Baker Market Update—*Week in Review*

November 20, 2026



Dillon Wiedemann
Senior Vice President of FSG

UPCOMING EVENTS

Banks

Webinars:

Q4 IRR Management
Dec 9, 2026

Seminars:

MN Seminar
Dec 3, 2026

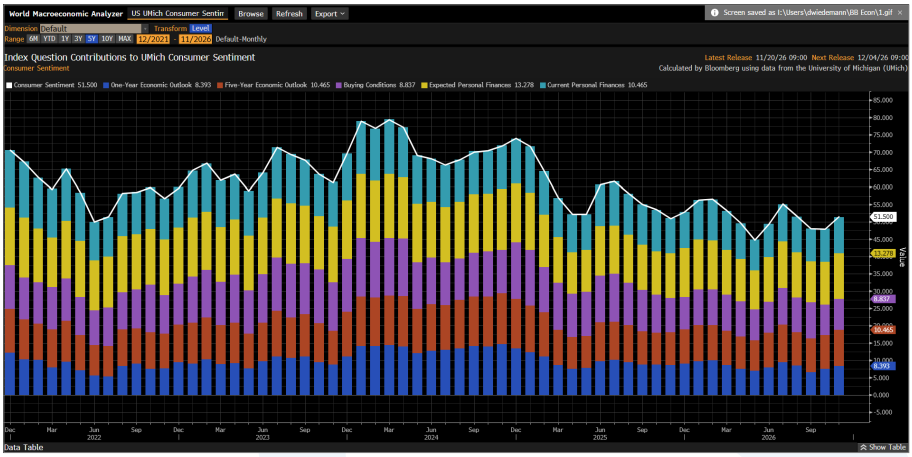
Treasuries have rallied this week, pushing the 10yr yield back below 5%. We started the week at 5.12% on Monday and have fallen 16bp to 4.96% as of the time of this writing. The move largely reflects increased demand for safe-haven assets amid a broader risk-off tone, as AI stocks have led a sell-off in the equity market that has pushed the Nasdaq down around 15% from its October 6th high.

This week's data showed a consumer that is still spending, while rate-sensitive parts of the economy continue to feel the strain of higher borrowing costs. Retail sales rose 0.2% in October (est = 0.1%), and the control group, which excludes volatile categories like autos and gas and feeds directly into GDP, rose 0.6% (est = 0.3%). Consumers are also feeling better, as the University of Michigan's sentiment index rose to a three-month high of 51.5 from 48.0 in October. More importantly for the Fed, year-ahead inflation expectations fell to 3.7% from 4.7%, and long-run expectations eased to 3.3% from 3.5%. Regional manufacturing surveys were mixed, with New York and Philadelphia cooling sharply while Kansas City improved.

Housing remains the clearest casualty of higher rates. Builder sentiment fell to 25 (est = 29), building permits dropped 7.4% to 1.295mm (est = 1.375mm) and pending home sales fell 4.7% (est = -2.0%). Housing starts were the exception, rising 9.9% to 1.309mm (est = 1.250mm). The MBA 30-year mortgage rate climbed to 7.35% from 7.21%. The labor market also softened at the margin, with initial jobless claims rising to 203k (est = 198k) and continuing claims climbing to 1.76mm (est = 1.70mm). Even with the stronger retail sales, the weakness in industrial production and housing was enough to pull the Atlanta Fed's GDPNow model, a real-time estimate of quarterly growth, down to 3.2% from 3.5% this week, though that still points to healthy growth in the fourth quarter.

On the Fed front, minutes from the October meeting showed that almost all participants expect further rate hikes will likely be appropriate, and a couple said a move larger than 25bp could be considered in December. Governor Waller went further on Wednesday, saying he favors a 50bp hike in December unless the Fed clearly signals another increase to follow. Markets are currently pricing in a 96% chance of a 25bp hike at the December meeting.

