

I'm back in the saddle again... It's been too long since I've contributed to the Weekly Commentary. A lot has happened since May, but I plan to focus on what lies ahead. I will do so by speaking about the Leading Index which came out this week at -0.7% (June Data). The purpose of this index released by the Conference Board is to look at several economic indicators to glean where the economy may be going. What does the -0.7% monthly change tell us? On a basic level, anything above zero reflects a positive outlook while below represents a negative outlook.

These are the 10 components and their June print/trend: Overall: **-0.7% (lower)**

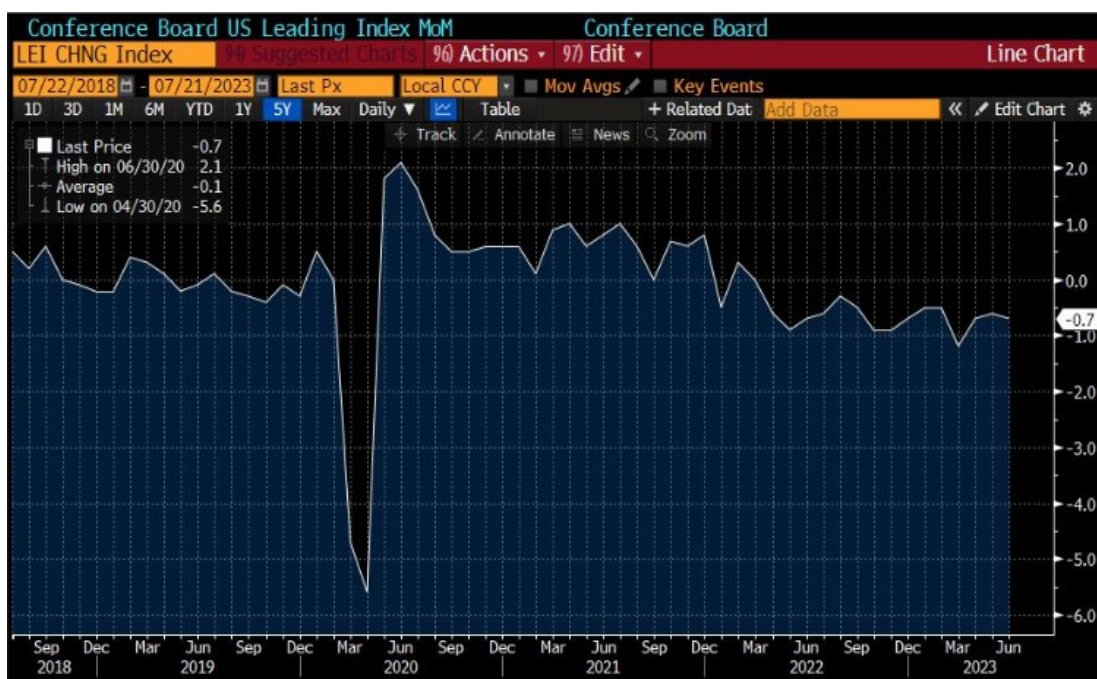
- Average workweek, production workers, manufacturing: **0.00% (flat)**
- Jobless Claims: **-0.13% (lower)**
- New Orders for Manufacturers for Consumer Goods and Materials: **0.01% (lower)**
- ISM Index of New Orders: **-0.21% (higher)**
- New Orders for Manufacturers for Nondefense Capital Goods Ex Aircraft: **0.00% (lower)**
- Build Permits for New Private Housing: **-0.12% (lower)**
- S&P 500 Stock Index: **0.20% (higher)**
- Leading Credit Index: **-0.04% (higher)**
- 10 Year Spread Yield Minus the Official Bank Rate: **-0.17% (higher)**
- Average Consumer Expectations for Business Conditions: **-0.21% (higher)**

Is this the end all for where we're heading? Not at all, you can see that while the components cover various parts of the economy, they lean toward manufacturing. The service aspect of our economy is larger than manufacturing and is captured somewhat within the S&P 500 Index, Average Consumer Expectations for Business Conditions. But the overall trend in this indicator is downward over the past 18 months (see Bloomberg Chart below). While I feel like the boy who cried wolf, I do feel recession is coming. Reach out to your Investment Representative to discuss suitable investments for you the impending economic downturn.

Next week's commentary will come to you on Thursday, July 27th.

Have a great weekend!

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NEW ISSUE MUNICIPAL CALENDAR

Date	Amount (\$)	Description	Maturity
07/24/2023	\$3,005,000	SALINA KS 2023A UT GO BQ Aa3	2024-2043

Economic Release	Data Period	Date	Survey	Actual	Prior
Empire Manufacturing	Jul	07/17/2023	-3.5	1.1	6.6
Retail Sales Advance MoM	Jun	07/18/2023	0.5%	0.2%	0.5% (rev up)
Industrial Production MoM	Jun	07/18/2023	0.0%	-0.5%	-0.5% (rev down)
MBA Mortgage Applications	Jul 14	07/19/2023	NA	1.1%	0.9%
Housing Starts	Jun	07/19/2023	1480k	1434k	1559k (rev down)
Building Permits	Jun	07/19/2023	1500k	1440k	1496k (rev up)
Initial Jobless Claims	Jul 15	07/20/2023	240k	228k	237k
Continuing Claims	Jul 8	07/20/2023	1722k	1754k	1721k (rev down)
Existing Home Sales	Jun	07/20/2023	4.20m	4.16m	4.30m
Leading Index	Jun	07/20/2023	-0.6%	-0.7%	-0.6% (rev up)

KEY INDICES				MUNI AA-BQ	
	Current	Last Month	One Year Ago		
Prime Rate	8.25	8.25	4.75	3 Mo.	2.65
Discount Rate	5.25	5.25	1.75	6 Mo.	2.75
Fed Funds Rate	5.08	5.08	1.58	1-Year	3.03
Interest on Reserve Bal.	5.15	5.15	1.65	2-Year	2.90
SOFR	5.06	5.05	1.53	3-Year	2.75
11th Dist COFI (ECOFC)	2.73	2.57	0.49	5-Year	2.58
1-Yr. CMT	5.35	5.24	3.18	7-Year	2.54
Dow	35,227.69	33,951.52	32,036.90	10-Year	2.62
NASDAQ	14,032.80	13,502.20	12,059.61	30-Year	3.77
S&P 500	4,536.34	4,365.69	3,998.95		
Bond Buyer	3.57	3.67	3.36		

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	5.40					1-Year	N/A	+55
6 Mo. Bill	5.44					2-Year	60	75
1-Year Bill	5.31					3-Year	85	115
2-Year Note	4.85	10	80	80		5-Year	110	140
3-Year Note	4.44	12	84	81	80			
5-Year Note	4.08	8	98	93	86			
7-Year Note	3.96	29	105	99	89			
10-Year Note	3.82	49	120	111	99			
20-Year Bond	4.07							
30-Year Bond	3.88							

MBS Current Coupon Yields	
GNMA 30 Yr.	5.24%
FNMA 30 Yr.	5.55%
FNMA 15 Yr.	5.06%

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