

Baker Market Update

Week In Review

April 10, 2026



Andrea Pringle
Senior Vice President

As expected, inflation surged in March, marking the first clear transmission of geopolitical risk into U.S. consumer prices. This morning's release of the Consumer Price Index (CPI) showed prices jumped 0.9% last month, the largest monthly increase in nearly four years, when prices soared in response to the Russia-Ukraine war. The move was driven primarily by the surge in oil prices following the escalation of conflict with Iran, alongside the continued pass-through of tariffs into consumer goods.

On a year-over-year basis, headline CPI accelerated to 3.3%, reversing the prior cooling trend but landing squarely in line with expectations. The primary catalyst behind the move was unquestionably energy. Global crude prices have risen more than 30% since the onset of the conflict, pushing gasoline prices above \$4 per gallon nationally for the first time in over three years. As is typically the case, this translated quickly into headline inflation.

Beneath the surface, inflation dynamics were more measured. Core CPI, which strips out volatile food and energy prices, increased 0.2% month-over-month, unchanged from February. The year-over-year pace edged up modestly to 2.6%. While this stability is somewhat reassuring, it likely understates the forward trajectory.

The surge in energy prices may represent just the first phase of the inflation impact. March data incorporated the immediate effect of higher oil prices, but the broader economic effects, particularly through diesel and transportation costs, are still working their way through the system.

Energy shocks rarely remain isolated. As higher fuel costs ripple through the economy, several second-order effects are expected to materialize. Rising airfares, driven by higher jet fuel costs are expected as are increased transportation and distribution expenses tied to diesel. Furthermore, we could see upward pressure on goods prices, including fertilizers, plastics, and other energy-intensive inputs.

Sustained price pressures, particularly in essentials like gasoline, may have third-order effects on the economy as well if they begin to erode household purchasing power and weigh on consumption. Ultimately, the path forward may hinge on the consumer response. If households absorb higher gasoline prices without materially altering spending behavior, businesses may retain pricing power, allowing inflation pressures to broaden. However, if consumers begin to pull back it could limit the ability of firms to pass through rising costs and weaken labor market dynamics as well.

All of this brings a tremendous degree of uncertainty into the economic outlook and a more challenging backdrop for Fed policy. The Fed has maintained a heavily data-driven stance and will be closely watching how these effects begin to play out in the data. To that end, we have a full docket of economic news to look forward to next week but for now, enjoy the weekend!

UPCOMING EVENTS

Banks

Seminars:

[IA Seminar](#)

Jun 15, 2026

[IL Seminar](#)

Aug 3, 2026

Webinars:

[Bond Education Series](#)

May 12, 14, 19, and

21, 2026

Banks and CUs

Schools:

[ALM School](#)

Apr 23-24, 2026

[Bond School](#)

Nov 5-6, 2026

Seminars:

[TX Seminar](#)

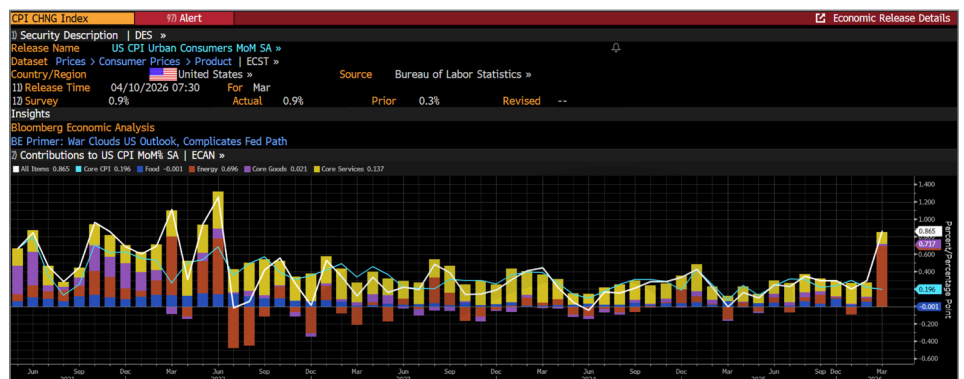
May 7, 2026

[Dallas Seminar](#)

Aug 28, 2026

[OK Seminar](#)

