

Baker Market Update

Week In Review

February 6, 2026

The
BakerGroup



Dale Sheller

Managing Director

Director of FSG

This week started off with the infamous Punxsutawney Phil predicting six more weeks of winter by seeing his shadow. In honor of Groundhog's Day, I thought it'd be appropriate to quote the 1993 comedy classic, Groundhog Day... "this is pitiful, 1,000 people freezing their butts off to worship a rat!" It's a must-see movie!

Happy First Friday of the month! This is typically jobs report Friday, however, due to the partial government shutdown this week, the Bureau of Labor Statistics temporarily paused their operations this week and therefore delayed their release of the labor market reports. We will now receive the January jobs report next Wednesday, February 11th. Expectations are for the unemployment rate to hold steady at 4.4% and an increase of 70,000 nonfarm payrolls.

Shortly after the groundhog saw his shadow, the S&P Global US Manufacturing Purchasing Manager's Index (PMI) and the ISM Manufacturing PMI. The S&P Global US Manufacturing PMI came in slightly higher than expected at 52.4 (estimated 52.0) signaling that US manufacturing improved at a stronger pace in January. The ISM PMI rebounded to 52.6 last month (estimated 48.5). It was the first time in 12 months that the PMI was above 50 and the highest reading since August 2022. Analysts see the improvement as likely temporary, with manufacturers still complaining about the uncertainty brought by some of the current trade policies.

On Wednesday, the ADP National Employment Report was released showing that private businesses added 22,000 jobs (estimated 45,000) in the month of January. This report showed a significant slowdown and highlighted the cooling labor market. Education and health services increased 74,000, while professional/business services and manufacturing saw declines.

The Job Openings and Labor Turnover Survey or JOLTS Report was released yesterday showing that the number of US job openings dropped to the lowest level in more than five years in December and data for the prior month was revised amid a softening in labor marketing conditions at the end of 2025. Job openings decreased by 386,000 to 6.542 million, the lowest level since September 2020. The hiring rate ticked up to 3.3% and the layoff level saw little change at 1.8 million or a rate of 1.1%. The JOLTS report and ADP National Employment Report both provided more data points to support the current narrative of a "low-fire, low-job" job market. Lastly, U.S. jobless claims rose more than expected last week. The number of people who applied for unemployment benefits rose to 231,000 (estimated 212,000) in the week through January 31st, up from 209,000 a week earlier.

This morning the University of Michigan's survey on consumer sentiment ticked higher. The gauge increased up to 57.3 from 56.4 the previous month. Consumers' expectations for inflation over the next year declined but longer run inflation expectations ticked up slightly.

Stocks are up strong this morning with Treasuries selling off a bit throughout the yield curve. The 10-Year Treasury Yield is currently sitting at 4.21%.

Next week will be a big week for releases as we will get the slightly delayed Job Reports, retail sales data and the latest inflation data via the Consumer Price Index. Stay tuned and have a great weekend!



Source: US Bureau of Labor Statistics via STL Fred

UPCOMING EVENTS

Banks

Webinars:

4Q 2025 Bank Trends

Feb 11, 2026

Banks and CUs

Schools:

ALM School

Apr 23-24, 2026

Seminars:

