



Calibrate | Focus | Execute

Market Conditions

January 22, 2025

MBS	Current Price	Change	OAS Dur	OAS Yld	Vol
FNMA30 6.0 FEB	100 11/32	-2/32	3.44	5.81%	2.55
FNMA15 5.5 FEB	100 9/32	-9/32	4.53	5.05%	3.35
GNMAII30 6.0 FEB	100 13/32	-4/32	2.74	5.92%	2.03

Treasuries	Current Price	Change	Dur	Yld	Vol
5yr Treasury	99 24/32	-4/32	4.44	4.39	3.57
10yr Treasury	97 6/32	-7/32	7.76	4.57	5.91
30yr Treasury	94 28/32	-7/32	15.37	4.79	11.45

Stocks	Current Price	% Change	Commodities	Current Price	Change
Dow	44,165.36	+0.30%	Dollar	\$108.19	+0.12%
S&P 500	6,099.83	+0.83%	Gold	\$2,770.70	+0.41%
Nasdaq	20,049.64	+1.48%	Crude Oil	\$75.66	-0.25%

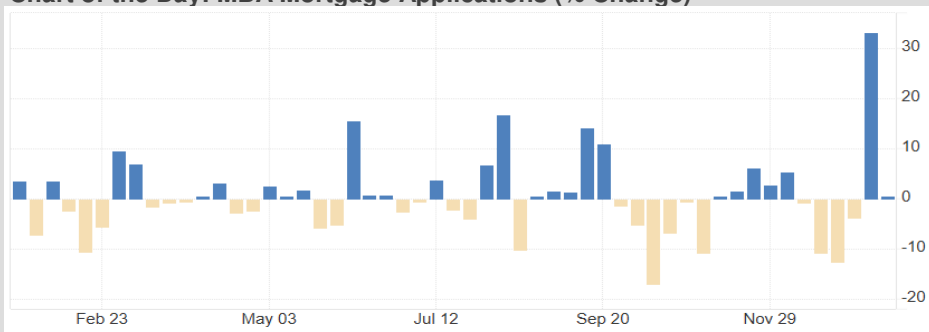
Economic Commentary

MBS prices are down about 2/32 this morning while the DOW is up about 110 points as Netflix stock surged to a record, while Donald Trump's boost to AI demand hopes outweighed fresh tariff worries. Trump is in the driving seat for markets, with investors on alert for any fresh move in the president's fast-flowing overhaul of policy. His latest push to make the US a leader in AI, an \$500 billion private-sector investment plan and a roll-back of Biden-era safety measures, is giving a bump to techs. Spirits were high despite heightened worries about a Trump-spurred trade war. The president said Tuesday his administration was considering imposing a 10% duty on China imports on Feb. 1, as he vowed to hit the EU with additional tariffs. U.S. Treasuries are off to a quiet start, having spent the first two hours of action in a sideways range near yesterday's closing levels. The Treasury market has not seen much early movement while equities are off to a higher start thanks to leadership from large tech names after President Trump announced a \$500 bln AI infrastructure fund yesterday. Today's economic news has been on the light side with the Conference Board releasing its December Leading Economic Index for the U.S. (-0.1%; Briefing.com consensus 0.1%; prior 0.4%), which followed an early-morning release of the weekly MBA Mortgage Index. Mortgage applications in the US were 0.1% higher from the previous week in the period ending January 17th, holding the 33.3% surge from the earlier period, which was the sharpest increase in weekly application volumes since 2020, according to data compiled by the Mortgage Bankers Association. The sustained increase in mortgage applications tracked the slight ease in benchmark mortgage rates, relieved by the pullback in long-dated Treasury yields following softer underlying inflation in the US during December. Applications for a mortgage to purchase a home edged 0.6% higher from the previous week, offsetting the 2.9% drop in applications to refinance an existing mortgage.

Economic Calendar

	PERIOD	ACTUAL	FORECAST	PREVIOUS
WEDNESDAY, JAN. 22				
U.S. leading economic indicators	Dec.	-0.10%	0.10%	0.40%
THURSDAY, JAN. 23				
Initial jobless claims	Jan. 18	Waiting for Results	215,000	217,000
FRIDAY, JAN. 24				
Existing home sales	Dec.	Waiting for Results	4.2 million	4.15 million
Consumer sentiment (final)	Jan.	Waiting for Results	73.20	73.20
S&P flash U.S. services PMI	Jan.	Waiting for Results	--	56.80
S&P flash U.S. manufacturing PMI	Jan.	Waiting for Results	--	49.40
MONDAY, JAN. 27				
New home sales	Dec.	Waiting for Results	--	664,000
TUESDAY, JAN. 28				
Durable-goods orders	Dec.	Waiting for Results	--	-1.10%
Durable-goods minus transportation	Dec.	Waiting for Results	--	-0.10%
Case-Shiller home price index (20 cities)	Nov.	Waiting for Results	--	4.20%
Consumer confidence	Jan.	Waiting for Results	--	104.70
WEDNESDAY, JAN. 29				
Advanced U.S. trade balance in goods	Dec.	Waiting for Results	--	0.00%
Advanced retail inventories	Dec.	Waiting for Results	--	0.30%
Advanced wholesale inventories	Dec.	Waiting for Results	--	-0.20%
FOMC interest-rate decision				
Fed Chair Powell press conference				
THURSDAY, JAN. 30				
GDP	Q1	Waiting for Results	--	3.10%
Initial jobless claims	Jan. 25	Waiting for Results	--	--
Pending home sales	Dec.	Waiting for Results	--	2.20%

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