Capital Markets Group

Weekly Review—January 17, 2025

What goes up must come down, Spinning Wheel gotta go 'round (Blood Sweat & Tears). My father loves Blood Sweat & Tears. He has blared the music via multiple media throughout my lifetime: 8-track, cassette, LP, CD, or mp3. He plays the trumpet and loves the brass-filled rock fusion bands of the '60s and '70s. I loved it because of Bobby Colomby the drummer. I learned to play by playing along with him and the band in my basement. The music makes you think and dance. It fills you with hope while challenges your perspectives. Monday, we celebrate both the Martin Luther King Jr. holiday and Inauguration Day – a day celebrating hope and uncertainty of new economic policies. Interest rates over the past couple weeks went up and came back down as we await potential tariffs, tax changes, and other changes coming from Washington.

What is hip? Tell me do you think you know (Tower of Power). I used to think I knew what was cool in our culture and society – I was wrong. I've never been hip, cool, an influencer, or had any real understanding what is bussin' (teenage eyeroll deployed). From an economic perspective, inflation in December came in as expected which appears to be cool to the markets. CPI YoY at 2.9% moved closer to 3% than the 2% FOMC target. Retail Sales Advance MoM came in lower than expected at 0.4% but the November data was revised higher to 0.8%. Shopping appears to be cooling but if we are honest, it is what US consumers are good at – we are called consumers for a reason! Even the slightly higher jobless claims did not cause large market moves this week. We are in wait and see mode. I am fine with that; I need more practice with patience.

You've made me so very happy (Blood Sweat & Tears). Despite any uncertainty about new economic policies the new administration will implement, we are happy. Happy to be able to work with each of you and your teams. Reach out to your Investment Representative and let us be hopeful yet practical, strive for greatness yet be content if we just do something cool this year.

Thank you so much for your business and we enjoy speaking and meeting with you.

Have a great weekend!

Matthew Maggi | Senior Vice President | Commerce Bank – Capital Markets Group (CMG)
800 548-2663 matthew.maggi@commercebank.com

NEW ISSUE MUNICIPAL CALENDAR			
Date	Amount ($)	Description	Maturity
01/21/2025	$15,300,000	City of Nixa, MO Special Obligation Rev	2026-2045
01/21/2025	$4,725,000	Prairie Village KS Temp Notes	2027
01/21/2025	$17,195,000	City of Webster Groves, MO GO	2026-2044

Commerce Bank | commercebank.com

Economic Release	Data Period	Date	Survey	Actual	Prior
PPI Final Demand MoM	Dec	01/14/2025	0.4%	0.2%	0.4%
PPI Final Demand YoY	Dec	01/14/2025	3.5%	3.3%	3.0%
MBA Mortgage Applications	Jan 10	01/15/2025	NA	33.3%	-3.7%
Empire Manufacturing	Jan	01/15/2025	3.0	-12.6	2.1 (rev up)
CPI MoM	Dec	01/15/2025	0.4%	0.4%	0.3%
CPI YoY	Dec	01/15/2025	2.9%	2.9%	2.7%
Retail Sales Advance MoM	Dec	01/16/2025	0.6%	0.4%	0.2%
Initial Jobless Claims	Jan 11	01/16/2025	210k	217k	203k (rev up)
Housing Starts	Dec	01/17/2025	1,327k	1,499k	1,294k (rev up)
Industrial Production MoM	Dec	01/17/2025	0.3%	0.9%	0.2% (rev up)

KEY INDICES	Current	Last Month	One Year Ago
Prime Rate	7.50	7.75	8.50
Discount Rate	4.50	4.75	5.50
Fed Funds Rate	4.33	4.58	5.33
Interest on Reserve Bal.	4.40	4.65	5.40
SOFR	4.29	4.65	5.40
11th Dist COFI (ECOFC)	3.04	3.11	3.12
1-Yr. CMT	4.21	4.24	4.70
Dow	43,487.83	43,449.90	37,266.67
NASDAQ	19,630.20	20,109.06	14,855.62
S&P 500	5,996.66	6050.61	4,739.21
Bond Buyer	4.28	4.01	3.39

MUNI AA—BQ	
3 Mo.	2.35
6 Mo.	2.44
1-Year	2.86
2-Year	2.88
3-Year	2.92
5-Year	2.99
7-Year	3.08
10-Year	3.29
30-Year	4.29

CMO Spreads to Treasuries	PAC	Vanilla
1-Year	N/A	+45
2-Year	55	65
3-Year	75	90
5-Year	100	110

MBS Current Coupon Yields	
GNMA 30 Yr.	5.74%
FNMA 30 Yr.	5.83%
FNMA 15 Yr.	5.04%

Treasuries & New Issue Agencies *(Spread to Treasuries)*

	3 Mo.	6 Mo.	1-Yr.	2-Yr.	3-Yr.	5-Yr.	7-Yr	10-Yr	20-Yr	30-Yr
Treasuries	4.29	4.30	4.19	4.26	4.32	4.41	4.51	4.61	4.91	4.84
Bullets				1	1	2	12	19		
NC-6 Mo.				22	40	56	72	82		
NC-1 Year				13	29	47	62	80		
NC-2 Year					10	29	43	60		