Baker Market Update

Week In Review

November 28, 2025

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Senior Vice President of FSG

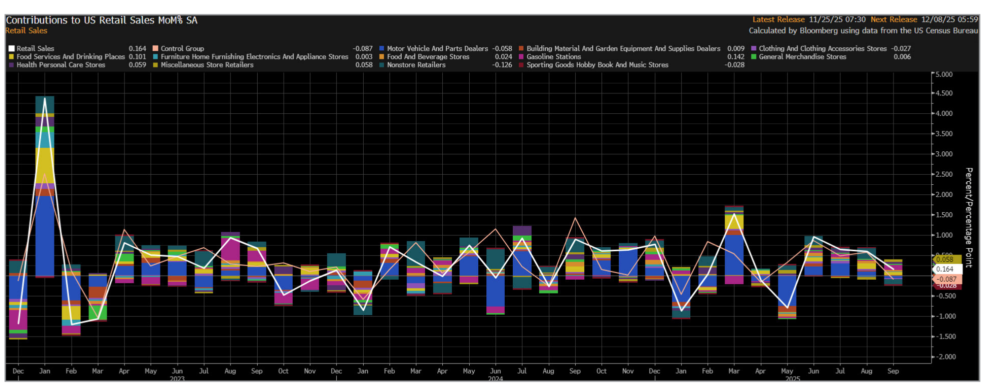
It was a sleepy week for bond markets with the Thanksgiving holiday. There was plenty of data released this week, but much of that data was “old news” from September that is just now being released after the government resolved its shutdown. This stale data is useful to the extent that it either affirms or alters one’s view of the current economy, but traders were reluctant to reposition based on data that is now 2 months old. As a result, the 10yr began the week at around 4.02% and is sitting right at 4.00% as of the time of this writing.

Some of the more closely watched numbers for the week included Retail Sales, PPI, and Durable Goods. Headline retail sales came in at 0.2% vs 0.4% exp. month-over-month with several categories reverting from a period of strong summer spending. Retail sales numbers aren’t adjusted for inflation, so with CPI coming in at 0.3% for the same September period, much of the increase in spending can likely be attributed to higher costs vs a real increase in consumption. September’s PPI number came in line with expectations at an increase of 0.3%. Much of the increase was due to volatile energy prices. Core PPI, which strips away volatile categories like food and energy, increased 0.1% vs 0.2% exp. Producer prices showed little inflationary pressure for the month which should help to alleviate the Fed’s concerns about increasing inflation. Additionally, there are several categories in the PPI report that feed into PCE, the Fed’s preferred measure of inflation, and many of these categories saw price declines for the month. Airfares were an exception as they jumped 0.8% MoM. We also got a look at Durable Goods orders for September and the headline number came in-line with analyst expectations at 0.5%. More importantly, Capital Goods Orders Non-Defense Ex Air, which is a proxy for business investment, came in at 0.9% vs 0.3% expected. The strength was surprising as Regional Fed surveys have suggested that business plans for capital expenditures could remain muted. Businesses could be taking advantage of bonus depreciation that was made permanent in the One Big Beautiful Bill act in July. This could be a reason why sentiment differed so strongly from actual investment.

The Dallas, Philadelphia, and Richmond Fed all reported lower activity levels than anticipated for the month of November. Lastly, the Conference Board’s Consumer Confidence survey came in much lower than expected. Consumers were pessimistic about the labor market and business conditions with views of their own financial situation falling to the lowest level since August of 2024. Given the timing, it’s hard to know how much the government shutdown impacted these levels of consumer pessimism.

As the reporting entities recover from the government shutdown, we should continue to receive older data from September combined with new upcoming data but delays are to be expected. As an example, we’d typically receive Non-Farm Payrolls next, but that has been delayed until December 16th.

Happy Thanksgiving to everyone and hope you have a great weekend!



