

# Baker Market Update

## Week In Review

December 19, 2025



**Dale Sheller**

*Managing Director*

*Director of FSG*

### UPCOMING EVENTS

#### ▶ Banks

##### Webinars:

[Investment Strategies](#)

Jan 14, 2026

#### ▶ Credit Unions

##### Webinars:

[CU Strategies](#)

Jan 8, 2026

#### ▶ Save the Date

##### Seminars:

[OK Seminar](#)

Oct 14-16, 2026

##### Schools:

[ALM School](#)

Apr 22-23, 2026

[Bond School](#)

Nov 4-5, 2026

The Holiday season is in full swing as more delayed economic data arrived in time for Christmas! On Tuesday, the Bureau of Labor Statistics released the job reports for both the month of October and the month of November. The US economy added 64k jobs in November (est = 50k) following a loss of 105k jobs in October bringing the 3-month average job gain to 22k. November job gains were largely concentrated in health care (+64k) and construction (+28k) while transportation (-18k), leisure & hospitality (-12k), manufacturing (-5k) and government (-5k) saw the largest declines. The loss of jobs in October was largely due to DOGE related deferred resignations of federal workers earlier this year that led to 161k fewer federal government jobs in October. Federal government jobs have now declined for 11 consecutive months totaling 262k. The separate household survey showed the unemployment rate rose to 4.6% (est = 4.5%), the highest level since September 2021 and up 1.2% from the low of 3.4% in April 2023. The rise in the unemployment rate was at least partially due to an increase in the labor force participation rate to 62.5%, up 0.3% since July and a sign more people are reentering the labor market is an effort to find work. Finally, average hourly earnings rose 3.5%, the slowest pace since May 2021 but still above the pre-pandemic level of around 3%.

The jobs reports were viewed as a mixed bag that didn't move the markets all that much as November job gains were slightly better than expected, but the October decline was larger than expected and the unemployment rate unexpectedly rose to a 4-year high. The Fed Funds Futures market is pricing in a 22% chance of a rate cut at the next FOMC meeting in late January.

Yesterday, the Consumer Price Index (CPI) was released for the month of November. The data for the CPI release included limit data for October and the November data collection started late on November 14th. Consumer prices rose less than expected as CPI grew at a 2.7% annualized rate, well below expectations of a 3.1% increase. Core CPI, which strips out volatile food and energy prices, was also cooler than anticipated, growing at a 2.6% annualized rate. The monthly increases also were less than expected, with both the headline CPI and core CPI increases at 0.2%, compared to estimates of 0.3%. Many experts and economists are saying to not take the most recent inflation report at "face value" as "it seems like the government shutdown had a big impact". This morning, New York Fed President John Williams stated that "technical factors" likely distorted November's inflation data. The next CPI report is set to be released on Tuesday, January 13th, 2026.

This morning, the University of Michigan Consumer Sentiment index rose to 52.9 (est = 53.5), up from 51 the previous month. High prices and weaker hiring continue to weigh on consumers with more than 60% of the respondents expecting joblessness to continue rising over the next year.

Let's take a quick look at the markets this morning. Treasuries are seeing a small sell off, with the longer end of the yield curve selling off more than the short end. The 10-Year Treasury yield is currently at 4.14% with the 2-Year Treasury yield at 3.48%. Stocks are up as well with the Dow Jones Industrial Average up over 250 points.