TX Seminar

May 7, 2026

OK Seminar

Oct 14-16, 2026

Save the Date

Bond School

Nov 5-6, 2026

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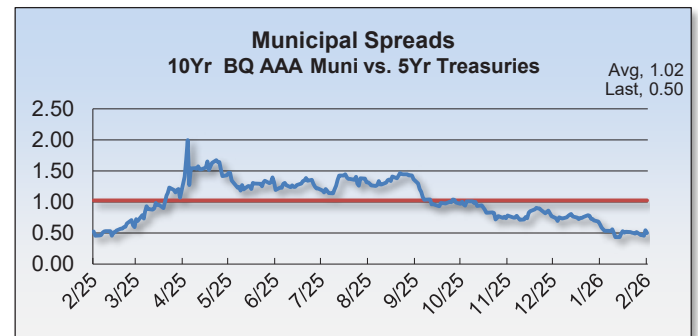
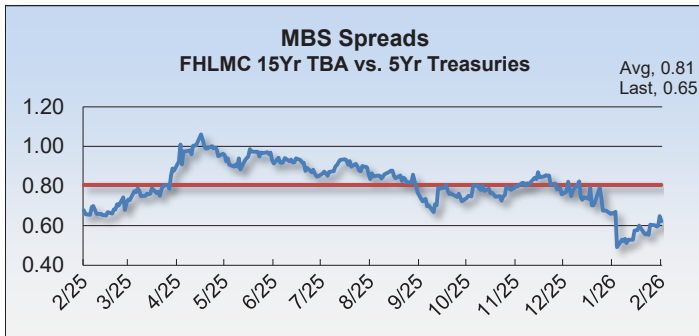
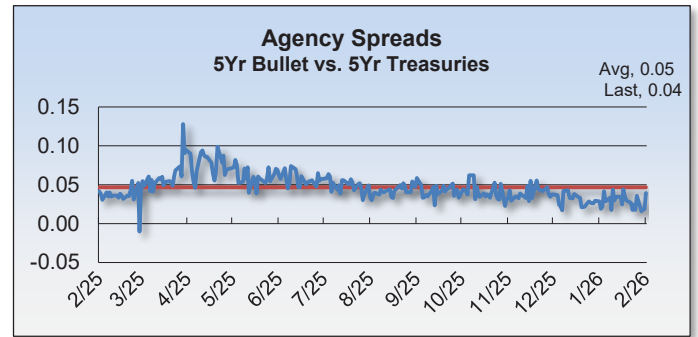
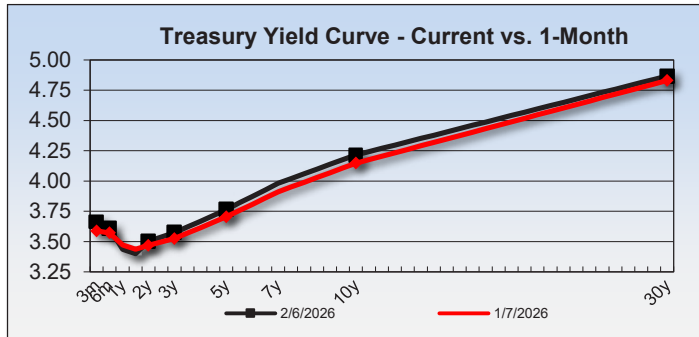
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Treasury Market -- Historical						Fixed Rate Market														
Maty	Current	1Wk Change	Historical			Maty /AL	N-Call Agency	US Swap	AAA BQ Muni		Tax Muni		Agency Calls - Euro							
			1 Mo	6 Mo	1 Yr				C-Corp ²	S-Corp ³		Mty	3Mo	6mo	1Yr	2Yr				
3mo	3.66	0.00	3.59	4.24	4.32	2yr	3.55	3.31	3.25	3.46	3.54	2Yr								
6mo	3.61	(0.02)	3.56	4.12	4.31	3yr	3.61	3.33	3.18	3.38	3.59	3Yr								
1yr	3.44	(0.03)	3.47	3.90	4.18	5yr	3.81	3.46	3.25	3.46	3.83	5Yr								
2yr	3.50	(0.02)	3.46	3.71	4.21	7yr	4.06	3.60	3.50	3.73	4.16	7Yr								
3yr	3.57	(0.02)	3.53	3.67	4.23	10yr	4.39	3.79	3.79	4.04	4.52	10Yr								
5yr	3.76	(0.03)	3.71	3.78	4.28	15yr	4.72	4.02	4.69	4.99	4.71						March TBA MBS			
7yr	3.98	(0.03)	3.93	3.98	4.36	20yr	5.04	4.14	5.56	5.92	5.44	Cpn					15Yr -Yld/AL		30Yr -Yld/AL	
10yr	4.22	(0.02)	4.17	4.23	4.44	25yr	5.36	4.16	5.74	6.11	5.51	3.50	4.41	4.1y	4.80					
30yr	4.87	(0.01)	4.87	4.82	4.64	30yr		4.14	5.92	6.30	5.57	4.00	4.28	4.0y						
* Interpolated													4.50	4.38	4.2y	4.87	8.5y			
													5.00	4.45	3.5y	4.98	6.4y			
													5.50			4.91	3.9y			
													6.00			4.67	2.8y			
Key Market Indices																				
		1Wk	Historical																	

