

2Y	3.461 +0.006	-16.8357 -0.0175	3.2940 +0.0062
3Y	3.514 +0.012	-20.2430 -0.0430	3.3122 +0.0112
4Y	3.600 +0.012	-23.7400 -0.1035	3.3618 +0.0120
5Y	3.684 +0.016	-26.1000 -0.2291	3.4228 +0.0124
7Y	3.896 +0.019	-33.0815 -0.2654	3.5649 +0.0143
10Y	4.126 +0.016	-36.6250 -0.1250	3.7610 +0.0153
20Y	4.758 +0.014	-62.2950 +0.0696	4.1357 +0.0136
30Y	4.810 +0.013	-67.6236 -0.2486	4.1350 +0.0112

Source: Bloomberg, LLP | 8:45 AM NY Rates Snapshot

CHART 2 & 2A: SOFR SWAP RATES DRIFT SLIGHTLY HIGHER AS TRADERS WRAP-UP 2025

SOFR swap rates are drifting a touch higher this morning as the market prepares for year-end 2025. The strong economic data we saw last week and lack of any market catalysts this week has prompted traders to keep rates in a tight range as we finish up 2025. I do not expect traders to contemplate a new trading range until they can see a fresh data run in early January.

The new data run for 2026 begins on 1/7 with the release of December ISM Services Data and the November JOLTS jobs report. The first “big” number we see next year is the December Employment Report, which is due for release on January 9 at 8:30 AM. The next FOMC rate decision is due Wednesday, January 28 at 2:00 PM. At the moment, odds for a 25 bp rate cut are sitting at ~16.1%. Currently, market participants do not expect a rate cut at the January FOMC meeting.

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

CHART 2A: Long-End SOFR Swap Rates – Prior 30 Days



Source: Bloomberg, LLP | 5Y (green), 7Y (purple) & 10Y (light blue) SOFR SWAP RATES, PRIOR 30 DAYS

Disclaimer: *The information provided in this communication is intended for discussion purposes only. Nothing presented in this communication should be taken as a recommendation or forecast. All market data shown is indicative only and subject to change depending on current market conditions.*

AST Defeasance Consultants, one of the nation's leading commercial real estate consulting firms, was founded in 2007. We have extensive experience in commercial real estate defeasance, hedging, derivatives, and financial instruments. More than \$50 billion worth of transactions have been executed by the AST team. Only AST can combine innovation, expertise, and exceptional customer service.

Rate Cap Advisors was established in 2015 that focus on providing commercial real estate interest rate cap solutions. Our innovation and desire to explore new possibilities that benefit our clients have allowed us to save our clients millions of dollars. No matter the service or product, we take great pride in our pursuit of perfection with a unparalleled closing track record.
