

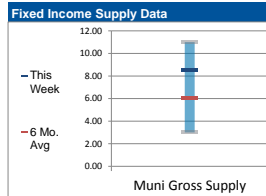
Market Facts, News, and Commentary

7/9/2018

Yields

Year	UST		Muni Taxable		Muni Gen. Mkt.		Muni BQ	
	Yield	Change	Yield	Change	Yield	Change	Yield	Change
2019	2.32	0.01	1.80	0.02	1.49	0.00	1.59	0.00
2020	2.56	0.04	2.70	0.04	1.64	0.00	1.74	0.00
2021	2.66	0.04	2.83	0.03	1.77	-0.02	1.88	-0.01
2022	2.72	0.08	2.96	0.02	1.89	0.00	1.98	-0.01
2023	2.74	0.06	3.09	0.02	1.97	-0.02	2.13	-0.02
2024	2.75	0.05	3.14	0.01	2.08	-0.03	2.25	-0.02
2025	2.78	0.04	3.20	0.00	2.20	-0.03	2.42	-0.02
2026	2.80	0.02	3.28	0.00	2.31	-0.02	2.53	-0.01
2027	2.82	0.01	3.36	0.00	2.38	-0.03	2.65	-0.02
2028	2.85	0.01	3.43	-0.01	2.43	-0.03	2.80	0.03
2029	2.85	0.01	3.49	-0.01	2.47	-0.03	2.84	0.03
2030	2.86	0.01	3.55	-0.01	2.51	-0.03	2.88	0.03
2031	2.86	0.01	3.61	-0.01	2.55	-0.03	2.92	0.03
2032	2.86	0.01	3.67	-0.01	2.59	-0.03	2.96	0.03
2033	2.86	0.01	3.73	-0.01	2.63	-0.04	3.00	0.02
2034	2.87	0.01	3.74	-0.01	2.67	-0.04	3.09	0.07
2035	2.87	0.00	3.74	-0.01	2.71	-0.04	3.13	0.08
2036	2.88	0.00	3.74	-0.02	2.74	-0.04	3.16	0.08
2037	2.88	0.00	3.75	-0.02	2.76	-0.04	3.18	0.08
2038	2.89	-0.01	3.75	-0.02	2.78	-0.04	3.20	0.08
2048	2.96	-0.02	3.80	-0.02	2.90	-0.04		

Sector Snapshot



Fixed Income Pricing Data	
Floating Rate Products	
Short/Long SBA	2.57%
Bankrate 7/1 ARM	4.18%
Post Reset ARM	2.76%
Mortgage Rates	
Bankrate 30 Year	4.37%
Bankrate 15 Year	3.81%
Freddie Survey Mtge Rate	4.52%
Current Coupons	
FNMA 30-YR	3.57%
GNMA 30-YR	3.41%
FHLMC 30-YR	3.60%

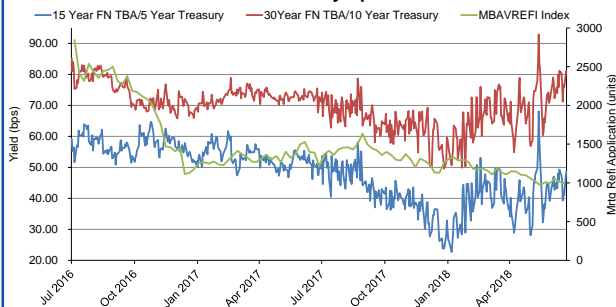
Wholesale Funding Indicate Levels		
Term	Cpn	All-In
2 Yr/NC 3mo.	2.75%	2.95%
3 Yr/NC 3mo.	3.05%	3.23%
4 Yr/NC 3mo.	3.15%	3.33%
5 Yr/NC 3mo.	3.30%	3.47%
7 Yr/NC 3mo.	3.55%	3.71%
10 Yr/NC 3mo.	3.70%	3.86%

Agency Issuance			
3yr NC1	2.80%	7yr NC1	3.60%
5yr NC1	3.28%	10yr NC1	3.90%
New Prod Payup - Loan Balance			
30yr	85k	110k	150k
3.50	23	18	12
4.00	34	29	23
4.50	58	48	38
CMBS 2.0/3.0 10 Year Spread (bps)			
Time Lag	Today	1 Month	6 Month
CMBS AAA	86.5	82.5	87
CMBS BBB-	320	315	347

