

Baker Market Update – Week in Review

July 10, 2026



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Is it Friday already? It sure is! You know what that means...yes, it's time for a lookback at this week's key economic data releases. The catch is that it was a calm week in the world of economic data. I will ensure this week's Baker Market update is longer than the June FOMC Statement, but I can't guarantee too much more! Let's dive in...

UPCOMING EVENTS

Banks

Webinars:

[Q2 Bank Trends](#)

Aug 12, 2026

Seminars:

[IL Seminar](#)

Aug 3, 2026

[Dallas Seminar](#)

Aug 28, 2026

[Ohio Seminar](#)

Sep 30, 2026

[OK Seminar](#)

Oct 14-16, 2026

Schools:

[Bond School](#)

Nov 5-6, 2026

On Monday, we received the ISM services index which came in at 54.0, in line with expectations. Remember that any number above 50 indicates expansion in the U.S. service sector. Monday's print reflects 24 months in a row of a print in expansionary territory. A better start to the week that the US Men's National Team against Belgium! To quote the late NFL Head Coach Dennis Green, "...they are who we thought they were, and we let 'em off the hook!" I guess we must wait until 2030.

On Wednesday, the FOMC minutes for the June Meeting were released. This was Kevin Warsh's first meeting as chair and the committee unanimously held the funds rate at 3.5% - 3.75% and Warsh characterized the internal debate as a "family fight." Policymakers were split on the future of interest rates with officials offering competing cases for hikes or cuts. True to Warsh's dislike for forward guidance, the meeting summary provided little information on where policymakers stand for the future, noting that decisions would be made based on "incoming information".

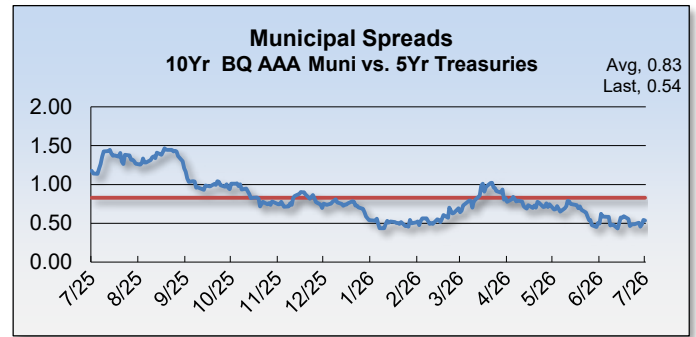
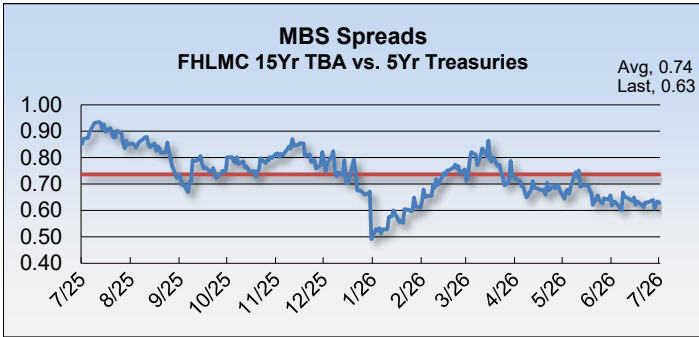
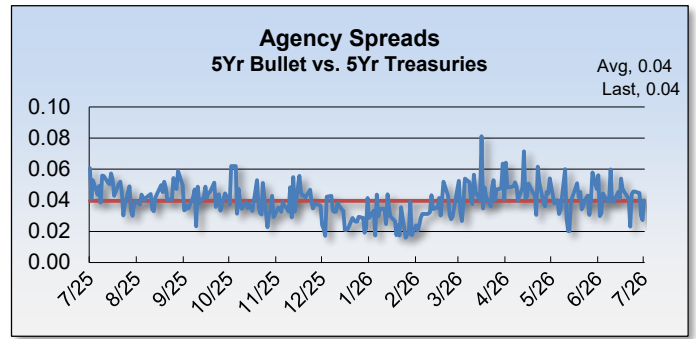
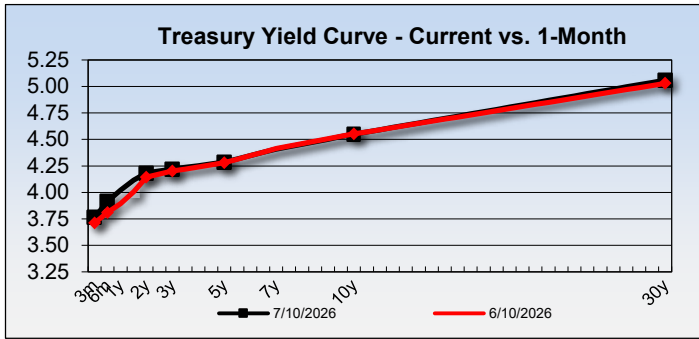
As we do every Thursday, we received the weekly jobless claims data. Initial claims fell 2,000 to a seasonally adjusted 215,000, below the 217,000 forecasts, pushing the four-week average down to 218,750. Continuing claims rose to 8,000 to 1,814,000, the highest since late March but below the 1,820,000 expected. This week's data is consistent with a low fire, low hire labor market.

