



Calibrate | Focus | Execute

**Market Conditions**

July 12, 2024

MBS	Current Price	Change	OAS Dur	OAS Yld	Vol
FNMA30 6.0 AUG	101 2/32	+5/32	4.22	5.90%	3.57
FNMA15 5.0 AUG	99 30/32	+5/32	4.51	5.26%	3.81
GNMAI30 6.0 AUG	100 29/32	+4/32	3.39	6.01%	2.87

Treasuries	Current Price	Change	Dur	Yld	Vol
5yr Treasury	100 18/32	+4/32	4.41	4.12	4.05
10yr Treasury	101 14/32	+5/32	8.00	4.20	6.93
30yr Treasury	103 19/32	+8/32	16.78	4.41	14.26

Stocks	Current Price	% Change	Commodities	Current Price	Change
Dow	40,124.09	+0.94%	Dollar	\$104.12	-0.31%
S&P 500	5,638.15	+0.97%	Gold	\$2,420.30	-0.06%
Nasdaq	18,480.86	+1.10%	Crude Oil	\$82.64	+0.05%

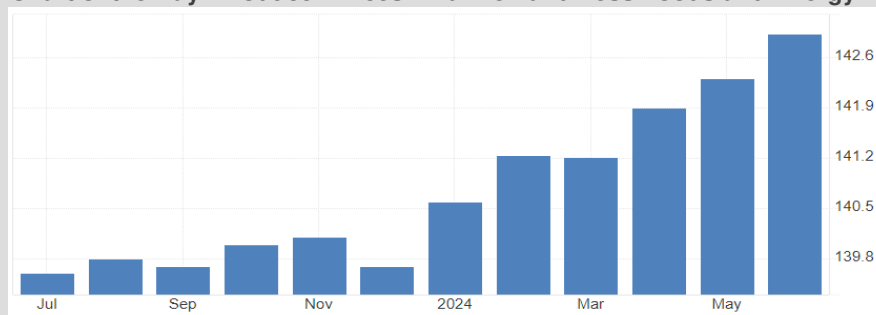
**Economic Commentary**

MBS prices are up about 5/32 this morning while the DOW is up about 360 points as investors assessed earnings reports from big Wall Street banks and clung to rate-cut hopes. A clutch of quarterly results from Wall Street banks got earnings season going in earnest before the bell, set to test the sector rally that has outstripped the S&P 500 this year. At the same time, the market is weighing the shift from this year's winners, Nvidia and the "Magnificent Seven" techs, which just booked their worst day in almost a year, to the likes of utilities and real estate stocks. Thursday's rotation out of techs came as investors took June's surprisingly mild consumer inflation print as reason for the Federal Reserve to cut rates. The market is almost fully pricing in a reduction in September, and bets are growing on a second cut in December, according to the CME FedWatch tool. Now the debate has shifted from whether the Fed will act to how often and how deep, with some on Wall Street calling for rates to drop by as much as 0.75% by the end of the year. Investors looking for easing price pressure on Friday confronted fresh data that complicated the narrative. The Labor Department said its producer price index rose 0.2% from May to June and registered a year-over-year increase of 2.6%, a larger-than-expected rise. Less encouraging wholesale inflation data clashes with a string of readings that suggested cooling price pressures. In global markets, Asia was mixed, with China up on higher-than-expected exports and Japan's Nikkei index lower after hitting record highs earlier this week, while Europe is broadly higher. Bond yields are down modestly, with the 10-year Treasury bond yield near 4.19%.

**Economic Calendar**

	PERIOD	ACTUAL	FORECAST	PREVIOUS
<b>FRIDAY, JULY 12</b>				
Producer price index	June	0.20%	0.10%	0.00%
PPI year over year	2023-2024	2.60	2.30%	2.40%
Core PPI	June	0.40%	0.20%	0.30%
Core PPI year over year	2023-2024	3.00%	2.50%	2.60%
Consumer sentiment (prelim)	July	66.0	68.50	68.20
<b>MONDAY, JULY 15</b>				
Empire State manufacturing survey	July	Waiting for Results	--	-0.60%
Fed Chairman Powell speaks				
<b>TUESDAY, JULY 16</b>				
U.S. retail sales	June	Waiting for Results	--	0.10%
Retail sales minus autos	June	Waiting for Results	--	-0.10%
Import price index	June	Waiting for Results	--	-0.40%
Import price index minus fuel	June	Waiting for Results	--	-0.30%
Business inventories	May	Waiting for Results	--	0.30%
Home builder confidence index	July	Waiting for Results	--	43.00
Fed Gov. Kugler speaks				
<b>WEDNESDAY, JULY 17</b>				
Housing starts	June	Waiting for Results	--	1.28 million
Building permits	June	Waiting for Results	--	1.39 million
Industrial production	June	Waiting for Results	--	0.90%
Capacity utilization	June	Waiting for Results	--	78.70%
Fed Beige Book				
<b>THURSDAY, JULY 18</b>				
Initial jobless claims	13-Jul	Waiting for Results	--	222,000
Philadelphia Fed manufacturing survey	July	Waiting for Results	--	130.00%
U.S. leading economic indicators	June	Waiting for Results	--	0.50%
<b>FRIDAY, JULY 19</b>				
NY Fed President Williams speaks				
AtI Fed President Raphael Bostic speaks				

**Chart of the Day: Producer Prices Final Demand Less Foods and Energy**



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