Baker Market Update—*Week in Review*

July 17, 2026

Andrea Pringle
Senior Vice President

Geopolitical risk returned to the forefront this week as the U.S.-Iran ceasefire collapsed. Attacks on commercial tankers in the Strait of Hormuz prompted military exchanges between the two nations and the reimposition of a U.S. naval blockade of the Strait. Despite the severity of the escalation, energy markets responded with relative restraint. Brent crude traded near $85 a barrel heading into Friday — up more than 12% on the week, but still well below the wartime high of approximately $118. The muted reaction suggests markets are pricing in a near-term de-escalation, though the path to normalization for energy markets is by no means straightforward.

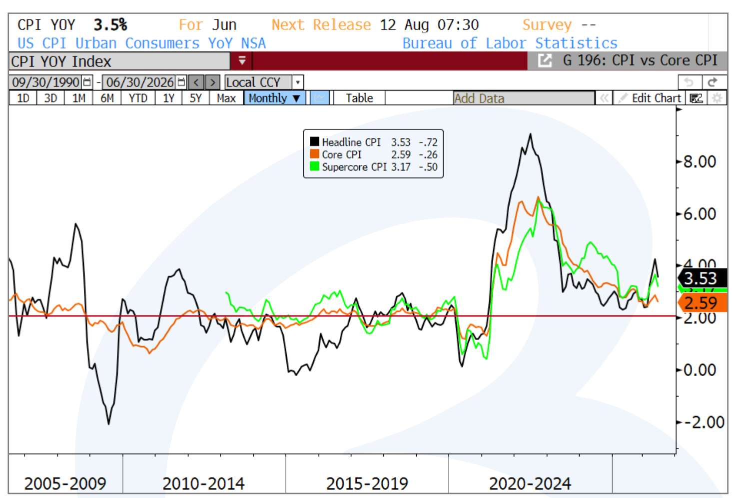
Global oil inventories, which were flush when hostilities first broke out in February, have since drawn down considerably. Meanwhile, alternative transit routes are increasingly at risk, as Iran has called on Yemen's Houthis to close the Red Sea oil route if the U.S. strikes Iranian power infrastructure. With both primary and secondary supply routes potentially in play, the current calm in energy markets may prove short-lived.

The notable bright spot for the week was Tuesday's Consumer Price Index (CPI) report for the month of June. Headline CPI rose 3.5% year-over-year, below the 3.8% consensus estimate, while core CPI — excluding food and energy — decelerated to 2.6% from 2.9% the prior month. The monthly reading registered its first decline in six years with the index falling 0.4% since May. The pullback in CPI mostly reflected a decline in energy costs, particularly a 9.7% drop in gasoline prices, a development unlikely to be repeated in July. The national average for gasoline has already risen to $3.86 a gallon, with further increases expected as oil prices respond to renewed hostilities.

Federal Reserve Chair Kevin Warsh offered little in the way of forward guidance during his congressional testimony on Monday, reaffirming the Fed's commitment to returning inflation to its 2% target while stopping well short of signaling any imminent policy shift. Rate hike expectations remain intact for later in the year. The renewed conflict in the Middle East has preserved the possibility of additional tightening should energy prices reignite broader inflationary pressures.

The economic calendar is light next week, with earnings season providing the primary market catalyst. The trajectory of oil prices and the evolving situation in the Gulf, however, are likely to remain the dominant variables shaping market sentiment as we move through the second half of July.

Have a great weekend!



Source: Bloomberg Finance L.P.

