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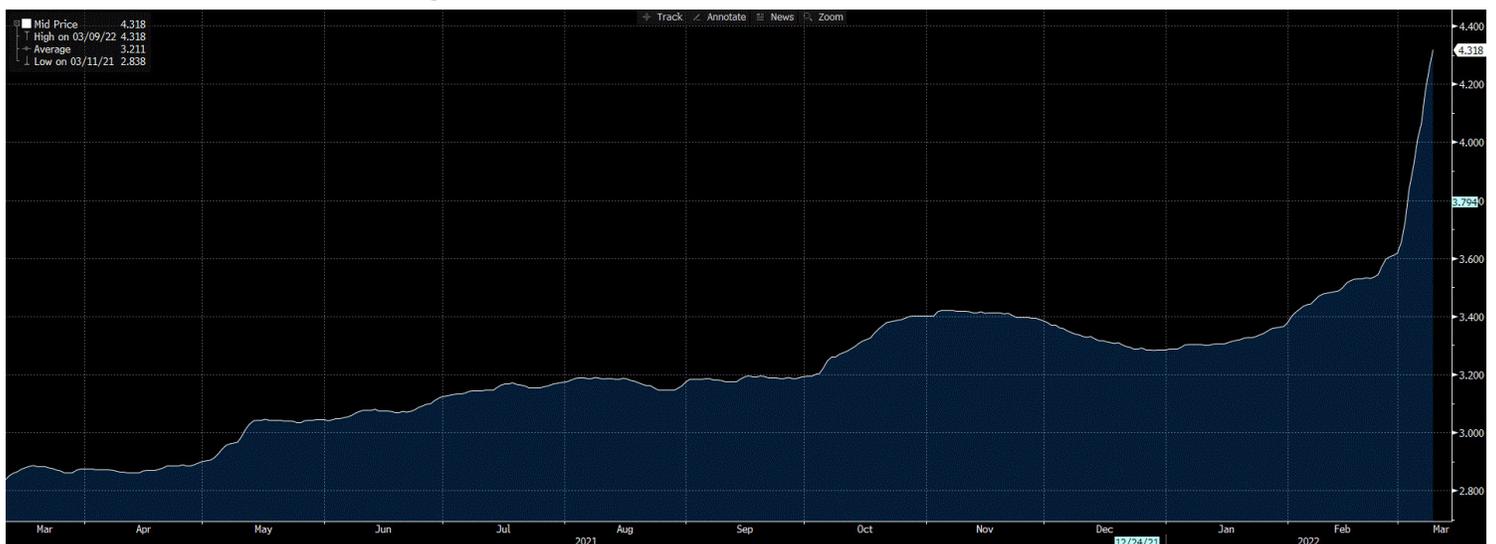
Markets saw another week of volatility as the conflict in Ukraine continued without a peaceful resolution. A possible bit of good news coming out the conflict this morning as Russian President Vladimir Putin stated in regard to ongoing negotiations with Ukraine, “there are certain positive shifts, negotiators on our side tell me.” I imagine most will take his comments with a big grain of salt, but U.S. equity markets are considering this a step in the right direction with Dow Jones Futures up 300 points ahead of the market opening. Commodity prices couldn’t escape further volatility this week. Nickel prices more than doubled on Tuesday to top \$100,000 per tonne before the London Metal Exchange was forced to step in and halt trading for the next few days. President Joe Biden announced Tuesday the U.S. will ban imports of Russian oil, which makes up roughly 8% of the total U.S. imports of oil and refined products. The price of oil hit \$129 a barrel shortly after the announcement and has since come down to its current level of \$106 a barrel. Treasuries markets saw plenty of volatility this week alongside equity markets as the 10-Year Treasury yield has snuck above 2% again and currently sits at 2.02%.

Yesterday brought more inflation data in the form of Headline Consumer Price Index (CPI) and Core CPI. Headline CPI rose 7.9% from a year ago, the highest level since January 1982 and Core CPI increased 6.4% from a year ago. Gasoline, groceries and shelter were the biggest contributors to the CPI gain. The conflict in Ukraine has only fed into price pressures as sanction against Russian have coincided with surging gasoline costs. The average cost of gasoline in the U.S. currently sits at \$4.31.