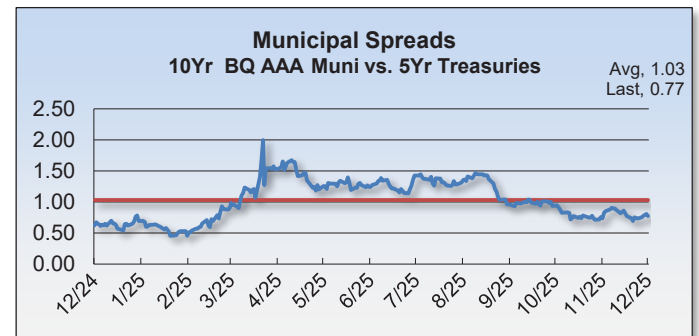
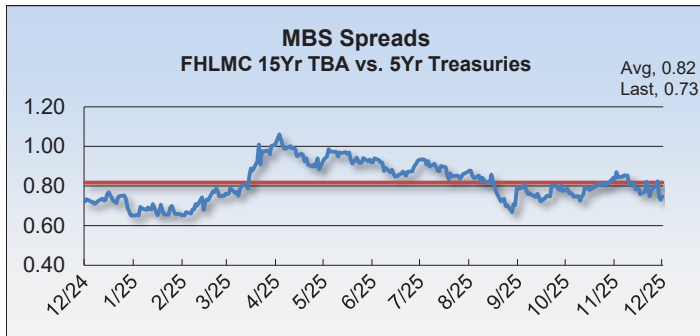
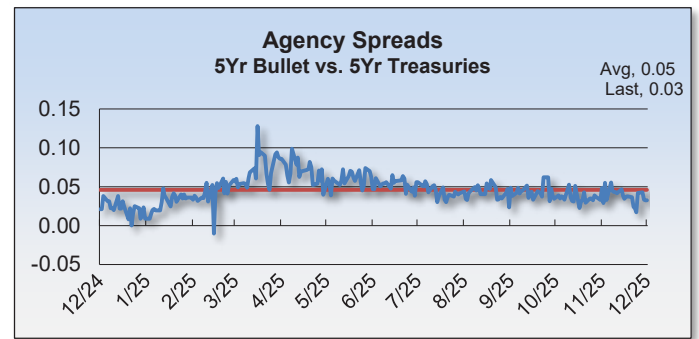
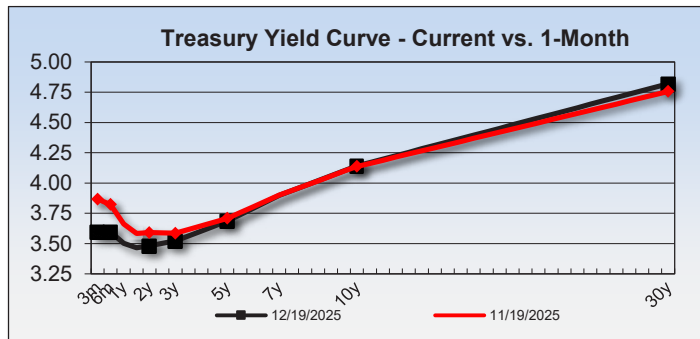
Have a great weekend and I hope everyone gets their last-minute Christmas shopping done soon! Merry Christmas and Happy Holidays from all of us at The Baker Group!

# Baker Market Update

## Week In Review

December 19, 2025

The BakerGroup



Treasury Market -- Historical						Fixed Rate Market											
Maty	Current	1Wk Change	Historical			Maty /AL	N-Call Agency	US Swap	AAA BQ Muni		Tax Muni		Agency Calls - Euro				
			1 Mo	6 Mo	1 Yr				C-Corp <sup>2</sup>	S-Corp <sup>3</sup>			Mty	3Mo	6mo	1Yr	2Yr
3mo	3.60	(0.02)	3.87	4.33	4.33	2yr	3.55	3.30	3.37	3.59	3.53	2Yr					
6mo	3.60	0.01	3.83	4.30	4.30	3yr	3.55	3.31	3.37	3.59	3.57	3Yr					
1yr	3.50	(0.02)	3.67	4.09	4.26	5yr	3.75	3.42	3.40	3.62	3.77	5Yr					
2yr	3.48	(0.04)	3.59	3.94	4.32	7yr	4.00	3.56	3.58	3.81	4.09	7Yr					
3yr	3.52	(0.06)	3.59	3.90	4.35	10yr	4.33	3.76	3.86	4.11	4.46	10Yr					
5yr	3.69	(0.06)	3.71	3.99	4.42	15yr	4.65	4.02	4.63	4.93	4.59						January TBA MBS
7yr	3.90	(0.05)	3.90	4.18	4.51	20yr	4.97	4.14	5.50	5.86	5.42	Cpn	15Yr -Yld/AL		30Yr -Yld/AL		
10yr	4.14	(0.04)	4.14	4.39	4.56	25yr	5.28	4.16	5.72	6.09	5.48	3.50	4.37	4.2y	4.79		
30yr	4.82	(0.03)	4.76	4.89	4.74	30yr		4.14	5.94	6.32	5.54	4.00	4.33	4.0y			
* Interpolated													4.50	4.42	4.3y	4.94	8.6y
													5.00	4.47	3.6y	5.06	6.5y
													5.50			5.00	4.1y
													6.00			4.73	3.1y
Key Market Indices																	
		1Wk	Historical														

