



Weekly Review—August 29, 2025

Fall classes have begun around here. We sent my oldest off to college and our youngest back to high school. The house is quieter, and the temperatures are falling – even if only temporarily. The compensatory arrival of college and pro football eases the pain of a self-proclaimed control freak setting free his first born. That is one of the biggest battles I have in life – wanting to control more than I should. I know the truth that I do not really control much; however, I still forge ahead with false confidence as if I do. This is also the battle we face as investors, leaders, people. The conflict between market participants and the FOMC continues. Each having a role to play and each thinking they have more power (control) than they really do.

The possibility of three 25-basis point cuts by the FOMC by the end of 2025 has grown this week. However, with this morning's release of the Core PCE Price Index resulting in 2.9%, elevated inflation remains. Personal Spending for July remained elevated as well. So, even with higher prices, we are still paying for services and products. This is possibly due to the steady levels of Personal Income at 0.4% for July. The outlook for the economy remains relatively rosy with the second release of 2Q GDP rising 0.2% to 3.3%. The increase came mostly from higher private investment. Initial Jobless claims remained around 230,000 for the week ending August 23rd. While the signals from the economy are mixed (aren't they always?), the most recent data releases point to a strong economy. This coupled with core inflation remaining around 3%, tells me the market participants and even some within the Federal Reserve may have a false sense of control over interest rates. As James Carville famously said, "It's the economy, stupid." Excluding any political ties to the quote, we must continue to watch the US economy for clues which will cause the FOMC to lower short-term interest rates at current levels.

Control is what we want. We think we can make more of a difference if life goes the way we plan. The problem with that is there are about 8.2 billion other plans out there. Let us humble ourselves a little and try to work together for the greater good. Whether that is helping our customers, helping our communities, helping our friends and families, helping strangers, or even helping ourselves, let us loosen our grips on being in control of more than we are. Let us grip the hands of others and build strong relationships that can truly make a difference. Thank each of you for the work you do every day.

Happy Labor Day 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
09/03/2025	\$2,590,000	Kansas City Pub Building Commission, KS BQ Rev	2028

Economic Release	Data Period	Date	Survey	Actual	Prior
New Home Sales	Jul	08/25/2025	630k	652k	656k (rev up)
Durable Goods Orders	Jul (P)	08/26/2025	-3.8%	-2.8%	-9.4%
Conf. Board Consumer Confiden.	Aug	08/26/2025	96.5	97.4	98.7 (rev up)
MBA Mortgage Applications	Aug 22	08/27/2025	NA	-0.5%	-1.4%
GDP Annualized QoQ	2Q (S)	08/28/2025	3.1%	3.3%	3.0%
Initial Jobless Claims	Aug 23	08/28/2025	230k	229k	234k (rev down)
Personal Income	Jul	08/29/2025	0.4%	0.4%	0.3%
Personal Spending	Jul	08/29/2025	0.5%	0.5%	0.4% (rev up)
Core PCE Price Index YoY	Jul	08/29/2025	2.9%	2.9%	2.8%
Wholesale Inventories MoM	Jul (P)	08/29/2025	0.1%	0.2%	0.1%

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.	2.04	1-Year	N/A	+50
Discount Rate	4.50	4.50	5.50	6 Mo.	2.13	2-Year	62	67
Fed Funds Rate	4.33	4.33	5.33	1-Year	2.20	3-Year	80	90
Interest on Reserve Bal.	4.40	4.40	5.40	2-Year	2.22	5-Year	100	110
SOFR	4.34	4.36	5.35	3-Year	2.24	MBS Current Coupon Yields		
11th Dist COFI (ECOFC)	2.95	2.93	3.24	5-Year	2.41	GNMA 30 Yr.	5.23%	
1-Yr. CMT	3.83	4.09	4.36	7-Year	2.80	FNMA 30 Yr.	5.27%	
Dow	45,544.88	44,632.99	41,335.05	10-Year	3.34	FNMA 15 Yr.	4.47%	
NASDAQ	21,455.55	21,098.29	17,516.43	30-Year	4.83			
S&P 500	6,460.26	6,370.86	5,591.96					
Bond Buyer	5.23	5.29	3.87					

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	4.16	3.98	3.83	3.62	3.58	3.69	3.92	4.22	4.85	4.90
Bullets				2	2	2	11	20		
NC-6 Mo.				43	60	68	65	65		
NC-1 Year				20	37	50	50	50		
NC-2 Year					3	20	25	28		

Investment suitability must be determined individually for each investor, and the securities included in this document may not be suitable for all investors. The information presented is not intended to constitute an investment recommendation or solicitation (offering) for, or advice to, any specific entity or person. By providing this information, neither Commerce Bank or any of its affiliates is undertaking to give advice in any fiduciary capacity within the meaning of ERISA, the Internal Revenue Code or any other regulatory framework. Before making any investment, investors should read the related prospectus, term sheet or offering memorandum.

LJ Hart & Company is a wholly-owned subsidiary of Commerce Bank, and may serve as either a municipal advisor or underwriter of a particular issuance of municipal securities. Underwritten municipal securities offerings may be distributed by its affiliates, Commerce Brokerage Services Inc. and the Commerce Bank Capital Markets Group (Affiliates). In such case, LJ Hart & Company will remit a portion of the underwriting fee or a dealer concession to Affiliates as compensation for the Affiliates' distribution services.

Securities are provided through Commerce Brokerage Services, Inc (CBSI), a subsidiary of Commerce Bank, member FINRA, SIPC, and Commerce Bank Capital Markets Group (CMG), a division of Commerce Bank (the "entities"). **Investments in securities are NOT FDIC insured; NOT Bank-Guaranteed; MAY lose value.** The opinions expressed herein reflect that of the author and are not a complete analysis of every material fact respecting any company, industry, or security. The author's opinions do not necessarily reflect that of Commerce Bank or its affiliates. CDs are direct financial obligations of the issuing financial institution and are not, either directly or indirectly, an obligation of Commerce Bank. Information contained herein is from sources deemed reliable but cannot be guaranteed. Prices and/or yields are subject to change and investments are subject to availability. The entities are not acting as your Portfolio Manager, Investment Advisor or 'municipal advisor' within the meaning of Section 15b of the Securities Exchange Act and therefore do not act in a fiduciary capacity. The entities do not provide tax advice (please refer to your tax professional).