Additionally on Thursday, June's existing home sales data was released, and sales fell 2.4% month over month to a seasonally adjusted annually rate of 4.09 million. This was a bit of a miss as economists were expecting a 4.20 million pace. The median existing home price increased 1.8% from a year ago, up to \$440,600. This reflects the 36th consecutive month of year over year price increases.

The stock and bond markets saw some volatility this week with renewed concerns on the conflict with Iran. Next week is a big week for economic data releases, including Tuesday's release of the Consumer Price Index for the month of June and Wednesday's Producer Price Index for the month of June. The market's focus will likely not be on the headline CPI which is heavily energy driven, rather the Core CPI, Shelter Inflation and Supercore (services excluding shelter). Later in the week, we get insight into Retail Sales and Consumer Sentiment. Stay tuned and have a great weekend!

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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	3.76	0.01	3.72	3.60	4.35	2yr	4.22	4.02	3.30	3.52	4.22	2Yr						
6mo	3.91	(0.02)	3.81	3.59	4.27	3yr	4.28	3.99	3.44	3.67	4.29	3Yr						
1yr	4.02	0.09	3.90	3.50	4.07	5yr	4.34	3.98	3.67	3.90	4.40	5Yr						
2yr	4.18	0.05	4.15	3.53	3.87	7yr	4.47	4.02	3.89	4.14	4.59	7Yr						
3yr	4.22	0.05	4.20	3.59	3.89	10yr	4.68	4.12	4.24	4.51	4.85	10Yr						
5yr	4.29	0.05	4.28	3.75	3.94	15yr	4.90	4.27	4.76	5.07	5.04		August TBA MBS					
7yr	4.41	0.05	4.41	3.95	4.13	20yr	5.12	4.34	5.36	5.71	5.63	Cpn	15Yr -Yld/AL		30Yr -Yld/AL			
10yr	4.55	0.06	4.55	4.17	4.35	25yr	5.34	4.34	5.67	6.03	5.70	3.50	5.20	4.1y	5.24			
30yr	5.06	0.07	5.03	4.81	4.87	30yr	5.34	4.31	5.98	6.36	5.76	4.00	4.89	5.3y				
												4.50	4.85	5.1y	5.34 9.0y			
												5.00	4.88	4.6y	5.43 8.1y			
												5.50			5.50 6.6y			
												6.00			5.43 5.0y			

