



*Not so fast, my friend!* Today was perfect for the classic Lee Corso line as jobs data missed expectations. The Change in Non-farm Payrolls came in at 266K versus the survey of 1M. Revisions were also made to the March figure of 770K, down from the original 916K. The Unemployment rate increased from 6.0% to 6.1% while the Labor Force Participation Rate increased two basis points to 61.7%. The relatively large miss on Nonfarm Payrolls reinforces the difficulty in projecting results as well as the likely slower than desired recovery to economic levels and performance of pre-2020. Making predictions is no easy task; neither is recovering from a recession.

The areas most hit by changes in employment were temporary workers, manufacturing, trade and transportation, business services, and retail. However, preparations for a busy travel season and more relaxed guidelines for dining showed up in the 331K increase in the Leisure and Hospitality sector. The Private Service Providing sector also saw a strong gain of 234K jobs. Perhaps the miss in estimating today's figures was caused by confirmation bias after seeing all the positive data over the past several months – it must mean more people are returning to work, right? See the first line above. It really isn't that simple. But all hope for better times must not be lost either. We will see better jobs data; it just might take a little longer to materialize than many expected.

Next week, the April CPI and PPI figures will be released shedding more light on the inflation situation. The Fed appears patient regarding changing their strategy for tapering bond purchases and very patient regarding raising short-term interest rates. The bond market will likely not be so patient. Expect further volatility with the longer-term interest rates as market participants will attempt to push the Fed into action sooner rather than later. Working with bonds is always interesting; stay poised but patient as the road to higher interest rates remains under construction.

Have a wonderful weekend!

Matthew Maggi  
 Senior Vice President  
 Commerce Bank – Capital Markets Group (CMG)  
 800 548-2663  
[matthew.maggi@commercebank.com](mailto:matthew.maggi@commercebank.com)

NEW ISSUE MUNICIPAL CALENDAR			
Date	Amount (\$)	Description	Maturity
5/10/2021	\$915,000	HESSTON KS -A UT GO BQ NR	2022-2025
5/10/2021	\$3,535,000	HESSTON KS -B REF UT GO BQ NR	2021-2034
5/10/2021	\$2,350,000	N NEWTON KS -REF UT GO BQ NR	2021-2035
5/11/2021	\$3,590,000	PITTSBURG KS TMP NTS UT GO BQ	2022
5/13/2021	\$5,515,000	MANHATTAN KS -A UT GO Aa3	2022-2041

**ECONOMIC CALENDAR**

Monday 5/10	Tuesday 5/11	Wednesday 5/12	Thursday 5/13	Friday 5/14
	NFIB Small Business Optimism JOLTS Job Openings	CPI MoM/YoY Monthly Budget Statement Real Avg Weekly/Hourly Earnings	PPI Final Demand MoM/YoY Initial Jobless Claims Continuing Claims	Retail Sales Advance MoM Industrial Production MoM U. of Mich. Sentiment

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	0.06	0.07	0.05	1-Year	0.11
IOER	0.10	0.10	0.10	2-Year	0.13
1-Month Libor	0.10	0.11	0.25	3-Year	0.25
11th Dist COFI	0.38	0.41	0.88	5-Year	0.50
1-Yr. CMT	0.05	0.06	0.16	7-Year	0.80
Dow	34,777.76	33,446.26	23,875.89	10-Year	1.12
NASDAQ	13,752.24	13,688.84	8,979.66	30-Year	1.73
S&P 500	4,232.60	4,079.95	2,881.19		
Bond Buyer	2.25	2.34	2.56		

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	0.01					1-Year	N/A	+40
6 Mo. Bill	0.03					2-Year	45	50
1-Year Bill	0.04					3-Year	50	55
2-Year Note	0.13	1	-5	-5		5-Year	55	65
3-Year Note	0.26	1	-2	-5	-6			
5-Year Note	0.73	0	12	7	0			
7-Year Note	1.18	0	20	13	2			
10-Year Note	1.52	10	34	25	13			
20-Year Bond	2.10							
30-Year Bond	2.22							

  

MBS Current Coupon Yields	
GNMA 30 Yr.	1.86%
FNMA 30 Yr.	1.80%
GNMA 15 Yr.	0.67%
FNMA 15 Yr.	1.22%

**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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