



Market Conditions

December 3, 2024

MBS	Current Price	Change	OAS Dur	OAS Yld	Vol
FNMA30 6.0 DEC	101 6/32	-1/32	3.58	5.78%	2.82
FNMA15 5.5 DEC	101 1/32	+2/32	4.52	4.90%	3.56
GNMAI30 6.0 DEC	101 1/32	-1/32	3.33	5.98%	2.62

Treasuries	Current Price	Change	Dur	Yld	Vol
5yr Treasury	100 4/32	-1/32	4.48	4.11	3.81
10yr Treasury	100 10/32	-3/32	8.06	4.22	6.49
30yr Treasury	101 30/32	-10/32	16.63	4.39	13.15

Stocks	Current Price	% Change	Commodities	Current Price	Change
Dow	44,592.04	-0.43%	Dollar	\$106.28	-0.15%
S&P 500	6,035.90	-0.18%	Gold	\$2,670.05	+0.43%
Nasdaq	19,416.38	+0.06%	Crude Oil	\$70.05	+2.85%

Economic Commentary

MBS prices are down about 1/32 this morning while the DOW is down about 190 points as investors digested fresh jobs data and waited for new Fed speak to cement or dent growing hopes for future interest rate cuts. The number of job openings increased by 372,000 to 7.744 million in October 2024 from a downwardly revised 7.372 million in September and above market expectations of 7.48 million. Job openings increased in professional and business services (+209,000), accommodation and food services (+162,000), and information (+87,000) but decreased in federal government (-26,000). Regarding regional distribution, job openings rose in the South (486,000), and in the West (133,000), but fell in the Northeast (-195,000) and in the Midwest (-52,000). Meanwhile, the number of hires and total separations changed little at 5.3 million. Within separations, quits (3.3 million) and layoffs and discharges (1.6 million) changed little. The Job Openings and Labor Turnover Survey (JOLTS) also showed fewer hires were made during the month while the quits rate, a sign of confidence among workers, rose to 2.1% from 1.9% in September. JOLTS serves as the first in a wave of key data this week that culminates in Friday's all-important monthly US payrolls report. Traders are now pricing in about a 74% chance that the Fed lowers rates by a quarter percentage point at its Dec. 18 meeting, compared with 62% a day ago, per the CME FedWatch tool. Those odds could shift after Fed policymakers Austan Goolsbee and Adriana Kugler speak later today, which sets the stage for Fed Chair Jerome Powell's panel discussion tomorrow.

Economic Calendar

	PERIOD	ACTUAL	FORECAST	PREVIOUS
TUESDAY, DEC. 3				
Job openings	Oct.	7.74 million	7.48 million	7.37 million
Auto sales	Nov.	Waiting For Results	--	16.0 million
WEDNESDAY, DEC. 4				
ADP employment	Nov.	Waiting For Results	158,000	233,000
S&P final U.S. services PMI	Nov.	Waiting For Results	55.00	54.00
ISM services	Nov.	Waiting For Results	57.00	57.00
Factory orders	Oct.	Waiting For Results	0.00	-0.01
Fed Chair Jerome Powell speaks				
Fed Beige Book				
THURSDAY, DEC. 5				
Initial jobless claims	Nov. 30	Waiting For Results	215,000	213,000
U.S. trade deficit	Oct.	Waiting For Results	-74.8B	-\$84.4B
FRIDAY, DEC. 6				
U.S. employment report	Nov.	Waiting For Results	200,000	12,000
U.S. unemployment rate	Nov.	Waiting For Results	4.10%	4.10%
U.S. hourly wages	Nov.	Waiting For Results	0.30%	0.40%
Hourly wages year over year	2023-2024	Waiting For Results	3.90%	4.00%
Consumer sentiment (prelim)	Dec.	Waiting For Results	73.00	70.50
Consumer credit	Oct.	Waiting For Results	\$10B	\$6.0 billion
MONDAY, DEC. 9				
Wholesale inventories	Oct.	Waiting For Results	--	-0.20%
TUESDAY, DEC. 10				
NFIB optimism index	Nov.	Waiting For Results	--	93.70
U.S. productivity (revision)	Q3	Waiting For Results	--	2.20%
WEDNESDAY, DEC. 11				
Consumer price index	Nov.	Waiting For Results	--	0.20%
CPI year over year	0-Jan	Waiting For Results	--	2.60%
Core CPI	Nov.	Waiting For Results	--	0.30%
Core CPI year over year	0-Jan	Waiting For Results	--	3.30%
THURSDAY, DEC. 12				
Initial jobless claims	Dec. 7	Waiting For Results	--	--
Producer price index	Nov.	Waiting For Results	--	0.20%
Core PPI	Nov.	Waiting For Results	--	0.30%
PPI year over year	2023-2024	Waiting For Results	--	2.40%
Core PPI year over year	0-Jan	Waiting For Results	--	3.50%
FRIDAY, DEC. 13				
Import price index	Nov.	Waiting For Results	--	0.30%
Import price index minus fuel	Nov.	Waiting For Results	--	0.20%

Chart of the Day: US Job Openings (Thousands)

