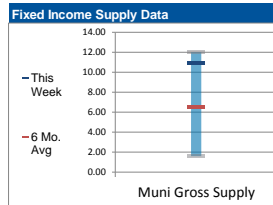


Yields

Year	UST		Muni Taxable		Muni Gen. Mkt.		Muni BQ	
	Yield	Change 8-Oct	Yield	Change 8-Oct	Yield	Change 8-Oct	Yield	Change 8-Oct
2019	2.65	0.03	2.00	-0.21	1.90	0.02	2.00	0.01
2020	2.85	-0.04	3.00	-0.31	2.05	0.02	2.15	0.08
2021	2.93	-0.04	3.11	-0.23	2.12	0.02	2.27	0.09
2022	2.97	-0.06	3.23	-0.15	2.21	0.02	2.36	0.10
2023	3.00	-0.06	3.35	-0.06	2.30	0.02	2.50	0.10
2024	3.03	-0.05	3.42	-0.07	2.40	0.04	2.60	0.11
2025	3.06	-0.04	3.48	-0.07	2.48	0.04	2.65	0.07
2026	3.09	-0.03	3.57	-0.08	2.56	0.03	2.76	0.10
2027	3.12	-0.03	3.65	-0.08	2.65	0.04	2.90	0.12
2028	3.15	-0.07	3.74	-0.08	2.73	0.05	3.03	0.13
2029	3.16	-0.07	3.80	-0.08	2.81	0.05	3.11	0.15
2030	3.18	-0.06	3.86	-0.08	2.88	0.05	3.18	0.17
2031	3.19	-0.06	3.92	-0.08	2.93	0.04	3.23	0.17
2032	3.20	-0.06	3.98	-0.08	2.98	0.04	3.28	0.18
2033	3.22	-0.06	4.04	-0.08	3.03	0.04	3.33	0.18
2034	3.22	-0.06	4.05	-0.08	3.09	0.05	3.39	0.19
2035	3.23	-0.06	4.07	-0.08	3.15	0.06	3.45	0.20
2036	3.23	-0.06	4.08	-0.07	3.20	0.06	3.50	0.20
2037	3.24	-0.06	4.10	-0.07	3.23	0.05	3.53	0.18
2038	3.24	-0.06	4.11	-0.07	3.27	0.05	3.57	0.18
2048	3.33	-0.06	4.16	-0.07	3.41	0.06		

Sector Snapshot



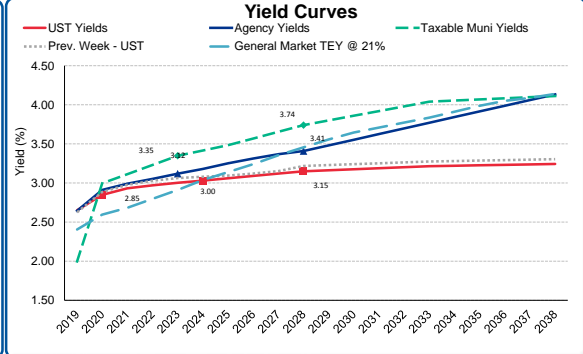
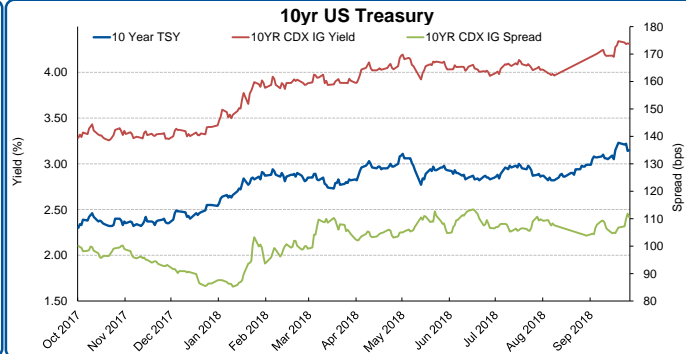
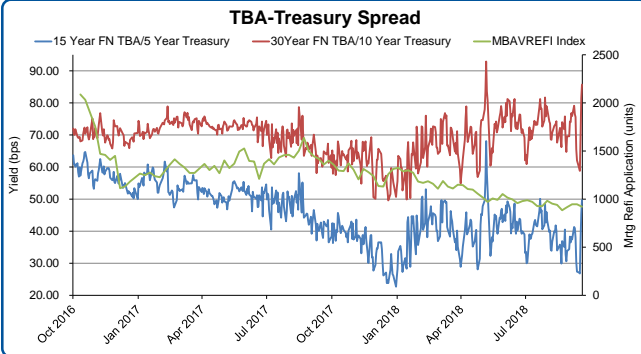
Fixed Income Pricing Data		
Floating Rate Products		
Short/Long SBA	3.06%	2.63%
Bankrate 7/1 ARM		4.54%
Post Reset ARM		0.00%
Mortgage Rates		
Bankrate 30 Year		4.74%
Bankrate 15 Year		4.02%
Freddie Survey Mtge Rate		4.90%
Current Coupons		
FNMA 30-YR		3.96%
GNMA 30-YR		3.83%
FHLMC 30-YR		3.98%

