



One of my greatest internal battles is with curiosity. In my youth, I would get annoyed with my mother and grandmother because they always wanted to find a solution to something that was not working. As I aged, I realized I also possessed this trait. In my professional life it is both an advantage and a hindrance. The positives which derive from being curious at work include continuous learning, improvement, being a resource for others. The negatives usually include annoying others, coming off as a know-it-all, and hubris. Curiosity drives me to grasp some kernel of understanding of the interactions within our complex economic system and most importantly, develop some advantageous strategies for our customers.

The most interesting event of this week was the -1.4% print of GDP Annualized QoQ. Both equity and fixed income markets basically shrugged it off. Perhaps due to relatively strong consumer contribution and that the negative was driven by the net exports/imports aspect of GDP which reduced headline growth by about 3.2%. Global factors continue to influence markets as the duration of the war in Ukraine looks to extend, while Europe, like the U.S., continues to experience elevated inflation pressures. Domestically, this morning's releases of PCE Core Deflator – a key gauge used by the FOMC – Personal Income, and the Employment Cost Index continue to point toward higher inflation in the near-term and add further pressure on the Federal Reserve to attempt to contain it.

U.S. treasury rates are climbing today, settling just under the 3% levels on the 3-year to 10-year parts of the curve. 3% represents a key gauge for fixed income investors. The last time we reached similar levels, yields began to fall back down to where buyers had to settle for 2%, then 1%. The curious part of where we are now is where bets are being made along the curve based on confidence (or lack thereof) in the ability of the FOMC to curtail uncomfortable levels of inflation. The drama continues; there will be winners and losers in this most curious game we play. Reach out to your CMG Investment Representative and work together through this tumultuous time.

Curiosity may periodically kill the cat, but it can also allow us to grow both professionally and personally. Keep learning, keep questioning, keep looking for kernels of understanding, making you and your companies stronger.

Have a great weekend!

“The important thing is not to stop questioning. Curiosity has its own reason for existing. One cannot help but be in awe when one contemplates the mysteries of eternity, of life, of the marvelous structure of reality. It is enough if one tries to comprehend only a little of this mystery every day.” – Albert Einstein

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NEW ISSUE MUNICIPAL CALENDAR

Date	Amount (\$)	Description	Maturity
05/03/2022	\$41,955,000	BUDA TX LT GO AA	2025-2042
05/03/2022	\$46,185,000	ALIEF ISD TX-REF UT GO	2022-2042

ECONOMIC CALENDAR

Monday 5/2	Tuesday 5/3	Wednesday 5/4	Thursday 5/5	Friday 5/6
S&P Global Manuf. PMI	Factory Orders	MBA Mortgage Applications	Initial Jobless Claims	Change in Nonfarm Payrolls
ISM Manufacturing	Durable Goods Orders	ADP Employment Change	Continuing Claims	Unemployment Rate
Construction Spending MoM	JOLTS Job Openings	FOMC Rate Decision	Nonfarm Productivity	Avg Hourly Earnings MoM/YoY

KEY INDICES				MUNI AA-BQ	
	Current	Last Month	One Year Ago		
Prime Rate	3.50	3.50	3.25	3 Mo.	1.52
Discount Rate	0.50	0.50	0.25	6 Mo.	1.71
Fed Funds Rate	0.33	0.33	0.07	1-Year	2.07
IOER	0.40	0.40	0.10	2-Year	2.33
1-Month Libor	0.80	0.45	0.11	3-Year	2.49
11th Dist COFI (ECOFC)	0.24	0.22	0.46	5-Year	2.61
1-Yr. CMT	2.04	1.69	0.05	7-Year	2.78
Dow	32,977.21	35,294.19	34,060.36	10-Year	2.95
NASDAQ	12,334.64	14,619.64	14,082.55	30-Year	3.39
S&P 500	4,131.93	4,631.60	4,211.47		
Bond Buyer	3.21	2.67	2.27		

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	0.82					1-Year	N/A	+30
6 Mo. Bill	1.39					2-Year	35	40
1-Year Bill	2.02					3-Year	58	65
2-Year Note	2.70	1	1	0		5-Year	68	82
3-Year Note	2.86	3	5	2	1			
5-Year Note	2.91	4	18	14	6			
7-Year Note	2.93	17	25	18	9			
10-Year Note	2.88	38	40	31	19			
20-Year Bond	3.15							
30-Year Bond	2.94							

MBS Current Coupon Yields	
GNMA 30 Yr.	3.82%
FNMA 30 Yr.	4.05%
GNMA 15 Yr.	3.51%
FNMA 15 Yr.	3.44%

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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