



**Market Conditions**

**December 5, 2024**

MBS	Current Price	Change	OAS Dur	OAS Yld	Vol
FNMA30 6.0 DEC	101 8/32	-1/32	3.63	5.74%	2.86
FNMA15 5.5 DEC	101 1/32	-1/32	4.51	4.90%	3.55
GNMAI30 6.0 DEC	101 3/32	-1/32	3.36	5.92%	2.64

Treasuries	Current Price	Change	Dur	Yld	Vol
5yr Treasury	100 5/32	-3/32	4.48	4.10	3.81
10yr Treasury	100 14/32	-3/32	8.06	4.20	6.49
30yr Treasury	102 17/32	-1/32	16.63	4.35	13.15

Stocks	Current Price	% Change	Commodities	Current Price	Change
Dow	44,883.63	-0.30%	Dollar	\$105.83	-0.46%
S&P 500	6,090.81	+0.08%	Gold	\$2,656.60	-0.73%
Nasdaq	19,786.98	+0.27%	Crude Oil	\$68.45	-0.13%

**Economic Commentary**

MBS prices are down about 1/32 this morning while the DOW is down about 150 points as investors wait for tomorrow's crucial jobs report and bitcoin posted new all-time highs above the key \$100,000 milestone. Investors are counting down to the monthly jobs report for a reality check on Jerome Powell's upbeat take on the strength of the US economy. While the Federal Reserve Chair said that means policymakers can move cautiously, he stopped short of challenging the market's belief in a December rate cut. Traders have slightly pared their bets on easing, pricing in a 74% chance the Fed will cut by 25 basis points on Dec. 18, per the CME FedWatch tool. That compares to around 77% on Wednesday and 67% a week ago. Today's economic reports showed that initial jobless claims for the week ending November 30 increased by 9,000 to 224,000 (Briefing.com consensus 213,000) and continuing jobless claims for the week ending November 23 decreased by 25,000 to 1.871 million. The key takeaway from the report is that the totality of the report isn't signaling any major changes with respect to labor market trends, which have connoted some softening but no real breakage on the employment front. The October trade deficit narrowed to \$73.8 billion (Briefing.com consensus -\$75.1 billion) from an upwardly revised \$83.8 billion (from -\$84.4 billion) in September. The improvement results from exports being \$4.3 billion less than September exports and imports being \$14.3 billion less than September imports. The key takeaway from the report is that it reflects overall weakness in global trade activity in October. The average 30-year mortgage rate fell to 6.69%, from 6.81% a week earlier, according to Freddie Mac data. Fifteen-year mortgage rates dropped to an average of 5.96% from 6.1% last week. "Despite just a modest drop in rates, consumers clearly have responded as purchase demand has noticeably improved," Sam Khater, Freddie Mac's chief economist, said in a statement. "The responsiveness of prospective homebuyers to even small changes in rates illustrates that affordability headwinds persist."

**Economic Calendar**

	PERIOD	ACTUAL	FORECAST	PREVIOUS
<b>THURSDAY, DEC. 5</b>				
Initial jobless claims	Nov. 30	224,000.00	215,000	215,000
U.S. trade deficit	Oct.	-\$73.8B	-\$74.8B	-\$83.7B
<b>FRIDAY, DEC. 6</b>				
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
<b>MONDAY, DEC. 9</b>				
Wholesale inventories	Oct.	Waiting For Results	--	-0.20%
<b>TUESDAY, DEC. 10</b>				
NFIB optimism index	Nov.	Waiting For Results	--	93.70
U.S. productivity (revision)	Q3	Waiting For Results	--	2.20%
<b>WEDNESDAY, DEC. 11</b>				
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%
<b>THURSDAY, DEC. 12</b>				
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%
<b>FRIDAY, DEC. 13</b>				
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 Initial Jobless Claims (Thousands)**

