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UPCOMING EVENTS

Banks

Webinars:

[Q3 Bank Trends](#)
Nov 13, 2024

[Q4 IRR Management](#)
Dec 11, 2024

Banks and CUs

Seminar:

[Scottsdale, AZ
45th Anniversary
Celebration Seminar](#)
Nov 7-8, 2024

The last full week of October appears set to end relatively quietly after a somewhat volatile week. The anxious pre-election climb in Treasury yields that characterized the week has settled back some this Friday morning. The benchmark 10-year yield is now below 4.20% after reaching a three-month high on Wednesday.

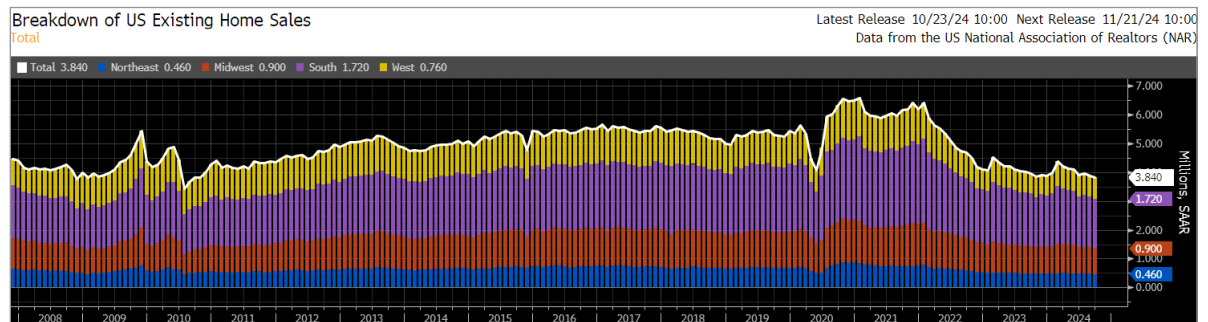
Bond investors are reassessing the Fed rate-cut outlook against the backdrop of strong economic data and the upcoming presidential election that is now just 11 days away. Traders are positioning for a potential Republican sweep of Congress and the Presidency and weighing the potential implications for the U.S. budget deficit as well as domestic inflation and overseas growth given the proposed tax cut and tariff plans. That helped propel yields higher this week. The 10-year rose more than 16bps by mid-week and is now hovering around 12bps higher week-over-week.

Several Fed speakers this week have also suggested a more cautious approach may lie ahead for rate cuts. The next Fed meeting falls on November 7th, two days after the presidential election. Market participants are currently pricing in a 25-basis point cut for the November meeting with near 96% probability.