* Interpolated

Key Market Indices					
Index	Current	1Wk Change	Historical		
			1 Mo	6 Mo	1 Yr
Fed Funds	3.75	--	3.75	3.75	4.50
Primary Discount	3.75	--	3.75	3.75	4.50
2ndary Discount	4.25	--	4.25	4.25	5.00
Prime Rate	6.75	--	6.75	6.75	7.50
Sec. O.N. Finance	3.53	(0.11)	3.60	3.64	--
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	4.04	0.04	3.91	3.68	4.28
1 Year CMT	4.02	0.06	3.90	3.52	4.07
REPO O/N	3.67	--	3.65	3.70	4.32
REPO 1Wk	3.64	(0.03)	3.65	3.66	4.38
CoF Federal	3.469	--	3.463	3.558	3.662
11th D. CoF (May)	2.740	--	2.734	2.829	2.933

FHLB Fixed Advance Rates				Fed Fund Futures	
Maturity	Chicago	Boston	Topeka	Maturity	Rate
3mo	3.93	--	3.98	Jul-26	3.625
6mo	4.05	--	4.05	Aug-26	3.685
1yr	4.20	--	4.24	Sep-26	3.740
2yr	4.27	--	4.36	Oct-26	3.810
3yr	4.31	--	4.39	Nov-26	3.860
4yr	4.36	--	4.44	Dec-26	3.925
5yr	4.38	--	4.47	Jan-27	3.960
7yr	4.55	--	4.63	Feb-27	3.995
10yr	4.74	--	4.81	Mar-27	4.020
5yr Am	4.37	--	4.46	Apr-27	4.050
10yr Am	4.60	--	4.67	May-27	4.060



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Weekly Economic Calendar						
This Week & Next						
Date	Release	Per.	Est.	Actual	Prior	Revised
7/6	S&P Global US Services PMI	Jun F	51.3	51.2	51.3	--
7/6	S&P Global US Composite PMI	Jun F	52.2	51.9	52.2	--
7/6	ISM Services Index	Jun	54.0	54.0	54.5	--
7/6	ISM Services Prices Paid	Jun	67.5	67.7	71.3	--
7/6	ISM Services New Orders	Jun	56.8	55.1	57.3	--
7/6	ISM Services Employment	Jun	48.2	51.2	47.9	--
7/7	ADP Weekly Employment Change	6/20	--	21.000k	--	--
7/7	Trade Balance	May	-\$78.4b	-\$77.6b	-\$55.9b	-\$54.6b
7/7	Imports MoM	May	2.1%	3.3%	2.0%	--
7/7	Exports MoM	May	-3.5%	-3.2%	2.6%	3.0%
7/7	NY Fed 1-Yr Inflation Expectations	Jun	--	3.7%	3.5%	--
7/8	MBA Mortgage Applications	7/3	--	-2.2%	0.0%	--
7/8	Consumer Credit	May	\$17.500b	-\$0.182b	\$20.733b	\$20.823b
7/9	Initial Jobless Claims	7/4	217k	215k	215k	217k
7/9	Initial Claims 4-Wk Moving Avg	7/4	--	218.75k	222.00k	222.50k
7/9	Continuing Claims	6/27	1814k	1814k	1814k	1806k
7/9	Existing Home Sales	Jun	4.20m	4.09m	4.17m	4.19m
7/9	Existing Home Sales MoM	Jun	1.0%	-2.4%	3.2%	3.7%
7/13	Federal Budget Balance	Jun	--	--	-\$292.6b	--
7/14	NFIB Small Business Optimism	Jun	95.5	--	95.3	--
7/14	Real Avg Weekly Earnings YoY	Jun	--	--	-0.4%	-0.5%
7/14	Real Avg Hourly Earning YoY	Jun	--	--	-0.7%	-0.8%
7/14	CPI MoM	Jun	-0.1%	--	0.5%	--
7/14	Core CPI MoM	Jun	0.2%	--	0.2%	--
7/14	CPI YoY	Jun	3.8%	--	4.2%	--
7/14	Core CPI YoY	Jun	2.8%	--	2.9%	--
7/14	CPI Index NSA	Jun	334.80	--	335.12	--
7/14	Core CPI Index SA	Jun	336.93	--	336.12	--
7/14	Total Net TIC Flows	May	--	--	\$26.1b	--
7/14	Net Long-term TIC Flows	May	--	--	\$103.1b	--
7/15	Empire Manufacturing	Jul	8.6	--	5.7	--
7/15	PPI Final Demand YoY	Jun	6.2%	--	6.5%	--
7/15	PPI Ex Food and Energy YoY	Jun	5.2%	--	4.9%	--
7/15	PPI Ex Food, Energy, Trade YoY	Jun	--	--	5.1%	--
7/16	New York Fed Services Business Activit	Jul	--	--	-10.1	--
7/16	Philadelphia Fed Business Outlook	Jul	15.00	--	10.30	--
7/16	Retail Sales Ex Auto and Gas	Jun	0.5%	--	0.5%	--
7/16	Retail Sales Control Group	Jun	0.5%	--	0.7%	--
7/16	NAHB Housing Market Index	Jul	35	--	35	--
7/16	Business Inventories	May	0.3%	--	0.5%	--
7/16	Pending Home Sales NSA YoY	Jun	--	--	2.1%	--
7/17	Import Price Index YoY	Jun	--	--	6.7%	--
7/17	Export Price Index YoY	Jun	--	--	11.2%	--
7/17	Housing Starts MoM	Jun	13.0%	--	-15.4%	--
7/17	Building Permits MoM	Jun P	-0.7%	--	-0.9%	--
7/17	Industrial Production MoM	Jun	--	--	0.1%	--
7/17	Manufacturing Production MoM	Jun	0.2%	--	0.0%	--