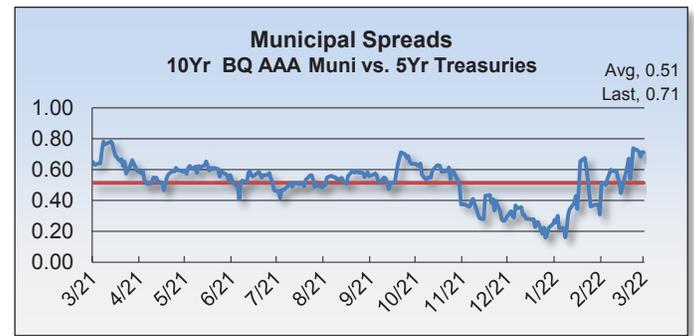
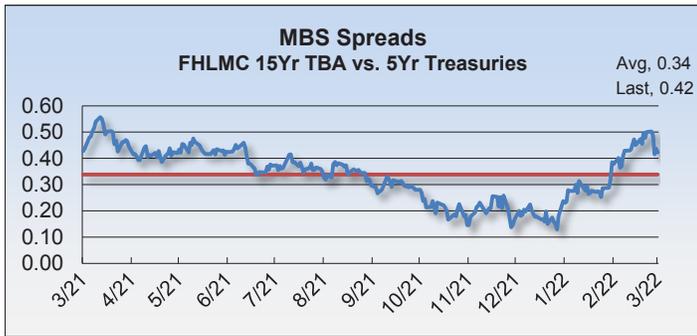
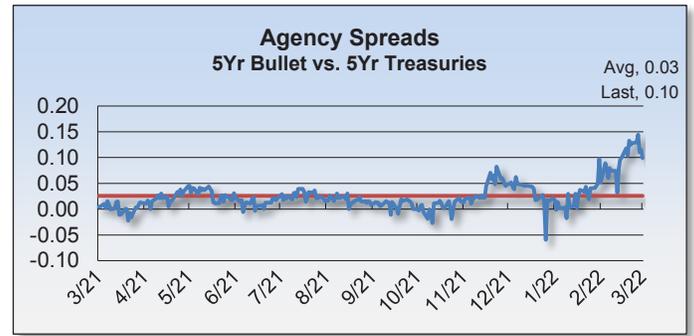
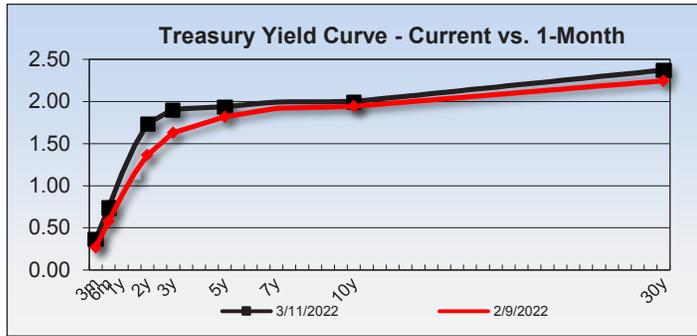
Wednesday’s Job Opening and Labor Turnover Survey (JOLTS) report continued to show a tight labor market with job openings totaling 11.3 million. Additionally, a small decrease in quits, or workers voluntarily leaving their jobs. Quits declined to 4.25 million, a drop of 3.4% and the lowest number since October. Federal Reserve officials watch the JOLTS report for signs of labor slack. With the unemployment rate at 3.8%, policymakers feel the economy is near full employment.

All eyes are on the Fed next week as they will conclude their meetings Wednesday with an announcement on the Fed Funds Rate to follow. Last week, Chairman Powell stated he was “inclined to propose and support a 25-basis point rate hike.” at the March meeting and is “prepared to move more aggressively by raising the federal funds rate by more than 25 basis points” at one or more meetings if inflation does not come down later this year. Stay tuned and have a great weekend!

## National Average Cost of Gallon of Gasoline – March 2021 to Present



Source: Bloomberg, L.P.



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 <sup>2</sup>	S-Corp <sup>3</sup>		Mty	3Mo	6mo	1Yr	2Yr
3mo	0.37	0.04	0.36	0.04	0.04	2yr	1.79	1.94	1.76	1.88	1.90	2Yr	1.46	1.46	1.46	-
6mo	0.74	0.09	0.69	0.05	0.05	3yr	1.94	2.02	1.90	2.03	2.05	3Yr	1.60	1.61	1.60	1.60
1yr	1.14	0.12	1.03	0.07	0.08	5yr	2.07	2.02	2.13	2.26	2.34	5Yr	1.71	1.72	1.71	1.65
2yr	1.73	0.25	1.50	0.21	0.14	7yr	2.19	2.04	2.34	2.49	2.44	7Yr	1.78	1.80	1.79	1.72
3yr	1.91	0.30	1.73	0.44	0.36	10yr	2.36	2.09	2.53	2.70	2.66	10Yr	1.86	1.92	1.91	1.85
5yr	1.94	0.30	1.86	0.82	0.79	15yr	2.54	2.17	2.79	2.97	2.95	April TBA MBS				
7yr	1.99	0.30	1.94	1.12	1.21	20yr	2.71	2.19	2.93	3.11	3.08	Cpn	15Yr -Yld/AL		30Yr -Yld/AL	
10yr	2.00	0.27	1.94	1.34	1.54	25yr	2.89	2.15	3.02	3.22	3.14	2.00	2.26	5.2y	2.67	
30yr	2.37	0.21	2.24	1.93	2.30	30yr		2.10	3.12	3.32	3.19	2.50	2.33	4.1y		
												3.00	2.38	3.6y	3.03	7.8y
												3.50	2.52	3.4y	3.01	4.6y
												4.00			2.98	4.4y
												4.50			2.97	3.7y

