



Weekly Review—August 16, 2024

We are approaching my favorite season: Fall. My boys will return to school next week, their last time together at the same school. Football at all levels is starting back up, European Football begins in several countries this weekend, and the summer sports head to their exciting playoffs and crowning of champions. The temperatures could sure use a cooling, but that is what we are all waiting for – a cooling period from the uncomfortable place we've been in for a few months. Investors are no different.

After weeks and months of extreme volatility, the economic data releases this week used their voices to whisper things are not as bad as we thought. PPI and CPI figures were neither too hot nor too cold, Retail Sales Advance numbers showed the US consumer is still buying enough to stimulate the economy, and Initial Jobless claims data was steady. We are so used to the ebbs and flows of the high tides of the past few months; we could use some calm seas.

Fed Funds futures continue to show a cut coming next month with two additional cuts before year end. While the number of cuts is less important, the fact that cuts are finally more likely to come sooner rather than later is. Part of investing is positioning for future outcomes. Again, we are at the crossroads for investors: should they leave their higher interest earning short-term investments, going out farther along the yield curve or wait a little longer. Each situation is different, of course, but discussions are becoming more frequent within institutions and should continue. Consider your mix of short-term and long-term goals and decide what is best for your organization. Your Investment Representative is a good resource and can help with these discussions.

I'll leave you with a song recommendation to help this transition from Summer to Fall. The band, Phoenix, was featured in the closing ceremony of the Paris Olympics. They are a French band that uses synthesizers, guitars, drums, and high-tenor vocals to exude positivity while supporting their sound with moody undercurrents. Sound weird to you? Well, I think you know me by now, I can be a little weird. Listen to 1901 by Phoenix this weekend and if your feet don't move, nor your body sway, you might be a Winter person.

Have a nice weekend!

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NEW ISSUE MUNICIPAL CALENDAR			
Date	Amount (\$)	Description	Maturity
08/20/24	\$24,420,000	Topeka KS Combined Utility Rev	2025-2054

Economic Release	Data Period	Date	Survey	Actual	Prior
PPI Final Demand MoM	Jul	08/13/2024	0.2%	0.1%	0.2%
MBA Mortgage Applications	Aug 9	08/14/20224	NA	16.8%	6.9%
CPI MoM	Jul	08/14/2024	0.2%	0.2%	-0.1%
CPI YoY	Jul	08/14/2024	3.0%	2.9%	3.0%
Empire Manufacturing	Aug	08/15/2024	-6.0	-4.7	-6.6
Retail Sales Advance MoM	Jul	08/15/2024	0.4%	1.0%	-0.2%
Initial Jobless Claims	Aug 10	08/15/2024	235k	227k	234k (rev up)
Industrial Production MoM	Jul	08/15/2024	-0.3%	-0.6%	0.3%
Housing Starts	Jul	08/16/2024	1,333k	1,238k	1,329k
U. of Mich. Sentiment	Aug (P)	08/16/2024	66.9	67.8	66.4

KEY INDICES				MUNI AA-BQ	
	Current	Last Month	One Year Ago		
Prime Rate	8.50	8.50	8.50	3 Mo.	2.94
Discount Rate	5.50	5.50	5.50	6 Mo.	2.89
Fed Funds Rate	5.33	5.33	5.33	1-Year	2.71
Interest on Reserve Bal.	5.40	5.40	5.40	2-Year	2.65
SOFR	5.35	5.34	5.30	3-Year	2.65
11th Dist COFI (ECOFC)	3.24	3.23	2.82	5-Year	2.61
1-Yr. CMT	4.49	4.85	5.36	7-Year	2.71
Dow	40,659.76	40,954.48	34,765.74	10-Year	2.81
NASDAQ	17,631.72	18,509.34	13,474.63	30-Year	3.80
S&P 500	5,554.25	5667.20	4404.33		
Bond Buyer	3.88	3.94	3.75		

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	5.20					1-Year	N/A	+50
6 Mo. Bill	4.98					2-Year	60	70
1-Year Bill	4.51					3-Year	80	105
2-Year Note	4.09	3	83	39		5-Year	105	115
3-Year Note	3.89	5	107	71	19			
5-Year Note	3.78	4	127	94	50			
7-Year Note	3.82	20	130	104	64			
10-Year Note	3.90	32	128	108	75			
20-Year Bond	4.25							
30-Year Bond	4.15							

MBS Current Coupon Yields		
GNMA 30 Yr.		5.12%
FNMA 30 Yr.		5.18%
FNMA 15 Yr.		4.50%

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