



Market Conditions

April 11, 2025

MBS	Current Price	Change	OAS Dur	OAS Yld	Vol
FNMA30 5.5 MAY	97 30/32	-14/32	4.41	5.89%	3.48
FNMA15 5.0 MAY	99 7/32	-10/32	4.51	5.13%	3.56
GNMAII30 5.5 MAY	98 7/32	-14/32	3.45	5.90%	2.73

Treasuries	Current Price	Change	Dur	Yld	Vol
5yr Treasury	99 11/32	-9/32	4.50	4.15	3.89
10yr Treasury	101 4/32	-13/32	8.14	4.50	6.61
30yr Treasury	96 7/32	+4/32	16.07	4.89	12.78

Stocks	Current Price	% Change	Commodities	Current Price	Change
Dow	40,219.75	+1.58%	Dollar	\$100.18	-0.68%
S&P 500	5,357.42	+1.69%	Gold	\$3,246.10	+2.20%
Nasdaq	16,639.11	+1.59%	Crude Oil	\$61.28	+2.05%

Economic Commentary

MBS prices are down about 4/32 this morning while the DOW is up 325 points as consumer sentiment tumbled, 10-year Treasury yields rose, and investors weighed the latest tariff development in the trade war between the US and China. Friday's session caps a chaotic week on Wall Street, with an increased focus on waning appetite for US assets. The benchmark 10-year Treasury yield continued to climb to its highest level since February, touching 4.56%. Meanwhile, the dollar index tumbled while gold hit a fresh record. Meanwhile, consumer sentiment tumbled to its lowest level since 2022 in April as the impacts of President Trump's tariff policies remained top of mind. The preliminary April Univ. of Michigan Index of Consumer Sentiment checked in at 50.8 (Briefing.com consensus 54.8) versus the final reading of 57.0 for March. In the same period a year ago, the index stood at 77.2. The key takeaway from the report is manifold: the decline in consumer sentiment is broad-based; expectations for unemployment to rise are at their highest since 2009; and inflation expectations are surging. This is a terrible mix that will foment concerns about future consumer spending strength. The Producer Price Index for final demand decreased 0.4% month-over-month in March (Briefing.com consensus 0.1%) following an upwardly revised 0.1% increase (from 0.0%) in February. The Core Producer Price Index for final demand, which excludes food and energy, decreased 0.1% month-over-month (Briefing.com consensus 0.3%) following an upwardly revised 0.1% increase (from -0.1%) in February. On a year-over-year basis, the index for final demand was up 2.7% versus 3.2% in February, and the index for final demand, less food and energy, was up 3.3% versus 3.5% in February. The key takeaway from the report is that inflation for wholesalers was suppressed in March; however, that good news is being discounted (like yesterday's CPI report was) as temporary given that tariff actions are taking root in supply chains and are expected to lead to higher prices at least in the short term. China said this morning it will raise duties on imports of US goods to 125%, compared with the 84% previously planned, effective Saturday. The move is in direct response to President Trump's ballooning "reciprocal" tariffs on China, the commerce ministry said, but it also suggested it will "ignore" any retaliatory US hikes in duties.

Economic Calendar

	PERIOD	ACTUAL	FORECAST	PREVIOUS
FRIDAY, APRIL 11				
Producer price index	March	-0.40%	0.10%	0.10%
Core PPI	March	0.10%	0.30%	0.40%
PPI year over year	2024-2025	2.70%	--	3.20%
Core PPI year over year	2024-2025	3.40%	--	3.50%
Consumer sentiment (prelim)	April	50.80	54.80	57.00
MONDAY, APRIL 14				
None Scheduled				
TUESDAY, APRIL 15				
Import price index	March	Waiting for Results	--	0.40%
Import price index minus fuel	March	Waiting for Results	--	0.30%
Empire State manufacturing survey	April	Waiting for Results	--	-20.00
WEDNESDAY, APRIL 16				
U.S. retail sales	March	Waiting for Results	--	0.20%
Retail sales minus autos	March	Waiting for Results	--	--
Industrial production	March	Waiting for Results	--	0.70%
Capacity utilization	March	Waiting for Results	--	78.20%
Business inventories	Feb.	Waiting for Results	--	0.30%
Home builder confidence index	April	Waiting for Results	--	39.00
THURSDAY, APRIL 17				
Initial jobless claims	12-Apr	Waiting for Results	--	--
Housing starts	March	Waiting for Results	--	1.5 million
Building permits	March	Waiting for Results	--	1.46 million
Philly Fed manufacturing survey	April	Waiting for Results	--	12.50
FRIDAY, APRIL 18				
None Scheduled				

Chart of the Day: Michigan Consumer Sentiment Index