MBS Prepayments ⁴						
3-Month CPR						
Type	3.5	4.0	4.5	5.0	5.5	6.0
FN 10y	15.1	12.3	18.2	21.4	28.0	30.2
FH/FN 15y	11.3	9.5	11.3	31.7	14.0	18.9
G2 15y	13.1	11.8	11.4	17.5	23.5	32.6
FH/FN 20y	8.8	9.8	9.4	11.3	19.2	28.0
FH/FN 30y	7.5	5.4	6.0	8.0	8.3	9.9
G2 30y	0.8	1.4	7.3	7.8	15.1	2.3

CPR Projections						
Type	3.5	4.0	4.5	5.0	5.5	6.0
FN 10y	11.8	12.8	15.1	16.8	18.6	20.1
FH/FN 15y	9.6	11.4	16.2	18.9		27.2
G2 15y	9.1	10.8	12.9	13.6	15.1	16.8
FH/FN 20y	8.1	9.5	11.2	13.5	17.4	18.4
FH/FN 30y	6.6	7.7	8.4	9.7	12.4	15.5
G2 30y	7.5	8.3	9.8	10.6	13.5	19.5

Other Markets					
Index	Current	1Wk Chng	Historical		
			1 Mo	6 Mo	1 Yr
Currencies					
Japanese Yen	161.82	0.48	160.47	157.85	146.12
Euro	1.14	(0.00)	1.16	1.17	1.17
Dollar Index	100.90	0.04	99.95	99.13	97.65
Major Stock Indices					
Dow Jones	52,544	(356)	49,919	49,504	44,651
S&P 500	7,554.2	70.9	7,267.0	6,966.3	6,280.5
NASDAQ	26,221.6	389	25,169.5	23,671.4	20,630.7
Commodities					
Gold	4,112.8	(12.9)	4,108.2	4,500.9	3,325.7
Crude Oil	71.64	2.95	90.03	59.12	66.57
Natural Gas	2.90	(0.30)	3.19	3.17	3.34
Wheat	630.0	39.5	587.5	517.3	550.3
Corn	432.5	7.5	419.0	445.8	407.3

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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