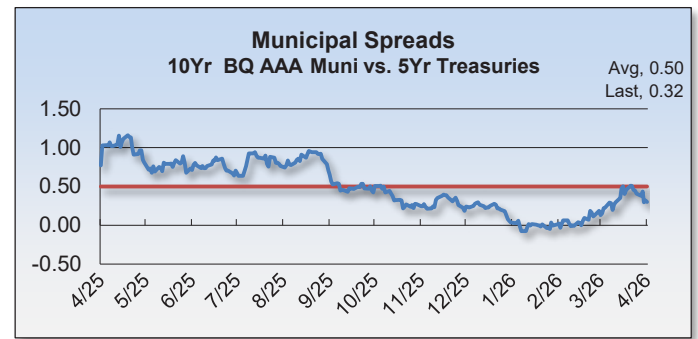
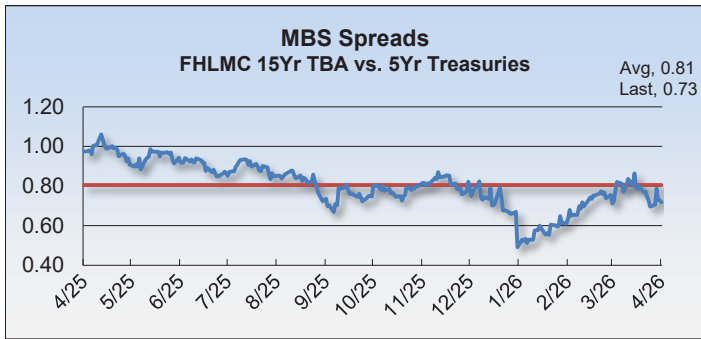
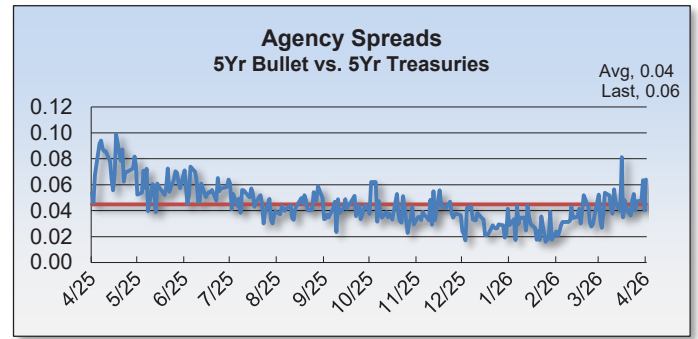
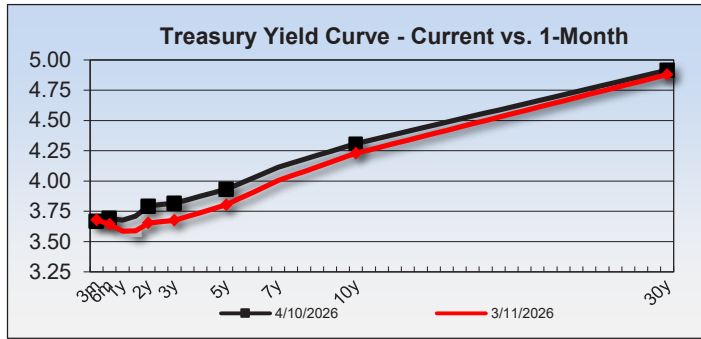
Oct 14-16, 2026



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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	3.67	(0.02)	3.68	3.95	4.32	2yr	3.79	3.61	3.21	3.41	3.84	2Yr				
6mo	3.69	(0.02)	3.64	3.82	4.16	3yr	3.81	3.57	3.30	3.52	3.84	3Yr				
1yr	3.68	(0.02)	3.56	3.59	3.98	5yr	3.93	3.61	3.54	3.77	3.99	5Yr				
2yr	3.80	(0.05)	3.59	3.50	3.87	7yr	4.11	3.71	3.77	4.01	4.29	7Yr				
3yr	3.82	(0.06)	3.61	3.51	3.94	10yr	4.30	3.86	4.13	4.40	4.60	10Yr				
5yr	3.93	(0.05)	3.74	3.63	4.07	15yr	4.48	4.06	4.70	5.01	4.79		May TBA MBS			
7yr	4.11	(0.05)	3.94	3.81	4.25	20yr	4.66	4.16	5.50	5.86	5.48	Cpn	15Yr -Yld/AL		30Yr -Yld/AL	
10yr	4.31	(0.04)	4.16	4.03	4.43	25yr	4.85	4.17	5.77	6.14	5.55	3.50	4.63	4.1y	4.90	
30yr	4.92	0.01	4.79	4.62	4.87	30yr	4.14	4.14	6.03	6.42	5.61	4.00	4.56	4.0y		
												4.50	4.59	4.6y	5.06	8.4y
												5.00	4.68	3.9y	5.17	7.5y
												5.50			5.23	5.5y
												6.00			5.17	3.9y

