Weekly Review—July 25, 2025

Below please find an overview of this week's capital market talking points:

- This week's economic data was largely focused on the lackluster housing market as June's existing home sales, new home sales as well as building permits continue to underperform.
- Bond market participants patiently wait for next week's Fed policy meeting scheduled for Wednesday. Based on current Fed Fund futures trading, investors expect a 25-basis point benchmark rate cut at the October policy meeting. Outside of providing forward guidance, next week's Fed announcement/policy response should be uneventful.
- After next week's Fed meeting, market focus will shift back to hard economic data - the Fed's preferred inflation metric (the core Personal Consumption Expenditures Price Index) and the always-important Jobs Report. These two metrics are key in gauging the appropriateness of current monetary policy towards the goal of maximum employment and stable prices – consistent with the Fed's dual mandate. The releases are scheduled for Thursday and Friday, respectively.
- And finally, treasury yields were little changed on the week as short-term rates remain hitched to Fed policy while yields on the longer-end of the curve nominally declined. This week's biggest mover was the 2-year treasury yield whereas it increased five basis points since last Friday's market close.
- As mentioned in previous write-ups, continue to stay invested. At a minimum, consider reinvesting current bond portfolio run-off. Book 5% yields while they are still available. Of course, this is subject to your current asset/liability management (ALM) risk profile.

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

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NEW ISSUE MUNICIPAL CALENDAR			
Date	Amount ($)	Description	Maturity
		There are no new issues scheduled for next week.	

Economic Release	Data Period	Date	Survey	Actual	Prior
Leading Index	Jun	07/21/2025	-0.3%	-0.3%	0.0% (rev up)
Richmond Fed Manufact. Index	Jul	07/22/2025	-2	-20	-8 (rev down)
MBA Mortgage Applications	Jul 18	07/23/2025	NA	0.8%	-10.0%
Existing Home Sales	Jun	07/23/2025	4.00m	3.93m	4.04m (rev up)
Building Permits	Jun (F)	07/24/2025	NA	1,393k	1,397k
Initial Jobless Claims	Jul 19	07/24/2025	226k	217k	221k
Continuing Claims	Jul 12	07/24/2025	1,954k	1,955k	1,951k (rev down)
New Home Sales	Jun	07/24/2025	650k	627k	623k
S&P Global US Manufact. PMI	Jul (P)	07/24/2025	52.7	49.5	52.9
Durable Goods Orders	Jun (P)	07/25/2025	-10.7%	-9.3%	16.5% (rev up)

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	4.30	4.30	5.34
11th Dist COFI (ECOFC)	2.93	2.93	3.22
1-Yr. CMT	4.09	3.99	4.82
Dow	44,901.92	42,982.43	39.935.07
NASDAQ	21,108.32	19,973.55	17,181.72
S&P 500	6,388.64	6,092.16	5,399.22
Bond Buyer	5.29	5.25	3.94

MUNI AA—BQ

3 Mo.	1.95
6 Mo.	2.04
1-Year	2.46
2-Year	2.46
3-Year	2.48
5-Year	2.61
7-Year	2.97
10-Year	3.45
30-Year	4.93

CMO Spreads to Treasuries

	PAC	Vanilla
1-Year	N/A	+50
2-Year	65	70
3-Year	85	95
5-Year	105	115

MBS Current Coupon Yields

GNMA 30 Yr.	5.55%
FNMA 30 Yr.	5.59%
FNMA 15 Yr.	4.81%

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	4.26	4.08	3.91	3.86	3.97	4.17	4.41	4.95	4.96
Bullets				2	2	0	13	20		
NC-6 Mo.				40	60	72	75	82		
NC-1 Year				17	39	55	60	65		
NC-2 Year					2	25	30	40		