



Calibrate | Focus | Execute

Market Conditions

October 7, 2024

MBS	Current Price	Change	OAS Dur	OAS Yld	Vol
FNMA30 5.5 OCT	100 9/32	-8/32	3.69	5.53%	3.36
FNMA15 5.0 OCT	100 14/32	-10/32	4.31	4.77%	3.92
GNMAI30 5.5 OCT	100 11/32	-7/32	3.54	5.63%	3.23

Treasuries	Current Price	Change	Dur	Yld	Vol
5yr Treasury	98 11/32	-9/32	4.54	3.86	4.42
10yr Treasury	98 24/32	-15/32	8.21	4.02	7.63
30yr Treasury	99 2/32	-29/32	17.32	4.29	15.82

Stocks	Current Price	% Change	Commodities	Current Price	Change
Dow	42,080.86	-0.63%	Dollar	\$102.48	-0.04%
S&P 500	5,725.40	-0.45%	Gold	\$2,665.30	-0.09%
Nasdaq	18,052.01	-0.47%	Crude Oil	\$77.16	+3.67%

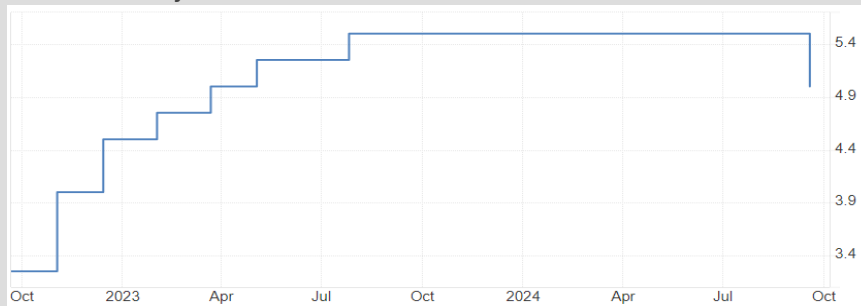
Economic Commentary

MBS prices are down about 8/32 this morning while the DOW is down about 270 points as investors overhauled their views on interest rate cuts after a blowout jobs report ahead of a week of key inflation data and the start of earnings season. Oil jumped more than 3% this morning, extending their biggest weekly gains in over a year as traders price in whether Israel's expected response to Iran's recent attack will involve targeting the country's petroleum fields. Brent touched \$80 per barrel for the first time since August during the session. Hopes for an outsized rate cut from the Federal Reserve have melted away after a better-than-expected September jobs report dispelled concerns about cracks in the labor market. The benchmark 10-year Treasury yield hit 4% for the first time since August amid doubts about the Fed's next move. Traders have abandoned last week's bets on a 0.50% rate cut in November and now see an 88% chance of a 0.25% move, according to the CME FedWatch Tool. Those expectations could drag on stocks, which have rallied to records amid confidence that big rate cuts and an economic "soft landing" were on the table.

Economic Calendar

	PERIOD	ACTUAL	FORECAST	PREVIOUS
MONDAY, OCT. 7				
Consumer credit	August	Waiting For Results	\$12.0B	\$25.5B
TUESDAY, OCT. 8				
NFIB optimism index	Sept.	Waiting For Results	91.60	91.20
U.S. trade deficit	Aug.	Waiting For Results	-\$70.8B	-\$78.8 B
WEDNESDAY, OCT. 9				
Wholesale inventories	Aug.	Waiting For Results	0.20%	0.20%
Minutes of Fed's Sept FOMC meeting				
THURSDAY, OCT. 10				
Initial jobless claims	Oct. 5	Waiting For Results	230,000	225,000
Consumer price index	Sept.	Waiting For Results	0.10%	0.20%
Core CPI	Sept.	Waiting For Results	0.20%	0.30%
CPI year over year	2023-2024	Waiting For Results	2.30%	2.50%
Core CPI year over year	2023-2024	Waiting For Results	3.20%	3.20%
FRIDAY, OCT. 11				
Producer price index	Sept.	Waiting For Results	0.10%	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	70.30	70.10
MONDAY, OCT. 14				
Columbus Day holiday, Bond market closed.				
TUESDAY, OCT. 15				
Empire State manufacturing survey	Oct.	Waiting For Results	--	11.50
WEDNESDAY, OCT. 16				
Import price index	Sept.	Waiting For Results	--	-0.30%
Import price index minus fuel	Sept.	Waiting For Results	--	-0.10%
THURSDAY, OCT. 17				
Initial jobless claims	Oct. 12	Waiting For Results	--	230,000
U.S. retail sales	Sept.	Waiting For Results	--	0.10%
Retail sales minus autos	Sept.	Waiting For Results	--	0.10%
Industrial production	Sept.	Waiting For Results	--	0.80%
Capacity utilization	Sept.	Waiting For Results	--	78.00%
Business inventories	Aug.	Waiting For Results	--	0.40%
Home builder confidence index	Oct.	Waiting For Results	--	41.00
FRIDAY, OCT. 18				
Housing starts	Sept.	Waiting For Results	--	1.36 million
Building permits	Sept.	Waiting For Results	--	1.48 million

Chart of the Day: US Fed Funds Interest Rate



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