* Interpolated

Key Market Indices					
Index	Current	1Wk Change	Historical		
			1 Mo	6 Mo	1 Yr
Fed Funds	3.75	--	3.75	4.25	4.50
Primary Discount	3.75	--	3.75	4.25	4.50
2ndary Discount	4.25	--	4.25	4.75	5.00
Prime Rate	6.75	--	6.75	7.25	7.50
Sec. O.N. Finance	3.57	(0.09)	3.65	4.13	--
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	(0.01)	3.75	3.90	4.29
1 Year CMT	3.68	--	3.56	3.66	4.03
REPO O/N	3.67	(0.09)	3.73	4.22	4.38
REPO 1Wk	3.68	0.02	3.70	4.14	4.38
CoF Federal	3.455	--	3.465	3.685	3.666
11th D. CoF (Feb)	2.726	--	2.736	2.956	2.937

FHLB Fixed Advance Rates			
Maturity	Chicago	Boston	Topeka
3mo	3.82	--	3.86
6mo	3.83	--	3.84
1yr	3.84	--	3.89
2yr	3.89	--	3.97
3yr	3.91	--	3.99
4yr	3.99	--	4.06
5yr	4.04	--	4.11
7yr	4.28	--	4.35
10yr	4.52	--	4.59
5yr Am	4.00	--	4.09
10yr Am	4.32	--	4.38

Fed Fund Futures	
Maturity	Rate
Apr-26	3.640
May-26	3.645
Jun-26	3.640
Jul-26	3.640
Aug-26	3.635
Sep-26	3.625
Oct-26	3.620
Nov-26	3.610
Dec-26	3.580
Jan-27	3.565
Feb-27	3.550



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Weekly Economic Calendar						
This Week & Next						
Date	Release	Per.	Est.	Actual	Prior	Revised
4/6	ISM Services Index	Mar	54.9	54.0	56.1	--
4/6	ISM Services Prices Paid	Mar	67.0	70.7	63.0	--
4/6	ISM Services New Orders	Mar	56.8	60.6	58.6	--
4/6	ISM Services Employment	Mar	51.0	45.2	51.8	--
4/7	ADP Weekly Employment Change	3/14	--	15.250k	10.000k	--
4/7	Durable Goods Orders	Feb P	-1.2%	-1.4%	0.0%	-0.5%
4/7	Durables Ex Transportation	Feb P	0.5%	0.8%	0.4%	0.3%
4/7	Cap Goods Orders Nondef Ex Air	Feb P	0.5%	0.6%	0.4%	-0.4%
4/7	Cap Goods Ship Nondef Ex Air	Feb P	0.4%	0.9%	-0.1%	0.0%
4/7	NY Fed 1-Yr Inflation Expectations	Mar	3.5%	3.4%	3.0%	--
4/7	Consumer Credit	Feb	\$10.250b	\$9.484b	\$8.050b	\$7.665b
4/8	MBA Mortgage Applications	4/3	--	-0.8%	-10.4%	--
4/8	FOMC Meeting Minutes	3/18	--	--	--	--
4/9	Personal Income	Feb	0.3%	-0.1%	0.4%	--
4/9	Personal Spending	Feb	0.6%	0.5%	0.4%	0.3%
4/9	Real Personal Spending	Feb	0.2%	0.1%	0.1%	0.0%
4/9	PCE Price Index YoY	Feb	2.8%	2.8%	2.8%	--
4/9	Core PCE Price Index YoY	Feb	3.0%	3.0%	3.1%	--
4/9	Initial Jobless Claims	4/4	210k	219k	202k	203k
4/9	Initial Claims 4-Wk Moving Avg	4/4	--	209.50k	207.75k	208.00k
4/9	Continuing Claims	3/28	1828k	1794k	1841k	1832k
4/9	GDP Annualized QoQ	4Q T	0.7%	0.5%	0.7%	--
4/9	Personal Consumption	4Q T	2.0%	1.9%	2.0%	--
4/9	GDP Price Index	4Q T	3.8%	3.7%	3.8%	--
4/9	Core PCE Price Index QoQ	4Q T	2.7%	2.7%	2.7%	--
4/10	Real Avg Weekly Earnings YoY	Mar	--	0.2%	1.7%	--
4/10	Real Avg Hourly Earning YoY	Mar	--	0.3%	1.4%	--
4/10	CPI YoY	Mar	3.4%	3.3%	2.4%	--
4/10	Core CPI YoY	Mar	2.7%	2.6%	2.5%	--
4/10	Core CPI Index SA	Mar	334.3	334.2	333.5	--
4/10	Factory Orders	Feb	-0.2%	0.0%	0.1%	0.0%
4/10	U. of Mich. Sentiment	Apr P	51.5	47.6	53.3	--
4/10	Factory Orders Ex Trans	Feb	0.4%	1.2%	0.4%	0.5%
4/10	U. of Mich. Current Conditions	Apr P	53.4	50.1	55.8	--
4/10	U. of Mich. Expectations	Apr P	50.2	46.1	51.7	--
4/10	U. of Mich. 1 Yr Inflation	Apr P	4.2%	4.8%	3.8%	--
4/10	U. of Mich. 5-10 Yr Inflation	Apr P	3.4%	3.4%	3.2%	--
4/10	Federal Budget Balance	Mar	-\$153.3b	--	-\$160.5b	--
4/13	Existing Home Sales	Mar	4.06m	--	4.09m	--
4/14	NFIB Small Business Optimism	Mar	97.1	--	98.8	--
4/14	PPI Final Demand YoY	Mar	4.6%	--	3.4%	--
4/14	PPI Ex Food and Energy YoY	Mar	4.1%	--	3.9%	--
4/14	PPI Ex Food, Energy, Trade YoY	Mar	--	--	3.5%	--
4/15	Empire Manufacturing	Apr	-1.3	--	-0.2	--
4/15	Import Price Index YoY	Mar	2.5%	--	1.3%	--
4/15	Export Price Index YoY	Mar	--	--	3.5%	--
4/16	New York Fed Services Business Activit	Apr	--	--	-22.6	--