* Interpolated

Key Market Indices					
Index	Current	1Wk Change	Historical		
			1 Mo	6 Mo	1 Yr
Fed Funds	3.75	--	3.75	4.50	4.50
Primary Discount	3.75	--	3.75	4.50	4.50
2ndary Discount	4.25	--	4.25	5.00	5.00
Prime Rate	6.75	--	6.75	7.50	7.50
Sec. O.N. Finance	3.65	--	3.70	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	3.69	(0.03)	3.64	4.20	4.36
1 Year CMT	3.44	(0.06)	3.47	3.92	4.17
REPO O/N	3.72	0.02	3.73	4.40	4.37
REPO 1Wk	3.65	(0.01)	3.69	4.38	4.36
CoF Federal	3.509	--	3.558	3.677	3.719
11th D. CoF (Dec)	2.780	--	2.829	2.948	2.990

FHLB Fixed Advance Rates			
Maturity	Chicago	Boston	Topeka
3mo	3.82	--	3.87
6mo	3.75	--	3.76
1yr	3.60	--	3.68
2yr	3.58	--	3.64
3yr	3.64	--	3.71
4yr	3.76	--	3.83
5yr	3.83	--	3.90
7yr	4.11	--	4.18
10yr	4.43	--	4.50
5yr Am	3.77	--	3.84
10yr Am	4.16	--	4.22

Fed Fund Futures	
Maturity	Rate
Feb-26	3.638
Mar-26	3.620
Apr-26	3.595
May-26	3.550
Jun-26	3.485
Jul-26	3.400
Aug-26	3.315
Sep-26	3.260
Oct-26	3.190
Nov-26	3.135
Dec-26	3.090

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Weekly Economic Calendar						
This Week & Next						
Date	Release	Per.	Est.	Actual	Prior	Revised
2/2	S&P Global US Manufacturing PMI	Jan F	52.0	52.4	51.9	--
2/2	ISM Manufacturing	Jan	48.5	52.6	47.9	--
2/2	ISM Prices Paid	Jan	59.3	59.0	58.5	--
2/2	ISM New Orders	Jan	--	57.1	47.7	47.4
2/2	ISM Employment	Jan	46.0	48.1	44.9	44.8
2/4	ADP Employment Change	Jan	45k	22k	44k	37k
2/4	S&P Global US Services PMI	Jan F	52.5	52.7	52.5	--
2/4	S&P Global US Composite PMI	Jan F	52.9	53.0	52.8	--
2/4	ISM Services Index	Jan	53.5	53.8	54.4	53.8
2/4	ISM Services Employment	Jan	51.8	50.3	52.0	51.7
2/4	ISM Services Prices Paid	Jan	65.0	66.6	64.3	65.1
2/4	ISM Services New Orders	Jan	55.0	53.1	57.9	56.5
2/5	Challenger Job Cuts YoY	Jan	--	117.8%	-8.3%	--
2/5	Challenger Job Cuts Total	Jan	--	108435	35553	--
2/5	Initial Jobless Claims	1/31	212k	231k	209k	--
2/5	Continuing Claims	1/24	1850k	1844k	1827k	1819k
2/5	JOLTS Job Openings	Dec	7250k	6542k	7146k	6928k
2/5	JOLTS Job Openings Rate	Dec	--	3.9%	4.3%	4.2%
2/5	JOLTS Quits Level	Dec	3102k	3204k	3161k	3193k
2/5	JOLTS Quits Rate	Dec	--	2.0%	2.0%	--
2/5	JOLTS Layoffs Level	Dec	1732k	1762k	1687k	1701k
2/5	JOLTS Layoffs Rate	Dec	--	1.1%	1.1%	--
2/6	U. of Mich. Sentiment	Feb P	55.0	57.3	56.4	--
2/6	U. of Mich. Current Conditions	Feb P	53.7	58.3	55.4	--
2/6	U. of Mich. Expectations	Feb P	55.1	56.6	57.0	--
2/6	U. of Mich. 1 Yr Inflation	Feb P	4.0%	3.5%	4.0%	--
2/9	NY Fed 1-Yr Inflation Expectations	Jan	--	--	3.42%	--
2/10	ADP Weekly Employment Change	1/24	--	--	7.750k	--
2/10	Import Price Index YoY	Dec	--	--	0.1%	--
2/10	Export Price Index YoY	Dec	--	--	3.3%	--
2/10	Employment Cost Index	4Q	0.8%	--	0.8%	--
2/10	Retail Sales Ex Auto and Gas	Dec	0.4%	--	0.4%	--
2/10	Retail Sales Control Group	Dec	0.4%	--	0.4%	--
2/11	Change in Nonfarm Payrolls	Jan	70k	--	50k	--
2/11	Change in Private Payrolls	Jan	75k	--	37k	--
2/11	Change in Manufact. Payrolls	Jan	-7k	--	-8k	--
2/11	Average Hourly Earnings YoY	Jan	3.7%	--	3.8%	--
2/11	Average Weekly Hours All Employees	Jan	34.2	--	34.2	--
2/11	Unemployment Rate	Jan	4.4%	--	4.4%	--
2/11	Labor Force Participation Rate	Jan	62.4%	--	62.4%	--
2/11	Underemployment Rate	Jan	--	--	8.4%	--
2/11	Final Benchmark Payrolls Revision	2025	-900k	--	--	--
2/13	CPI YoY	Jan	2.5%	--	2.7%	--
2/13	Core CPI YoY	Jan	2.5%	--	2.6%	--
2/13	Core CPI Index SA	Jan	--	--	331.86	--
2/13	Real Avg Hourly Earning YoY	Jan	--	--	1.1%	--
2/13	Real Avg Weekly Earnings YoY	Jan	--	--	1.1%	--

