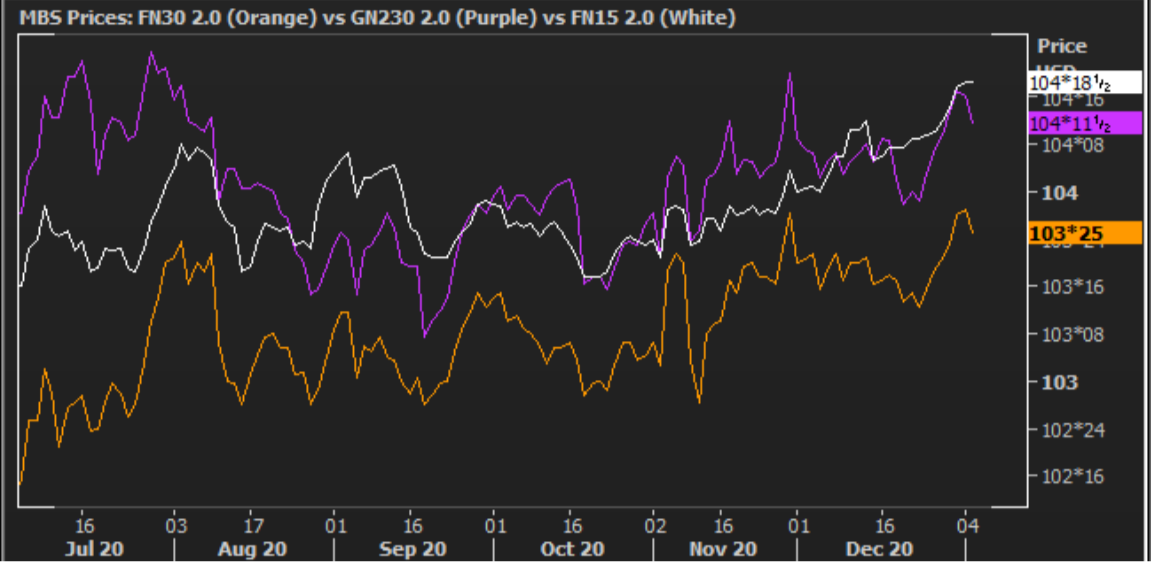
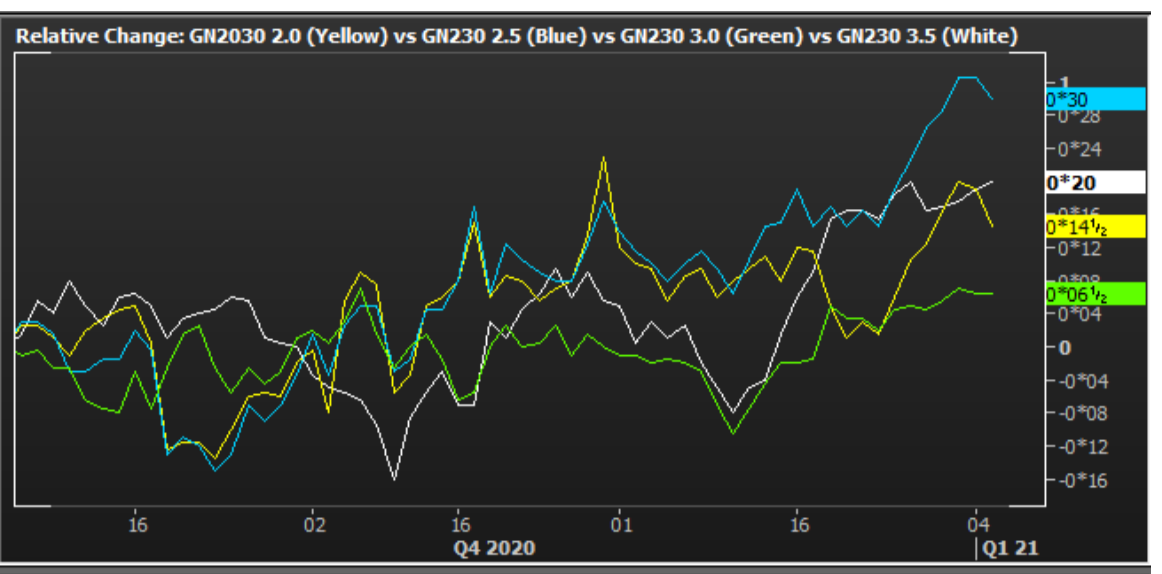
