

WEEKLY MARKET UPDATES

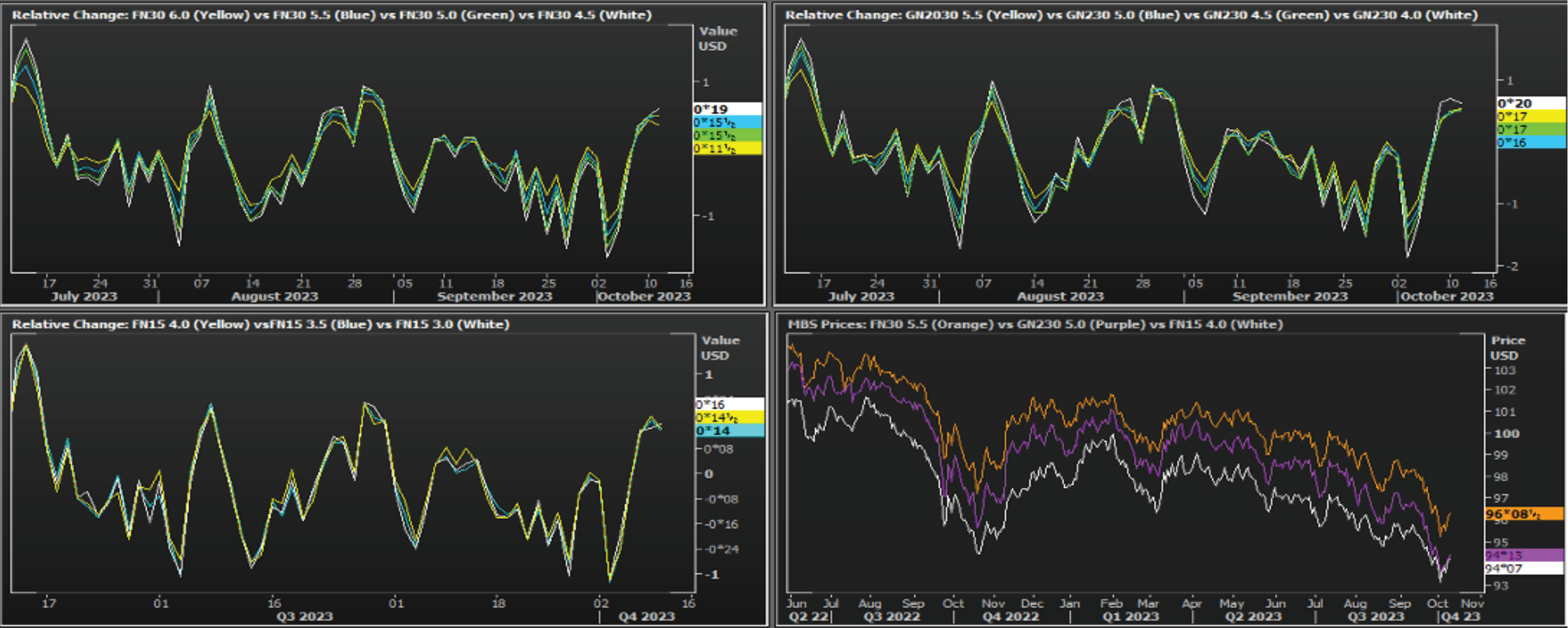
COMMENTARY FROM THE DENVER DESK...

The biggest news story of the week comes out of the Middle East as conflict erupted in Israel. Markets were unsure how to digest the news with concerns that broader conflict in the Middle East could disrupt energy markets, however as the week has progressed these concerns are appearing more unfounded. Bond markets in the US rallied on the news as potential for US expenditure to aid Israel and a more uncertain global environment meant a potential for dovish Federal Reserve behavior.

