Confidential

Friday, December 5, 2025

Front End Monitor

Santander US Capital Markets Front End Group
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	Bills		Agcy Discos		Discount CP		UST GCF		MBS GCF		SOFR		OIS	
	Yield	Δ on Day	Yield	Δ on Day	Yield	Δ on Day	Yield	Δ on Day	Yield	Δ on Day	Yield	Δ on Day	Yield	Δ on Day
1 Mo	3.679	-0.075	3.650	0.020	3.813	-0.001	3.940	-0.010	4.000	-0.010	3.784	-0.034	3.681	-0.007
3 Mo	3.695	-0.006	3.610	-0.025	3.871	0.023	3.880	0.000	3.910	-0.010	3.738	-0.022	3.650	-0.001
6 Mo	3.682	-0.006	3.550	-0.020	3.815	0.003	3.810	0.000	3.850	0.000	3.662	-0.025	3.592	0.004
1 Yr	3.595	0.013	3.380	0.000			3.650	0.000	3.720	0.000	3.483	-0.030	3.453	0.018

(1)

US General Collateral and Specials - Forbes Hopper

The first week of December is in the books and we quickly shook off last month ends firmness. The o/n market traded in a very tight range this week from 398 to 393 and with the Fed decision on interest rates on Wednesday currently priced at a 95 % chance of a 25-basis point ease we'll be staring at a new Fed Funds range of 375 to 3.50. I would recommend keeping some dry powder around as spreads to continue to widen in the term GC markets as balance sheets remain tight so should see some really good opportunities over the next two weeks. The specials market was uneventful as we surmised but do think with only one more week left before the re-opening of the 10yr note it should trade quite a bit better next week. I would cover shorts to the 12/15 date now before this issue gaps lower. Rest up this weekend as next week looks like a busy one. Enjoy!

Term GCF

	UST	MBS
1wk	4.00/3.95	4.03/3.98
2wk	4.00/3.95	4.03/3.98
3wk	3.95/3.90	4.00/3.95
4wk	3.95/3.90	4.00/3.95

(4)

FF Target Rate Implied Prob.

	%Hike/Cut	Implied Rate
12/10	-95.2%	3.659
01/28	-28.8%	3.588
03/18	-30.9%	3.510
04/29	-25.1%	3.448
06/17	-51.5%	3.319

Overnight 10AM GCF Avgs.

	UST	MBS
4-Dec	3.949	3.982
Dec 2025	4.014	4.033
Nov 2025	4.013	4.045
Oct 2025	4.239	4.263
Sep 2025	4.343	4.372
2025 YTD	4.300	4.320

(4)

BNY Tri-party Repo Index avgs.

	UST	MBS
4-Dec	3.870	3.880
Dec 2025	3.947	3.957
Nov 2025	3.944	3.954
Oct 2025	4.167	4.178
Sep 2025	4.272	4.281
2025 YTD	4.236	4.246

(7)

SOFR Averages & Volumes

	Rate	Vol (blns)
4-Dec	3.920	3300
Dec 2025	4.000	3380
Nov 2025	3.978	3208
Oct 2025	4.201	3007
Sep 2025	4.300	2887
2025 YTD	4.260	2763

Overnight GCF Volumes (BN)

	UST	MBS	Tot.
4-Dec	45	90	135
Dec 2025	57	91	147
Nov 2025	56	89	145
2025 YTD	57	77	134

(5)

BNY Tri-party Repo Index Vol

	UST	MBS	Tot.
4-Dec	886	457	1343
Dec 2025	876	467	1343
Nov 2025	842	460	1302
2025 YTD	919	469	1388

(7)

RRP	$1.485 bln
Rate	3.75
# Bidders	8
SOMA Borrow	$32.787 bln
Largest Borrow	$4.902 bln
Issue	ct10's

(3)

Fed Funds Averages & Volumes

	Rate	Vol (BN)
4-Dec	3.89	87
Dec 2025	3.89	87
Nov 2025	3.88	82
2025 YTD	4.23	101

OBFR Averages & Volumes

	Rate	Vol (BN)
4-Dec	3.89	173
Dec 2025	3.89	159
Nov 2025	3.88	164
2025 YTD	4.23	241

