Baker Market Update

Week In Review

March 13, 2026

The BakerGroup

UPCOMING EVENTS

Banks

Seminars:

IA Seminar
Jun 15, 2026

IL Seminar
Aug 3, 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

Dallas Seminar
Aug 28, 2026

Bond School
Nov 5-6, 2026

Carson Francis
Financial Analyst

A steady stream of economic data and geopolitical shocks moved through markets this week, creating a turbulent environment across both fixed income and equity markets.

This morning brought the first revision of fourth quarter 2025 GDP, the broadest measure of domestic economic output and the primary gauge of overall economic health. GDP rose at a rate of just 0.7% on an inflation- and seasonally adjusted basis, coming in well below the consensus estimate of 1.4%. Real GDP in Q4 was largely propped up by personal consumption expenditures, which accounted for 68% of the quarter's composition, but was dragged down by a notable decline in government spending and a normalization in the net export function.

That theme of consumer resilience from the revised Q4 GDP report carried into 2026, with January data showing personal spending came in above expectations while personal income fell short. This morning's University of Michigan Consumer Sentiment Index reading reinforced that theme, likewise topping analyst estimates of 54.8 with a realized value of 55.5.

Wednesday's release of the February Consumer Price Index (CPI) was one of the more closely watched data points of the week. The year-over-year reading held steady at 2.5%, matching both the prior value and consensus estimates, while the month-over-month figure came in at 0.3%, in line with expectations but ticking up 0.1% from the prior month.

Taken at face value, the consumer sentiment readings, as well as the February inflation reading, would have you believing the domestic economy is currently in a state of euphoria. However, a look under the hood at what is happening with oil and gas prices paints a very different picture. Movements in oil and gas prices have long served as a reliable barometer for the stability of the global geopolitical landscape, and this week's changes in oil and gas prices were no surprise given current events in the Middle East.

This volatility, caused by the current conflicts overseas, also carried over into fixed income markets. The 10-year Treasury yield has traded in a 33-bps range over the past two weeks, indicating that the geopolitical landscape is creating spillover effects and contributing to economic uncertainty on the domestic front.

Looking ahead, next week brings the second Federal Open Market Committee (FOMC) meeting of the year. While no change in policy rates is anticipated, the committee's updated economic outlook amid the current backdrop of mixed data and geopolitical uncertainty could offer valuable insight into where they see the domestic economy heading from here. Have a great weekend, everyone!

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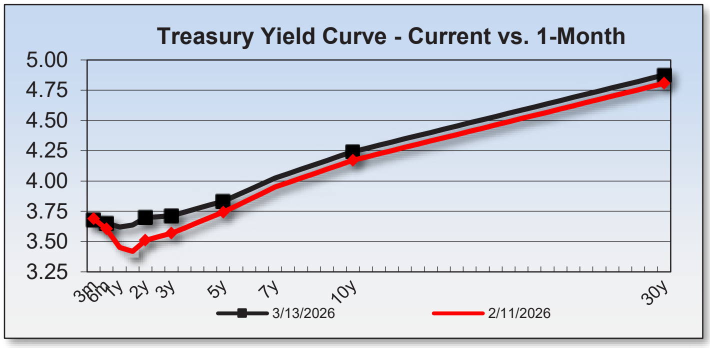