UPCOMING EVENTS

Banks

Webinars:

Q4 IRR Management

Dec 10, 2025

Seminars:

MN Seminar

Dec 08, 2025

Save the Date

Seminars:

OK Seminar

Oct 14-16, 2026

Schools:

ALM School

Apr 22-23, 2026

Bond School

Nov 4-5, 2026

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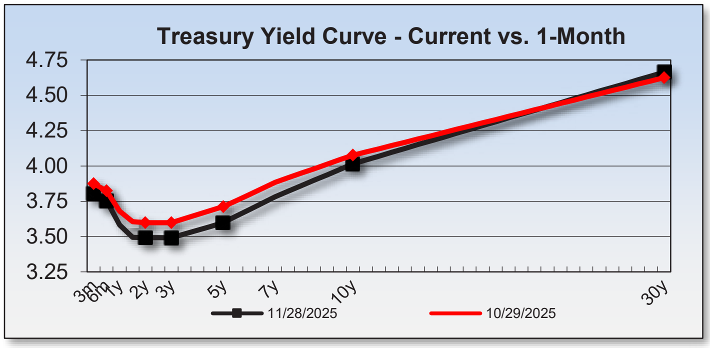

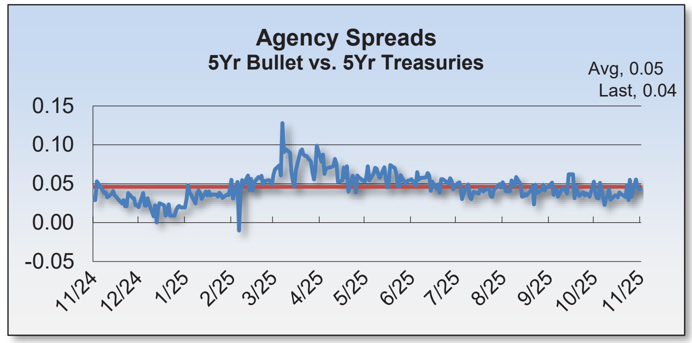

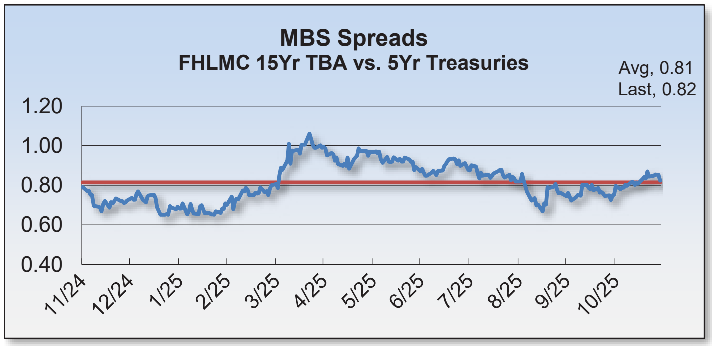

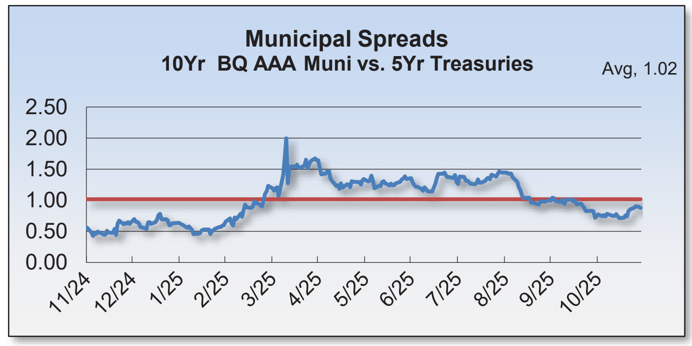

Treasury Market -- Historical

Maty	Current	1Wk Change	Historical 1 Mo	6 Mo	1 Yr
3mo	3.81	(0.02)	3.80	4.33	4.50
6mo	3.75	(0.02)	3.74	4.32	4.46
1yr	3.58	(0.04)	3.60	4.16	4.33
2yr	3.49	(0.02)	3.49	3.99	4.23
3yr	3.49	(0.01)	3.50	3.96	4.20
5yr	3.60	(0.02)	3.61	4.06	4.14
7yr	3.78	(0.04)	3.78	4.26	4.20
10yr	4.02	(0.05)	3.98	4.48	4.26
30yr	4.66	(0.05)	4.54	4.98	4.44

