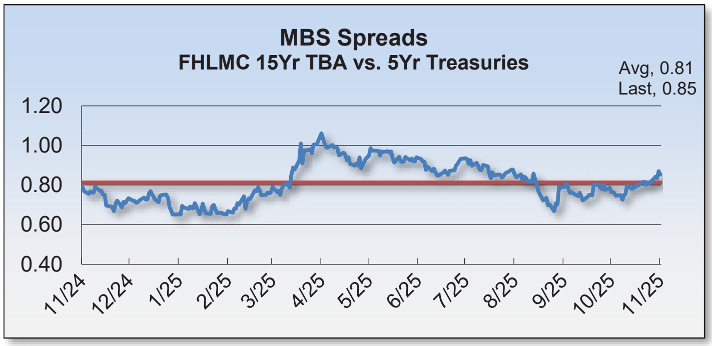
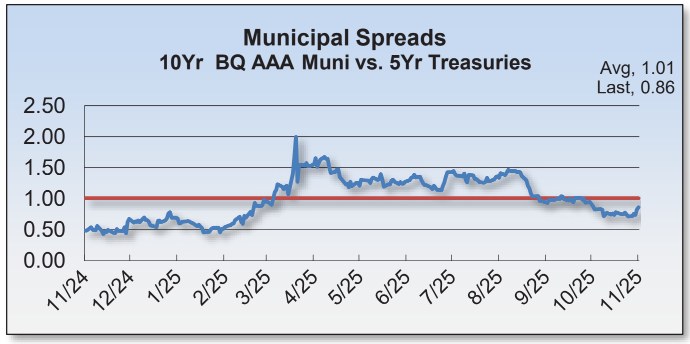
The Baker Group









Treasury Market -- Historical

Maty	Current	1Wk Change	Historical 1 Mo	6 Mo	1 Yr
3mo	3.82	(0.06)	3.88	4.34	4.55
6mo	3.76	(0.06)	3.78	4.30	4.48
1yr	3.60	(0.09)	3.56	4.13	4.39
2yr	3.50	(0.11)	3.46	4.02	4.35
3yr	3.49	(0.12)	3.46	4.02	4.33
5yr	3.61	(0.12)	3.56	4.16	4.30
7yr	3.80	(0.12)	3.74	4.38	4.36
10yr	4.06	(0.09)	3.96	4.60	4.42
30yr	4.71	(0.04)	4.54	5.09	4.60

** Interpolated*

Fixed Rate Market

Maty /AL	N-Call Agency	US Swap	AAA BQ Muni C-Corp[2]	S-Corp[3]	Tax Muni
2yr	3.55	3.29	3.44	3.67	3.64
3yr	3.52	3.25	3.44	3.67	3.64
5yr	3.68	3.31	3.37	3.59	3.81
7yr	3.90	3.44	3.56	3.78	4.11
10yr	4.24	3.62	3.85	4.10	4.47
15yr	4.59	3.86	4.59	4.89	4.60
20yr	4.94	3.97	5.42	5.77	5.38
25yr	5.28	3.99	5.62	5.98	5.44
30yr		3.96	5.82	6.20	5.50

Agency Calls - Euro

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

December TBA MBS

Cpn	15Yr -Yld/AL		30Yr -Yld/AL	
3.00	4.40	4.5y	4.86	
3.50	4.41	4.4y		
4.00	4.36	4.4y	4.87	8.6y
4.50	4.47	4.8y	4.94	8.4y
5.00			5.10	7.1y
5.50			5.06	3.9y

Key Market Indices

Index	Current	1Wk Change	Historical 1 Mo	6 Mo	1 Yr
Fed Funds	**4.00**	--	4.25	4.50	4.75
Primary Discount	**4.00**	--	4.25	4.50	4.75
2ndary Discount	**4.50**	--	4.75	5.00	5.25
Prime Rate	**7.00**	--	7.25	7.50	7.75
Sec. O.N. Finance	**3.91**	(0.09)	4.16	4.27	--
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**	(0.02)	3.83	4.44	4.54
1 Year CMT	**3.65**	(0.03)	3.55	4.12	4.37
REPO O/N	**4.02**	--	4.21	4.34	4.84
REPO 1Wk	**3.98**	0.01	4.15	4.36	4.65
CoF Federal	**3.600**	--	3.650	3.663	3.834
11th D. CoF (Sep)	**2.921**	--	2.956	2.932	3.213