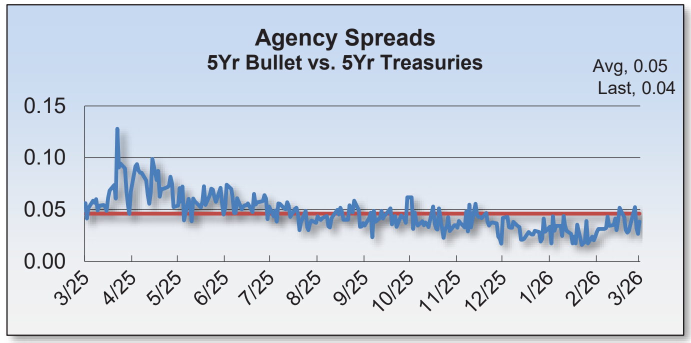

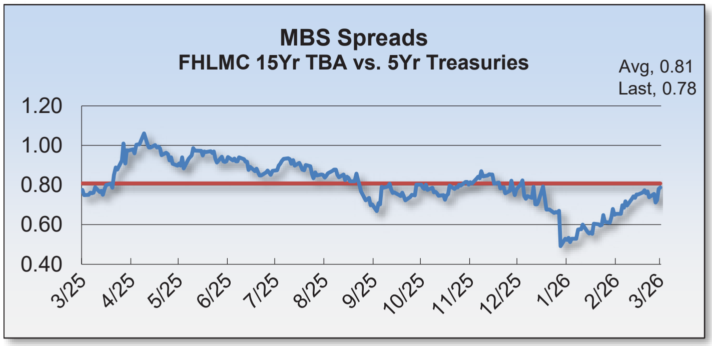

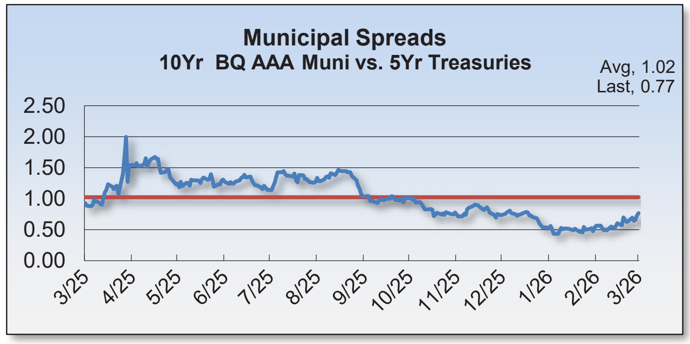

Treasury Market -- Historical

Maty	Current	1Wk Change	Historical 1 Mo	6 Mo	1 Yr
3mo	3.68	0.01	3.68	4.03	4.30
6mo	3.65	0.03	3.61	3.86	4.23
1yr	3.62	0.08	3.43	3.66	4.03
2yr	3.70	0.14	3.41	3.56	3.96
3yr	3.71	0.12	3.45	3.53	3.98
5yr	3.83	0.11	3.61	3.63	4.03
7yr	4.03	0.10	3.81	3.82	4.15
10yr	4.24	0.10	4.05	4.07	4.27
30yr	4.88	0.12	4.70	4.68	4.59

Fixed Rate Market

Maty /AL	N-Call Agency	US Swap	AAA BQ Muni C-Corp[2]	S-Corp[3]	Tax Muni
2yr	3.76	3.55	3.04	3.23	3.81
3yr	3.76	3.50	3.14	3.34	3.80
5yr	3.89	3.54	3.33	3.55	3.95
7yr	4.12	3.64	3.60	3.83	4.24
10yr	4.39	3.78	4.02	4.28	4.57
15yr	4.67	3.99	4.77	5.08	4.76
20yr	4.95	4.08	5.61	5.97	5.45
25yr	5.22	4.09	5.87	6.24	5.52
30yr		4.06	6.12	6.51	5.58

Agency Calls - Euro

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

April TBA MBS

Cpn	15Yr -Yld/AL		30Yr -Yld/AL	
3.50	4.60	4.1y	4.91	
4.00	4.54	4.0y		
4.50	4.59	4.4y	5.07	7.9y
5.00	4.62	3.6y	5.18	6.3y
5.50			5.15	3.9y
6.00			4.90	2.9y

** 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**	(0.01)	3.65	4.42	--
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	**3.79**	0.02	3.68	3.96	4.27
1 Year CMT	**3.66**	0.07	3.45	3.66	4.07
REPO O/N	**3.75**	--	3.70	4.44	4.37
REPO 1Wk	**3.67**	0.02	3.66	4.19	4.38
CoF Federal	**3.465**	--	3.509	3.694	3.673
11th D. CoF (Jan)	**2.736**	--	2.780	2.965	2.944