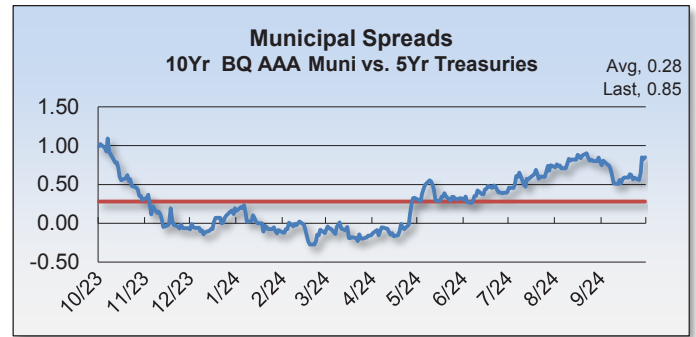
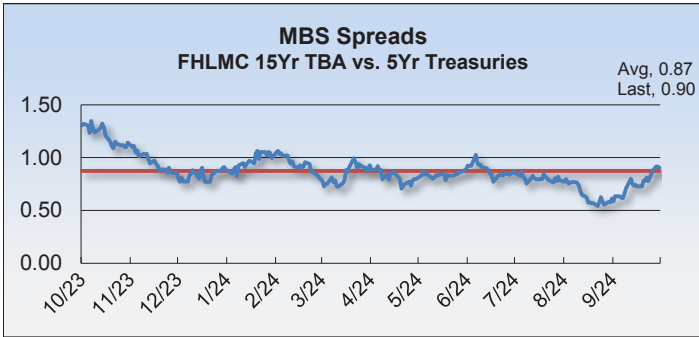
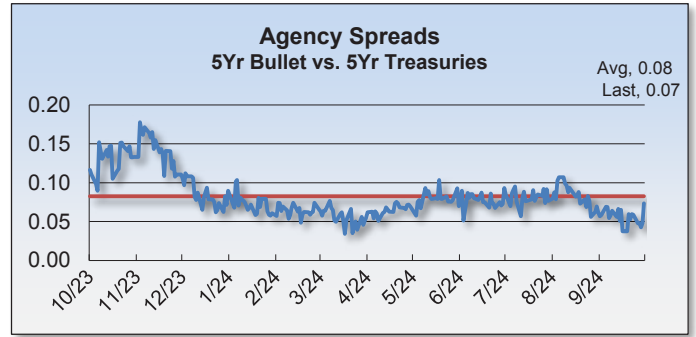
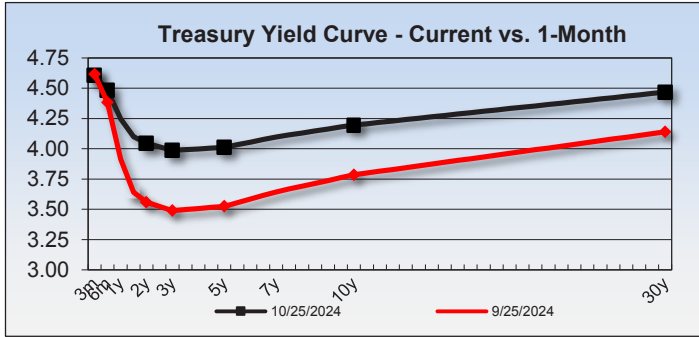
The Fed's "Beige Book" survey came out this week, showing U.S. economic activity was flat in most parts of the U.S. since early September. "On balance, economic activity was little changed in nearly all districts since early September, though two districts reported modest growth," the report said. "Reports on consumer spending were mixed, with some districts noting shifts in the composition of purchases, mostly toward less expensive alternatives."

Existing Home Sales came in shy of expectations this week, slipping -1.0% MoM to a 3.84 million annualized rate. The data set a low not seen since October 2010 in the wake of the Global Financial Crisis. Median home prices were down as well but affordability ratios remain extremely constrained.

Also, one chilly reminder that we have both jobs week and Halloween coming next week so plenty of trick or treat in store for all! Have a great weekend!



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 ²	S-Corp ³		Mty	3Mo	6mo	1Yr	2Yr	
3mo	4.61	(0.03)	4.62	5.41	5.47	2yr	4.09	3.85	3.75	3.99	4.20	2Yr					
6mo	4.48	0.04	4.39	5.39	5.56	3yr	4.01	3.75	3.65	3.89	4.19	3Yr					
1yr	4.25	0.06	3.92	5.21	5.44	5yr	4.09	3.68	3.74	3.98	4.18	5Yr					
2yr	4.05	0.10	3.56	5.00	5.12	7yr	4.22	3.69	3.93	4.19	4.38	7Yr					
3yr	3.99	0.13	3.49	4.86	5.06	10yr	4.37	3.72	4.24	4.51	4.60	10Yr					
5yr	4.01	0.13	3.53	4.72	4.92	15yr	4.51	3.79	4.56	4.86	4.75		November TBA MBS				
7yr	4.10	0.12	3.65	4.73	4.98	20yr	4.65	3.79	5.04	5.36	5.20	Cpn	15Yr -Yld/AL		30Yr -Yld/AL		
10yr	4.20	0.11	3.79	4.70	4.96	25yr	4.80	3.72	5.24	5.58	5.26	2.50	5.06	5.0y	4.91		
30yr	4.47	0.08	4.14	4.81	5.09	30yr		3.64	5.45	5.80	5.31	3.00	5.10	5.0y			
												3.50	4.76	4.9y	5.09	9.5y	
												4.00	4.69	4.9y	5.12	9.2y	
												4.50			5.22	9.8y	
												5.00			5.42	8.4y	

