



Weekly Review—January 31, 2025

A gentle rain washed away the remnants of January’s snow which beautifully covered the ugliness of November’s fallen leaves not unlike the façade hiding the evil that lurked under the surface of the man passing by unnoticed in yesterday’s traffic (mmmmrrppp – record scratch!) Sorry folks! I’ve been spending too much time reading thrillers, I guess. Ahem. This week’s economic releases and the FOMC meeting left us hanging on the edge of our seat, waiting to glimpse any signs of actionable intelligence. But we were called back from our mission due to lack of target confirmation.

The first release of GDP for the fourth quarter of 2024 was a 2.3% change from 3Q, down in pace but within normal ranges for the US productivity measure. Personal consumption and Personal Spending of 4.2% and 0.7%, respectively, were positive but did not send any exciting ripples through the bond market. Interest rates held relatively steady – even after an FOMC meeting! The Committee voted for no action and while this was mostly expected, the message being sent for future action to lower rates remains like a leaf floating gently down a stream, not worrying about any potential obstacles as the leaf has been here before (Whoa! Sorry again for that mediocre attempt of producing a literary *tour de force*). Back to it. We remain in a waiting period. Will the proposed tariffs decimate financial markets like some of the headlines convey? Or are they mere negotiating tactics to begin talking about other policy objectives? At time of writing, the original deadline of tomorrow to impose 25% tariffs on Canada and Mexico appears to be delayed. “Take us to DefCon 4.” Crisis averted...for now. **The White House confirmed the tariffs are still set to be applied as of tomorrow in a press conference around 12:30pm.** And so it begins.

Next week, we receive labor data which may provide more actionable intelligence. Expectations are for around 150,000 jobs added with the Unemployment rate to remain at 4.1%. Tune in next week to see how our heroes in the Capital Markets Group jump into action to once again save the world! Or how about we just have a conversation about how you and your families are doing and what we expect, from a market standpoint, to happen in 2025 and what fixed income investments might fit into your strategy.

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
02/03/2025	\$15,250,000	Belton MO GO	2026-2041
02/03/2025	\$5,000,000	Mitchell County KS School District 273 (Beloit) GO	2026-2033
02/03/2025	\$6,105,000	Seward County KS GO	2026-2035

Economic Release	Data Period	Date	Survey	Actual	Prior
New Home Sales	Dec	01/27/2025	675k	698k	674k (rev up)
Durable Goods Orders	Dec (P)	01/28/2025	0.6%	-2.2%	-2.0% (rev down)
Conf. Board. Consumer Confid.	Jan	01/28/2025	105.7	104.1	109.5 (rev up)
MBA Mortgage Applications	Jan 24	01/29/2025	NA	-2.0%	0.1%
Wholesale Inventories MoM	Dec (P)	01/29/2025	0.2%	-0.5%	-0.1%
FOMC Rate Decision (Upper)	Jan 29	01/29/2025	4.50%	4.50%	4.50%
GDP Annualized QoQ	4Q (A)	01/30/2025	2.6%	2.3%	3.1%
Initial Jobless Claims	Jan 25	01/30/2025	225k	207k	223k
Personal Spending	Dec	01/31/2025	0.5%	0.7%	0.6% (rev up)
Core PCE Price Index YoY	Dec	01/31/2025	2.8%	2.8%	2.8%

KEY INDICES				MUNI AA-BQ		CMO Spreads to Treasuries		
	Current	Last Month	One Year Ago				PAC	Vanilla
Prime Rate	7.50	7.50	8.50	3 Mo.	2.17	1-Year	N/A	+45
Discount Rate	4.50	4.50	5.50	6 Mo.	2.24	2-Year	55	65
Fed Funds Rate	4.33	4.33	5.33	1-Year	2.68	3-Year	75	85
Interest on Reserve Bal.	4.40	4.40	5.40	2-Year	2.70	5-Year	95	105
SOFR	4.36	4.37	5.31	3-Year	2.74	MBS Current Coupon Yields		
11th Dist COFI (ECOFC)	3.04	3.11	3.12	5-Year	2.81	GNMA 30 Yr.	5.65%	
1-Yr. CMT	4.17	4.17	4.80	7-Year	2.87	FNMA 30 Yr.	5.73%	
Dow	44,544.66	42,544.22	38,150.30	10-Year	3.08	FNMA 15 Yr.	4.98%	
NASDAQ	19,627.44	19,310.79	15,164.01	30-Year	4.19			
S&P 500	6,040.53	5,881.63	4,845.65					
Bond Buyer	4.13	4.08	3.34					

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	4.28	4.29	4.15	4.19	4.23	4.31	4.40	4.50	4.80	4.75
Bullets				1	1	3	12	18		
NC-6 Mo.				21	40	62	75	81		
NC-1 Year				16	30	51	63	76		
NC-2 Year					10	30	45	60		

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