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

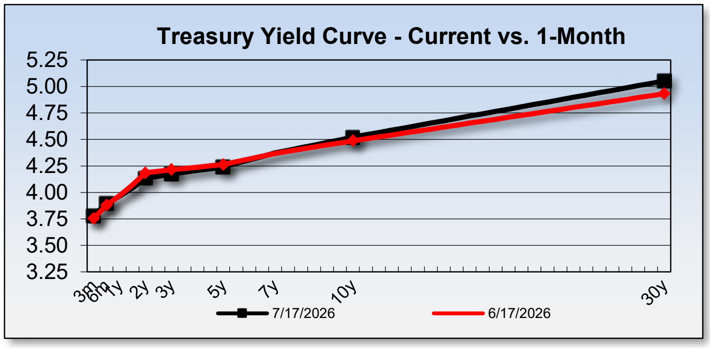
OK Seminar
Oct 14-16, 2026

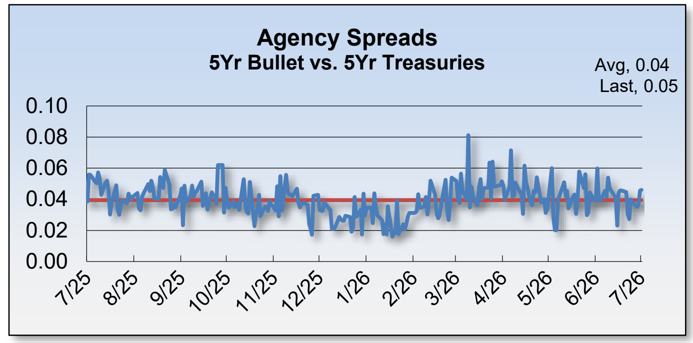
Schools:

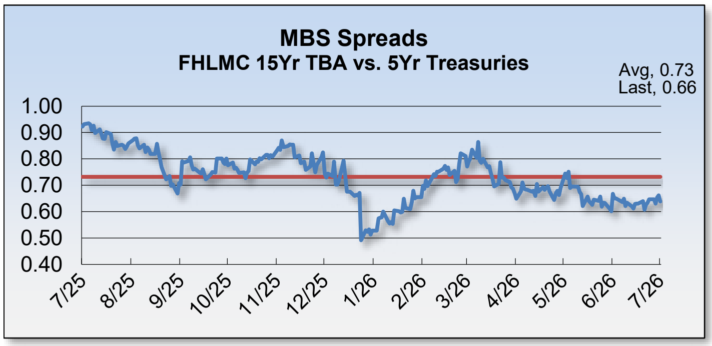
Bond School
Nov 5-6, 2026

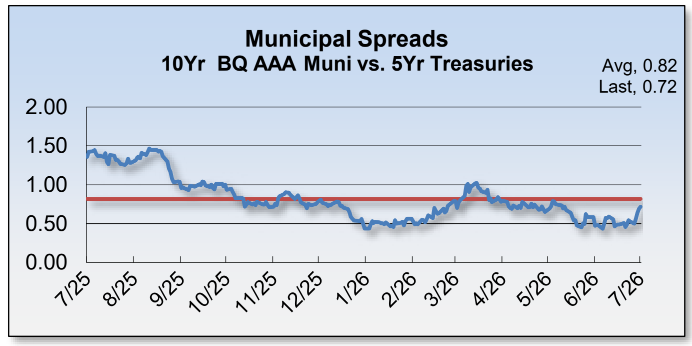
Baker Market Update—*Week in Review*

July 17, 2026









Treasury Market -- Historical

Maty	Current	1Wk Change	Historical 1 Mo	6 Mo	1 Yr
3mo	3.78	(0.01)	3.76	3.64	4.34
6mo	3.89	(0.06)	3.89	3.62	4.28
1yr	3.96	(0.09)	3.98	3.54	4.10
2yr	4.13	(0.08)	4.19	3.59	3.91
3yr	4.17	(0.07)	4.22	3.65	3.93
5yr	4.24	(0.06)	4.26	3.82	3.99
7yr	4.37	(0.05)	4.37	4.01	4.21
10yr	4.52	(0.04)	4.49	4.22	4.45
30yr	5.05	(0.01)	4.93	4.84	5.01

** Interpolated*

Fixed Rate Market

Maty /AL	N-Call Agency	US Swap	AAA BQ Muni C-Corp[2]	S-Corp[3]	Tax Muni
2yr	4.16	3.98	3.40	3.62	4.22
3yr	4.22	3.96	3.54	3.77	4.30
5yr	4.29	3.95	3.79	4.04	4.41
7yr	4.43	4.01	4.02	4.28	4.61
10yr	4.65	4.11	4.37	4.65	4.88
15yr	4.87	4.27	4.91	5.23	5.07
20yr	5.08	4.34	5.49	5.84	5.68
25yr	5.28	4.34	5.77	6.14	5.75
30yr		4.31	6.05	6.44	5.81