\* Interpolated

Key Market Indices					
Index	Current	1Wk Change	Historical		
			1 Mo	6 Mo	1 Yr
Fed Funds	0.25	--	0.25	0.25	0.25
Primary Discount	0.25	--	0.25	0.25	0.25
2ndary Discount	0.75	--	0.75	0.75	0.75
Prime Rate	3.25	--	3.25	3.25	3.25
Sec. O.N. Finance	0.05	--	0.05	0.05	--
1 Month LIBOR	0.35	0.11	0.12	0.08	0.11
3 Month LIBOR	0.75	0.22	0.38	0.11	0.18
6 Month LIBOR	1.04	0.25	0.63	0.15	0.19
1 Year LIBOR	1.49	0.27	1.09	0.22	0.28
6 Month CD	1.02	0.05	0.80	0.19	0.17
1 Year CMT	1.19	0.11	1.14	0.08	0.08
REPO O/N	0.06	(0.01)	0.06	0.06	0.05
REPO 1Wk	0.26	0.07	0.09	0.13	0.07
CoF Federal	0.750	--	0.736	0.780	0.911
11th D. CoF (Dec)	0.223	--	0.218	0.282	0.460

FHLB Fixed Advance Rates			
Maturity	Chicago	Boston	Topeka
3mo	0.62	0.64	0.62
6mo	0.94	1.04	1.00
1yr	1.45	1.48	1.42
2yr	1.94	2.12	1.97
3yr	2.12	2.31	2.15
4yr	2.18	2.38	2.21
5yr	2.19	2.39	2.23
7yr	2.34	2.58	2.37
10yr	2.56	2.82	2.59
5yr Am	2.09		2.15
10yr Am	2.37		2.41

Fed Fund Futures	
Maturity	Rate
Mar-22	0.207
Apr-22	0.340
May-22	0.660
Jun-22	0.855
Jul-22	1.015
Aug-22	1.190
Sep-22	1.250
Oct-22	1.395
Nov-22	1.550
Dec-22	1.665
Jan-23	1.740

