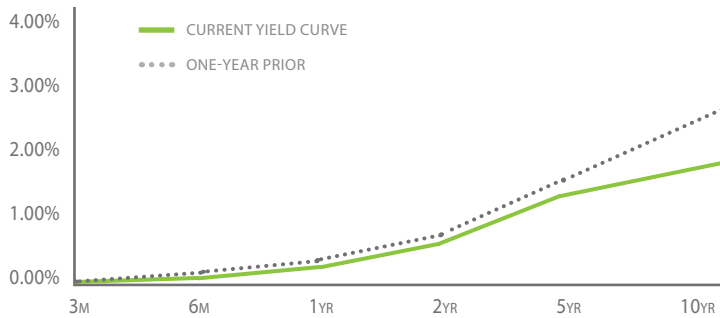


## Historical Yield Curve



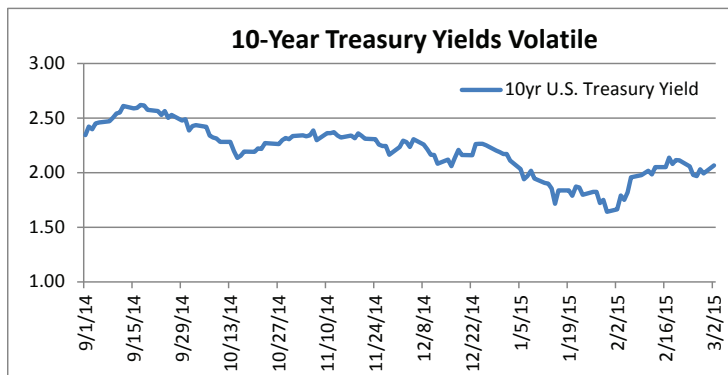
Source: Bloomberg Finance L.P., 3/3/15

## FEATURED ECONOMIC INDICATOR

### Treasury Yields Moving Back Up

The yield on the 10-year Treasury has swung from a high of 2.61% in September to a low of 1.64% in January. 10-year Treasury yields have rebounded back up to 2.10% at the time of this writing. This past fall, the domestic economy was performing strongly and Treasury yields were pointing up. Weaker global growth, concern about Greek elections and declining inflation expectations negatively impacted rates in much of the developed world as we moved through the winter. As a result, the US Treasury market exhibited relative value and safety for global investors and yields moved lower. Recent progress on a Greek bailout extension, better economic data and the prospect of tighter monetary policy in the US have helped push rates higher once again.

Source: Bloomberg, Wall Street Journal



Source: Bloomberg

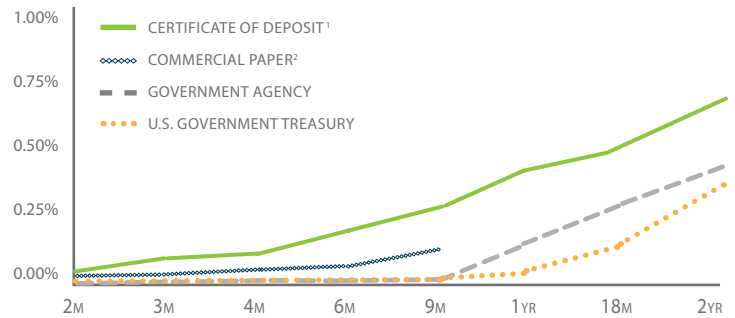
## RECENT NEWS

### Fed Downplays Lower Inflation Break-Evens

Market-based measures of inflation have declined in recent months. Inflation expectations are expressed through break-even yields on Treasury bonds and Treasury Inflation Protected Securities (TIPS). If inflation averages more than the break-even, TIPS will outperform Treasuries. While the Federal Reserve acknowledged a drop in market-based measures of inflation in its January statement, it continues to downplay the significance. "As best we can tell, the fall in (market-based measures) mainly reflects factors other than a reduction in longer-term inflation expectations," said Fed Chairwoman Janet Yellen to the Senate Banking Committee.

Source: Bloomberg, Wall Street Journal

## Indicative Rates



<sup>1</sup> Average of top ten banks; <sup>2</sup> General Electric Capital Corp.

Source: PMA Financial Network, Inc., Bloomberg Finance L.P., 3/3/15

## U.S. Economic Indicators

Event	Event Date		Survey	Actual	Prior / Revised (R)
Retail Sales Ex. Auto and Gas (MoM)	02/12/15	JAN	0.4%	0.2%	0.0% (R)
Existing Home Sales	02/23/15	JAN	4.95M	4.82M	5.07M (R)
Consumer Confidence	02/24/15	FEB	99.5	96.4	103.8 (R)
CPI (MoM)	02/26/15	JAN	-0.6%	-0.7%	-0.3% (R)
Core CPI (YoY)	02/26/15	JAN	1.6%	1.6%	1.6%
ISM Manufacturing	03/02/15	FEB	53.0	52.9	53.5
Initial Jobless Claims	03/05/15	FEB 28	295K	-	313K
Change in Nonfarm Payrolls	03/06/15	FEB	235K	-	257K
Unemployment Rate	03/06/15	FEB	5.6%	-	5.7%

Source: Bloomberg Finance L.P., 3/3/15

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