

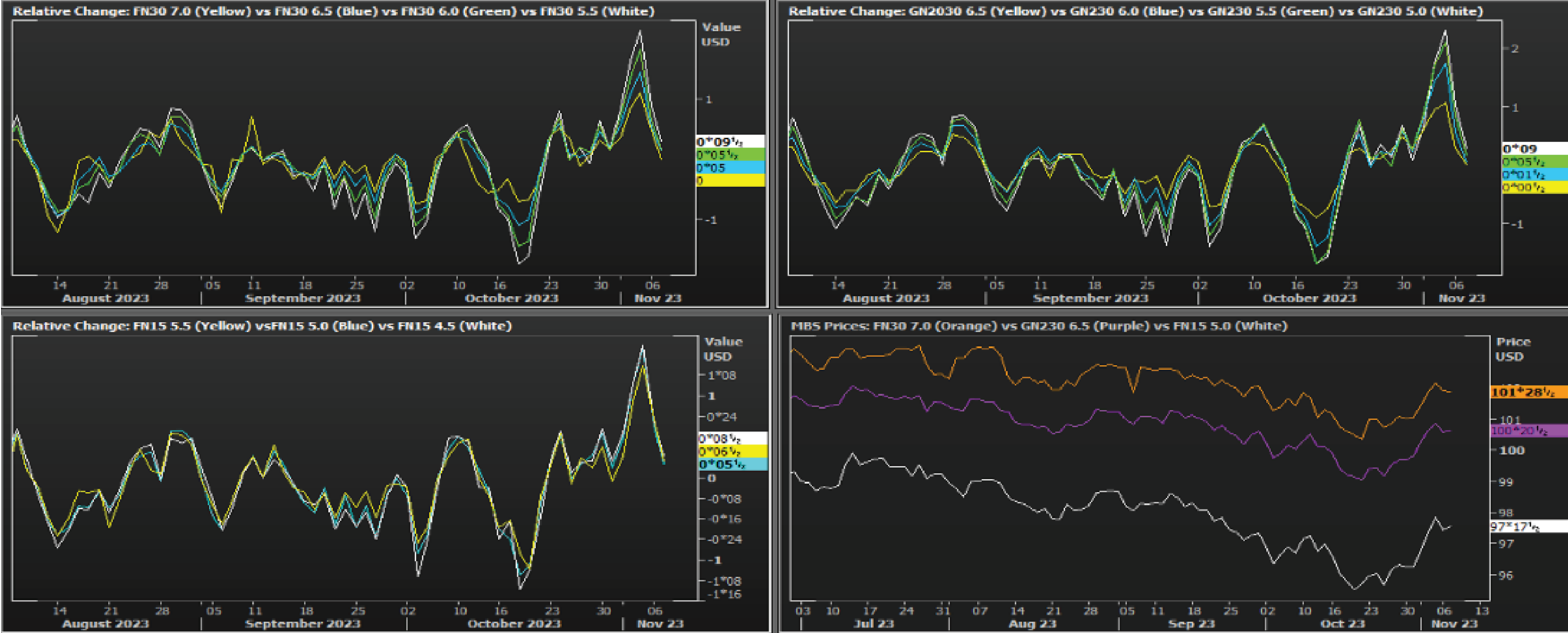
WEEKLY MARKET UPDATES
COMMENTARY FROM THE DENVER DESK...

The second half of last week saw mortgage markets rally as they were swept along in a number of bullish sessions that saw equities and bonds improve. The rally began Wednesday with the FOMC decision, and it's press conference signaling a buying opportunity to analysts across asset classes. The rally continued through Friday with non-farm payrolls disappointing both M/M (-186,000) as well as missing the expectation (180K expected vs. 150K real) leading to a strong rally of about three-quarters of a point in the CONV 6.5% to close out the week. Only time will tell if this rally will be sustained or rather a point to lock in borrowers before a return to rates averaging in the upper 7's or higher.

