Weekly Review—October 25, 2024

I am goal oriented. No, I am not interviewing for a new job. Just stating a fact. I need goals because I need to feel that sense of accomplishment, check the box, get stuff done. Goals are good. They help me stay focused, provide purpose, and drive me to achieve something arduous in nature and rewarding when reached. I usually complete the work and attain success of my objectives. In many ways, I represent an ethos that permeates the American psyche. We love winning, we love completing something difficult in order to announce and share our successes. It is likely why I ended up in finance. I can easily measure my successes and define the goals of return on investments. Sounds great, but we also need voices of calm, of experience, of clarity. Sometimes, this voice comes from within.

The markets this week were still trying to figure out who will become president and how the FOMC will proceed with further rate cuts. The 2-year treasury yield started the week at 4.03%, rose to 4.08% mid-week, and is back down to around 4.04% at time of writing. The 10-year treasury yield began the week at 4.20%, rose to 4.25%, and is back down to around 4.20% this morning. Waiting is becoming difficult for markets. Markets crave certainty, clarity, not confusion nor uncertainty. We saw a little more volatility in the equity markets this week, but our focus is on the bond market. Next week, when we receive GDP, PCE, and the October jobs data, we may see more volatility leading up to Election Day. The markets are getting closer to receiving some answers to their questions. But this is just a temporary relief until the next set of goals are set. A constant recycling of short-term goals dominates those who long for success, while the calming voice of experience aims for slow and steady returns over the long-term. We need both types of personalities to achieve goals – those who are motivated by goals and achieving short-term milestones with agility and intelligence and those who are patient, wise, and looking out for the interest of more than themselves. Reach out to your Investment Representative to help with your near and long-term fixed income goals.

Back to the voice. Last Saturday, I planned to achieve the goal of running a marathon. It did not happen. I had a plan, a training schedule, and the drive for 18 weeks to do it. The execution due to internal and external factors (heat and humidity, I'm looking at you!) fell short. At first, I was disappointed. Afterall, I achieved several personal goals in the last year – I know what success looks like. But my mind and body just could not continue running longer than 14 miles. Even on cooler days, doubt and fear set in and I would stop short of the daily goal. After much discernment, I realized why I was really pursuing this goal and it was ugly. It was for the adulation and praise I would receive from all those people I told I was going to run marathon. This goal was for them, not for me. At least not for me in a good way. I needed that voice of doubt, disguised as reason, to calm me down and have me focus on goals that were good for me, not for my ego. I love running and I love it even more now. Keep striving for success and listening to the wiser voice within yourself telling you with honesty how really good you are and how awesome you can be.

Have a nice weekend!

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NEW ISSUE MUNICIPAL CALENDAR			
Date	Amount ($)	Description	Maturity
10/29/24	$9,815,000	Boone County MO Rev	2025 - 2044

Economic Release	Data Period	Date	Survey	Actual	Prior
Leading Index	Sep	10/21/2024	-0.3%	-0.5%	-0.3% (rev down)
MBA Mortgage Applications	Oct 18	10/23/2024	NA	-6.7%	-17.0%
Existing Home Sales	Sep	10/23/2024	3.88m	3.84m	3.88m (rev up)
Initial Jobless Claims	Oct 19	10/24/2024	242k	227k	242k (rev up)
Continuing Claims	Oct 12	10/24/2024	1,875k	1,897k	1,869k (rev up)
S&P Global US Manufact. PMI	Oct (P)	10/24/2024	47.5	47.8	47.3
S&P Global US Services PMI	Oct (P)	10/24/2024	55.0	55.3	55.2
New Home Sales	Sep	10/24/2024	0.6%	4.1%	-2.3% (rev up)
Durable Goods Orders	Sep (P)	10/25/2024	-1.0%	-0.8%	-0.8% (rev down)
U. of Mich. Sentiment	Oct (F)	10/25/2024	69.0	70.5	68.9

KEY INDICES

	Current	Last Month	One Year Ago
Prime Rate	8.00	8.00	8.50
Discount Rate	5.00	5.00	5.50
Fed Funds Rate	4.83	4.83	4.33
Interest on Reserve Bal.	4.90	4.90	5.40
SOFR	4.83	4.84	5.30
11th Dist COFI (ECOFC)	3.26	3.27	2.97
1-Yr. CMT	4.29	3.88	5.41
Dow	42,114.40	41,914.75	33,035.93
NASDAQ	18,518.61	18,082.21	12,821.22
S&P 500	5,808.12	5,722.26	4.186.77
Bond Buyer	4.18	3.81	4.19

MUNI AA—BQ

3 Mo.	2.39
6 Mo.	2.48
1-Year	2.90
2-Year	2.72
3-Year	2.66
5-Year	2.72
7-Year	2.89
10-Year	3.13
30-Year	4.10

CMO Spreads to Treasuries

	PAC	Vanilla
1-Year	N/A	+45
2-Year	60	75
3-Year	85	115
5-Year	115	125

MBS Current Coupon Yields

GNMA 30 Yr.	5.58%
FNMA 30 Yr.	5.65%
FNMA 15 Yr.	4.96%

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	4.60	4.48	4.24	4.03	3.97	3.99	4.08	4.18	4.54	4.46
Bullets				2	3	2	15	28		
NC-6 Mo.				48	67	95	107	110		
NC-1 Year				22	45	70	82	95		
NC-2 Year					13	39	53	65		