



Weekly Review—December 22, 2022

My favorite book as a child was Ezra Jack Keats' *John Henry: An American Legend*. John Henry has been the largest influence on my work ethic. 2022 has been the most challenging year of my banking career; so, I've leaned on the lessons learned from Keats' story to help me persevere. As we wrap up this difficult year, I'd like to point out some of them and how they helped our team and our customers ride out this year.

John worked hard, not only for himself, but for and with others. Rapidly rising interest rates presented many challenges for our customer's investments and balance sheets. The tendency to take on the challenges all myself certainly reappeared from my past; however, it was by engaging and having more poignant discussions *with* customers that we were better able to navigate through this tumult. By working together, we were able to get through a rough year, tackling each obstacle not with only one "hammer," but with two, just like John Henry. One mine, one the customer's. Avoiding the tendency to solve customer issues alone, progress came only when we communicated effectively and collaborated to find an appropriate solution.

John proved we still need humans involved in work. In a world of "work smarter, not harder," we sometimes become too reliant upon technology. No doubt, technology helps us perform our jobs faster, but just like in the tale of John Henry, we still need humans to help when technology fails. Just like humans, technology is not perfect. While technology allows for quicker processing and calculating, much more than humans, it cannot and should not totally eliminate the need for human contribution. I work with incredibly remarkable models and data processing software that provide me with more information that I could reasonably process each day, but they do not necessarily interpret what the information means. I am blessed to work with bright minds, both within and outside this organization, that help me understand how to apply the information we receive.

John Henry won the race through sacrifice and adapting tactics. We must remain agile when faced with a challenge. We must be open and curious to different ideas – through collaboration and adaptation, we find the answer. Finally, John Henry sacrificed himself for the benefit of others. Servant leadership isn't always used as a successful model – often being interpreted as weakness, lacking confidence, or counterproductive; however, real victory comes not when only one person benefits, but when the ones you serve do. While we're still in the tunnel, we might just start to see light begin to seep through the stone wall.

We wish you and your families a wonderful rest of the year and we'll see you in 2023!

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 NEW ISSUES – MERRY CHRISTMAS & HAPPY HOLIDAYS	

ECONOMIC CALENDAR

Monday 12/26	Tuesday 12/27	Wednesday 12/28	Thursday 12/29	Friday 12/30
	Wholesale Inventories MoM Retail Inventories MoM FHFA House Price Index	Pending Home Sales MoM Pending Home Sales YoY	Initial Jobless Claims Continuing Claims	MNI Chicago PMI

KEY INDICES				MUNI AA-BQ	
	Current	Last Month	One Year Ago		
Prime Rate	7.50	7.00	3.25	3 Mo.	2.16
Discount Rate	4.50	4.00	0.25	6 Mo.	2.31
Fed Funds Rate	4.33	3.83	0.08	1-Year	2.86
IORB	4.40	3.90	0.15	2-Year	2.63
1-Month Libor	4.39	3.98	0.10	3-Year	2.54
11th Dist COFI (ECOFC)	1.59	1.35	0.22	5-Year	2.58
1-Yr. CMT	4.64	4.75	0.29	7-Year	2.64
Dow	33,027.49	34,098.10	35,753.89	10-Year	2.72
NASDAQ	10,476.12	11,174.41	15,521.89	30-Year	3.86
S&P 500	3,822.39	4,003.58	4,696.56		
Bond Buyer	3.59	4.02	2.05		

Treasuries & New Issue Agencies (<i>Spread to Treasuries</i>)					
	Treasuries	Bullets	NC-6 Mo.	NC-1 Year	NC- 2 Year
3 Mo. Bill	4.28				
6 Mo. Bill	4.64				
1-Year Bill	4.58				
2-Year Note	4.27	16	81	81	
3-Year Note	4.03	10	85	82	80
5-Year Note	3.80	14	98	94	86
7-Year Note	3.78	31	106	98	88
10-Year Note	3.68	67	120	111	99
20-Year Bond	3.93				
30-Year Bond	3.73				

CMO Spreads to Treasuries		
	PAC	Vanilla
1-Year	N/A	+40
2-Year	45	55
3-Year	70	85
5-Year	85	105

MBS Current Coupon Yields	
GNMA 30 Yr.	5.02%
FNMA 30 Yr.	5.12%
FNMA 15 Yr.	4.51%



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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