* Interpolated

Key Market Indices					
Index	Current	1Wk Change	Historical		
			1 Mo	6 Mo	1 Yr
Fed Funds	5.00	--	5.00	5.50	5.50
Primary Discount	5.00	--	5.00	5.50	5.50
2ndary Discount	5.50	--	5.50	6.00	6.00
Prime Rate	8.00	--	8.00	8.50	8.50
Sec. O.N. Finance	4.83	(0.02)	4.84	5.31	--
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	4.51	(0.02)	4.38	5.36	5.73
1 Year CMT	4.25	0.04	3.88	5.17	5.41
REPO O/N	4.88	(0.03)	4.86	5.34	5.33
REPO 1Wk	4.88	(0.00)	4.87	5.41	5.36
CoF Federal	3.942	--	3.988	3.893	3.743
11th D. CoF (Aug)	3.259	--	3.274	3.160	2.969

FHLB Fixed Advance Rates			
Maturity	Chicago	Boston	Topeka
3mo	4.76	4.78	4.78
6mo	4.61	4.62	4.66
1yr	4.33	4.34	4.46
2yr	4.12	4.18	4.22
3yr	4.08	4.13	4.16
4yr	4.09	4.16	4.18
5yr	4.13	4.17	4.21
7yr	4.35	4.43	4.43
10yr	4.56	4.66	4.64
5yr Am	4.15		4.25
10yr Am	4.21		4.48

Fed Fund Futures		
Maturity	Rate	
Oct-24	4.828	
Nov-24	4.645	
Dec-24	4.500	
Jan-25	4.375	
Feb-25	4.210	
Mar-25	4.130	
Apr-25	4.000	
May-25	3.880	
Jun-25	3.785	
Jul-25	3.690	
Aug-25	3.610	

Weekly Economic Calendar						
This Week & Next						
Date	Release	Per.	Est.	Actual	Prior	Revised
10/21	Leading Index	Sep	-0.3%	-0.5%	-0.2%	-0.3%
10/22	Philadelphia Fed Non-Manufacturing Ac	Oct	4.1	6.0	-6.1	--
10/22	Richmond Fed Manufact. Index	Oct	-17	-14	-21	--
10/22	Richmond Fed Business Conditions	Oct	--	-4	-3	--
10/23	MBA Mortgage Applications	10/18	--	-6.7%	-17.0%	--
10/23	Existing Home Sales	Sep	3.88m	3.84m	3.86m	3.88m
10/23	Existing Home Sales MoM	Sep	0.5%	-1.0%	-2.5%	-2.0%
10/24	Chicago Fed Nat Activity Index	Sep	0.50	-0.28	0.12	-0.01
10/24	Initial Jobless Claims	10/19	242k	227k	241k	242k
10/24	Continuing Claims	10/12	1875k	1897k	1867k	1869k
10/24	S&P Global US Manufacturing PMI	Oct P	47.5	47.8	47.3	--
10/24	S&P Global US Services PMI	Oct P	55.0	55.3	55.2	--
10/24	S&P Global US Composite PMI	Oct P	53.8	54.3	54.0	--
10/24	New Home Sales	Sep	720k	738k	746k	709k
10/24	New Home Sales MoM	Sep	0.6%	4.1%	-4.7%	-2.3%
10/24	Kansas City Fed Manf. Activity	Oct	-7	-4	-8	--
10/25	Durable Goods Orders	Sep P	-1.0%	-0.8%	0.0%	-0.8%
10/25	Durables Ex Transportation	Sep P	-0.1%	0.4%	0.5%	0.6%
10/25	Cap Goods Orders Nondef Ex Air	Sep P	0.1%	0.5%	0.3%	--
10/25	Cap Goods Ship Nondef Ex Air	Sep P	0.0%	-0.3%	-0.1%	--
10/25	U. of Mich. Sentiment	Oct F	69.0	70.5	68.9	--
10/25	U. of Mich. Current Conditions	Oct F	62.6	64.9	62.7	--
10/25	U. of Mich. Expectations	Oct F	73.0	74.1	72.9	--
10/25	U. of Mich. 1 Yr Inflation	Oct F	2.9%	2.7%	2.9%	--
10/25	U. of Mich. 5-10 Yr Inflation	Oct F	3.0%	3.0%	3.0%	--
10/29	S&P CoreLogic CS 20-City YoY NSA	Aug	--	--	5.9%	--
10/29	S&P CoreLogic CS US HPI YoY NSA	Aug	--	--	5.0%	--
10/29	JOLTS Job Openings	Sep	7900k	--	8040k	--
10/30	ADP Employment Change	Oct	98k	--	143k	--
10/30	GDP Price Index	3Q A	--	--	2.5%	--
10/30	Core PCE Price Index QoQ	3Q A	--	--	2.8%	--
10/30	Pending Home Sales NSA YoY	Sep	--	--	-4.3%	--
10/31	Challenger Job Cuts YoY	Oct	--	--	53.4%	--
10/31	Employment Cost Index	3Q	0.9%	--	0.9%	--
10/31	Real Personal Spending	Sep	--	--	0.1%	--
10/31	PCE Price Index YoY	Sep	2.1%	--	2.2%	--
10/31	Core PCE Price Index YoY	Sep	2.6%	--	2.7%	--
10/31	MNI Chicago PMI	Oct	--	--	46.6	--
11/1	Change in Nonfarm Payrolls	Oct	120k	--	254k	--
11/1	Two-Month Payroll Net Revision	Oct	--	--	72k	--
11/1	Change in Private Payrolls	Oct	100k	--	223k	--
11/1	Change in Manufact. Payrolls	Oct	-30k	--	-7k	--
11/1	Unemployment Rate	Oct	4.1%	--	4.1%	--
11/1	Average Hourly Earnings YoY	Oct	4.0%	--	4.0%	--
11/1	Average Weekly Hours All Employees	Oct	34.2	--	34.2	--
11/1	Labor Force Participation Rate	Oct	--	--	62.7%	--
11/1	Underemployment Rate	Oct	--	--	7.7%	--