FHLB Fixed Advance Rates

Maturity	Chicago	Boston	Topeka
3mo	4.01	4.05	4.04
6mo	3.92	3.94	3.92
1yr	3.75	3.75	3.81
2yr	3.61	3.65	3.68
3yr	3.60	3.65	3.66
4yr	- -	3.74	3.74
5yr	3.73	3.79	3.79
7yr	4.00	4.09	4.07
10yr	4.33	4.43	4.40
5yr Am	3.73		3.78
10yr Am	4.08		4.13

Fed Fund Futures

Maturity	Rate
Nov-25	3.880
Dec-25	3.775
Jan-26	3.690
Feb-26	3.610
Mar-26	3.580
Apr-26	3.495
May-26	3.420
Jun-26	3.350
Jul-26	3.250
Aug-26	3.165
Sep-26	3.115

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Weekly Economic Calendar

This Week & Next

Date	Release	Per.	Est.	Actual	Prior	Revised
11/17	Empire Manufacturing	Nov	5.8	18.7	10.7	--
11/17	Construction Spending MoM	Aug	-0.1%	0.2%	~~-0.1%~~	0.2%
11/18	New York Fed Services Business Activity	Nov	--	-21.7	-23.6	--
11/18	NAHB Housing Market Index	Nov	37.0	38.0	37.0	--
11/18	Factory Orders Ex Trans	Aug	0.3%	0.1%	~~0.6%~~	0.5%
11/18	Durables Ex Transportation	Aug F	0.4%	0.3%	~~0.4%~~	0.9%
11/18	Cap Goods Ship Nondef Ex Air	Aug F	--	-0.4%	~~-0.3%~~	0.6%
11/18	Total Net TIC Flows	Sep	--	$190.1b	$187.1b	--
11/18	Net Long-term TIC Flows	Sep	--	$179.8b	$134.2b	--
11/19	MBA Mortgage Applications	11/14	--	-5.2%	0.6%	--
11/19	Trade Balance	Aug	-$60.4b	-$59.6b	~~-$78.3b~~	-$78.2b
11/19	Exports MoM	Aug	--	0.1%	0.3%	--
11/19	Imports MoM	Aug	--	-5.1%	5.9%	--
11/20	Change in Nonfarm Payrolls	Sep	53k	119k	~~22k~~	-4k
11/20	Two-Month Payroll Net Revision	Sep	--	-33k	-21k	--
11/20	Change in Private Payrolls	Sep	66k	97k	~~38k~~	18k
11/20	Change in Manufact. Payrolls	Sep	-7k	-6k	~~-12k~~	-15k
11/20	Unemployment Rate	Sep	4.3%	4.4%	4.3%	--
11/20	Labor Force Participation Rate	Sep	62.3%	62.4%	62.3%	--
11/20	Average Hourly Earnings MoM	Sep	0.3%	0.2%	~~0.3%~~	0.4%
11/20	Average Hourly Earnings YoY	Sep	3.7%	3.8%	~~3.7%~~	3.8%
11/20	Average Weekly Hours All Employees	Sep	34.2	34.2	34.2	--
11/20	Underemployment Rate	Sep	--	8.0%	8.1%	--
11/20	Philadelphia Fed Business Outlook	Nov	1.0	-1.7	-12.8	--
11/20	Initial Jobless Claims	11/15	227k	220k	228k	--
11/20	Continuing Claims	11/8	1950k	1974k	1946k	--
11/20	Existing Home Sales	Oct	4.08m	4.10m	~~4.06m~~	4.05m
11/20	Existing Home Sales MoM	Oct	0.5%	1.2%	~~1.5%~~	1.3%
11/21	Real Avg Hourly Earning YoY	Sep	--	0.8%	~~0.7%~~	0.8%
11/21	Real Avg Weekly Earnings YoY	Sep	--	0.7%	~~0.4%~~	0.6%
11/21	S&P Global US Manufacturing PMI	Nov P	52.0	51.9	52.5	--
11/21	S&P Global US Services PMI	Nov P	54.6	55.0	54.8	--
11/21	S&P Global US Composite PMI	Nov P	54.5	54.8	54.6	--
11/21	U. of Mich. Sentiment	Nov F	50.6	51.0	50.3	--
11/21	U. of Mich. Current Conditions	Nov F	--	51.1	52.3	--
11/21	U. of Mich. 1 Yr Inflation	Nov F	4.7%	4.5%	4.7%	--
11/25	Philadelphia Fed Non-Manufacturing Ac	Nov	--	--	-22.2	--
11/25	Retail Sales Advance MoM	Sep	--	--	0.6%	--
11/25	PPI Final Demand YoY	Sep	--	--	2.6%	--
11/25	PPI Ex Food and Energy YoY	Sep	--	--	2.8%	--
11/25	PPI Ex Food, Energy, Trade YoY	Sep	--	--	2.8%	--
11/25	FHFA House Price Index MoM	Sep	--	--	0.4%	--
11/25	House Price Purchase Index QoQ	3Q	--	--	0.0%	--
11/25	S&P Cotality CS 20-City YoY NSA	Sep	--	--	1.6%	--
11/25	S&P Cotality CS US HPI YoY NSA	Sep	--	--	1.5%	--
11/25	Conf. Board Consumer Confidence	Nov		--	94.6	--
11/25	Conf. Board Present Situation	Nov	--	--	129.3	--

