



Calibrate | Focus | Execute

### Market Conditions

September 25, 2024

MBS	Current Price	Change	OAS Dur	OAS Yld	Vol
FNMA30 5.5 OCT	101 7/32	-7/32	3.73	5.37%	3.49
FNMA15 5.0 OCT	101 15/32	-2/32	4.34	4.59%	4.07
GNMAII30 5.5 OCT	100 29/32	-6/32	3.52	5.54%	3.30

Treasuries	Current Price	Change	Dur	Yld	Vol
5yr Treasury	100 16/32	-5/32	4.51	3.51	4.52
10yr Treasury	100 27/32	-10/32	8.23	3.77	7.86
30yr Treasury	102 6/32	-20/32	17.35	4.12	16.31

Stocks	Current Price	% Change	Commodities	Current Price	Change
Dow	41,964.03	-0.59%	Dollar	\$100.83	+0.37%
S&P 500	5,726.31	-0.10%	Gold	\$2,679.90	+0.10%
Nasdaq	18,102.29	+0.15%	Crude Oil	\$69.62	-2.79%

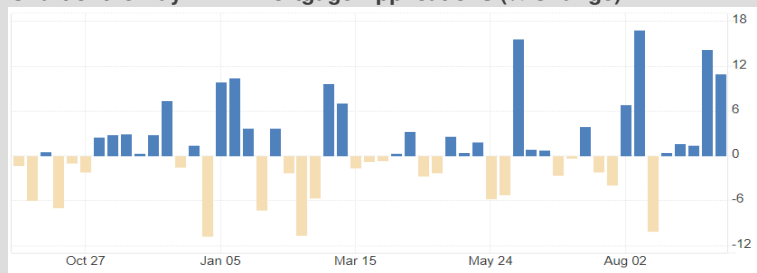
### Economic Commentary

MBS prices are down about 7/32 this morning while the DOW is down about 270 points as investors look to new data for clues to the health of the economy and the chances of another jumbo rate cut. The question now becomes whether or not the US economy could find itself in a recession, with concerns fanned by a surprisingly weak reading on consumer confidence yesterday. The debate centers on whether the Federal Reserve lowered rates by a bigger-than-usual 0.5% in response to a slowing economy and what further malaise means for another hoped-for deep cut. Today's lone economic report showed that sales of new single-family houses in the United States fell by 4.7% from the previous month to a seasonally adjusted annualized rate of 716,000 in August of 2024, trimming the revised 10.3% jump in the previous month but slightly ahead of market expectations of 700,000 sales in the period. The drop was owed to a 17.8% plunge in new home sales in the West, dropping to a three-month low of 152,000 annual sales. Sales were also sharply lower in the Northeast, plunging 27.3% to a three-month low of 24,000, and in the Midwest, which fell by 5.8% to 81,000. On the other hand, new home sales edged higher by 2.7% to 459,000 in the South. Mortgage applications however soared by 11% from the previous week in the period ending September 20th, extending the surge of 14.2% in the previous week, to lift mortgage application volumes to their highest since June 2022, according to data compiled by the MBA. The upswing in mortgage demand was in line with the continued drop in benchmark mortgage rates, with that on a 30-year fixed contract easing to a two-year low of 6.13% as the outlook of a dovish Fed kept the yield on long-term Treasuries in check. Application volumes to refinance a home, which are more sensitive to short-term changes in interest rates, surged by 20% from the prior week. In the meantime, applications to purchase a new home rose by 1% in the period. The spotlight is firmly on Thursday's second quarter GDP print and Friday's crucial reading on the PCE index — the inflation gauge favored by the Fed. Speaking of the central bank, the parade of Fed speakers continues with governor Adriana Kugler, whose comments will likewise be scrutinized for insight into the size and pace of coming rate cuts when she appears later today.

### Economic Calendar

	PERIOD	ACTUAL	FORECAST	PREVIOUS
<b>WEDNESDAY, SEPT. 25</b>				
New home sales	Aug.	716,000	700,000	751,000
<b>THURSDAY, SEPT. 26</b>				
Initial jobless claims	Sept. 21	Waiting For Results	223,000	219,000
Durable-goods orders	Aug.	Waiting For Results	-3.00%	9.80%
Durable-goods minus transportation	Aug.	Waiting For Results	--	-0.20%
GDP (second revision)	Q2	Waiting For Results	2.90%	3.00%
Pending home sales	Aug.	Waiting For Results	1.00%	-5.50%
<b>FRIDAY, SEPT. 27</b>				
Personal income	Aug.	Waiting For Results	0.40%	0.30%
Personal spending	Aug.	Waiting For Results	0.30%	0.50%
PCE index	Aug.	Waiting For Results	0.10%	0.20%
PCE (year-over-year)	2023-2024	Waiting For Results	2.20%	2.50%
Core PCE index	Aug.	Waiting For Results	0.20%	0.20%
Core PCE (year-over-year)	2023-2024	Waiting For Results	2.70%	2.60%
Advanced U.S. trade balance in goods	Aug.	Waiting For Results	--	102.7B
Advanced wholesale inventories	Aug.	Waiting For Results	--	0.30%
Advanced retail inventories	Aug.	Waiting For Results	--	0.80%
Consumer sentiment (final)	Sept.	Waiting For Results	69.20	69.00
<b>MONDAY, SEPT. 30</b>				
Chicago Business Barometer (PM)	Sept.	Waiting For Results	--	46.10
<b>TUESDAY, OCT. 1</b>				
S&P final U.S. manufacturing PMI	Sept.	Waiting For Results	--	--
ISM manufacturing	Sept.	Waiting For Results	--	0.47
Construction spending	Aug.	Waiting For Results	--	-0.30%
Job openings	Aug.	Waiting For Results	--	--
Auto sales	Sept.	Waiting For Results	--	15.1 million
<b>WEDNESDAY, OCT. 2</b>				
ADP employment	Sept.	Waiting For Results	--	99,000
<b>THURSDAY, OCT. 3</b>				
Initial jobless claims	Sept. 28	Waiting For Results	--	--
S&P final U.S. services PMI	Sept.	Waiting For Results	--	--
ISM services	Sept.	Waiting For Results	--	51.50%
Factory orders	Aug.	Waiting For Results	--	0.05

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



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Sources: Bloomberg, Reuters, MarketWatch.com, edwardjones.com, advisorsperspectives.com, laintedalpha.com, options express, yahoo finance, eslimize.com, stockcharts.com, tradingeconomics.com, investing.com