



Calibrate | Focus | Execute

Market Conditions

April 18, 2024

MBS	Current Price	Change	OAS Dur	OAS Yld	Vol
FNMA30 6.0 MAY	99 6/32	-9/32	4.15	6.16%	3.79
FNMA15 5.0 MAY	98 17/32	-9/32	4.44	5.55%	4.06
GNMAI30 6.0 MAY	99 29/32	-7/32	4.09	6.21%	3.74

Treasuries	Current Price	Change	Dur	Yld	Vol
5yr Treasury	97 18/32	-9/32	4.41	4.68	4.35
10yr Treasury	94 30/32	-13/32	7.91	4.64	7.41
30yr Treasury	92 5/32	-20/32	16.13	4.73	14.83

Stocks	Current Price	% Change	Commodities	Current Price	Change
Dow	37,726.04	-0.06%	Dollar	\$106.14	+0.18%
S&P 500	5,012.74	-0.18%	Gold	\$2,399.20	+0.42%
Nasdaq	15,634.58	-0.32%	Crude Oil	\$82.98	+0.36%

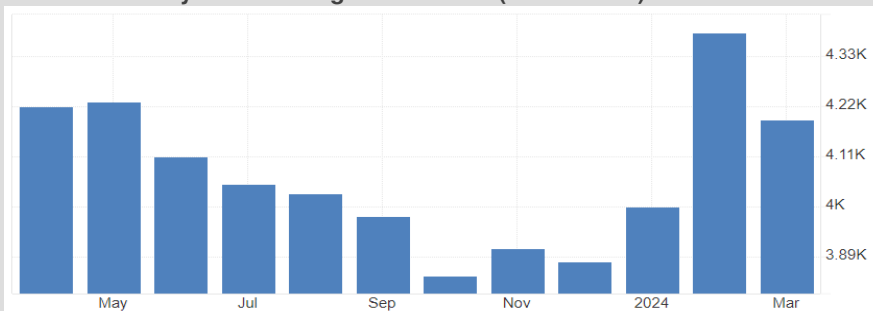
Economic Commentary

MBS prices are down about 9/32 this morning while the DOW is down about 15 points as investors braced for Netflix to kick earnings season into high gear. Stocks have struggled amid concerns inflation is no longer cooling and the Federal Reserve could ease back on interest rate cuts. That has put corporate earnings center stage as investors watch closely how well reports match up with high expectations. TSMC's latest quarterly results were a mixed bag: The Taiwanese chip giant cautioned on its growth outlook this year outside of its memory chips business, sending the stock over 5% lower. The company, however, flagged "insatiable" appetite for AI as it posted a quarterly profit beat. The earnings spotlight now shifts to Netflix, the first of the megacap tech companies to report. The streaming leader's financial update later Thursday is seen by some as the first real test for stocks this earnings season, given the megacaps are still playing a big part in pushing markets higher. Meanwhile, the market is still keeping one eye on the debate over whether the Federal Reserve could hold off from cutting interest rates this year, given the chances of a "no landing" for the economy. US bond yields, a recent headwind for stocks, picked up again on Thursday. The 10-year Treasury yield was up six basis points, trading at 4.64%. Today's economic reports showed that existing home sales decreased 4.3% month-over-month in March to a seasonally adjusted annual rate of 4.19 million (Briefing.com consensus 4.20 million) from an unrevised 4.38 million in February. Sales were down 3.7% from the same period a year ago. The key takeaway from the report is that sales activity was weak at the start of the spring selling season, as high prices, high mortgage rates, and low inventory got in the way of more robust selling activity. Initial jobless claims for the week ending April 13 were unchanged at 212,000 (Briefing.com consensus 215,000) while continuing jobless claims for the week ending April 6 increased by 2,000 to 1.812 million. The key takeaway from the report remains the low initial claims number (a leading indicator), which continues to be indicative of a solid labor market that portends good growth dynamics for the economy. The Philadelphia Fed Index for April checked in at 15.5 (Briefing.com consensus 0.0) versus 3.2 in March. A number above 0.0 reflects an expansion in activity, so not only did manufacturing activity in the Philadelphia Fed region expand in April, it also accelerated from March. There was a pickup in the Prices Paid Index, too, which climbed to 23.0 from 3.7.

Economic Calendar

	PERIOD	ACTUAL	FORECAST	PREVIOUS
THURSDAY, APRIL 18				
Initial jobless claims	13-Apr	212,000	215,000	212,000
Philadelphia Fed manufacturing survey	April	15.50	2.50	3.20
Existing home sales	March	4.19 million	4.20 million	4.38 million
U.S. leading economic indicators	March	-0.30%	0.00	0.20%
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 Existing Home Sales (Thousands)



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