

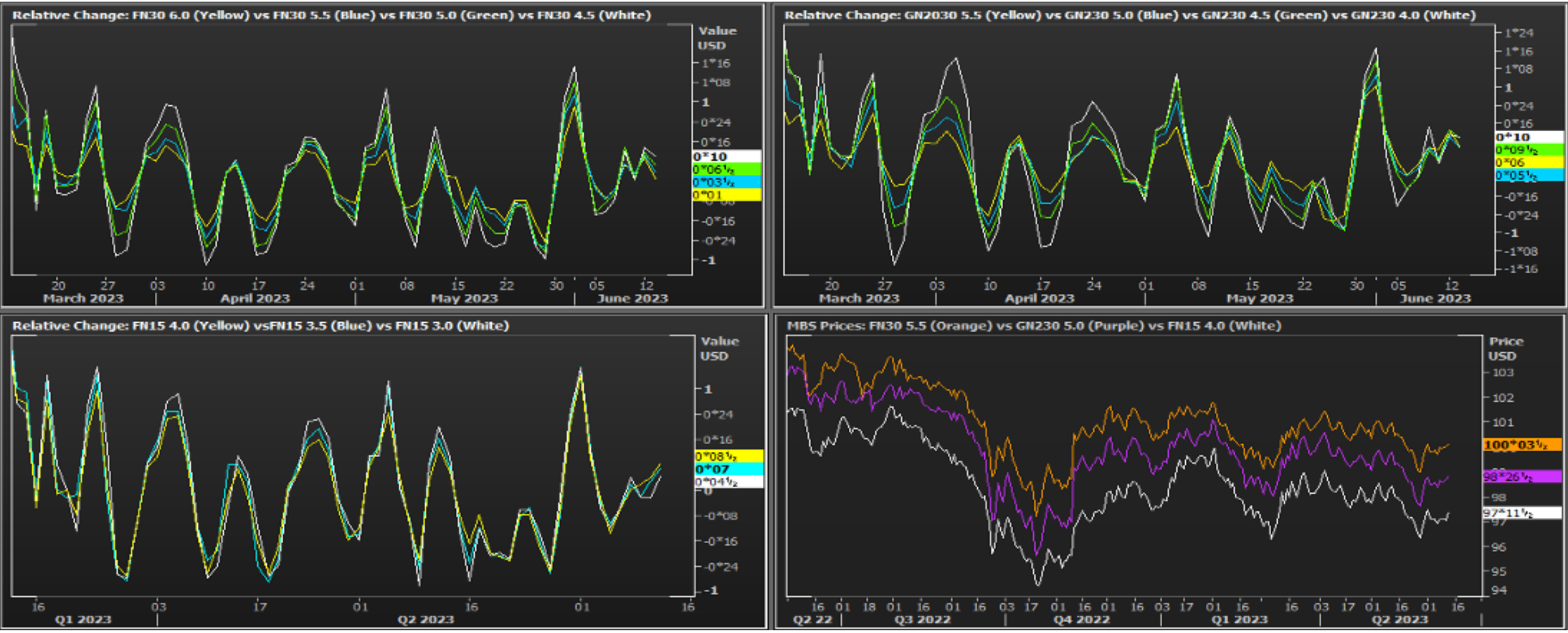
WEEKLY MARKET UPDATES

COMMENTARY FROM THE DENVER DESK...

