

Baker Market Update – Week in Review

May 29, 2026



Andrea Pringle
Senior Vice President

UPCOMING EVENTS

Banks

Seminars:

[IA Seminar](#)

Jun 15, 2026

[IL Seminar](#)

Aug 3, 2026

[Dallas Seminar](#)

Aug 28, 2026

[OK Seminar](#)

Oct 14-16, 2026

Webinars:

[Q2 IRR Management](#)

Jun 10, 2026

Schools:

[Bond School](#)

Nov 5-6, 2026

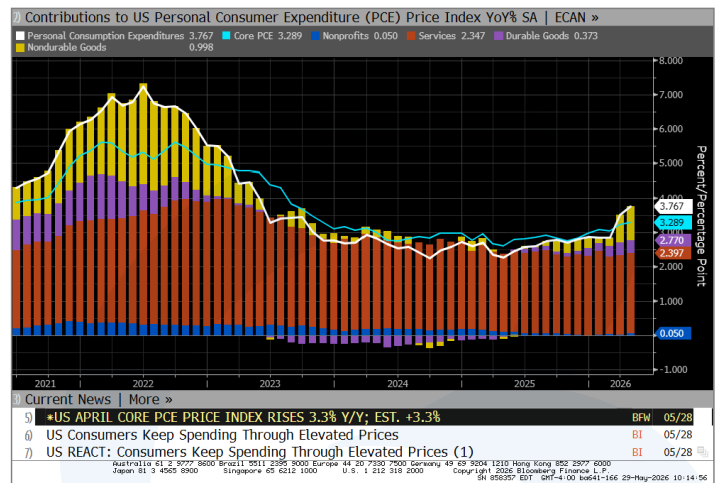
The holiday-shortened week is ending with some optimism around an apparent U.S.-Iran ceasefire extension. The circumstances remain fragile given the many advances that have failed to materialize in previous negotiations but there are signs of progress. On Thursday, US officials reported the two countries had agreed to a deal framework that would extend the ceasefire for 60 days and initiate a dialogue on the future of Iran's nuclear program. The deal reportedly could allow unrestricted passage through the Strait of Hormuz and give Iran 30 days to remove mines from the passageway. The U.S. would also lift its blockade on the Strait and issue sanction waivers allowing Iran to resume selling oil. However, the deal has yet to receive official approval from President Trump or Iranian leadership. Markets are taking the news positively heading into the weekend with equities pushing higher and crude prices moving lower.

The rest of the week's economic data was less positive. On Thursday, Q1 real GDP was revised down to 1.6% annualized from the initial 2.0% estimate with AI investment the apparent main driver of growth. April's Personal Consumption Expenditures (PCE) index rose 0.4% MoM (vs 0.5% consensus) and 3.8% YoY. While inflation is clearly ticking up, the core measure, which strips out food and energy, was less pronounced. Core PCE came in at 0.2% MoM (vs 0.3% consensus), which marked the lightest reading since November. Core PCE was up 3.3% for the year, in line with expectations.

Thursday's personal income and spending data for the month of April also painted a somewhat worrying picture of the American consumer. Income growth came in flat on the month, a significant miss from the 0.4% consensus estimate. However, spending still managed to meet expectations, rising 0.5% over the month. With income flat, Americans are clearly relying on savings to fuel that spending increase. The savings rate has drawn down to a near four-year low of 2.6%, a full three percentage points below where it stood just four months ago. Spending growth appears increasingly detached from income growth, propped up by wealth effects among higher-income households and a surge in credit card usage further down the income ladder. Unpaid credit card balances are now at a record \$1.3 trillion and 90-day delinquency rates are above 13% for the first time in 15 years.

