



Calibrate | Focus | Execute

**Market Conditions**

January 24, 2025

MBS	Current Price	Change	OAS Dur	OAS Yld	Vol
FNMA30 6.0 FEB	100 11/32	+2/32	3.47	5.82%	2.57
FNMA15 5.5 FEB	100 13/32	-1/32	4.53	5.09%	3.35
GNMAII30 6.0 FEB	100 14/32	+2/32	2.75	5.93%	2.04

Treasuries	Current Price	Change	Dur	Yld	Vol
5yr Treasury	99 25/32	+5/32	4.44	4.41	3.57
10yr Treasury	97 3/32	+6/32	7.76	4.62	5.91
30yr Treasury	94 15/32	+9/32	15.37	4.85	11.45

Stocks	Current Price	% Change	Commodities	Current Price	Change
Dow	44,527.83	-0.11%	Dollar	\$107.26	-0.73%
S&P 500	6,115.86	-0.07%	Gold	\$2,782.70	+0.64%
Nasdaq	20,021.90	-0.17%	Crude Oil	\$74.28	-0.46%

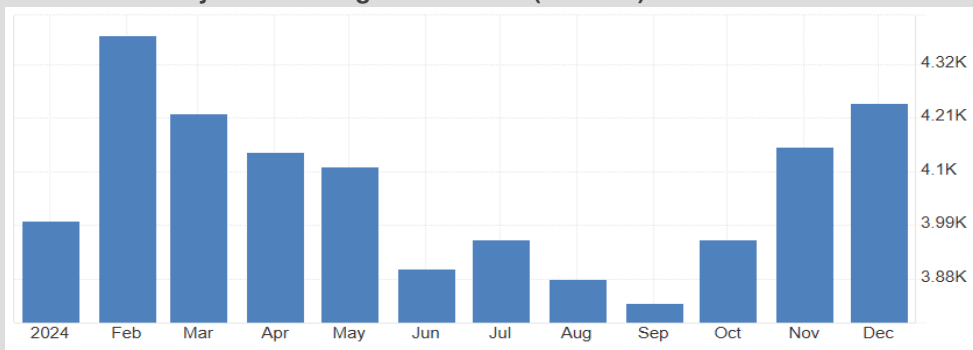
**Economic Commentary**

MBS prices are up about 2/32 this morning while the DOW is down about 80 points as investors filtered through the latest batch of earnings and weighed Donald Trump's hints at a softer stance on China tariffs. President Trump's call at Davos for cuts to US interest rates, oil prices, and taxes spurred investor optimism for his policies, buoying stocks. The major gauges are set to end the holiday-shortened week with gains above 2%, demonstrating the power of Trump's comments even as Wall Street questions his ability to execute the changes. Trump said he'd "rather not" impose tariffs on China, a softening in stance that eased some fears over the potential for a trade war. Today's economic reports showed that existing home sales increased 2.2% month-over-month in December to a seasonally adjusted annual rate of 4.24 million (Briefing.com consensus 4.21 million) from an unrevised 4.15 million in November. Sales were up 9.3% from the same period a year ago, which was the largest increase since June 2021. On an annual basis, existing home sales in 2024 (4.06 million) dropped to their lowest level in nearly 30 years at the same time the median sales price reached a record high. The key takeaway from the report is that home sales picked up in December despite higher mortgage rates, marking the third straight month of year-over-year gains with more inventory on the market than the same period a year ago. The final University of Michigan Index of Consumer Sentiment for January slipped to 71.1 (Briefing.com consensus 73.0) from the preliminary reading of 73.2. The final reading for December was 74.0. In the same period a year ago, the index stood at 79.0. The key takeaway from the report is that sentiment weakened as concerns about unemployment and inflation picked up. Elsewhere in markets, oil prices slid, on track for a weekly loss after riding the Trump roller-coaster. Investors were assessing not just the China shift but also the president's demand that OPEC bring down the cost of crude.

**Economic Calendar**

	PERIOD	ACTUAL	FORECAST	PREVIOUS
<b>FRIDAY, JAN. 24</b>				
Existing home sales	Dec.	4.24 million	4.21 million	4.15 million
Consumer sentiment (final)	Jan.	71.10	73.20	74.00
S&P flash U.S. services PMI	Jan.	52.80	56.50	56.80
S&P flash U.S. manufacturing PMI	Jan.	50.10	49.70	49.40
<b>MONDAY, JAN. 27</b>				
New home sales	Dec.	Waiting for Results	--	664,000
<b>TUESDAY, JAN. 28</b>				
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
<b>WEDNESDAY, JAN. 29</b>				
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				
<b>THURSDAY, JAN. 30</b>				
GDP	Q1	Waiting for Results	--	3.10%
Initial jobless claims	Jan. 25	Waiting for Results	--	223,000
Pending home sales	Dec.	Waiting for Results	--	2.20%

**Chart of the Day: US Existing Home Sales (Millions)**



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Sources: Bloomberg, Reuters, MarketWatch.com, edwardjones.com, advisorperspectives.com, taintedalpha.com, options express, yahoo finance, estimize.com, stockcharts.com, tradingeconomics.com, investing.com