



Calibrate | Focus | Execute

**Market Conditions**

**August 7, 2024**

MBS	Current Price	Change	OAS Dur	OAS Yld	Vol
FNMA30 5.5 AUG	100 12/32	-3/32	4.16	5.55%	3.47
FNMA15 5.0 AUG	100 17/32	-2/32	4.28	4.84%	3.58
GNMAII30 5.5 AUG	100 11/32	-3/32	4.08	5.69%	3.41

Treasuries	Current Price	Change	Dur	Yld	Vol
5yr Treasury	100 29/32	-9/32	4.48	3.79	4.06
10yr Treasury	103 11/32	-16/32	8.04	3.94	6.89
30yr Treasury	106 16/32	-1 1/32	16.81	4.22	14.11

Stocks	Current Price	% Change	Commodities	Current Price	Change
Dow	39,039.29	+0.14%	Dollar	\$103.21	+0.23%
S&P 500	5,254.57	+0.30%	Gold	\$2,433.40	+0.07%
Nasdaq	16,397.81	+0.18%	Crude Oil	\$75.15	+2.65%

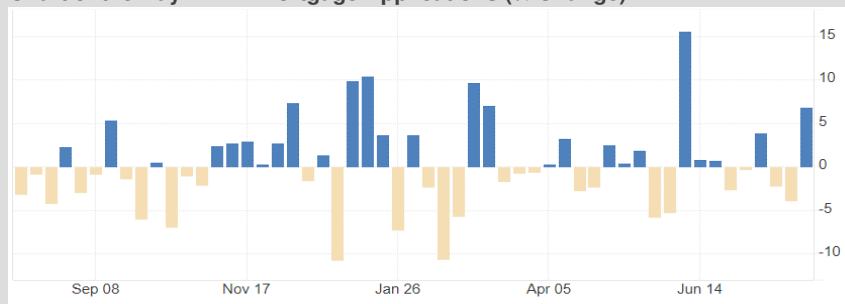
**Economic Commentary**

MBS prices are down about 3/32 this morning while the DOW is up about 50 points as investors look to build on yesterday's rebound that snapped a three-day losing streak for the major averages. Global markets continued to recover after a 12% drop in Japan's Nikkei that sent shockwaves worldwide. The Nikkei rose 2.5% this morning. Stocks across most of Europe were also higher. Investors will also keep a close eye on the VIX known as Wall Street's "fear gauge" which spiked into the low 60s on Monday, levels last seen during the throes of the pandemic. Early Wednesday, the VIX was sitting closer to 22. Ahead of last week's sell-off, the VIX had been trading in the teens, though it had been on a steady climb for much of July. The earnings and economic calendar remains relatively sparse, with the weekly report on mortgage applications this morning serving as the most notable piece of economic news. Mortgage applications in the US soared by 6.9% from the previous week in the period ending August 2nd, the sharpest increase in nearly two months, and fully erasing the cumulative declines in applications from the two prior weeks. The rebound was in line with a 27bps drop in average mortgage rates for 30-year contracts, which took borrowing costs to their lowest in 15 months, as bets of a dovish Fed lowered the yield in long-dated Treasury notes and bonds. Applications for a loan to refinance a mortgage, which are more sensitive to weekly changes in interest rates, soared by nearly 16%. In the meantime, applications for a mortgage to purchase a new home edged higher by a softer 1%.

**Economic Calendar**

	PERIOD	ACTUAL	FORECAST	PREVIOUS
<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%
<b>FRIDAY, AUG. 9</b>				
None scheduled				
<b>MONDAY, AUG. 12</b>				
Monthly U.S. federal budget	July	Waiting for Results	--	-\$347B
<b>TUESDAY, AUG. 13</b>				
NFIB optimism index	July	Waiting for Results	--	91.50
Producer price index	July	Waiting for Results	--	0.20%
Core PPI	July	Waiting for Results	--	0.00%
PPI year over year	2023-2024	Waiting for Results	--	2.60%
Core PPI year over year	2023-2024	Waiting for Results	--	3.10%
<b>WEDNESDAY, AUG. 14</b>				
Consumer price index	July	Waiting for Results	--	-0.10%
CPI year over year	2023-2024	Waiting for Results	--	3.00%
Core CPI	July	Waiting for Results	--	0.10%
Core CPI year over year	2023-2024	Waiting for Results	--	3.30%
<b>THURSDAY, AUG. 15</b>				
Initial jobless claims	Aug. 10	Waiting for Results	--	0.00%
Empire State manufacturing survey	Aug.	Waiting for Results	--	-6.60
Philadelphia Fed manufacturing survey	Aug.	Waiting for Results	--	13.90
U.S. retail sales	July	Waiting for Results	--	0.00%
Retail sales minus autos	July	Waiting for Results	--	0.40%
Import price index	July	Waiting for Results	--	0.00%
Import price index minus fuel	July	Waiting for Results	--	0.20%
Industrial production	July	Waiting for Results	--	0.60%
Capacity utilization	July	Waiting for Results	--	78.80%
Business inventories	June	Waiting for Results	--	0.50%
<b>FRIDAY, AUG. 16</b>				
Consumer sentiment (prelim)	Aug.	Waiting for Results	--	66.40
Housing starts	July	Waiting for Results	--	1.35 million
Building permits	July	Waiting for Results	--	1.45 million
Home builder confidence index	July	Waiting for Results	--	42.00

**Chart of the Day: MBA Mortgage Applications (% Change)**



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