



Calibrate | Focus | Execute

Market Conditions

July 8, 2024

MBS	Current Price	Change	OAS Dur	OAS Yld	Vol
FNMA30 6.0 JULY	100 20/32	+1/32	4.22	5.95%	3.75
FNMA15 5.0 JULY	99 15/32	+1/32	4.51	5.34%	4.01
GNMA1130 6.0 JULY	100 23/32	+1/32	3.41	6.04%	3.04

Treasuries	Current Price	Change	Dur	Yld	Vol
5yr Treasury	100 2/32	+1/32	4.41	4.24	4.24
10yr Treasury	100 25/32	+1/32	8.00	4.28	7.29
30yr Treasury	102 20/32	+8/32	16.78	4.47	15.00

Stocks	Current Price	% Change	Commodities	Current Price	Change
Dow	39,284.06	-0.24%	Dollar	\$104.95	+0.07%
S&P 500	5,566.41	-0.01%	Gold	\$2,365.30	-1.32%
Nasdaq	18,385.22	+0.17%	Crude Oil	\$82.62	-0.65%

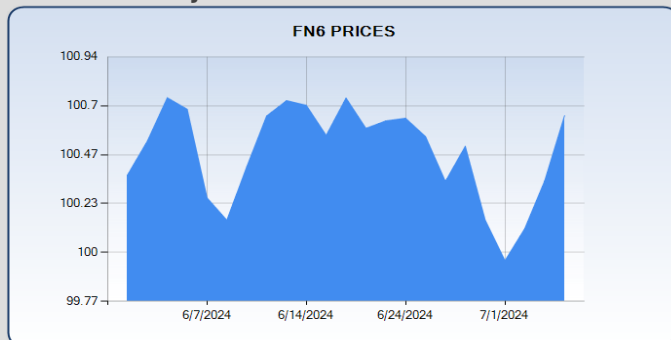
Economic Commentary

MBS prices are up about 1/32 this morning while the DOW is down about 90 points ahead of a consequential week that could provide key signals for the near-term path of interest rates. The S&P and Nasdaq are looking to build on records secured in the wake of Friday's jobs report, which signaled continued cooling in the labor market. That prompted an influx of bets on a September rate cut from the Federal Reserve. About 3 in 4 traders expect a cut in September, according to the CME FedWatch tool. Several events this week could add to that growing rate-cut momentum. Fed Chair Jerome Powell is set to appear in Congress for semiannual testimony on Tuesday and Wednesday. We expect him to reiterate the stance that progress is being made on inflation and that Fed officials are considering the timing of a rate cut based on incoming inflation and economic data. With the labor market showing the first real signs of softening in some time, we think the Fed's message will focus more on balancing its dual mandate of low inflation and full employment as we progress. Markets will no doubt be looking for any clues in this testimony of where the Fed is leaning in terms of timing for a rate cut. Then comes the latest Consumer Price Index print, set for release on Thursday. Economists expect headline inflation rose 3.1% over the last year, which would match the lows where the CPI started the year. In other market-moving events, a left-wing coalition in France garnered the most votes in the country's election, stunning a far-right that was hoping to secure a parliamentary majority. In corporates, Boeing pleaded guilty to a criminal conspiracy charge in relation to two fatal 737 Max crashes.

Economic Calendar

	PERIOD	ACTUAL	FORECAST	PREVIOUS
MONDAY, JULY 8				
Consumer credit	May	Waiting for Results	--	\$6.4B
TUESDAY, JULY 9				
NFIB optimism index	June	Waiting for Results	--	90.50
WEDNESDAY, JULY 10				
Wholesale inventories	May	Waiting for Results	--	0.10%
THURSDAY, JULY 11				
Initial jobless claims	6-Jul	Waiting for Results	--	238,000
Consumer price index	June	Waiting for Results	--	0.00%
CPI year over year	2023-2024	Waiting for Results	--	3.30%
Core CPI	June	Waiting for Results	--	0.20%
Core CPI year over year	2023-2024	Waiting for Results	--	3.40%
Monthly U.S. federal budget	June	Waiting for Results	--	--
FRIDAY, JULY 12				
Producer price index	June	Waiting for Results	--	-0.20%
PPI year over year	2023-2024	Waiting for Results	--	2.20%
Core PPI	June	Waiting for Results	--	0.00%
Core PPI year over year	2023-2024	Waiting for Results	--	3.20%
Consumer sentiment (prelim)	July	Waiting for Results	--	68.20
MONDAY, JULY 15				
Empire State manufacturing survey	July	Waiting for Results	--	-0.60%
Fed Chairman Powell speaks				

Chart of the Day:



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