** Interpolated*

Fixed Rate Market

Maty /AL	N-Call Agency	US Swap	AAA BQ Muni C-Corp[2]	S-Corp[3]	Tax Muni
2yr	3.57	3.28	3.42	3.64	3.56
3yr	3.50	3.24	3.42	3.64	3.56
5yr	3.65	3.29	3.37	3.59	3.72
7yr	3.86	3.41	3.56	3.78	4.01
10yr	4.19	3.59	3.85	4.10	4.37
15yr	4.52	3.84	4.59	4.89	4.50
20yr	4.84	3.95	5.42	5.77	5.30
25yr	5.17	3.96	5.62	5.98	5.36
30yr		3.93	5.82	6.20	5.42

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	4.33	4.5y	4.79	
3.50	4.34	4.4y		
4.00	4.32	4.3y	4.80	8.4y
4.50	4.42	4.6y	4.86	8.1y
5.00			5.02	7.1y
5.50			4.96	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	**4.05**	0.14	4.24	4.26	--
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	**3.81**	(0.09)	3.81	4.26	4.49
1 Year CMT	**3.61**	(0.07)	3.58	4.15	4.37
REPO O/N	**4.10**	0.08	4.21	4.34	4.64
REPO 1Wk	**3.92**	0.02	4.05	4.41	4.62
CoF Federal	**3.600**	--	3.650	3.663	3.834
11th D. CoF (Oct)	**2.871**	--	2.921	2.934	3.105

FHLB Fixed Advance Rates

Maturity	Chicago	Boston	Topeka
3mo	3.98	4.03	4.02
6mo	3.92	3.94	3.92
1yr	3.71	3.75	3.82
2yr	3.60	3.62	3.66
3yr	3.58	3.62	3.64
4yr	- -	3.68	3.69
5yr	3.69	3.75	3.75
7yr	3.96	4.04	4.02
10yr	4.28	4.38	4.34
5yr Am	3.68		3.75
10yr Am	4.01		4.08

Fed Fund Futures

Maturity	Rate
Nov-25	3.875
Dec-25	3.735
Jan-26	3.650
Feb-26	3.590
Mar-26	3.565
Apr-26	3.500
May-26	3.440
Jun-26	3.370
Jul-26	3.270
Aug-26	3.160
Sep-26	3.100