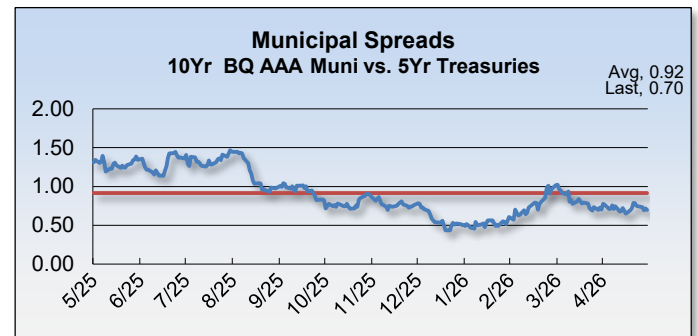
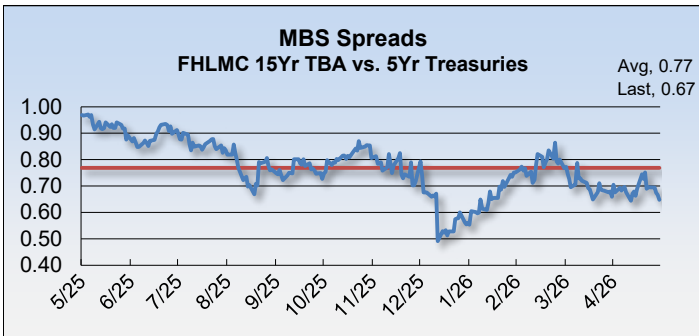
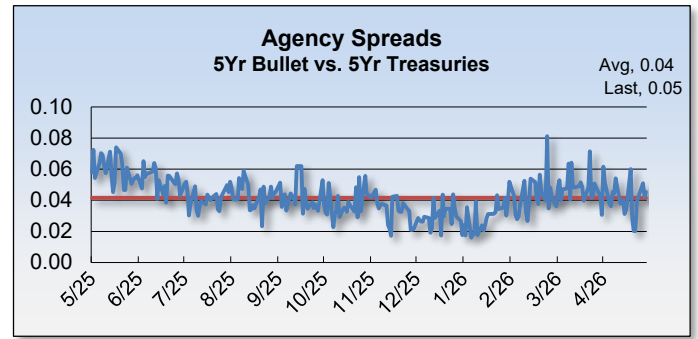
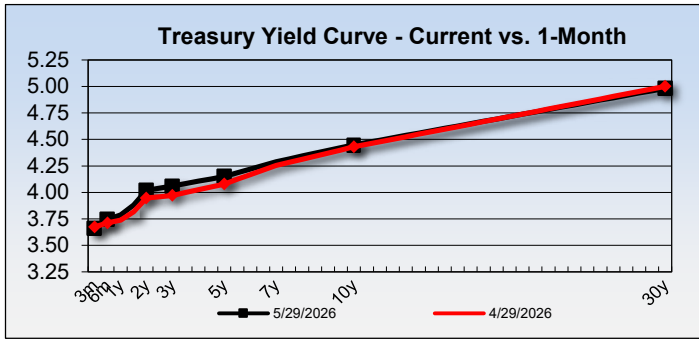
Consumer confidence is clearly reflecting that strain. The Conference Board's Consumer Confidence index edged down to 93.1 from a revised 93.8 in April. The present situation reading fell to 121.1 from 124.4, approaching its five-year low. The "jobs are plentiful" component of the survey dropped to 25.5%, the lowest since early 2021. Consumers' 12-month inflation expectations held at 6.2% YoY, and 62.2% of respondents expect higher interest rates, near the highest since August 2023.

The U.S.-Iran war and resulting closure of the Strait of Hormuz is the dominant backdrop for the economic outlook, but we will also get fresh readings on the state of the labor market next week. Friday's May non-farm payrolls are expected to show jobs growth slowing to 93k and the unemployment rate holding steady 4.3%. Have a great weekend!



Baker Market Update – Week in Review

May 29, 2026



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	(0.00)	3.68	3.80	4.34	2yr	4.04	3.87	3.46	3.68	4.09	2Yr						
6mo	3.74	(0.01)	3.72	3.77	4.32	3yr	4.08	3.87	3.51	3.74	4.16	3Yr						
1yr	3.79	(0.05)	3.75	3.60	4.13	5yr	4.19	3.87	3.72	3.96	4.29	5Yr						
2yr	4.02	(0.10)	3.95	3.49	3.94	7yr	4.36	3.93	3.92	4.17	4.49	7Yr						
3yr	4.06	(0.11)	3.97	3.49	3.96	10yr	4.59	4.04	4.23	4.50	4.77	10Yr						
5yr	4.15	(0.11)	4.08	3.60	4.00	15yr	4.83	4.21	4.79	5.10	4.96		June TBA MBS					
7yr	4.29	(0.11)	4.26	3.78	4.20	20yr	5.07	4.28	5.54	5.90	5.57	Cpn	15Yr -Yld/AL		30Yr -Yld/AL			
10yr	4.45	(0.11)	4.43	4.02	4.42	25yr	5.32	4.28	5.84	6.21	5.64	3.50	4.89	4.1y	5.08			
30yr	4.98	(0.08)	5.00	4.66	4.92	30yr		4.25	6.13	6.53	5.70	4.00	4.74	4.1y				
												4.50	4.74	4.8y	5.23	8.9y		
												5.00	4.80	4.3y	5.32	7.9y		
												5.50			5.38	6.3y		
												6.00			5.35	4.7y		

