

WEEKLY MARKET UPDATES

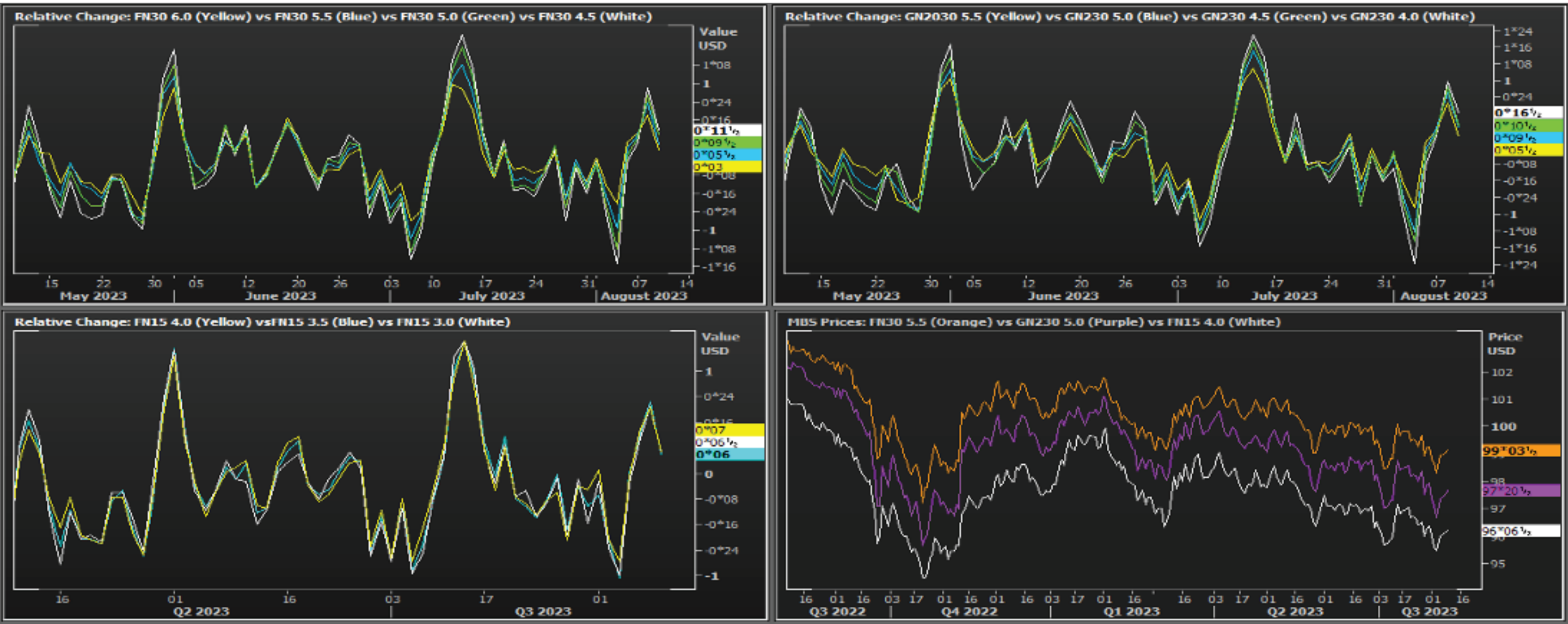
COMMENTARY FROM THE DENVER DESK...

A slight cooldown in July's nonfarm payrolls at 187k jobs added (200k expected) along with June's revision lower gave the bond market a small relief rally after several days of selloff following news surrounding the U.S. Treasury's growing bond issuance plans, as well as Fitch's downgrade of U.S. debt to AA+ from AAA. The debt downgrade may not prove to be a concern on its own, but highlights the effects of a continued and growing budget deficit that needs to be funded with a greater supply of U.S. debt (issued at much higher yields) while the demand for both treasuries and mortgage backed securities has waned with the Fed and Banks stepping back from their previous role as consistent buyers. Along with the Federal Reserve potentially keeping rates high for some time, the outlook for significant rate relief remains bleak in the short term as long we continue to see solid economic data.

