

MORNING MARKET COMMENTARY

Tuesday, May 22, 2018

	Yesterday end of day	Previous end of day
Fed Funds (open)	1.70%	1.70%
3- Month T-Bill	1.90%	1.87%
6-Month T-Bill	2.08%	2.04%
1-Year T-Bill	2.26%	2.24%
2-Year T-Note	2.574%	2.568%
10-Year T-Note	3.074%	3.073%
30-Year T-Bond	3.210%	3.206%
1-Month LIBOR	1.95275%	1.95275%
	This Week	Last Week
3-Month T-Bill Auction	1.931%	1.925%
6-Month T-Bill Auction	2.131%	2.085%
1-Year CMT	2.35%	2.28%
2-Year CMT	2.58%	2.55%
3-Year CMT	2.73%	2.70%
5-Year CMT	2.90%	2.85%
June 2018 Hike Prob	100.0%	100.0%

May 22, 2018: U.S. House Said to Mull Adding Volcker Rule Shift to Budget Bill (Bloomberg)

Lawmakers in the U.S. House of Representatives are considering whether to add a measure that would ease one of Wall Street's most hated post-financial crisis rules to a must-pass spending bill, according to a person with knowledge of the matter.

The move to change the Volcker Rule's ban on proprietary trading may be included in next year's budget for financial regulators, according to the person who asked not to be identified because the final text of the bill hasn't been released.

The measure, which passed the House earlier this year, would put one regulator in charge of the rule's implementation, instead of five, potentially making it simpler for banks to comply with it and to lobby to alter

it. Firms including Goldman Sachs Group Inc. have been lobbying Congress to make such a change for years.

The House Appropriations Subcommittee on Financial Services is to begin work on a budget for agencies, including the U.S. Securities and Exchange Commission, on Thursday. A spokesman for Representative Tom Graves of Georgia, who chairs the subcommittee, declined to comment on whether the Volcker change would be included.

The Federal Reserve now shares oversight of the Volcker Rule with four other agencies, including the Securities and Exchange Commission and the Office of the Comptroller of the Currency. Banks argue the situation leads to redundant oversight, and makes it challenging to lobby for tweaks because five different regulators must agree on any revisions.

The measure, sponsored by French Hill, an Arkansas Republican, would make the Fed the sole regulator in charge of the Volcker Rule, which was created as part of the Dodd-Frank Act to restrict banks from trading with their own money. Although the House approved the measure in April, it does not yet have a clear path forward for Senate passage. Its chances improve, however, should House lawmakers succeed in slipping it into the spending bill.

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