

# CAPITAL MARKETS REPORT - JANUARY 27, 2025



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

SERVICE BEYOND COMPARISON

## Market Movers:

- Initial Jobless Claims rose 6k to 223k, which was slightly above estimates. Continuing Claims spiked from 1853k to 1899k. In a video address to economic leaders at the WEF, Trump reiterated his appeal to the Federal Reserve to lower interest rates and urged Saudi Arabia to reduce oil prices.
- The Philly Fed index declined to -9.1 in January. New Orders increased from -4.6 to +1.6. However, Sales/Revenues dipped modestly from +3.2 to +2.6. Price indicators showed rising input costs and declining output prices. While firms anticipate some growth over the next six months, they are less optimistic.
- Treasuries sharply bull-flattened in response on Tuesday as the market reacts to Trump's return to office and a steep drop in oil prices. 2s/10s closed ~4.5 bps flatter at +30 bps.
- Composite PMI retreated by 3 points to 52.4 in its preliminary January reading. Manufacturing PMI surprised the market with a slight uptick to 50.1, while the Services PMI decreased by 4 points to 52.8.
- U. of Michigan Consumer Sentiment declined to 71.1 in its final January reading. Consumers expect prices to increase by 3.3% over the next year and by 3.2% over the next 5-10 years.
- Markets are opening extremely volatile this morning after news that China's DeepSeek AI technology may undercut the high-flying tech stocks earnings / valuations. The NASDAQ 100 is already trading down 3.5% with some individual tech stocks down double digits. One analyst went so far as to say, "It's a game changer for the Mag 7 stocks in that they'll have to rethink what their cap ex spending is going to be...and where they go from here." As inventors reposition their equity and risk profiles, the commensurate flight to quality has bond prices understandably higher. Currently, the US 2 and 10-year note yields are down 6bps (4.20%) and 8bps (4.50%), respectively.**

## Market Last Week

	1/17/25 Close	1/24/25 Close	Weekly Change
2 yr. Note	4.29%	4.27%	-2bps
5 yr. Note	4.44%	4.43%	-1bps
10 yr. Note	4.63%	4.62%	-1bps
30 yr. Bond	4.86%	4.85%	-1bps
SOFR Rate	4.29%	4.34%	+5bps

## Data This Week

Date/Time (ET)	Economic Data	Market Estimate	Prior Report
1/27/25 10:00 AM	New Home Sales	673k	664k
1/28/25 8:30 AM	Durable Goods Orders	0.5%	-1.2%
1/28/25 10:00 AM	Consumer Confidence	105.6	104.7
1/29/25 7:00 AM	MBA Mortgage Applications	n/a	0.1%
1/29/25 8:30 AM	Wholesale Inventories MoM	0.2%	-0.2%
<b>1/29/25 2:00 AM</b>	<b>FOMC Rate Decision</b>	<b>4.50%</b>	<b>4.50%</b>
1/30/25 8:30 AM	GDP Annualized QoQ	2.7%	3.1%
1/30/25 8:30 AM	Initial Jobless Claims	225k	223k
1/30/25 8:30 AM	Continuing Claims	1910K	1899k
1/31/25 8:30 AM	Personal Income	0.4%	0.3%
1/31/25 8:30 AM	Personal Spending	0.5%	0.4%
1/31/25 9:45 AM	Chicago PMI	40.0	36.9

Hank Marks: [hmarks@bankers-bank.com](mailto: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.