MBS Prepayments ⁴						
3-Month CPR						
Type	2.5	3.0	3.5	4.0	4.5	5.0
FN 10y	12.7	14.5	14.7	14.0	15.0	19.0
FH/FN 15y	7.1	7.8	9.2	11.3	17.1	18.9
GN 15y	14.5	16.2	19.7	25.8	35.1	81.1
FH/FN 20y	5.6	6.8	7.4	8.3	10.5	12.4
FH/FN 30y	4.9	4.9	6.4	6.7	6.2	6.4
GN 30y	5.4	8.0	5.6	4.1	6.6	6.7
CPR Projections						
Type	2.5	3.0	3.5	4.0	4.5	5.0
FN 10y	9.4	10.5	11.8	12.7	14.2	17.5
FH/FN 15y	6.5	7.4	8.4	9.9	15.5	16.6
GN 15y	9.1	9.3	11.6	11.4	12.4	12.2
FH/FN 20y	6.0	6.2	7.2	8.1	9.3	11.7
FH/FN 30y	5.5	5.9	6.3	7.1	7.8	9.2
GN 30y	5.8	6.7	6.8	8.9	8.0	9.2

Other Markets					
Index	Current	1Wk Chng	Historical		
			1 Mo	6 Mo	1 Yr
Currencies					
Japanese Yen	152.06	2.53	144.28	155.54	149.93
Euro	1.08	(0.00)	1.12	1.07	1.06
Dollar Index	103.99	0.50	100.91	105.60	106.53
Major Stock Indices					
Dow Jones	42,567	(709)	41,915	38,086	33,036
S&P 500	5,851.6	(13.0)	5,722.3	5,048.4	4,186.8
NASDAQ	18,666.5	177	18,082.2	15,611.8	12,821.2
Commodities					
Gold	2,727.1	13.4	2,660.7	2,329.8	1,984.1
Crude Oil	71.21	1.99	69.69	83.57	85.39
Natural Gas	2.50	0.24	2.64	1.64	3.01
Wheat	569.3	-3.5	589.3	602.3	568.5
Corn	417.5	12.8	415.3	441.0	480.0

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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