* Interpolated

Key Market Indices					
Index	Current	1Wk Change	Historical		
			1 Mo	6 Mo	1 Yr
Fed Funds	3.75	--	3.75	4.00	4.50
Primary Discount	3.75	--	3.75	4.00	4.50
2ndary Discount	4.25	--	4.25	4.50	5.00
Prime Rate	6.75	--	6.75	7.00	7.50
Sec. O.N. Finance	3.62	0.11	3.64	4.12	--
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	3.83	(0.04)	3.81	3.81	4.40
1 Year CMT	3.80	(0.03)	3.71	3.61	4.16
REPO O/N	3.65	0.08	3.67	4.10	4.34
REPO 1Wk	3.67	(0.00)	3.67	3.93	4.36
CoF Federal	3.463	--	3.457	3.600	3.663
11th D. CoF (Apr)	2.734	--	2.728	2.871	2.934

FHLB Fixed Advance Rates				Fed Fund Futures	
Maturity	Chicago	Boston	Topeka	Maturity	Rate
3mo	3.84	--	3.87	May-26	3.628
6mo	3.89	--	3.89	Jun-26	3.625
1yr	3.99	--	4.04	Jul-26	3.630
2yr	4.09	--	4.23	Aug-26	3.645
3yr	4.15	--	4.27	Sep-26	3.670
4yr	4.20	--	4.33	Oct-26	3.690
5yr	4.24	--	4.36	Nov-26	3.715
7yr	4.43	--	4.54	Dec-26	3.760
10yr	4.63	--	4.75	Jan-27	3.780
5yr Am	4.23	--	4.35	Feb-27	3.805
10yr Am	4.48	--	4.58	Mar-27	3.825



