RAYMOND JAMES

April 28, 2025

Fixed Income Weekly Primer

Fixed Income Solutions

Yield changes were mixed last week as markets continued to digest the evolving dynamics of the global macroeconomic environment. Economic data releases were relatively light, although Durable Goods Orders and University of Michigan Consumer Sentiment both came in stronger than expected. This upcoming week is a different story as we get a wide range of closely watched economic data releases. On Tuesday, JOLTS Job Openings and Conference Board Consumer Confidence numbers are released, with expectations being that both will fall compared to the prior month per Bloomberg. Personal Consumption Expenditures (PCE) data is released on Wednesday. Core PCE YoY, the FOMC's primary gauge for measuring inflation, is expected to fall from 2.8% to 2.6% which would mark continued progress towards the FOMC's target of 2% inflation. Thursday brings ISM Manufacturing data and Initial Jobless Claims. And finally, on Friday, employment data for April is released. The Change in Nonfarm Payrolls is projected to fall from 228,000 to 130,000 while the unemployment rate is expected to remain unchanged at 4.2%. In addition to the wide range of data that will be released and digested, expect continued headlines on the political front that could potentially carry equal or more weight than the data in terms of market reaction.

Treasury yields fell across the curve last week in a somewhat uniform fashion, with a 4 to 7 basis point move lower. Investment-grade corporate yields also moved lower, although with slightly larger moves due to slightly tighter spreads. From 1 to 10 years, yields were lower by 8 to 12 basis points. Brokered CD yields inched slightly higher, increasing their relative value compared to Treasuries. Municipal yields moved higher across the curve, although only slightly. The benchmark AAA curve finished the week 1 to 3 basis points higher. With the combination of moves, muni-Treasury ratios continued their march higher in 2025, signaling increasing relative value for municipals compared to their taxable counterparts. The 10-year ratio currently sits at ~80% while the 30-year ratio is hovering around 94%.

New issuance in the municipal market is expected to come in at ~$10.3 billion according to The Bond Buyer. In the investment-grade corporate space, ~$35 billion is expected to come to market per Bloomberg. In addition, over 40% of the S&P 500 (as measured by market value) will release earnings this week which will provide insight into a wide range of companies' outlooks for both their unique situation as well as the economy as a whole.

	Friday	WEEK AGO	CHANGE
Equities (Price Appreciation)			
S&P 500	5525.21	5282.70 ▲	242.51
Treasuries (YTW)			
1 yr	3.950	3.990 ▼	-0.040
5 yr	3.880	3.950 ▼	-0.070
10 yr	4.290	4.340 ▼	-0.050
30 yr	4.740	4.800 ▼	-0.060
Brokered CDs (YTW)			
3 mo	4.200	4.150 ▲	0.050
6 mo	4.050	4.050 ▬	0.000
1 yr	3.950	3.900 ▲	0.050
3 yr	3.950	3.750 ▲	0.200
5 yr	4.000	3.800 ▲	0.200

	Friday	WEEK AGO	CHANGE
Municipal (AAA) (YTW)			
1 yr	2.877	2.850 ▲	0.028
5 yr	3.110	3.079 ▲	0.031
10 yr	3.421	3.405 ▲	0.017
30 yr	4.464	4.454 ▲	0.010
Municipal (AAA) TEY @ 37%			
1 yr	4.567	4.523 ▲	0.044
5 yr	4.936	4.887 ▲	0.049
10 yr	5.431	5.404 ▲	0.027
30 yr	7.086	7.070 ▲	0.017
MBS 30-yr (Current Coupon) (YTW)			
FNMA	5.605	5.715 ▼	-0.110
GNMA	5.563	5.713 ▼	-0.150

	Friday	WEEK AGO	CHANGE
Corporate Index (A) (YTW)			
1 yr	4.399	4.479 ▼	-0.080
5 yr	4.581	4.688 ▼	-0.107
10 yr	5.170	5.266 ▼	-0.096
30 yr	5.761	5.874 ▼	-0.113
Corporate Index (BBB) (YTW)			
1 yr	4.775	4.863 ▼	-0.088
5 yr	5.007	5.127 ▼	-0.120
10 yr	5.570	5.683 ▼	-0.113
30 yr	6.124	6.255 ▼	-0.130
Other Rates			
SOFR	4.330	4.320 ▲	0.010
Fed Funds	4.310	4.310 ▬	0.000

Source: Bloomberg LP, Raymond James as of 04/28/25 *All entries are percentage (%) unless otherwise noted.*

DAY	EVENT	PERIOD	SURVEY	PRIOR
Wed	Personal Income	Mar	0.4%	0.8%
Wed	Core PCE MoM	Mar	0.0%	0.3%
Thurs	Cure PCE YoY	Mar	2.6%	2.8%
Fri	Change in Nonfarm Payrolls	Apr	130k	228k
Fri	Unemployment Rate	Apr	4.2%	4.2%

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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