ABELIAN VIEW

ABELIAN PARTNERS

11/18/2026



Highlight of the Week

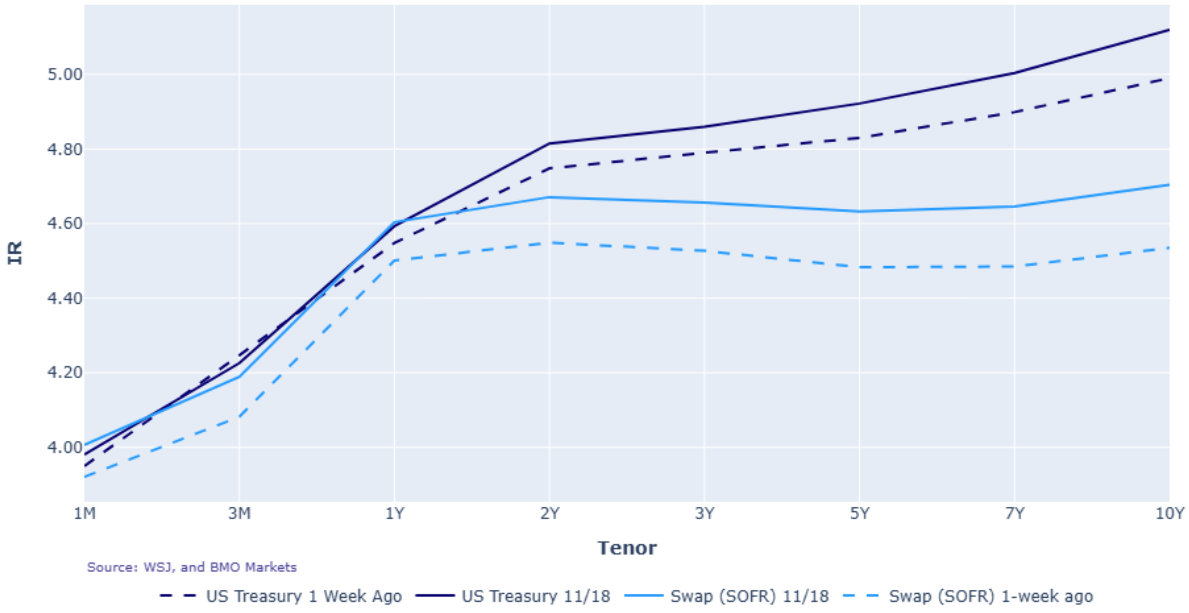
Rates: Yield curves steepened this week as rates rose. Treasury yields were mixed at the very front end but rose about 7 bps at 2 and 3 years and 13 bps at 10 years. SOFR swaps rose more than Treasuries at every maturity. For banks, higher short-term rates are supportive of asset-sensitive net interest income and give an opportunity to lock in higher yields on new fixed-rate loans and securities, but the rise at the long end puts renewed pressure on securities marks.

Retail Sales Hold Up as Fed Officials Signal More Hikes: Retail sales rose 0.2% in October to $748.2 billion, in line with expectations. Sales excluding autos rose 0.6%, above the 0.4% forecast. St. Louis Fed President Alberto Musalem said the Fed may need as many as four more rate hikes before spring 2027 to bring inflation back to 2% in a timely manner. Futures markets put the odds of a quarter-point December hike at about 95.5%. The Fed releases the minutes of its October 27-28 meeting on Wednesday afternoon. Consumer spending is holding up even with higher rates, which gives the Fed room to keep tightening.

Fed's Barr Warns AI Agents Could Trigger Bank Runs in Minutes: Federal Reserve Governor Michael Barr warned that AI agents capable of moving money without human approval could trigger bank runs within minutes, leaving banks and regulators little time to respond. He said banks have already encountered AI agents attempting to act on customer accounts without being able to verify whether the customers authorized those actions. Barr advised banks to strengthen authentication, require explicit customer consent for critical actions, and place technical restrictions on what AI agents can do. Banks are adopting AI for efficiency, while regulators are now focused on the risk of deposits moving faster than any bank can react.

Ameris and Hancock Whitney Sign Bank Deals Across the South: Hancock Whitney agreed to acquire Mississippi-based Trustmark in an all-stock deal valued at about $3.2 billion, creating a regional bank with $58 billion in assets across Mississippi, Alabama, Florida, Louisiana, Texas and Tennessee. The deal is expected to close late in the first quarter of 2027, pending regulatory and shareholder approvals, with Trustmark branches converting to the Hancock Whitney brand in late 2027. Separately, Atlanta-based Ameris Bancorp agreed to buy Lakeland-based Bank of Central Florida in an all-stock deal valued at about $180 million. Bank of Central Florida had about $1.2 billion in assets as of September 30. Regional banks are consolidating across the Southeast, from a $3.2 billion deal to a $180 million one, to gain scale in the markets they already serve.

Rate Curves



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