\* Interpolated

Key Market Indices					
Index	Current	1Wk Change	Historical		
			1 Mo	6 Mo	1 Yr
Fed Funds	3.75	--	4.00	4.50	4.50
Primary Discount	3.75	--	4.00	4.50	4.75
2ndary Discount	4.25	--	4.50	5.00	5.25
Prime Rate	6.75	--	7.00	7.50	7.50
Sec. O.N. Finance	3.66	--	3.94	4.28	--
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	3.68	(0.06)	3.91	4.33	4.35
1 Year CMT	3.49	(0.07)	3.67	4.10	4.30
REPO O/N	3.72	(0.25)	4.02	4.33	4.69
REPO 1Wk	3.66	(0.03)	3.92	4.37	4.40
CoF Federal	3.558	--	3.600	3.662	3.767
11th D. CoF (Oct)	2.871	--	2.921	2.934	3.105

FHLB Fixed Advance Rates			
Maturity	Chicago	Boston	Topeka
3mo	3.78	3.83	3.82
6mo	3.74	3.76	3.75
1yr	3.63	3.65	3.69
2yr	3.59	3.65	3.62
3yr	3.63	3.70	3.66
4yr	3.72	3.80	3.75
5yr	3.80	3.89	3.83
7yr	4.08	4.19	4.13
10yr	4.41	4.54	4.46
5yr Am	3.73		3.79
10yr Am	4.13		4.18

Fed Fund Futures	
Maturity	Rate
Dec-25	3.723
Jan-26	3.640
Feb-26	3.590
Mar-26	3.555
Apr-26	3.485
May-26	3.425
Jun-26	3.370
Jul-26	3.290
Aug-26	3.220
Sep-26	3.180
Oct-26	3.130

www.GoBaker.com

800.937.2257

Oklahoma City, OK | Austin, TX | Long Island, NY | Salt Lake City, UT | Springfield, IL | Member: FINRA and SIPC

The Baker Group LP is the sole authorized distributor for the products and services developed and provided by The Baker Group Software Solutions, Inc.

