

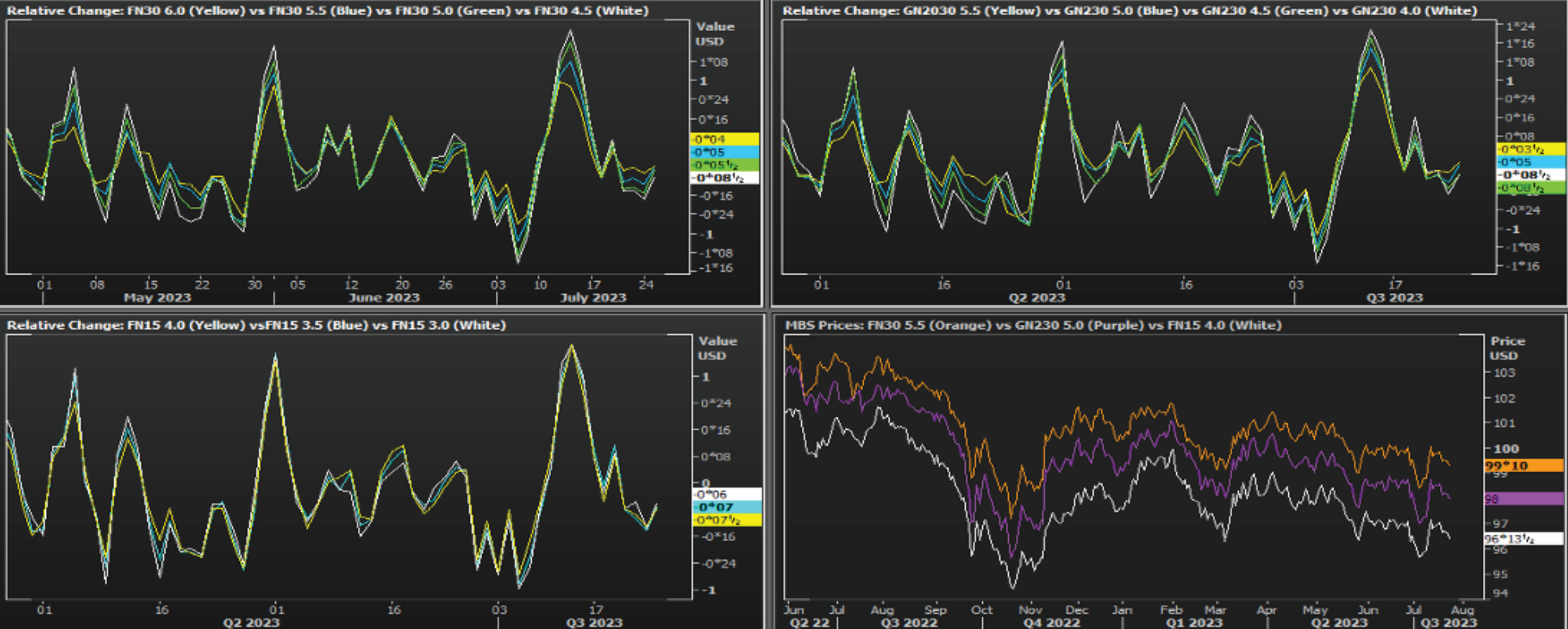
WEEKLY MARKET UPDATES
COMMENTARY FROM THE DENVER DESK...

This week brings with it an FOMC meeting on Wednesday and the likely end of this rate-hike cycle. There is a broad expectation of a 25-basis-point increase to the target range to land at a terminal range of 525-550 basis points. Through the end of the year rates are expected to remain here before the potential for cuts are explored again sometime in the first quarter. As the board has been apt to remind us of, these projections are all "data dependent" and should the economy stumble later in the year we can expect a move to cut rates expeditiously. For the time being however the narrative has completed the turn back to the achievement of a soft landing. Job releases and inflation metrics will remain the foremost data points on this front.