FHLB Fixed Advance Rates

Maturity	Chicago	Boston	Topeka
3mo	3.82	- -	3.87
6mo	3.79	- -	3.79
1yr	3.77	- -	3.85
2yr	3.80	- -	3.87
3yr	3.81	- -	3.89
4yr	3.88	- -	3.95
5yr	3.93	- -	4.00
7yr	4.19	- -	4.26
10yr	4.46	- -	4.52
5yr Am	3.93		3.98
10yr Am	4.26		4.30

Fed Fund Futures

Maturity	Rate
Mar-26	3.638
Apr-26	3.640
May-26	3.625
Jun-26	3.600
Jul-26	3.565
Aug-26	3.525
Sep-26	3.505
Oct-26	3.480
Nov-26	3.455
Dec-26	3.410
Jan-27	3.390

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Weekly Economic Calendar						
This Week & Next						
Date	Release	Per.	Est.	Actual	Prior	Revised
3/9	NY Fed 1-Yr Inflation Expectations	Feb	3.13%	3.00%	3.09%	--
3/10	ADP Weekly Employment Change	2/21	--	15.500k	--	--
3/10	Existing Home Sales MoM	Feb	-0.8%	1.7%	~~-8.4%~~	-5.9%
3/11	CPI MoM	Feb	0.3%	0.3%	0.2%	--
3/11	Core CPI MoM	Feb	0.2%	0.2%	0.3%	--
3/11	CPI YoY	Feb	2.4%	2.4%	2.4%	--
3/11	Core CPI YoY	Feb	2.5%	2.5%	2.5%	--
3/11	CPI Index NSA	Feb	326.76	326.79	325.25	--
3/11	Core CPI Index SA	Feb	333.59	333.51	332.79	--
3/11	Real Avg Hourly Earning YoY	Feb	--	1.4%	1.2%	--
3/11	Real Avg Weekly Earnings YoY	Feb	--	1.7%	1.9%	--
3/12	Initial Jobless Claims	3/7	215k	213k	~~213k~~	214k
3/12	Continuing Claims	2/28	1849k	1850k	~~1868k~~	1871k
3/12	Housing Starts MoM	Jan	-4.5%	7.2%	~~6.2%~~	4.8%
3/12	Building Permits MoM	Jan P	-3.1%	-5.4%	4.8%	--
3/13	Personal Income	Jan	0.5%	0.4%	0.3%	--
3/13	Real Personal Spending	Jan	0.0%	0.1%	0.1%	--
3/13	PCE Price Index MoM	Jan	0.3%	0.3%	0.4%	--
3/13	PCE Price Index YoY	Jan	2.9%	2.8%	2.9%	--
3/13	Core PCE Price Index MoM	Jan	0.4%	0.4%	0.4%	--
3/13	Core PCE Price Index YoY	Jan	3.1%	3.1%	3.0%	--
3/13	Durables Ex Transportation	Jan P	0.5%	0.4%	~~1.0%~~	1.3%
3/13	Cap Goods Ship Nondef Ex Air	Jan P	0.4%	-0.1%	1.0%	--
3/13	GDP Annualized QoQ	4Q S	1.4%	0.7%	1.4%	--
3/13	Personal Consumption	4Q S	2.4%	2.0%	2.4%	--
3/13	GDP Price Index	4Q S	3.6%	3.8%	3.6%	--
3/13	Core PCE Price Index QoQ	4Q S	2.7%	2.7%	2.7%	--
3/13	JOLTS Job Openings	Jan	6750k	6946k	~~6542k~~	6550k
3/13	JOLTS Job Openings Rate	Jan	4.0%	4.2%	~~3.9%~~	4.0%
3/13	JOLTS Quits Level	Jan	3118k	3137k	~~3204k~~	3225k
3/13	JOLTS Quits Rate	Jan	--	2.0%	2.0%	--
3/13	JOLTS Layoffs Level	Jan	1766k	1631k	~~1762k~~	1666k
3/13	JOLTS Layoffs Rate	Jan	--	1.0%	1.1%	--
3/16	Manufacturing (SIC) Production	Feb	0.2%	--	0.6%	--
3/18	PPI Final Demand YoY	Feb	--	--	2.9%	--
3/18	PPI Ex Food and Energy YoY	Feb	--	--	3.6%	--
3/18	PPI Ex Food, Energy, Trade YoY	Feb	--	--	3.4%	--
3/18	FOMC Rate Decision (Upper Bound)	3/18	3.75%	--	3.75%	--
3/18	FOMC Rate Decision (Lower Bound)	3/18	3.50%	--	3.50%	--
3/18	Fed Interest on Reserve Balances Rate	3/19	--	--	3.65%	--
3/18	Fed Reverse Repo Rate	3/19	--	--	3.50%	--
3/18	FOMC Median Rate Forecast: Current Y	3/18	3.38%	--	3.63%	--
3/18	FOMC Median Rate Forecast: Next Yr	3/18	3.13%	--	3.38%	--
3/18	FOMC Median Rate Forecast: +2 Yrs	3/18	3.13%	--	3.13%	--
3/18	FOMC Median Rate Forecast: Long-Rur	3/18	3.13%	--	3.00%	--
3/18	Total Net TIC Flows	Jan		--	$44.9b	--
3/18	Net Long-term TIC Flows	Jan	--	--	$28.0b	--

