



Calibrate | Focus | Execute

Market Conditions

September 9, 2024

MBS	Current Price	Change	OAS Dur	OAS Yld	Vol
FNMA30 5.5 SEP	101 8/32	+1/32	4.10	5.40%	3.81
FNMA15 5.0 SEP	101 6/32	-1/32	4.32	4.68%	4.01
GNMAI30 5.5 SEP	101 1/32	+1/32	3.79	5.56%	3.51

Treasuries	Current Price	Change	Dur	Yld	Vol
5yr Treasury	100 18/32	-1/32	4.51	3.50	4.50
10yr Treasury	101 12/32	+1/32	8.23	3.71	7.80
30yr Treasury	104 7/32	+8/32	17.35	4.00	16.15

Stocks	Current Price	% Change	Commodities	Current Price	Change
Dow	40,988.72	+1.58%	Dollar	\$101.28	+0.17%
S&P 500	5,479.73	+1.32%	Gold	\$2,531.60	+0.29%
Nasdaq	16,892.44	+1.23%	Crude Oil	\$68.73	+1.64%

Economic Commentary

MBS prices are up about 1/32 this morning while the DOW is up about 600 points as inflation came back into focus for investors gauging pressures that could influence the size of interest rate cuts. The major averages were on pace to regain some of the ground they lost after the August jobs report failed to settle a key question: How aggressively will the Federal Reserve lower interest rates? The neither-hot-nor-cold data left Wall Street guessing whether a cut of 25 or 50 basis points is likely at this month's policy meeting. At the same time, comments by Fed officials appeared to tilt the market in favor of a 0.25% cut by suggesting that incoming data would have to support the need for larger and further easing. Focus is now on a fresh consumer inflation print due Wednesday to provide clues to the path of rates. The reading on price pressures will be followed by a producer inflation report on Thursday, the last inflation inputs before the Fed's policy decision on Sept. 18. The corporate highlight of the week is Apple's annual iPhone event, which kicks off on Monday. Apple is expected to launch its iPhone 16 line and provide an update on Apple Intelligence AI features, both closely watched as the likes of Huawei challenge the "Magnificent Seven" tech megacap in the market. Today's economic report showed that US wholesale inventories rose by 0.2% month-over-month to \$903.5 billion in July 2024, slightly below the advance estimate of a 0.3% rise, following a revised flat reading in the previous month. Stocks of nondurables increased faster (0.5% vs 0.4% in June), mainly on account of drugs (2.5%) and miscellaneous nondurables (0.8%). Meanwhile, durable goods saw a slight rebound (0.1% vs. -0.2%), primarily computer equipment (1.4%), professional equipment (1.3%) and automotive (1%), offsetting steep decreases in metals (-1.3%) and miscellaneous durables (-1.3%). On a year-over-year basis, wholesale inventories increased by 0.4% in July, below the previously estimated 0.6% growth.

Economic Calendar

	PERIOD	ACTUAL	FORECAST	PREVIOUS
MONDAY, SEPT. 9				
Wholesale inventories	July	0.20%	0.30%	0.00%
Consumer credit	Aug.	Waiting For Results	--	\$8.9B
TUESDAY, SEPT 10				
NFIB optimism index	Aug.	Waiting For Results	--	93.70
WEDNESDAY, SEPT. 11				
Consumer price index	Aug.	Waiting For Results	--	0.00
CPI year over year	2023-2024	Waiting For Results	--	0.03
Core CPI	Aug.	Waiting For Results	--	0.00
Core CPI year over year	2023-2024	Waiting For Results	--	0.03
THURSDAY, SEPT 12				
Initial jobless claims	Sept. 7	Waiting For Results	--	0.00
Producer price index	Aug.	Waiting For Results	--	0.00
Core PPI	Aug.	Waiting For Results	--	0.00
PPI year over year	2023-2024	Waiting For Results	--	0.02
Core PPI year over year	2023-2024	Waiting For Results	--	0.03
Monthly U.S. federal budget	Aug.	Waiting For Results	--	0.00
FRIDAY, SEPT 13				
Import price index	Aug.	Waiting For Results	--	0.00
Import price index minus fuel	Aug.	Waiting For Results	--	0.00
Consumer sentiment (prelim)	Sept.	Waiting For Results	--	--

Chart of the Day: US Wholesale Inventories (% Change)

