



The Change in Nonfarm payrolls of 194,000 missed expectations of 500,000 yet remains over the 10-year average. Average Hourly Earnings for both the month and year exceeded expectations, applying some inflationary pressure on the US economy. The Labor Force Participation Rate decreased to 61.6% and continues to be below the trailing average. The jobs data releases often send mixed signals and this is no different. When taken in the overall context of the broader economy, the slow pace of improvements continues.

The Senate passed a short-term increase to the US debt ceiling, providing enough funding until December 3rd of this year. The House is expected to vote on Tuesday. It is unclear if the Democrats will use the reconciliation process to raise the debt ceiling further in December or continue the push to eliminate the limit entirely. Either way, the end of 2021 could prove interesting.

The 2-year treasury currently trades around 0.30% and the 10-year trades around 1.60% - a spread of around 1.30%. This steepening encourages investing in fixed income as bank lending growth remains slow.

Next week, the CPI and PPI data for September will be released. The minutes from the most recent FOMC meeting on the 22nd of September will allow investors a glimpse into the discussions held around tapering and the fate of short-term interest rates.

The US economy continues to slowly improve but fears of rising inflation exceeding the pace of growth have market participants testing multiple investment scenarios.

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
10/12/2021	\$6,625,000	NEWTON KS -A -REF UT GO BQ AA-	2022-2033
10/12/2021	\$5,195,000	CLAYTON MO-REV-REF BQ AA+	2022-2031

ECONOMIC CALENDAR

Monday 10/11	Tuesday 10/12	Wednesday 10/13	Thursday 10/14	Friday 10/15
Bond Market Closed	NFIB Small Business Optimism JOLTS Job Openings	CPI MoM/YoY MBA Mortgage Applications FOMC Meeting Minutes	Initial Jobless Claims Continuing Claims PPI Final Demand MoM/YoY	Empire Manufacturing Retail Sales Advance 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.	0.10
Discount Rate	0.25	0.25	0.25	6 Mo.	0.13
Fed Funds Rate	0.08	0.08	0.09	1-Year	0.15
IOER	0.15	0.15	0.10	2-Year	0.20
1-Month Libor	0.09	0.08	0.14	3-Year	0.29
11th Dist COFI	0.24	0.26	0.53	5-Year	0.57
1-Yr. CMT	0.10	0.08	0.13	7-Year	0.95
Dow	34,746.25	35,031.07	28,425.51	10-Year	1.28
NASDAQ	14,579.54	15,286.64	11,420.98	30-Year	1.84
S&P 500	4,391.34	4,514.07	3,446.83		
Bond Buyer	2.27	2.14	2.25		

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	0.04					1-Year	N/A	+37
6 Mo. Bill	0.05					2-Year	42	48
1-Year Bill	0.08					3-Year	50	60
2-Year Note	0.31	-1	-12	-12		5-Year	60	67
3-Year Note	0.57	0	-9	-12	-13			
5-Year Note	1.04	0	6	-1	-7			
7-Year Note	1.38	5	13	6	-4			
10-Year Note	1.60	13	27	18	6			
20-Year Bond	2.11							
30-Year Bond	2.16							

MBS Current Coupon Yields	
GNMA 30 Yr.	2.03%
FNMA 30 Yr.	2.01%
GNMA 15 Yr.	0.44%
FNMA 15 Yr.	1.32%

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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