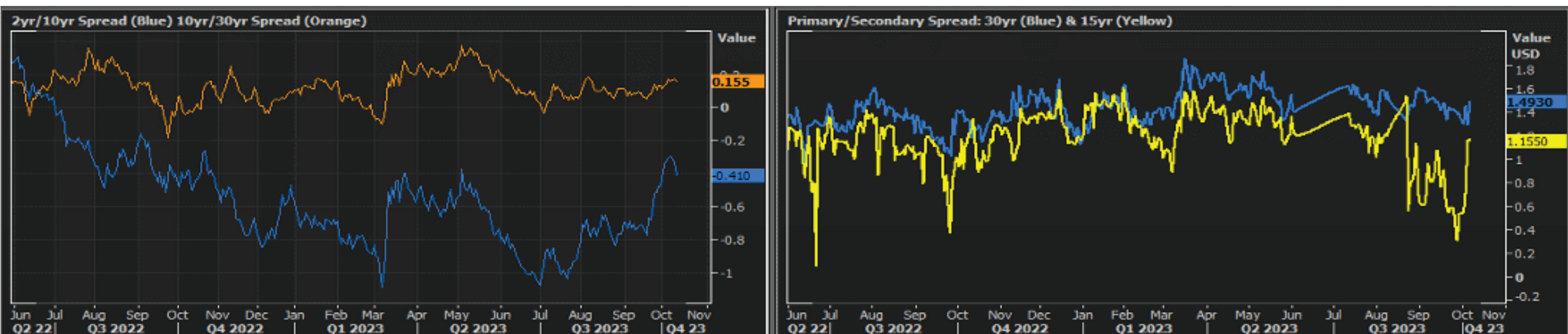
On the domestic front non-farm payrolls came in drastically above expectations of 170,000 positions at 336,000. The continued strength in the labor market saw a strong sell-off in MBS to close out last week before the international scene as outlined above pulled expectations back into a rate halt sentiment. As of this writing the domestic picture appears to be retaining the driver's seat on FOMC expectations with the vast majority expecting a continued halt in rates with a small, ten percent, minority expecting a 25-basis-point hike. According to the CME Group's Fed Watch tool there is no expectation of cuts at the November 1st meeting.

MARKET INDICATORS

BENCHMARK	FN30 CURRENT CPN	FN30 6.5	FN15 5.5	GNI30 6.0	OBBMI 30-YR RATE
ONE WEEK AGO	6.431	99 22/32	99 20/32	98 1/32	7.483
CURRENT	6.465	100 4/32	98 25/32	98 27/32	7.56
DELTA	0.034	0.438	-0.844	0.813	0.077



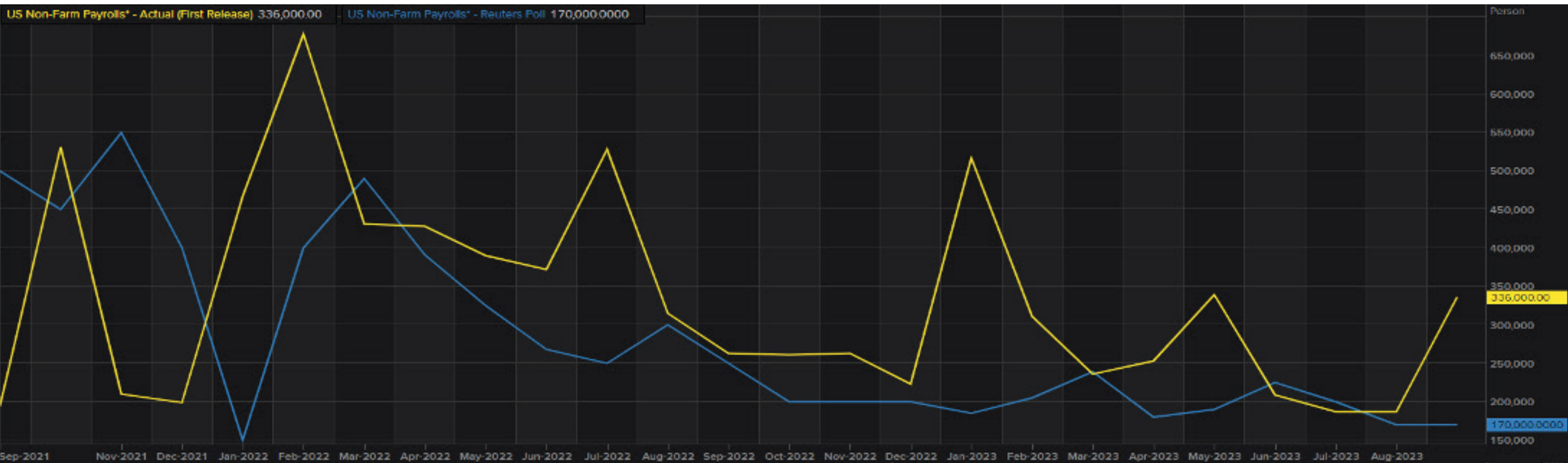
BENCHMARK	SOFR	UST 2-YR. YIELD	UST 10-YR. YIELD	UST 30-YR. YIELD	10-YR./30-YR. SPREAD
ONE WEEK AGO	5.320	5.138	4.764	4.901	0.137
CURRENT	5.310	4.999	4.599	4.754	0.155
DELTA	0.010	-0.139	-0.165	-0.147	0.018