MBS Prepayments ⁴						
3-Month CPR						
Type	3.5	4.0	4.5	5.0	5.5	6.0
FN 10y	14.5	11.8	18.4	23.5	23.7	26.8
FH/FN 15y	9.3	12.8	13.7	13.1	13.7	21.4
GN 15y	24.6	28.4	25.6	0.1	-2.3	76.3
FH/FN 20y	7.7	8.9	9.4	12.9	23.5	24.8
FH/FN 30y	5.5	5.3	4.8	6.4	10.2	16.2
GN 30y	4.8	3.1	5.9	7.0	6.8	7.3
CPR Projections						
Type	3.5	4.0	4.5	5.0	5.5	6.0
FN 10y	12.6	13.6	17.1	20.1	21.3	22.5
FH/FN 15y	10.2	12.1	19.8	23.0		34.7
GN 15y	8.0	14.8	14.1	13.9	28.0	30.8
FH/FN 20y	8.6	10.2	11.8	16.2	19.7	19.7
FH/FN 30y	6.9	7.9	8.9	12.0	17.8	23.4
GN 30y	7.1	8.0	8.6	9.4	10.2	14.7

Other Markets					
Index	Current	1Wk Chng	Historical		
			1 Mo	6 Mo	1 Yr
Currencies					
Japanese Yen	156.98	2.20	156.45	147.58	152.53
Euro	1.18	(0.00)	1.17	1.16	1.04
Dollar Index	97.59	0.60	98.58	98.18	107.69
Major Stock Indices					
Dow Jones	49,759	866	49,462	44,193	44,748
S&P 500	6,870.0	(69.0)	6,944.8	6,345.1	6,083.6
NASDAQ	22,728.4	(733)	23,547.2	21,169.4	19,792.0
Commodities					
Gold	4,888.3	174.4	4,496.1	3,380.0	2,856.0
Crude Oil	63.61	(1.60)	57.13	64.35	70.61
Natural Gas	3.59	(0.77)	3.35	3.08	3.41
Wheat	533.0	-5.0	510.5	508.5	587.8
Corn	434.0	5.8	444.0	379.8	495.3

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	

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Source for the aforementioned indices, rates, descriptions, & economic indicators: Bloomberg, LP. This report was printed as of: 02/06/2026 9:25AM



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