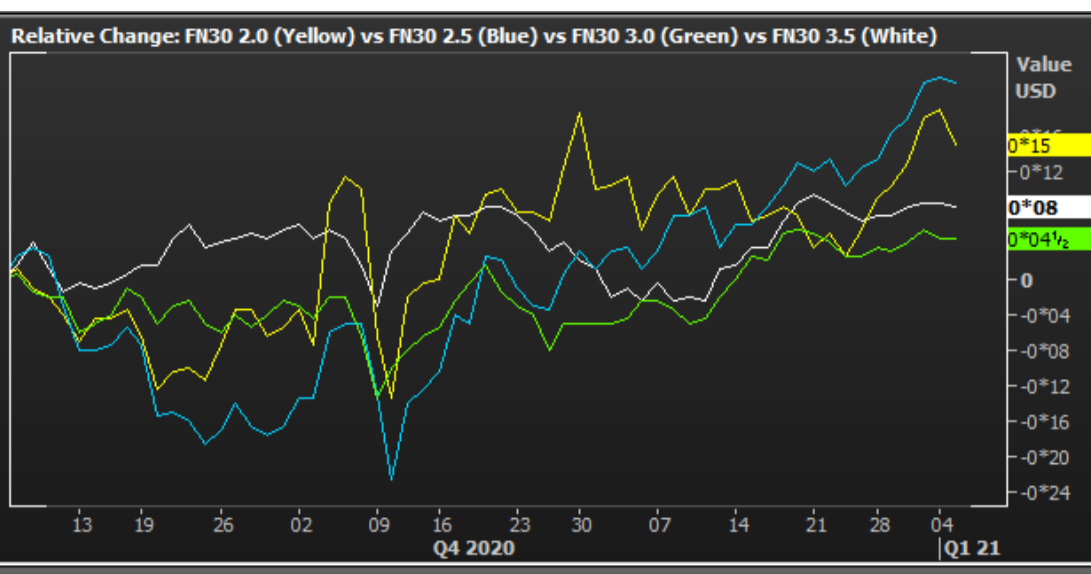


