



Calibrate | Focus | Execute

Market Conditions

December 4, 2024

MBS	Current Price	Change	OAS Dur	OAS Yld	Vol
FNMA30 6.0 DEC	101 8/32	+4/32	3.64	5.78%	2.86
FNMA15 5.5 DEC	100 26/32	-4/32	4.52	4.93%	3.56
GNMAI30 6.0 DEC	101 1/32	+2/32	3.31	5.95%	2.60

Treasuries	Current Price	Change	Dur	Yld	Vol
5yr Treasury	100 7/32	+5/32	4.48	4.08	3.81
10yr Treasury	100 12/32	+7/32	8.06	4.21	6.49
30yr Treasury	102 2/32	+15/32	16.63	4.38	13.14

Stocks	Current Price	% Change	Commodities	Current Price	Change
Dow	44,931.67	+0.51%	Dollar	\$106.20	-0.16%
S&P 500	6,073.20	+0.40%	Gold	\$2,674.01	+0.23%
Nasdaq	19,669.87	+0.97%	Crude Oil	\$69.40	-0.80%

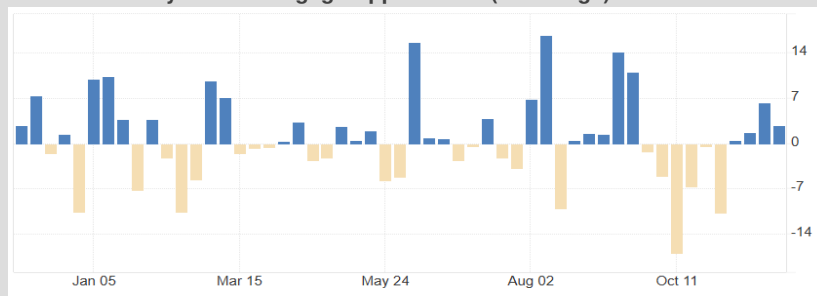
Economic Commentary

MBS prices are up about 4/32 this morning while the DOW is up about 220 points as techs helped set the stage for fresh record highs and investors waited to hear from Federal Reserve Chair Jerome Powell for clues to what's next for interest rates. Anticipation is building for Powell's appearance in New York later, with Wall Street keen to find out whether growing confidence in a December rate cut is justified. Fed officials have signaled support for more easing as they prepare for their final meeting of the year. The central bank is widely expected to lower rates at its Dec. 18 meeting. Traders see near 74% odds of a 25 basis point cut, compared with around 66% a week ago, per the CME FedWatch tool. A reading on private payrolls showed firms added 146,000 jobs in November, slightly below economist estimates, and a slowdown from the downwardly revised 184,000 jobs in the prior month. The ADP data suggests the labor market is softening, but not too much. The report is one of several key economic releases this week, leading into the all-important monthly jobs report on Friday. Investors were also keeping a watchful eye on political turmoil in France after upheaval in South Korea pulled stocks there lower. French lawmakers will vote on a no-confidence motion that could bring down the government. Meanwhile, South Korea's president now faces impeachment after plunging the country into a political crisis by briefly declaring martial law. In corporate news, UnitedHealth Group (UNH) halted its investor day after the CEO of insurance unit UnitedHealthcare, Brian Thompson, was fatally shot in Manhattan this morning. Mortgage applications in the US rose 2.8% in the week ending November 29, 2024, following a 6.3% increase in the previous period, data from the Mortgage Bankers Association data showed. It was the fourth consecutive week of increases, helped by a surge in purchases activity. On the other hand, refinancing activity fell again in the last week. Meanwhile, the average contract interest rate for 30-year fixed-rate mortgages with conforming loan balances fell to 6.69% from 6.86%.

Economic Calendar

	PERIOD	ACTUAL	FORECAST	PREVIOUS
WEDNESDAY, DEC. 4				
ADP employment	Nov.	146,000	163,000	184,000
S&P final U.S. services PMI	Nov.	56.10	57.00	57.00
ISM services	Nov.	52.10	55.60	56.00
Factory orders	Oct.	0.20%	0.20%	-0.50%
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: MBA Mortgage Applications (% Change)



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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