



Calibrate | Focus | Execute

Market Conditions

January 27, 2025

MBS	Current Price	Change	OAS Dur	OAS Yld	Vol
FNMA30 6.0 FEB	100 17/32	+5/32	3.47	5.78%	2.62
FNMA15 5.5 FEB	100 24/32	+6/32	4.51	5.03%	3.40
GNMAI30 6.0 FEB	100 21/32	+5/32	2.73	5.90%	2.06

Treasuries	Current Price	Change	Dur	Yld	Vol
5yr Treasury	100 6/32	+13/32	4.44	4.33	3.63
10yr Treasury	97 24/32	+22/32	7.76	4.53	6.02
30yr Treasury	95 18/32	+1 1/32	15.37	4.78	11.67

Stocks	Current Price	% Change	Commodities	Current Price	Change
Dow	44,471.13	+0.11%	Dollar	\$107.35	-0.08%
S&P 500	5,983.75	-1.92%	Gold	\$2,737.30	-1.49%
Nasdaq	19,285.34	-3.39%	Crude Oil	\$72.79	-2.48%

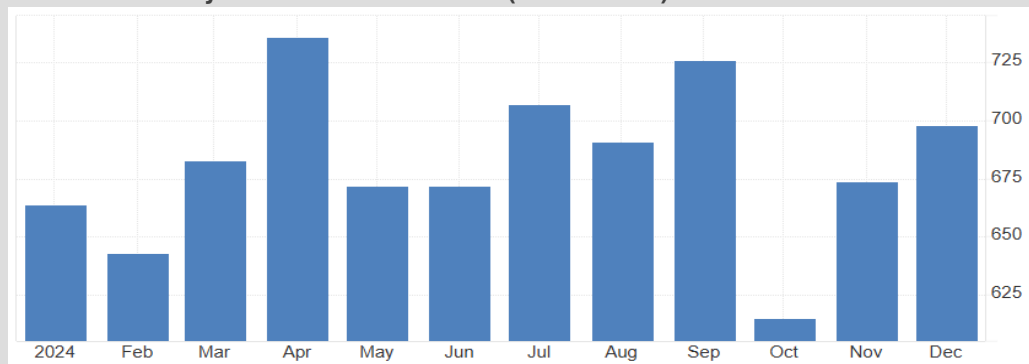
Economic Commentary

MBS prices are up about 5/32 this morning while the DOW is up about 40 points as a Chinese startup rattled faith in US leadership and profitability in AI, taking a hammer to Nvidia and other Big Tech stocks. China's DeepSeek claims that its AI assistant uses cheaper chips and less data than leading models, but performs equally well. A surge in DeepSeek's popularity has spurred investors to question bets that AI demand-driven growth will keep fueling gains for stocks. AI bellwether Nvidia's shares plunged as much as 17% as chip-related names took a bruising. Investors started to flock to assets seen as safe as stocks plunged. The 10-year Treasury yield fell as much as 12 basis points to 4.50%, the lowest level in over a month, while haven currencies including the yen and the Swiss franc surged. In the background, trade war concerns revived during a face-off between President Donald Trump and Colombia over the weekend. Trump threatened to impose 25% tariffs on the country's goods in a row over deported migrants before putting the duties on pause after a deal was reached. Today's lone economic report showed that sales of new single-family homes in the United States rose by 3.6% from the previous month to a seasonally adjusted annualized rate of 698,000 homes in December of 2024, the most since September, and firmly above market expectations of 670,000. The rise was despite the surge in benchmark mortgage rates in the period, which were aligned with market concerns that high inflation would force the Fed to remain hawkish for the meantime. Sales growth was carried by the West (20.3% to 154,000) and the Northeast (41.7% to 34,000), while sales were slightly lower in the South (-2.1% to 423,000) and the Midwest (-3.3% to 87,000). The median price for homes was \$427,000, while the average sales price was \$513,600. In turn, the inventory of homes for sale was 494,000, equivalent to 8.5 months at the current sales rate.

Economic Calendar

	PERIOD	ACTUAL	FORECAST	PREVIOUS
MONDAY, JAN. 27				
New home sales	Dec.	698,000	671,000	674,000
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	--	223,000
Pending home sales	Dec.	Waiting for Results	--	2.20%

Chart of the Day: US New Home Sales (Thousands)



Mortgage Capital Management, Inc. | 858-483-4404 | info@mortcap.com | mortcap.com

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