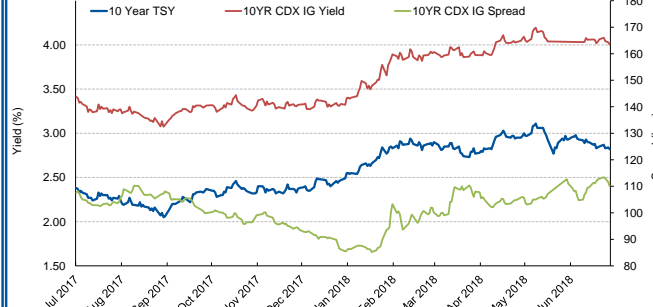
Spreads

Year	Swap-UST		Agency		Taxable		Gen. Mkt.	
	Spreads (bps)	Change	Spread (bps)	Spreads (bps)	TEY @ 21% (bps)	TEY @ 29% (bps)		
2019	31	0	4	-52	-43	-15		
2020	25	-1	5	14	-49	-18		
2021	22	-2	6	18	-41	-9		
2022	19	-1	5	24	-33	1		
2023	16	0	10	35	-24	11		
2024	12	1	15	39	-12	25		
2025	9	1	18	42	0	43		
2026	8	1	22	48	13	57		
2027	8	1	25	53	19	64		
2028	8	1	26	58	23	68		
2029	9	0	64	27	77			
2030	10	0	70	32	82			
2031	10	0	75	37	87			
2032	11	0	81	42	93			
2033	8	0	87	46	98			
2034	0	-8	87	51	103			
2035	0	-7	87	56	108			
2036	0	-6	86	59	112			
2037	0	-4	86	61	115			
2038	5	0	86	63	117			
2048	-4	0	84	65	119			

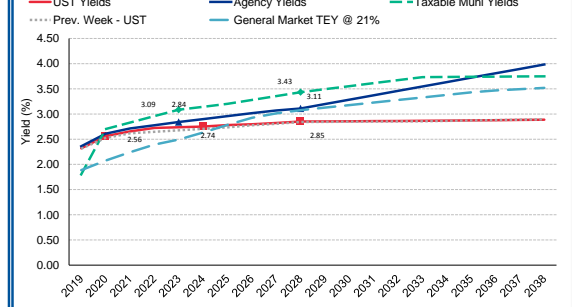
TBA-Treasury Spread



10yr US Treasury



Yield Curves



Debt		
	Close	5 Day Change (bp)
1-Month Libor	2.10	(0.19)
3-Month Libor	2.34	(0.18)
Fed Funds - 30	1.91	
Fed Funds - 90	1.94	
Equity		
	Close	5 Day Change (%)
DJIA	24,357	0.99
S&P 500	2,737	1.60
NASDAQ	7,586	2.46
Commodity		
	Close	5 Day Change
Gold	\$ 1,255	21.40
Crude Oil	\$ 73.8	(0.16)
Heating Oil	\$ 216.8	(1.49)

Economic Calendar

Date	Event	Period	Survey	Prior	Revised
07/12/2018	Initial Jobless Claims	7-Jul	225k	231k	--
07/12/2018	CPI MoM	Jun	0.20%	0.20%	--
07/13/2018	U. of Mich. Sentiment	Jul P	98.00	98.20	--
07/11/2018	MBA Mortgage Applications	6-Jul	--	-0.50%	--
07/16/2018	Retail Sales Advance MoM	Jun	0.50%	0.80%	--
07/11/2018	PPI Final Demand MoM	Jun	0.20%	0.50%	--
07/16/2018	Empire Manufacturing	Jul	--	25.00	--
07/11/2018	Wholesale Inventories MoM	May F	0.40%	0.50%	--
07/13/2018	Import Price Index MoM	Jun	0.10%	0.60%	--
07/12/2018	CPI Ex Food and Energy MoM	Jun	0.20%	0.20%	0.50%
07/12/2018	Monthly Budget Statement	Jun	-\$80.0b	-\$146.8b	--
07/12/2018	CPI YoY	Jun	0.03	2.80%	--
07/12/2018	Continuing Claims	30-Jun	--	1739k	--
07/11/2018	PPI Final Demand YoY	Jun	3.10%	3.10%	--
07/12/2018	Bloomberg Consumer Comfort	8-Jul	--	57.60	--
07/11/2018	PPI Ex Food and Energy MoM	Jun	0.20%	0.30%	--

Commentary

U.S. equity markets rallied in the morning. The Dow was up 1.10%, the S&P 500 was up 0.71%, and the Nasdaq was up 0.52%

Meanwhile, major European equity indices rallied across the board. The FTSE was up 1.00%, the DAX was up 0.45%, and the Stoxx 600 was up 0.66%.

Theresa May has lost two of her most senior cabinet members as the U.K. pushes ahead with Brexit. Boris Johnson, the foreign secretary, and David Davis, the Brexit secretary, both resigned over differences with May over Brexit negotiations.

Tonight, President Trump will announce his pick for the Supreme Court to replace the seat that will be vacated by outgoing Associate Justice Anthony Kennedy.

The much-anticipated IPO of Chinese phone maker Xiaomi fell somewhat flat. The shares opened below the initial offering price of HK\$17 and fell as low as 5.88% before recouping some of the losses.

Notes: (1) General Market Yields are quoted for 5% coupon assumption (2) BQ yields assume par-ish coupons to soft premiums (3) Floating rate yields are quoted at base case speed assumptions (4) CMBS spreads have a 1 week time delay.