POWERED BY

Baker Market Update – Week in Review

May 29, 2026

Weekly Economic Calendar						
This Week & Next						
Date	Release	Per.	Est.	Actual	Prior	Revised
5/26	FHFA House Price Index MoM	Mar	0.1%	0.1%	0.0%	-0.1%
5/26	S&P Cotality CS 20-City YoY NSA	Mar	0.90%	0.83%	0.90%	0.92%
5/26	S&P Cotality CS US HPI YoY NSA	Mar	0.72%	0.67%	0.67%	0.75%
5/26	Conf. Board Consumer Confidence	May	92.0	93.1	92.8	93.8
5/26	Conf. Board Present Situation	May	123.0	121.2	123.8	124.4
5/26	Conf. Board Expectations	May	71.9	74.4	72.2	73.4
5/27	MBA Mortgage Applications	5/22	--	-8.5%	-2.3%	--
5/27	ADP Weekly Employment Change	5/9	--	35.750k	42.250k	40.750k
5/28	Personal Income	Apr	0.4%	0.0%	0.6%	0.5%
5/28	Real Personal Spending	Apr	0.1%	0.1%	0.2%	0.3%
5/28	PCE Price Index YoY	Apr	3.8%	3.8%	3.5%	--
5/28	Core PCE Price Index YoY	Apr	3.3%	3.3%	3.2%	--
5/28	Initial Jobless Claims	5/23	211k	215k	209k	210k
5/28	Continuing Claims	5/16	1784k	1786k	1782k	1771k
5/28	Durables Ex Transportation	Apr P	0.5%	1.1%	0.9%	1.1%
5/28	Cap Goods Ship Nondef Ex Air	Apr P	0.6%	0.4%	1.2%	1.3%
5/28	GDP Annualized QoQ	1Q S	2.0%	1.6%	2.0%	--
5/28	GDP Price Index	1Q S	3.6%	3.5%	3.6%	--
5/28	Core PCE Price Index QoQ	1Q S	4.3%	4.4%	4.3%	--
5/29	Advance Goods Imports MoM SA	Apr	1.8%	1.9%	3.3%	--
5/29	Advance Goods Exports MoM SA	Apr	2.5%	4.0%	2.5%	2.9%
5/29	MNI Chicago PMI	May	50.3	62.7	49.2	--
6/1	ISM Prices Paid	May	85.0	--	84.6	--
6/1	ISM New Orders	May	54.5	--	54.1	--
6/1	ISM Employment	May	48.5	--	46.4	--
6/2	JOLTS Job Openings Rate	Apr	--	--	4.1%	--
6/2	JOLTS Quits Level	Apr	--	--	3171k	--
6/2	JOLTS Quits Rate	Apr	--	--	2.0%	--
6/2	JOLTS Layoffs Level	Apr	--	--	1867k	--
6/2	JOLTS Layoffs Rate	Apr	--	--	1.2%	--
6/3	ADP Employment Change	May	120k	--	109k	--
6/3	S&P Global US Composite PMI	May F	--	--	51.7	--
6/3	ISM Services Index	May	53.7	--	53.6	--
6/3	ISM Services Prices Paid	May	71.0	--	70.7	--
6/3	ISM Services New Orders	May	53.0	--	53.5	--
6/3	ISM Services Employment	May	48.5	--	48.0	--
6/4	Challenger Job Cuts YoY	May	--	--	-20.9%	--
6/4	Nonfarm Productivity	1Q F	0.7%	--	0.8%	--
6/4	Unit Labor Costs	1Q F	2.4%	--	2.3%	--
6/5	Change in Nonfarm Payrolls	May	93k	--	115k	--
6/5	Change in Private Payrolls	May	100k	--	123k	--
6/5	Change in Manufact. Payrolls	May	4k	--	-2k	--
6/5	Average Hourly Earnings YoY	May	3.4%	--	3.6%	--
6/5	Average Weekly Hours All Employees	May	34.3	--	34.3	--
6/5	Unemployment Rate	May	4.3%	--	4.3%	--
6/5	Labor Force Participation Rate	May	--	--	61.8%	--
6/5	Underemployment Rate	May	--	--	8.2%	--

MBS Prepayments ⁴						
3-Month CPR						
Type	3.5	4.0	4.5	5.0	5.5	6.0
FN 10y	15.3	13.4	18.0	22.4	30.6	30.6
FH/FN 15y	10.5	12.6	16.4	28.3	16.6	21.6
G2 15y	12.3	11.3	12.0	17.8	25.6	35.0
FH/FN 20y	7.9	9.0	9.5	13.6	23.2	29.4
FH/FN 30y	6.4	4.6	4.7	5.5	7.2	22.6
G2 30y	0.8	0.9	6.5	8.8	20.5	43.1
CPR Projections						
Type	3.5	4.0	4.5	5.0	5.5	6.0
FN 10y	11.9	13.0	15.7	17.1	19.0	20.5
FH/FN 15y	9.7	11.4	15.9	18.9		27.4
G2 15y	9.3	11.4	12.8	14.4	15.4	17.7
FH/FN 20y	8.1	9.5	11.3	14.1	17.8	18.6
FH/FN 30y	6.6	7.7	8.6	10.1	12.8	15.3
G2 30y	7.6	8.5	10.1	11.9	16.2	26.4

Other Markets					
Index	Current	1Wk Chng	Historical		
			1 Mo	6 Mo	1 Yr
Currencies					
Japanese Yen	159.28	0.10	159.76	155.26	145.02
Euro	1.17	0.00	1.17	1.16	1.13
Dollar Index	99.02	(0.24)	98.96	99.46	99.28
Major Stock Indices					
Dow Jones	50,818	532	48,862	47,716	42,216
S&P 500	7,596.8	151.0	7,136.0	6,849.1	5,912.2
NASDAQ	27,065.9	773	24,673.2	23,365.7	19,175.9
Commodities					
Gold	4,535.9	(6.6)	4,561.5	4,218.3	3,317.1
Crude Oil	87.69	(8.66)	106.88	58.55	60.94
Natural Gas	3.36	0.34	2.65	4.85	3.52
Wheat	621.0	-26.5	642.3	531.0	534.0
Corn	450.3	-12.0	466.5	435.5	447.0

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

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: 05/29/2026 9:21AM

