

WEEKLY MARKET UPDATES

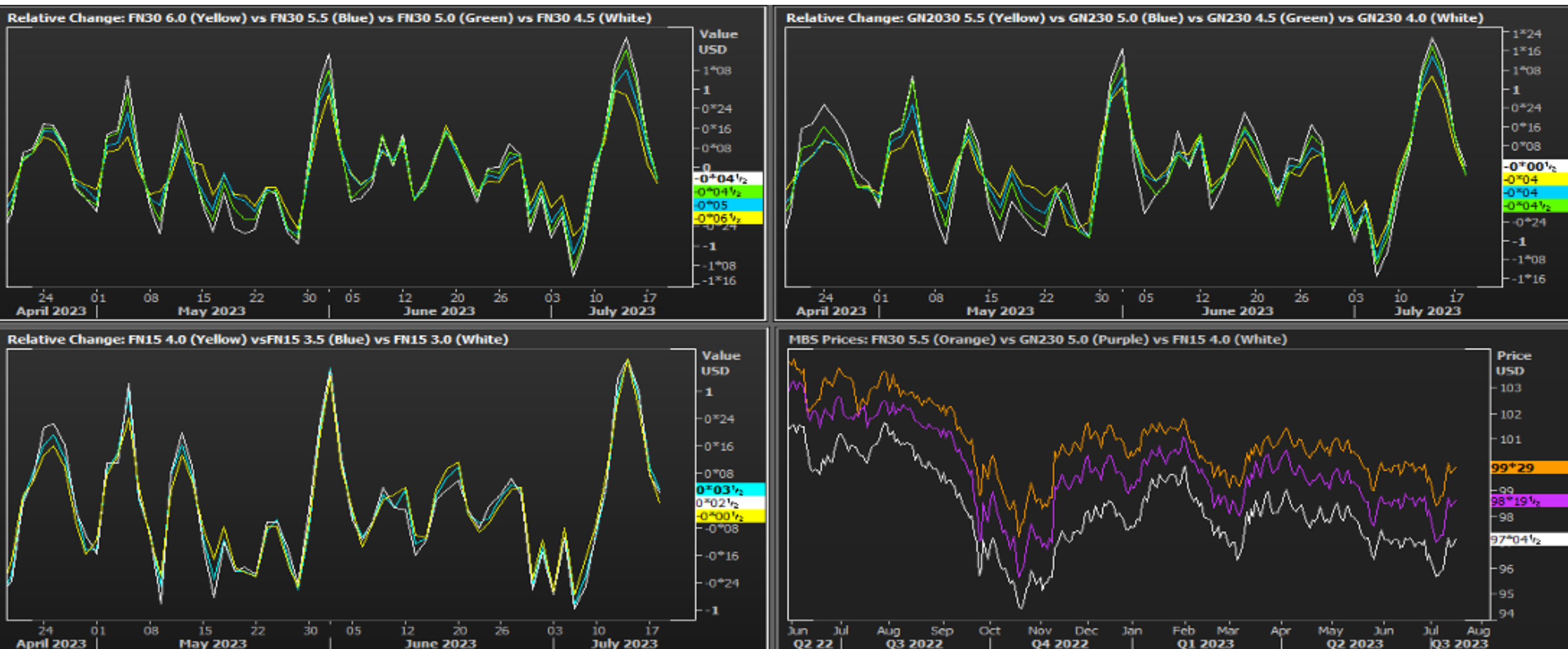
COMMENTARY FROM THE DENVER DESK...

Inflation as measured by CPI continued to improve last month as the June report came in under expectations at 0.2%. This was the lowest reading since 2021 and well off the 1.3% M/M reading from June of last year. With several months of inflation data mirroring that observed pre-pandemic it is not unreasonable to begin to embrace the narrative of a soft landing once again. With several months of inflation data mirroring that observed pre-pandemic, it is not unreasonable to once again begin embracing the narrative of a soft landing. With the banking sector woes we saw in the spring now behind us (and a precedent for rapid action from the government in place, should new issues arise), market participants are not seeing much to fret about at the moment. Just take a look at the equity markets year-to-date.

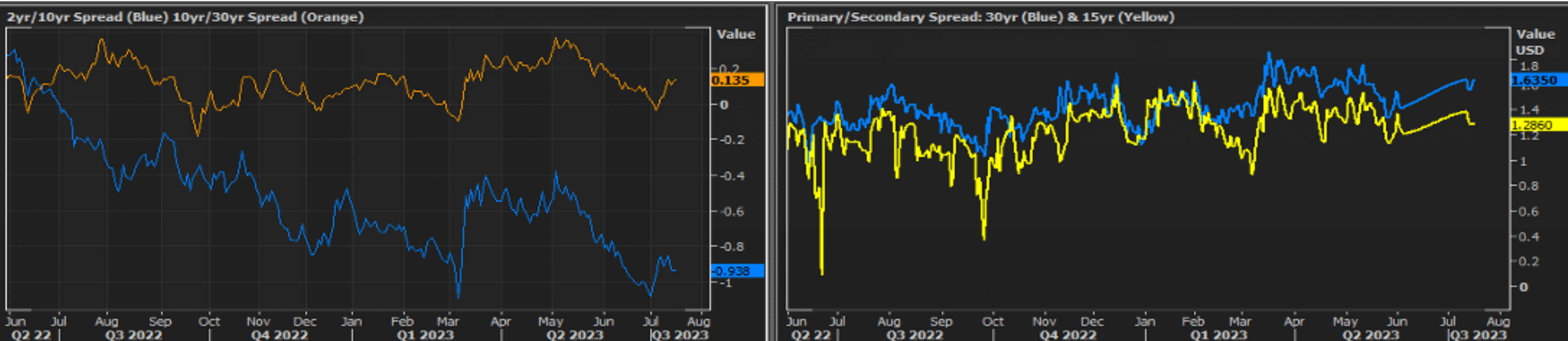
With the CPI read in the books we turn once more back towards how the Fed will react which, in this case, feels largely predetermined for July. With the pause in hikes out of the June meeting and a promise of one more hike at a greater interval to avoid over-cooling the economy too rapidly. The CME FedWatch Tool currently shows 97% of market participants expecting a 25-basis-point hike from the meeting on July 26th. Beyond this meeting no more changes are expected through the end of the year unless the direction of the data releases changes course. The FedWatch Tool shows 60% are expecting the target rate to be 525-500 basis-points in December; the same target we would see if the July meeting delivers as currently expected.

