



**CHART 1: US RATES SNAPSHOT: 9:45 AM Eastern**

*\*For SOFR Swap Rates & Change-On-Day (In Bps) – Refer Two Far Right Columns (SOFR Swap Rates)*

	UST YIELDS		SWAP SPREADS		SOFR SWAP RATES	
2Y	3.558	-0.032	-20.7220	+0.1530	3.3513	+0.0056
3Y	3.555	-0.032	-24.2232	+0.7768	3.3142	-0.0355
4Y	3.617	-0.045	-28.2940	+0.5810	3.3295	-0.0365
5Y	3.666	-0.046	-30.1304	+0.8071	3.3667	-0.0383
7Y	3.850	-0.050	-37.5620	+1.1780	3.4770	-0.0383
10Y	4.071	-0.044	-42.6222	+1.0328	3.6454	-0.0351
20Y	4.642	-0.040	-67.3544	+0.9856	3.9692	-0.0288
30Y	4.670	-0.035	-72.5966	+0.9659	3.9449	-0.0260

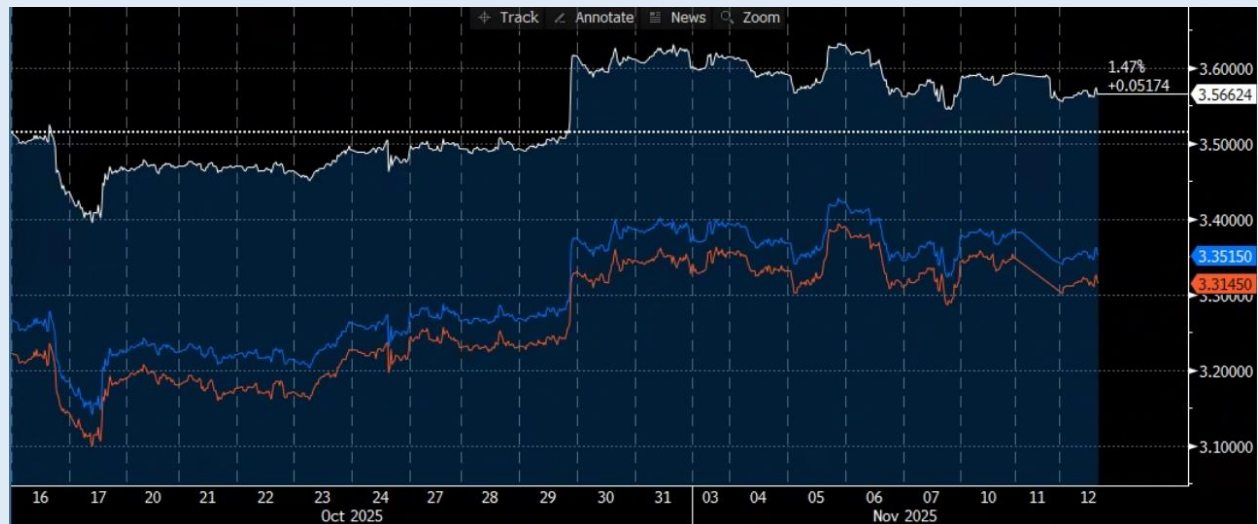
Source: Bloomberg, LLP | 9:45 AM NY Rates Snapshot

**CHART 2 & 2A: SOFR Swap Rates Slightly Lower As Market Monitors Government Shutdown**

SOFR swap rates drifted a touch lower this morning across most of the curve. The very short-end of the curve was flat to up one basis point this morning – nothing dramatic. (The Fed-sensitive short-end of the curve is waiting for data!) Overall, swap rates are mostly unchanged from last Friday’s close. 2Y swaps closed last week at 3.354% - they are currently trading a touch lower at 3.351%. Yes, rates popped up after Powell’s recent hawkish comments, but traders seem reluctant to carve out a new trading range given the amount of uncertainty permeating the market, *especially* the uncertainty created by the lack of economic data. From my perspective, traders are growing weary of flying “data-blind” and are desperately seeking data-based direction. Market participants appear to be waiting for the economic data that will be released should the government shutdown end tonight.

The odds for a December rate cut have stabilized at ~65.8%. Despite Powell’s recent hawkish “warning”, *market participants are still leaning towards a December rate cut*, based mainly on fear that the employment market will continue to weaken (perhaps materially) into year-end and during the first half of 2026.

**CHART 2: Short-End SOFR Swap Rates – Prior 30 Days**



Source: Bloomberg, LLP | 1Y (white), 2Y (blue) & 3Y (orange) SOFR SWAP RATES, PRIOR 30 DAYS

