



Weekly Review—October 24, 2025

While anticipation at times can be more exciting than the actual outcome, September’s benign inflation data didn’t disappoint. Here’s an overview of last month’s inflation numbers: Core Consumer Price Index (CPI), which excludes volatile food and energy categories increased 0.2% from August marking its slowest monthly increase in three months. On an annual basis, core inflation rose 3% - just shy of the median street estimate of 3.1%. In the absence of other official reports during the government shutdown, this morning’s highly anticipated reading was a welcome surprise, particularly for select policymakers who are apprehensive about cutting rates further.

While the central bank is generally expected to lower borrowing costs at next week’s policy meeting, investors are betting the report will help convince officials that they can do so again in December. Meaning, September’s soften-than-expected data was viewed favorably by the markets as investors believe continued disinflation will give the Fed the needed flexibility to cut rates several times heading into next year - especially if they don’t get another CPI report next month. Fed Fund futures have all but priced in two quarter-point rate cuts by year end.

For fixed-income investors – At a minimum, continue efforts to re-invest bond portfolio run-off dollar for dollar. Doing so increases earnings day one as run-off yields are generally below current reinvestment rates. Get it while you can...

Dennis Zimmerman Jr.
 Senior Vice President
 Senior Manager – Asset/Liability Services
 Commerce Bank – Capital Markets Group (CMG)



NEW ISSUE MUNICIPAL CALENDAR

Date	Amount (\$)	Description	Maturity
10/29/2025	\$45,405,000	Lees Summit, MO GO	2027-2040

Economic Release	Data Period	Date	Survey	Actual	Prior
Philadelphia Fed Non-Manufact.	Oct	10/21/2025	NA	-22.2	-12.3
MBA Mortgage Applications	Oct 17	10/22/2025	NA	-0.3%	-1.8%
Existing Home Sales	Sep	10/23/2025	4.06m	4.06m	4.00m
Existing Home Sales MoM	Sep	10/23/2025	1.5%	1.5%	-0.2%
Kansas City Fed Manf. Activity	Oct	10/23/2025	2	6	4
CPI MoM	Sep	10/24/2025	0.4%	0.3%	0.4%
Core CPI MoM	Sep	10/24/2025	0.3%	0.2%	0.3%
CPI YoY	Sep	10/24/2025	3.1%	3.0%	2.9%
Core CPI YoY	Sep	10/24/2025	3.1%	3.0%	3.1%
U. of Mich. Sentiment	Oct (F)	10/24/2025	54.5	53.6	55.0

KEY INDICES				MUNI AA-BQ		CMO Spreads to Treasuries		
	Current	Last Month	One Year Ago				PAC	Vanilla
Prime Rate	7.25	7.25	8.00	3 Mo.	2.40	1-Year	N/A	+45
Discount Rate	4.25	4.25	5.00	6 Mo.	2.49	2-Year	60	65
Fed Funds Rate	4.11	4.09	4.83	1-Year	2.56	3-Year	75	90
Interest on Reserve Bal.	4.15	4.15	4.90	2-Year	2.46	5-Year	85	95
SOFR	4.24	4.12	4.83	3-Year	2.42	MBS Current Coupon Yields		
11th Dist COFI (ECOFC)	2.96	2.97	3.26	5-Year	2.40	GNMA 30 Yr.	4.98%	
1-Yr. CMT	3.58	3.61	4.27	7-Year	2.55	FNMA 30 Yr.	4.97%	
Dow	47,207.12	46,121.28	42,374.36	10-Year	2.81	FNMA 15 Yr.	4.29%	
NASDAQ	23,204.87	22,497.86	18,415.49	30-Year	4.32			
S&P 500	6,827.75	6,637.97	5,809.86					
Bond Buyer	4.72	4.88	4.18					

Treasuries & New Issue Agencies (Spread to Treasuries)										
	3 Mo.	6 Mo.	1-Yr.	2-Yr.	3-Yr.	5-Yr.	7-Yr	10-Yr	20-Yr	30-Yr
Treasuries	3.85	3.75	3.58	3.47	3.48	3.59	3.77	3.99	4.55	4.58
Bullets				2	2	1	8	18		
NC-6 Mo.				29	44	58	61	66		
NC-1 Year				9	25	40	45	50		
NC-2 Year					-1	17	25	35		

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