MBS Prepayments ⁴						
3-Month CPR						
Type	3.5	4.0	4.5	5.0	5.5	6.0
FN 10y	15.8	12.4	18.6	21.8	29.6	29.8
FH/FN 15y	9.9	12.4	15.9	15.0	16.4	22.3
GN 15y	23.7	28.1	6.8	100.0	-2.3	76.3
FH/FN 20y	7.6	8.7	9.4	13.4	24.4	27.0
FH/FN 30y	5.7	4.4	3.7	4.3	5.4	22.7
GN 30y	4.3	5.1	5.9	7.1	7.1	7.5

CPR Projections						
Type	3.5	4.0	4.5	5.0	5.5	6.0
FN 10y	12.4	13.5	16.5	18.1	20.0	21.6
FH/FN 15y	9.9	11.6	18.2	20.7		30.9
GN 15y	8.0	14.8	14.1	14.4	28.0	31.0
FH/FN 20y	8.3	9.8	11.7	15.0	18.8	19.1
FH/FN 30y	6.9	8.2	9.3	10.8	14.8	18.0
GN 30y	6.6	7.2	8.3	8.5	8.6	11.5

Other Markets					
Index	Current	1Wk Chng	Historical		
			1 Mo	6 Mo	1 Yr
Currencies					
Japanese Yen	159.07	(0.60)	158.05	151.19	144.45
Euro	1.17	0.02	1.16	1.16	1.12
Dollar Index	98.64	(1.39)	98.83	98.98	100.87
Major Stock Indices					
Dow Jones	48,073	1,569	47,707	45,480	39,594
S&P 500	6,836.4	253.7	6,781.5	6,552.5	5,268.1
NASDAQ	22,994.4	1,115	22,697.1	22,204.4	16,387.3
Commodities					
Gold	4,791.0	139.5	5,242.1	3,975.9	3,155.2
Crude Oil	98.64	(12.90)	83.45	58.90	60.07
Natural Gas	2.67	(0.13)	3.02	3.11	3.56
Wheat	570.0	--	584.8	498.5	538.0
Corn	439.8	--	436.3	413.0	483.0

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: 04/10/2026 10:46AM



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