


Market Conditions

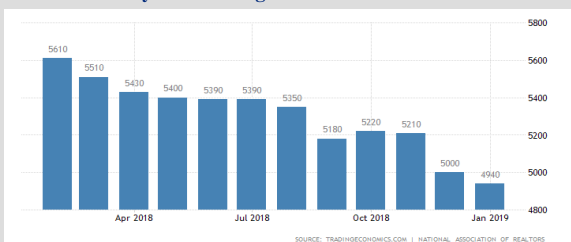
MBS	Current Price	Change	MBS	Current Price	Change
FNMA30 4.0	102 2/32	3/32	FNMA30 4.5	103 18/32	2/32
FNMA15 3.0	99 29.5/32	2.5/32	FNMA15 3.5	101 19.5/32	1.5/32
Treasuries	Current Price	Change	Yield		
3m Treasury	2.40	0/32	2.448%		
2yr Treasury	99 31.375/32	1.25/32	2.51%		
5yr Treasury	100 1.5/32	3.5/32	2.49%		
10yr Treasury	99 21.5/32	9/32	2.663%		
30yr Treasury	99 22.5/32	22/32	3.015%		
Stocks	Current Price	Change	Commodities	Current Price	Change
Dow	25,850.63	0.00%	DOLLAR	96.614	0.009
Nasdaq	-	#DIV/0!	Gold	1321	-2.5
S&P 500	-	#DIV/0!	Crude Oil	57.73	1.35%

Economic Commentary

MBS prices are up this morning as is the DOW ahead of a highly anticipated meeting between President Donald Trump and China's top trade negotiator. Trump will meet with Chinese Vice Premier Liu He in Washington, D.C. this afternoon in the latest round of discussions as the U.S. and China attempt to come to a deal on trade. Talks have been under way for more than the past month between delegations from the two sides, and Trump and Liu previously met in late January for an earlier round of talks. Earlier this week, reports that the U.S. and China had begun carving out memorandums of understanding to underscore a final trade deal helped boost optimism for a resolution. The rate of tariffs on Chinese-made goods is set to increase to 25% from 10% if discussions are not completed by March 1. However, Trump has signaled recently he would consider extending this deadline. The US Monetary Policy Forum (USMPF) is being held today at the University of Chicago Booth School of Business. The forum brings academics, market economists, and policy makers together to discuss US monetary policy. Throughout the day, a parade of Federal Open Market Committee members whose monetary policy inclinations span the spectrum from dovish to hawkish will deliver remarks.

Economic Calendar

	Date	Actual	Estimated	Prior
MONDAY, FEB. 18				
	None Scheduled			
TUESDAY, FEB. 19				
Home builders' index	Feb.	62	59	58
WEDNESDAY, FEB. 20				
Housing starts*	Jan	DELAYED		--
Building permits*	Jan.	DELAYED		--
FOMC minutes				
THURSDAY, FEB. 21				
Weekly jobless claims	2/16/2019	216,000	229,000	239,000
Durable goods orders	Dec.	1.20%	1.40%	1.00%
Core capital equipment orders	Dec.	-0.70%	--	-0.60%
Philly Fed	Feb.	-4.10	--	17.00
Markit manufacturing PMI (flash)	Feb.	53.70	--	54.90
Markit services PMI (flash)	Feb.	56.20	--	54.40
Existing home sales	Jan.	4.94 mln	4.99 mln	5.00 mln
Leading economic indicators	Jan.	-0.10%	--	0.00%
FRIDAY, FEB. 22				
Chicago Booth monetary policy forum				
MONDAY, FEB. 25				
Chicago Fed national activity index	Jan.			0.27
Wholesale inventories* (new date)	Dec.			0.30%
*DELAYED BY GOV SHUTDOWN				

Chart of the Day: US Existing Home Sales

Mortgage Capital Management

1660 Hotel Circle North, Suite 700
 San Diego, California 92108
 Phone: 858.483.4404
 Email: info@mortcap.com
www.mortcap.com