Agency Calls - Euro

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

August TBA MBS

Cpn	15Yr -Yld/AL		30Yr -Yld/AL	
3.50	5.20	4.1y	5.21	
4.00	4.90	5.3y		
4.50	4.84	5.1y	5.33	8.9y
5.00	4.87	4.5y	5.41	8.0y
5.50			5.48	6.4y
6.00			5.41	5.0y

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	**3.62**	0.09	3.63	3.65	--
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	**4.01**	(0.03)	3.89	3.72	4.32
1 Year CMT	**3.99**	(0.03)	3.84	3.55	4.08
REPO O/N	**3.67**	--	3.67	3.70	4.32
REPO 1Wk	**3.66**	(0.02)	3.65	3.64	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

Maturity	Chicago	Boston	Topeka
3mo	3.92	- -	3.97
6mo	4.03	- -	4.03
1yr	4.13	- -	4.18
2yr	4.23	- -	4.32
3yr	4.27	- -	4.36
4yr	4.32	- -	4.40
5yr	4.36	- -	4.44
7yr	4.54	- -	4.61
10yr	4.73	- -	4.81
5yr Am	4.34		4.43
10yr Am	4.58		4.66

Fed Fund Futures

Maturity	Rate
Jul-26	3.628
Aug-26	3.650
Sep-26	3.705
Oct-26	3.775
Nov-26	3.820
Dec-26	3.875
Jan-27	3.900
Feb-27	3.930
Mar-27	3.955
Apr-27	3.980
May-27	3.995

