Fixed Income Weekly Primer

Fixed Income Solutions

Yields moved lower across the board last week, although given the persistent uncertainty regarding the war with Iran and the seemingly fragile ceasefire agreement, the yield markets felt fairly calm. Treasuries rallied (prices higher, yields lower) following the announcement on Tuesday that a two-week ceasefire had been agreed upon. Through the rest of the week, yields edged back higher eventually ending the week lower by only a few basis points across the curve. The ISM Services PMI Index came in lower than expected, while remaining in expansionary territory. Durable Goods Orders from February were weaker than expected, at -1.4% compared to -1.2% expected. Core PCE (Personal Consumption Expenditures) year-over-year for February came in as expected, at 3.0%. Personal Income fell month-over-month unexpectedly, coming in at -0.1% versus +0.3% was expected. CPI (Consumer Price Index) for March was also released, providing the first insights into the effects that the war with Iran is having on inflation. CPI year-over-year rose from 2.4% to 3.3%, which was slightly lower than the 3.4% that was expected. Core CPI year-over-year, which excludes food and energy, rose slightly from 2.5% to 2.6%. Markets get more inflation data to digest this week, with PPI (Producer Price Index) data for March on Tuesday. Both year-over-year and month-over-month PPI headline readings are expected to rise, by 4.6% and 1.1%, respectively. Markets now expect the FOMC to leave the Fed Funds rate unchanged through the end of the year (per Bloomberg calculations).

Treasury yields fell by 2 to 5 basis points 10 years and shorter while longer-term yields went unchanged for the week. Investment-grade corporate yields fell along with benchmark yields, but by slightly larger margins as spreads tightened by 3 to 4 basis points. Both A-rated and BBB-rated yields were 4 to 8 basis points lower. Municipal yields moved lower as well, with the benchmark AAA curve finishing the week down by 9 to 12 basis points. Muni-Treasury ratios remain below historical norms on the short and intermediate part of the curve while maintaining more attractive levels on the longer part of the curve. CD rates were mostly unchanged across the curve. 4%+ coupons are available on the long end (2 to 5 year) with some banks offering coupons from 3.85% to 3.90% in shorter maturities. The number of available issuers increased last week to 82, and the total number of offerings increased from 157 to 198. The average rate for maturities in the 3-month to 1-year range was 3.83% (nearly unchanged from the previous week), and the average rate for the 2-year to 5-year range was 4.01% (also nearly unchanged from the previous week). Available offerings are evenly distributed in the three month to two year space with 15 to 20 offerings in each maturity bucket; however, there are fewer banks issuing in the three to five year space.

Economic data release estimates cited are per Bloomberg surveys.

	Friday	WEEK AGO	CHANGE
Equities (Price Appreciation)			
S&P 500	6816.89	6582.69	234.20
Treasuries (YTW)			
1 yr	3.700	3.720	-0.020
5 yr	3.940	3.990	-0.050
10 yr	4.310	4.350	-0.040
30 yr	4.910	4.910	0.000
Brokered CDs (YTW)			
3 mo	3.900	3.900	0.000
6 mo	3.850	3.850	0.000
1 yr	3.900	3.900	0.000
3 yr	4.050	4.050	0.000
5 yr	4.150	4.150	0.000

	Friday	WEEK AGO	CHANGE
Municipal (AAA) (YTW)			
1 yr	2.267	2.357	-0.090
5 yr	2.419	2.534	-0.115
10 yr	2.892	3.017	-0.125
30 yr	4.289	4.400	-0.112
Municipal (AAA) TEY @ 37%			
1 yr	3.598	3.741	-0.143
5 yr	3.840	4.022	-0.182
10 yr	4.590	4.788	-0.198
30 yr	6.807	6.984	-0.177
MBS 30-yr (Current Coupon) (YTW)			
FNMA	5.249	5.325	-0.075
GNMA	5.169	5.265	-0.096

