



Market Conditions

June 18, 2024

MBS	Current Price	Change	OAS Dur	OAS Yld	Vol
FNMA30 6.0 JULY	100 25/32	+7/32	4.32	5.94%	3.69
FNMA15 5.0 JULY	99 20/32	+6/32	4.49	5.35%	3.83
GNMAI30 6.0 JULY	100 22/32	+6/32	3.62	6.09%	3.09

Treasuries	Current Price	Change	Dur	Yld	Vol
5yr Treasury	101 5/32	+10/32	4.40	4.24	4.07
10yr Treasury	101 9/32	+18/32	7.81	4.22	6.84
30yr Treasury	104 20/32	+1 1/32	15.68	4.36	13.45

Stocks	Current Price	% Change	Commodities	Current Price	Change
Dow	38,834.86	+0.15%	Dollar	\$105.27	-0.04%
S&P 500	5,487.03	+0.25%	Gold	\$2,345.30	+0.70%
Nasdaq	17,862.23	+0.03%	Crude Oil	\$81.43	+1.37%

Economic Commentary

MBS prices are up about 7/32 this morning while the DOW is up about 50 points as Nvidia surpassed Microsoft to become the most valuable public company. It wasn't all positive news after May's retail sales numbers disappointed. Government data released on Tuesday showed that retail sales increased just 0.1%, missing economist expectations, Yahoo Finance's Josh Schafer reported. Meanwhile, April's numbers were revised to show a decline. It could be a sign of more consumer strain amid high interest rates and persistently stubborn inflation. Also on Tuesday, a roster of Fed officials offered more commentary on the path of interest rates. Fed governor Ariana Kugler said she remained "optimistic that improving supply and cooling demand will support continued disinflation." "If the economy evolves as I am expecting, it will likely become appropriate to begin easing policy sometime later this year," she said. So far the message after last week's rate decision and forecast update has been clear: Expect one rate cut in 2024. Investors seemingly haven't yet taken this to heart, with over 60% still expecting two cuts by the end of the year, according to the CME FedWatch tool.

Economic Calendar

	PERIOD	ACTUAL	FORECAST	PREVIOUS
TUESDAY, JUNE 18				
U.S. retail sales	May	0.10%	0.20%	-0.20%
Retail sales minus autos	May	-0.10%	0.20%	-0.10%
Industrial production	May	0.90%	0.40%	0.00%
Capacity utilization	May	78.70%	78.60%	78.40%
Industrial production	May	0.30%	0.40%	0.00%
Business inventories	May	0.00%	0.30%	-0.10%
WEDNESDAY, JUNE 19				
Juneteenth Day holiday				
Home builder confidence index	June	Waiting for Results	45.00	45.00
THURSDAY, JUNE 20				
Initial jobless claims	15-Jun	Waiting for Results	236,000	242,000
U.S. current account	Q2	Waiting for Results	-\$205.5B	-\$194.8b
Housing starts	May	Waiting for Results	1.38 million	1.36 million
Building permits	May	Waiting for Results	1.46 million	1.44 million
Philadelphia Fed manufacturing survey	June	Waiting for Results	4.90	4.50
FRIDAY, JUNE 21				
S&P flash U.S. services PMI	June	Waiting for Results	53.90	54.80
S&P flash U.S. manufacturing PMI	June	Waiting for Results	51.00	51.30
Existing home sales	May	Waiting for Results	4.07 million	4.14 million
U.S. leading economic indicators	May	Waiting for Results	-0.40%	-0.60%
MONDAY, JUNE 24				
None scheduled				
TUESDAY, JUNE 25				
Case-Shiller home price index (20 cities)	April	Waiting for Results	--	7.40%
Consumer confidence	May	Waiting for Results	--	102.00
WEDNESDAY, JUNE 26				
New home sales	May	Waiting for Results	--	634,000
THURSDAY, JUNE 27				
Initial jobless claims	22-Jun	Waiting for Results	--	--
GDP (2nd revision)	Q1	Waiting for Results	--	1.30%
Durable-goods orders	May	Waiting for Results	--	0.60%
Durable-goods minus transportation	May	Waiting for Results	--	0.40%
Pending home sales	May	Waiting for Results	--	-7.70%
FRIDAY, JUNE 28				
Personal income (nominal)	May	Waiting for Results	--	0.30%
Personal spending (nominal)	May	Waiting for Results	--	0.20%
PCE index	May	Waiting for Results	--	0.30%
PCE (year-over-year)	2023-2024	Waiting for Results	--	2.70%
Core PCE index	May	Waiting for Results	--	0.20%
Core PCE (year-over-year)	2023-2024	Waiting for Results	--	2.80%
Chicago Business Barometer (PMI)	June	Waiting for Results	--	35.40
Consumer sentiment (final)	June	Waiting for Results	--	65.60

Chart of the Day: US Retail Sales (% Change)

