



Calibrate | Focus | Execute

Market Conditions

May 17, 2024

| MBS | Current Price | Change | OAS Dur | OAS Yld | Vol |
|------------------|---------------|--------|---------|---------|------|
| FNMA30 6.0 JUNE | 100 14/32 | -5/32 | 4.47 | 6.02% | 3.63 |
| FNMA15 5.0 JUNE | 99 15/32 | -3/32 | 4.53 | 5.36% | 3.68 |
| GNMAI30 6.0 JUNE | 100 23/32 | -5/32 | 3.65 | 6.06% | 2.96 |

| Treasuries | Current Price | Change | Dur | Yld | Vol |
|---------------|---------------|--------|-------|------|-------|
| 5yr Treasury | 100 28/32 | -3/32 | 4.41 | 4.42 | 3.90 |
| 10yr Treasury | 99 25/32 | -5/32 | 7.58 | 4.40 | 6.34 |
| 30yr Treasury | 101 12/32 | -14/32 | 14.97 | 4.55 | 12.24 |

| Stocks | Current Price | % Change | Commodities | Current Price | Change |
|---------|---------------|----------|-------------|---------------|--------|
| Dow | 39,899.69 | +0.08% | Dollar | \$104.40 | -0.06% |
| S&P 500 | 5,298.18 | +0.03% | Gold | \$2,422.40 | +1.55% |
| Nasdaq | 16,701.38 | +0.03% | Crude Oil | \$79.50 | +0.35% |

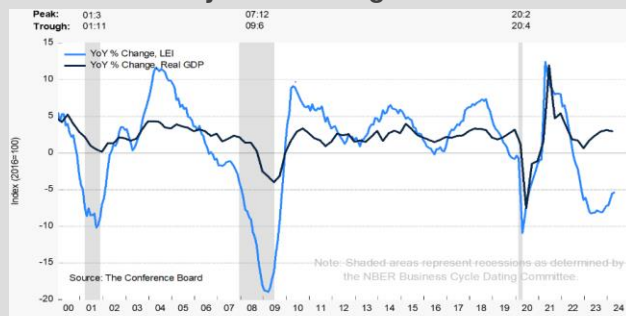
Economic Commentary

MBS prices are down about 5/32 this morning while the DOW is up about 15 points as Wall Street set up another bid to reach bullish milestones as investors dithered over the odds for rate cuts. Today's light economic and corporate calendar leaves few jumping-off points for the Dow to make another go at crossing its key juncture, while the S&P 500 and Nasdaq have their own fresh records within reach. That puts the spotlight on appearances by the Fed's Mary Daly and Christopher Waller today. The market will listen for any deviation from their colleagues' message that the Fed will follow the data and wait for clear signs of cooling inflation before making a move. Today's lone economic report showed that the Conference Board Leading Economic Index® (LEI) for the U.S. decreased by 0.6 percent in April 2024 to 101.8, after decreasing by 0.3 percent in March. Over the six-month period between October 2023 and April 2024, the LEI contracted by 1.9 percent, a smaller decrease than its 3.5 percent decline over the previous six months. "Another decline in the U.S. LEI confirms that softer economic conditions lay ahead," said Justyna Zabinska-La Monica, Senior Manager, Business Cycle Indicators, at The Conference Board. "Deterioration in consumers' outlook on business conditions, weaker new orders, a negative yield spread, and a drop in new building permits fueled April's decline. In addition, stock prices contributed negatively for the first time since October of last year. While the LEI's six-month and annual growth rates no longer signal a forthcoming recession, they still point to serious headwinds to growth ahead. Indeed, elevated inflation, high interest rates, rising household debt, and depleted pandemic savings are all expected to continue weighing on the US economy in 2024. As a result, we project that real GDP growth will slow to under 1 percent over the Q2 to Q3 2024 period."

Economic Calendar

| | PERIOD | ACTUAL | FORECAST | PREVIOUS |
|------------------------------------|--------|---------------------|----------|--------------|
| FRIDAY, MAY 17 | | | | |
| U.S. leading economic indicators | April | -0.60% | -0.30% | -0.30% |
| MONDAY, MAY 20 | | | | |
| None scheduled | | | | |
| TUESDAY, MAY 21 | | | | |
| None scheduled | | | | |
| WEDNESDAY, MAY 22 | | | | |
| Existing home sales | April | Waiting for Results | -- | 4.19 million |
| Minutes of Fed's May FOMC meeting | | | | |
| THURSDAY, MAY 23 | | | | |
| Initial jobless claims | 11-May | Waiting for Results | -- | 222,000 |
| S&P flash U.S. services PMI | May | Waiting for Results | -- | 51.70 |
| S&P flash U.S. manufacturing PMI | May | Waiting for Results | -- | 50.00 |
| New home sales | April | Waiting for Results | -- | 693,000 |
| FRIDAY, MAY 24 | | | | |
| Durable-goods orders | April | Waiting for Results | -- | -- |
| Durable-goods minus transportation | April | Waiting for Results | -- | -- |
| Consumer sentiment (final) | May | Waiting for Results | -- | -- |

Chart of the Day: US Leading Indicators



The LEI's April decline was driven by consumer sentiment, new orders, a negative yield spread and building permits

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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