

CAPITAL MARKETS REPORT - NOVEMBER 12, 2024



Birmingham (866) 405-6864
Baton Rouge (800) 421-6182
Shreveport (866) 453-5150
Little Rock (800) 737-0535

SERVICE BEYOND COMPARISON

Market Movers:

- Stocks hit all-time highs, US yields jumped and the dollar saw its best day since 2022, with investors mapping out Trump's return to Presidency and the potential for Republicans to win both houses of Congress. The S&P climbed as high as 3%, the 10 year hit 4.44% and traders trimmed wagers on the scope of future Federal Reserve rate cuts.
- As many expected, last week proved to be volatile with the Presidential election followed by a Fed rate decision. Treasury yields initially opened lower as the Harris campaign had gained momentum in polling. Factory Orders showed a 0.5% decline and Durable Goods were revised from -0.8% to -0.7%.
- Election day jitters had many traders on their toes as Trump tightened the race increasing the likelihood of a disputed result and dragging out the process. Despite this and solid service sector data Treasuries were little changed.
- MBA Mortgage Applications fell 10.8%; its sixth straight decline. The cost of the average 30yr fixed rate mortgage increased to 6.81%.
- At the conclusion of the two-day FOMC meeting the Committee unanimously voted to cut the target rate another 25 basis points. Committee comments included that labor market conditions have "generally eased" and their dual-mandate of price stability and full employment are "roughly in balance."
- Following the announcement, stocks hit fresh all-time highs, climbing alongside bond yields and commodities.
- Nonfarm productivity grew 2.2%, below expectations. Initial jobless claims were in line, while continuing claims moved up to 1892k from 1853k.
- US Treasury prices are opening up lower again this week on fears of rekindled inflation. The 2-year note touched 4.33% while futures have trimmed the implied odds of a Fed cut in December to 65%.

Market Last Week

	11/1/24 Close	11/8/24 Close	Weekly Change
2 yr. Note	4.21%	4.26%	+5bps
5 yr. Note	4.23%	4.19%	-4bps
10 yr. Note	4.39%	4.31%	-8bps
30 yr. Bond	4.58%	4.47%	-11bps
SOFR Rate	4.86%	4.60%	-26bp

Data This Week

Date/Time (EDT)	Economic Data	Market Estimate	Prior Report
11/13/24 7:00 AM	MBA Mortgage Applications	n/a	-10.8%
11/13/24 8:30 AM	CPI MoM	0.2%	0.2%
11/13/24 8:30 AM	CPI Ex Food & Energy MoM	0.3%	0.3%
11/13/24 8:30 AM	CPI YoY	2.6%	2.4%
11/13/24 8:30 AM	CPI Ex Food & Energy YoY	3.3%	3.3%
11/14/24 8:30 AM	PPI Final Demand MoM	0.2%	0.0%
11/14/24 8:30 AM	Initial Jobless Claims	222k	221k
11/14/24 8:30 AM	Continuing Claims	1869k	1892k
11/15/24 8:30 AM	Empire Manufacturing	0.0	-11.9
11/15/24 8:30 AM	Retail Sales Advance MoM	0.3%	0.4%
11/15/24 8:30 AM	Retail Sales Ex Auto MoM	0.3%	0.5%
11/15/24 9:15 AM	Industrial Production MoM	-0.3%	-0.3%

Hank Marks: hmarks@bankers-bank.com

Securities offered through FNBB Capital Markets Division ("FNBB"). FNBB is a division First National Bankers Bank, member FDIC, and is registered with the SEC as a bank dealer and regulated by the OCC. Securities products are: NOT FDIC INSURED • NOT BANK GUARANTEED • MAY LOSE VALUE, INCLUDING LOSS OF PRINCIPAL • NOT INSURED BY ANY STATE OR FEDERAL AGENCY. Treasury instruments are subject to interest rate and liquidity risk if they are sold before their full maturity date. As a result, there may not be a market if you need to sell or it may sell for much less than face value.

The opinions voiced in this material are for general information only and are not intended to provide specific advice or recommendations. The market and economic data is historical and is no guarantee of future results. The information in this report has been prepared from data believed to be reliable, but no representation is being made as to its accuracy and completeness. No chart, graph, or other figure provided should be used to determine which securities to buy, sell or hold. Past performance is not indicative of future results. Investing involves risks and each investor must be willing and able to accept those risks, including the loss of principal.