



Calibrate | Focus | Execute

**Market Conditions**

**April 16, 2025**

MBS	Current Price	Change	OAS Dur	OAS Yld	Vol
FNMA30 5.5 MAY	99 8/32	+6/32	4.46	5.68%	3.53
FNMA15 5.0 MAY	100 3/32	+4/32	4.52	4.94%	3.57
GNMAI30 5.5 MAY	99 12/32	+6/32	3.49	5.76%	2.76

Treasuries	Current Price	Change	Dur	Yld	Vol
5yr Treasury	100 9/32	+7/32	4.50	3.94	3.90
10yr Treasury	102 16/32	+8/32	8.14	4.31	6.61
30yr Treasury	97 21/32	+4/32	16.07	4.77	12.78

Stocks	Current Price	% Change	Commodities	Current Price	Change
Dow	40,106.99	-0.65%	Dollar	99.49	-0.73%
S&P 500	5,326.92	-1.29%	Gold	\$3,342.60	+3.12%
Nasdaq	16,459.40	-2.18%	Crude Oil	\$62.46	+1.88%

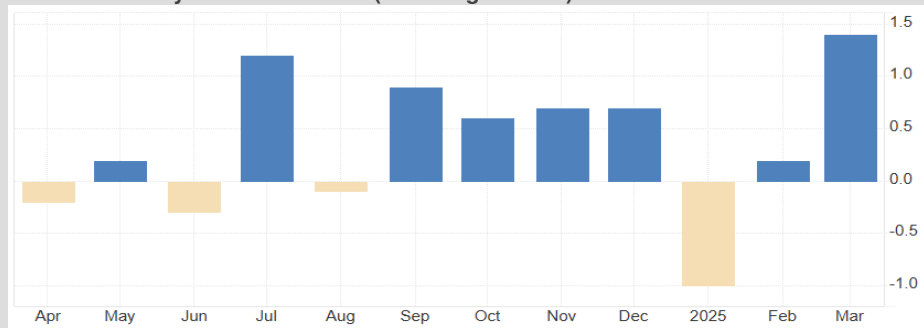
**Economic Commentary**

MBS prices are up about 6/32 this morning while the DOW is down about 270 points after Nvidia revealed costly new curbs on chip exports to China, and investors grappled with uncertainty over President Trump's trade policy. A new filing from Nvidia this morning showed that the US government has required licenses for exports to China of the company's H2O artificial intelligence chip. The chip giant said the move would result in \$5.5 billion in charges. A similar filing from AMD said the company expects to incur costs up to \$800 million from the new export controls, prompting shares to dive 7%. Meanwhile, we are awaiting a speech from Fed Chair Jerome Powell this afternoon as investors search for any updates on how the shifting tariff picture may be impacting the central bank's outlook. In an exclusive interview with Yahoo Finance yesterday afternoon, Treasury Secretary Scott Bessett said he expects to see "substantial clarity" on tariffs with major US trading partners, excluding China, over the next 90 days. For its part, China said Wednesday it is open to US talks, but only under certain conditions. This morning's economic reports showed that total retail sales increased 1.4% month-over-month in March (Briefing.com consensus 1.3%) following an unrevised 0.2% increase in February. Excluding autos, retail sales rose 0.5% month-over-month (Briefing.com consensus 0.2%) following an upwardly revised 0.7% increase (from 0.3%) in February. The complicated element -- and key takeaway from the report -- is that the strength has a lot to do ostensibly with getting ahead of the tariff actions, which is to say the strength may not be sustained. If there is a counterargument to that point, it is that sales at food services and drinking places were up a robust 1.8% in March after declining 0.8% in February. Total industrial production decreased 0.3% month-over-month in March (Briefing.com consensus -0.3%) following an upwardly revised 0.8% increase (from 0.7%) in February. The capacity utilization rate fell to 77.8% (Briefing.com consensus 77.9%) from 78.2% in February. Total industrial production increased 1.3% yr/yr while the capacity utilization rate was 1.8 percentage points below its long-run average. The key takeaway from the report is that the large decline in the output of utilities overshadowed the increase in manufacturing output and mining output, so the headline decline isn't as bad as it looks at first blush.

**Economic Calendar**

	PERIOD	ACTUAL	FORECAST	PREVIOUS
<b>WEDNESDAY, APRIL 16</b>				
U.S. retail sales	March	1.40%	1.20%	0.20%
Retail sales minus autos	March	0.50%	0.30%	0.70%
Industrial production	March	-0.30%	-0.10%	0.80%
Capacity utilization	March	77.80%	77.90%	78.20%
Business inventories	Feb.	0.20%	0.30%	0.30%
Home builder confidence index	April	40.00	37.00	39.00
<b>THURSDAY, APRIL 17</b>				
Initial jobless claims	12-Apr	Waiting for Results	225,000	223,000
Housing starts	March	Waiting for Results	1.41 million	1.5 million
Building permits	March	Waiting for Results	1.44 million	1.46 million
Philly Fed manufacturing survey	April	Waiting for Results	3.50	12.50
<b>FRIDAY, APRIL 18</b>				
None Scheduled				
<b>MONDAY, APRIL 21</b>				
U.S. leading economic indicators	March	Waiting for Results	--	-0.30%
<b>TUESDAY, APRIL 22</b>				
None Scheduled				
<b>WEDNESDAY, APRIL 23</b>				
S&P flash U.S. services PMI	April	Waiting for Results	--	54.40
S&P flash U.S. manufacturing PMI	April	Waiting for Results	--	50.20
New home sales	March	Waiting for Results	--	676,000
Fed Beige Book				
<b>THURSDAY, APRIL 24</b>				
Initial jobless claims	19-Apr	Waiting for Results	--	--
Durable-goods orders	March	Waiting for Results	--	0.60%
Core durable orders	March	Waiting for Results	--	-0.30%
<b>FRIDAY, APRIL 25</b>				
Consumer sentiment (final)	April	Waiting for Results	--	5080.00%

**Chart of the Day: US Retail Sales (% Change - MoM)**



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