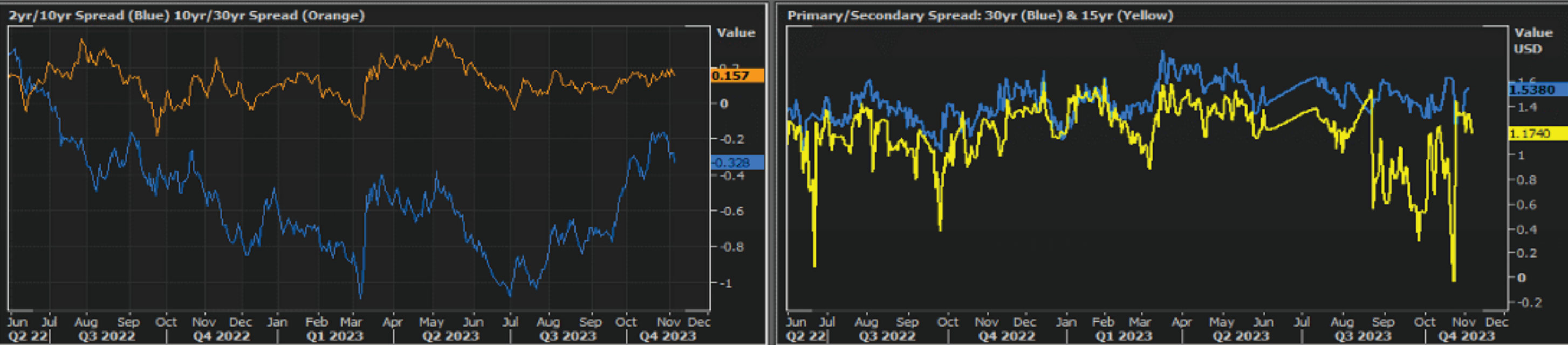
Monday's market indication was a return to the pre-November trend with the coupon stack giving back a quarter to a half point depending on coupon. Such an intense rally as seen last week was unlikely to remain without additional reasons to support a bond rally. The federal funds rate still does not show a chance for rate cuts until this coming March according to the CME Fed Watch tool and one employment data miss rarely has enough steam to move markets for a second day. Geo-politically the landscape remains unchanged from a week ago with little likely contagion between foreign policy and domestic economic performance. In regard to DC, the longer it takes for a federal budget to pass the more damaging the results for markets, however we will rest on any speculation until a more concrete story emerges from the scene in the run up to the November 17th deadline.

MARKET INDICATORS

BENCHMARK	FN30 CURRENT CPN	FN30 6.5	FN15 5.5	GNII30 6.5	OBMMI 30-YR RATE
ONE WEEK AGO	6.692	99 13/32	97 28/32	99 26/32	7.778
CURRENT	6.352	100 18/32	98 29/32	100 21/32	7.472
DELTA	-0.340	1.156	1.031	0.844	-0.306



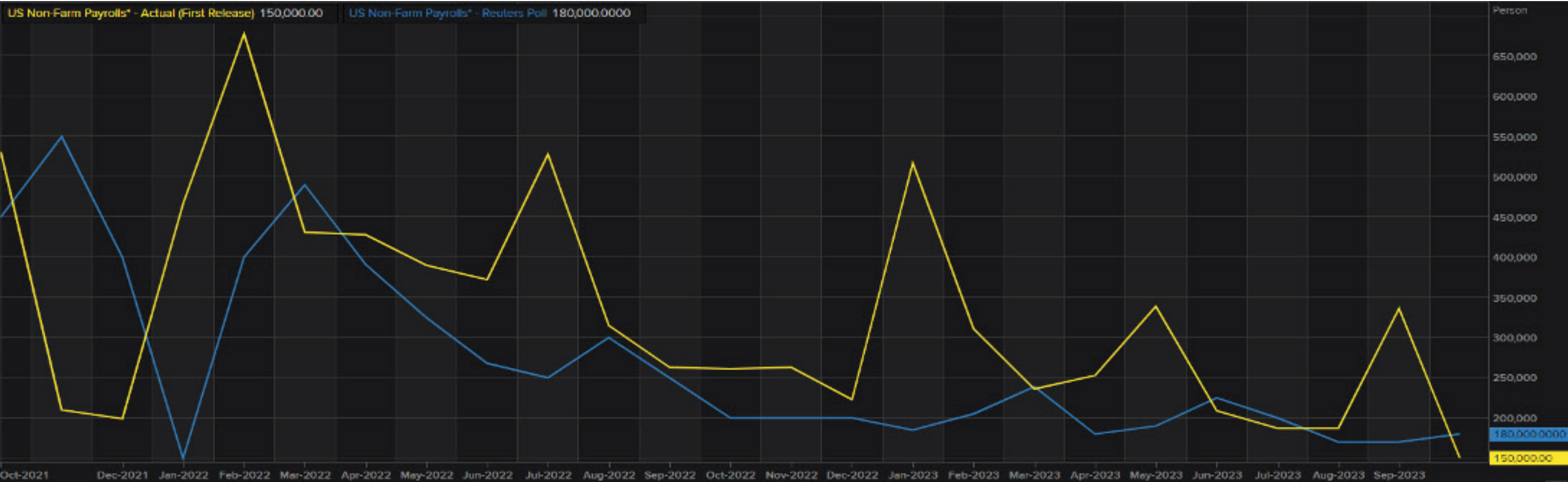
BENCHMARK	SOFR	UST 2-YR. YIELD	UST 10-YR. YIELD	UST 30-YR. YIELD	10-YR./30-YR. SPREAD
ONE WEEK AGO	5.310	5.081	4.865	5.007	0.142
CURRENT	5.320	4.936	4.604	4.759	0.155
DELTA	-0.010	-0.145	-0.261	-0.248	0.013



