



Calibrate | Focus | Execute

**Market Conditions**

**May 13, 2024**

MBS	Current Price	Change	OAS Dur	OAS Yld	Vol
FNMA30 6.0 JUNE	100 7/32	+4/32	4.43	6.06%	3.60
FNMA15 5.0 JUNE	99 4/32	+8/32	4.54	5.40%	3.69
GNMAI30 6.0 JUNE	100 18/32	+4/32	3.70	6.06%	3.01

Treasuries	Current Price	Change	Dur	Yld	Vol
5yr Treasury	100 18/32	+3/32	4.41	4.50	3.91
10yr Treasury	99 6/32	+6/32	7.58	4.48	6.34
30yr Treasury	100 3/32	+11/32	14.97	4.62	12.25

Stocks	Current Price	% Change	Commodities	Current Price	Change
Dow	39,487.28	-0.05%	Dollar	\$105.17	-0.12%
S&P 500	5,224.25	+0.03%	Gold	\$2,343.50	-1.33%
Nasdaq	16,393.02	+0.33%	Crude Oil	\$78.67	+0.52%

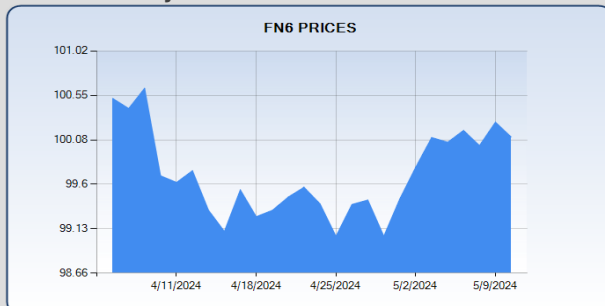
**Economic Commentary**

MBS prices are up about 4/32 this morning while the DOW is down about 15 points as attention turned to the coming inflation report seen as a potential starting point for interest rate cuts. Stocks have come back strong in May on the back of better-than-expected earnings and a revival of optimism for a Federal Reserve easing in monetary policy. The Dow notched eight straight daily wins in a row on Friday, though a dearth of economic releases likely played a part. After recent hot inflation data, markets have been more skittish as investors have increasingly priced in "no landing," where price increases don't come down to the Fed's target but the economy keeps growing. This week brings a flood of economic releases as potential catalysts, with the Consumer Price Index update on Wednesday the star. Wall Street expects an annual gain of 3.4% for headline CPI, which includes the price of food and energy, a decrease from the 3.5% headline number in March. Prices are set to rise 0.4% on a month-over-month basis, in line with March's rise. On a "core" basis, which strips out the food and energy prices, inflation is expected to have risen 3.6% year over year, a slowdown from the 3.8% increase seen in March. Monthly core price increases are expected to clock in at 0.3%, down from 0.4% in the prior month. The CPI update for April will shed light on whether inflation is staying sticky into the second quarter amid some belief on Wall Street that the report will mark a faster descent and set the stage for more than one rate cut this year. There are no economic reports scheduled for release today.

**Economic Calendar**

	PERIOD	ACTUAL	FORECAST	PREVIOUS
<b>MONDAY, MAY 13</b>				
None scheduled				
<b>TUESDAY, MAY 14</b>				
Producer price index	April	Waiting for Results	0.30%	0.20%
PPI year over year	2023-2024	Waiting for Results	--	2.10%
Core PPI	April	Waiting for Results	0.20%	0.20%
Core PPI year over year	2023-2024	Waiting for Results	--	2.80%
<b>WEDNESDAY, MAY 15</b>				
Consumer price index	April	Waiting for Results	0.40%	0.30%
CPI year over year	2023-2024	Waiting for Results	3.40%	3.50%
Core CPI	April	Waiting for Results	0.30%	0.40%
Core CPI year over year	2023-2024	Waiting for Results	3.60%	3.80%
U.S. retail sales	April	Waiting for Results	0.50%	0.70%
Retail sales minus autos	April	Waiting for Results	0.20%	0.90%
Empire State manufacturing survey	May	Waiting for Results	-10.00	-14.30
Home builder confidence index	May	Waiting for Results	50.00	51.00
Business inventories	March	Waiting for Results	-0.10%	0.40%
<b>THURSDAY, MAY 16</b>				
Initial jobless claims	11-May	Waiting for Results	219,000	231,000
Philadelphia Fed manufacturing survey	May	Waiting for Results	9.40	15.50
Housing starts	April	Waiting for Results	1.41 million	1.32 million
Building permits	April	Waiting for Results	1.49 million	1.46 million
Import price index	April	Waiting for Results	0.20%	0.40%
Import price index minus fuel	April	Waiting for Results	--	0.10%
Industrial production	April	Waiting for Results	0.20%	0.40%
Capacity utilization	April	Waiting for Results	78.40%	78.40%
<b>FRIDAY, MAY 17</b>				
U.S. leading economic indicators	April	Waiting for Results	-0.30%	-0.30%
<b>MONDAY, MAY 20</b>				
None scheduled				

**Chart of the Day:**



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