**WEEKLY MARKET UPDATES**  
**COMMENTARY FROM THE DENVER DESK...**

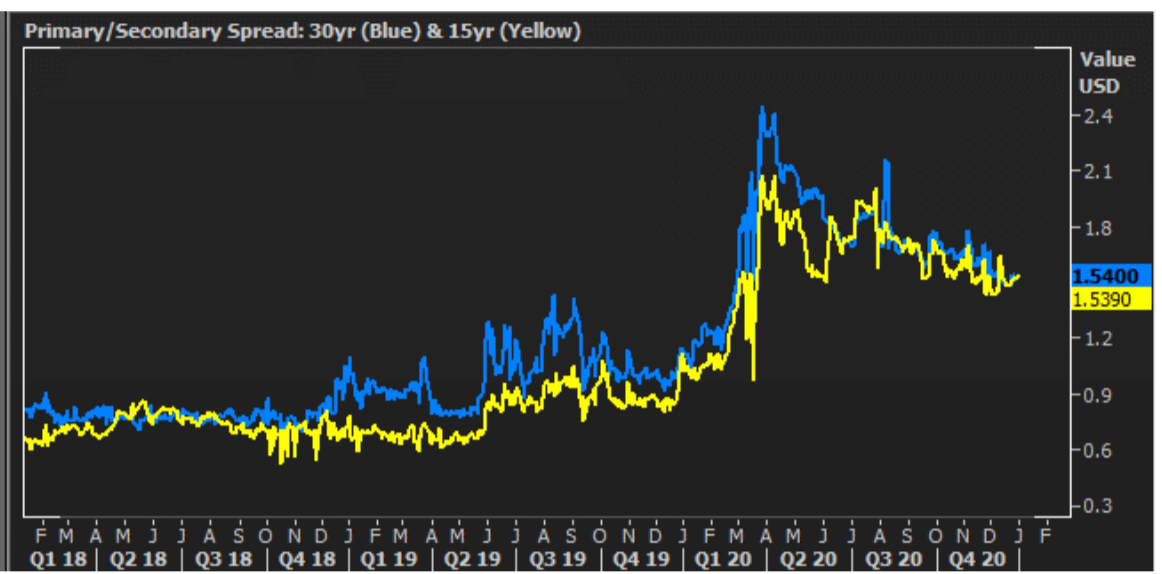
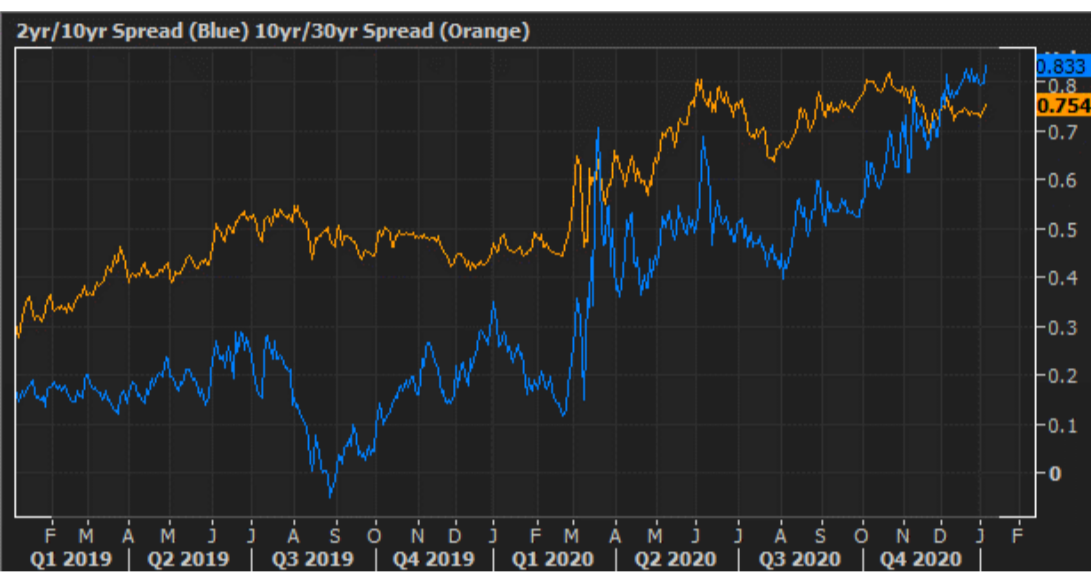
As Covid-19 continues its spread around the globe, the new more infectious strain came to the U.S. while the U.K. continued its Covid-19 fight with a national lockdown. Stimulus checks will begin hitting Americans bank accounts this week but markets have moved on already with stocks selling off to start the new year as the spread of the virus remains largely uncontrolled. Bonds also sold off to start the year as investors grapple with the potential ramifications of the Georgia runoff elections. Markets started to price in uncertainty and a potential outcome of a Democratic controlled Senate in the form of higher inflation and government spending. The 10 year breakeven, a key marker of inflation expectations, ended Monday at 1.98% which is a level not seen since 2018. The true appetite for expansionary fiscal policy remains in question, however, as a 50-50 Senate is unlikely to garner the votes necessary to eliminate the filibuster and embark on Joe Biden's more ambitious policy goals. The 10 year treasury continues to trade in the .90% - 1% range as markets await new data portending recovery or on the flip side, another dip in economic activity. Friday's nonfarm payrolls should provide some clue as markets expect just 50K jobs added compared to 245K added in November.

