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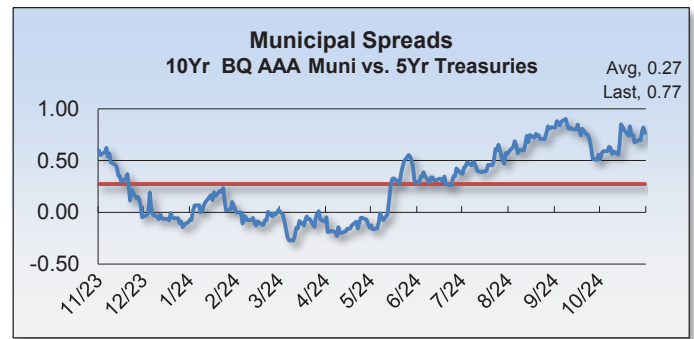
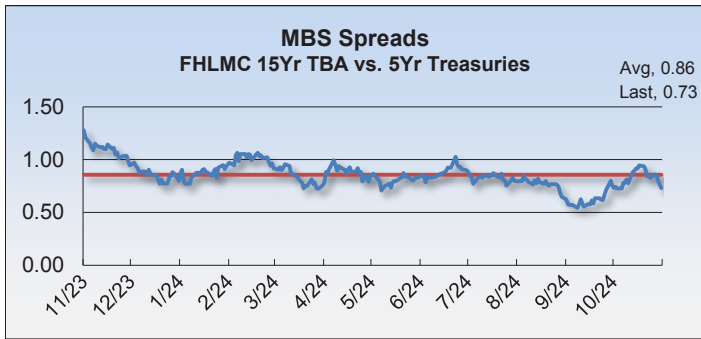
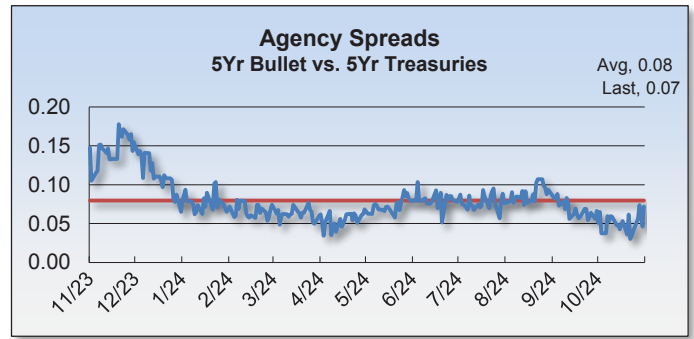
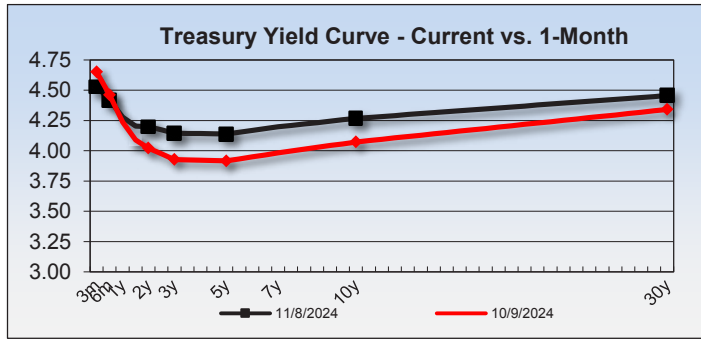
Dec 11, 2024

Donald Trump's victory in the 2024 US Presidential election ripped through global markets on Wednesday, with US stock futures rallying, treasury yields jumping, and the dollar surging the most since 2022. S&P 500 futures climbed 2.3%, 10-year yields rose 15 basis points to a four-month high of 4.42%, and bitcoin spiked to a new record. Trump won the race to the White House after network projections showed he took the battleground states of Wisconsin, Pennsylvania, and Georgia, and Republicans gained control of the US Senate.

