



**Market Conditions**

**November 27, 2024**

MBS	Current Price	Change	OAS Dur	OAS Yld	Vol
FNMA30 6.0 DEC	100 31/32	+4/32	3.62	5.83%	2.85
FNMA15 5.5 DEC	100 28/32	+1/32	4.53	4.90%	3.57
GNMAI30 6.0 DEC	100 26/32	+4/32	3.34	6.00%	2.63

Treasuries	Current Price	Change	Dur	Yld	Vol
5yr Treasury	100 2/32	-8/32	4.48	4.12	3.82
10yr Treasury	100 1/32	+17/32	7.78	4.25	6.29
30yr Treasury	101 8/32	+31/32	15.76	4.44	12.49

Stocks	Current Price	% Change	Commodities	Current Price	Change
Dow	44,804.09	-0.13%	Dollar	\$105.98	-0.97%
S&P 500	5,988.18	-0.56%	Gold	\$2,639.60	+0.71%
Nasdaq	18,952.59	-1.17%	Crude Oil	\$68.44	-0.49%

**Economic Commentary**

MBS prices are up about 4/32 this morning while the DOW is down about 50 points as investors digested a bevy of fresh data that showed inflation made little progress toward the Fed's 2% target in October. The mood is muted in the wind-down to the Thanksgiving holiday, which will see markets shut on Thursday and close early on Friday. But the Fed is taking the fore again after being eclipsed somewhat by the debate over the impact of President-elect Donald Trump's tariff plans and Cabinet choices. Today's economic reports showed that initial jobless claims for the week ending November 23 decreased by 2,000 to 213,000 (Briefing.com consensus 217,000). Continuing jobless claims for the week ending November 16 increased by 9,000 to 1.907 million. The key takeaway from the report is the much the same: employers are reluctant to let employees go, but for employees let go it is becoming more challenging to find a new job. Durable goods orders increased 0.2% month-over-month in October (Briefing.com consensus 0.4%) following an upwardly revised 0.4% decline (from -0.8%). Excluding transportation, durable goods orders increased 0.1% month-over-month following an unrevised 0.4% increase in September. The key takeaway from the report is that it showed some softness in business spending in October, evidenced by a 0.2% decline in new orders for nondefense capital goods excluding aircraft -- a proxy for business spending. The second estimate for Q3 GDP was 2.8% (Briefing.com consensus 2.8%), unchanged from the advance estimate. The second estimate for the GDP Deflator was 1.9% (Briefing.com consensus 1.8%), up slightly from the advance estimate of 1.8%. The key takeaway from the report is that there was a modest downward revision to personal consumption expenditures, yet that did not alter the fact that personal spending was quite healthy in the third quarter. The Adv. International Trade in Goods deficit narrowed to \$99.1 billion in October versus a downwardly revised \$108.7 billion (from \$108.2 billion) in September. Advance Retail Inventories increased 0.1% following a downwardly revised 0.6% increase (from 0.8%) in September and Advance Wholesale Inventories jumped 0.2% in October following a downwardly revised 0.2% decline (from -0.1%) in September. The key takeaway from the report is that there was a notable month-over-month decline for both exports of goods (-\$5.6 billion) and imports of goods (-\$15.2 billion) that was likely adversely impacted by the East Coast port strike. Personal income increased 0.6% month-over-month in October (Briefing.com consensus 0.3%) following an unrevised 0.3% increase in September. Personal spending increased 0.4% (Briefing.com consensus 0.2%) following an upwardly revised 0.6% increase (from 0.5%) in September. The PCE Price Index was up 0.2%, as expected, and up 2.3% year-over-year versus 2.1% in September. The core PCE Price Index, which excludes food and energy, was up 0.3%, as expected, and up 2.8% year-over-year versus 2.7% in September. The key takeaway from the report is the absence of disinflation in the PCE price indexes on a year-over-year basis. That wasn't necessarily a surprise given that the monthly readings were in-line with estimates, yet it will keep the Fed inclined to take a more gradual approach to cutting the target range for the fed funds rate.

**Economic Calendar**

	PERIOD	ACTUAL	FORECAST	PREVIOUS
<b>WEDNESDAY, NOV. 27</b>				
Initial jobless claims	Nov. 23	213,000.00	215,000	215,000
Durable-goods orders	Oct.	0.20%	0.50%	-0.40%
Durable-goods minus transportation	Oct.	0.10%	--	0.40%
Advanced U.S. trade balance in goods	Oct.	\$99.1B	--	-\$108.7B
Advanced retail inventories	Oct.	0.10%	--	0.60%
Advanced wholesale inventories	Oct.	0.20%	--	-0.20%
GDP (first revision)	Q3	2.80%	2.80%	2.80%
Personal income	Oct.	0.60%	0.30%	0.30%
Personal spending	Oct.	0.40%	0.40%	0.60%
PCE index	Oct.	0.20%	0.20%	0.20%
PCE (year-over-year)	2023-2024	2.30%	2.30%	2.10%
Core PCE index	Oct.	0.30%	0.30%	0.30%
Core PCE (year-over-year)	2023-2024	2.80%	2.80%	2.70%
Pending home sales	Oct.	2.00%	1.80%	7.40%
<b>THURSDAY, NOV. 28</b>				
Thanksgiving holiday				
<b>FRIDAY, NOV. 29</b>				
Chicago Business Barometer (PMI)	Nov.	Waiting For Results	--	41.60
<b>MONDAY, DEC. 2</b>				
S&P final U.S. manufacturing PMI	Nov.	Waiting For Results	--	--
ISM manufacturing	Nov.	Waiting For Results	--	0.47
Construction spending	Oct.	Waiting For Results	--	0.00
<b>TUESDAY, DEC. 3</b>				
Job openings	Oct.	Waiting For Results	--	7.4 million
Auto sales	Nov.	Waiting For Results	--	16.0 million
<b>WEDNESDAY, DEC. 4</b>				
ADP employment	Nov.	Waiting For Results	--	233,000.00
S&P final U.S. services PMI	Nov.	Waiting For Results	--	--
ISM services	Nov.	Waiting For Results	--	0.66
Factory orders	Oct.	Waiting For Results	--	-0.01
Fed Beige Book	0-Jan	Waiting For Results	0	0.00
<b>THURSDAY, DEC. 5</b>				
Initial jobless claims	Nov. 30	Waiting For Results	--	--

**Chart of the Day: US Initial Jobless Claims (Thousands)**

