

CAPITAL MARKETS REPORT - APRIL 15, 2024



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SERVICE BEYOND COMPARISON

Market Movers:

- Wall Street traders sent stocks and bond prices sliding after another hot inflation report signaled the Federal Reserve could be in no rush to cut rates this year. Oil climbed as geopolitical jitters resurfaced. CPI beat forecasts for a third month. The ten-year treasury topped 4.5% and Fed swaps are now showing bets on only two cuts in 2024.
- The world's biggest bond market kicked off last week on the back foot as geopolitical pressures abated and traders positioned for this week's key inflation data. Ten-year yields pushed 4.50% Monday, a level that some investors are watching as a threshold that could determine whether interest rates will revisit 2023 highs. Trader's conviction on three rate cuts from the Federal Reserve this year is quickly dissipating, favoring just two for the rest of 2024.
- The March Consumer Price Index, which excludes food and energy costs, beat expectations and increased 0.4% from February. Year-over-year readings advanced 3.8%, holding steady from the prior month but, also beating estimates of 3.7%.
- The Treasury's sale of 30-year bonds on Thursday garnered lackluster demand. The 10-year note yield rose four basis points to 4.58%, a year-to-date high. The Euro dropped after the ECB signaled cooling inflation will soon allow it to cut interest rates.
- Along with CPI, PPI (US producer prices) increased in March from a year earlier by the most in 11 months, though certain categories that feed into the Fed's preferred inflation gauge were more muted.
- Bond and stock prices are moving in different directions this morning. Stocks are opening stronger on ebbing geo-political angst. Treasuries on the other hand, are lower after today's report that retail sales were both up from the previous month and stronger than expected. Currently, the DOW is up over 300 points and the 10Y yield is up 10bps (4.63%).

Market Last Week

	4/5/24 Close	4/12/24 Close	Weekly Change
2 yr. Note	4.75%	4.90%	+15bps
5 yr. Note	4.40%	4.56%	+16bps
10 yr. Note	4.40%	4.52%	+12bps
30 yr. Bond	4.55%	4.63%	+8bps
SOFR Rate	5.32%	5.31%	-1bps

Data This Week

Date/Time (EDT)	Economic Data	Market Estimate	Prior Report
4/15/24 8:30 AM	Empire Manufacturing	-14.3	-20.9
4/15/24 8:30 AM	Retail Sales Advance MoM	0.7%	0.6%
4/15/24 8:30 AM	Retail Sales Ex Auto MoM	1.1%	0.3%
4/15/24 10:00 AM	NAHB Housing Market Index	51	51
4/16/24 8:30 AM	Building Permits	1510k	1524k
4/16/24 8:30 AM	Housing Starts	1480k	1521k
4/16/24 8:15 AM	Industrial Production MoM	0.4%	0.1%
4/17/24 7:00 AM	MBA Mortgage Applications	n/a	0.1%
4/18/24 8:30 AM	Initial Jobless Claims	215k	211k
4/18/24 8:30 AM	Continuing Claims	1822k	1817k
4/18/24 10:00 AM	Leading Index	-0.1%	0.1%
4/18/24 10:00 AM	Existing Home Sales	4.20m	4.38m

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