



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				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.	1.95	1-Year	N/A	+50
Discount Rate	4.50	4.50	5.50	6 Mo.	2.04	2-Year	65	70
Fed Funds Rate	4.33	4.33	5.33	1-Year	2.46	3-Year	85	95
Interest on Reserve Bal.	4.40	4.40	5.40	2-Year	2.46	5-Year	105	115
SOFR	4.30	4.30	5.34	3-Year	2.48	MBS Current Coupon Yields		
11th Dist COFI (ECOFC)	2.93	2.93	3.22	5-Year	2.61	GNMA 30 Yr.	5.55%	
1-Yr. CMT	4.09	3.99	4.82	7-Year	2.97	FNMA 30 Yr.	5.59%	
Dow	44,901.92	42,982.43	39,935.07	10-Year	3.45	FNMA 15 Yr.	4.81%	
NASDAQ	21,108.32	19,973.55	17,181.72	30-Year	4.93			
S&P 500	6,388.64	6,092.16	5,399.22					
Bond Buyer	5.29	5.25	3.94					

Treasuries & New Issue Agencies <i>(Spread to Treasuries)</i>										
	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		

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