His election victory may herald a broad-based surge in tariffs in the global economy. He has stated he would raise tariffs to 60% on goods imported from China and 20% on the rest of the world. This would bring average US levies above 20%, a level not seen since the early 20th century. America's closest partners, Mexico and Canada, would have the hardest hit. For most other countries, a relatively small shock to GDP would mask a big shift in trade flows away from the US. It is still uncertain how much will be enforced and how much is just a bargaining chip for Trump to extract concessions. For comparison, Trump's first trade war with China lifted average US tariffs to 3% from 1.5%. The Smoot-Hawley Tarriff Act of 1930 boosted average rates to almost 20% from about 14%. The proposed increases would take the average rate to 20% and the proposed tariffs would profoundly transform US trade relationships with the rest of the world. Both US imports and exports would drop and China's share in total US imports would fall to about 2% from 14% in 2023. Overall, good imports as a share of the US GDP would drop to only around 5% from more than 11% in 2023 – a ratio last seen in the earl 1970s.

In other news, applications for US unemployment benefits picked up last week, remaining near average pre-pandemic levels. Initial claims increased by 3,000 to 221,000 in the week ended on November 2nd. That was roughly in line with the median forecast in a Bloomberg survey of economists. Continuing claims, a proxy for the number of people receiving benefits, rose to 1.89 million in the previous week, the highest level since November 2021, according to the Labor Department data released on Thursday. The recent increase likely reflected lingering impacts from storms and strikes last month, as well as manufacturing job cuts.

Next week we see more information on CPI Index numbers, monthly budget statements, retail sales, and PPI numbers. For those who have Veterans Day off this Monday, enjoy your long weekends and thank you Veterans for your service to our country!



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	4.53	0.01	4.63	5.41	5.43	2yr	4.22	3.98	3.88	4.13	4.35	2Yr					
6mo	4.42	(0.02)	4.44	5.37	5.49	3yr	4.17	3.89	3.78	4.02	4.35	3Yr					
1yr	4.28	0.01	4.20	5.15	5.34	5yr	4.22	3.81	3.89	4.14	4.35	5Yr					
2yr	4.20	(0.01)	3.96	4.84	4.93	7yr	4.32	3.80	4.03	4.29	4.54	7Yr					
3yr	4.14	(0.04)	3.86	4.65	4.79	10yr	4.46	3.82	4.31	4.59	4.74	10Yr					
5yr	4.14	(0.09)	3.85	4.50	4.51	15yr	4.61	3.87	4.62	4.92	4.89						
7yr	4.20	(0.11)	3.91	4.49	4.53	20yr	4.75	3.86	5.10	5.42	5.27						
10yr	4.27	(0.12)	4.01	4.49	4.49	25yr	4.89	3.79	5.30	5.64	5.33						
30yr	4.46	(0.12)	4.29	4.64	4.62	30yr		3.70	5.50	5.86	5.38						
													December TBA MBS				
													Cpn	15Yr -Yld/AL		30Yr -Yld/AL	
													3.00	4.99	5.0y	5.04	
													3.50	4.74	4.9y		
													4.00	4.70	5.0y	5.09	9.2y
													4.50	4.77	5.3y	5.20	9.6y
													5.00			5.36	8.8y
													5.50			5.54	7.0y

* Interpolated

Key Market Indices					
Index	Current	1Wk Change	Historical		
			1 Mo	6 Mo	1 Yr
Fed Funds	4.75	(0.25)	5.00	5.50	5.50
Primary Discount	4.75	(0.25)	5.00	5.50	5.50
2ndary Discount	5.25	(0.25)	5.50	6.00	6.00
Prime Rate	7.75	(0.25)	8.00	8.50	8.50
Sec. O.N. Finance	4.82	(0.08)	4.83	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	4.47	(0.05)	4.56	5.46	5.65
1 Year CMT	4.28	0.01	4.24	5.13	5.33
REPO O/N	4.84	(0.10)	4.88	5.37	5.33
REPO 1Wk	4.64	(0.11)	4.88	5.35	5.36
CoF Federal	3.942	--	3.988	3.893	3.743
11th D. CoF (Sep)	3.213	--	3.259	3.164	3.014

