Baker Market Update—*Week in Review*

November 13, 2026



Andrea Pringle
Senior Vice President

UPCOMING EVENTS

Banks

Webinars:

Q4 IRR Management
Dec 9, 2026

Seminars:

MN Seminar
Dec 3, 2026

The Treasury market's month-long rally came to an abrupt end this week. A strong October payroll report last Friday along with a firmer-than-expected consumer price index (CPI) on Tuesday and an unusually coordinated hawkish message from Federal Reserve officials produced the steepest weekly rise in yields since April 2025. The 10-year note rose roughly 30 bps to 5.16% and the 30-year bond briefly touched 5.50% this morning. The 2-year yield posted its largest two-session rise since March 2023 between Tuesday and Thursday before retreating to ~4.85% this morning. Only a week earlier, the Democratic sweep in the midterm elections and renewed anxiety over the AI trade had drawn investors into Treasuries as a haven, but that positioning was largely unwound this week.

Tuesday's CPI report showed headline consumer prices rose 0.4% in October, the third consecutive monthly gain of at least that size, and core prices rose 0.3%. No official year-over-year figure is available because of the data gap left by last year's government shutdown, but economists estimate the headline annual rate at 3.9% to 4.0%. Friday's producer price index was somewhat softer than expected at 0.3% for the month, although the 6.5% annual increase was the largest since November 2022.

Earlier on Tuesday morning, Fed Governor Christopher Waller, who was arguing for rate cuts less than a year ago, said the committee should consider a 50-basis-point hike in December if core inflation printed at 0.3% or higher. The CPI met that condition just hours later. Dallas Fed President Lorie Logan delivered a similar message, and New York Fed President John Williams said that inflation "is far too high" and that "we still have work to do." Futures now fully price a 25 bp increase at the December 9 FOMC meeting, compared with roughly three-in-four odds a week ago, and suggest a ~10% chance of a half-point move.

The timing of this recent data is tricky. One of the year's main inflation drivers could be reversing as President Trump said he is highly unlikely to resume strikes on Iran while negotiations continue. Brent crude is about 18% below its recent peak, near $96 a barrel this morning, but the October inflation data predates most of that decline. Even so, peace remains shaky. The naval blockade of the Strait of Hormuz is still in place and attacks on tankers continue. Skeptics of the hawkish turn argue that the Fed is responding with a blunt instrument to an imported supply shock. They point out that financial conditions have already tightened by an estimated 150 bps since February and that existing home sales fell 5.5% in October to a 16-year low. The 2s/10s spread has narrowed to below 30 bps, which leaves an inversion within reach if the Fed moves aggressively.

