



Weekly Review—June 6, 2025

On any given employment Friday, market participants peruse the jobs report looking for signs of a healthy and growing jobs market. Although expectations for this morning's release of the May employment report were no different, investors understand that the labor market remains under pressure given the backdrop of trade policy uncertainties with the expectation of slower economic growth. Here's an overview of the current job's situation –

Nonfarm payrolls increased 139k last month and the unemployment rate held steady at 4.2%, as expected. While May's 139k print was consistent with street estimates, prior month's growth was revised downward as March's reported growth was lowered to 120k – down from 185k and April's reported growth fell from 177k to 147k. Both revisions were worse than expected. And finally, labor force participation fell to 62.4%, down from last month's 62.6%. Consistent the last several months, May's employment growth continues to be driven by increases in both health care as well as leisure & hospitality jobs. Specifically, the health care sector hired 62k workers in May, exceeding its 12-month average monthly gain of 44k. Leisure and hospitality sector added 48k jobs – more than double its monthly average of 20k over the last year.

Bottom line: Although this round of employment data mitigated concerns of a rapidly deteriorating demand in labor, it falls short of meeting the Fed's mandate of maximum employment. Even though the jobs growth data could support a less-restrictive Fed policy response, wage inflation remains elevated as wages on an annualized basis rose 3.9% – well above the overall level of inflation. Because of this, monetary policy will likely stay the course.

Please feel free to reach out to us with your capital market-related questions. We welcome the conversation...

As a heads-up, our next Weekly Commentary will be published on Friday, June 27.

Dennis Zimmerman Jr.
Senior Vice President
Senior Manager – Asset/Liability Services
Commerce Bank – Capital Markets Group (CMG)



NEW ISSUE MUNICIPAL CALENDAR

Date	Amount (\$)	Description	Maturity
06/09/2025	\$12,320,000	Salina, KS GO	2026–2045

Economic Release	Data Period	Date	Survey	Actual	Prior
S&P Global US Manufact. PMI	May (F)	06/02/2025	52.3	52.0	52.3
ISM Manufacturing	May	06/02/2025	49.5	48.5	48.7
Factory Orders	Apr	06/03/2025	-3.2%	-3.7%	3.4% (rev down)
Durable Goods Orders	Apr (F)	06/03/2025	-6.3%	-6.3%	-6.3%
MBA Mortgage Applications	May 30	06/04/2025	NA	-3.9%	-1.2%
ADP Employment Change	May	06/04/2025	114k	37k	60k (rev down)
ISM Services Index	May	06/04/2025	52.0	49.9	51.6
Trade Balance	Apr	06/05/2025	-\$66.1b	-\$61.6b	-\$138.3b (rev up)
Initial Jobless Claims	May 31	06/05/2025	235k	247k	239k (rev down)
Change in Nonfarm Payrolls	May	06/06/2025	126k	139k	147k (rev down)

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.	2.24	1-Year	N/A	+50
Discount Rate	4.50	4.50	5.50	6 Mo.	2.33	2-Year	65	70
Fed Funds Rate	4.33	4.33	5.33	1-Year	2.75	3-Year	85	95
Interest on Reserve Bal.	4.40	4.40	5.40	2-Year	2.73	5-Year	115	125
SOFR	4.29	4.33	5.33	3-Year	2.74	MBS Current Coupon Yields		
11th Dist COFI (ECOFC)	2.93	2.93	3.20	5-Year	2.83	GNMA 30 Yr.	5.75%	
1-Yr. CMT	4.14	4.02	5.08	7-Year	3.05	FNMA 30 Yr.	5.78%	
Dow	42,762.87	40,829.00	38,886.17	10-Year	3.45	FNMA 15 Yr.	4.99%	
NASDAQ	19,529.95	17,689.66	17,173.12	30-Year	4.78			
S&P 500	6,000.36	5,606.91	5,352.96					
Bond Buyer	5.27	5.14	3.97					

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	4.34	4.28	4.12	4.00	3.99	4.08	4.27	4.47	4.95	4.93
Bullets				1	2	4	13	22		
NC-6 Mo.				40	60	76	82	90		
NC-1 Year				17	37	58	65	73		
NC-2 Year					1	28	35	45		

Investment suitability must be determined individually for each investor, and the securities included in this document may not be suitable for all investors. The information presented is not intended to constitute an investment recommendation or solicitation (offering) for, or advice to, any specific entity or person. By providing this information, neither Commerce Bank or any of its affiliates is undertaking to give advice in any fiduciary capacity within the meaning of ERISA, the Internal Revenue Code or any other regulatory framework. Before making any investment, investors should read the related prospectus, term sheet or offering memorandum.

LJ Hart & Company is a wholly-owned subsidiary of Commerce Bank, and may serve as either a municipal advisor or underwriter of a particular issuance of municipal securities. Underwritten municipal securities offerings may be distributed by its affiliates, Commerce Brokerage Services Inc. and the Commerce Bank Capital Markets Group (Affiliates). In such case, LJ Hart & Company will remit a portion of the underwriting fee or a dealer concession to Affiliates as compensation for the Affiliates' distribution services.

Securities are provided through Commerce Brokerage Services, Inc (CBSI), a subsidiary of Commerce Bank, member FINRA, SIPC, and Commerce Bank Capital Markets Group (CMG), a division of Commerce Bank (the "entities"). **Investments in securities are NOT FDIC insured; NOT Bank-Guaranteed; MAY lose value.** The opinions expressed herein reflect that of the author and are not a complete analysis of every material fact respecting any company, industry, or security. The author's opinions do not necessarily reflect that of Commerce Bank or its affiliates. CDs are direct financial obligations of the issuing financial institution and are not, either directly or indirectly, an obligation of Commerce Bank. Information contained herein is from sources deemed reliable but cannot be guaranteed. Prices and/or yields are subject to change and investments are subject to availability. The entities are not acting as your Portfolio Manager, Investment Advisor or 'municipal advisor' within the meaning of Section 15b of the Securities Exchange Act and therefore do not act in a fiduciary capacity. The entities do not provide tax advice (please refer to your tax professional).