TGCR Averages & Volumes

	Rate	Vol (BM)
4-Dec	3.87	1298
Dec 2025	3.95	1287
Nov 2025	3.94	1223
2025 YTD	4.24	1062

Discos - Mark Steinacker

A quiet trading session to close out the week. All eyes were on todays PCE data which came in on the screws which some were looking for a touch weaker. Whether this validates or invalidates next week's presumed ease remains to be seen. WIRP still hovering around the 95% odds the ease is a go. Overall, the GSEs opened rich and saw very little investor interest as expected given the front end has rallied quite a lot over this past week. FHLB SOFR FRNs as follows:

STRUCTURE DESCRIPTION	SPRD	ST	SETTL	MATURITY	MIN	TARGET	ALLOC
2 Yr nc 1 Yr ON SOFR (D/Q)(E)	13.000	OP	12/15	12/15/27	10	250.000	25.000

Specials

	O/N	1 week	12/15	12/31	01/15	01/30
GC	4.02/3.99	4.00/3.95	4.00/3.95	3.95/3.90	3.95/3.90	3.93/3.88
O2s	4.00/3.97	3.98/3.93	3.98/3.93	3.95/3.90	3.95/3.90	3.93/3.88
2s	3.98/3.95	3.95/3.90	3.97/3.92	3.88/3.83	3.90/3.85	3.90/3.85
WI2s						
O3s	4.00/3.97	3.97/3.92	3.97/3.92	3.95/3.90	3.95/3.90	3.93/3.88
3s	3.96/3.93	3.90/3.85	3.88/3.83	3.88/3.83	3.90/3.85	3.87/3.82
WI3s						
O5s	3.99/3.96	3.97/3.92	3.97/3.92	3.93/3.88	3.93/3.88	3.93/3.88
5s	3.97/3.94	3.93/3.88	3.92/3.87	3.77/3.72	3.85/3.80	3.90/3.85
WI5s				\	--	--
O7s	4.00/3.97	3.97/3.92	3.97/3.92	3.93/3.88	3.93/2.88	3.92/3.87
7s	3.98/3.95	3.95/3.90	3.97/3.92	3.92/3.87	3.90/3.85	3.90/3.85
WI7s					--	--
O10s	3.95/3.92	3.95/3.90	3.95/3.90	3.88/3.83	3.90/3.85	3.88/3.83
10s	3.65/3.55	3.60/3.50	3.60/3.50	3.80/3.70	3.75/3.65	3.80/3.70
WI10s						
O20s	3.94/3.91	3.95/3.90	3.95/3.90	3.92/3.87	3.92/3.87	3.90/3.85
20s	3.80/3.70	3.40/3.15	3.40/3.15	3.00/2.75	3.40/3.15	3.70/3.45
WI20s						
O30s	3.90/3.87	3.90/3.85	3.90/3.85	3.87/3.82	3.87/3.82	3.90/3.85
30s	3.90/3.87	3.85/3.80	3.85/3.80	3.90/3.85	3.90/3.85	3.88/3.83
WI30s						

(4)

Bills - Mark Steinacker

Quiet flows to close out week. Given treasury bills rallied about 5bps to 7bps through the week and no meaningful directional data released today, tbills traded in a tight range with little client focus. Valuations look reasonable across the curve . Yet the demand is not there at this juncture. I expect next week we will see a pickup as the street and investor place their bets on the FED.

Money Fund Monitor - Current Year Comparison (MM)