Wholesale Funding Indicate Levels		
Term	Cpn	All-In
2 Yr/NC 3mo.	2.95%	3.15%
3 Yr/NC 3mo.	3.15%	3.33%
4 Yr/NC 3mo.	3.25%	3.43%
5 Yr/NC 3mo.	3.35%	3.52%
7 Yr/NC 3mo.	3.65%	3.81%
10 Yr/NC 3mo.	3.80%	3.96%

Agency Issuance			
3yr NC1	3.16%	7yr NC1	3.75%
5yr NC1	3.50%	10yr NC1	3.94%
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	74.5	78	82.5
CMBS BBB-	245	285	325

Spreads

Year	Swap-UST		Agency		Taxable		Gen. Mkt.	
	Spreads (bps)	Change 8-Oct	Spread (bps)	Spreads (bps)	TEY @ 21% (bps)	TEY @ 29% (bps)		
2019	19	0	2	-65	-25	9		
2020	19	0	6	15	-25	11		
2021	17	0	6	18	-25	12		
2022	15	0	8	26	-17	21		
2023	12	1	12	35	-9	31		
2024	10	2	15	39	1	42		
2025	6	1	19	42	8	55		
2026	5	0	22	48	15	63		
2027	4	0	25	53	23	73		
2028	4	0	26	59	31	81		
2029	6	0		64	39	94		
2030	7	1		68	47	102		
2031	7	0		73	52	108		
2032	9	-1		78	57	114		
2033	5	1		82	62	119		
2034	0	0		83	69	127		
2035	0	0		84	76	135		
2036	0	0		85	82	142		
2037	0	0		86	85	145		
2038	2	0		87	90	150		
2048	-10	0		83	93	154		



Debt	5 Day		
	Close	Change (bp)	
1-Month Libor	2.28	0.13	
3-Month Libor	2.44	1.18	
Fed Funds - 30	2.18		
Fed Funds - 90	2.27		
Equity	5 Day		
	Close	Change (%)	
	DJIA	25,340	(1.52)
	S&P 500	2,767	(4.10)
NASDAQ	7,497	(3.74)	
Commodity	5 Day		
	Close	Change	
	Gold	\$ 1,218	42.19
	Crude Oil	\$ 71.3	(2.95)
Heating Oil	\$ 232.1	(7.76)	

Economic Calendar					
Date	Event	Period	Survey	Prior	Revised
10/15/2018	Empire Manufacturing	Oct	20.0	19.0	--
10/15/2018	Retail Sales Ex Auto MoM	Sep	0.4%	0.3%	--
10/15/2018	Monthly Budget Statement	Sep	\$83.0b	\$7.9b	--
10/16/2018	Industrial Production MoM	Sep	--	0.40%	--
10/16/2018	Net Long-term TIC Flows	Aug	--	\$74.8b	--
10/16/2018	Total Net TIC Flows	Aug	\$60.3b	\$52.2b	--
10/17/2018	MBA Mortgage Applications	12-Oct	--	-1.7%	--
10/17/2018	Housing Starts	Sep	1210k	1282k	--
10/18/2018	Initial Jobless Claims	13-Oct	210k	214k	--
10/18/2018	Philadelphia Fed Business Outlook	Oct	20.00	22.90	--
10/18/2018	Continuing Claims	6-Oct	1665k	1660k	--
10/18/2018	Bloomberg Consumer Comfort	14-Oct	--	59.50	--
10/18/2018	Leading Index	Sep	0.5%	0.4%	--
10/19/2018	Existing Home Sales	Sep	5.29m	5.34m	--

Commentary

Safe havens may be in jeopardy as global political risks are rising. Germany faces a diminished Merkel, BREXIT hits the pause button, and Saudi malleance leads to international pressure. Moreover, there is a challenge to the reign of MBS.

The key economic reports this week are September Housing Starts and Existing Home Sales as well as the release of the Fed Minutes. These housing numbers are crucial for understanding the state of the housing market and whether or not it is cooling. For manufacturing, September industrial production and the October New York and Philly Fed surveys will also be released.

On Tuesday morning, the Fed will release Industrial Production and Capacity Utilization for September. The consensus is for a 0.2% increase in Industrial Production and for Capacity Utilization to increase to 78.2%.

On Wednesday morning, the numbers of housing starts will be released. The consensus is for 1.216 million SAAR, down from 1.282 million SAAR.

On Wednesday afternoon, the Fed will release the FOMC Minutes from the meeting of September 25-26, 2018.

On Friday morning, existing home sales for September from the National Association of Realtors will be released. The consensus is for 5.3 million SAAR, down from 5.34 million SAAR in August.

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.