**MARKET INDICATORS**

BENCHMARK	FN30 CURRENT CPN	FN30 2.0 CURRENT	FN15 2.0 CURRENT	GNI130 2.0 CURRENT	AVG. 30-YR. MTG RATE
ONE WEEK AGO	1.383	103 16/32	104 9/32	104 1/32	2.67
CURRENT	1.359	103 24/32	104 11/32	104 11/32	2.67
DELTA	-0.024	8/32	2/32	10/32	0



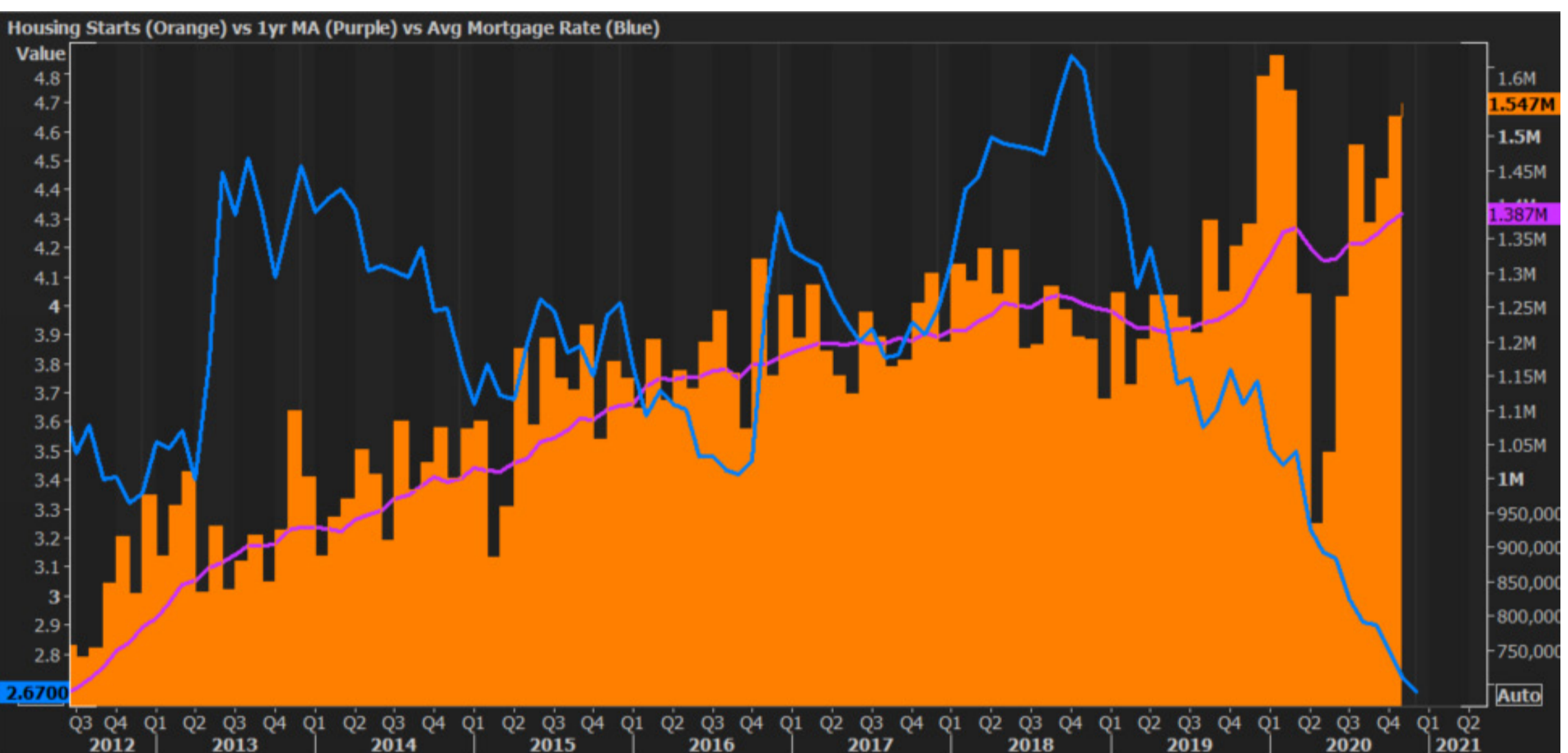
BENCHMARK	Overnight LIBOR	2-YR. YIELD	10-YR. YIELD	30-YR. YIELD	10-YR./30-YR. SPREAD
ONE WEEK AGO	0.08463	0.121	0.931	1.668	0.737
CURRENT	0.08463	0.117	0.947	1.701	0.754
DELTA	0.00000	-0.004	0.016	0.033	0.017