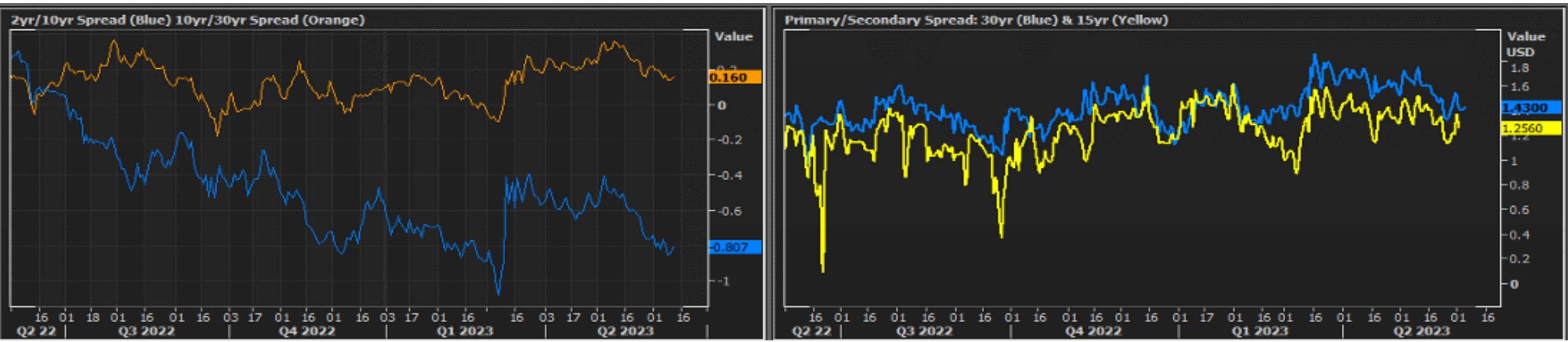
Coming off of a relatively quiet past week of news for US markets, participants can expect a much busier week with both CPI and PPI releases, as well as a a rate-policy decision from the FOMC this week - all before Wednesday close. CPI came in Tuesday morning at 0.1% M/M, though was expected at 0.2%. TBA's rallied on the news as it indicated the pause in rate hikes this summer may come to fruition. Regarding the FOMC meeting, three-quarters of traders are expecting a pause in rate hikes this time. The emerging story regarding the Fed is now the possibility for there to not be a peak in rates followed by cuts later in the year, but for additional hikes to be in the cards to cut into any additional sticky inflation that emerges later in the year. This will likely be the case as Tuesday's inflation reading missing the expectation was largely due to decreases in volatile components such as energy. Core items, including rents which have higher-than-average turnover times, remain sticky. Further stresses in the banking system could quickly turn the narrative back to one of rate cuts in the second half.

MARKET INDICATORS

BENCHMARK	FN30 CURRENT CPN	FN30 5.5	FN15 5.0	GNII30 5.5	OBBMI 30-YR RATE
ONE WEEK AGO	5.580	99 25/32	99 22/32	99 26/32	6.743
CURRENT	5.462	100 9/32	100	100 11/32	6.689
DELTA	-0.118	0.500	0.313	0.531	-0.054



BENCHMARK	SOFR	UST 2-YR. YIELD	UST 10-YR. YIELD	UST 30-YR. YIELD	10-YR./30-YR. SPREAD
ONE WEEK AGO	5.060	4.523	3.718	3.904	0.186
CURRENT	5.050	4.529	3.716	3.879	0.163
DELTA	0.010	0.006	-0.002	-0.025	-0.023