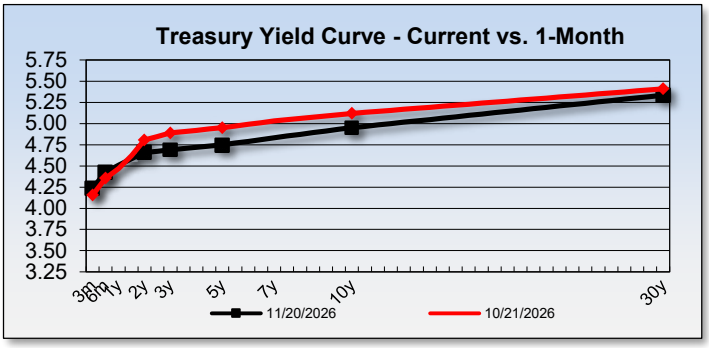
Next week is a holiday-shortened week, with markets closed Thursday for Thanksgiving, but it will still be busy, as we get a revised look at third quarter GDP along with October PCE on Wednesday. PCE, the Fed's preferred inflation gauge, is expected to show core prices up 0.3% for the month and 3.2% from a year ago. This will be the last inflation reading the Fed will see before meeting in December.

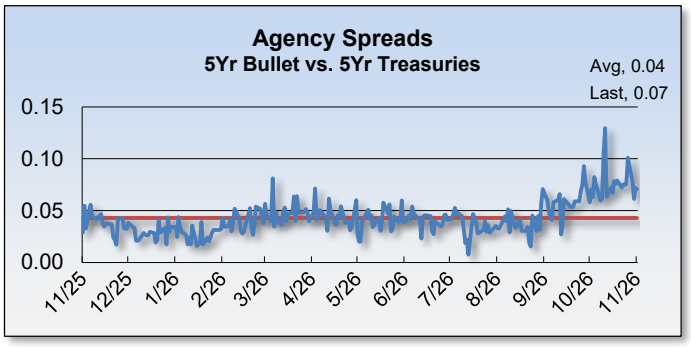


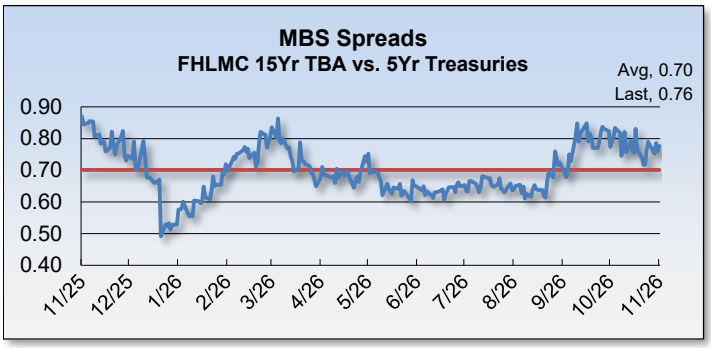
Hope everyone has a great weekend!

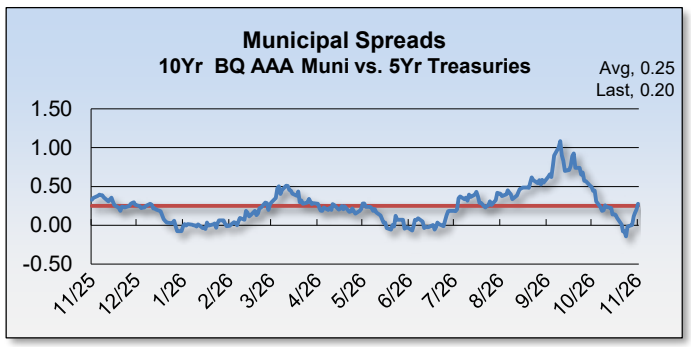
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Treasury Market -- Historical

Maty	Current	1Wk Change	Historical 1 Mo	Historical 6 Mo	Historical 1 Yr
3mo	4.24	0.01	4.17	3.65	3.87
6mo	4.43	(0.02)	4.37	3.72	3.81
1yr	4.51	(0.09)	4.48	3.79	3.65
2yr	4.66	(0.19)	4.78	4.06	3.53
3yr	4.69	(0.22)	4.87	4.13	3.57
5yr	4.75	(0.21)	4.93	4.25	3.65
7yr	4.83	(0.21)	5.01	4.41	3.84
10yr	4.95	(0.19)	5.11	4.59	4.09
30yr	5.33	(0.13)	5.42	5.12	4.72

Fixed Rate Market

Maty /AL	N-Call Agency	US Swap	AAA BQ Muni C-Corp[2]	AAA BQ Muni S-Corp[3]	Tax Muni
2yr	4.66	4.50	4.12	4.38	4.90
3yr	4.69	4.47	4.20	4.47	4.97
5yr	4.75	4.45	4.44	4.72	5.03
7yr	4.83	4.47	4.58	4.87	5.17
10yr	4.95	4.54	4.87	5.19	5.37
15yr	5.07	4.67	5.59	5.95	5.59
20yr	5.19	4.73	6.29	6.69	6.02
25yr	5.31	4.72	6.61	7.03	6.09
30yr		4.67	6.93	7.38	6.15