# Baker Market Update

## Week In Review

December 19, 2025



Weekly Economic Calendar						
This Week & Next						
Date	Release	Per.	Est.	Actual	Prior	Revised
12/15	Empire Manufacturing	Dec	10.0	-3.9	18.7	--
12/15	NAHB Housing Market Index	Dec	39	39	38	--
12/16	ADP Weekly Employment Change	11/28	--	16.250k	--	--
12/16	Two-Month Payroll Net Revision	Oct	--	-33k	-33k	--
12/16	Unemployment Rate	Nov	4.5%	4.6%	--	--
12/16	Underemployment Rate	Nov	--	8.7%	--	--
12/16	Labor Force Participation Rate	Nov	62.4%	62.5%	--	--
12/16	Retail Sales Advance MoM	Oct	0.1%	0.0%	0.2%	0.1%
12/16	Retail Sales Ex Auto MoM	Oct	0.2%	0.4%	0.3%	0.1%
12/16	Retail Sales Ex Auto and Gas	Oct	0.4%	0.5%	0.4%	0.0%
12/16	Retail Sales Control Group	Oct	0.4%	0.8%	-0.1%	--
12/16	Change in Nonfarm Payrolls	Nov	50k	64k	-105k	--
12/16	Nonfarm Payrolls 3-Mo Avg Chg	Nov	--	22k	-8k	--
12/16	Change in Private Payrolls	Nov	50k	69k	52k	--
12/16	Change in Manufact. Payrolls	Nov	-5k	-5k	-9k	--
12/16	Average Hourly Earnings MoM	Nov	0.3%	0.1%	0.4%	--
12/16	Average Hourly Earnings YoY	Nov	3.6%	3.5%	3.7%	--
12/16	Average Weekly Hours All Employees	Nov	34.2	34.3	34.2	--
12/16	S&P Global US Manufacturing PMI	Dec P	52.1	51.8	52.2	--
12/16	S&P Global US Services PMI	Dec P	54.0	52.9	54.1	--
12/16	S&P Global US Composite PMI	Dec P	53.9	53.0	54.2	--
12/17	MBA Mortgage Applications	12/12	--	-3.8%	4.8%	--
12/18	Initial Jobless Claims	12/13	225k	224k	236k	237k
12/18	Continuing Claims	12/6	1920k	1897k	1838k	1830k
12/18	CPI YoY	Nov	3.1%	2.7%	--	--
12/18	Core CPI YoY	Nov	3.0%	2.6%	--	--
12/18	CPI Index NSA	Nov	325.18	324.12	--	--
12/18	Core CPI Index SA	Nov	332.09	331.07	--	--
12/18	Real Avg Weekly Earnings YoY	Nov	--	0.8%	--	--
12/18	Real Avg Hourly Earning YoY	Nov	--	0.8%	--	--
12/18	Total Net TIC Flows	Oct	--	-\$37.3b	\$190.1b	\$184.3b
12/18	Net Long-term TIC Flows	Oct	--	\$17.5b	\$179.8b	\$173.2b
12/19	Existing Home Sales	Nov	4.15m	4.13m	4.10m	4.11m
12/19	Existing Home Sales MoM	Nov	1.2%	0.5%	1.2%	1.5%
12/19	U. of Mich. Sentiment	Dec F	53.5	52.9	53.3	--
12/19	U. of Mich. Current Conditions	Dec F	50.7	50.4	50.7	--
12/19	U. of Mich. 1 Yr Inflation	Dec F	4.1%	4.2%	4.1%	--
12/22	Chicago Fed Nat Activity Index	Nov	-0.2	--	--	--
12/23	GDP Annualized QoQ	3Q S	3.2%	--	--	--
12/23	GDP Price Index	3Q S	2.6%	--	--	--
12/23	Durables Ex Transportation	Oct P	0.3%	--	0.6%	--
12/23	Cap Goods Ship Nondef Ex Air	Oct P	--	--	0.9%	--
12/23	Manufacturing (SIC) Production	Nov	--	--	0.0%	--
12/23	Capacity Utilization	Nov	75.9%	--	75.9%	--
12/23	Conf. Board Consumer Confidence	Dec	91.7	--	88.7	--
12/23	Conf. Board Present Situation	Dec	--	--	126.9	--
12/23	Conf. Board Expectations	Dec	--	--	63.2	--

MBS Prepayments <sup>4</sup>						
3-Month CPR						
Type	3.5	4.0	4.5	5.0	5.5	6.0
FN 10y	15.3	12.1	18.6	23.7	24.9	26.4
FH/FN 15y	9.5	12.3	17.8	15.9	15.0	22.1
GN 15y	27.1	21.5	19.3	0.0	-2.3	76.3
FH/FN 20y	7.9	8.7	10.9	14.5	25.0	25.0
FH/FN 30y	5.7	4.3	6.1	5.2	9.8	14.6
GN 30y	6.2	6.4	6.3	6.9	7.2	7.7
CPR Projections						
Type	3.5	4.0	4.5	5.0	5.5	6.0
FN 10y	12.6	13.5	16.8	20.2	21.3	22.6
FH/FN 15y	10.1	12.0	19.6	22.7	--	34.4
GN 15y	8.0	14.7	14.0	13.8	27.6	30.5
FH/FN 20y	8.6	10.1	11.7	15.5	19.3	19.4
FH/FN 30y	6.8	7.8	8.8	11.7	17.1	22.2
GN 30y	6.9	7.8	8.3	9.1	9.7	13.4

Other Markets					
Index	Current	1Wk Chng	Historical		
			1 Mo	6 Mo	1 Yr
Currencies					
Japanese Yen	157.47	1.66	156.24	145.71	156.95
Euro	1.17	(0.00)	1.16	1.15	1.04
Dollar Index	98.57	0.17	100.23	98.91	108.41
Major Stock Indices					
Dow Jones	48,225	(233)	46,139	42,172	42,342
S&P 500	6,823.6	(3.8)	6,642.2	5,980.9	5,867.1
NASDAQ	23,276.5	81	22,564.2	19,546.3	19,372.8
Commodities					
Gold	4,339.5	54.0	4,066.5	3,389.8	2,636.5
Crude Oil	56.65	(0.79)	59.44	75.14	69.91
Natural Gas	3.93	(0.19)	4.55	3.99	3.58
Wheat	507.5	-27.0	536.8	574.3	533.0
Corn	444.5	13.0	429.8	433.5	440.8

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

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: 12/19/2025 9:15AM