RAYMOND JAMES

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Fixed Income Weekly Primer

Fixed Income Solutions

THE BOND MARKET WILL BE CLOSED ON FRIDAY, JULY 4TH AND WILL CLOSE EARLY (2PM ET) ON THURSDAY, JULY 3RD

The market seems poised for an economic pullback that never gets solid footing. Personal Consumption Expenditure (PCE) came in as expected, and Pending Home Sales showed better than anticipated last week. Yet, Personal Consumption, Personal Spending, and Personal Income all fell short of expectations. The University of Michigan Sentiment Survey data remained steady. This week's economic data releases are numerous. The JOLT (US Job Openings by Industry) data is released on Tuesday before a heavy data release day on Thursday, which includes: Payroll data, Hourly Earnings, Jobless Claims, Factory Orders, ISM Manufacturing, and Durable Goods.

Last week, the two-year Treasury rallied, dropping its yield by 17 basis points. The 10-year Treasury rallied a little less, resulting in the yield falling 9 basis points. Both the Dow Jones Industry Average Index and the S&P 500 Index rallied. High quality investment-grade corporate bond yields followed the Treasury movement while municipal bond yields fell by 2 to 4 basis points. This month's heavy municipal supply is contributing to its yield stability. The fixed income market continues to show elevated nominal yields for investors. The projections on how the Fed will respond continue to be volatile with the latest probability reflecting 2 to 3 Fed rate cuts by year's end.

CD rates were mostly unchanged for the week. The number of available issuers decreased (from 75 to 61). The total number of CDs available decreased (from 142 to 121). 41 issuers listed offerings between 3-months and 1-year averaging a 4.309% yield-to-maturity (vs. last week's 4.348%). 54 issuers listed offerings between 3-months and 5-years averaging a 4.305% yield-to-maturity (vs. last week's 4.302%).

	Friday	WEEK AGO	CHANGE
Equities (Price Appreciation)			
S&P 500	6173.07	5967.84	205.23
Treasuries (YTW)			
1 yr	3.970	4.070	-0.100
5 yr	3.830	3.960	-0.130
10 yr	4.290	4.380	-0.090
30 yr	4.850	4.890	-0.040
Brokered CDs (YTW)			
3 mo	4.400	4.400	0.000
6 mo	4.300	4.350	-0.050
1 yr	4.100	4.250	-0.150
3 yr	3.800	4.250	-0.450
5 yr	N/A	4.300	N/A

	Friday	WEEK AGO	CHANGE
Municipal (AAA) (YTW)			
1 yr	2.587	2.631	-0.044
5 yr	2.710	2.758	-0.048
10 yr	3.205	3.249	-0.043
30 yr	4.473	4.491	-0.018
Municipal (AAA) TEY @ 37%			
1 yr	4.106	4.176	-0.070
5 yr	4.301	4.377	-0.076
10 yr	5.088	5.157	-0.069
30 yr	7.100	7.129	-0.028
MBS 30-yr (Current Coupon) (YTW)			
FNMA	5.526	5.689	-0.162
GNMA	5.504	5.662	-0.158

	Friday	WEEK AGO	CHANGE
Corporate Index (A) (YTW)			
1 yr	4.326	4.403	-0.078
5 yr	4.442	4.570	-0.128
10 yr	5.082	5.181	-0.099
30 yr	5.758	5.805	-0.047
Corporate Index (BBB) (YTW)			
1 yr	4.592	4.673	-0.081
5 yr	4.774	4.908	-0.133
10 yr	5.421	5.522	-0.101
30 yr	6.073	6.122	-0.050
Other Rates			
SOFR	4.390	4.290	0.100
Fed Funds	4.310	4.310	0.000

Source: Bloomberg LP, Raymond James as of 06/30/25 *All entries are percentage (%) unless otherwise noted.*

DAY	EVENT	PERIOD	SURVEY	PRIOR
Tues	ISM Manufacturing	June	48.7	48.5
Tues	JOLTS Job Openings	May	7300k	7391k
Thurs	Change in Nonfarm Payrolls	June	113k	139k
Thurs	Unemployment Rate	June	4.3%	4.2%
Thurs	ISM Services Index	June	50.6	49.9

Available on RaymondJames.com

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

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Investors should discuss the risks inherent in bonds with their Raymond James Financial Advisor. Risks include, but are not limited to, changes in interest rates, liquidity, credit quality, volatility, and duration. Past performance is no assurance of future results.

CDs offer FDIC insurance and a fixed rate of return whereas both principal and yield of investment securities will fluctuate with changes in market conditions. CDs are insured by the Federal Deposit Insurance Corporation (FDIC), an independent agency of the United States government, for up to $250,000 per depositor. The coverage limit refers to the total of all deposits that an account holder(s) has at each FDIC-insured bank.

The DJIA (Dow Jones Industrial Average) is a price-weighted index of 30 significant stocks. The S&P 500 is an index of 500 widely held securities meant to reflect the risk/return characteristics of the large cap universe. The NASDAQ Composite Index is an index of all stocks traded on the NASDAQ over-the-counter market. The Russell 2000 index is an index of small cap securities which generally involve greater risks. The Markit CDX indices are composed of 125 investment grade entities, and attempt to track credit default swap spreads on these underlying securities. These unmanaged indexes cannot be invested in directly.

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.

The Citigroup Investment Grade Bond Index measures the value of the broad U.S. investment-grade bond market, including over 6,000 U.S. Treasury, government agency, corporate and mortgage-backed securities. All bonds in this index must be investment grade (rated at least BBB- or Baa3), have a maturity of at least one year, and a total value outstanding of at least $200 million.

The Markit CDX North America Investment Grade Index is composed of 125 equally weighted credit default swaps on investment grade entities, distributed among 6 sub-indices: High Volatility, Consumer, Energy, Financial, Industrial, and Technology, Media & Tele-communications. Markit CDX indices roll every 6 months in March & September.

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.

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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