

WEEKLY MARKET UPDATES

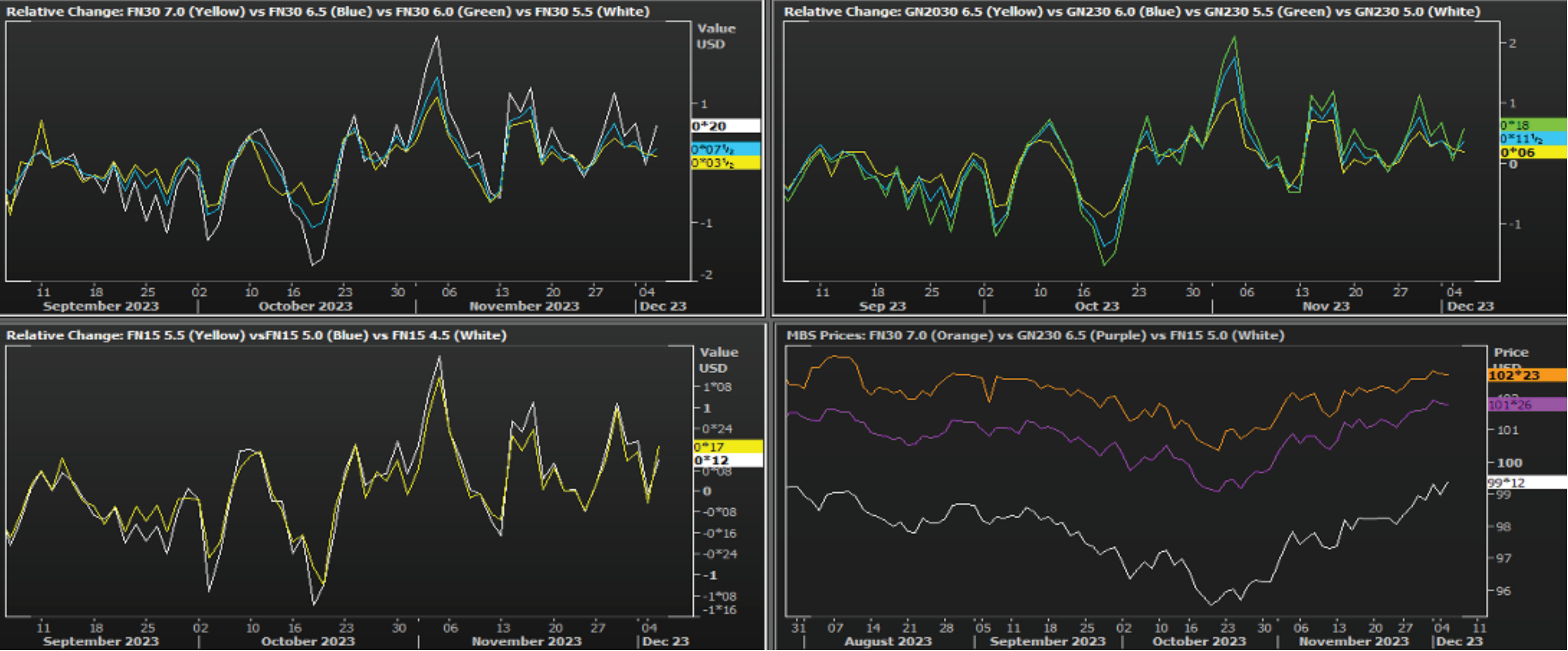
COMMENTARY FROM THE DENVER DESK...

The mortgage market traded up and down over the past week as slowing inflation data paired with positive but extremely cautious Federal Reserve speak muted hopes for rate relief in the coming months. Fed speak has left the markets in a state of cautious optimism as New York Fed President John Williams, a key advisor to Chairman Powell, signaled that the benchmark interest rate may have hit a peak although the current restrictive stance may be needed for some time. The Tuesday JOLTS report came in at 8.73 million jobs openings – a far cry from the 9.4 million expected in the market. This is a promising sign in the Fed’s fight against inflation as slowing labor demand will help cool what has been a red-hot jobs market. This positive news further increases the chances of rate relief in the medium term and could help to fuel a further rally.

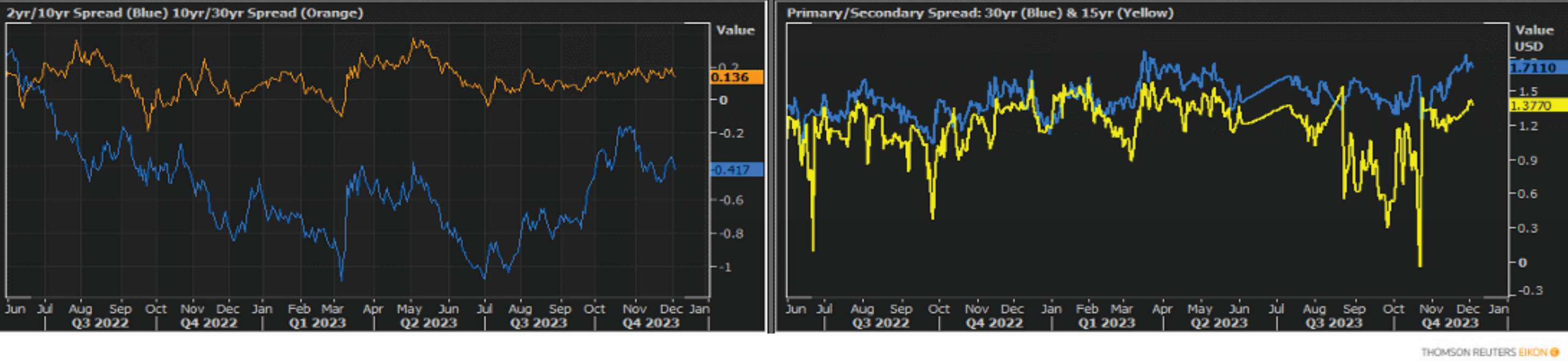
Traders patiently wait for the non-farm payroll numbers to be released this Friday; the current expectation stands at 190,000 jobs added. A number in line or below expectations should add credence to the growing consensus that rate hikes are over, and rate relief is on the horizon. The Fed policy meeting in the coming week is result in rates remaining flat but could cause increased volatility in the market should they chose to raise or lower rates from current levels. The upcoming non-farm data release paired with the fed meeting should illuminate rate direction in the short term and could fuel the continuation of the past few weeks rally.