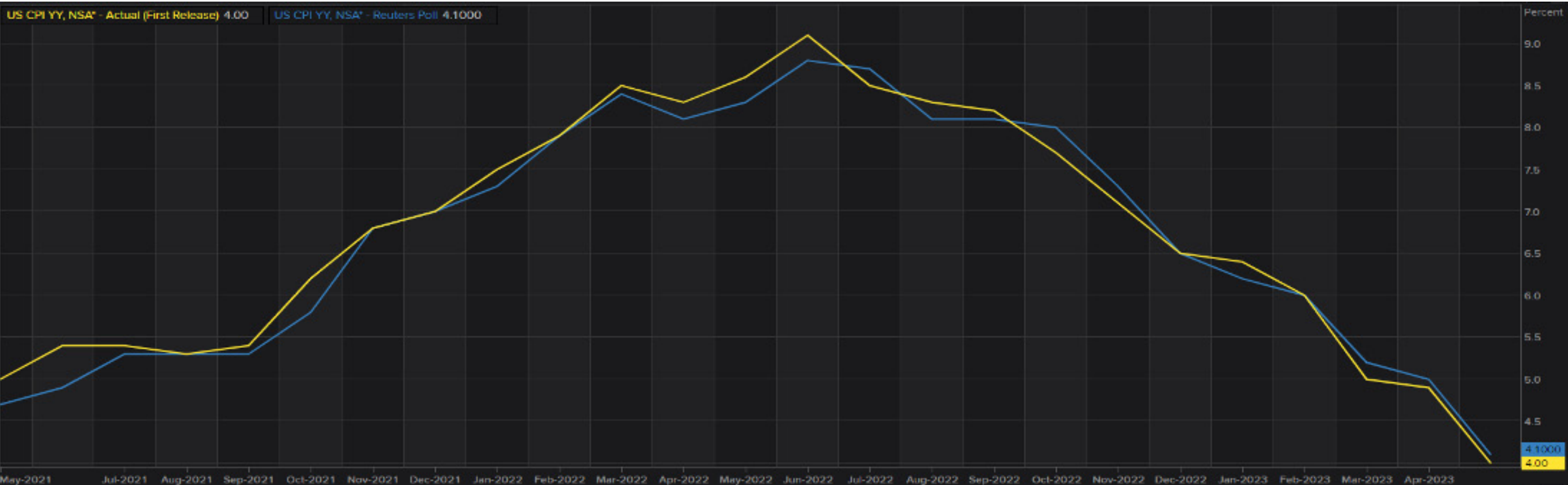


– Prices/Yields are current as of 9:30am EST on June 13, 2023 –

THOMSON REUTERS Eikon

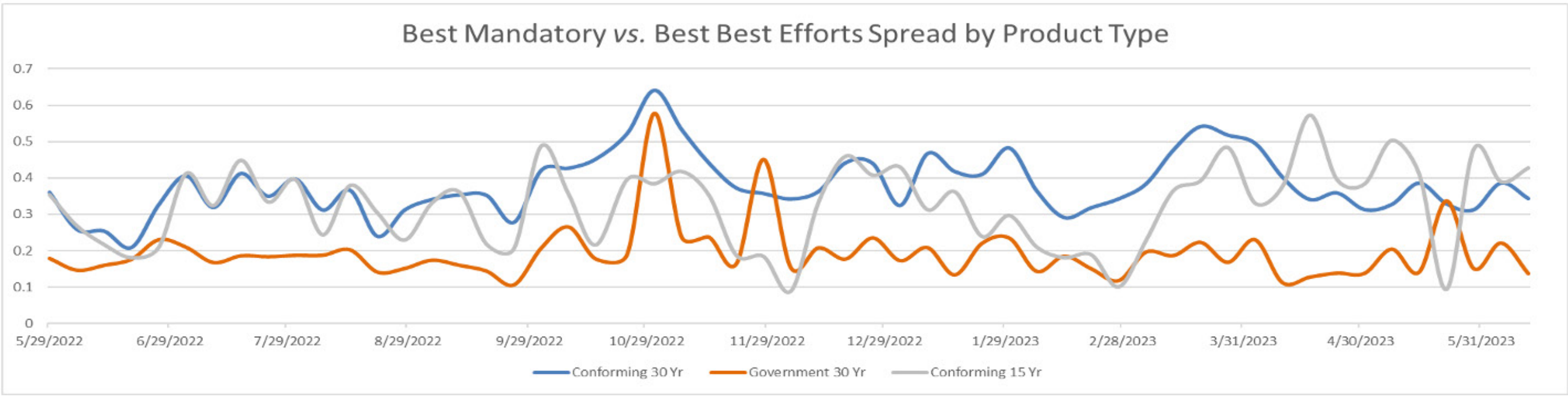
ECONOMIC DATA

Core CPI	May	April	March	3-MO Moving Average	1-YR Moving Average
ACTUAL	4.00%	4.90%	5.00%	4.63%	5.66%
EXPECTED	4.10%	5.00%	5.20%		
DIFFERENCE	-0.10%	-0.10%	-0.20%		



BEST EFFORTS – MANDATORY SPREAD INDEX

	Conforming 30-Year	Government 30-Year	Conforming 15-Year
Weekly	0.344	0.138	0.428
30 days	0.343	0.212	0.348
90 days	0.389	0.180	0.403
1 year	0.390	0.195	0.331



LIGHT READING

[Black Knight: May 2023 Originations Market Monitor](#)

ECONOMIC CALENDAR: DATA and EVENTS

TIME (ET)	REPORT	PERIOD	ACTUAL	MEDIAN FORECAST	PREVIOUS
WEDNESDAY, JUNE 14					
8:30 AM	Producer price index			-0.10%	0.20%
8:30 am	Core PPI			--	0.20%
8:30 AM	PPI year over year			--	2.30%
8:30 AM	Core PPI year over year			--	3.40%
2:00 PM	Fed decision on interest-rate policy				
2:30 PM	Fed Chair Powell press conference				
THURSDAY, JUNE 15					
8:30 AM	Initial jobless claims	10-Jun		248,000	261,000
8:30 AM	U.S. retail sales	May		-0.10%	0.40%
8:30 AM	Retail sales minus autos	May		0.10%	0.40%
8:30 AM	Import price index	May		-0.60%	0.40%
8:30 AM	Import price index minus fuel	May		--	0
8:30 AM	Empire State manufacturing survey	May		-1600.00%	-3180.00%
8:30 AM	Philadelphia Fed manufacturing survey	May			(10)
9:15 AM	Industrial production	May		0	0
9:15 AM	Capacity utilization	May		79.60%	79.70%
10:00 AM	Business inventories	April		0.20%	0.0
FRIDAY, JUNE 16					
7:45 AM	Fed Gov. Christopher Waller speaks				
10:00 AM	Consumer sentiment			60.8	5920.00%
MONDAY, JUNE 19					
	Juneteenth Day holiday, all markets closed				
10:00 AM	Home builder confidence index	June			5000.00%
TUESDAY, JUNE 20					
8:30 AM	Housing starts	May			1.40 million