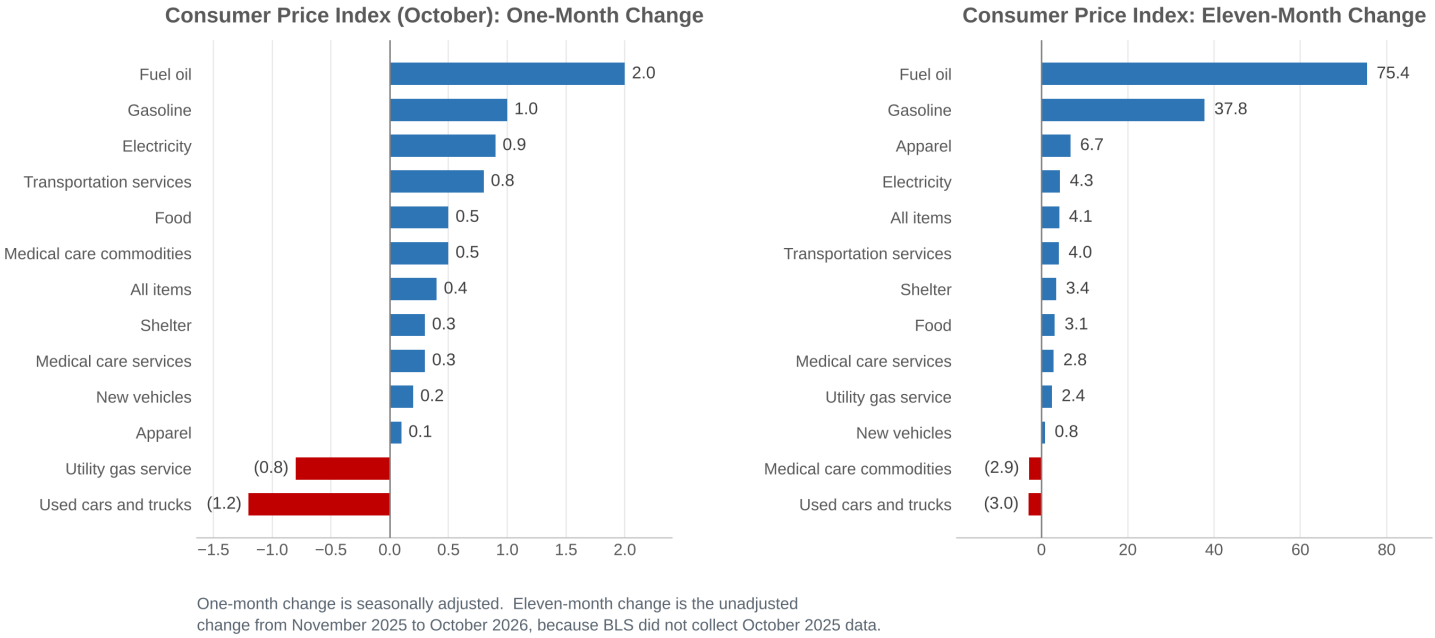
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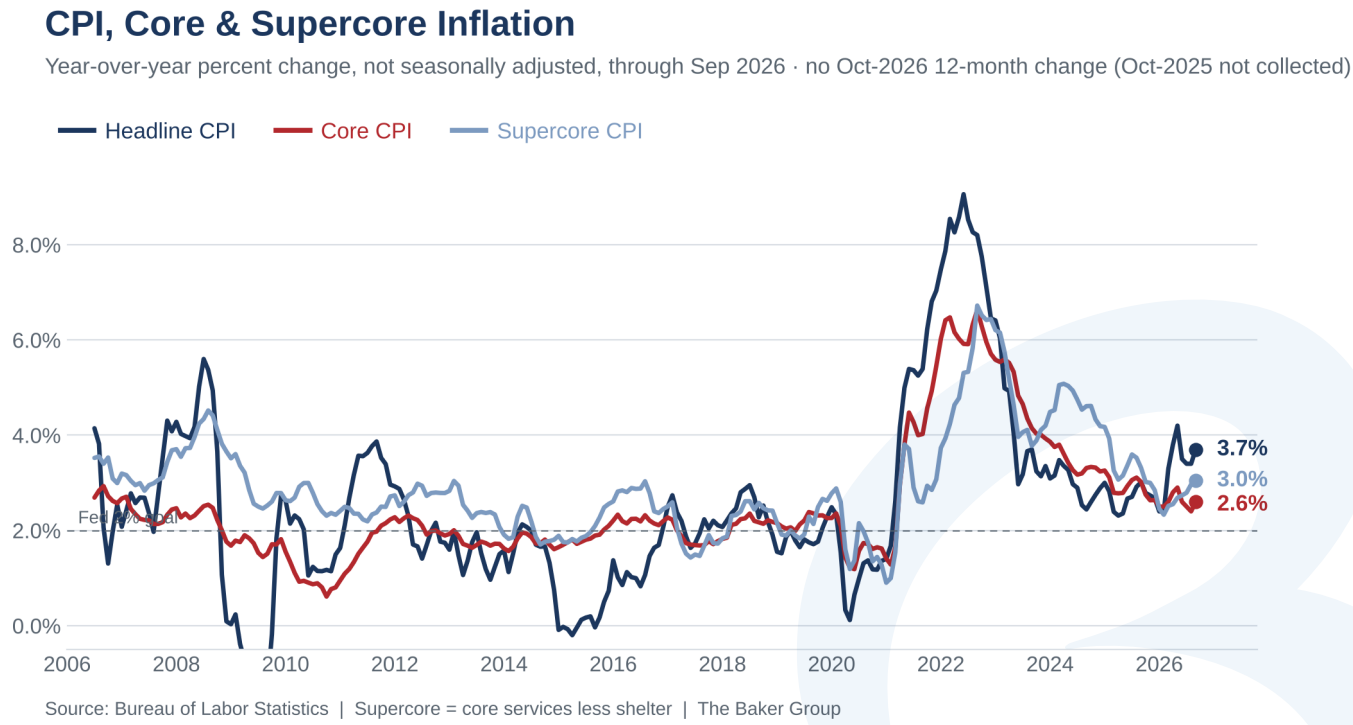
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Next week's calendar includes remarks from Chairman Warsh on Monday, October retail sales on Tuesday, minutes from the October FOMC meeting on Wednesday, and a possible meeting between Presidents Trump and Xi at the APEC summit in Shenzhen. Markets will read the minutes closely for any sign that the Fed regrets holding rates steady in October or that suggests a more aggressive move in December.

