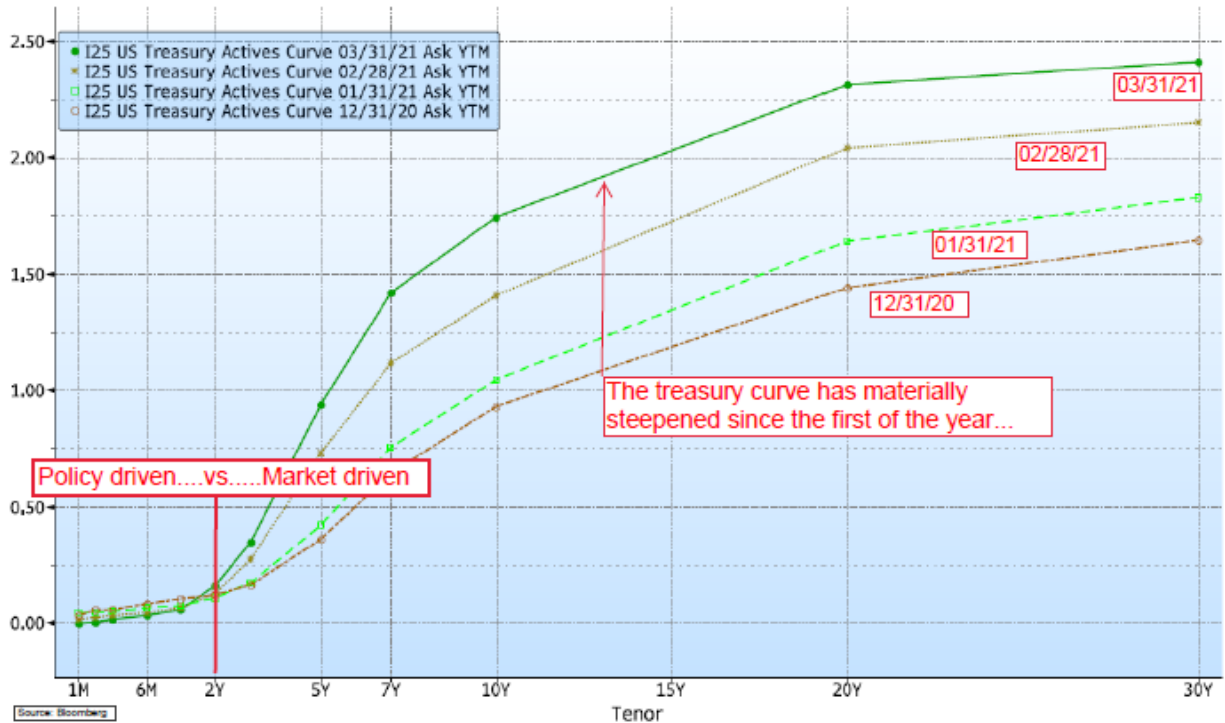


### 2021 Treasury Yield Curve - Historical



*A picture is worth a thousand words!* Evidenced by the chart above, intermediate and longer-term treasury yields have materially increased on the year while short term interest rates remain “hitched” to current monetary policy. This steepening of the yield curve best illustrates the current disconnect between the Fed and bond market participants. Largely based on increased economic growth and inflation expectations, fixed income investors believe that central bankers will be forced to increase benchmark rates sooner than current Fed forecasts. Depending on your ALM risk profile, portfolio managers with excess balance sheet liquidity should consider the recent run up in yields as a buying opportunity. Unsure where to find value in today’s fixed income market, reach out to CMG for guidance.

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

### NEW ISSUE MUNICIPAL CALENDAR

Date	Amount (\$)	Description	Maturity
4/12/2021	\$5,230,000	SALINA KS TMP NTS-1 UT GO RATING APPLIED	2022
4/12/2021	\$8,145,000	SALINA KS-A UT GO RATING APPLIED	2022-2041
4/13/2021	\$67,505,000	KANSAS DEV FIN AUTH-D REVS RATING APPLIED	2022-2038
4/13/2021	\$9,000,000	SIKESTON MO R-6 SCH UT GO BQ AA+/A+	2022-2037
4/13/2021	\$4,730,000	GARDEN CMNTY KS CLG-A COPS BQ	2021-2027
4/13/2021	\$7,495,000	HOWARD CO MO REGL WTR-REV BQ BAM INS	2021-2051

**ECONOMIC CALENDAR**

Monday 4/12	Tuesday 4/13	Wednesday 4/14	Thursday 4/15	Friday 4/16
Monthly Budget Statement	CPI MoM/YoY Real Avg Weekly Earnings YoY NFIB Small Business Optimism	MBA Mortgage Applications Import Price Index MoM/YoY Export Price Index MoM/YoY	Initial Jobless Claims Empire Manufacturing Industrial Production MoM	Housing Starts U. of Mich. Sentiment Building Permits

	KEY INDICES			MUNI AA-BQ	
	Current	Last Month	One Year Ago		
Prime Rate	3.25	3.25	3.25	3 Mo.	0.05
Discount Rate	0.25	0.25	0.25	6 Mo.	0.09
Fed Funds Rate	0.07	0.07	0.05	1-Year	0.11
IOER	0.10	0.10	0.10	2-Year	0.17
1-Month Libor	0.11	0.10	0.86	3-Year	0.28
11th Dist COFI	0.41	0.46	0.99	5-Year	0.54
1-Yr. CMT	0.06	0.09	0.23	7-Year	0.84
Dow	33,800.60	31,832.74	23,719.37	10-Year	1.18
NASDAQ	13,900.19	13,073.82	8,153.58	30-Year	1.83
S&P 500	4,128.80	3,875.4	2,789.82		
Bond Buyer	2.30	2.44	2.84		

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	0.00					1-Year	N/A	+40
6 Mo. Bill	0.03					2-Year	45	53
1-Year Bill	0.05					3-Year	53	63
2-Year Note	0.15	1	-5	-6		5-Year	63	73
3-Year Note	0.32	1	-1	-5	-6			
5-Year Note	0.86	1	12	8	0			
7-Year Note	1.31	2	20	13	3			
10-Year Note	1.64	7	34	25	13			
20-Year Bond	2.20							
30-Year Bond	2.31							

MBS Current Coupon Yields	
GNMA 30 Yr.	1.91%
FNMA 30 Yr.	1.93%
GNMA 15 Yr.	1.04%
FNMA 15 Yr.	1.30%

**About the Author, Dennis Zimmerman**



In 2015, Dennis joined Commerce Bank's Capital Markets Group as Manager of Asset/Liability Services. With his leadership, the Capital Market's ALM team provides asset/liability management consulting services to community banks.

Prior to joining Commerce, he was employed for nearly 26 years at one of the largest privately-held banks in Kansas. In addition to managing a \$775 million bond portfolio, his Asset/Liability Chairman responsibilities included managing margin, interest rate risk, liquidity and capital. Prior to becoming the bank's Finance Treasury Officer, he was a Registered Investment Representative and Supervising Principal in the bank's Capital Markets division.

As a seasoned professional, Mr. Zimmerman offers a comprehensive understanding of bank finance treasury, fixed income, complex financial analysis as well as regulatory and operational awareness. As a banker, he understands the challenge of balancing shareholder expectations within appropriate levels of risk.

**\*\*\*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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