Agency Calls - Euro

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

December TBA MBS

Cpn	15Yr -Yld/AL		30Yr -Yld/AL	
4.00	5.45	5.7y	5.82	
4.50	5.38	5.5y		
5.00	5.44	5.1y	5.87	9.5y
5.50	5.50	4.6y	5.98	8.8y
6.00			6.10	8.1y
6.50			6.20	6.9y

** Interpolated*

Key Market Indices

Index	Current	1Wk Change	Historical 1 Mo	Historical 6 Mo	Historical 1 Yr
Fed Funds	**4.00**	--	4.00	3.75	4.00
Primary Discount	**4.00**	--	4.00	3.75	4.00
2ndary Discount	**4.50**	--	4.50	4.25	4.50
Prime Rate	**7.00**	--	7.00	6.75	7.00
Sec. O.N. Finance	**3.91**	0.01	3.87	3.51	--
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	**4.57**	(0.02)	4.44	3.82	3.95
1 Year CMT	**4.62**	(0.03)	4.50	3.83	3.68
REPO O/N	**3.90**	--	3.90	3.57	4.02
REPO 1Wk	**3.92**	(0.01)	3.91	3.64	3.94
CoF Federal	**3.707**	--	3.627	3.463	3.600
11th D. CoF (Sep)	**2.898**	--	2.838	2.728	2.921

FHLB Fixed Advance Rates

Maturity	Chicago	Boston	Topeka
3mo	4.38	- -	4.42
6mo	4.56	- -	4.58
1yr	4.69	- -	4.75
2yr	4.80	- -	4.88
3yr	4.84	- -	4.93
4yr	4.88	- -	4.96
5yr	4.90	- -	4.98
7yr	5.18	- -	5.26
10yr	5.36	- -	5.42
5yr Am	4.91		4.97
10yr Am	5.22		5.25

Fed Fund Futures

Maturity	Rate
Nov-26	3.880
Dec-26	4.050
Jan-27	4.135
Feb-27	4.270
Mar-27	4.335
Apr-27	4.405
May-27	4.450
Jun-27	4.485
Jul-27	4.500
Aug-27	4.510
Sep-27	4.510