Have a great weekend!

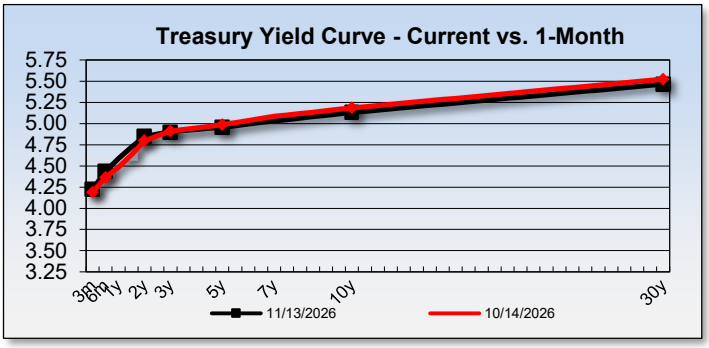


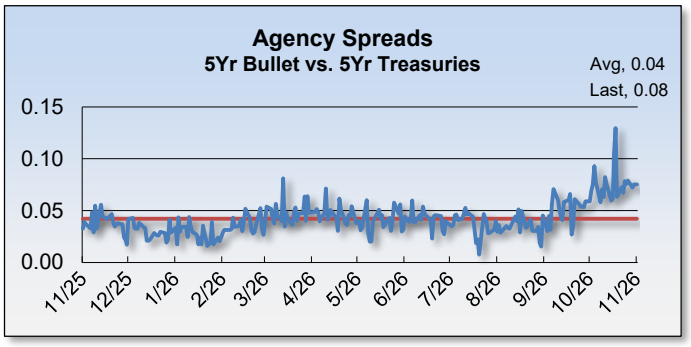
One-month change is seasonally adjusted. Eleven-month change is the unadjusted change from November 2025 to October 2026, because BLS did not collect October 2025 data.

