



Calibrate | Focus | Execute

Market Conditions

April 26, 2024

MBS	Current Price	Change	OAS Dur	OAS Yld	Vol
FNMA30 6.0 MAY	99 9/32	+7/32	4.42	6.18%	4.00
FNMA15 5.0 MAY	98 11/32	+5/32	4.52	5.55%	4.09
GNMAII30 6.0 MAY	100 7/32	+8/32	3.69	6.12%	3.34

Treasuries	Current Price	Change	Dur	Yld	Vol
5yr Treasury	99 23/32	+5/32	4.41	4.67	4.31
10yr Treasury	94 24/32	+9/32	7.91	4.65	7.34
30yr Treasury	91 16/32	+13/32	16.13	4.76	14.68

Stocks	Current Price	% Change	Commodities	Current Price	Change
Dow	38,246.57	+0.42%	Dollar	\$106.11	+0.49%
S&P 500	5,100.61	+1.05%	Gold	\$2,347.90	+0.23%
Nasdaq	15,924.36	+2.00%	Crude Oil	\$84.08	+0.60%

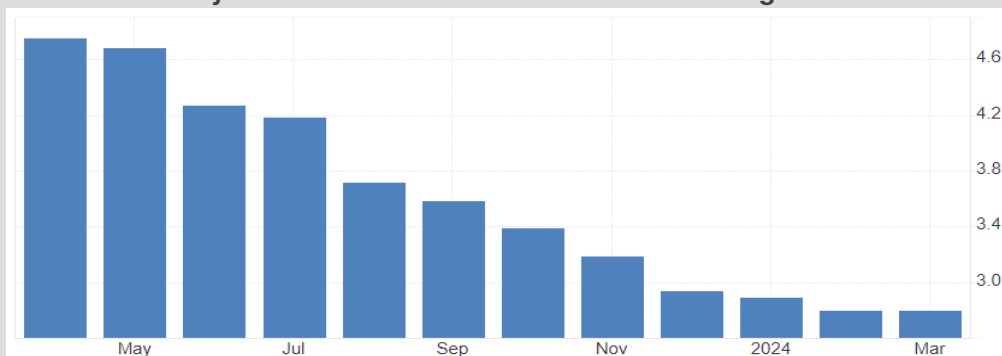
Economic Commentary

MBS prices are up about 7/32 this morning while the DOW is up about 170 points as Alphabet and Microsoft earnings revived hopes for a Big Tech-led rally, even as a reading on the Federal Reserve's preferred inflation gauge showed price pressures remain sticky. The performance fired up confidence that earnings from the Magnificent Seven techs can lift the broader market out of the doldrums. Those hopes had taken a knock from Meta's disappointing forecast earlier in the week. At the same time, the market took in the latest reading of the Fed's favored inflation gauge, the personal consumption expenditures price index, for March. The "core" measure in that report, which strips out the cost of food and energy, rose 2.8% over last year, above estimates for 2.7% but unchanged from the previous annual increase. The reading comes as Wall Street has furiously scaled back its expectations for Fed rate cuts this year. Already, since the start of the year, traders have recalibrated their bets from seven to just one. Treasury yields declined by at least two basis points as the data were viewed as supporting the case for at least one interest-rate cut this year. The two-year rate, more sensitive than longer-maturity tenors to changes by the Fed, retreated back below 5%. The 10-year yield fell about 4 basis points to 4.66%. The data allayed concerns that were stoked Thursday by hotter-than-anticipated inflation data in the initial estimates of US GDP the first quarter. In response, traders scrapped some of their remaining wagers on Fed rate cuts this year, no longer pricing one in before December. Friday's March personal income and spending data included price deflators that rose in line with expectations from February levels, while the 2.7% year-on-year rate continued to exceed the central bank's 2% target. "The moderation in rates in our view, and I think in the Fed's view, doesn't require inflation being at target by the end of the year by any means, as long as we can see some progress," Andrew Sheets, global head of corporate credit research at Morgan Stanley.

Economic Calendar

	PERIOD	ACTUAL	FORECAST	PREVIOUS
FRIDAY, APRIL 26				
Personal income (nominal)	March	0.60%	0.50%	0.30%
Personal spending (nominal)	March	0.80%	0.70%	0.80%
PCE index	March	0.30%	0.30%	0.30%
PCE (year-over-year)	2023-2024	2.80%	2.60%	2.50%
Core PCE index	March	0.30%	0.30%	0.30%
Core PCE (year-over-year)	2023-2024	2.90%	2.70%	2.80%
Consumer sentiment (final)	April	77.2	77.90	77.90
MONDAY, APRIL 29				
None scheduled				
TUESDAY, APRIL 30				
Employment cost index	Q1	Waiting for Results	--	0.90%
Case-Shiller home price index (20 cities)	Feb.	Waiting for Results	--	6.60%
Chicago Business Barometer (PMI)	April	Waiting for Results	--	0.00

Chart of the Day: US Core PCE Price Index Annual Change %



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Sources: Bloomberg, Reuters, MarketWatch.com, mortgagegenewsdaily.com, advisorperspectives.com, taintedalpha.com, options express, yahoo finance, estimize.com, stockcharts.com, tradingeconomics.com, dshort.com