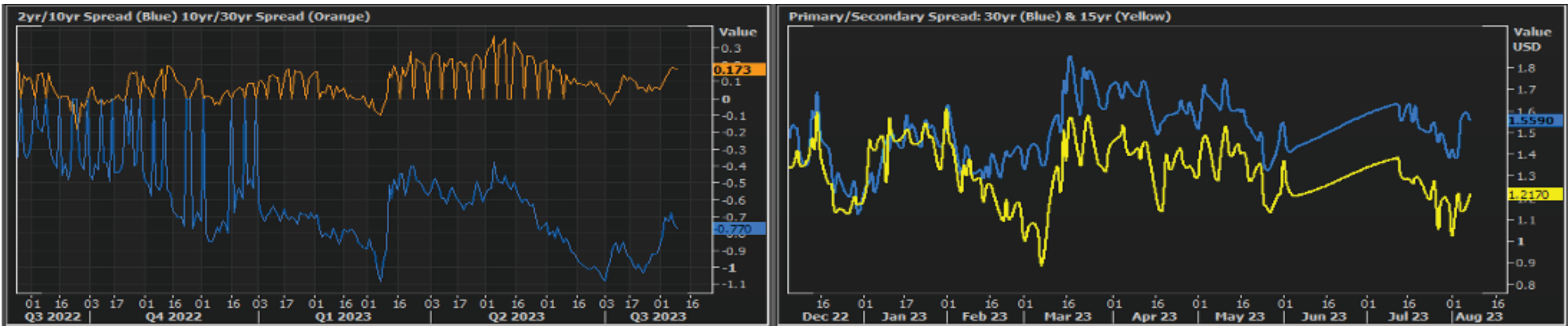
This week, all eyes will be on the July CPI report due out early Thursday morning where headline CPI is expected at a 3.3% Y/Y level with core CPI at a higher 4.7% Y/Y clip as shelter costs continue their slow march through the lagging CPI formula. A downside miss could tilt the odds more towards a Fed rate pause or skip, although we still get to see one more print each of nonfarm payrolls and CPI prior to the September 20th FOMC rate decision. PPI will also give us some further clues to the trajectory of price pressures on Friday morning and set the mood heading into the weekend.

MARKET INDICATORS

BENCHMARK	FN30 CURRENT CPN	FN30 5.5	FN15 5.0	GNI30 5.5	OBMMI 30-YR RATE
ONE WEEK AGO	5.878	98 30/32	99 3/32	99 1/32	6.881
CURRENT	5.813	99 3/32	99 1/32	99 5/32	6.983
DELTA	-0.065	0.156	-0.063	0.125	0.102



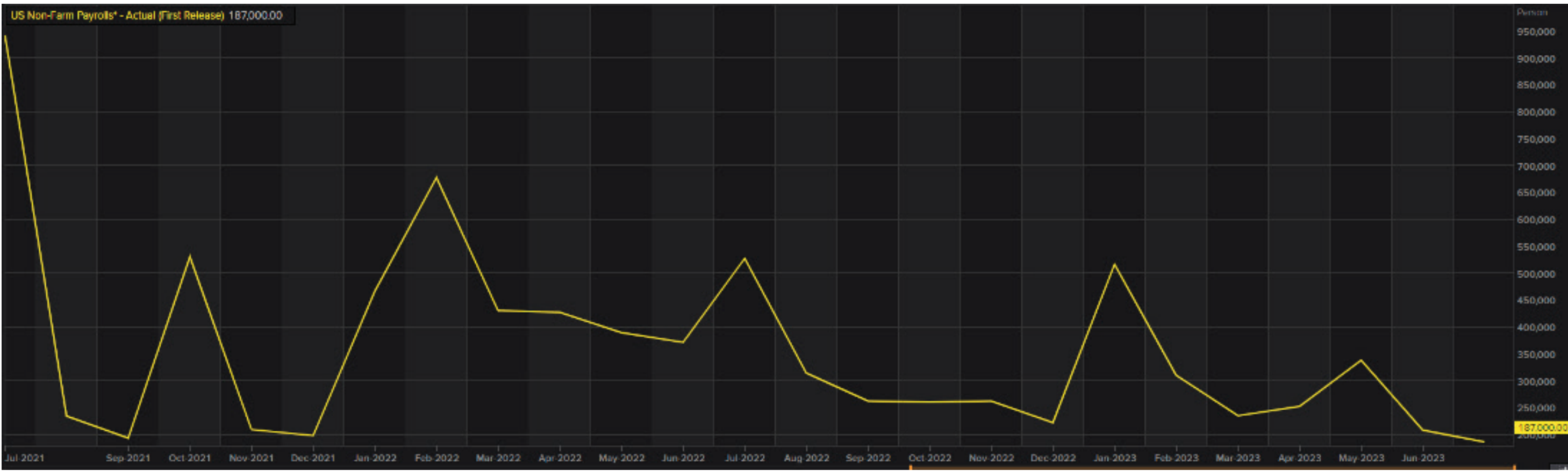
BENCHMARK	SOFR	UST 2-YR. YIELD	UST 10-YR. YIELD	UST 30-YR. YIELD	10-YR./30-YR. SPREAD
ONE WEEK AGO	5.310	4.902	4.043	4.096	0.053
CURRENT	5.300	4.777	4.002	4.176	0.174
DELTA	0.010	-0.125	-0.041	0.080	0.121