Baker Market Update—*Week in Review*

July 17, 2026

Weekly Economic Calendar

This Week & Next

Date	Release	Per.	Est.	Actual	Prior	Revised
7/14	NFIB Small Business Optimism	Jun	95.7	97.4	95.3	--
7/14	ADP Weekly Employment Change	6/27	--	19.750k	21.000k	--
7/14	Real Avg Weekly Earnings YoY	Jun	--	0.3%	~~-0.4%~~	-0.5%
7/14	Real Avg Hourly Earning YoY	Jun	--	0.1%	~~-0.7%~~	-0.8%
7/14	CPI MoM	Jun	-0.1%	-0.4%	0.5%	--
7/14	Core CPI MoM	Jun	0.2%	0.0%	0.2%	--
7/14	CPI YoY	Jun	3.8%	3.5%	4.2%	--
7/14	Core CPI YoY	Jun	2.8%	2.6%	2.9%	--
7/14	CPI Index NSA	Jun	334.70	333.95	335.12	--
7/14	Core CPI Index SA	Jun	336.93	336.07	336.12	--
7/14	Total Net TIC Flows	May	--	$132.2b	~~$26.1b~~	$76.6b
7/14	Net Long-term TIC Flows	May	--	$232.7b	~~$103.1b~~	$104.8b
7/15	Empire Manufacturing	Jul	9.2	15.6	5.7	--
7/15	PPI Final Demand MoM	Jun	0.0%	-0.3%	~~1.1%~~	0.6%
7/15	PPI Ex Food and Energy MoM	Jun	0.3%	0.2%	~~0.4%~~	0.1%
7/15	PPI Ex Food, Energy, Trade MoM	Jun	0.3%	0.1%	0.8%	--
7/15	PPI Final Demand YoY	Jun	6.2%	5.5%	~~6.5%~~	6.0%
7/15	PPI Ex Food and Energy YoY	Jun	5.1%	4.7%	~~4.9%~~	4.6%
7/15	PPI Ex Food, Energy, Trade YoY	Jun	5.2%	5.1%	5.1%	--
7/16	New York Fed Services Business Activit	Jul	--	8.7	-10.1	--
7/16	Philadelphia Fed Business Outlook	Jul	12.5	41.4	10.3	--
7/16	Retail Sales Advance MoM	Jun	0.2%	0.2%	~~0.9%~~	1.0%
7/16	Retail Sales Ex Auto MoM	Jun	-0.1%	-0.2%	~~0.8%~~	1.0%
7/16	Retail Sales Ex Auto and Gas	Jun	0.4%	0.4%	~~0.5%~~	0.8%
7/16	Retail Sales Control Group	Jun	0.5%	0.5%	~~0.7%~~	0.8%
7/16	Initial Jobless Claims	7/11	217k	208k	~~215k~~	216k
7/16	Initial Claims 4-Wk Moving Avg	7/11	--	214.25k	~~218.75k~~	219.00k
7/16	Continuing Claims	7/4	1818k	1805k	~~1814k~~	1821k
7/16	NAHB Housing Market Index	Jul	35	34	~~35~~	36
7/16	Business Inventories	May	0.3%	0.3%	~~0.5%~~	0.6%
7/16	Pending Home Sales NSA YoY	Jun	2.0%	2.3%	~~2.1%~~	1.7%
7/17	Import Price Index YoY	Jun	6.5%	7.1%	~~6.7%~~	6.6%
7/17	Export Price Index YoY	Jun	10.2%	10.2%	~~11.2%~~	11.3%
7/17	Housing Starts MoM	Jun	11.2%	19.0%	~~-15.4%~~	-15.2%
7/17	Building Permits MoM	Jun P	0.1%	-3.0%	-0.9%	--
7/17	Industrial Production MoM	Jun	0.2%	0.1%	0.1%	--
7/17	Manufacturing Production MoM	Jun	0.1%	0.0%	~~0.0%~~	0.1%
7/17	Capacity Utilization	Jun	76.2%	76.1%	~~76.2%~~	76.1%
7/17	U. of Mich. Sentiment	Jul P	51.0	54.4	49.5	--
7/17	U. of Mich. Current Conditions	Jul P	48.7	54.9	47.7	--
7/17	U. of Mich. 1 Yr Inflation	Jul P	4.4%	4.2%	4.6%	--
7/20	Leading Index	Jun	-0.1%	--	0.1%	--
7/21	Philadelphia Fed Non-Manufacturing Ac	Jul	--	--	-25.8	--
7/23	Chicago Fed Nat Activity Index	Jun	--	--	-0.1	--
7/24	S&P Global US Manufacturing PMI	Jul P	54.4	--	53.9	--
7/24	S&P Global US Services PMI	Jul P		--	51.2	--
7/24	S&P Global US Composite PMI	Jul P	--	--	51.9	--

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	12.9	15.3	16.9	18.7	20.1
FH/FN 15y	9.5	11.4	15.9	19.1		27.2
G2 15y	9.1	10.9	12.2	13.7	15.2	16.9
FH/FN 20y	8.1	9.4	11.2	13.7	17.7	18.5
FH/FN 30y	6.6	7.7	8.4	9.8	12.6	15.6
G2 30y	7.5	8.4	9.9	10.6	13.1	20.0

Other Markets

Index	Current	1Wk Chng	Historical 1 Mo	6 Mo	1 Yr
Currencies					
Japanese Yen	162.37	0.69	160.24	157.89	148.64
Euro	1.14	0.00	1.16	1.16	1.16
Dollar Index	100.76	(0.19)	100.09	99.39	98.73
Major Stock Indices					
Dow Jones	52,516	(121)	51,493	49,359	44,484
S&P 500	7,456.7	(118.7)	7,420.1	6,940.0	6,297.4
NASDAQ	25,541.5	(740)	26,021.7	23,515.4	20,885.7
Commodities					
Gold	3,993.7	(120.0)	4,358.9	4,595.4	3,345.3
Crude Oil	81.80	10.39	76.79	59.44	67.54
Natural Gas	2.91	(0.03)	3.15	3.10	3.54
Wheat	672.3	40.3	612.8	518.0	533.5
Corn	440.8	2.8	421.0	424.8	402.0

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

Source for the aforementioned indices, rates, descriptions, & economic indicators: Bloomberg, LP. This report was printed as of: 07/17/2026 9:26AM