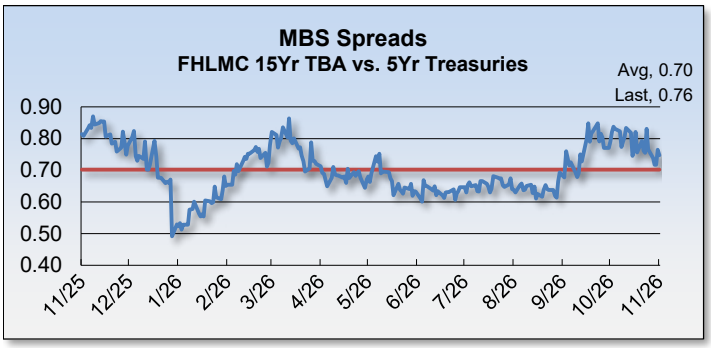


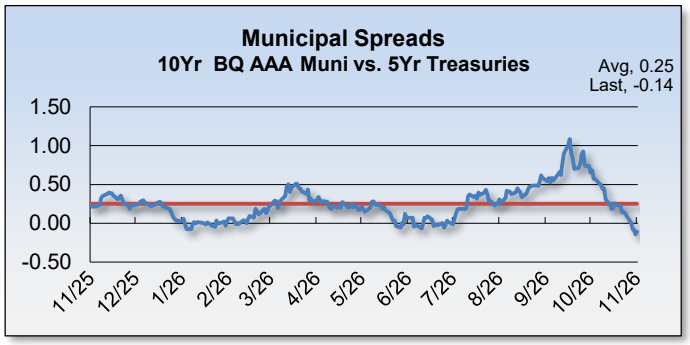
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Treasury Market -- Historical

Maty	Current	1Wk Change	Historical 1 Mo	Historical 6 Mo	Historical 1 Yr
3mo	4.22	0.12	4.16	3.68	3.88
6mo	4.44	0.18	4.34	3.73	3.82
1yr	4.59	0.27	4.47	3.78	3.69
2yr	4.85	0.33	4.79	3.98	3.59
3yr	4.91	0.32	4.91	4.02	3.63
5yr	4.96	0.31	5.00	4.12	3.71
7yr	5.03	0.29	5.11	4.29	3.89
10yr	5.13	0.27	5.21	4.47	4.12
30yr	5.46	0.20	5.56	5.04	4.71

** Interpolated*

Fixed Rate Market

Maty /AL	N-Call Agency	US Swap	AAA BQ Muni C-Corp[2]	AAA BQ Muni S-Corp[3]	Tax Muni
2yr	4.84	4.70	3.86	4.11	4.99
3yr	4.90	4.70	3.95	4.20	5.07
5yr	4.88	4.67	4.19	4.46	5.11
7yr	5.02	4.68	4.33	4.60	5.23
10yr	5.27	4.74	4.61	4.90	5.41
15yr	5.51	4.85	5.35	5.69	5.63
20yr	5.74	4.90	6.08	6.47	6.05
25yr	5.97	4.88	6.40	6.81	6.12
30yr		4.82	6.72	7.15	6.18

Agency Calls - Euro

Mty	3Mo	6mo	1Yr	2Yr
2Yr				
3Yr				
5Yr				
7Yr				
10Yr				

December TBA MBS

Cpn	15Yr -Yld/AL		30Yr -Yld/AL	
4.00	5.63	5.5y	6.04	
4.50	5.53	5.3y		
5.00	5.54	5.2y	6.08	9.2y
5.50	5.57	4.6y	6.17	8.4y
6.00			6.23	8.3y
6.50			6.30	6.9y

Key Market Indices

Index	Current	1Wk Change	Historical 1 Mo	Historical 6 Mo	Historical 1 Yr
Fed Funds	**4.00**	--	4.00	3.75	4.00
Primary Discount	**4.00**	--	4.00	3.75	4.00
2ndary Discount	**4.50**	--	4.50	4.25	4.50
Prime Rate	**7.00**	--	7.00	6.75	7.00
Sec. O.N. Finance	**3.90**	(0.02)	3.87	3.60	--
1 Month LIBOR	**4.96**	(0.01)	5.31	5.44	5.43
3 Month LIBOR	**4.85**	(0.08)	5.28	5.56	5.66
6 Month LIBOR	**4.68**	(0.08)	5.14	5.65	5.90
1 Year LIBOR	**6.04**	0.12	5.73	5.48	3.62
6 Month CD	**4.59**	0.18	4.41	3.80	3.93
1 Year CMT	**4.65**	0.37	4.47	3.80	3.65
REPO O/N	**3.90**	--	3.90	3.68	4.03
REPO 1Wk	**3.92**	0.01	3.91	3.67	3.92
CoF Federal	**3.627**	--	3.567	3.457	3.650
11th D. CoF (Sep)	**2.898**	--	2.838	2.728	2.921