- Prices/Yields are current as of 11:00AM ET on January 5, 2021 -

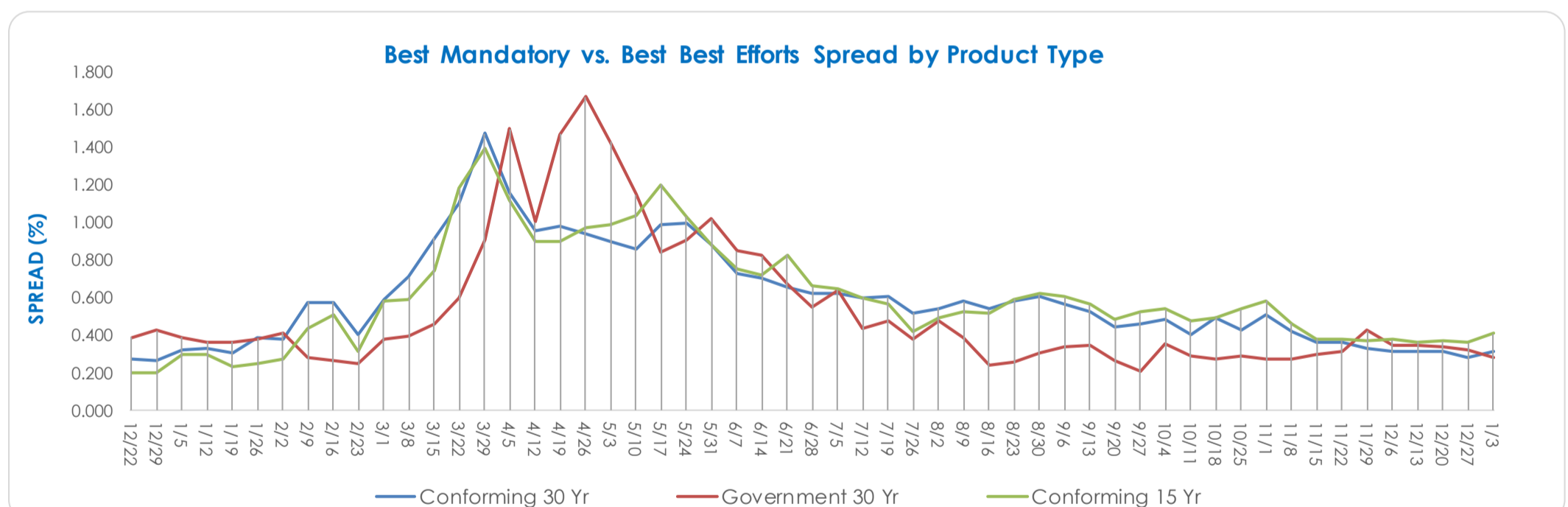
**ECONOMIC DATA**

Housing Starts	November	October	September	3-MO. Moving Average	1-YR. Moving Average
ACTUAL	1,547,000	1,530,000	1,459,000	1,512,000	1,390,583
EXPECTED	1,530,000	1,460,000	1,457,000		
CHANGE	17,000	71,000	86,000	295,667	(575,250)