Weekly Economic Calendar						
This Week & Next						
Date	Release	Per.	Est.	Actual	Prior	Revised
3/7	Consumer Credit	Jan	\$24.250b	\$6.838b	<del>\$18.898b</del>	\$22.384b
3/8	NFIB Small Business Optimism	Feb	97.3	95.7	97.1	--
3/8	Trade Balance	Jan	<del>-\$87.3b</del>	<del>-\$89.7b</del>	<del>-\$80.7b</del>	<del>-\$82.0b</del>
3/8	Wholesale Inventories MoM	Jan F	0.8%	0.8%	0.8%	--
3/8	Wholesale Trade Sales MoM	Jan	1.0%	4.0%	<del>0.2%</del>	0.8%
3/9	MBA Mortgage Applications	3/4	--	8.5%	-0.7%	--
3/9	JOLTS Job Openings	Jan	10950k	11263k	<del>10925k</del>	11448k
3/10	CPI MoM	Feb	0.8%	0.8%	0.6%	--
3/10	CPI Ex Food and Energy MoM	Feb	0.5%	0.5%	0.6%	--
3/10	CPI YoY	Feb	7.9%	7.9%	7.5%	--
3/10	CPI Ex Food and Energy YoY	Feb	6.4%	6.4%	6.0%	--
3/10	CPI Index NSA	Feb	283.70	283.72	281.15	--
3/10	CPI Core Index SA	Feb	287.95	287.88	286.43	--
3/10	Real Avg Hourly Earning YoY	Feb	--	-2.6%	-1.7%	-1.8%
3/10	Real Avg Weekly Earnings YoY	Feb	--	-2.3%	-3.1%	-3.0%
3/10	Initial Jobless Claims	3/5	217k	227k	<del>215k</del>	216k
3/10	Continuing Claims	2/26	1450k	1494k	<del>1476k</del>	1469k
3/10	Household Change in Net Worth	4Q	--	\$5297b	<del>\$2362b</del>	\$2686b
3/10	Monthly Budget Statement	Feb	<del>-\$214.0b</del>	<del>-\$216.6b</del>	<del>-\$310.9b</del>	--
3/11	U. of Mich. Sentiment	Mar P	61.0	--	62.8	--
3/11	U. of Mich. Current Conditions	Mar P	65.8	--	68.2	--
3/11	U. of Mich. Expectations	Mar P	57.0	--	59.4	--
3/11	U. of Mich. 1 Yr Inflation	Mar P	5.1%	--	4.9%	--
3/11	U. of Mich. 5-10 Yr Inflation	Mar P	--	--	3.0%	--
3/15	Empire Manufacturing	Mar	7.4	--	3.1	--
3/15	PPI Final Demand YoY	Feb	10.0%	--	9.7%	--
3/15	PPI Ex Food and Energy YoY	Feb	8.7%	--	8.3%	--
3/15	PPI Ex Food, Energy, Trade YoY	Feb	7.2%	--	6.9%	--
3/15	Net Long-term TIC Flows	Jan	--	--	\$114.5b	--
3/15	Total Net TIC Flows	Jan	--	--	<del>-\$52.4b</del>	--
3/16	Retail Sales Ex Auto and Gas	Feb	0.6%	--	3.8%	--
3/16	Retail Sales Control Group	Feb	0.3%	--	4.8%	--
3/16	Import Price Index ex Petroleum MoM	Feb	0.6%	--	1.4%	--
3/16	Import Price Index YoY	Feb	--	--	10.8%	--
3/16	Export Price Index YoY	Feb	--	--	15.1%	--
3/16	Business Inventories	Jan	1.1%	--	2.1%	--
3/16	NAHB Housing Market Index	Mar	81	--	82	--
3/16	FOMC Rate Decision (Lower Bound)	3/16	0.25%	--	0.00%	--
3/16	FOMC Rate Decision (Upper Bound)	3/16	0.50%	--	0.25%	--
3/16	Interest on Reserve Balances Rate	3/17	--	--	0.15%	--
3/17	Housing Starts	Feb	1690k	--	1638k	--
3/17	Building Permits	Feb	1861k	--	<del>1899k</del>	1895k
3/17	Philadelphia Fed Business Outlook	Mar	15.0	--	16.0	--
3/17	Capacity Utilization	Feb	77.8%	--	77.6%	--
3/17	Manufacturing (SIC) Production	Feb	1.0%	--	0.2%	--
3/18	Existing Home Sales	Feb	6.20m	--	6.50m	--
3/18	Leading Index	Feb	0.3%	--	-0.3%	--

MBS Prepayments <sup>4</sup>						
3-Month CPR						
Type	2.0	2.5	3.0	3.5	4.0	4.5
FN 10y	12.5	20.8	22.4	23.2	23.1	21.1
FH/FN 15y	9.8	20.6	23.9	29.5	27.9	22.8
GN 15y	19.7	16.6	18.4	19.0	20.3	19.0
FH/FN 20y	53.7	15.8	19.9	20.7	22.3	19.5
FH/FN 30y	3.9	10.9	###	36.0	41.5	44.0
GN 30y	4.2	13.1	25.7	29.4	32.6	23.0

CPR Projections						
Type	2.0	2.5	3.0	3.5	4.0	4.5
FN 10y	9.8	11.4	12.2	13.8	15.0	15.5
FH/FN 15y	10.1	11.9	13.3	17.6	18.5	22.9
GN 15y	13.7	12.6	12.5	12.6	12.6	12.5
FH/FN 20y	7.6	9.1	10.1	11.4	13.0	14.1
FH/FN 30y	6.3	8.0	11.4	16.8	19.0	21.2
GN 30y	8.5	8.9	11.6	12.9	19.9	17.0

Other Markets					
Index	Current	1Wk Chng	Historical		
			1 Mo	6 Mo	1 Yr
<b>Currencies</b>					
Japanese Yen	116.90	2.08	115.42	109.99	108.51
Euro	1.10	0.00	1.14	1.18	1.20
Dollar Index	98.67	0.02	96.08	92.58	91.42
<b>Major Stock Indices</b>					
Dow Jones	33,292	(323)	34,738	34,608	32,486
S&P 500	4,274.9	(53.9)	4,418.6	4,458.6	3,939.3
NASDAQ	13,091.9	(222)	13,791.2	15,115.5	13,398.7
<b>Commodities</b>					
Gold	1,983.2	16.6	1,840.8	1,789.9	1,722.6
Crude Oil	106.85	(8.83)	93.10	69.72	66.02
Natural Gas	4.72	(0.30)	3.94	4.94	2.67
Wheat	1,043.0	-305.0	797.8	675.0	636.3
Corn	765.0	8.5	651.0	502.8	555.0

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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