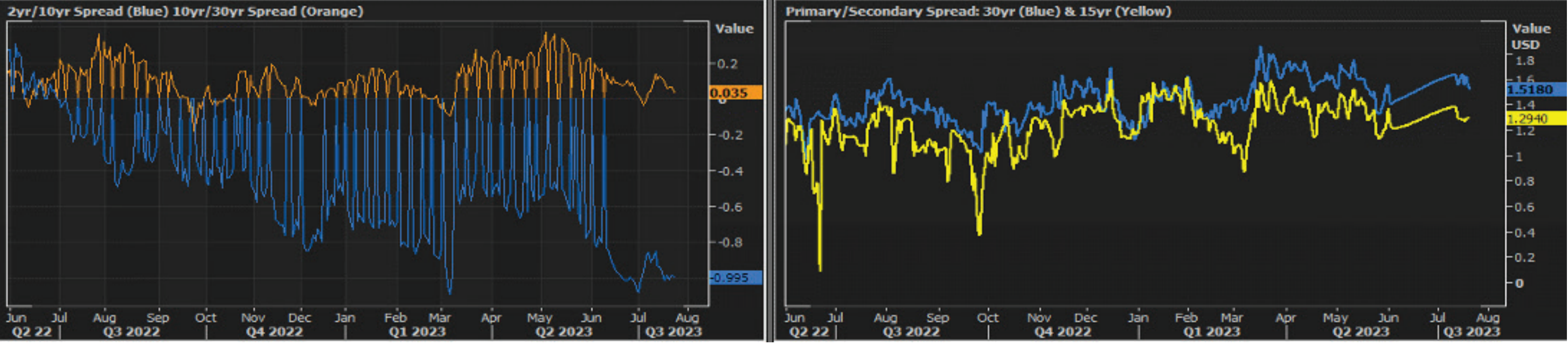
Regarding the existing mortgage universe, new numbers from Black Knight show that delinquencies remain depressed M/M and are currently at levels not seen since 2006. Prepayments increased slightly, as they generally do during the summer months, despite the elevated interest rate environment. These data points show that while entry into home ownership is still difficult and refinancing is a costly endeavor; for the established borrower finances remain relatively strong.

MARKET INDICATORS

BENCHMARK	FN30 CURRENT CPN	FN30 5.5	FN15 5.0	GNI30 5.5	OBMMI 30-YR RATE
ONE WEEK AGO	5.547	99 29/32	99 26/32	99 28/32	6.77
CURRENT	5.753	99 10/32	99 7/32	99 13/32	6.819
DELTA	0.206	-0.594	-0.594	-0.469	0.049



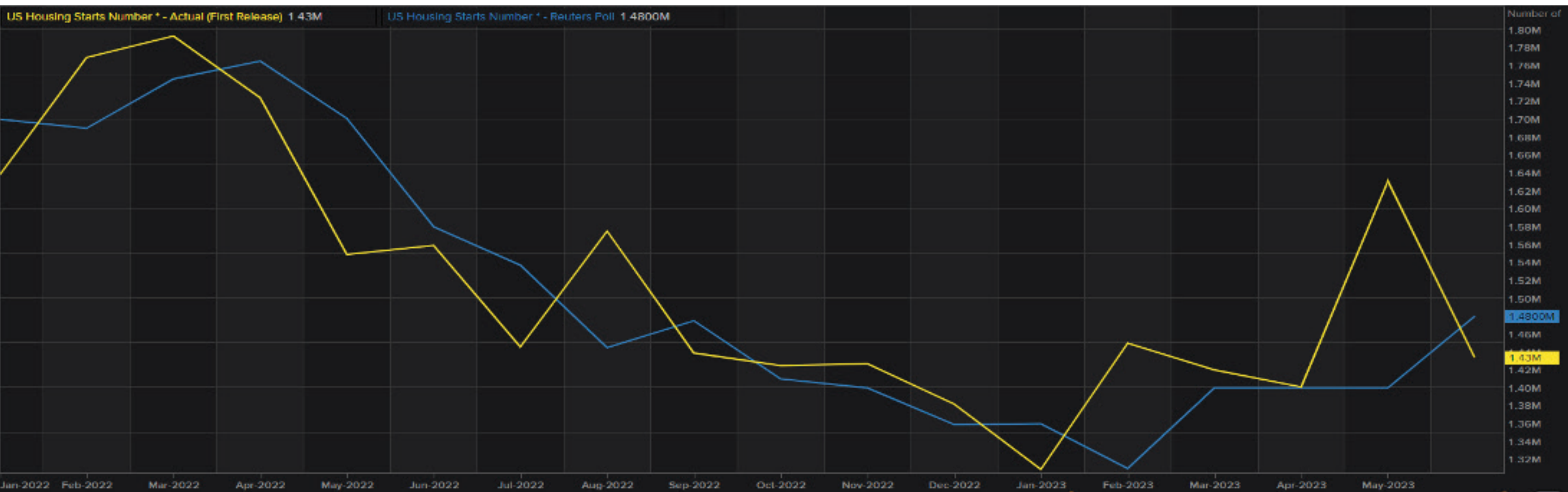
BENCHMARK	SOFR	UST 2-YR. YIELD	UST 10-YR. YIELD	UST 30-YR. YIELD	10-YR./30-YR. SPREAD
ONE WEEK AGO	5.060	4.687	3.758	3.897	0.139
CURRENT	5.050	4.889	3.894	3.930	0.036
DELTA	0.010	0.202	0.136	0.033	-0.103



