

WEEKLY MARKET UPDATES
COMMENTARY FROM THE DENVER DESK...

Inflation remains the name of the game for fiscal policy this week, as bond markets maintain their falling trajectory in the face of potential Fed rate hikes. Fed policymakers have reiterated many times that their focus is to bring down the inflation rate to a 2% yearly target and that there will need to be slowdown in the economy to achieve this goal. Job Openings and Labor Turnover (JOLTS) came in at 9.6 million, which was well above the 8.8 million estimates. This observed jump in jobs is a signal of a strong and resilient labor market, which has markets negatively anticipating the Fed's next actions. This unexpected rise in job openings fueled a rally for the 10-year Treasury yield, which climbed to 4.76% - a 16 year high. As the 10-year treasury yield acts as a barometer for mortgage rates, OBMMI has also climbed another 10 bps - peaking at 7.483%.

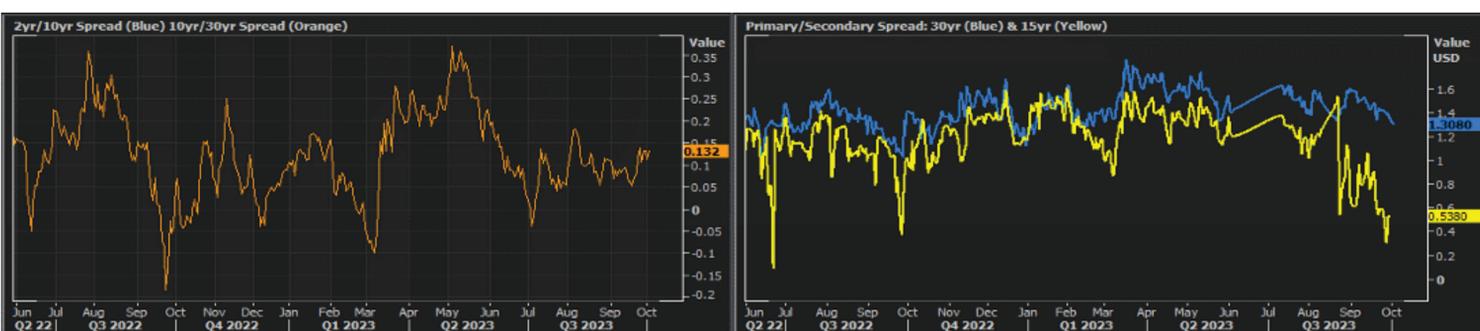
On the political front, the Senate approved a stopgap spending bill this weekend, following the House passing the required short term funding bill - barely avoiding a shutdown. The agreement was able to be reached after a closed-door meeting between House Republicans, who had previously been steadfast in their opposition of the initial funding agreement. Due to the impending financial and political repercussions that a government shutdown would have, both parties made concessions, specifically when it came to Ukrainian aid. There is still strong bipartisan agreement in the Legislative branch to send further aid to the efforts in Ukraine, but it seems that the priority was to ensure no government shutdown would occur.

MARKET INDICATORS

BENCHMARK	FN30 CURRENT CPN	FN30 6.5	FN15 5.5	GNI30 6.0	OBMMI 30-YR RATE
ONE WEEK AGO	6.329	100 18/32	100 6/32	99 6/32	7.345
CURRENT	6.431	99 22/32	99 20/32	98 1/32	7.483
DELTA	0.102	-0.875	-0.563	-1.156	0.138



BENCHMARK	SOFR	UST 2-YR. YIELD	UST 10-YR. YIELD	UST 30-YR. YIELD	10-YR./30-YR. SPREAD
ONE WEEK AGO	5.310	5.131	4.511	4.641	0.130
CURRENT	5.320	5.138	4.764	4.901	0.137
DELTA	-0.010	0.007	0.253	0.260	0.007