– Prices/Yields are current as of 9:30am EST on November 7th, 2023 –

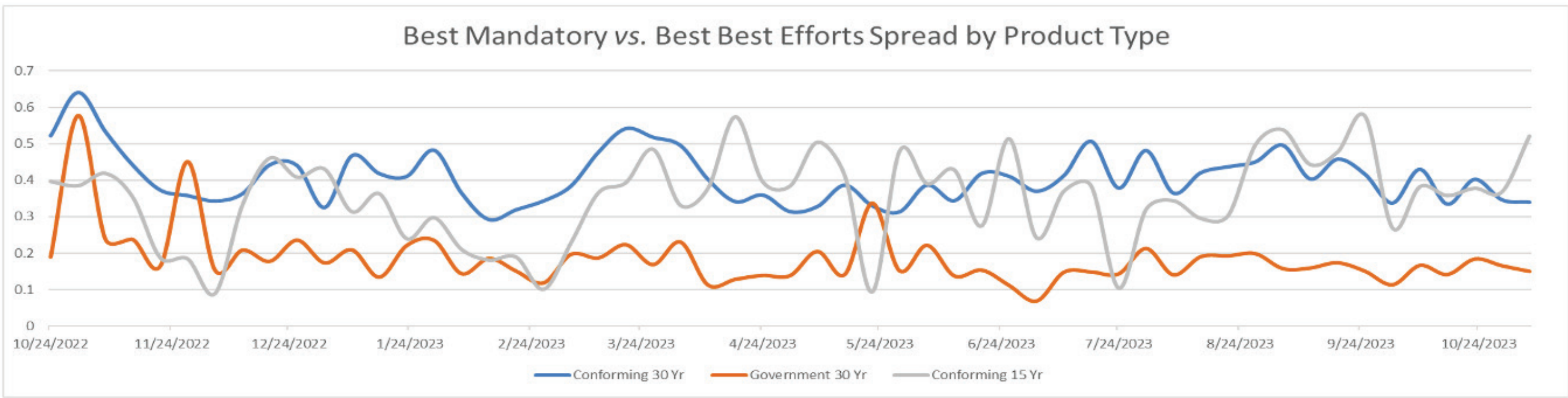
ECONOMIC DATA

Non-Farm Payrolls	November	September	August	3-MO Moving Average	1-YR Moving Average
ACTUAL	150,000	336,000	187,000	224,333	267,583
EXPECTED	180,000	170,000	170,000		
DIFFERENCE	(30,000)	166,000	17,000		



BEST EFFORTS – MANDATORY SPREAD INDEX

	Conforming 30-Year	Government 30-Year	Conforming 15-Year
Weekly	0.339	0.150	0.521
30 days	0.355	0.160	0.406
90 days	0.405	0.165	0.416
1 year	0.399	0.170	0.355



LIGHT READING

[NBC: Senate passes three funding bills as battle to prevent government shutdown heats up](#)

ECONOMIC CALENDAR: DATA and EVENTS

TIME (ET)	REPORT	PERIOD	ACTUAL	MEDIAN FORECAST	PREVIOUS
WEDNESDAY, NOV. 8					
5:15 AM	Fed Gov. Cook speaks				
9:15 AM	Fed Chair Powell delivers opening remarks				
10:00 AM	Wholesale inventories	Sept.		0.00	0.00
2:00 PM	Fed Vice Chair for Supervision Barr speaks				
4:45 PM	Fed Vice Chair Jefferson speaks				
THURSDAY, NOV. 9					
8:30 AM	Initial jobless claims	Nov. 4		221,000	217,000
2:00 PM	Fed Chair Jerome Powell on panel at IMF				
FRIDAY, NOV 10					
10:00 AM	Consumer sentiment (prelim)	Nov.		1	1
MONDAY, NOV. 13					
2:00 PM	Monthly U.S. federal budget	Oct.			
TUESDAY, NOV. 14					
6:00 AM	NFIB optimism index	Oct.			90.80
8:30 AM	Consumer price index	Oct.			0
8:30 am	Core CPI	Oct.			0.00
8:30 AM	CPI year over year				0
8:30 AM	Core CPI year over year				0.04