

RATE ENVIRONMENT

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THE MARKETS

Treasury yields rose last week after data from Asia and the eurozone boosted investor optimism about the global economy. A report said China's services sector accelerated at the fastest pace in 14 months, while purchasing manager surveys in Germany pointed to a rebound in business activity. Traders are placing a 54% chance of a Fed rate cut by year-end, down from a 69% reading on March 31. Stocks continued their ascent as U.S. and Chinese officials prepared to meet in Washington to work toward resolving the continuing trade dispute. All three major indexes were up 2% or more for the week, with the S&P 500 up for seven consecutive days, its longest winning streak since February 2018. The biggest gaining sectors were materials (4.2%), financials (3.3%) and consumer discretionary (3.2%). Oil prices reached \$63 per barrel, a five-month high, driven by supply cuts from OPEC and expectations for strengthening demand.

THE ECONOMY

Payrolls rebounded more than forecast in March, adding 196,000 new jobs. The unemployment rate held at 3.8% and earnings increased 3.2% from the prior year. Retail sales fell 0.2% in February after a bigger-than-expected 0.7% gain in the prior month. The Institute for Supply Management reported that its manufacturing index advanced to 55.3 although the services gauge dropped more than three points to 56.1.

Consumer prices are expected to rise 0.3% in March for a 1.8% annual pace. Similar figures for producer prices are seen at 0.3% and 1.9%, respectively. Durable goods orders likely slipped 0.4% in February while sentiment as measured by the University of Michigan held steady at 98.4.

KEY RATES

Issue	Value	Last Week	Issue	Value	Last Week
Fed Funds	2.50%	2.50%	2-Year Agency	2.36%	2.29%
Prime	5.50%	5.50%	5-Year Agency	2.36%	2.28%
2-Year Treasury	2.34%	2.26%	15-Year MBS	2.78%	2.67%
5-Year Treasury	2.31%	2.23%	30-Year MBS	3.17%	3.11%
10-Year Treasury	2.50%	2.40%	3-Month LIBOR	2.59%	2.60%

Source: Bloomberg

INTEREST RATE SWAPS / CAPS / FLOORS

Buyer Pays Fixed- Indications only based on quarterly settlements

Term	SWAP		CAP		FLOOR	
	90-Day LIBOR	PRIME	90-Day LIBOR (2.25%)	90-Day LIBOR (3.00%)	90-Day LIBOR (2.25%)	90-Day LIBOR (3.00%)
1-Year	2.58%	5.28%	0.36%	0.06%	0.08%	0.53%
2-Year	2.44%	5.24%	0.77%	0.12%	0.36%	1.32%
3-Year	2.37%	5.29%	1.17%	0.30%	0.77%	2.19%
5-Year	2.35%	5.27%	2.29%	0.93%	1.73%	3.94%

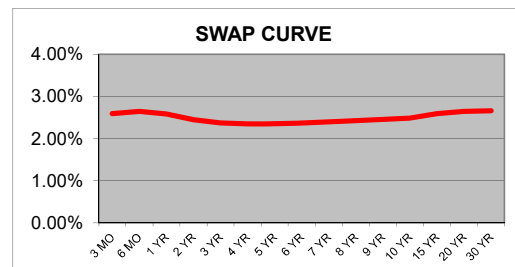
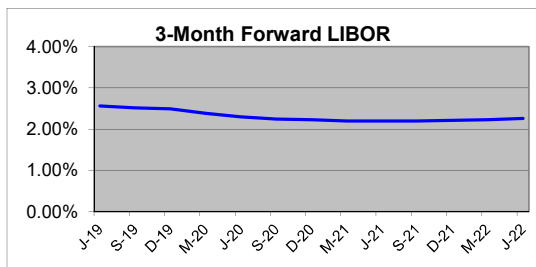
Source: Bloomberg, PNC

OTHER INDICATORS

	Value	% Change YTD		Value	% Change YTD
OIL (30 day futures)	\$ 63.08	38.91%	Dow Jones Ind Avg	26,424.99	13.28%
Commodities (CRB Index)	\$ 187.68	10.53%	NASDAQ	7,938.69	19.64%
EURO (spot)	\$ 1.122	-2.19%	S&P 500	2,892.74	15.39%

Source: Bloomberg

YIELD CURVES



Source: Bloomberg

IN THE NEWS

In recognition of Financial Capability Month, the FDIC will host a webinar on April 17 to help organizations learn how to use Money Smart tools. The webinar will also explain the benefits of joining the FDIC's Money Smart Alliance, a resource to help organizations learn new approaches on how to use Money Smart. "The FDIC's Money Smart curriculum and related resources help people gain the knowledge, confidence, and skills to use banks more effectively and manage their finances. These resources can be a valuable tool for banks to build deeper relationships with their customers," said FDIC Chairman Jelena McWilliams.

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