



Calibrate | Focus | Execute

**Market Conditions**

**August 1, 2024**

MBS	Current Price	Change	OAS Dur	OAS Yld	Vol
FNMA30 6.0 AUG	101 15/32	+3/32	3.96	5.79%	3.39
FNMA15 5.0 AUG	100 14/32	+5/32	4.50	5.21%	3.85
GNMAII30 6.0 AUG	101 10/32	+3/32	3.37	5.96%	2.89

Treasuries	Current Price	Change	Dur	Yld	Vol
5yr Treasury	100 20/32	+8/32	4.48	3.89	4.14
10yr Treasury	103 4/32	+13/32	8.04	4.01	7.04
30yr Treasury	105 31/32	+21/32	16.81	4.29	14.46

Stocks	Current Price	% Change	Commodities	Current Price	Change
Dow	40,656.36	-0.49%	Dollar	\$104.19	+0.10%
S&P 500	5,524.39	+0.02%	Gold	\$2,496.10	+0.91%
Nasdaq	17,603.12	+0.04%	Crude Oil	\$77.90	-0.10%

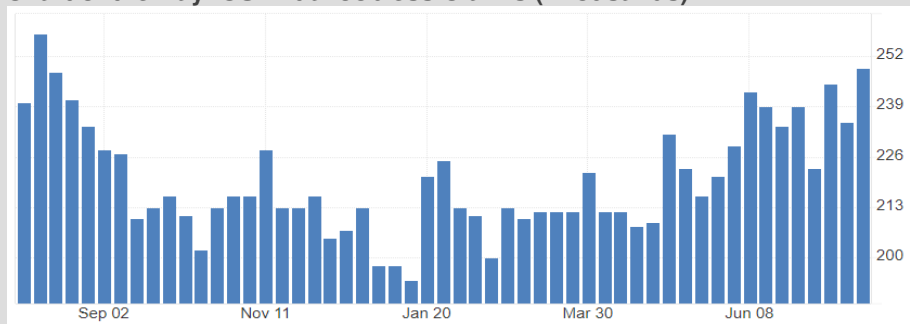
**Economic Commentary**

MBS prices are up about 3/32 this morning while the DOW is down about 90 points while the S&P and Nasdaq are up, building on the prior session's rally after the Federal Reserve laid the groundwork for a September rate cut and Facebook parent Meta reported better than expected results. Today's economic reports showed that Initial jobless claims for the week ending July 27 increased by 14,000 to 249,000 (Briefing.com consensus 233,000). Continuing jobless claims for the week ending July 20 increased by 33,000 to 1.877 million. That is the highest level since November 27, 2021. The key takeaway from the report is the rising level of initial claims, a leading indicator, which connotes some softening in the labor market that is expected to curtail discretionary spending activity. The print will pave the way for tomorrow's release of the July jobs report, watched closely for further evidence of the cooling labor market crucial to Fed policy. Nonfarm business sector labor productivity increased 2.3% in the second quarter (Briefing.com consensus 1.6%) following an upwardly revised 0.4% increase (from 0.2%) in the first quarter. Unit labor costs were up just 0.9% (Briefing.com consensus 1.7%) following a downwardly revised 3.8% increase (from 4.0%) in the first quarter. The key takeaway from the report was the moderation in unit labor costs, which the Fed is eyeing closely. Unit labor costs increased 0.5% over the last four quarters, which is the lowest rate since the third quarter of 2019. The ISM's manufacturing PMI registered a reading of 46.8 in July, down from June reading of 48.5 and lower than the 48.5 economists expected, according to Bloomberg data. The reading was the lowest reading since November 2023. Readings above 50 for this index indicate an expansion in activity while readings below 50 indicate contraction. "Demand remains subdued, as companies show an unwillingness to invest in capital and inventory due to current federal monetary policy and other conditions," Chair of the Institute for Supply Management Timothy Fiore said in a release.

**Economic Calendar**

	PERIOD	ACTUAL	FORECAST	PREVIOUS
<b>THURSDAY, AUG 1</b>				
Initial jobless claims	27-Jul	249,000	233,000	235,000
U.S. productivity	Q2	2.30%	1.70%	0.40%
S&P U.S. manufacturing PMI	July	54.0	--	52.5
ISM manufacturing	July	49.6	49.5	51.6
Construction spending	June	-0.30%	0.20%	-0.40%
<b>FRIDAY, AUG. 2</b>				
U.S. employment report	July	Waiting for Results	190,000	206,000
U.S. unemployment rate	July	Waiting for Results	4.10%	4.10%
U.S. hourly wages	July	Waiting for Results	0.30%	0.30%
Hourly wages year over year	2023-2024	Waiting for Results	3.70%	3.90%
Factory orders	June	Waiting for Results	-3.10%	-0.50%
<b>MONDAY, AUG. 5</b>				
S&P final U.S. services PMI	July	Waiting for Results	--	55.00%
ISM services	July	Waiting for Results	--	48.80%
<b>TUESDAY, AUG. 6</b>				
U.S. trade deficit	June	Waiting for Results	--	-\$75.1B
<b>WEDNESDAY, AUG. 7</b>				
Consumer credit	June	Waiting for Results	--	\$11.3B
<b>THURSDAY, AUG. 8</b>				
Initial jobless claims	Aug. 3	Waiting for Results	--	249,000
Wholesale inventories	June	Waiting for Results	--	0.60%

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



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