**BEST EFFORTS – MANDATORY SPREAD INDEX**

	Conforming 30 Year	Government 30 Year	Conforming 15 Year
Weekly	0.32	0.28	0.41
30 Days	0.31	0.32	0.38
90 Days	0.37	0.31	0.43
1 Year	0.62	0.55	0.64



**FED SPEAK**

"If we try to fine tune a very modest inflation overshoot of only a tenth or two, we run a very large risk of failing to achieve our 2% averaging goal within any reasonable amount of time. To me, getting inflation moving up with momentum and delivering rates around 2.5% is important for achieving on our inflation objective in as timely a manner as possible."

-Chicago Fed President, Charles Evans

"Monetary policy will need to remain highly accommodative for quite some time because achieving our monetary policy goals is likely to be a journey and not a sprint"...current stance of policy is well calibrated."

-Cleveland Fed President, Loretta Mester

**LIGHT READING**

[CNBS Reports: Home prices are rising faster in the middle of the U.S. as Covid drives people away from coasts](#)

**WEEKLY TECH TIP**

**DID YOU KNOW...**

In Resitrader, clients now have the ability to strike more than one time with each investor. After striking initially, clicking on the plus button and executing another selective hit will allow clients to strike additional loans as necessary. Investors should then confirm the additional hit as well.

**ECONOMIC CALENDAR: DATA and EVENTS**

TIME (ET)	REPORT	PERIOD	ACTUAL	MEDIAN FORECAST	PREVIOUS
<b>MONDAY, JAN. 4</b>					
9:45 AM	Markit manufacturing PMI	Dec.	57.1	--	56.5
10:00 AM	Construction spending	Nov.	0.90%	1.10%	1.60%
10:00 AM	Chicago Fed President Charles Evans speaks				
6:00 PM	Cleveland Fed President Loretta Mester speaks				
<b>TUESDAY, JAN. 5</b>					
9:30 AM	Cleveland Fed President Loretta Mester speaks				
10:00 AM	ISM manufacturing index	Dec.	60.70%	57.00%	57.50%
3:45 PM	Chicago Fed President Charles Evans speaks				
<b>WEDNESDAY, JAN. 6</b>					
8:15 AM	ADP employment report	Dec.		60,000	307,000
9:45 AM	Markit services PMI	Dec.		55.1	55.3
10:00 AM	Factory orders	Nov.		0.80%	1.00%
2:00 PM	FOMC meeting minutes				
<b>THURSDAY, JAN. 7</b>					
8:30 AM	Initial jobless claims (reg. state program, SA)	Jan. 2		815,000	787,000
8:30 AM	Continuing jobless claims (reg. state program, SA)	Dec. 26		--	5.22 million
8:30 AM	Trade deficit	Nov.		-\$67.3 billion	-\$63.1 billion
9:00 AM	Philadelphia Fed President Patrick Harker speaks				
10:00 AM	ISM services index	Dec.		54.50%	55.90%
12:00 PM	St. Louis Fed President James Bullard speaks				
1:00 PM	Chicago Fed President Charles Evans speaks				
<b>FRIDAY, JAN. 8</b>					
8:30 AM	Nonfarm payrolls	Dec.		50,000	245,000
8:30 AM	Unemployment rate	Dec.		6.80%	6.70%
8:30 AM	Average hourly earnings	Dec.		0.20%	0.30%
10:00 AM	Wholesale inventories	Nov.		-0.10%	1.10%
11:00 AM	Fed Vice Chair Richard Clarida speaks				
3:00 PM	Consumer credit	Nov.		\$9 billion	\$7 billion