

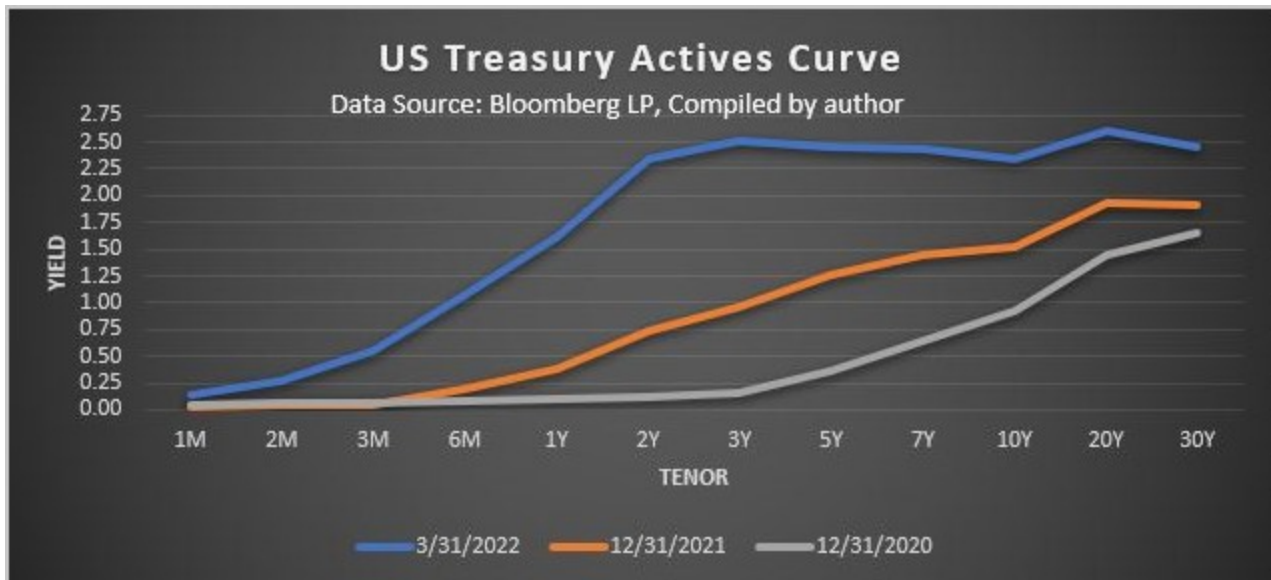
Weekly Review—April 1, 2022

Continued strong jobs data came in this morning with 431,000 jobs being added and a net positive revision of 95,000 for the last two months provided investors with some confidence that the labor market is still improving. The participation rate ticked up to 62.4% versus last month's 62.3% and the unemployment rate fell to 3.6%, down 0.1% from last month's print. Nonetheless, we see some inversions along the US treasury curve. This may be painting a confusing picture, but as a fan of Jackson Pollack and Jean-Michel Basquiat, I enjoy seeing something a little different every now and then.

If we look at the graph below, we see how much the yields along the belly of the curve have risen since the beginning of 2021. This is nice if you are investing, buying higher coupons along the way, but the value on older bonds within most portfolios are showing declines as the coupons tied those investments are lower than the prevailing levels currently available. For most, these are unrealized losses – meaning there is no income statement affect, only a paper loss. For many owners of banks or companies, even a paper loss may cause some consternation when we see our total capital decrease. For banks, most elected to exclude the effect of unrealized gain/loss in their regulatory capital ratios calculations, so in good times or bad, this volatility is removed from regulatory capital. Regardless, seeing a significant decrease in market value of available for sale securities can cause some discomfort. Reach out to your investment representative and let us know if you would like to discuss some strategies to mitigate or ride out this volatile period.

Have a nice weekend!

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NEW ISSUE MUNICIPAL CALENDAR

Date	Amount (\$)	Description	Maturity
04/04/2022	\$8,195,000	SALINA KS-A UT GO BQ Aa3	2023-2042
04/05/2022	\$6,290,000	LAWRENCE KS-A UT GO Aa1	2023-2042

ECONOMIC CALENDAR

Monday 4/4	Tuesday 4/5	Wednesday 4/6	Thursday 4/7	Friday 4/8
Factory Orders Durable Goods Orders	Trade Balance S&P Global US Services PMI S&P Global US Composite PMI	MBA Mortgage Applications FOMC Meeting Minutes	Initial Jobless Claims Continuing Claims	Wholesale Inventories MoM Wholesale Trade Sales MoM

KEY INDICES				MUNI AA-BQ	
	Current	Last Month	One Year Ago		
Prime Rate	3.50	3.25	3.25	3 Mo.	1.21
Discount Rate	0.50	0.25	0.25	6 Mo.	1.36
Fed Funds Rate	0.33	0.08	0.07	1-Year	1.68
IOER	0.40	0.15	0.10	2-Year	1.89
1-Month Libor	0.45	0.24	0.12	3-Year	2.01
11th Dist COFI	0.22	0.22	0.46	5-Year	2.15
1-Yr. CMT	1.63	1.01	0.07	7-Year	2.27
Dow	34,818.27	33,294.95	33,153.21	10-Year	2.43
NASDAQ	14,261.50	13,532.46	13,480.11	30-Year	2.87
S&P 500	4,545.86	4,306.26	4,019.87		
Bond Buyer	2.73	2.51	2.34		

Treasuries & New Issue Agencies (<i>Spread to Treasuries</i>)						CMO Spreads to Treasuries		
	Treasuries	Bullets	NC-6 Mo.	NC-1 Year	NC- 2 Year		PAC	Vanilla
3 Mo. Bill	0.50					1-Year	N/A	+35
6 Mo. Bill	1.06					2-Year	35	42
1-Year Bill	1.69					3-Year	58	65
2-Year Note	2.45	1	1	1		5-Year	68	80
3-Year Note	2.63	2	5	1	0			
5-Year Note	2.57	9	18	14	6			
7-Year Note	2.52	12	26	19	9			
10-Year Note	2.42	34	40	31	19			
20-Year Bond	2.65							
30-Year Bond	2.49							

MBS Current Coupon Yields	
GNMA 30 Yr.	3.39%
FNMA 30 Yr.	3.49%
GNMA 15 Yr.	2.87%
FNMA 15 Yr.	2.82%



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.

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