– Prices/Yields are current as of 12:30am EST on August 9, 2023 –

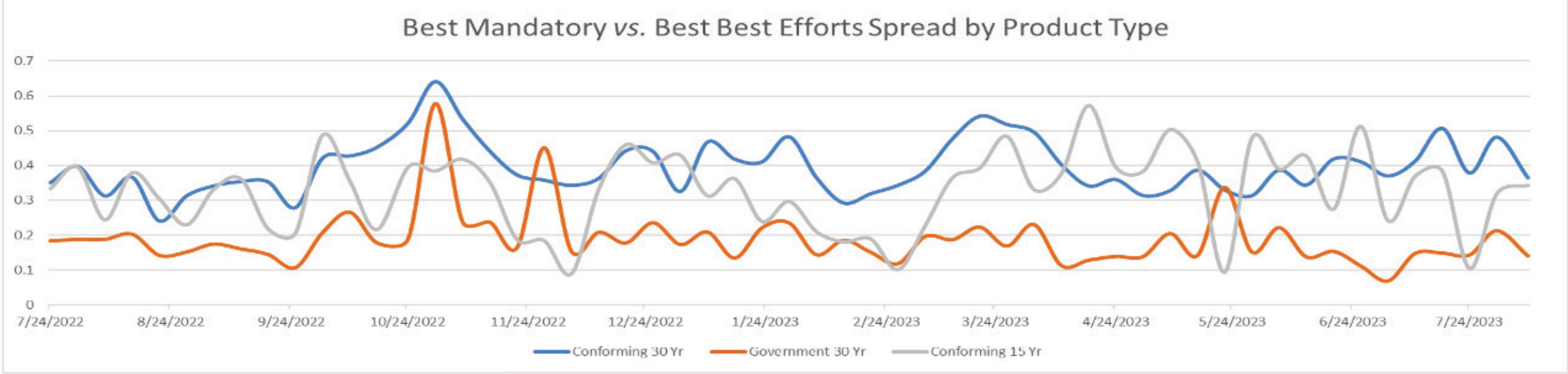
ECONOMIC DATA

Non-Farm Payrolls	June	May	April	3-MO Moving Average	1-YR Moving Average
ACTUAL	187,000	209,000	339,000	245,000	281,417
EXPECTED	200,000	225,000	190,000		
DIFFERENCE	(13,000)	(16,000)	149,000		



BEST EFFORTS – MANDATORY SPREAD INDEX

	Conforming 30-Year	Government 30-Year	Conforming 15-Year
Weekly	0.364	0.140	0.343
30 days	0.433	0.161	0.287
90 days	0.392	0.163	0.335
1 year	0.403	0.190	0.328



LIGHT READING

[U.S. mortgage rates spike to highest since November, approach 22-year high](#)

[Fed's Harker: Fed may be ready to 'hold rates steady](#)

ECONOMIC CALENDAR: DATA and EVENTS

TIME (ET)	REPORT	PERIOD	ACTUAL	MEDIAN FORECAST	PREVIOUS
WEDNESDAY, AUGUST 9					
	None scheduled				
THURSDAY, AUGUST 10					
8:30 AM	Initial jobless claims	Aug. 5		231,000	227,000
8:30 AM	Consumer price index	July	0.2%	0.2%	0.2%
8:30 AM	Core CPI	July	0.2%	0.2%	0.2%
8:30 AM	CPI (year-over-year)		0.2%		0.2%
8:30 AM	Core CPI (year-over-year)		3.30%		3.30%
2:00 PM	Treasury budget	July	-\$95B		-\$211B
FRIDAY, AUGUST 11					
8:30 AM	Producer price index	July	0.2%		0.1%
8:30 AM	Core PPI	July	--		0.1%
8:30 AM	PPI (year-over-year)		--		0.1%
8:30 AM	Core PPI (year-over-year)		--		2.6%
10:00 AM	Consumer sentiment (prelim)	Aug	72.0		71.6
MONDAY, AUG. 14					
	None scheduled				
TUESDAY, AUG. 15					
8:30 AM	U.S. retail sales	July			0.2%
8:30 AM	Retail sales minus autos	July			0.2%
8:30 AM	Import price index	July			-0.2%
8:30 AM	Import price index minus fuel	July			-0.4%
8:30 AM	Empire State manufacturing survey	Aug.			1.1
10:00 AM	Business inventories	June			0.2%