



Calibrate | Focus | Execute

Market Conditions

April 16, 2024

MBS	Current Price	Change	OAS Dur	OAS Yld	Vol
FNMA30 6.0 MAY	99 4/32	-6/32	4.16	6.18%	3.80
FNMA15 5.0 MAY	98 5/32	-7/32	4.42	5.59%	4.04
GNMA130 6.0 MAY	99 20/32	-6/32	4.09	6.24%	3.74

Treasuries	Current Price	Change	Dur	Yld	Vol
5yr Treasury	97 19/32	-7/32	4.41	4.70	4.35
10yr Treasury	94 28/32	-12/32	7.91	4.69	7.41
30yr Treasury	91 31/32	-16/32	16.13	4.80	14.83

Stocks	Current Price	% Change	Commodities	Current Price	Change
Dow	37,906.15	+0.45%	Dollar	\$106.31	+0.10%
S&P 500	5,064.19	+0.04%	Gold	\$2,401.40	+0.79%
Nasdaq	15,899.68	+0.10%	Crude Oil	\$85.56	+0.15%

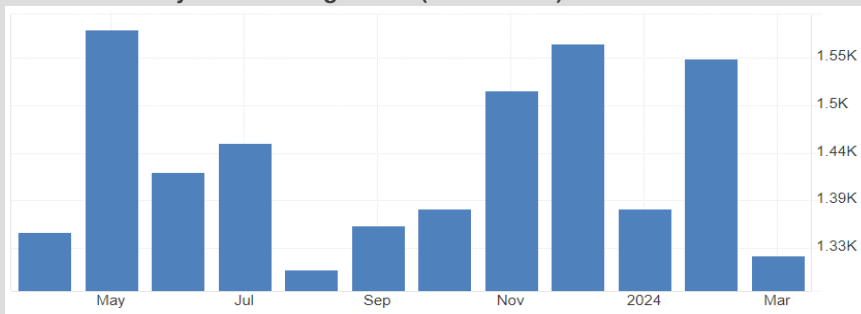
Economic Commentary

MBS prices are down about 6/32 this morning while the DOW is up about 200 points. The moves come as bond yields remain at multi-month highs, coupled with rising tensions in the Middle East following Iran's weekend attacks on Israel. After the 10-year Treasury yield touched 2024 highs on Monday, the yield climbed about 3 basis points to trade around 4.65% this morning. Today's economic reports showed that new residential construction, including single-family and multifamily homes, tumbled by the largest amount in four years as rising mortgage rates weaken housing activity. Housing starts fell 14.7% month-over-month in March, dropping from 1.55 million units annualized pace to 1.32 million units annualized, according to data from the Census Bureau released Tuesday. Single family starts fell 12.4% month-over-month. According to LPL Financials' chief economist, Jeffrey Roach, the data indicates how new home construction is "starting to show cracks in the pace of growth." "Housing construction is poised to slow as potential homebuyers indicate now is a poor time to buy a home. Investors should expect residential investment becoming a drag on GDP growth in the coming quarters. Housing activity may not fully stabilize until the Fed commences their easing cycle." The U.S. Federal Reserve published the Industrial Production report for March 2024 which showed that it expanded by +0.40%, an above-average rate of growth, that was in line with the median forecast of +0.40%. Industrial production in the past 3 months has accelerated relative to the 6-month rate of growth. The acceleration of industrial production growth in yet another sign that shows that the Fed does not need to rush to cut interest rates.

Economic Calendar

	PERIOD	ACTUAL	FORECAST	PREVIOUS
TUESDAY, APRIL 16				
Housing starts	March	1.32 million	1.49 million	1.52 million
Building permits	March	1.46 million	1.52 million	1.52 million
Industrial production	March	0.40%	0.40%	0.40%
Capacity utilization	March	78.40%	78.60%	78.20%
WEDNESDAY, APRIL 17				
Fed Beige Book				
THURSDAY, APRIL 18				
Initial jobless claims	13-Apr	Waiting for Results	--	211,000
Philadelphia Fed manufacturing survey	April	Waiting for Results	--	3.20
Existing home sales	March	Waiting for Results	--	4.38 million
U.S. leading economic indicators	March	Waiting for Results	--	0.10%
FRIDAY, APRIL 19				
None scheduled				
MONDAY, APRIL 22				
None scheduled				
TUESDAY, APRIL 23				
S&P flash U.S. services PMI	April	Waiting for Results	--	51.70
S&P flash U.S. manufacturing PMI	April	Waiting for Results	--	51.90
New home sales	March	Waiting for Results	--	662,000
WEDNESDAY, APRIL 24				
Durable-goods orders	March	Waiting for Results	--	1.30%
Durable-goods minus transportation	March	Waiting for Results	--	0.50%
THURSDAY, APRIL 25				
GDP	Q1	Waiting for Results	--	3.40%
Initial jobless claims	20-Apr	Waiting for Results	--	0.00%
Advanced U.S. trade balance in goods	March	Waiting for Results	--	-\$90.6B
Advanced retail inventories	March	Waiting for Results	--	0.50%
Advanced wholesale inventories	March	Waiting for Results	--	0.50%
Pending home sales	March	Waiting for Results	--	1.60%

Chart of the Day: US Housing Starts (Thousands)



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Sources: Bloomberg, Reuters, MarketWatch.com, mortgageweekly.com, advisorsperspectives.com, taintedalpha.com, options express, yahoo finance, estimate.com, stockcharts.com, tradingeconomics.com, dshort.com