MBS Prepayments[4]

	3-Month CPR					
Type	3.0	3.5	4.0	4.5	5.0	5.5
FN 10y	15.5	16.1	13.4	17.6	23.7	25.7
FH/FN 15y	8.8	10.4	12.3	17.4	33.1	15.0
GN 15y	22.7	24.7	22.9	18.6	0.0	-2.3
FH/FN 20y	7.3	8.2	8.8	11.6	14.0	23.8
FH/FN 30y	6.9	6.5	6.4	7.5	6.4	8.9
GN 30y	3.9	5.4	7.4	6.5	6.9	7.7

	CPR Projections					
Type	3.0	3.5	4.0	4.5	5.0	5.5
FN 10y	11.6	12.6	13.3	16.5	19.6	21.2
FH/FN 15y	8.2	9.4	10.6	17.7		24.5
GN 15y	7.8	7.8	14.7	14.4	13.6	27.4
FH/FN 20y	7.9	8.6	9.8	10.9	14.4	17.7
FH/FN 30y	6.3	6.6	7.3	8.3	10.6	18.1
GN 30y	6.7	6.8	9.0	9.6	10.5	13.8

Other Markets

		1Wk	Historical		
Index	Current	Chng	1 Mo	6 Mo	1 Yr
Currencies					
Japanese Yen	156.37	1.82	151.93	143.67	154.40
Euro	1.15	(0.01)	1.16	1.13	1.05
Dollar Index	100.18	0.88	98.93	99.56	106.97
Major Stock Indices					
Dow Jones	46,034	(1,113)	46,925	41,860	43,870
S&P 500	6,556.8	(177.3)	6,735.4	5,844.6	5,948.7
NASDAQ	22,111.5	(789)	22,953.7	18,872.6	18,972.4
Commodities					
Gold	4,072.4	(21.8)	4,087.7	3,313.5	2,674.9
Crude Oil	57.61	(2.48)	57.82	61.57	70.10
Natural Gas	4.58	0.01	3.47	3.37	3.34
Wheat	524.5	-2.8	500.3	549.3	548.8
Corn	424.0	-6.3	419.8	461.0	426.8

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: 11/21/2025 9:41AM