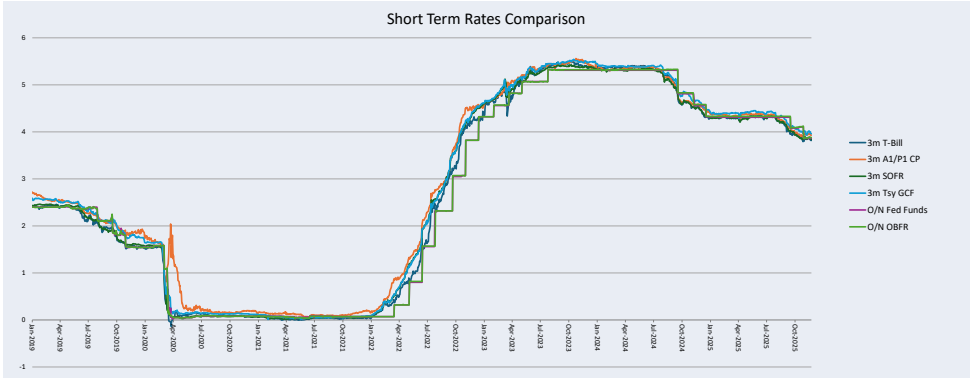
Dec 04	Assets	WAM (days)	Yld%	Δ on Day	Δ on Week	Δ on Month	Δ on Year
Gov't & Agencies Instit.	2,571,092	37 (0)	3.66	12,238	55,196	55,196	249,370
Prime Instit.	224,479	33 (+1)	3.84	(1,710)	(504)	(504)	8,720
Treasury Instit.	929,013	52 (+1)	3.62	3,008	9,184	9,184	108,178
Treasury & Repo Instit.	914,041	39 (0)	3.62	(5,419)	16,390	16,390	138,455
Tax Free Instit.	9,585	8 (0)	1.71	(507)	270	270	1,393
Gov't & Agencies Retail	1,467,031	32 (0)	3.45	803	5,636	5,636	123,764
Prime Retail	995,822	34 (+1)	3.58	179	2,643	2,643	131,031
Treasury Retail	223,419	48 (+1)	3.57	(21)	1,027	1,027	32,761
Treasury & Repo Retail	133,839	35 (0)	3.33	93	543	543	515
Tax Free Retail	136,775	35 (+1)	1.73	118	1,068	1,068	9,278
Net Totals	7,605,094	-		8,783	91,453	91,453	803,465

Change on week is calculated using Friday's (or last business days') values, month/year unsing beginning of month/year

(6)

Frequent 'money market trend' indicators:

- FICC Sponsor Repo – Range of $2.622T to $2.736T during week ending 11/28
- CP issuance decreased -$1.2B on week to $1.331T (11/26)
- UST supply +$78B in proj. add'l collateral for the next 6-weeks (12/1)
- Fed RRP participation last week ranged from $1.077B to $7.561B (11/28)
- Fed Foreign Reverse Repo Facility increased +$4.053B on week to $330.182B (11/26)
- Other Deposits at the Fed increased +$4.746B on week to $222.972B (11/26)
- TGA decreased -$1.154b on week, and is @ $899.678B (11/26)
- Total Reserve Balances decreased -$19.544B on week to $2.897T (11/26)
- MMF's saw weekly inflows of +$38.909B vs inflows YTD of +$712.012B (11/28)



Supply	Ann.	Auction	Issue	$Bn	Mat. Amt	Net Issue
1Mo	12/2	12/4	12/9	$90		
2Mo	12/2	12/4	12/9	$80		
17Wk	12/2	12/3	12/9	$69		
6Wk	12/4	12/9	12/11	$75		
3Mo	12/4	12/8	12/11	$86	515.0	(38.0)
6Mo	12/4	12/8	12/11	$77		
52Wk	-	-	-	$0		
CMBs	-	-	-	$0		
CMBs	-	-	-	$0		
2Yr	12/18	12/22	12/31	$69		
5Yr	12/18	12/23	12/31	$70	132.0	51.0
7Yr	12/18	12/24	12/31	$44		
3Yr	12/4	12/8	12/15	$58		
10Yr	12/4	12/9	12/15	$39	40.0	79.0
30Yr	12/4	12/11	12/15	$22		
20yr	12/11	12/17	12/31	$13		
5Yr TIPS	12/11	12/18	12/31	$24	-	65.0
2Yr FRN	12/18	12/23	12/26	$28		

(1) Bloomberg SanCapIB traders as of 3PM on the date of this commentary
(2) Bloomberg
(3) Federal Reserve
(4) SanCapIB Traders as of 3PM
(5) DTC GCF Repo Index
(6) iMoney Net ™

(7) BONY https://repoindex.bnymellon.com/repoindex/