



Calibrate | Focus | Execute

Market Conditions

July 11, 2024

MBS	Current Price	Change	OAS Dur	OAS Yld	Vol
FNMA30 6.0 JULY	101 1/32	+12/32	4.25	5.90%	3.60
FNMA15 5.0 JULY	99 30/32	+8/32	4.49	5.26%	3.80
GNMAI30 6.0 JULY	100 29/32	+6/32	3.41	6.05%	2.88

Treasuries	Current Price	Change	Dur	Yld	Vol
5yr Treasury	100 19/32	+18/32	4.41	4.12	4.04
10yr Treasury	101 18/32	+29/32	8.00	4.19	6.93
30yr Treasury	103 27/32	+1 16/32	16.78	4.40	14.26

Stocks	Current Price	% Change	Commodities	Current Price	Change
Dow	39,809.63	+0.23%	Dollar	\$104.40	-0.62%
S&P 500	5,588.67	-0.79%	Gold	\$2,429.50	+2.09%
Nasdaq	18,326.52	-1.74%	Crude Oil	\$82.56	+0.54%

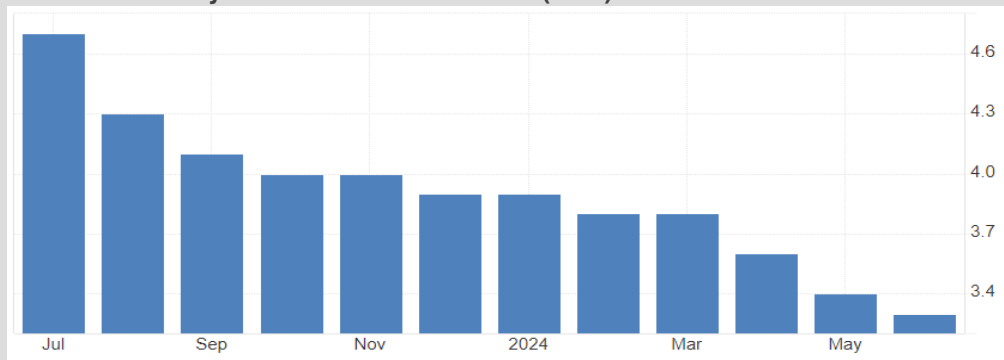
Economic Commentary

MBS prices are up about 12/32 this morning while the DOW is up about 90 points as investors rotated out of tech following a key report showing consumer prices unexpectedly fell on a month-over-month basis for the first time since 2020. Tech heavyweights Nvidia, Microsoft and Meta all fell. Meanwhile investors flocked to rate sensitive sectors like Real Estate and Utilities, up about 2% and 1.5% respectively. The Consumer Price Index (CPI) for June declined 0.1% over the previous month and increased just 3.0% over the prior year. The annual gain was the slowest rise in consumer prices since early 2021. The annual core consumer price inflation rate in the United States, which excludes volatile items such as food and energy, fell further to an over three-year low of 3.3% in June 2024, easing from 3.4% in the prior month and below market forecasts of 3.4%. The shelter index, accounting for over two thirds of the total 12-month increase in the all items less food and energy index, rose by 5.2% in June, down slightly from 5.4% in May. Prices also softened for motor vehicle insurance (19.5% vs 20.3% in May), while rising faster for personal care (3.2% vs 2.9%). On a monthly basis, core consumer prices rose by 0.1% from the previous month in June of 2024, easing from a 0.2% increase in May and below market expectations of a 0.2% increase to mark the softest increase in core consumer prices since at least February 2021. The number of people claiming unemployment benefits in the US fell by 17,000 from the prior week to 222,000 on the period ending July 6th, reaching a new 5-week low, and below market expectations of 236,000. The four-week moving average for initial claims, which reduces week-to-week volatility, dropped by 5,250 to 233,500. Stock gains have picked up pace this week as Fed Chair Jerome Powell has suggested that conditions are almost right for the Federal Reserve to start making interest-rate cuts. Thursday's inflation look bolstered bets on a cut by September, with around 90% of traders expecting such an outcome, according to the CME FedWatch tool.

Economic Calendar

	PERIOD	ACTUAL	FORECAST	PREVIOUS
THURSDAY, JULY 11				
Initial jobless claims	6-Jul	222,000	236,000	239,000
Consumer price index	June	-0.10%	0.10%	0.00%
CPI year over year	2023-2024	3.00%	3.10%	3.30%
Core CPI	June	0.10%	0.20%	0.20%
Core CPI year over year	2023-2024	3.30%	3.40%	3.40%
Monthly U.S. federal budget	June	--	--	--
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: US Core Inflation Rate (YoY)



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