



Calibrate | Focus | Execute

**Market Conditions**

January 30, 2025

MBS	Current Price	Change	OAS Dur	OAS Yld	Vol
FNMA30 6.0 FEB	100 24/32	+3/32	3.47	5.75%	2.60
FNMA15 5.5 FEB	100 29/32	+6/32	4.55	4.97%	3.41
GNMA130 6.0 FEB	100 28/32	+3/32	2.77	5.86%	2.08

Treasuries	Current Price	Change	Dur	Yld	Vol
5yr Treasury	99 23/32	+3/32	4.44	4.32	3.62
10yr Treasury	97 30/32	+5/32	7.72	4.52	5.95
30yr Treasury	95 31/32	+10/32	15.24	4.76	11.50

Stocks	Current Price	% Change	Commodities	Current Price	Change
Dow	44,812.41	+0.22%	Dollar	\$107.69	-0.27%
S&P 500	6,056.61	+0.29%	Gold	\$2,836.20	+1.55%
Nasdaq	19,643.19	+0.09%	Crude Oil	\$72.90	+0.43%

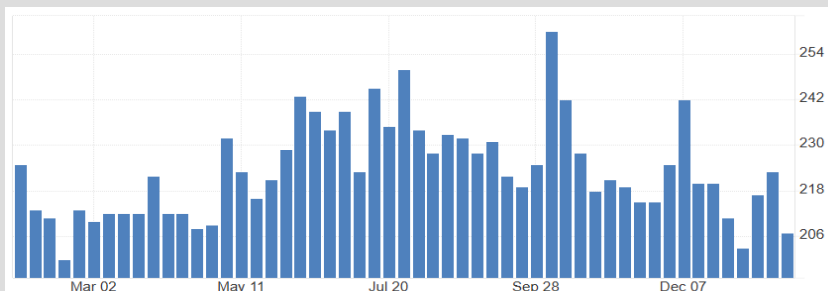
**Economic Commentary**

MBS prices are up about 3/32 this morning while the DOW is up about 80 points as investors digested megacap tech earnings and waited for Apple results for more clues on prospects for Big Tech. After the Federal Reserve stood pat on interest rates as expected, investors have turned to parsing earnings reports — and in particular, the first wave of results from the "Magnificent Seven" companies that have driven broader stock market gains. Markets appeared to be keeping faith with Big Tech following results from Microsoft, Meta, and Tesla late Wednesday. Eyes were on their rationale for massive AI investments after DeepSeek's cheaper AI model rattled assumptions about the likelihood of a payoff. Meanwhile, a fatal collision between an American Airlines (AAL) passenger jet and a US army helicopter dominated headlines. The crash happened in midair as the plane approached Reagan Washington National Airport last night. The Advance Q4 GDP report showed real GDP decelerating to a seasonally adjusted annual rate of 2.3% (Briefing.com consensus 2.3%) versus 3.1% in the third quarter. The GDP Price deflator increased to 2.2% (Briefing.com consensus 2.4%) from 1.9% in the third quarter. The key takeaway from the report is that there were stronger growth attributes in the fourth quarter than the headline number suggests. To that end, personal consumption expenditures were up 4.2% — the strongest since Q1 2023 — and real final sales of domestic product, which excludes the change in private inventories, was up 3.2%. Initial jobless claims for the week ending January 25 decreased by 16,000 to 207,000 (Briefing.com consensus 221,000) while continuing jobless claims for the week ending January 18 decreased by 42,000 to 1.858 million. The key takeaway from the report is the low level of initial jobless claims — a leading indicator — which is a good signal for growth prospects, as it conveys a reluctance on the part of employers to let employees go. ending home sales retracted 5.5% in December — following four consecutive months of increases — according to the National Association of Realtors. All four U.S. regions experienced month-over-month losses in transactions, with the most significant fall in the West.

**Economic Calendar**

	PERIOD	ACTUAL	FORECAST	PREVIOUS
<b>THURSDAY, JAN. 30</b>				
GDP	Q4	2.30%	2.50%	3.10%
Initial jobless claims	Jan. 25	207,000	228,000	223,000
Pending home sales	Dec.	-5.50%	0.30%	2.20%
<b>FRIDAY, JAN. 31</b>				
Employment cost index	Q4	Waiting for Results	0.90%	0.80%
Personal income (nominal)	Dec.	Waiting for Results	0.40%	0.30%
Personal spending (nominal)	Dec.	Waiting for Results	0.60%	0.40%
PCE index	Dec.	Waiting for Results	0.30%	0.10%
PCE (year-over-year)	0-Jan	Waiting for Results	2.60%	2.40%
Core PCE index	Dec.	Waiting for Results	0.20%	0.10%
Core PCE (year-over-year)	0-Jan	Waiting for Results	2.80%	2.80%
Chicago Business Barometer (PMI)	Jan.	Waiting for Results	41.00	36.90
<b>MONDAY, FEB. 3</b>				
S&P final U.S. manufacturing PMI	Jan.	Waiting for Results	--	50.10
Construction spending	Dec.	Waiting for Results	--	0.00%
ISM manufacturing	Jan.	Waiting for Results	--	49.30%
Auto sales	Jan.	Waiting for Results	--	16.8 million
<b>TUESDAY, FEB. 4</b>				
Job openings	Dec.	Waiting for Results	--	8.1 million
Factory orders	Dec.	Waiting for Results	--	-0.40%
<b>WEDNESDAY, FEB. 5</b>				
ADP employment	Jan.	Waiting for Results	--	122,000
U.S. trade deficit	Dec.	Waiting for Results	--	-\$78.2B
S&P final U.S. services PMI	Jan.	Waiting for Results	--	52.80
ISM services	Jan.	Waiting for Results	--	54.10%
<b>THURSDAY, FEB. 6</b>				
Initial jobless claims	Feb. 1	Waiting for Results	--	--
U.S. productivity	Q4	Waiting for Results	--	2.20%
<b>FRIDAY, FEB. 7</b>				
U.S. employment report	Jan.	Waiting for Results	--	256,000
U.S. unemployment rate	Jan.	Waiting for Results	--	4.10%
U.S. hourly wages	Jan.	Waiting for Results	--	0.30%
Hourly wages year over year	0-Jan	Waiting for Results	--	3.90%
Wholesale inventories	Dec.	Waiting for Results	--	-0.20%
Consumer sentiment (prelim)	Jan.	Waiting for Results	--	71.10
Consumer credit	Dec.	Waiting for Results	--	-\$7.5B

**Chart of the Day: US Initial Jobless Claims (Thousands)**



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