MARKET INDICATORS

BENCHMARK	FN30 CURRENT CPN	FN30 5.5	FN15 5.0	GNII30 5.5	OBMMI 30-YR RATE
ONE WEEK AGO	5.895	98 27/32	98 24/32	98 24/32	7
CURRENT	5.547	99 29/32	99 26/32	99 28/32	6.77
DELTA	-0.348	1.063	1.063	1.125	-0.230



BENCHMARK	SOFR	UST 2-YR. YIELD	UST 10-YR. YIELD	UST 30-YR. YIELD	10-YR./30-YR. SPREAD
ONE WEEK AGO	5.060	4.915	3.882	3.901	0.019
CURRENT	5.060	4.687	3.758	3.897	0.139
DELTA	0.000	-0.228	-0.124	-0.004	0.120



– Prices/Yields are current as of 10:30am EST on July 18, 2023 –

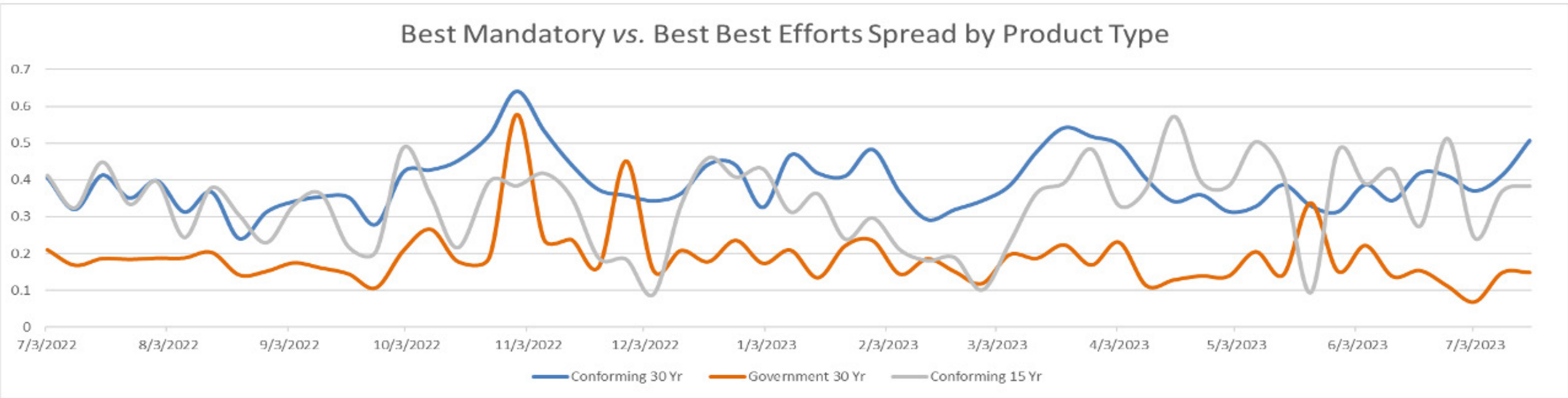
ECONOMIC DATA

Core CPI	June	May	April	3-MO Moving Average	1-YR Moving Average
ACTUAL	3.00%	4.00%	4.90%	3.97%	5.42%
EXPECTED	3.10%	4.10%	5.00%		
DIFFERENCE	-0.10%	-0.10%	-0.10%		



BEST EFFORTS – MANDATORY SPREAD INDEX

	Conforming 30-Year	Government 30-Year	Conforming 15-Year
Weekly	0.507	0.149	0.384
30 days	0.425	0.119	0.377
90 days	0.375	0.162	0.374
1 year	0.397	0.190	0.331



LIGHT READING

CNBC: The Mortgage Market isn't Sending the Signal Homebuyers Need on Affordability

ECONOMIC CALENDAR: DATA and EVENTS

TIME (ET)	REPORT	PERIOD	ACTUAL	MEDIAN FORECAST	PREVIOUS
WEDNESDAY, JULY 19					
8:30 AM	Housing starts	June		1.48 million	1.63 million
THURSDAY, JULY 20					
8:30 AM	Initial jobless claims	15-Jul		231K	237K
8:30 AM	Philadelphia Fed manufacturing survey	June		-10.20	-13.70
10:00 AM	Existing home sales	June		4.24 million	4.3 million
10:00 AM	U.S. leading economic indicators	June		0	0
FRIDAY, JULY 21					
	None scheduled				
MONDAY, JULY 24					
9:45 AM	S&P "flash" U.S. manufacturing PMI	July			46.30
9:45 AM	S&P "flash" U.S. services PMI	July			54.40
TUESDAY, JULY 25					
9:00 AM	S&P Case-Shiller home price index (20 cities)	May			-1.70%
10:00 AM	Consumer confidence	July			109.70