



Calibrate | Focus | Execute

Market Conditions

September 11, 2024

MBS	Current Price	Change	OAS Dur	OAS Yld	Vol
FNMA30 5.5 SEP	101 15/32	-1/32	4.00	5.35%	3.71
FNMA15 5.0 SEP	101 14/32	-1/32	4.33	4.61%	4.02
GNMAI30 5.5 SEP	101 5/32	-1/32	3.72	5.52%	3.45

Treasuries	Current Price	Change	Dur	Yld	Vol
5yr Treasury	100 26/32	-3/32	4.51	3.40	4.48
10yr Treasury	101 26/32	-3/32	8.23	3.62	7.79
30yr Treasury	104 31/32	-1/32	17.35	3.93	16.15

Stocks	Current Price	% Change	Commodities	Current Price	Change
Dow	40,288.56	-0.92%	Dollar	\$101.68	+0.05%
S&P 500	5,461.44	-0.44%	Gold	\$2,542.50	-0.02%
Nasdaq	17,033.41	-0.38%	Crude Oil	\$67.30	+2.36%

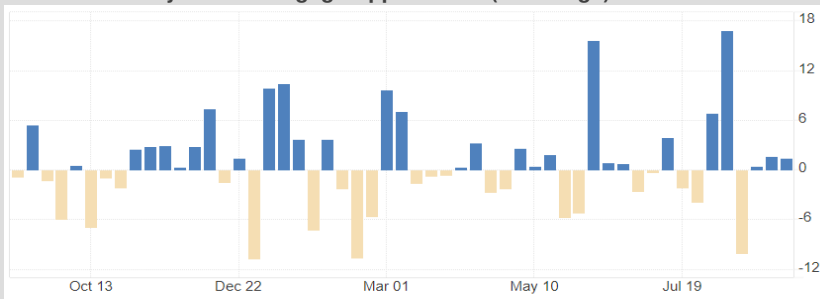
Economic Commentary

Today is Patriot Day and we honor the nearly 3,000 lives lost in the 2001 terror attacks. MBS prices are down about 1/32 this morning while the DOW is down about 450 points as investors digested an inflation report that showed consumer price increases ticked lower during August and analyzed the first presidential debate between Donald Trump and Kamala Harris. Investors had been looking to August's consumer price index to lift the uncertainty around the size of the Federal Reserve's first interest-rate cut in years. The data showed headline inflation slipping to a more than three-year low. But "core" prices, which strip out the more volatile costs of food and gas, climbed 0.3% over the prior month, above the 0.2% economists had expected. After a mixed monthly jobs report, the price data was expected to help settle the debate over whether to expect a 0.5% or 0.25% easing in the Fed's policy decision next week. And after the hotter-than-expected month-over-month increase for core inflation, traders are now favoring a smaller cut from the Fed at its meeting next week. The odds of the Fed lowering rates by 50 basis points now sit at just 15%, down from the 44% chance seen a week prior, per the CME FedWatch Tool. Meanwhile, investors were assessing Tuesday night's Trump-Harris presidential debate for insight into the nominees' plans for the economy. Their exchanges were seen as light on detail on issues that could sway markets, such as tariffs, taxes, and regulation. Mortgage applications in the US rose 1.4% in the week ending September 6, 2024, following a 1.6% increase in the previous period, data from the Mortgage Bankers Association data showed. Applications to buy a home advanced 2% while those to refinance a home loan were up 1%. Meanwhile, the average contract interest rate for 30-year fixed-rate mortgages with conforming loan balances fell for the sixth straight week to 6.29% from 6.43%.

Economic Calendar

	PERIOD	ACTUAL	FORECAST	PREVIOUS
WEDNESDAY, SEPT. 11				
Consumer price index	Aug.	0.20%	0.20%	0.20%
CPI year over year	2023-2024	2.50%	2.60%	2.90%
Core CPI	Aug.	0.30%	0.20%	0.20%
Core CPI year over year	2023-2024	3.20%	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: MBA Mortgage Applications (% Change)



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

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