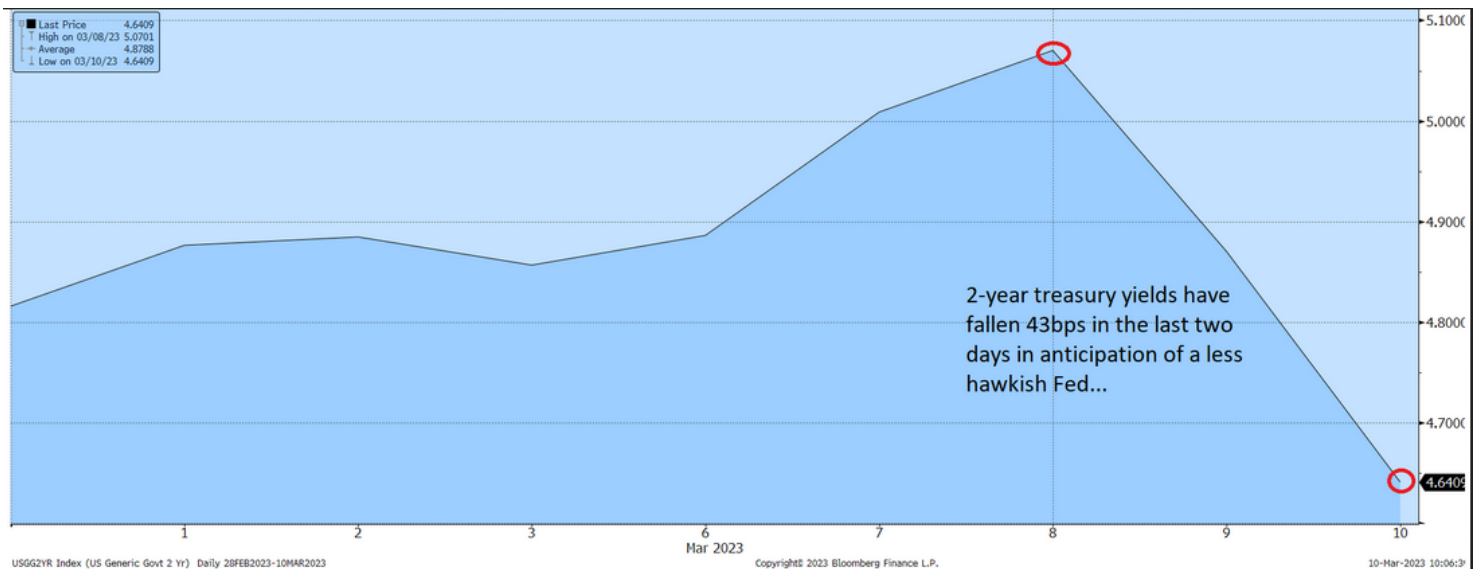


## Weekly Review—March 10, 2023

Although February’s non-farm payrolls exceeded expectations, softer-than-expected wage gains combined with an unexpected increase in the participation rate were viewed favorably by investors causing treasury yields to move lower in hopes of a less hawkish policy response. In the last two trading sessions, the two-year treasury yield has declined from 5.07% to 4.64% marking its biggest 2-day drop since 2008. While the jobs market is starting to show signs of weakening, it still remains strong...just not strong enough to warrant a 50bp hike in the near-term. Fed funds futures now shows a 50% chance of either a 25bp or 50bp hike later this month. Pre-job report probabilities were skewed towards a 50bp increase with a terminal rate approaching 5.75%.

Earlier this week, Fed Chairman Powell in his semiannual testimony to congress stated that although policy makers could increase rates higher and potentially faster than previously anticipated due to persistently strong inflation, future policy response will be based on current jobs and inflation data. As Powell told lawmakers, “A jobs report on Friday (today) and a CPI and PPI inflation report next week...those will be important, and we’ll scrutinize them.” That said, all eyes will be on next week’s inflation data.

Dennis Zimmerman Jr.  
 Senior Vice President  
 Senior Manager – Asset/Liability Services  
 Commerce Bank – Capital Markets Group (CMG)



### NEW ISSUE MUNICIPAL CALENDAR

Date	Amount (\$)	Description	Maturity
03/14/2023	\$45,040,000	KANSAS DEV FIN AUTH -C REVS A1	2033-2043



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Economic Release	Data Period	Date	Survey	Actual	Prior
Factory Orders	Jan	03/06/2023	-1.8%	-1.6%	1.7% (rev down)
Durable Goods Orders	Jan (F)	03/06/2023	-4.5%	-4.5%	-4.5%
MBA Mortgage Applications	Mar 3	03/08/2023	NA	7.4%	-5.9% (rev down)
ADP Employment Change	Feb	03/08/2023	200k	242k	119k (rev up)
Trade Balance	Jan	03/08/2023	-\$68.7b	-\$68.3b	-\$67.2b (rev up)
JOLTS Job Openings	Jan	03/08/2023	10546k	10824k	11234k (rev up)
Initial Jobless Claims	Mar 4	03/09/2023	195k	211k	190k
Change in Nonfarm Payrolls	Feb	03/10/2023	225k	311k	504k (rev down)
Unemployment Rate	Feb	03/10/2023	3.4%	3.6%	3.4%
Labor Force Participation Rate	Feb	03/10/2023	62.4%	62.5%	62.4%

KEY INDICES				MUNI AA-BQ	
	Current	Last Month	One Year Ago		
Prime Rate	7.75	7.75	3.25	3 Mo.	2.50
Discount Rate	4.75	4.75	0.25	6 Mo.	2.63
Fed Funds Rate	4.57	4.58	0.08	1-Year	2.90
Interest on Reserve Bal.	4.65	4.65	0.15	2-Year	2.90
SOFR	4.55	4.55	0.05	3-Year	2.77
11th Dist. COFI (ECOFC)	2.27	2.07	0.24	5-Year	2.69
1-Yr. CMT	4.90	4.88	1.15	7-Year	2.64
Dow	31,909.64	33,869.27	33,174.07	10-Year	2.69
NASDAQ	11,138.89	11,718.12	13,129.96	30-Year	3.85
S&P 500	3,992.01	4,090.46	4,259.52		
Bond Buyer	3.73	3.65	2.33		

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	5.03					1-Year	N/A	+40
6 Mo. Bill	5.07					2-Year	45	55
1-Year Bill	4.92					3-Year	62	72
2-Year Note	4.62	17	81	81		5-Year	85	115
3-Year Note	4.31	16	84	81	81			
5-Year Note	3.94	16	99	94	86			
7-Year Note	3.83	11	106	98	88			
10-Year Note	3.68	50	120	111	99			
20-Year Bond	3.88							
30-Year Bond	3.69							

MBS Current Coupon Yields	
GNMA 30 Yr.	5.15%
FNMA 30 Yr.	5.39%
FNMA 15 Yr.	4.91%

\*\*\*If you no longer wish to receive this weekly review, please send an email to [CapitalMarketsGroup@commercebank.com](mailto:CapitalMarketsGroup@commercebank.com)\*\*\*

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