MBS Prepayments[4]						
	3-Month CPR					
Type	3.5	4.0	4.5	5.0	5.5	6.0
FN 10y	14.7	12.7	18.0	24.2	26.0	27.8
FH/FN 15y	9.8	12.6	17.4	13.5	14.9	21.4
GN 15y	22.1	30.3	11.4	0.1	-2.3	76.3
FH/FN 20y	7.6	8.8	9.5	12.9	23.6	25.6
FH/FN 30y	5.5	5.3	4.5	6.8	11.4	18.8
GN 30y	3.4	5.1	5.8	6.9	7.2	7.3
	CPR Projections					
Type	3.5	4.0	4.5	5.0	5.5	6.0
FN 10y	12.6	13.6	16.8	19.1	20.8	22.1
FH/FN 15y	10.4	12.0	19.1	22.5		33.5
GN 15y	8.2	15.0	14.3	14.4	28.2	31.2
FH/FN 20y	8.6	10.1	12.2	16.4	20.0	19.8
FH/FN 30y	7.2	8.4	9.6	12.2	18.2	23.3
GN 30y	7.1	8.2	9.4	9.8	10.8	15.6

Other Markets					
		1Wk	Historical		
Index	Current	Chng	1 Mo	6 Mo	1 Yr
Currencies					
Japanese Yen	159.13	1.35	152.70	147.40	148.15
Euro	1.15	(0.01)	1.19	1.18	1.09
Dollar Index	99.94	0.95	96.92	97.55	103.83
Major Stock Indices					
Dow Jones	46,931	(571)	49,501	45,834	40,814
S&P 500	6,728.2	(11.9)	6,836.2	6,584.3	5,521.5
NASDAQ	22,430.4	43	22,546.7	22,141.1	17,303.0
Commodities					
Gold	5,115.0	(43.7)	5,022.0	3,657.3	2,991.3
Crude Oil	93.95	3.05	62.89	62.69	66.55
Natural Gas	3.15	(0.04)	3.24	2.94	4.11
Wheat	592.3	9.5	552.5	503.0	538.8
Corn	446.0	-1.0	431.8	399.0	453.5

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: 03/13/2026 9:15AM