FHLB Fixed Advance Rates

Maturity	Chicago	Boston	Topeka
3mo	4.36	- -	4.41
6mo	4.57	- -	4.58
1yr	4.78	- -	4.84
2yr	4.96	- -	5.06
3yr	5.03	- -	5.12
4yr	5.07	- -	5.16
5yr	5.09	- -	5.17
7yr	5.38	- -	5.45
10yr	5.52	- -	5.58
5yr Am	5.09		5.16
10yr Am	5.40		5.43

Fed Fund Futures

Maturity	Rate
Nov-26	3.880
Dec-26	4.070
Jan-27	4.170
Feb-27	4.320
Mar-27	4.395
Apr-27	4.490
May-27	4.565
Jun-27	4.635
Jul-27	4.670
Aug-27	4.700
Sep-27	4.720

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Weekly Economic Calendar

This Week & Next

Date	Release	Per.	Est.	Actual	Prior	Revised
11/9	NY Fed 1-Yr Inflation Expectations	Oct	3.8%	3.9%	3.9%	--
11/10	NFIB Small Business Optimism	Oct	98.2	97.8	97.9	--
11/10	Core CPI Index SA	Oct	339.7	339.9	338.9	--
11/12	Existing Home Sales	Oct	3.85m	3.75m	~~3.99m~~	3.97m
11/12	Federal Budget Balance	Oct	-$317.5b	-$404.1b	~~-$284.3b~~	-$27.0b
11/13	PPI Final Demand MoM	Oct	0.4%	0.3%	~~1.3%~~	1.4%
11/13	PPI Ex Food and Energy MoM	Oct	0.3%	0.3%	~~0.7%~~	0.8%
11/13	PPI Ex Food, Energy, Trade MoM	Oct	0.4%	0.5%	0.5%	--
11/13	PPI Final Demand YoY	Oct	6.6%	6.5%	6.3%	--
11/13	PPI Ex Food and Energy YoY	Oct	5.0%	5.0%	5.0%	--
11/13	PPI Ex Food, Energy, Trade YoY	Oct	4.8%	4.9%	5.0%	--
11/16	Empire Manufacturing	Nov	19.0	--	25.5	--
11/17	ADP Weekly Employment Change	10/31	--	--	19.750k	--
11/17	New York Fed Services Business Activity	Nov	--	--	-20.7	--
11/17	Retail Sales Advance MoM	Oct	0.2%	--	0.8%	--
11/17	Retail Sales Ex Auto MoM	Oct	0.4%	--	0.9%	--
11/17	Retail Sales Ex Auto and Gas	Oct	0.3%	--	0.2%	--
11/17	Retail Sales Control Group	Oct	0.4%	--	0.1%	--
11/17	Import Price Index MoM	Oct	0.7%	--	1.1%	--
11/17	Import Price Index ex Petroleum MoM	Oct	--	--	0.8%	--
11/17	Export Price Index MoM	Oct	--	--	2.2%	--
11/17	Industrial Production MoM	Oct	0.1%	--	0.7%	--
11/17	Manufacturing Production MoM	Oct	0.3%	--	0.3%	--
11/17	Capacity Utilization	Oct	76.8%	--	76.9%	--
11/17	Business Inventories	Sep	0.5%	--	0.4%	--
11/18	MBA Mortgage Applications	11/13	--	--	6.2%	--
11/18	Housing Starts	Oct	1240k	--	1221k	--
11/18	Housing Starts MoM	Oct	4.4%	--	-5.2%	--
11/18	Building Permits	Oct P	1378k	--	1398k	--
11/18	Building Permits MoM	Oct P	-1.6%	--	-0.4%	--
11/18	Pending Home Sales MoM	Oct	--	--	-7.3%	--
11/18	Pending Home Sales NSA YoY	Oct	--	--	-12.6%	--
11/18	FOMC Meeting Minutes	10/28	--	--	--	--
11/18	Total Net TIC Flows	Sep	--	--	$199.8b	--
11/18	Net Long-term TIC Flows	Sep	--	--	$279.2b	--
11/19	Philadelphia Fed Business Outlook	Nov	23.2	--	20.9	--
11/19	Initial Jobless Claims	11/14	197k	--	200k	--
11/19	Initial Claims 4-Wk Moving Avg	11/14	--	--	195.25k	--
11/19	Continuing Claims	11/7	--	--	1697k	--
11/19	Leading Index	Oct	0.0%	--	0.0%	--
11/19	Kansas City Fed Manf. Activity	Nov	--	--	11.0	--
11/20	U. of Mich. Sentiment	Nov F	53.3	--	51.0	--
11/20	U. of Mich. Current Conditions	Nov F	--	--	51.0	--
11/20	U. of Mich. Expectations	Nov F	--	--	50.9	--
11/20	U. of Mich. 1 Yr Inflation	Nov F	--	--	4.3%	--
11/20	U. of Mich. 5-10 Yr Inflation	Nov F		--	3.4%	--
11/20	Kansas City Fed Services Activity	Nov	--	--	10.0	--

