# Capital Markets Group

## Weekly Review—July 3, 2025

Cue the Glen Campbell and the 1812 Overture! It's the 4th of July! That's right, the day (week) where my neighborhood celebrates the anniversary of the Declaration of Independence with the vigor of a twelve-year-old boy! Boom! Crack! Blam! The windows shutter, dogs bark, and I recite (every year) the line that Bugs Bunny taught me, "If you can't beat 'em, join 'em." Okay, I don't join in the explosive joy of setting off fireworks (that would be illegal – I think), but I watch the shows. We have at least three neighbors that try to out do each other with fireworks displays which can be more extensive than some municipal celebrations! The canyon of houses which we are a part of creates an echo chamber that would likely cause permanent hearing loss if we didn't take precautions. To be honest, my neighborhood sets off fireworks for what seems like any reason – Chiefs' Superbowl victories, Chiefs' gameday victories, Chiefs' announcement that they will think about playing sometime in the future, Addison beats Jacob at Super Mario Cart…you get the picture. But this weekend will be like a rock concert wrapped up in a subwoofer rattling a Toyota Corolla wrapped up in my childhood fears of global warfare. Masks will be worn as we try not to inhale all the gunpowder which will fill the air like burnt sand.

Whew! That was exhilarating just writing about! If only the economy were so exciting. Nonfarm payrolls came in above expectations (147k vs. survey of 106k), Initial Jobless claims were 233k, and the Unemployment rate ticked down two basis points to 4.1%. Chair Powell and the FOMC are waiting to see effects from tariffs show up in inflation data and are fine waiting before making any rate cuts. Fed Funds futures reflect this in current trading; the next cut has moved to a more likely timing of October with a second cut in December. Waiting for lower short-term interest rates will likely ramp up pushes for action from both market participants and politicians.

Good news! Opportunities remains to lock in decent yields on fixed income products. Reach out your Investment Representative to discuss options that best suit your investing goals.

Let us take a moment (or a weekend) to celebrate the freedom we have been given through declaration and from those that have had to live through real explosions, not the ones we will hear all week. So, stand up and listen for those canons. Thanks, Glen. And you, too, Pyotr for your anthems which we listen to as we shoot off fireworks wearing acid-washed overall shorts and flip flops. (Not really – but I guarantee you will see some somewhere this weekend).

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 |
| 07/09/2025 | $75,000,000 | Lindbergh School District, MO GO | 2041 - 2045 |
| | | | |

| Economic Release | Data Period | Date | Survey | Actual | Prior |
|---|---|---|---|---|---|
| S&P Global US Manufact. PMI | Jun (F) | 07/01/2025 | 52.0 | 52.9 | 52.0 |
| ISM Manufacturing | Jun | 07/01/2025 | 48.8 | 49.0 | 48.5 |
| MBA Mortgage Applications | Jun 27 | 07/02/2025 | NA | 2.7% | 1.1% |
| ADP Employment Change | Jun | 07/02/2025 | 98k | -33k | 29k (rev down) |
| Trade Balance | May | 07/03/2025 | -$71.0b | -$71.5b | -$60.3b (rev up) |
| Change in Nonfarm Payrolls | Jun | 07/03/2025 | 110k | 147k | 144k (rev up) |
| Unemployment Rate | Jun | 07/03/2025 | 4.3% | 4.1% | 4.2% |
| Initial Jobless Claims | Jun 28 | 07/03/2025 | 240k | 233k | 237k (rev up) |
| Factory Orders | May | 07/03/2025 | 8.2% | 8.2% | -3.9% (rev down) |
| ISM Services Index | Jun | 07/03/2025 | 50.6 | 50.8 | 49.9 |

**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 | 4.40 | 4.35 | 5.35 |
| 11th Dist COFI (ECOFC) | 2.93 | 2.93 | 3.22 |
| 1-Yr. CMT | 4.07 | 4.12 | 5.07 |
| Dow | 44,828.53 | 42,519.64 | 39,308.00 |
| NASDAQ | 20,601.10 | 19,398.96 | 18.188.30 |
| S&P 500 | 6,279.35 | 5,970.37 | 5,537.02 |
| Bond Buyer | 5.20 | 5.27 | 3.93 |

**MUNI AA—BQ**

| | |
|---|---|
| 3 Mo. | 2.04 |
| 6 Mo. | 2.13 |
| 1-Year | 2.55 |
| 2-Year | 2.56 |
| 3-Year | 2.57 |
| 5-Year | 2.65 |
| 7-Year | 2.93 |
| 10-Year | 3.34 |
| 30-Year | 4.76 |

**CMO Spreads to Treasuries**

| | PAC | Vanilla |
|---|---|---|
| 1-Year | N/A | +50 |
| 2-Year | 65 | 70 |
| 3-Year | 80 | 90 |
| 5-Year | 105 | 115 |

**MBS Current Coupon Yields**

| | |
|---|---|
| GNMA 30 Yr. | 5.49% |
| FNMA 30 Yr. | 5.52% |
| FNMA 15 Yr. | 4.75% |

**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 | 4.05 | 3.86 | 3.83 | 3.92 | 4.11 | 4.33 | 4.85 | 4.84 |
| Bullets | | | | 3 | 2 | 2 | 14 | 21 | | |
| NC-6 Mo. | | | | 45 | 65 | 77 | 80 | 88 | | |
| NC-1 Year | | | | 20 | 40 | 58 | 62 | 70 | | |
| NC-2 Year | | | | | 3 | 25 | 35 | 45 | | |