



Calibrate | Focus | Execute

Market Conditions

July 18, 2024

MBS	Current Price	Change	OAS Dur	OAS Yld	Vol
FNMA30 6.0 AUG	101 2/32	-1/32	4.06	5.86%	3.45
FNMA15 5.0 AUG	99 31/32	-2/32	4.49	5.31%	3.82
GNMAI30 6.0 AUG	100 26/32	-1/32	3.37	6.04%	2.86

Treasuries	Current Price	Change	Dur	Yld	Vol
5yr Treasury	100 22/32	-2/32	4.41	4.09	4.06
10yr Treasury	101 17/32	-5/32	8.00	4.17	6.97
30yr Treasury	103 22/32	-12/32	16.78	4.39	14.34

Stocks	Current Price	% Change	Commodities	Current Price	Change
Dow	40,888.72	-0.77%	Dollar	\$104.05	+0.29%
S&P 500	5,558.59	-0.54%	Gold	\$2,459.40	-0.02%
Nasdaq	17,879.20	-0.68%	Crude Oil	\$83.38	+0.62%

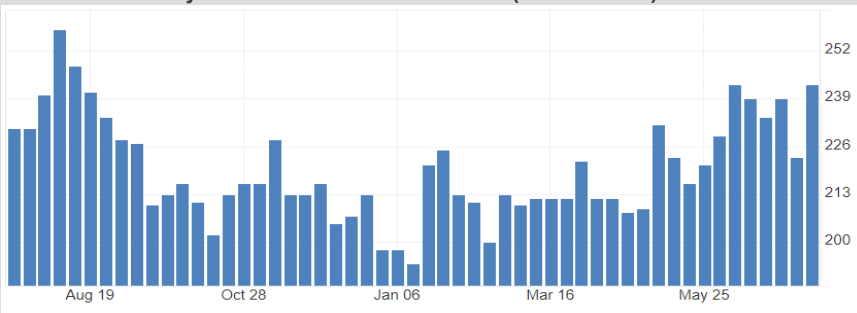
Economic Commentary

MBS prices are down about 1/32 this morning while the DOW is down about 300 points as tech stocks failed to make a comeback following the Nasdaq's worst day since 2022, even as chip manufacturer TSMC posted better-than-expected results. The rally on Wall Street has hit increasing turbulence this week as political, geopolitical, and trade risks unsettle a market finally confident that the Fed will cut interest rates this year. A sign the labor market is cooling further bolstered those rate-cut hopes on Thursday. The number of people claiming unemployment benefits in the US rose by 10,000 to 243,000 on the period ending July 13th, reaching a new weekly high, surpassing market expectations of 230,000. This increase, along with other key indicators, suggests that the US labor market continued to soften during this period, bolstering expectations that the Federal Reserve may lower benchmark borrowing costs by September. Meanwhile, the outstanding claim count increased by 20,000 to 1,867,000 on the week ending July 6th. The four-week moving average for initial claims, which reduces week-to-week volatility, rose by 1,000 to 234,750. On a non-seasonally adjusted basis, claims soared by 36,824 to 279,032, with expansions noted in Texas (+11,537) and California (+6,917). Elsewhere, investors are keeping a watchful eye on the US presidential race, given Republican nominee Donald Trump's potential to move markets. President Joe Biden has come down with COVID-19 at a key point in his campaign, and key Democratic leaders have revived talk of an exit.

Economic Calendar

	PERIOD	ACTUAL	FORECAST	PREVIOUS
THURSDAY, JULY 18				
Initial jobless claims	13-Jul	243,000	229,000	223,000
Philadelphia Fed manufacturing survey	July	19.90	2.90	1.30
U.S. leading economic indicators	June	-0.20%	-0.30%	-0.40%
FRIDAY, JULY 19				
NY Fed President Williams speaks				
All Fed President Raphael Bostic speaks				
MONDAY, JULY 22				
None scheduled				
TUESDAY, JULY 23				
Existing home sales	June	Waiting for Results	--	4.11 million
WEDNESDAY, JULY 24				
New home sales	June	Waiting for Results	--	619,000
THURSDAY, JULY 25				
GDP	Q2	Waiting for Results	--	1.40%
Initial jobless claims	20-Jul	Waiting for Results	--	243,000
Durable-goods orders	June	Waiting for Results	--	-0.50%
Durable-goods minus transportation	June	Waiting for Results	--	-0.10%
Advanced U.S. trade balance in goods	June	Waiting for Results	--	-\$99.4B
Advanced retail inventories	June	Waiting for Results	--	0.70%
Advanced wholesale inventories	June	Waiting for Results	--	0.60%
FRIDAY, JULY 26				
Personal income (nominal)	June	Waiting for Results	--	0.50%
Personal spending (nominal)	June	Waiting for Results	--	0.20%
PCE index	June	Waiting for Results	--	0.00%
PCE (year-over-year)	2023-2024	Waiting for Results	--	2.60%
Core PCE index	June	Waiting for Results	--	0.10%
Core PCE (year-over-year)	2023-2024	Waiting for Results	--	2.60%
Consumer sentiment (final)	July	Waiting for Results	--	66

Chart of the Day: US Initial Jobless Claims (Thousands)



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