



Calibrate | Focus | Execute

Market Conditions

September 27, 2024

MBS	Current Price	Change	OAS Dur	OAS Yld	Vol
FNMA30 5.5 OCT	101 11/32	+6/32	3.71	5.33%	3.40
FNMA15 5.0 OCT	101 18/32	+5/32	4.32	4.62%	3.96
GNMAII30 5.5 OCT	101 2/32	+6/32	3.53	5.51%	3.24

Treasuries	Current Price	Change	Dur	Yld	Vol
5yr Treasury	99 31/32	+9/32	4.51	3.51	4.43
10yr Treasury	101 1/32	+12/32	8.23	3.75	7.70
30yr Treasury	102 20/32	+21/32	17.35	4.10	15.97

Stocks	Current Price	% Change	Commodities	Current Price	Change
Dow	42,354.48	+0.46%	Dollar	\$100.51	-0.01%
S&P 500	5,742.68	-0.08%	Gold	\$2,671.50	-0.88%
Nasdaq	18,138.72	-0.34%	Crude Oil	\$68.34	+1.01%

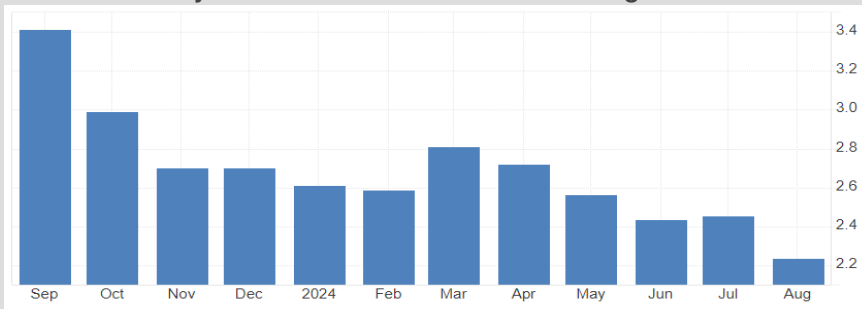
Economic Commentary

MBS prices are up about 6/32 this morning while the DOW is up about 200 points as investors embraced an inflation report seen as crucial to the Federal Reserve's next decision on interest rate cuts. The August reading of the Personal Consumption Expenditures (PCE) index, the inflation metric favored by the Fed, showed continued cooling in price pressures. The "core" PCE index, which is most closely watched by policymakers, rose 0.1% month over month, lower than Wall Street forecasts. The PCE reading appeared to goose up bets on another jumbo-sized rate cut from the Fed next month. More than half of traders — around 52% — now expect a 50 basis point cut. Consumer sentiment slightly beat expectations in September, with a reading of 70.1 surpassing the 69.4 that economists had projected. Elsewhere, China added to its stream of stimulus measures, boosting markets once again. Mainland stocks scored their biggest weekly win since 2008, and luxury stocks are set for their best week in years as hopes for Chinese demand rise.

Economic Calendar

	PERIOD	ACTUAL	FORECAST	PREVIOUS
FRIDAY, SEPT. 27				
Personal income	Aug.	0.20%	0.40%	0.30%
Personal spending	Aug.	20.00%	0.30%	0.50%
PCE index	Aug.	0.10%	0.10%	0.20%
PCE (year-over-year)	2023-2024	2.20%	2.30%	2.50%
Core PCE index	Aug.	0.10%	0.20%	0.20%
Core PCE (year-over-year)	2023-2024	2.70%	2.70%	2.60%
Advanced U.S. trade balance in goods	Aug.	-\$94.3B	--	-102.8B
Advanced wholesale inventories	Aug.	0.20%	--	0.30%
Advanced retail inventories	Aug.	0.50%	--	0.80%
Consumer sentiment (final)	Sept.	70.10	69.30	69.00
MONDAY, SEPT. 30				
Chicago Business Barometer (PMI)	Sept.	Waiting For Results	--	46.10
TUESDAY, OCT. 1				
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
WEDNESDAY, OCT. 2				
ADP employment	Sept.	Waiting For Results	--	99,000
THURSDAY, OCT. 3				
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
FRIDAY, OCT. 4				
U.S. employment report	Sept.	Waiting For Results	--	142,000
U.S. unemployment rate	Sept.	Waiting For Results	--	4.20%
U.S. hourly wages	Sept.	Waiting For Results	--	0.40%
Hourly wages year over year	2023-2024	Waiting For Results	--	3.80%

Chart of the Day: US PCE Price Index Annual Change



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Sources: Bloomberg, Reuters, MarketWatch.com, edwardjones.com, advisorperspectives.com, taintedalpha.com, options express, yahoo finance, esimize.com, stockcharts.com, tradingeconomics.com, investing.com