



Calibrate | Focus | Execute

Market Conditions

October 2, 2024

MBS	Current Price	Change	OAS Dur	OAS Yld	Vol
FNMA30 5.5 OCT	101 3/32	-6/32	3.69	5.36%	3.46
FNMA15 5.0 OCT	101 12/32	-3/32	4.30	4.63%	4.03
GNMAI30 5.5 OCT	100 29/32	-5/32	3.52	5.52%	3.29

Treasuries	Current Price	Change	Dur	Yld	Vol
5yr Treasury	99 21/32	-9/32	4.54	3.57	4.55
10yr Treasury	100 16/32	-2032	8.21	3.80	7.85
30yr Treasury	101 15/32	-1 18/32	17.32	4.15	16.29

Stocks	Current Price	% Change	Commodities	Current Price	Change
Dow	42,173.13	-0.09%	Dollar	\$101.49	+0.28%
S&P 500	5,693.22	-0.30%	Gold	\$2,681.90	-0.32%
Nasdaq	17,827.40	-0.38%	Crude Oil	\$72.13	+3.29%

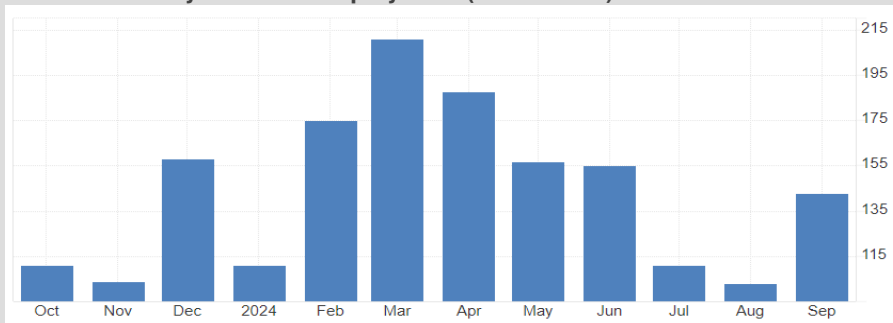
Economic Commentary

MBS prices are down about 6/32 this morning while the DOW is down 40 points as escalating Israel-Iran tensions fanned worries about a wider Middle East conflict, prompting caution in the market. In focus are the chances the run-up in oil prices could push up US inflation, disrupting the progress made by the Federal Reserve. At the same time, Mideast tensions and the US port strike risk hampering supply chains, spurring concerns about the US economy — just when investors were becoming confident in a "soft landing." US consumers might not feel the pinch in oil and gas prices, as OPEC+ was already on track to increase production by 180,000 barrels per day, starting in December. The move, spearheaded by Saudi Arabia, would increase their market share at the expense of lower prices. Today's lone economic report showed that the ADP Employment Change Report for September showed 143,000 jobs were added to private-sector payrolls (Briefing.com consensus 120,000) following an upwardly revised 103,000 (from 99,000) in August. Additionally, it revealed a slowdown in pay gains for job-stayers and job-changers. The key takeaway from the report is that it threaded the soft landing needle almost perfectly. Payroll growth was decent, wage inflation moderated, and job gains were recorded in the goods producing sector (42,000) and the service-providing sector (101,000), and payroll increases were seen across all geographic regions. The only blemish really was the 8,000 decline seen in payroll changes at small businesses.

Economic Calendar

	PERIOD	ACTUAL	FORECAST	PREVIOUS
WEDNESDAY, OCT. 2				
ADP employment	Sept.	143,000	120,000	103,000
THURSDAY, OCT. 3				
Initial jobless claims	Sept. 28	Waiting For Results	220,000	218,000
S&P final U.S. services PMI	Sept.	Waiting For Results	55.40	55.40
ISM services	Sept.	Waiting For Results	51.50%	51.50%
Factory orders	Aug.	Waiting For Results	0.00%	5.00%
FRIDAY, OCT. 4				
U.S. nonfarm payroll	Sept.	Waiting For Results	150,000	142,000
U.S. unemployment rate	Sept.	Waiting For Results	4.20%	4.20%
U.S. hourly wages	Sept.	Waiting For Results	0.30%	0.40%
Hourly wages year over year	0-Jan	Waiting For Results	3.80%	3.80%
MONDAY, OCT. 7				
Consumer credit	Sept.	Waiting For Results	--	\$25.5B
TUESDAY, OCT. 8				
NFIB optimism index	Sept.	Waiting For Results	--	91.20
U.S. trade deficit	Aug.	Waiting For Results	--	-\$78.8 B
WEDNESDAY, OCT. 9				
Wholesale inventories	Aug.	Waiting For Results	--	0.20%
Minutes of Fed's Sept FOMC meeting				
THURSDAY, OCT. 10				
Initial jobless claims	Oct. 5	Waiting For Results	--	--
Consumer price index	Sept.	Waiting For Results	--	0.20%
Core CPI	Sept.	Waiting For Results	--	0.30%
CPI year over year	2023-2024	Waiting For Results	--	2.50%
FRIDAY, OCT. 11				
Producer price index	Sept.	Waiting For Results	--	0.20%
Core PPI	Sept.	Waiting For Results	--	0.30%
PPI year over year	15-Jul	Waiting For Results	--	1.70%
Core PPI year over year	16-Jul	Waiting For Results	--	3.30%
Consumer sentiment (prelim)	Oct.	Waiting For Results	--	70.10

Chart of the Day: US ADP Employment (Thousands)



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