FHLB Fixed Advance Rates			
Maturity	Chicago	Boston	Topeka
3mo	4.69	4.72	4.71
6mo	4.56	4.57	4.64
1yr	4.40	4.41	4.55
2yr	4.31	4.35	4.42
3yr	4.27	4.32	4.38
4yr	4.28	4.35	4.41
5yr	4.28	4.35	4.43
7yr	4.48	4.57	4.66
10yr	4.66	4.76	4.84
5yr Am	4.15		4.46
10yr Am	4.21		4.70

Fed Fund Futures		
Maturity	Rate	
Nov-24	4.638	
Dec-24	4.500	
Jan-25	4.400	
Feb-25	4.310	
Mar-25	4.250	
Apr-25	4.145	
May-25	4.070	
Jun-25	4.005	
Jul-25	3.925	
Aug-25	3.860	
Sep-25	3.830	

Weekly Economic Calendar						
This Week & Next						
Date	Release	Per.	Est.	Actual	Prior	Revised
11/4	Factory Orders	Sep	-0.5%	-0.5%	-0.2%	-0.8%
11/4	Factory Orders Ex Trans	Sep	--	0.1%	-0.1%	-0.2%
11/4	Durable Goods Orders	Sep F	-0.8%	-0.7%	-0.8%	--
11/4	Durables Ex Transportation	Sep F	0.4%	0.5%	0.4%	--
11/4	Cap Goods Orders Nondef Ex Air	Sep F	--	0.7%	0.5%	--
11/4	Cap Goods Ship Nondef Ex Air	Sep F	--	-0.1%	-0.3%	--
11/5	Trade Balance	Sep	-\$84.0b	-\$84.4b	-\$70.4b	-\$70.8b
11/5	S&P Global US Composite PMI	Oct F	54.3	54.1	54.3	--
11/5	S&P Global US Services PMI	Oct F	55.3	55.0	55.3	--
11/5	ISM Services Index	Oct	53.8	56.0	54.9	--
11/5	ISM Services Prices Paid	Oct	58.0	58.1	59.4	--
11/5	ISM Services Employment	Oct	48.0	53.0	48.1	--
11/5	ISM Services New Orders	Oct	58.0	57.4	59.4	--
11/6	MBA Mortgage Applications	11/1	--	-10.8%	-0.1%	--
11/7	Nonfarm Productivity	3Q P	2.5%	2.2%	2.5%	2.1%
11/7	Unit Labor Costs	3Q P	1.0%	1.9%	0.4%	2.4%
11/7	Initial Jobless Claims	11/2	222k	221k	216k	218k
11/7	Continuing Claims	10/26	1873k	1892k	1862k	1853k
11/7	Wholesale Inventories MoM	Sep F	-0.1%	-0.2%	-0.1%	--
11/7	Wholesale Trade Sales MoM	Sep	0.1%	0.3%	-0.1%	0.2%
11/7	FOMC Rate Decision (Upper Bound)	11/7	4.75%	4.75%	5.00%	--
11/7	FOMC Rate Decision (Lower Bound)	11/7	4.50%	4.50%	4.75%	--
11/7	Fed Interest on Reserve Balances Rate	11/8	4.65%	4.65%	4.90%	--
11/8	U. of Mich. Sentiment	Nov P	71.0	73.0	70.5	--
11/8	U. of Mich. Current Conditions	Nov P	65.5	64.4	64.9	--
11/8	U. of Mich. Expectations	Nov P	75.0	78.5	74.1	--
11/8	U. of Mich. 1 Yr Inflation	Nov P	2.7%	2.6%	2.7%	--
11/8	U. of Mich. 5-10 Yr Inflation	Nov P	3.0%	3.1%	3.0%	--
11/12	NY Fed 1-Yr Inflation Expectations	Oct	--	--	3.0%	--
11/13	Real Avg Hourly Earning YoY	Oct	--	--	4.5%	1.4%
11/13	Real Avg Weekly Earnings YoY	Oct	--	--	0.9%	1.1%
11/13	CPI MoM	Oct	0.2%	--	0.2%	--
11/13	CPI Ex Food and Energy MoM	Oct	0.3%	--	0.3%	--
11/13	CPI YoY	Oct	2.6%	--	2.4%	--
11/13	CPI Ex Food and Energy YoY	Oct	3.3%	--	3.3%	--
11/13	CPI Index NSA	Oct	--	--	315.3	--
11/13	CPI Core Index SA	Oct	--	--	320.77	--
11/14	PPI Final Demand MoM	Oct	0.2%	--	0.0%	--
11/14	PPI Ex Food and Energy MoM	Oct	0.3%	--	0.2%	--
11/14	PPI Ex Food, Energy, Trade MoM	Oct	--	--	0.1%	--
11/14	PPI Final Demand YoY	Oct	--	--	1.8%	--
11/14	PPI Ex Food and Energy YoY	Oct	--	--	2.8%	--
11/14	PPI Ex Food, Energy, Trade YoY	Oct	--	--	3.2%	--
11/15	Empire Manufacturing	Nov	0.0	--	-11.9	--
11/15	Retail Sales Ex Auto and Gas	Oct	--	--	0.7%	--
11/15	Import Price Index YoY	Oct	--	--	-0.1%	--
11/15	Export Price Index YoY	Oct	--	--	-2.1%	--