– Prices/Yields are current as of 11:30am EST on October 11th, 2023 –

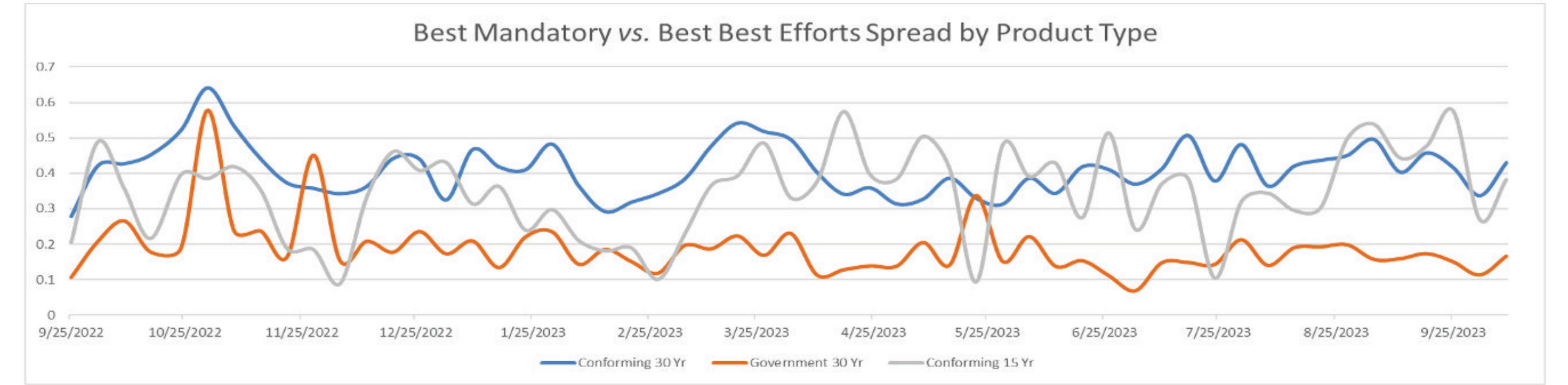
ECONOMIC DATA

Non-Farm Payrolls	September	August	July	3-MO Moving Average	1-YR Moving Average
ACTUAL	336,000	187,000	187,000	236,667	276,833
EXPECTED	170,000	170,000	200,000		
DIFFERENCE	166,000	17,000	(13,000)		



BEST EFFORTS – MANDATORY SPREAD INDEX

	Conforming 30-Year	Government 30-Year	Conforming 15-Year
Weekly	0.430	0.166	0.382
30 days	0.410	0.151	0.426
90 days	0.429	0.165	0.379
1 year	0.404	0.179	0.345



LIGHT READING

[CBS NEWS: Homes "Unaffordable" in 99% of Nation for Average American](#)

ECONOMIC CALENDAR: DATA and EVENTS

TIME (ET)	REPORT	PERIOD	ACTUAL	MEDIAN FORECAST	PREVIOUS
WEDNESDAY, OCT 11					
4:15 AM	Fed Gov. Bowman speaks				
8:30 AM	Producer price index	Sept.		0.00	0.01
8:30 AM	Core PPI	Sept.		0.00	0.00
8:30 AM	PPI year over year				0.02
8:30 AM	Core PPI year over year				0.03
10:15 AM	Fed Gov. Waller speaks				
12:15 PM	Atlanta Fed President Bostic speaks				
2:00 PM	Minutes of Fed's September FOMC meeting				
4:30 PM	Boston Fed President Collins speaks				
THURSDAY, OCT 12					
8:30 AM	Initial jobless claims	Oct. 7		210000.00	207000.00
8:30 AM	Consumer price index	Sept.		0.00	0.01
8:30 AM	Core CPI	Sept.		0.3%	0.3%
8:30 AM	CPI year over year			3.6%	3.7%
8:30 AM	Social Security Administration releases annual cost of living adjustment				
8:30 AM	Core CPI year over year			0.04	0.04
4:00 PM	Boston Fed President Collins speaks				
FRIDAY, OCT 13					
8:30 AM	Import price index	Sept.		0	0
8:30 AM	Import price index minus fuel	Sept.			(0)
9:00 AM	Philadelphia Fed President Harker speaks				
10:00 AM	Consumer sentiment (preliminary)	Oct.		67	68
MONDAY, OCT. 16					
8:30 AM	Empire State manufacturing survey	Oct.			2
TUESDAY, OCT. 17					
8:30 AM	U.S. retail sales	Sept.			0
8:30 AM	Retail sales minus autos	Sept.			0
9:15 AM	Industrial production	Sept.			0
9:15 AM	Capacity utilization	Sept.			1
10:00 AM	Business inventories	Aug.			-
10:00 AM	Home builder confidence index	Oct.			45