



Weekly Review—April 28, 2023

Cost of livin' gets so high, Rich and poor they start to cry... Inflation remains elevated and does not look to subside as quickly as once hoped. One of the Fed's preferred economic indicators, the PCE Core Deflator YoY came in this morning at 4.6%. While expected, at this level, there is still a lot of work required to bring the figure closer to the 2% target. This likely will not happen until 2024 according to the latest survey of economists provided to Bloomberg. Contributing to this elevated inflation, the Personal Income figure for March, 0.3%, was unchanged from the February figure and the Employee Cost Index rose to 1.2% from 1.1%. The lag effect of the FOMC's rate hikes remains another factor to explain why inflation remains high. The expectation according to the Fed Funds futures market is one more hike next week. If that occurs, the overnight upper bound rate will be 5.25, Prime will be 8.25, and IORB 5.15.

Every day is work, work, work... We can make a difference... Even with headlines announcing layoffs in certain companies, the labor market remains strong...for now. If we look ahead to next week's release of the Change in Nonfarm Payrolls, the expectation is for fewer jobs created than last month and a slight uptick in the unemployment rate. Are these signs of a negative economic impact to the labor force? While attitudes toward work may have altered post pandemic, the fact remains that work continues and is required if we are to keep up with rising prices for the goods and services we rely upon. This week's first release of 1Q GDP, 1.1, shed some light on the spending habits of US consumers. While lower than expected, the 3.7% increase demonstrated the reluctance of consumers to slow down their consumption. The 2Q GDP figures will likely tell a more daunting tale; however, for now, consumers are still working and spending.

Let's get together and feel alright... Despite the constant pressures of market volatility and negativity within our economy and economic headlines, the US keeps working, spending, pressing onward. Spring brings with it a feeling of hope and next week, I return to the banks of the Mississippi to spend some time in silence. Each of us have busy lives, so, it is important to find a place of peace and calm. I choose four days in silence to help me rejuvenate and realign myself with my true purpose. I hope you find some calm in your lives, so we all can get together and make things feel alright.

Have a great weekend!

Matthew Maggi | Senior Vice President | Commerce Bank – Capital Markets Group (CMG)

800 548-2663 matthew.maggi@commercebank.com



NEW ISSUE MUNICIPAL CALENDAR

Date	Amount (\$)	Description	Maturity
		No local issues	

Economic Release	Data Period	Date	Survey	Actual	Prior
New Home Sales	Mar	4/25/2023	632k	683k	623k (rev down)
Conf. Board Consumer Confid.	Apr	4/25/2023	104.0	101.3	104.0 (rev down)
MBA Mortgage Applications	Apr 21	4/26/2023	NA	3.7%	-8.8%
Wholesale Inventories MoM	Mar (P)	4/26/2023	0.1%	0.1%	0.1%
Durable Goods Orders	Mar (P)	4/26/2023	0.7%	3.2%	-1.2% (rev down)
Initial Jobless Claims	Apr 22	4/27/2023	248k	230k	246k (rev up)
GDP Annualized QoQ	1Q 23 (A)	4/27/2023	1.9%	1.1%	2.6%
Personal Income	Mar	4/28/2023	0.2%	0.3%	0.3%
Personal Spending	Mar	4/28/2023	-0.1%	0.0%	0.1% (rev down)
PCE Core Deflator YoY	Mar	4/28/2023	4.6%	4.6%	4.7% (rev up)

KEY INDICES				MUNI AA-BQ	
	Current	Last Month	One Year Ago		
Prime Rate	8.00	8.00	3.50	3 Mo.	2.65
Discount Rate	5.00	5.00	0.50	6 Mo.	2.75
Fed Funds Rate	4.83	4.83	0.33	1-Year	3.03
Interest on Reserve Bal.	4.90	4.90	0.40	2-Year	2.73
SOFR	4.81	4.81	0.28	3-Year	2.57
11th Dist COFI (ECOFC)	2.41	2.27	0.30	5-Year	2.46
1-Yr. CMT	4.78	4.51	1.97	7-Year	2.42
Dow	34,098.16	32,394.25	33,916.39	10-Year	2.51
NASDAQ	12,226.59	11,716.08	12,871.53	30-Year	3.76
S&P 500	4,169.48	3,971.27	4,287.50		
Bond Buyer	3.53	3.57	3.21		

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	5.13					1-Year	N/A	+50
6 Mo. Bill	5.05					2-Year	65	70
1-Year Bill	4.77					3-Year	80	90
2-Year Note	4.06	22	81	81		5-Year	100	140
3-Year Note	3.77	18	85	81	80			
5-Year Note	3.53	15	98	94	86			
7-Year Note	3.50	41	106	99	89			
10-Year Note	3.45	58	121	112	100			
20-Year Bond	3.80							
30-Year Bond	3.67							

MBS Current Coupon Yields	
GNMA 30 Yr.	5.02%
FNMA 30 Yr.	5.09%
FNMA 15 Yr.	4.60%

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