



Calibrate | Focus | Execute

Market Conditions

October 4, 2024

MBS	Current Price	Change	OAS Dur	OAS Yld	Vol
FNMA30 5.5 OCT	100 17/32	-12/32	3.75	5.49%	3.35
FNMA15 5.0 OCT	100 28/32	-8/32	4.29	4.75%	3.83
GNMAII30 5.5 OCT	100 26/32	-11/32	3.55	5.62%	3.17

Treasuries	Current Price	Change	Dur	Yld	Vol
5yr Treasury	98 20/32	-25/32	4.54	3.80	4.35
10yr Treasury	99 7/32	-1 1/32	8.21	3.97	7.49
30yr Treasury	99 29/32	-1 9/32	17.32	4.26	15.53

Stocks	Current Price	% Change	Commodities	Current Price	Change
Dow	42,191.06	+0.43%	Dollar	\$102.61	+0.61%
S&P 500	5,729.32	+0.53%	Gold	\$2,665.19	-0.50%
Nasdaq	18,071.48	+0.85%	Crude Oil	\$75.09	+1.85%

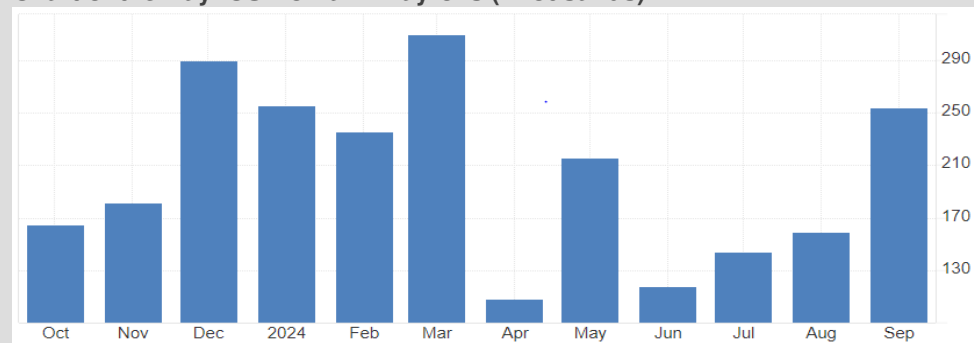
Economic Commentary

MBS prices are down about 12/32 this morning while the DOW is up about 200 points as investors welcomed a key monthly jobs report that showed hiring remains robust in the US economy. The Middle East crisis and a return to work at US ports also stayed in high focus. U.S. Treasuries have slid to lows, with shorter tenors leading the move, after the September jobs report beat expectations by a sizable margin. Hiring activity was much stronger than expected in September, the unemployment rate fell, and average hourly earnings increased more than expected. Specifically, nonfarm payrolls rose by 254,000, the unemployment rate fell to 4.1% from 4.2%, and average hourly earnings increased 0.4%, leaving them up 4.0% year-over-year. The key takeaway from the report is that the labor market is in a solid position to keep the U.S. economy on a growth trajectory. The jobs report swung forecasts toward a smaller interest-rate cut from the Federal Reserve next month. Over 90% of bets are on a 25 basis point cut, as opposed to a larger 50 basis point cut, according to the CME FedWatch Tool. In a welcome move, the US dockworkers strike ended after a tentative wage deal was agreed late Thursday, though some issues remain to be settled by later this year. On the downside, a barrage of strikes by Israel on Beirut kept alive the Mideast worries that have driven up oil prices. Western leaders warned about "uncontrollable escalation" as investors waited to see whether Israel will attack Iran's oil facilities — a move President Biden said is under discussion. Oil is on track for its biggest weekly gain in a over a year as tensions mount.

Economic Calendar

	PERIOD	ACTUAL	FORECAST	PREVIOUS
FRIDAY, OCT. 4				
U.S. nonfarm payroll	Sept.	254,000	150,000	159,000
U.S. unemployment rate	Sept.	4.10%	4.20%	4.20%
U.S. hourly wages	Sept.	0.40%	0.30%	0.40%
Hourly wages year over year	2023-2024	4.00%	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	--	225,000
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 Nonfarm Payrolls (Thousands)



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

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