- Prices/Yields are current as of 11:30am EST on October 3, 2023 -

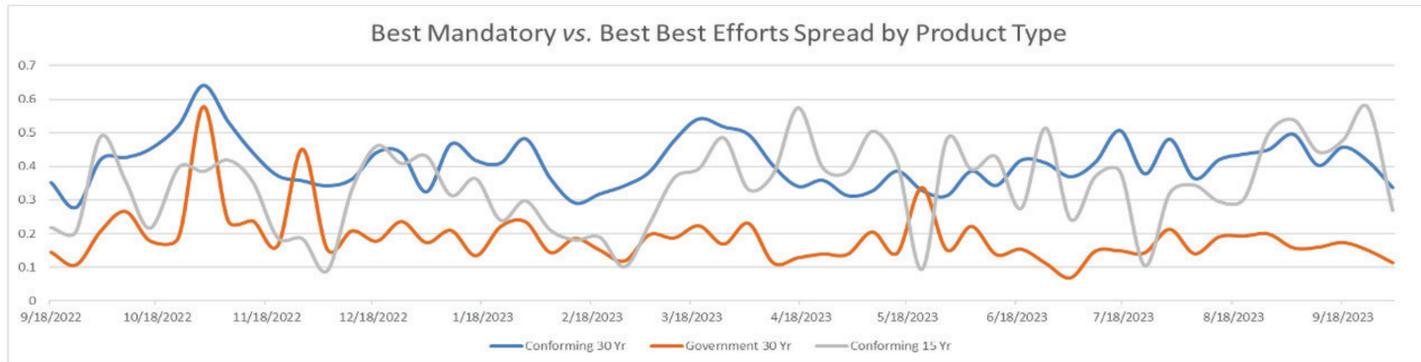
ECONOMIC DATA

Final GDP	Q2 2023	Q1 2023	Q4 2022	1-YR Moving Average	3-YR Moving Average
ACTUAL	2.10%	2.00%	2.60%	2.33%	5.63%
EXPECTED	2.10%	1.40%	2.70%		
DIFFERENCE	0.00%	0.60%	-0.10%		



BEST EFFORTS - MANDATORY SPREAD INDEX

	Conforming 30-Year	Government 30-Year	Conforming 15-Year
Weekly	0.337	0.114	0.269
30 days	0.404	0.149	0.441
90 days	0.428	0.164	0.378
1 year	0.409	0.188	0.345



LIGHT READING

[Reuters: US House ousts Kevin McCarthy as leader in historic vote](#)

ECONOMIC CALENDAR: DATA and EVENTS

TIME (ET)	REPORT	PERIOD	ACTUAL	MEDIAN FORECAST	PREVIOUS
WEDNESDAY, OCT. 4					
8:15 AM	ADP employment	Sept.		150,000	177,000
9:45 AM	S&P final U.S. services PMI	Sept.		--	50.20
10:00 AM	Factory orders	Aug.		0.00	-0.02
10:00 AM	ISM services	Sept.		0.54	0.55
10:25 AM	Fed Gov. Bowman speaks at banking conference				
10:30 AM	Chicago Fed President Goolsbee gives welcoming remarks at banking symposium				
THURSDAY, OCT. 5					
8:30 AM	Initial jobless claims	Sept. 30		209,000.00	204,000.00
8:30 AM	U.S. trade deficit	Aug.		-\$60.1B	-\$65.0B
9:00 am	Cleveland Fed President Mester speaks at payments symposium				
12:00 PM	San Francisco Fed President Daly speaks				
12:15 PM	Fed Gov. Barr speaks on cyber bank risk				
FRIDAY, OCT. 6					
8:30 AM	U.S. employment report	Sept.		17,000,000.0%	18,700,000.0%
8:30 AM	U.S. unemployment rate	Sept.		3.7%	3.8%
8:30 AM	U.S. hourly wages	Sept.		0.00	0.00
8:30 AM	Hourly wages year over year			--	0
12:00 PM	Fed Gov. Waller speech on payment system				
3:00 PM	Consumer credit	Aug.		\$11.7B	\$10.4B
MONDAY, OCT 9					
	None scheduled. Columbus Day holiday				
TUESDAY, OCT 10					
6:00 AM	NFB optimism index	Sept.			
10:00 AM	Wholesale inventories	Aug.			