Weekly Review—August 19, 2022

With many of our children heading back to school this week or the next, I still get the urge to return to school myself. Even though my first day of school was over 45 years ago at Boston University (preschool 😉), every August I have the urge to return to a learning environment. A love of learning has served me well in my career. I am a curious fella, I love to learn about new things, or try to think about things I know in a different manner. Because of this, I have been helpful to others, willing to take on difficult projects, and kept myself mostly away from that dreaded feeling of *ennui*.

With a relatively light week of economic releases, I thought I'd highlight some good resources for fixed income investors. The first is the Securities Industry and Financial Markets Association (SIFMA) (website is www.sifma.org). SIFMA is a trade group that monitors and publishes research on capital markets and can be a great source of fixed income activity. I visit this site regularly to gain high-level info on issuance and trading information for the various fixed income categories. SIFMA also breaks out how much debt is outstanding both currently (relatively) and historically. This helps me monitor concentrations and what investors have been investing in/holding or might be interested in obtaining. For those looking for a high-level view of the fixed income world, this is a great place to start.

The second, the Electronic Municipal Market Access, or EMMA, is a service of the Municipal Securities Rulemaking Board, or MSRB (website is www.emma.msrb.org). This is a fantastic resource for Muni investors for many reasons. You can access interest rate information, look at the New Issue Calendar, or the upcoming Economic Calendar, compare municipal bonds and look at market statistics. Investors may sign up for the MyEmma service and load their CUSIPs to receive alerts such as call notices, ratings changes, and other municipal security information. Not only is this helpful for monitoring a municipal security portfolio, but it can help answer and supply documentation of monitoring to auditors and examiners. Finally, if the issuer of the security you hold uploaded documents, you can retrieve updated financial data to help with your ongoing credit quality monitoring process.

Your Commerce Bank Capital Markets Group is more than happy to help provide suitable market information and we have tools for helping our clients monitor municipal securities and analyze their portfolios. Please reach out to your Investment Representative for more information.

I provide these two resources for those of you who like to do your own research – who enjoy looking at market data, are curious of how things work in the fixed income market, or just want to learn something new. Keep learning and stay curious.

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
08/23/2022	$7,000,000	GRANDVIEW MO UT GO BQ AA	2023-2042
08/25/2022	$8,050,000	POTTAWATOMIE CO KS -1 -NTS UT GO SP1+	2023
08/25/2022	$2,955,000	POTTAWATOMIE CO KS -A UT GO AA-	2023-2042

ECONOMIC CALENDAR				
Monday 8/22	Tuesday 8/23	Wednesday 8/24	Thursday 8/25	Friday 8/26
Chicago Fed Nat Activity Index	New Home Sales	MBA Mortgage Applications	GDP Annualized QoQ (2nd)	Personal Income
	S&P Global US Manufact. PMI	Durable Goods Orders	Initial Jobless Claims	Personal Spending
	Richmond Fed Manufact. Index	Pending Home Sales MoM/YoY	Continuing Claims	PCE Core Deflator MoM/YoY

KEY INDICES

	Current	Last Month	One Year Ago
Prime Rate	5.50	4.75	3.25
Discount Rate	2.50	1.75	0.25
Fed Funds Rate	2.33	1.58	0.10
IOER	2.40	1.65	0.15
1-Month Libor	2.37	2.12	0.09
11th Dist COFI (ECOFC)	0.66	0.49	0.28
1-Yr. CMT	3.26	3.13	0.07
Dow	33,706.74	31,827.05	34,894.12
NASDAQ	12,705.22	11,713.15	14,541.79
S&P 500	4,228.48	3,936.69	4,405.80
Bond Buyer	3.44	3.34	2.14

MUNI AA—BQ

3 Mo.	1.64
6 Mo.	1.79
1-Year	2.20
2-Year	2.18
3-Year	2.20
5-Year	2.25
7-Year	2.40
10-Year	2.63
30-Year	3.42

Treasuries & New Issue Agencies *(Spread to Treasuries)*

	Treasuries	Bullets	NC-6 Mo.	NC-1 Year	NC- 2 Year
3 Mo. Bill	2.64				
6 Mo. Bill	3.09				
1-Year Bill	3.22				
2-Year Note	3.28	5	1	1	
3-Year Note	3.30	3	4	1	0
5-Year Note	3.10	7	18	14	6
7-Year Note	3.06	17	25	18	8
10-Year Note	2.97	47	41	31	20
20-Year Bond	3.44				
30-Year Bond	3.22				

CMO Spreads to Treasuries

	PAC	Vanilla
1-Year	N/A	+30
2-Year	35	45
3-Year	70	80
5-Year	80	90

MBS Current Coupon Yields

GNMA 30 Yr.	3.97%
FNMA 30 Yr.	4.20%
GNMA 15 Yr.	3.52%
FNMA 15 Yr.	3.68%

About the Author, Matthew Maggi

Prior to joining CMG in 2016, Matthew was the Corporate Treasurer at a $1.2 billion publicly-traded community bank headquartered in Missouri. During his tenure, he developed and implemented balance sheet strategies to maximize margin while managing acceptable levels of interest rate risk, liquidity, and capital. Matthew not only managed the investment portfolio, but also conducted extensive loan portfolio performance analyses.

Previously, he was a Treasury Analyst for one of the largest privately held banks in the U.S. He monitored cash flow and liquidity and developed funding strategies. Matthew leverages his extensive balance sheet management experience to provide tactical and strategic solutions to maximize performance while mitigating risks for the community banks.

The Weekly Review is a publication of the Capital Markets Group of Commerce Bank.