Weekly Review—November 17, 2023

When it comes to treasury market volatility of late, a picture is worth a thousand words…two thousand in my case! Evidenced in the graph below, intermediate and longer-term treasury yields have declined nearly 60bps since mid-October – 30bps just this week as investor "rates down" bias builds. If treasury yields continue to decline, lower rates could be viewed by policy makers as being accommodative. In response, the Fed may opt to return to its hawkish ways by increasing benchmark rates. For now, the Fed is likely on hold. According to this week's Fed-speak by Cleveland Fed President Mester, "we're basically in a very good spot for policy." That said, the Fed will continue to monitor economic conditions and adjust policy as needed. Expect markets to remain volatile and enjoy the ride!

As a heads-up, the next CMG Weekly Commentary will be published December 1. Cherish the time spent with family and friends this Thanksgiving holiday.

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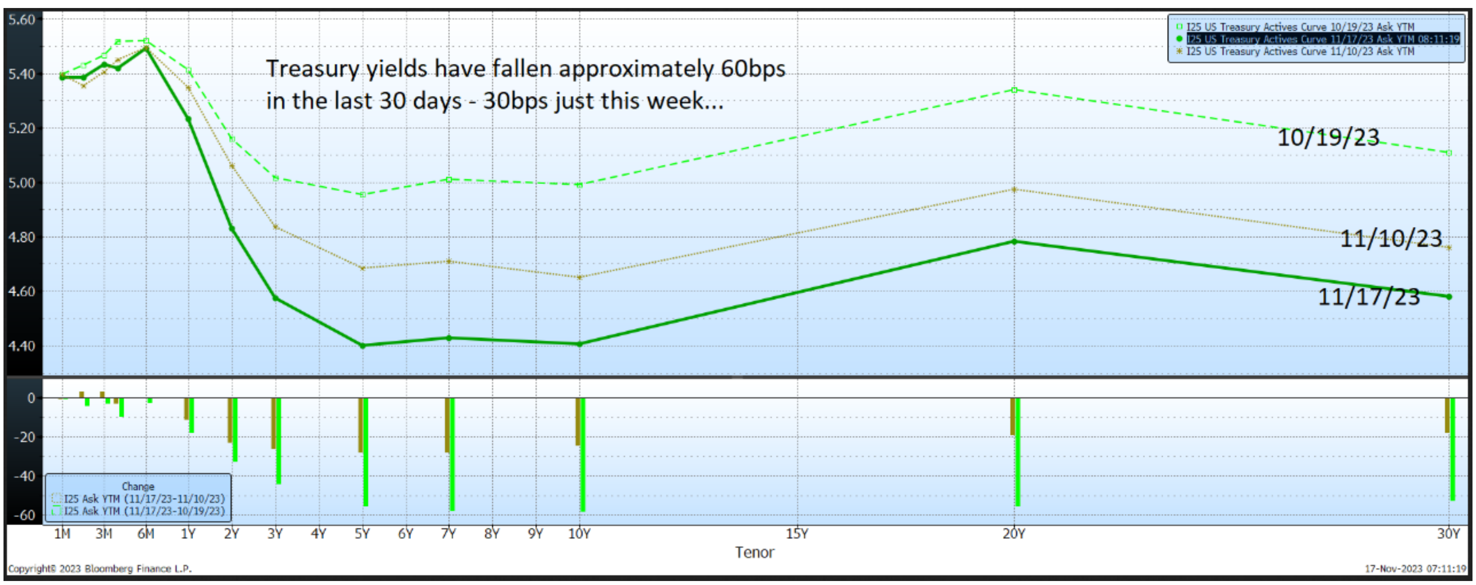

NEW ISSUE MUNICIPAL CALENDAR			
Date	Amount ($)	Description	Maturity
11/23/2023		No Local Issues this Week - Happy Thanksgiving	

Economic Release	Data Period	Date	Survey	Actual	Prior
CPI MoM	Oct	11/14/2023	0.1%	0.0%	0.4%
CPI YoY	Oct	11/14/2023	3.3%	3.2%	3.7%
MBA Mortgage Applications	Nov 10	11/15/2023	NA	2.8%	2.5%
Retail Sales Advance MoM	Oct	11/15/2023	-0.3%	-0.1%	0.9% (rev up)
PPI Final Demand MoM	Oct	11/15/2023	0.1%	-0.5%	0.4% (rev down)
PPI Final Demand YoY	Oct	11/15/2023	1.9%	1.3%	2.2%
Empire Manufacturing	Nov	11/15/2023	-3.0	9.1	-4.6
Initial Jobless Claims	Nov 11	11/16/2023	220k	231k	218k (rev up)
Industrial Production MoM	Oct	11/16/2023	-0.4%	-0.6%	0.1% (rev down)
Housing Starts	Oct	11/17/2023	1,350k	1,372k	1,346k (rev down)

KEY INDICES

	Current	Last Month	One Year Ago
Prime Rate	8.50	8.50	7.00
Discount Rate	5.50	5.50	4.00
Fed Funds Rate	5.33	5.33	3.83
Interest on Reserve Bal.	5.40	5.40	3.90
SOFR	5.32	5.31	3.81
11th Dist COFI (ECOFC)	3.01	2.97	1.35
1-Yr. CMT	5.24	5.42	4.62
Dow	34,947.28	33,997.65	33,546.32
NASDAQ	14,125.48	13,533.75	11,144.96
S&P 500	4,514.02	4,373.20	3,946.56
Bond Buyer	3.83	3.97	3.75

MUNI AA—BQ

3 Mo.	3.33
6 Mo.	3.33
1-Year	3.29
2-Year	3.16
3-Year	3.07
5-Year	3.00
7-Year	3.07
10-Year	3.15
30-Year	4.35

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

	Treasuries	Bullets	NC-6 Mo.	NC-1 Year	NC- 2 Year
3 Mo. Bill	5.39				
6 Mo. Bill	5.40				
1-Year Bill	5.23				
2-Year Note	4.87	6	81	80	
3-Year Note	4.61	8	84	80	80
5-Year Note	4.44	7	98	94	86
7-Year Note	4.47	27	105	98	88
10-Year Note	4.44	44	120	111	100
20-Year Bond	4.80				
30-Year Bond	4.60				

CMO Spreads to Treasuries

	PAC	Vanilla
1-Year	N/A	+50
2-Year	60	70
3-Year	100	120
5-Year	120	135

MBS Current Coupon Yields

GNMA 30 Yr.	5.86%
FNMA 30 Yr.	5.96%
FNMA 15 Yr.	5.52%

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