	Friday	WEEK AGO	CHANGE
Corporate Index (A) (YTW)			
1 yr	4.068	4.121	-0.053
5 yr	4.486	4.556	-0.070
10 yr	5.076	5.135	-0.059
30 yr	5.760	5.793	-0.033
Corporate Index (BBB) (YTW)			
1 yr	4.378	4.428	-0.050
5 yr	4.814	4.891	-0.077
10 yr	5.397	5.461	-0.064
30 yr	6.064	6.093	-0.029
Other Rates			
SOFR	3.610	3.660	-0.050
Fed Funds	3.640	3.640	0.000

Source: Bloomberg LP, Raymond James as of 04/13/26 *All entries are percentage (%) unless otherwise noted.*

DAY	EVENT	PERIOD	SURVEY	PRIOR
Tues	PPI Final Demand MoM	Mar	1.1%	0.7%
Tues	PPI Final Demand YoY	Mar	4.6%	3.4%
Wed	Import Price Index MoM	Mar	2.2%	1.3%
Thurs	Initial Jobless Claims	Apr 11	213k	219k
Thurs	Capacity Utilization	Mar	76.3%	76.3%

Available on RaymondJames.com

- Bond Market Commentary
- Weekly Interest Rate Monitor
- Municipal Bond Investor Weekly
- Fixed Income Quarterly

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The S&P 500 is an index of 500 widely held securities meant to reflect the risk/return characteristics of the large cap universe.

GDP(Gross Domestic Product) is the annual total market value of all final goods and services produced domestically by the U.S.

The S&P U.S. Preferred Index measures the performance of a select group of preferred stocks listed on the New York Stock Exchange, NYSE Arca, Inc., NYSE Amex,NASDAQ Global Select Market, NASDAQ Select Market or NASDAQ Capital Market.

Mortgage Backed securities (MBS) are exposed to various risks including but not limited to credit (risk of default of principal and interest payments), market, interest rate, prepayment, and reinvestment risks. Unless issued by GNMA, MBS's are not backed or guaranteed by any government agency.

The Mortgage Bankers Association Market Composite Index is a measure of mortgage loan application volume.

The Bloomberg U.S. Corporate Bond Indexes are comprised of the "active" (most frequently traded) fixed coupon bonds represented by FINRA TRACE, FINRA's transaction reporting facility that disseminates all over-the-counter secondary market transactions in these public bonds.

A credit rating of a security is not a recommendation to buy, sell or hold securities and may be subject to review, revisions, suspension, reduction or withdrawal at any time by the assigning rating agency.

U.S. Treasury securities are guaranteed by the U.S. government and, if held to maturity, offer a fixed rate of return and guaranteed principal value.

Taxable Equivalent Yield (TEY) is a method of comparing yields of tax-exempt bonds to those of taxable bonds on a pre-tax basis. TEY is the yield required on a taxable bond to equal the yield of a tax-free bond. It is calculated by dividing the tax-free yield by the reciprocal of the federal tax rate. The highest U.S. tax bracket of 37% is used in the illustration in this material. While interest on municipal bonds is generally exempt from federal income tax, it may be subject to the federal alternative minimum tax, or state or local taxes. In addition, certain municipal bonds, such as Build America Bonds (BAB), are issued without a federal tax exemption, which subjects the related interest income to federal income tax.

Municipal securities typically provide a lower yield than comparably rated taxable investments in consideration of their tax-advantaged status. Investments in municipal securities may not be appropriate for all investors, particularly those who do not stand to benefit from the tax status of the investment. Please consult an income tax professional to assess the impact of holding such securities on your tax liability.

The Bloomberg U.S. municipal curve is populated with high quality US municipal bonds with an average rating of AAA from Moody's and S&P. The yield curve is built using non-parametric fit of market data obtained from the Municipal Securities Rulemaking Board, new issues, and other proprietary contributed prices. The curve represents 5% couponing. The 3 month to 10 year points are bullet yields, and the 11 year to 30 year points are yields to worst for a 10-year call.

Yield-to-worst (YTW) is the lowest bond yield generated, given the potential stated calls prior to maturity.

An investment cannot be made in the unmanaged indexes mentioned in this material.

A basis point (BP) is a unit that is equal to 1/100th of 1%, and is used to denote the change in a financial instrument.

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880 CARILLON PARKWAY // ST. PETERSBURG, FL 33716 // 800.248.8863 // RAYMONDJAMES.COM