MARKET INDICATORS

BENCHMARK	FN30 CURRENT CPN	FN30 6.5	FN15 5.5	GNII30 6.5	OBMMI 30-YR RATE
ONE WEEK AGO	6.006	101 12/32	99 24/32	101 13/32	7.252
CURRENT	5.773	101 26/32	100 15/32	101 26/32	7.063
DELTA	-0.233	0.438	0.719	0.406	-0.189



BENCHMARK	SOFR	UST 2-YR. YIELD	UST 10-YR. YIELD	UST 30-YR. YIELD	10-YR./30-YR. SPREAD
ONE WEEK AGO	5.310	4.788	4.335	4.530	0.195
CURRENT	5.370	4.600	4.182	4.318	0.136
DELTA	-0.060	-0.188	-0.153	-0.212	-0.059



– Prices/Yields are current as of 2:30 PM EST on December 5th, 2023 –

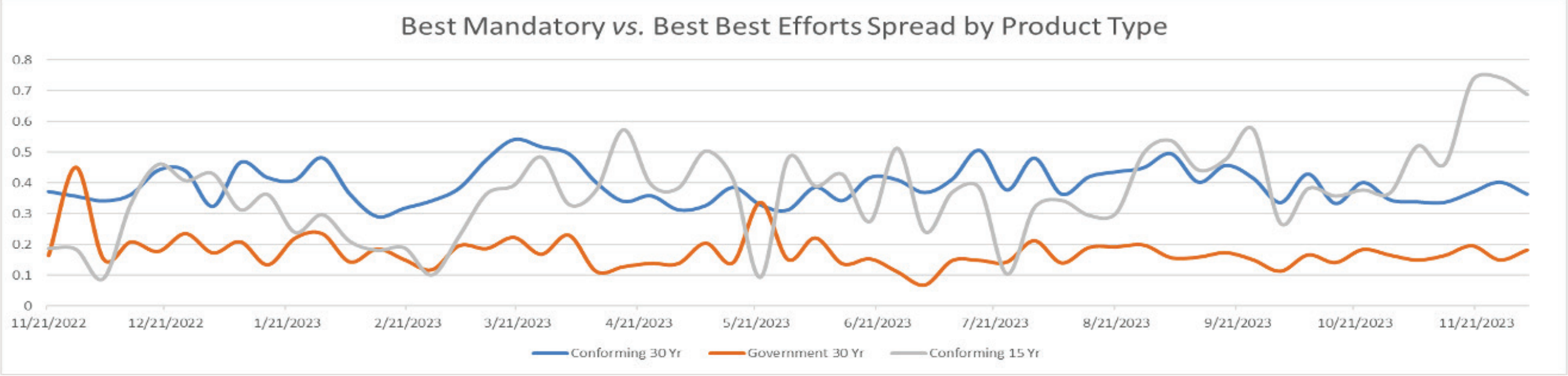
ECONOMIC DATA

Consumer Confidence	November	October	September	3-MO Moving Average	1-YR Moving Average
ACTUAL	102.00	102.60	103.00	102.53	105.54
EXPECTED	101.00	100.00	105.50		
DIFFERENCE	1.00	2.60	(2.50)		



BEST EFFORTS – MANDATORY SPREAD INDEX

	Conforming 30-Year	Government 30-Year	Conforming 15-Year
Weekly	0.364	0.182	0.689
30 days	0.369	0.173	0.657
90 days	0.380	0.161	0.492
1 year	0.396	0.168	0.382



LIGHT READING

Market Watch: Financial conditions eased in November at the fastest pace in 4 decades. That could be a problem for markets and the Fed

ECONOMIC CALENDAR: DATA and EVENTS

TIME (ET)	REPORT	PERIOD	ACTUAL	MEDIAN FORECAST	PREVIOUS
WEDNESDAY, Dec. 6					
8:15 AM	ADP employment	Nov.		128,000	113,000
8:30 AM	U.S. productivity (revision)	Q3		0.05	0.05
8:30 AM	U.S. trade deficit	Oct.		-\$64.1B	-\$61.5B
THURSDAY, Dec. 7					
8:30 AM	Initial jobless claims	2-Dec		222,000	218,000
10:00 AM	Wholesale inventories	Oct.		(0)	0
3:00 PM	Consumer credit	Oct.		\$8.0B	\$9.1B
FRIDAY, Dec. 8					
8:30 AM	U.S. employment report	Nov..		190,000	150,000
8:30 AM	U.S. unemployment rate	Nov.		0	0
8:30 AM	U.S. hourly wages	Nov.		0	0
8:30 AM	Hourly wages year over year			0	0
10:00 AM	Consumer sentiment (prelim)	Dec.		62	61
MONDAY, DEC. 11					
	None scheduled				
TUESDAY, DEC. 12					
8:30 AM	Consumer price index	Nov.			0.00
8:30 AM	Core CPI	Nov.			0.00
8:30 AM	CPI year over year				0.03
8:30 AM	Core CPI year over year				0.04
2:00 PM	Monthly U.S. federal budget	Nov.			-\$67B