MBS Prepayments[4]

3-Month CPR

Type	4.0	4.5	5.0	5.5	6.0	6.5
FN 10y	10.9	14.4	17.9	20.8	25.5	37.2
FH/FN 15y	8.4	14.3	8.5	10.1	16.6	53.0
G2 15y	9.2	10.6	13.3	15.9	20.3	0.8
FH/FN 20y	9.2	9.4	12.6	21.6	23.9	21.8
FH/FN 30y	4.7	5.8	5.6	8.7	9.9	14.0
G2 30y	1.4	6.2	6.3	7.1	2.7	5.4

CPR Projections

Type	4.0	4.5	5.0	5.5	6.0	6.5
FN 10y	10.8	12.5	14.7	16.0	16.9	17.4
FH/FN 15y	10.1	14.3	15.6	18.2		16.9
G2 15y	9.5	11.0	12.3	12.9	14.5	14.7
FH/FN 20y	8.1	9.4	11.3	16.5	16.7	17.2
FH/FN 30y	6.5	7.1	8.0	9.9	10.3	12.3
G2 30y	7.2	7.8	8.9	9.8	11.1	14.5

Other Markets

Index	Current	1Wk Chng	Historical 1 Mo	Historical 6 Mo	Historical 1 Yr
Currencies					
Japanese Yen	159.82	1.34	158.33	157.86	154.56
Euro	1.10	(0.01)	1.12	1.17	1.16
Dollar Index	103.30	1.00	102.18	98.52	99.16
Major Stock Indices					
Dow Jones	52,265	979	51,670	49,693	47,457
S&P 500	7,531.9	155.1	7,805.5	7,444.3	6,737.5
NASDAQ	24,964.3	385	27,204.4	26,402.3	22,870.4
Commodities					
Gold	3,879.2	(195.7)	4,152.9	4,706.7	4,194.5
Crude Oil	88.92	(1.91)	94.14	101.02	58.69
Natural Gas	3.23	0.23	3.28	2.86	4.65
Wheat	596.0	4.8	669.3	665.0	535.8
Corn	448.5	7.0	482.8	466.5	441.5

Notes

1 Call Agy = Maturity at left w/ a 1-Year Call at Par

2 Muni TEY (21% Fed, 0.75% CoF)

3 S-Corp TEY Muni (29.6%, no TEFERA)

4 MBS Prepayments are provided by Bloomberg

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