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Weekly Economic Calendar

This Week & Next

Date	Release	Per.	Est.	Actual	Prior	Revised
11/20	U. of Mich. Sentiment	Nov F	51.6	51.5	51.0	--
11/20	U. of Mich. Current Conditions	Nov F	52.3	49.4	51.0	--
11/20	U. of Mich. Expectations	Nov F	51.2	52.9	50.9	--
11/20	U. of Mich. 1 Yr Inflation	Nov F	4.2%	3.7%	4.3%	--
11/20	U. of Mich. 5-10 Yr Inflation	Nov F	3.4%	3.3%	3.4%	--
11/20	Kansas City Fed Services Activity	Nov	9.0	--	10.0	--
11/23	Chicago Fed Nat Activity Index	Oct	--	--	0.1	--
11/23	S&P Global US Manufacturing PMI	Nov P	54.5	--	54.9	--
11/23	S&P Global US Services PMI	Nov P	55.7	--	56.1	--
11/23	S&P Global US Composite PMI	Nov P	--	--	55.9	--
11/23	2Y Bid/Cover Ratio	11/23	--	--	2.6	--
11/24	ADP Weekly Employment Change	11/7	--	--	23.750k	--
11/24	Philadelphia Fed Non-Manufacturing Ac	Nov	--	--	-23.6	--
11/24	FHFA House Price Index QoQ	3Q	--	--	0.4%	--
11/24	S&P Cotality CS 20-City YoY NSA	Sep	2.7%	--	2.7%	--
11/24	S&P Cotality CS US HPI YoY NSA	Sep	--	--	2.1%	--
11/24	Richmond Fed Manufact. Index	Nov	--	--	-2.0	--
11/24	Richmond Fed Business Conditions	Nov	--	--	-5.0	--
11/24	Conf. Board Consumer Confidence	Nov	92.1	--	91.7	--
11/24	Conf. Board Present Situation	Nov	121.3	--	120.4	--
11/24	Conf. Board Expectations	Nov	73.4	--	72.6	--
11/24	52W Bid/Cover Ratio	11/24	--	--	3.2	--
11/24	6W High Yield Rate	11/24	--	--	4.1%	--
11/24	6W Bid/Cover Ratio	11/24	--	--	2.8	--
11/24	6W Direct Accepted %	11/24	--	--	4.7%	--
11/24	6W Indirect Accepted %	11/24	--	--	65.7%	--
11/24	5Y Bid/Cover Ratio	11/24	--	--	2.3	--
11/24	2Y FRN Bid/Cover Ratio	11/24	--	--	3.1	--
11/25	MBA Mortgage Applications	11/20	--	--	-2.3%	--
11/25	Personal Income	Oct	0.3%	--	0.2%	--
11/25	Personal Spending	Oct	0.4%	--	0.5%	--
11/25	Real Personal Spending	Oct	0.1%	--	0.0%	--
11/25	PCE Price Index YoY	Oct	3.8%	--	3.6%	--
11/25	Core PCE Price Index YoY	Oct	3.2%	--	3.1%	--
11/25	GDP Annualized QoQ	3Q S	3.5%	--	3.4%	--
11/25	Personal Consumption	3Q S	3.9%	--	3.8%	--
11/25	GDP Price Index	3Q S	2.3%	--	2.3%	--
11/25	Core PCE Price Index QoQ	3Q S	2.5%	--	2.5%	--
11/25	Initial Jobless Claims	11/21	200k	--	203k	--
11/25	Initial Claims 4-Wk Moving Avg	11/21	--	--	197.75k	--
11/25	Durable Goods Orders	Oct P	0.5%	--	1.9%	--
11/25	Continuing Claims	11/14	--	--	1763k	--
11/25	Durables Ex Transportation	Oct P	0.5%	--	0.5%	--
11/25	Cap Goods Orders Nondef Ex Air	Oct P	0.8%	--	0.6%	--
11/25	Cap Goods Ship Nondef Ex Air	Oct P	--	--	1.2%	--
11/25	New Home Sales	Oct		--	676k	--
11/25	8W Indirect Accepted %	11/25	--	--	67.8%	--

MBS Prepayments[4]

3-Month CPR

Type	4.0	4.5	5.0	5.5	6.0	6.5
FN 10y	10.9	14.4	17.9	20.8	25.5	37.2
FH/FN 15y	8.4	14.3	8.5	10.1	16.6	53.0
G2 15y	9.2	10.6	13.3	15.9	20.3	0.8
FH/FN 20y	9.2	9.4	12.6	21.6	23.9	21.8
FH/FN 30y	4.7	5.8	5.6	8.7	9.9	14.0
G2 30y	1.4	6.2	6.3	7.1	2.7	5.4

CPR Projections

Type	4.0	4.5	5.0	5.5	6.0	6.5
FN 10y	10.5	11.7	13.1	14.8	15.4	14.5
FH/FN 15y	9.3	12.3	14.2	53.3		15.0
G2 15y	9.0	10.4	11.6	12.2	14.5	16.1
FH/FN 20y	8.1	9.4	13.1	16.7	17.7	18.0
FH/FN 30y	6.5	6.6	7.4	8.8	9.8	11.6
G2 30y	6.6	7.4	8.8	9.4	10.7	13.2

Other Markets

Index	Current	1Wk Chng	Historical 1 Mo	Historical 6 Mo	Historical 1 Yr
Currencies					
Japanese Yen	158.63	(1.08)	158.17	158.92	157.47
Euro	1.10	(0.00)	1.12	1.16	1.15
Dollar Index	103.66	0.25	101.70	99.09	100.16
Major Stock Indices					
Dow Jones	49,195	(3,153)	52,496	50,009	45,752
S&P 500	7,113.3	(448.4)	7,712.6	7,433.0	6,538.8
NASDAQ	23,317.7	(1,819)	26,424.8	26,270.4	22,078.1
Commodities					
Gold	3,560.6	(325.7)	4,122.4	4,535.3	4,060.0
Crude Oil	82.13	(6.43)	101.79	98.26	59.14
Natural Gas	3.26	0.03	2.96	3.00	4.47
Wheat	570.8	-22.5	643.3	660.5	527.0
Corn	434.5	-11.0	462.0	465.8	426.5

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

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