MBS Prepayments ⁴						
3-Month CPR						
Type	3.0	3.5	4.0	4.5	5.0	5.5
FN 10y	14.7	14.3	13.6	15.1	20.2	23.4
FH/FN 15y	7.9	8.7	12.2	19.4	19.5	62.1
GN 15y	16.6	19.9	26.2	35.9	79.5	61.4
FH/FN 20y	6.9	7.5	8.4	10.6	13.9	19.8
FH/FN 30y	5.5	6.4	6.1	5.6	7.6	8.5
GN 30y	6.6	5.3	5.3	6.9	6.8	7.1
CPR Projections						
Type	3.0	3.5	4.0	4.5	5.0	5.5
FN 10y	10.4	11.8	12.4	14.2	17.0	19.0
FH/FN 15y	7.2	8.2	9.7	15.5	15.4	21.8
GN 15y	8.9	11.3	11.1	11.9	11.6	15.0
FH/FN 20y	6.2	7.1	8.0	9.2	11.3	13.8
FH/FN 30y	5.8	6.1	7.0	7.9	8.8	10.8
GN 30y	6.4	6.5	8.9	7.9	9.1	9.9

Other Markets					
Index	Current	1Wk Chng	Historical		
			1 Mo	6 Mo	1 Yr
Currencies					
Japanese Yen	152.44	(0.57)	147.88	155.38	150.78
Euro	1.07	(0.01)	1.10	1.07	1.07
Dollar Index	104.78	0.50	102.55	105.55	105.59
Major Stock Indices					
Dow Jones	43,909	1,857	42,080	39,056	34,112
S&P 500	5,988.7	259.9	5,751.1	5,187.7	4,382.8
NASDAQ	19,240.0	1,000	18,182.9	16,302.8	13,650.4
Commodities					
Gold	2,698.5	(50.7)	2,615.0	2,322.3	1,957.8
Crude Oil	70.74	1.25	73.57	78.99	75.33
Natural Gas	2.73	0.06	2.73	2.19	3.11
Wheat	575.3	7.3	594.8	616.0	592.3
Corn	431.0	16.5	420.8	445.5	476.0

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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