



Welcome to Thursday’s edition of this week’s Weekly Review.

When it comes to economic growth, consumers have surprised markets and economists all year by their willingness to reduce excess savings and/or increase debt to finance purchases. Their contribution to 4QTR23 economic growth was no different. Based on GDP data released this morning, the economy expanded at a robust 3.3% annualized pace in the final quarter of last year – exceeding all street estimates. (According to a recent Bloomberg survey, the median estimate for fourth quarter growth was 2% with the highest individual forecast at 2.5%.) The 3.3% gain was primarily the result of continued consumer spending as personal consumption was the biggest GDP contributor at 2.8%.

From the thirty-thousand-foot perspective, if consumers have jobs – they’re getting paid. They have money in their accounts. If they don’t have the money, they have access to credit. Their mortgage rate is locked at a 3% handle. And for those that have invested money, recent stock market performance feeds their wealth effect! Bottom line: A comfortable consumer will continue to spend money. Only when they get uncomfortable, will they stop...

Understanding that GDP is a lagging economic indicator, investors still expect policy makers to maintain their current rates – down bias as economic growth is projected to fall below 1% the first half of this year. Question remains: The degree and timing of expected rate cuts. The next FOMC meeting is scheduled for Wednesday of next week...stay tuned.

As a heads-up, our next Weekly Commentary will be published on Friday, February 9.

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NEW ISSUE MUNICIPAL CALENDAR			
Date	Amount (\$)	Description	Maturity
01/29-02/02		No Local Issues this week	

Economic Release	Data Period	Date	Survey	Actual	Prior
Leading Index	Dec	01/22/2024	-0.3%	-0.1%	-0.5%
MBA Mortgage Applications	Jan 19	01/24/2024	NA	3.7%	10.4%
S&P Global US Manufact. PMI	Jan (P)	01/24/2024	47.6	50.3	47.9
S&P Global US Composite PMI	Jan (P)	01/24/2024	51.0	52.3	50.9
GDP Annualized QoQ	4Q (A)	01/25/2024	2.0%	3.3%	4.9%
Personal Consumption	4Q (A)	01/25/2024	2.5%	2.8%	3.1%
Durable Goods Orders	Dec (P)	01/25/2024	1.5%	0.0%	5.5% (rev up)
Initial Jobless Claims	Jan 20	01/25/2024	200k	214k	189k
Continuing Claims	Jan 13	01/25/2024	1,823k	1,833k	1,806k
New Home Sales	Dec	01/25/2024	649k	664k	615k (rev up)

KEY INDICES				MUNI AA-BQ	
	Current	Last Month	One Year Ago		
Prime Rate	8.50	8.50	7.50	3 Mo.	3.16
Discount Rate	5.50	5.50	4.50	6 Mo.	3.12
Fed Funds Rate	5.33	5.33	4.33	1-Year	3.02
Interest on Reserve Bal.	5.40	5.40	4.40	2-Year	2.74
SOFR	5.31	5.32	4.30	3-Year	2.65
11th Dist COFI (ECOFC)	3.12	3.09	1.86	5-Year	2.47
1-Yr. CMT	4.76	4.82	4.70	7-Year	2.49
Dow	38,049.46	37,385.97	33,743.84	10-Year	2.53
NASDAQ	15,510.50	14,992.97	11,313.36	30-Year	3.79
S&P 500	4,894.16	4,754.63	4,016.22		
Bond Buyer	3.39	3.41	3.33		

Treasuries & New Issue Agencies (Spread to Treasuries)						CMO Spreads to Treasuries		
	Treasuries	Bullets	NC-6 Mo.	NC-1 Year	NC- 2 Year		PAC	Vanilla
3 Mo. Bill	5.35					1-Year	N/A	+50
6 Mo. Bill	5.20					2-Year	60	80
1-Year Bill	4.77					3-Year	90	100
2-Year Note	4.32	5	81	80		5-Year	105	115
3-Year Note	4.14	3	85	82	81			
5-Year Note	4.04	4	99	94	86			
7-Year Note	4.11	23	105	98	88			
10-Year Note	4.14	30	120	111	99			
20-Year Bond	4.49							
30-Year Bond	4.39							

MBS Current Coupon Yields	
GNMA 30 Yr.	5.30%
FNMA 30 Yr.	5.45%
FNMA 15 Yr.	4.83%

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