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

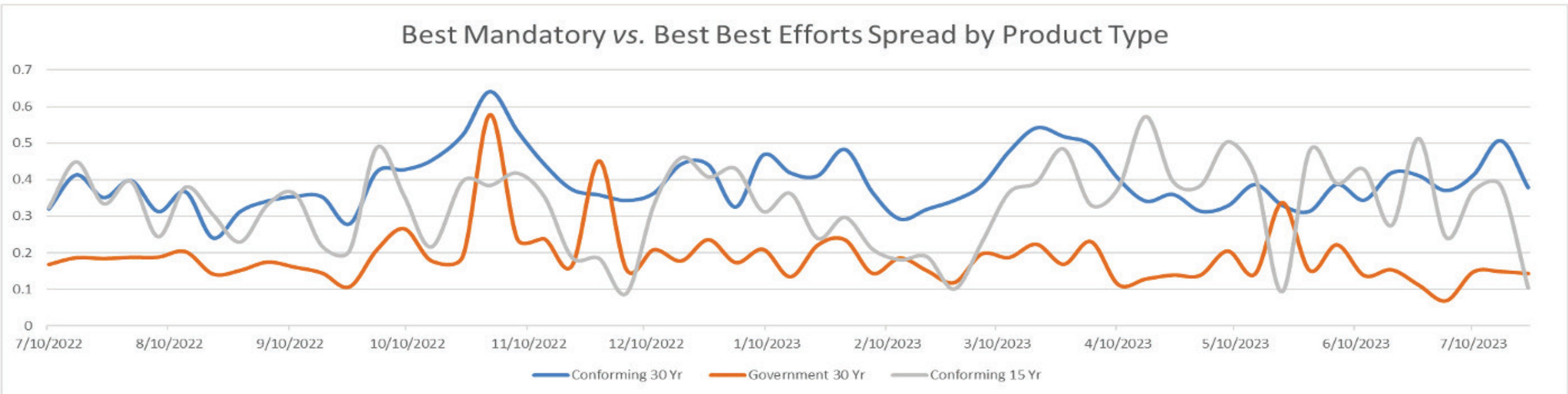
ECONOMIC DATA

Housing Starts	June	May	April	3-MO Moving Average	1-YR Moving Average
ACTUAL	1,434,000	1,631,000	1,401,000	1,488,667	1,444,750
EXPECTED	1,480,000	1,400,000	1,400,000		
CHANGE	(197,000)	230,000	(19,000)		



BEST EFFORTS – MANDATORY SPREAD INDEX

	Conforming 30-Year	Government 30-Year	Conforming 15-Year
Weekly	0.378	0.143	0.104
30 days	0.417	0.127	0.275
90 days	0.377	0.162	0.352
1 year	0.397	0.188	0.326



LIGHT READING

[BLACK KNIGHT: BLACK KNIGHT'S FIRST LOOK AT JUNE 2023 MORTGAGE DATA](#)

ECONOMIC CALENDAR: DATA and EVENTS

TIME (ET)	REPORT	PERIOD	ACTUAL	MEDIAN FORECAST	PREVIOUS
MONDAY, JULY 24					
9:45 AM	S&P "flash" U.S. manufacturing PMI	July		46.70	46.30
9:45 AM	S&P "flash" U.S. services PMI	July		54.00	54.40
TUESDAY, JULY 25					
9:00 AM	S&P Case-Shiller home price index (20 cities)	May		-0.02	-0.02
10:00 AM	Consumer confidence	July		112	110
WEDNESDAY, JULY 26					
10:00 AM	New home sales	June		717,000	763,000
2:00 PM	FOMC decision on interest-rate policy				
2:30 PM	Fed Chairman Powell press conference				
THURSDAY, JULY 27					
8:30 AM	Initial jobless claims	22-Jul		236,000	228,000
8:30 AM	Durable-goods orders	June		1.20%	1.70%
8:30 AM	Durable-goods minus transportation	June		--	0.70%
8:30 AM	GDP (advanced report)	Q2		1.70%	2.00%
8:30 AM	Advanced U.S. trade balance in goods	June		--	-\$97.5B
8:30 AM	Advanced retail inventories	June		--	0.80%
8:30 AM	Advanced wholesale inventories	June		--	0.00%
10:00 AM	Pending home sales	June		-0.50%	-2.70%
FRIDAY, JULY 28					
8:30 AM	Personal income (nominal)	June		0	0
8:30 AM	Personal spending (nominal)	June		0	0
8:30 AM	PCE index	June		--	0.00
8:30 AM	Core PCE index	June		0.20%	0.00
8:30 AM	PCE (year-over-year)			--	0.04
8:30 AM	Core PCE (year-over-year)			0	0
8:30 AM	Employment cost index	Q2		1.10%	1.20%
10:00 AM	Consumer sentiment (final)	July		72.60	72.60