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Weekly Economic Calendar						
This Week & Next						
Date	Release	Per.	Est.	Actual	Prior	Revised
11/25	Philadelphia Fed Non-Manufacturing Ac	Nov	--	-16.3	-22.2	--
11/25	Retail Sales Ex Auto and Gas	Sep	0.3%	0.1%	~~0.7%~~	0.6%
11/25	Retail Sales Control Group	Sep	0.3%	-0.1%	~~0.7%~~	0.6%
11/25	PPI Final Demand MoM	Sep	0.3%	0.3%	-0.1%	--
11/25	PPI Ex Food and Energy MoM	Sep	0.2%	0.1%	-0.1%	--
11/25	PPI Ex Food, Energy, Trade MoM	Sep	0.3%	0.1%	0.3%	--
11/25	PPI Final Demand YoY	Sep	2.6%	2.7%	~~2.6%~~	2.7%
11/25	PPI Ex Food and Energy YoY	Sep	2.7%	2.6%	~~2.8%~~	2.9%
11/25	PPI Ex Food, Energy, Trade YoY	Sep	2.9%	2.9%	~~2.8%~~	2.9%
11/25	FHFA House Price Index MoM	Sep	0.2%	0.0%	0.4%	--
11/25	House Price Purchase Index QoQ	3Q	--	0.2%	0.0%	--
11/25	S&P Cotality CS 20-City MoM SA	Sep	0.10%	0.13%	~~0.19%~~	0.12%
11/25	S&P Cotality CS 20-City YoY NSA	Sep	1.40%	1.36%	~~1.58%~~	1.57%
11/25	S&P Cotality CS US HPI YoY NSA	Sep	--	1.29%	~~1.51%~~	1.45%
11/25	Business Inventories	Aug	0.0%	0.0%	~~0.2%~~	0.1%
11/25	Conf. Board Consumer Confidence	Nov	93.3	88.7	~~94.6~~	95.5
11/25	Conf. Board Present Situation	Nov	--	126.9	~~129.3~~	131.2
11/25	Conf. Board Expectations	Nov	--	63.2	~~71.5~~	71.8
11/25	Pending Home Sales NSA YoY	Oct	-1.2%	-0.4%	~~1.5%~~	1.7%
11/26	MBA Mortgage Applications	11/21	--	0.2%	-5.2%	--
11/26	Initial Jobless Claims	11/22	225k	216k	~~220k~~	222k
11/26	Continuing Claims	11/15	1963k	1960k	~~1974k~~	1953k
11/26	Durables Ex Transportation	Sep P	0.2%	0.6%	~~0.3%~~	0.5%
11/26	Cap Goods Ship Nondef Ex Air	Sep P	0.2%	0.9%	~~-0.4%~~	-0.1%
11/26	MNI Chicago PMI	Nov	43.6	36.3	43.8	--
12/1	S&P Global US Manufacturing PMI	Nov F	--	--	51.9	--
12/1	ISM Manufacturing	Nov	49.0	--	48.7	--
12/1	ISM Prices Paid	Nov	--	--	58.0	--
12/1	ISM New Orders	Nov	--	--	49.4	--
12/1	ISM Employment	Nov	--	--	46.0	--
12/3	ADP Employment Change	Nov	20k	--	42k	--
12/3	Import Price Index YoY	Sep	0.3%	--	0.0%	--
12/3	Export Price Index YoY	Sep	--	--	3.4%	--
12/3	Capacity Utilization	Sep	77.3%	--	~~77.4%~~	75.8%
12/3	S&P Global US Services PMI	Nov F	--	--	55.0	--
12/3	S&P Global US Composite PMI	Nov F	--	--	54.8	--
12/3	ISM Services Index	Nov	52.0	--	52.4	--
12/3	ISM Services Prices Paid	Nov	--	--	70.0	--
12/3	ISM Services New Orders	Nov	--	--	56.2	--
12/3	ISM Services Employment	Nov	--	--	48.2	--
12/4	Challenger Job Cuts YoY	Nov	--	--	175.3%	--
12/5	Real Personal Spending	Sep	0.1%	--	--	--
12/5	PCE Price Index YoY	Sep	2.8%	--	--	--
12/5	Core PCE Price Index YoY	Sep	2.8%	--	--	--
12/5	U. of Mich. Sentiment	Dec P	52.0	--	51.0	--
12/5	U. of Mich. Current Conditions	Dec P		--	51.1	--
12/5	U. of Mich. 1 Yr Inflation	Dec P	--	--	4.5%	--

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	13.4	16.7	20.2	21.5
FH/FN 15y	8.3	9.5	10.8	18.4		26.3
GN 15y	7.8	7.9	14.7	14.4	13.7	27.4
FH/FN 20y	8.0	8.6	9.9	11.0	14.4	18.8
FH/FN 30y	6.4	6.7	7.6	8.8	10.7	18.2
GN 30y	6.7	6.8	9.1	9.6	10.7	14.1

Other Markets					
		1Wk	Historical		
Index	Current	Chng	1 Mo	6 Mo	1 Yr
Currencies					
Japanese Yen	156.19	(0.22)	151.86	144.28	151.85
Euro	1.16	0.01	1.17	1.13	1.06
Dollar Index	99.62	(0.54)	98.67	99.88	
Major Stock Indices					
Dow Jones	47,597	1,844	47,706	42,099	44,722
S&P 500	6,830.4	291.6	6,890.9	5,888.6	5,998.7
NASDAQ	23,258.1	1,180	23,827.5	19,100.9	19,060.5
Commodities					
Gold	4,196.5	136.5	3,966.2	3,294.9	2,639.9
Crude Oil	59.18	0.04	60.15	61.84	68.72
Natural Gas	4.73	0.26	3.35	3.20	3.20
Wheat	527.3	0.3	529.0	530.3	537.8
Corn	433.3	6.8	432.0	451.0	415.8

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: 11/28/2025 9:30AM