



Calibrate | Focus | Execute

Market Conditions

September 10, 2024

MBS	Current Price	Change	OAS Dur	OAS Yld	Vol
FNMA30 5.5 SEP	101 14/32	+2/32	4.18	5.39%	3.88
FNMA15 5.0 SEP	101 10/32	+3/32	4.32	4.64%	4.01
GNMAII30 5.5 SEP	101 6/32	+2/32	3.80	5.55%	3.52

Treasuries	Current Price	Change	Dur	Yld	Vol
5yr Treasury	100 27/32	+7/32	4.51	3.47	4.50
10yr Treasury	101 25/32	+12/32	8.23	3.68	7.80
30yr Treasury	104 29/32	+20/32	17.35	3.99	16.15

Stocks	Current Price	% Change	Commodities	Current Price	Change
Dow	40,449.57	-0.92%	Dollar	\$101.64	+0.09%
S&P 500	5,447.64	-0.44%	Gold	\$2,541.20	+0.32%
Nasdaq	16,827.48	-0.38%	Crude Oil	\$65.58	-4.57%

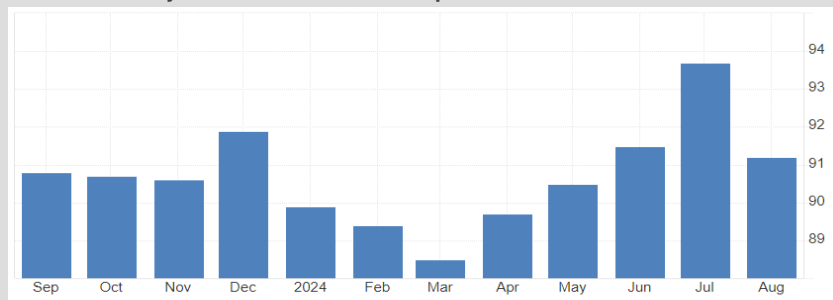
Economic Commentary

MBS prices are up about 2/32 this morning while the DOW is down about 400 points as investors geared up for a looming consumer inflation report seen as crucial to determining the size of the first US interest-rate cut in years. The moves follow yesterday's sharp rebound, which saw the major gauges surge over 1% as investors went post-rout bargain hunting. Volatility is stalking the markets as investors waver between hopes for a hefty 0.5% rate cut from the Federal Reserve and worries about recession risks. The countdown is on to the August consumer inflation reading on Wednesday, which could be decisive for rate-cut expectations after the monthly jobs report left the market guessing. With the Fed's policy decision just days away, investors are still unsure whether a 25- or 50-basis-point cut is on the way. The CPI update and Thursday's wholesale inflation reading are the last two inflation inputs before policymakers meet on Sept. 17. Today's lone economic report showed that the NFIB Small Business Optimism Index in the US decreased to 91.2 in August 2024, the lowest in three months, compared to 93.7 in July and forecasts of 93.6. "Historically high inflation remains the top issue for owners as sales expectations plummet and cost pressures increase. Uncertainty among small business owners continues to rise as expectations for future business conditions worsen", said NFIB Chief Economist Bill Dunkelberg. Twenty-four percent of owners reported inflation as their single most important problem in operating their business, down one point from July. The net percent of owners expecting higher real sales volumes fell nine points to a net negative 18%. Also, a net 20% plan to raise compensation in the next three months, up two points from July. The net percent of owners raising average selling prices fell two points to a net 20%.

Economic Calendar

	PERIOD	ACTUAL	FORECAST	PREVIOUS
TUESDAY, SEPT 10				
NFIB optimism index	Aug.	91.2	93.60	93.70
WEDNESDAY, SEPT. 11				
Consumer price index	Aug.	Waiting For Results	0.20%	0.20%
CPI year over year	2023-2024	Waiting For Results	2.60%	2.90%
Core CPI	Aug.	Waiting For Results	0.20%	0.20%
Core CPI year over year	2023-2024	Waiting For Results	3.20%	3.20%
THURSDAY, SEPT 12				
Initial jobless claims	Sept. 7	Waiting For Results	225,000	227,000.00
Producer price index	Aug.	Waiting For Results	0.20%	0.10%
Core PPI	Aug.	Waiting For Results	0.20%	0.30%
PPI year over year	2023-2024	Waiting For Results	--	2.20%
Core PPI year over year	2023-2024	Waiting For Results	--	3.30%
Monthly U.S. federal budget	Aug.	Waiting For Results	-\$317.3B	\$89B
FRIDAY, SEPT 13				
Import price index	Aug.	Waiting For Results	-0.30%	0.10%
Import price index minus fuel	Aug.	Waiting For Results	--	0.10%
Consumer sentiment (prelim)	Sept.	Waiting For Results	68.50	67.90
MONDAY, SEPT 16				
Empire State manufacturing survey	Sept.	Waiting For Results	--	-4.70
TUESDAY, SEPT 17				
U.S. retail sales	Aug.	Waiting For Results	--	1.00%
Retail sales minus autos	Aug.	Waiting For Results	--	0.40%
Industrial production	Aug.	Waiting For Results	--	-0.60%
Capacity utilization	Aug.	Waiting For Results	--	77.80%
Business inventories	July	Waiting For Results	--	0.30%
Home builder confidence index	Sept.	Waiting For Results	--	39.00
WEDNESDAY, SEPT 18				
Housing starts	Aug.	Waiting For Results	--	1.24 million
Building permits	Aug.	Waiting For Results	--	1.4 million
FOMC interest-rate decision				
Fed Chair Powell press conference				
THURSDAY, SEPT 19				
Initial jobless claims	Sept. 14	Waiting For Results	--	--
Philadelphia Fed manufacturing survey	Sept.	Waiting For Results	--	-7.00
Existing home sales	Aug.	Waiting For Results	--	3.95 million
U.S. leading economic indicators	Aug.	Waiting For Results	--	-0.60%
FRIDAY, SEPT 20				
None scheduled				

Chart of the Day: NFIB Small Business Optimism Index



Mortgage Capital Management, Inc. | 858-483-4404 | info@mortcap.com | mortcap.com

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