



Calibrate | Focus | Execute

Market Conditions

May 14, 2024

MBS	Current Price	Change	OAS Dur	OAS Yld	Vol
FNMA30 6.0 JUNE	100 12/32	+9/32	4.46	6.05%	3.63
FNMA15 5.0 JUNE	99 7/32	+8/32	4.54	5.43%	3.69
GNMAII30 6.0 JUNE	100 19/32	+7/32	3.73	6.06%	3.03

Treasuries	Current Price	Change	Dur	Yld	Vol
5yr Treasury	100 22/32	+6/32	4.41	4.48	3.91
10yr Treasury	99 11/32	+9/32	7.58	4.47	6.34
30yr Treasury	100 10/32	+14/32	14.97	4.62	12.25

Stocks	Current Price	% Change	Commodities	Current Price	Change
Dow	39,393.42	-0.10%	Dollar	\$105.05	-0.16%
S&P 500	5,220.06	-0.03%	Gold	\$2,360.50	+0.73%
Nasdaq	16,421.84	+0.21%	Crude Oil	\$78.15	-1.19%

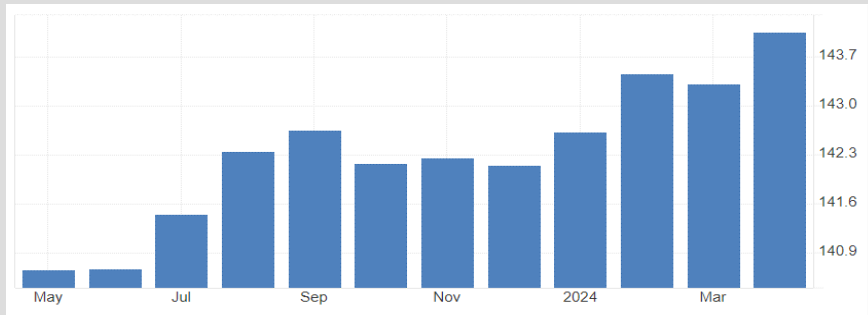
Economic Commentary

MBS prices are up about 9/32 this morning while the DOW is down about 30 points as US equities stayed muted amid a mixed inflation reading, as investors counted down to Wednesday's more heavily anticipated look into consumer prices. New data this morning showed wholesale prices increased 0.5% month over month in April, above the 0.3% consensus expected. That was according to the latest release of the Producer Price Index, which measures prices producers receive for goods produced. But the release also showed March's monthly price increase was revised lower to a decrease of 0.1% from an initial reading of a 0.2% increase. The mixed bag helped Wall Street largely shrug off the report. The more crucial reading of inflation is expected tomorrow with the release of the Consumer Price Index. For his part, Fed Chair Jerome Powell said Tuesday that PPI was more "mixed" than "hot," reiterating during a question and answer session that he does not expect the central bank's next move to be a rate hike. "We did not expect this to be a smooth road, but these [inflation readings] were higher than I think anybody expected," Powell said during a panel in Amsterdam. "What that has told us is that we'll need to be patient and let restrictive policy do its work." Powell said that he expects inflation will move back down on a monthly basis, to levels that were more like the lower readings of late last year.

Economic Calendar

	PERIOD	ACTUAL	FORECAST	PREVIOUS
TUESDAY, MAY 14				
Producer price index	April	0.50%	0.30%	-0.10%
PPI year over year	2023-2024	2.09%	--	2.66%
Core PPI	April	0.50%	0.20%	-0.10%
Core PPI year over year	2023-2024	2.37%	--	3.34%
WEDNESDAY, MAY 15				
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%
THURSDAY, MAY 16				
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%
FRIDAY, MAY 17				
U.S. leading economic indicators	April	Waiting for Results	-0.30%	-0.30%
MONDAY, MAY 20				
None scheduled				

Chart of the Day: US Producer Prices



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