Weekly Review—April 25, 2025

Picture this scene: You are seated in the boardroom. Various members of leadership are discussing what should be done while we all wait for the tariff-induced uncertainly to end. The action-oriented leaders speak with more intensity: "We can't just sit around and do nothing!" The analytical-leaning leaders speak with slight hesitation: "Sure, we can do that, but do we have the resources? The costs might outweigh the return." This type of discourse occurs in meetings all the time – no matter what the situation. Now, with the constant tension and screaming of recession, or slowdown, or crisis of confidence in the US economy/currency, these types of interactions are heightened, more intense. That is where true leadership must take control. Control of the narrative, control of strategy, control of action. But how should this come to pass?

Listening and gathering different perspectives from different personality types and expertise. Sounds easy, but too often we live by "the squeakiest wheel gets the grease" – today, squeakiest can be replaced with loudest. We seem to only listen to those who are screaming the loudest. Like volume equates to authority. This reminds me of being a new parent. I tended to yell when things went differently from what I wanted from my children. As I matured, I realized I cannot smother them with my wants and desires, but I cannot just let them run free to make their own decisions either. Leaders listen, yes, but they also ask probing questions to gain understanding/perspective. But in the end, leaders must be decision makers. Not people pleasers.

After hearing from the loudest and the softest voices, leaders must help bring about consensus of direction and action. This is ideal but we often fall short of the ideal. As leaders, each of us must put all the stakeholders' interest into consideration but make the best decision based on the information we have at the time. Across our country and the world, leaders are gathering holding discussions like these. Let us hope calm heads prevail and everyone feels appreciated even if their suggestion for action is not chosen.

This week's economic data has not provided enough clarity for good decisions. The Leading Index for March came in worse than expected (-0.7% vs expected -0.5%), New Home Sales in March were higher than expected, along with Durable Goods Orders. The prevailing theory is that consumers and businesses were buying before the tariffs to get ahead of price increases. Initial Jobless claims continue to show modest unemployment levels and the April University of Michigan Sentiment came in at 52.2 versus the previous print of 50.8. Inflation expectations from U of M came in slightly lower than expected but remains elevated. This sentiment is greatly influenced by the loud voices screaming that prices will rise to even more uncomfortable levels if a trade war lasts for an extended period. We must remain calm, listen, and make good decisions. But we must decide with both the loudest and the softest inputs.

Have a great weekend!

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NEW ISSUE MUNICIPAL CALENDAR			
Date	Amount ($)	Description	Maturity
		There are no new issues on the calendar this week.	

Economic Release	Data Period	Date	Survey	Actual	Prior
Leading Index	Mar	04/21/2025	-0.5%	-0.7%	-0.2% (rev up)
MBA Mortgage Applications	Apr 18	04/23/2025	NA	-12.7%	-8.5%
S&P Global US Manufact. PMI	Apr (P)	04/23/2025	49.0	50.7	50.2
New Home Sales	Mar	04/23/2025	685k	724k	674k (rev down)
Durable Goods Orders	Mar (P)	04/24/2025	2.0%	9.2%	0.9% (rev down)
Initial Jobless Claims	Apr 19	04/24/2025	222k	222k	216k (rev up)
Continuing Claims	Apr 12	04/24/2025	1,869k	1,841k	1,878k (rev down)
Existing Home Sales	Mar	04/24/2025	4.13m	4.02m	4.27m (rev up)
U. of Mich. Sentiment	Apr (F)	04/25/2025	50.6	52.2	50.8
U. of Mich. 1 Yr Inflation	Apr (F)	04/25/2025	6.8%	6.5%	6.7%

KEY INDICES

	Current	Last Month	One Year Ago
Prime Rate	7.50	7.50	8.50
Discount Rate	4.50	4.50	5.50
Fed Funds Rate	4.33	4.33	5.33
Interest on Reserve Bal.	4.40	4.40	5.40
SOFR	4.29	4.31	5.31
11th Dist COFI (ECOFC)	2.94	2.94	3.16
1-Yr. CMT	3.95	4.11	5.17
Dow	40,113.50	42,587.50	38,085.80
NASDAQ	17,382.94	18,271.86	15,611.76
S&P 500	5,525.21	5,776.65	5,048.42
Bond Buyer	5.20	4.29	3.79

MUNI AA—BQ

3 Mo.	2.47
6 Mo.	2.56
1-Year	2.98
2-Year	3.03
3-Year	3.06
5-Year	3.16
7-Year	3.29
10-Year	3.55
30-Year	4.70

CMO Spreads to Treasuries

	PAC	Vanilla
1-Year	N/A	+50
2-Year	70	75
3-Year	85	95
5-Year	115	125

MBS Current Coupon Yields

GNMA 30 Yr.	5.51%
FNMA 30 Yr.	5.56%
FNMA 15 Yr.	4.80%

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	4.19	3.97	3.80	3.80	3.92	4.09	4.26	4.75	4.72
Bullets				1	2	4	13	20		
NC-6 Mo.				50	70	85	92	95		
NC-1 Year				20	40	60	70	75		
NC-2 Year					2	25	35	45		